

PURCHASING GUIDELINES

Requisition Procedures

In General

District policy requires that in all cases calling for the expenditure of district money, except payrolls, a requisition and purchase order system must be used. No purchase, with the exception of petty cash purchases (see Petty Cash Accounts discussion below), will be authorized unless covered by an approved requisition and purchase order. No bills will be approved for payment unless purchases are made on approved purchase orders. Accordingly, as a general matter, reimbursement for purchases made without the proper requisition/purchase order in place, will not be allowed (see Reimbursement for Purchases discussion below).

The district's requisition and purchase order system requires the completion of a requisition form that includes the district location, the individual requesting the purchase, the date and the relevant budget account code number to be charged. In addition, the requesting party should indicate the quantity, description of the item(s), unit price and total cost, as applicable. Finally, the requisition must be approved by the "lead administrator" (or approved designee) with requisition authority for the budget account code specified in the requisition.

The lead administrator can delegate requisition approval authority to another administrator or assistant (i.e. an Elementary School Principal could delegate such authority to their office manager) and they would have authority to approve all requisitions that could otherwise be approved by that lead administrator. Despite such delegation, the lead administrator would retain full responsibility for the proper spending of district funds for the budget areas under their lead administrative control. Administrators will be asked annually which administrator/assistant (if any) they would like to so designate and such designations are subject to final approval by the Director of Business Services.

Since such a designation allows the designee to approve any requisition which could otherwise be approved by the lead administrator, it is the lead administrator's responsibility to monitor all approved requisitions through regular review of the detailed expenditures for their budget areas to ensure appropriate spending within budget line spending limits. For additional spending control and to reinforce budget line item responsibility, a lead administrator can utilize an "initial approver" mechanism for requisitions, which require another level of approval before requisitions for that budget area are processed. This would be mainly applicable at GPHS where the lead administrator (i.e. the principal) may wish to have core leaders approve requisitions before review/approval by the lead administrator or designee. It is the lead administrator's responsibility to decide whether to use the "initial approver" option and to implement and monitor this option directly or through approved designees. The Business Services Department will process all requisitions that have lead administrator (or approved designee) authorization and will not follow up regarding the lack of an initial approver signature.

Please note that costs associated with the item to be purchased (such as installation, service fees, shipping etc.) should be included in the purchase requisition. To the extent that a purchase will impact a support service area such as Maintenance, Print Shop, Custodial, Information Services or Food Service by requiring services or other costs to be incurred by those areas, requisition approval must also be obtained from the support service area Supervisor.

Once properly completed, the requisition must be electronically submitted to the Business Services Department for approval and processing. The requisition form may additionally be sent in an interoffice mail envelope with any supporting documentation for the purchase; however, it should indicate "requisition" on the envelope.

Federal Programs and Other Grants

The purchasing procedures described in this memorandum apply equally to purchases made using Federal Program or other Grant monies (Funds 200-279). Similar to General Fund expenditures, Federal Program and Other Grant lead administrator requisition approval authority can be delegated to a designated administrator or assistant. Such designation is subject to the approval of the Director of Business Services. As with general Fund requisitions, Federal Program and Other Grant requisitions submitted without lead administrator (or approved designee) authorization will be returned to the lead administrator for review and follow up.

Requisitions Charging More Than One Fund

Certain circumstances call for execution of a requisition charging part of a cost to the General Fund and charging the balance to a Federal Program or Other Grant. In such cases, the requisition will require **authorization by both** the General Fund lead administrator (or designee) **and** the Federal Program or Other Grant lead administrator (or designee).

Requisitions submitted without the necessary information or approval will not be processed and will be returned to the lead administrator (or approved designee) for follow up.

Purchases Requiring Competitive Bids/Quotes

Board Policies [DJ](#) , [DJC](#) and associated [Administrative Regulation DJC-AR](#) provide specific rules requiring the use of competitive bids/quotes for the purchase of goods and services by the district in order to comply with state public contract law. Although district policy in this area is fairly detailed, the following summarizes the procedures staff should follow to ensure compliance with these rules when making purchases¹:

1. All proposed purchases of goods or services in the amount of \$5,000 or more generally require use of the competitive bidding process. Requests must be submitted to the Director of Business Services for approval **prior to processing** the associated requisition;
2. All proposed purchases of goods or services in an amount of \$500 to \$4,999.99 require a minimum of 3 informally solicited, competitive, **written** quotes which can be in the form of a letter, fax, email, published web page or other written documentation from a vendor. If 3 competitive quotes cannot be obtained, a written record must be kept of the attempt to obtain 3 quotes and why 3 quotes were unavailable. The quotes should be with respect to the same product or service and the underlying documentation must accompany the approved requisition when submitted;
3. Proposed purchases of goods or services in an amount less than \$500 do not require obtaining competitive quotes except when the lead administrator (or designee) determines it is practical to do so. When the lead administrator (or designee) determines it is practical, 2 or more informally solicited, **written or verbal** quotes should be obtained. Written quotes should be attached to the requisition and verbal quotes should be noted on the requisition indicating the source and amount of each quote. The practicality of obtaining competitive quotes for purchases under \$500 should be based on relevant circumstances including the ready availability of competitive quotes for the

