

Purchasing Handbook

Orcutt Union School District

2019-2020

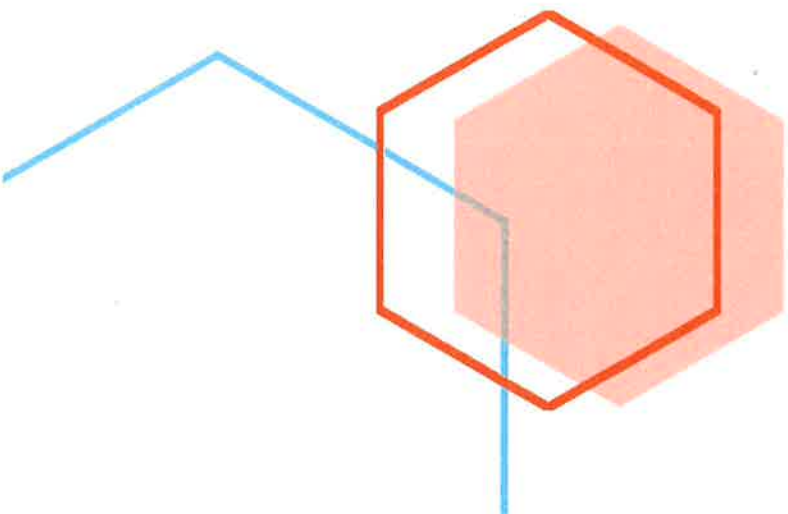


Table of Contents

Introduction.....	2
Code of Ethics.....	2
Assistance and Questions.....	3
Purchase Order Process.....	3
Blanket Purchase Orders.....	5
Purchase Order Terms and Conditions.....	5
Unauthorized Purchases.....	5
Merchandise Returns to Vendors.....	6
When are Quotes Required.....	6
Computers, Printers, Toner, and Software Purchases.....	6
Contracts and Consultant Agreements.....	7
District Credit Cards.....	8
Fiscal Year End.....	9
Travel and Employee Reimbursement.....	9
Out of State Travel.....	10
Meal Allowances.....	10
District Vehicles.....	10
Car Rental.....	11
Employee Reimbursement Request.....	11
How to Submit an Employee Reimbursement.....	11
Tracking and Taking Care of District Equipment.....	12
Surplus Property Disposal.....	12
Equipment Repairs.....	12
U.S. Mail.....	13

INTRODUCTION

The mission of the Business Service Department is to respond to District needs through timely procurement of quality equipment, materials, supplies and services in the required quantity, at the best competitive prices, and from the most reliable sources for the benefit of the students of Orcutt Union School District. All while maintaining appropriate internal controls and reasonable business operations.

This handbook is intended as a general guide to assist sites and departments through the District's purchasing process and to provide an overview of Board policies, District procedures, legislative requirements and guidelines for acquiring goods and services.

CODE OF ETHICS

Orcutt Union School District is a public agency. Therefore, it is the commitment of the Business Service Department to maintain high standards of honesty, integrity, impartiality, courtesy, and conduct. Such a commitment is implemented by prescribing essential standards of ethical conduct.

In order to maintain these standards, the Business Service Department subscribes to the following principles in the procurement of goods and services. It is essential that all District personnel conducting business with a vendor also observe the ethical standards described herein.

- To give first consideration to the strategic plan, goals, objectives, policies, and procedures of Orcutt Union School District.
- To grant all competitive bidders equal consideration.
- To promote fair, ethical and legal trade practices.
- Employees shall not make, participate in making, or in any way use or attempt to use his/her official position to influence a governmental decision in which he/she knows or has reason to know that he/she has a disqualifying conflict of interest. A conflict of interest exists if the decision will have a reasonably foreseeable material financial effect on employees unless the effect is indistinguishable from the effect on the public generally or the Board of Trustee's or designated employee's participation is legally required (Government Code 87100, 87101, 87103, 2CCR 18700-18709)
- To discharge duties impartially to assure fair competitive access to procurement from the Orcutt Union School District by responsible vendors.
- To strive to obtain the maximum ultimate value for each dollar of expenditure.
- To maintain a zero tolerance for solicitation, demanding, accepting or agreeing to accept a gratuity, personal gift or any offer in connection with any decision, approval, disapproval, recommendation or preparation of a purchase. Public officials should avoid even the appearance of impropriety (Board Policy 3315)

