

HOONAH CITY SCHOOL DISTRICT

SOP No. 5

PURCHASING PROCEDURE

1. PURPOSE: To maximize the value of public resources in order to maximize educational programs of the school district.
2. AUTHORITY: Superintendent
3. RESPONSIBILITY: It is the responsibility of the individual requiring equipment, supplies, and/or services to initiate the requisition, the budget supervisor(s) to approve it and the accounting clerk to process the requisition by printing the purchase order. The Business Manager or Superintendent will sign all purchase orders.
4. GENERAL PROCEDURES: The following procedures should be followed in all instances in which a vendor is to eventually receive payment directly from the school district for goods and/or services furnished to the school district.

Note: grant funded purchases must be submitted by March 31 to ensure materials are received and paid for by June 30.

ORIGINATOR'S RESPONSIBILITY: The originator of the requisition should be the school district employee who is requesting goods and/or services from a vendor. The originator must enter all appropriate information on the requisition including using an approved vendor (if the vendor is not on the approved list, leave vendor name blank) and place his/her initials at the bottom of the printed copy.

NOTE: The "ship to" area must be completed with the name and address of one of the school district locations and shall include the name of the originator.

EXAMPLE: Hoonah City School District
Attn: James Smith
P.O. Box 157
Hoonah, AK 99829
(907) 945-3611

Estimated freight or postage shall be listed on the requisition. If in doubt as to an appropriate estimate, use 20% of the merchandise cost. Be

certain to define the shipping method (e.g. air freight, insured parcel post, etc.).

a. BUSINESS MANAGER'S RESPONSIBILITY:

- 1) The school administrator or business manager must first determine that the items being requested are actually needed or wanted and eliminate any he/she determines to be unneeded or unwanted.
- 2) The entire requisition should be checked for errors and corrected if necessary.
- 3) The proper account code or codes must be placed on the requisition with a dollar breakdown between codes. (Coding of items should be completed based on the item and not the budget line item where money is available). Purchase requisitions will be returned if account codes are not included.
- 4) If it is determined that there is sufficient money in that line item of the budget, the requisition should be printed and signed to indicate approval of the order.
- 5) **Keep a copy for your records and scan and email the original to the business office.**

b. ACCOUNTING CLERKS RESPONSIBILITY:

- 1) All requisitions shall be checked for accuracy and appropriateness. Inaccurate or inappropriate requisitions will be returned to the budget supervisor.
- 2) If the line item in the budget has an unencumbered balance larger than the requisition amount, it will be processed. If not, the requisition will be scanned and returned by email to the budget supervisor unprocessed.
- 3) The vendor may be changed on a requisition to one that offers lower prices or a lower overall cost to the district if approved by the site/budget supervisor. Alaska vendors are given first preference.
- 4) Several requisitions for similar items may be combined in order to obtain quantity discounts (normally done for school start-up supply orders).

- 5) Orders for \$10,000 or more must conform to School Board Policy BP 3311 which states, that there must be three competitive bids.
 - 6) After the requisition meets the guidelines above, a purchase order will be printed and appropriate signature obtained. **Purchase orders are to be printed and transmitted to vendors within 3 days of being received by the Business Office.**
 - 7) The original copy will be emailed or faxed to the vendor; one copy will be kept by the Accounting Clerk and one copy will be scanned to the school/originator marked 'copy'.
5. CREDIT CARD PURCHASES; the following procedures shall be followed:
- a. Funds must be available in budget accounts used for credit card purchases.
 - b. A copy of the confirmed purchase must be submitted monthly
 - c. A log of all credit card transactions must be submitted at the end of each month; account codes are required.
 - d. Failure to comply with these procedures may result in termination of credit card privileges.
6. **SPECIFIC PROCEDURES:** the following procedures should be followed when appropriate:
- a. **PHONE ORDERS:** On rare occasions and for emergencies only, it may be necessary for an order to be called to a vendor in order to speed up the receipt of the goods or services. In this case, a PO will not be issued; the transaction will be processed by accounts payable using the purchase requisition.
 - 1) Call or email the Business Manager for approval. If the business manager is unavailable then ask for the purchasing specialist.
 - 2) Furnish vendor name, account code and total amount.
 - 3) When the vendor is called, inform them that they will be receiving a purchase order in the mail and make certain that you specify the manner in which the goods are to be shipped (air mail, freight,

etc.). In all cases the actual postage or freight should be prepaid by the vendor and billed to the district.

- 4) Write "Confirmation of Phone Order" on the requisition and send it to the purchasing clerk.

b. HCS D DOES NOT ACCEPT ORDERS "ON APPROVAL":

NOTE: Invoices received by the school district from vendors requesting payment for goods and/or services that were requested by an employee who did not follow the above procedures will not be honored by the school district. These vendors will be referred to the employee to collect the billed amount or the school district will make payment and deduct the amount from any monies the school district owes the employee.

- c. Travel: Requisitions for all travel, including air fare, hotel and rental car (accompanied by an approved leave request form) will define the names of all persons traveling, departure point, destination and return as appropriate, dates of travel and purpose for travel. Requisitions should be scanned and sent to the business office **three weeks in advance** of the departure date to allow time for processing and to enable the district to receive the best air fare prices.

All travel must have an approved leave slip signed by the Supervisor/Advisor and/or the Superintendent.

See standard operating procedure No. 7 Travel Procedures for more information.