¹ The dollar thresholds noted in this section refer to the total purchase contract amount irrespective of the number of items or services involved. Therefore, if the proposed purchase is for ten bookcases at \$500 each, the transaction is a \$5,000 purchase, not ten \$500 purchases. Please note that it is specifically prohibited under applicable rules to split purchases to avoid the competitive bidding process.

particular purchase. As a general matter, it would not be considered practical to obtain competitive quotes for purchases under \$100;

4. District 7 is a member of the Oregon Cooperative Purchasing Program which allows access to state pricing agreements on certain products and services. It is not necessary to obtain competitive bids/quotes when products or services are purchased by accessing a state contract since the competitive bidding process was already done when the state contract was awarded. This mechanism can be particularly advantageous in the case of large purchases due to the reduced administrative burden and favorable pricing potential. Please contact the Warehouse Supervisor, Robin Stromberg, or Business Director, Sherry Ely for more information on this process.

Requisitions submitted outside the above-described competitive bid/quote guidelines will not be processed and will be returned to the lead administrator (or approved designee) for follow up.

Note: The above competitive bid/quote guidelines apply to purchases by all funds (General, Site General, Federal Programs, Student Body, Food Service etc.)

Reimbursement for Purchases

As indicated above, district policy provides that no purchase, with the exception of petty cash purchases, will be made unless such purchase is covered by an approved purchase order. Accordingly, as a general matter, staff will not be reimbursed for supply purchases made outside the requisition/purchase order process described in this administrative memorandum. Lead administrators (or their designees) should ensure that staff do not initiate purchases or otherwise commit the district's resources without a properly executed requisition/purchase order in place. To the extent unapproved purchases are made, the district reserves the right to refuse payment for such purchases resulting in the staff being personally responsible for any cost incurred.

In order to minimize reimbursement problems for recurring purchases and provide limited purchasing flexibility, requisitions approved by the lead administrator (or designee) will be accepted for "set limit" open purchase orders with designated vendors to allow staff to make purchases without submitting requisitions for each purchase. The requisitions for these purchase orders should indicate the budget account code and a purchase limit amount. More than one budget account code and amount can be indicated on a single vendor open purchase order. The open purchase orders for any individual account code should not exceed the total amount budgeted for that account code. These open purchase orders should be established at the beginning of the fiscal year through the Business Services Department which will maintain a control listing of these P.O.'s.

Notwithstanding Business Services Department coordination, the lead administrator (or designee) is responsible for:

1. Limiting access to P.O. information to authorized staff only;
2. Ensuring that the purchase order limits are not exceeded; and
3. Processing an additional requisition if purchases will be made in excess of the original P.O. amount.

In limited circumstances, based on a properly authorized requisition, a "set limit" purchase order can be opened in the name of a district employee to support cost reimbursements for certain expenditures associated with that employees specific duties for the district. In addition, the Petty Cash Account system described below can be used to facilitate incidental purchases through an approved reimbursement process.

Technology Purchases

The Business Services Department will forward all technology purchase requisitions (both software and hardware) to the Information Services Department for review and approval prior to a purchase order being issued in order to ensure that such purchases are in compliance with the District's technology objectives. Due to the unique nature of technology purchases, the Information Services Department will ensure that all competitive quote/bid requirements have been met. Any questions regarding compatibility, ongoing maintenance costs or other concerns will be raised with the lead administrator (or designee) authorizing the requisition.

Warehouse Requisitions

Requisitions from the warehouse will be submitted through an online requisition system available through the District 7 Intranet. Written warehouse requisitions will no longer be accepted. This system is designed to provide a user friendly mechanism to order, authorize and fill supply orders from the warehouse while providing more accurate inventory control and timely reordering of supplies by the warehouse. Due to the availability of favorable purchasing contracts, supplies ordered through the warehouse can, as a general matter, be provided at a lower cost to the district than purchasing the same or similar products through local retailers such as Wal-Mart, Staples or Costco and at a much lower cost than educational specialty stores such as Class E Professor. It is noted that the warehouse does not carry all the needed instructional and other supplies and that it will still be necessary to purchase certain specialized products from outside vendors. The warehouse will be working to increase their product selection through suggestions received via the online ordering system and periodic review of outside vendor supply purchases so that use of the warehouse (with the associated cost savings) can be optimized.