ASSISTANCE AND QUESTIONS

The District uses the purchase order process for budgetary control to document the authorization process. For this reason, staff members will follow the process for the audit trail to be intact. The Business Service Department and the Accounting Department have the ability to assist you in a variety of ways. Please read through the areas below and if you need some additional assistance, call us – we are here to help!

Information	Staff	Ext.
Purchasing Information	Julie Payne	8916
Accounting, Vendor Payment Status	Anna Orca	8905
	Bre Guerrero	8906
Contracts, Asset Inventory	Julie Payne	8916
Warehouse, Deliveries and Returns	Neil Cunningham	6974

PURCHASE ORDER PROCESS

A Purchase Order must be in place prior to goods/services being ordered or contracts signed.

Open a requisition in Escape and include the following:

- Quantity
- Model numbers or item numbers
- Color/Description
- Training requirements
- Maintenance requirements
- Estimated cost
- Shipping charges and recycling fees
- Detailed hotel information
- Attachments

All requests for goods and/or services shall be submitted by way of an Escape requisition. The requisition shall be electronically approved by the site/department administrator and the Business Service Department.

The requisition must be completely filled in with the following information:

- Vendor name, address, phone number, fax number/email and contact (if any). If the vendor is not in Escape, please select **9999 TBA**. Insert the vendor information to include address, phone number, and fax number under the **Note** tab and Business Services will input the new vendor into the Escape system. A W9 is necessary to create a new vendor. **It is the responsibility of the person creating the requisition to obtain and attach the W9 to the requisition.** The requisition will not be approved until a W9 is received.
- Select “PO with” or “PO without receiving”. For example, if you are expecting a shipment to be received by the warehouse, then please select PO with receiving. If nothing is coming to the warehouse, then please select PO without receiving. Note, if you are opening a blanket PO, for example Amazon, please select PO without receiving even if the warehouse will be receiving a shipment.
- Quantity ordered
- Unit (each, dozen, set, etc.)
- Complete description of item(s) being ordered, including stock number and ISBN numbers, if available. This is where you would note the who, what, when, where, and why. Be as descriptive as possible, for example, ACSA Conference Fees - Sally Jones will be attending the ACSA Conference for the New Teacher Summit on 3/1/18 in Sacramento. The more information you provide, the faster your requisition will be approved. It is imperative that the information in your backup match the detailed description in the requisition.
- Category (use the drop down tab to determine the category of the item ordered)
- Unit price
- Shipping, freight or handling charges will be listed as a separate line item on the requisition.
- In the message after, on the last line item, indicate how you would like the PO to be handled, for example, if you would like the PO emailed/faxed/mailed or any other special instructions. If instructions are not included the PO will be forwarded back to the originator, so that he/she will then be responsible to take the next action on the PO.
- The district must pay sales or use tax for purchases of all goods. Sales tax in Santa Barbara County (Orcutt) will automatically be calculated on the purchase requisition. Tax is paid on merchandise and sometimes shipping, even if the order is an out of state order. Be aware that this will affect your overall cost.
- All backup is to be attached to the requisition at the time of creation (conference registration forms, list of supplies, quotes, reimbursement receipts, etc.). Please do not send a hard copy to the Accounting Office. A check will not be processed without proper backup even if a purchase order has been approved.
- A copy of the completed purchase order will be returned to the person that created the requisition to verify that the order has been placed.
- Allow 2 business days, once it is received by the Business Service Department, to review and take action on any submitted requisitions.

OPEN/BLANKET PURCHASE ORDERS

All purchases shall be made by formal contract and purchase order. In order to eliminate the processing of numerous small purchase orders, the originator may create an "open" purchase order for the purchase of items that are needed from the same vendor throughout the year. Keep open purchase orders to an absolute minimum because the entire amount of your open purchase order will be encumbered and will not be available for other purchases. **Open purchase orders may not be used for furniture, equipment, or any individual item \$500 or more.**

Open purchase orders may be requested for supply items and should include:

- A "not to exceed" amount
- Type of items that can be purchased under this type of purchase
- A specific time period, not to exceed the end of the current fiscal year (June 30th)
- Fixed asset object code (4400) and capital asset project object codes (6400, 6500) **cannot** be used on an **open purchase order**.

PURCHASE ORDER TERMS AND CONDITIONS

Some of the District's standard terms are:

- **Net 30:** This means the vendor will receive payment within 30 days of receipt of goods/services and invoice. To meet these terms a purchase order must be issued before the goods or services are received.
- **Shipping:** All District bids and quotes require the cost of shipping/freight charges to be included, but we will pay actual shipping cost as agreed on the purchase order. All items are to be shipped to the warehouse. **Under no circumstance should items be shipped to a residential address.**

UNAUTHORIZED PURCHASES

Only board approved District representatives may financially obligate the District. The District requires the issuance of a signed purchase order prior to a vendor furnishing services or shipping materials. (Education Code 42631; 42632)

DO NOT place orders with a vendor using a requisition number. Any orders placed without authorization will be the financial responsibility of the originator. The Business Service Department will place all orders via fax/email/mail with a valid purchase order. If you do not follow this procedure, you take a risk of duplicating the order and will be held responsible for the return of the items.

MERCHANDISE RETURNS TO VENDORS

- Contact the vendor, as specified by vendor, on receipt of merchandise.
- Let them know why you are returning the item(s) and give them the purchase order number. The vendor will give you a return authorization number.
- Address package to the vendor with a new shipping label.
- Note the purchase order number and return authorization number on the package, and the reason for the return such as 'Duplicate Order Received' or 'Exchange'.
- Notify the Warehouse that you have a return going back to the vendor.
- Originator is responsible for restocking and shipping fees.

RETURN ONLINE ORDERS

Returns for orders with Office Depot or other on-line vendors are to be arranged by the site/department within 30 days. The company will pick them up at the site of origin.

- Label the return packages with the purchase order number, return authorization number and the reason.
- Depending upon the type of commodity, vendor, or purchasing conditions, restocking and/or freight charges may have to be paid if the item was improperly specified on the original requisition.

WHEN ARE QUOTES REQUIRED?

Board Policy and Administrative Regulation 3311 (b) requires District employees to provide the following information for purchases with a **unit** cost of \$500 or more.

Supplies:

- \$500 - \$4,999 - three (3) written quotes. Please include the names of the three vendors who provided a quote in the "notes" section of the requisition. This information will be kept on file for external audit review.
- \$5,000 - \$92,600 - three (3) written quotes. Please attach a copy of the quotes obtained from three vendors to the requisition. This information will be kept on file for external audit review.

COMPUTERS, PRINTERS, TONER, AND SOFTWARE PURCHASES

All computers, printers, software purchases, and toner must be approved by the Technology Department. No technology will be added to the network without prior approval from the District's Chief Technology Officer.

After department approvals and all budget strands have been received, the Technology Department will submit the requisition for the computer/technology purchase, as well as any software or licenses needed. All computers/technology devices will be shipped to the District Warehouse. The computer will be programmed and asset tagged by the Technology Department and then sent to the school/site.

If applying for a technology grant, contact the Technology Department for help and supplemental information prior to submitting your grant request.

FURNITURE PURCHASES

Please contact the Director of MOT at ext. 8971 for authorization to purchase:

- Desks
- Tables
- Shelves or storage cabinets

CONTRACTS AND CONSULTANT AGREEMENTS

Contracts can only be signed by a Board approved District representative (Superintendent; Assistant Superintendent, Business Service or Director of Fiscal Services).