Warehouse supply purchases are tracked under Object Code 411 with non-warehouse supply purchases still being charged to Object Code 410. Lead administrators will be given budget line flexibility between these object codes with an Object 411 unencumbered balance being tracked through the warehouse online requisition

Budget Line Item Flexibility

The detailed budget provides budget line item limits on spending within the appropriation levels established by the Board of Directors in the adopted budget. The Board has recognized that the adopted budget is a financial plan which may be subject to change as a result of circumstances or events occurring during the ensuing budget period. Accordingly, the Board has authorized the issuance of guidelines to allow certain spending flexibility while retaining budgetary control. The guidelines set out in [Administrative Regulation DBK-AR](#) applicable to purchases in the 300-800 major object code expenditure categories can be summarized as follows:

1. The District has implemented a "memo account" budget line item transfer process. These transfers can be initiated by the building administrator or designee.
 - Transfers that are within the same function, and are under \$1,000 will be processed;
 - Transfers that are over \$1,000.00 or that are requesting movement of funds between functions will be electronically routed to the Director of Business Services for approval;
 - Transfers that are requested between major functions, i.e., from a 1xxx function to a 2xxx will be rejected as funds cannot be transferred between major functions without board approval.

Petty Cash Accounts

District policy provides that in order to expedite refunds and **minor purchases**, revolving petty cash accounts may be established in building locations at the discretion of the building administrator. Petty cash accounts will be established as follows:

• Elementary Schools	\$350
• Middle Schools	\$200
• Gladiola	\$100
• Grants Pass High School	\$250
• Support Services:	
1.Maintenance & Transportation	\$200
2.Central Office, Print Shop & Food Service	\$100

Expenditures against these funds must be itemized and accounted for with appropriate records and receipts. Budget codes along with approving signatures of individuals authorized by the lead administrator to expend district funds must be included on a petty cash accounting report.

Each lead administrator (or approved designee) will be responsible for accurate record keeping of expenditures and will periodically submit to spot audits by the Business Services Director or one of the accounting staff. Detail of expenditures will be submitted to the Business Services Department by the 10th of each month for entry into the accounting system and reimbursement of cash expended.

Student Body Funds (Fund 280)

[Board Policy IGDC](#) defines student activity funds (hereinafter “student body funds”) as those funds raised or collected by and/or for school approved student groups other than those provided in the General Fund. Policy further provides that student activity monies shall be collected and expended for the purpose of supporting a school’s co-curricular activities programs which are defined as school sponsored activities under the guidance or supervision of qualified adults. The policy specifically states that all expenditures from student activity funds shall be expended to benefit the student body as a whole or the specific organization that raised the funds.

The building principal (or designee) and the person in charge of the student activities program shall be responsible for administration of the building’s student body funds. A student leader of the school- recognized student organization shall serve as a representative of that organization in partial administration of the organization’s activity funds.

[District policy](#) requires that all student body monies shall be handled according to district fiscal policy and acceptable accounting procedures. All student body fund expenditures must be approved by the building principal (or designee), the person in-charge and the student leader of the applicable student organization. Grants Pass High School utilizes a “school purchase order request” form which when approved results in the issuance of an “ASB purchase order”. This system is in general compliance with district fiscal *policy and the Business Department will be developing a requisition/purchase order report system for the middle schools*. Elementary school student body fund requisitions are processed through the District’s Business Office.

Site General Funds (Fund 150)

Purchases for the recently instituted Site General Funds should follow the same guidelines as Student Body Fund purchases using the same requisition/purchase order system. For those sites which are implementing a Student Body Fund requisition/purchase order system, the same system should be extended to all Site General Fund purchases when implemented. All

elementary school student body fund requisitions are processed through the District's Business Office.

Support Services

Maintenance "Work Orders", Transportation "Trip Requests" and Print Shop "Request for Printing" orders can also result in non-salary district expenditures. In general, these expenditures are included in the budgets for these Internal Service Locations (ISL's) and purchases are made using requisitions/purchase orders established for these locations. Internal service request forms will be treated like requisitions for purposes of lead administrator (or designee) approval and **such forms will be returned if there is no approval by the lead administrator (or designee) for the submitting location.**²

The budgets for these ISL's include estimated, non-payroll expenditure amounts for supplies, outside professional services and other costs to provide **ordinary and necessary** services to the schools in these areas. Any request which in the judgment of the ISL lead administrator is beyond the ordinary and necessary service level will be forwarded to the Director of Business Services for review and follow up with lead administrator for the location making the request. This most often occurs in the maintenance area where work order requests are made for projects that are outside the scope of ordinary and necessary maintenance work. In the current fiscal environment, lead administrators (or their designees) should review all ISL requests and approve only those requests necessary to provide a District 7 quality education.

Food Service Assistance

The Food Service Fund is separate from the General Fund and any service/supply requests for this area should be submitted in writing (via memorandum or email) to the Food Services Supervisor for review and approval in order to comply with state and Federal guidelines in this area, as well as to ensure that proper inter-fund accounting procedures are followed. A Food Service "Supply & Catering Services" form is available from the site cafeteria staff or the Food Service Department for use in this area.

² To facilitate timely processing, the only Print Shop service requests requiring lead administrator approval are copyrighted material, booklets, transparency orders and color copying. All other orders will be processed with teacher approval with discretionary follow up with the lead administrator when deemed necessary by the Print Shop Supervisor.