Send all vendor-originated contracts and documents to Business Services for review and signature.

Examples of contracts include, but are not limited to:

- Field Trips with other private or public agencies. This includes, bus service contracts and Whale Watching Tours, Museums, PCPA, etc...
- Yearbook Purchases
- Workshop Presentations
- Independent Contractors

Consultant agreements are completed for maximum of 12 months. Send all completed consultant agreements to the Business Service Department for review two weeks before the date of the service. A purchase order must be submitted at the time a Consultant Agreement is sent to Business Service. The Consultant Agreement will not be signed until a purchase order is in place. **Any individual, outside those authorized by the board (Superintendent; Assistant Superintendent, Business Services or Director of Fiscal Services) who signs a contract could incur personal responsibility for the terms of that contract.**

After the service has been rendered, the consultant must submit an invoice to be paid. The invoice needs to have the name of the consultant (and/or business name), consultant address, dates of service, and amount due. Please review the invoice, approve it, note the purchase order number and forward to Accounts Payable for payment. Once the invoice has been received by the Accounting Department allow 30 days for processing.

DISTRICT CREDIT CARDS

CREDIT CARD USAGE/CREDIT CARD CHECKOUT PROTOCOL

- Purchase requisitions must be created with a complete description of event/meeting (who, what, where, when, why etc.) prior to checking out credit card.
- The cards are kept in the Business Service office. Call Business Services at ext. 8916 or the Director of Fiscal Services at 8915 in advance of checkout to ensure that the cards are available.
- A purchase order number will be required at the time of checkout.
- Credit cards and itemized receipt shall be returned within 1 business day from the time of checkout.
- Upon return, please tape receipt to a letter sized piece of paper and write your name, purchase order number, and date. Include backup documentation explaining the purpose/reason for purchase.
- If you purchase food for an event, include a flyer of the event and a sign in sheet of who attended the event when the card is returned.
- When tipping for a food delivery or pick up, the allowable tip amount shall not exceed 10%.
- When tipping for in house dining the allowable tip amount shall not exceed 15%.
- Credit cards available for check out include: Cal Card, Costco, Food Maxx, Albertsons, and Smart & Final

Home Depot: From time to time, sites and departments may need to purchase materials or supplies from Home Depot. Credit cards are not available for check out. All orders must be made online via a purchase order. Purchase requisitions must be created with a detailed description of all items requested along with any identifying sku numbers or item numbers.

To ensure that the items you are requesting are correct, please attach your “Home Depot Cart” to the requisition. Home Depot orders will be placed by the Business Service Department, ext. 8916.

Exxon and Shell Gas Cards: When renting a vehicle, please contact MOT at ext. 8973, and a gas card pouch will be checked out to you (a purchase order is required prior to checking out a gas pouch). You will be required to provide MOT with backup, i.e. conference flyer, conference registration etc. and your purchase order number when checking out a gas pouch. Please follow the instructions in the gas pouch for further directions and guidelines.

FISCAL YEAR END

The fiscal year ends on June 30th of each year, to ensure that all products/invoices are received by this day all requisitions must be submitted by the second Friday in April.

- School Sites: To guarantee payment, all orders must be received and invoiced by the last day of school.
- All Other Departments: To guarantee payment, all orders must be received and invoiced by June 30th.

If goods/services are not received and invoiced, the purchase order will be canceled and a new requisition must be created for the next fiscal year.

To ensure that we can accurately close our books the following items must be completed:

- All employee/travel/reimbursements must be submitted within 30 days of purchase or travel and no later than the last day of school. If reimbursements requests are not submitted within 30 days of purchase or travel they may not be eligible for reimbursement.
- Review and close out open purchase orders by the last day of school.
- All deposits (including ASB) must be submitted to the Accounting Office by last day of school.

TRAVEL AND EMPLOYEE REIMBURSEMENT

TRAVEL AND CONFERENCE PURCHASE REQUISITIONS

Purchase orders should be made with the U.S. Bankcard vendor #000185. Items listed below should be included and attached to the Purchase Requisition:

- Hotel name, address, phone number, fax number
- Date of arrival and departure
- Names of individuals traveling (rooming list if applicable) and reason for travel
- Cost of room per night, applicable taxes, hotel and parking fees
- Confirmation number or quote
- Site/departments originating the purchase requisition shall attach all back up documentation with the purchase requisition, for example, a copy of flyer/documentation for workshop/training etc..., a credit card authorization form, and hotel confirmation paperwork.
- Individuals making the hotel reservation should hold the room with their district issued credit card. Those that do not have a district issued credit card can check out a credit card via the Business Service Department.

When Business Services receives the purchase order the credit card authorization will be sent to the hotel (and confirmed that it was received). The credit card that was used to hold the reservation will be replaced with the district purchasing credit card. **Note it is your responsibility to confirm your reservation with the hotel at least two days prior to arrival.** If additional help is needed, please call the Business Service Department, ext. 8916.

OUT OF STATE TRAVEL

Travel out of state is only permitted with prior Board approval. To travel out of state for a conference, field trip or other allowable travel begin by seeking approval from the site administrator or department head.

After approval by the site administrator or department head, the request must be submitted to the office manager to prepare a Board action item for presentation to the Board. The request needs to be accompanied with details and information regarding the date(s), length of travel, cost, budget, destination, transportation method, reason for travel, and the benefit to the district.

MEAL ALLOWANCES

Individuals on approved travel may obtain a cash advance prior to an event or reimbursement after an event with the submission of a completed Claim for Travel Reimbursement form along with the conference flyer. To receive a cash advance prior to your event the cash advance request must be received by the Accounting Department two (2) weeks prior to the date of your travel. To receive a reimbursement after the event a Claim for Travel Reimbursement form must be received by the Accounting Department within 30 days the event. Meals provided in the cost of a conference are not eligible to receive a cash advance or reimbursement. If you choose to not eat that meal, the cost of purchasing a meal is your responsibility.

Limits for meal allowances:

- Breakfast may be claimed if travel begins before 7:00 AM at per diem rate of \$15.00
- Lunch may be claimed if travel begins before 11:30 AM at a per diem rate of \$20.00
- Dinner may be claimed if travel begins before 6:00 AM at a per diem rate of \$30.00

DISTRICT VEHICLES

When a district vehicle is available, a district vehicle will be used for school business travel as long as your travel begins and concludes during one business day. For example, if you have a conference in Santa Barbara and will be returning that same day, a district vehicle should be used if it is available. Vehicle requests should be made in My School Dude under Trip Request. A School Dude trip request must be made two weeks in advance. If less than two weeks, please call MOT at ext. 8973 for further instruction.

A rental vehicle must be rented when your travel will take more than one business day or roundtrip travel exceeds 200 miles. For example, if you are traveling to San Jose for a two-day conference, you must rent a vehicle. The use of a rental car would minimize travel costs in comparison to mileage reimbursement.

If a district vehicle is not available and your travel is 200 miles or less roundtrip, then you may use your own vehicle and submit a mileage reimbursement request form or you may utilize a rental vehicle. Reimbursements will be calculated at the current IRS rate. Your request for reimbursement must be received by the Accounting Department within 30 days of the completion of travel. Requests submitted after 30 days will be denied.

CAR RENTAL

To reserve a rental car, please email your contact (indicated below) and they will create a purchase order for a rental car. They will need the following:

- Pick up location
- Date/Time of departure and return
- Type of vehicle
- Name of individual driving the vehicle
- Please attach backup, i.e., a flyer of the event you are attending

Your contact person will email you a copy of the rental confirmation number. A photo ID and the rental confirmation is the only thing that is needed to pick up your rental car. The District employee who is named on the rental contract must be the one who picks up the rental car and present their ID to the rental agency. It is not necessary to buy or agree to any additional insurance information. If you have any problems, please call your contact.

Contact person:

- All school site rental requests will go through the IMC, ext. 8930
- All Childcare and Technology rental requests will go through Technology, ext. 8945
- All Business Service, Child Nutrition and MOT requests will go through the Business Service Department, ext. 8916

EMPLOYEE REIMBURSEMENT REQUEST

Reimbursements are intended for travel, mileage expenses, uniform expenses (per collective bargaining agreements), and supplies. A reimbursement request may be considered under the following circumstances:

- Business related travel expenses that are not prepaid by the district, for example, parking.
- Items only available from sole/single source supplier who does not accept purchase orders. A sole/single source supplier is defined as being the only supplier that provides the product you are intending to purchase.
- Sufficient funds are available in site/department budgets.

HOW TO SUBMIT AN EMPLOYEE REIMBURSEMENT

Complete and sign the Employee Reimbursement Form where indicated and attach all itemized receipts necessary for verification. An original invoice, cash register tape, or sales slip must support each reimbursement request. The item(s) purchased must be described on the itemized receipt.

- Itemized receipts must only include goods or services that are a legal expenditure of school district funds. Please make sure that only reimbursable items are listed on the receipt.
- Personal items for you or your household must not be listed on the receipt you are turning in for reimbursement.
- Please attach itemized receipts to an 8 1/2" x 11" sheet of paper.

- Request must be made within 30 calendar days from date of purchase or your request may be denied. If your purchase was made during the summer break, you have 30 days from the start of school to request reimbursement.

The District will not consider a reimbursement request for the following items:

- Non-compliant food such as snacks, drinks, candy
- Payments to individuals and vendors for contracted services
- Flowers, plants, gifts or gift cards
- Furniture
- Technology, including toner (must be purchased through the Technology Department)
- **ANY** items that can be purchased through the District's purchase order process

The Employee Reimbursement request is to be forwarded for approval to the principal or department head. The principal or department head must indicate on the claim the budget code to be charged. **A signature on this form by a principal or department head attests and/or confirms that the reimbursement being pursued complies with District's policies and procedures and that sufficient funds are available.**

Please send/drop off the form to the Accounting Office at the District Office. Allow 30 days for the check to be processed. The reimbursement check will be mailed to the address on file.

TRACKING AND TAKING CARE OF DISTRICT EQUIPMENT

ASSET INVENTORY

School districts are required to track all assets from purchase to disposal. Equipment categorized as a district asset is any item that cost \$500 or more. Such items must be delivered to the Warehouse. The Warehouse will affix a district asset number to the item and forward paperwork to the Accounting Office. In the event that an asset is delivered directly to a site, a Warehouse staff member will travel to the site and affix the asset tag on the asset.

SURPLUS PROPERTY DISPOSAL

The Board of Trustees must authorize the disposal and sale of surplus property. Surplus property disposal of all school district materials and equipment is managed by the M.O.T Department. If your site has surplus property and/or equipment, please call the M.O.T Department at ext. 8973.

EQUIPMENT REPAIRS

Items covered under warranty or maintenance agreement:

- Call the vendor to request repair.
- If an item must be taken to the Warehouse to return to vendor, complete a work order to arrange for pickup. Provide them with the make, model, and serial number of the item to be repaired.

Items no longer covered under warranty or maintenance agreement (charges will apply):

- Sites will contact the vendor for an estimate and submit a requisition for repair.

Technology repairs:

- All technology repair requests need to follow the Tech Help Desk Ticket protocol.

U.S. MAIL

If you have a large mailing you want to go out the same workday, drop it off at the District Office no later than 10:00 am. Any large mailings received after this time will go out the next workday. Please note that no folded paper mailing can be processed through the postage machine.

- Postage will be charged to school site.
- All mail should have the site's return address.