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EXPLANATION: PURCHASING (District Purchasing Procedures)

The district has requested revisions to the amounts that trigger certain actions by purchasing personnel in the General Information section.

<i>MSBA recommends that copies of this document be routed to the following areas because the content is of particular importance to them. The titles on this list may not match those used by the district. Please forward copies to the district equivalent of the title indicated.</i>				
X	Board Secretary	X	Business Office	Coaches/Sponsors
	Facility Maintenance		Food Service	Gifted
	Human Resources		Principals	Library/Media Center
	Health Services		Counselor	Special Education
	Transportation		Public Info/Communications	Technology

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PURCHASING

(District Purchasing Procedures)

General Information

The guidelines for purchasing are based on purchases less than ~~\$3,500~~5,000, ~~\$15,000~~25,000 or \$50,000. All purchases should comply with purchasing and documentation policies (DJF) and procedures.

- \$0-~~\$3,499~~4,999 - District staff must research all purchases and compare prices.
- ~~\$3,500-\$14,999~~5,000-24,999 - District staff must obtain at least three bids from providers. District staff may solicit bids, quotes or offers directly from providers and may utilize bids received by fax, telephone and e-mail, and catalog comparison. In addition, district staff may use catalogs and websites to make comparisons. If fewer than three providers sell or provide the service or product, that fact must be documented.
- ~~\$15,000~~25,000-\$49,999 - District staff must post a Request for Proposal for five business days at the administration building and electronic posting on the district procurement webpage. Late bids will not be considered and will be returned unopened to the bidder. The purchasing officer will publicly open all bids received and will maintain all documentation of the purchase, including which provider was chosen and the reasons for selecting that provider.
- \$50,000 or more - District staff must obtain Board of Education approval via Consent Agenda Item. District staff must release a competitive, sealed bid. Attach RFP or bid information to the agenda item with bid pricing/scope information for BOE approval.
- All bid documents should be kept on file for three years after the contract end date.

District staff must purchase products manufactured, assembled, or produced in the United States. International purchases or products or services will be heavily scrutinized.

Davis-Bacon Act

Laborers and mechanics employed by contractors or subcontractors to work on approved construction projects financed using federal assistance must be paid wages not less than those established for the local project area by the Secretary of Labor. Prevailing wage rates are located at: <http://www.gpo.gov/davisbacon/MO.html>. (Reference: 40 Stat 1494, Mar.3, 1921, Chap. 411, 40

U.S.C. 576A-276A-5)

Debarment and Suspension

Non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 C.F.R. Part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

Non-federal entities must go to www.sam.gov or <http://exclusions.oig.hhs.gov/> to verify the status of contractors/vendors with the federal government. To search a contractor/vendor, follow the steps listed below.

- Click on "Search Records"
- Click on "Advanced Search-Exclusion"
- Enter the social security number/tax identification number in the SSN/TIN search field

If the results indicate "No Records Found," then the contractor/vendor is in good standing with the federal government. The non-federal entity should print a copy of the search results for procurement record documentation purposes. (Reference: 2 C.F.R. Part 200.212)

Taxes

The Raytown C-2 School District is exempt from Missouri sales and use tax on purchases.

Purchase Orders

Requisitions can be created through the SISFIN portal by all staff members.

- Upon submittal of a requisition, it will be sent to the building/department secretary for approval to become a Purchase Order (PO).
- Requisitions are approved by line item.
- All requisition line items are approved or denied individually.
- Multiple requisitions to the same vendor may be combined into one PO.
- PO line items may be added the PO prior to approval routing being assigned.
- The requisition becomes a PO when budget coding is added and an approval route is selected.
- POs may must be approved or denied in their entirety.
- A PO must be created and approved prior to any purchases. POs can be created in SISFIN by administrators and secretaries.
- The vendor, building location, ship to address, attention to, PO batch, description, quantity,

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- price, and account code should all be entered correctly.
- Select the appropriate route to establish the approval process.
- When the PO has completed the approval process, the order can be placed by printing the PO and sending the approved PO to the vendor.
- Orders may not be completed prior to an approved PO.

Receiving

When the order is received, the following should be noted:

- The date
- Location
- Signature of staff who inventory the shipment on the packing slip to ensure order accuracy.

Receive the items in SISFIN.

Payments

General Information

- The cutoff for the accounts payable check-run is every Thursday at 9:00 a.m.
- Checks will be cut and mailed the following week.
- Retain all RFQ's, RFP's, and bid documentation in the building for a minimum of three years.

Invoices and Packing Slips

- Invoices and Packing Slips are two separate items and should not be confused for each other.
- All PO's, invoices and packing slips need to be sent to the business office with the PO, original invoice, original packing slip (with notated date, location, and signature of person inventorying the shipment), copy of the invoice and the purchase form DJF-AF3 (when applicable).
- Invoices may not be paid prior to the delivery of supplies or service completion.
- Examples of exceptions to this may include membership dues and registration fees.
- All invoices must have a corresponding Purchase Order number associated with it.

Preferred Vendors

Costco is a preferred vendor of the Raytown School District. District employees must follow the below procedures to make purchases from Costco while avoiding a membership fee.

- Create a PO to Costco. Remember to add a line of coding for the administration fee (1.5% of the total order).
- Take the approved PO to Costco and present the PO and School ID to greeter. Take the PO

- to the customer service department for them to process while you obtain the needed items(s).
- Your total purchase amount may not exceed the PO amount by more than \$10.
 - The Independence Store is the location that must be used.
 - All purchases must be tax exempt.
 - You may pay the PO with the receipt, or you can wait until you receive the documentation from Costco.

Tierney and Office Products Alliance are preferred vendors of the Raytown School District. Separate documents are available to explain how to make purchases from these preferred vendors.

P-Card Purchases

The following procedures should be used when making purchases with a district-assigned P-Card.

- District staff must complete and submit DJF-AF1/DJF-AF2 prior to initial use of the P-Card.
- Credit limits have been set by the Board and will only be revised with Board approval.
- All purchases must be in compliance with all Board policies and procedures. Purchases must not be for personal items, unauthorized items or items that do not benefit the district, etc.
- Only the authorized employee to whom the card is issued may use the district card.
- District staff must take all reasonable measures to protect the card against damage, loss, theft or misuse. Any damage, loss, or theft must be reported immediately to the Finance Office.
- Itemized receipts are required and must be submitted when paying the statement.

Capital Equipment, Real Property Management and Inventory

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$1,000. (Reference: 2 C.F.R. Part 200.33)

The following items are subject to the inventory management and control requirements:

- Equipment items with an acquisition cost of \$1,000 or more per unit; and
- Items with an acquisition cost under \$1,000 per unit which is considered attractive or easily pilfered.

These "sensitive" items include, but are not limited to:

- audio-visual equipment
- personal digital assistants
- digital cameras
- laptop computers
- television sets

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- DVD players
- iPads
- cell phones
- power tools
- computers
- computer accessories

Acquisition cost is defined as the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment means the net invoice price of equipment including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included or excluded in the acquisition cost in accordance with the non-Federal entity's regular accounting practices. (Reference: 2 C.F.R. 200.2)

Management Requirements

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, as a minimum meet the following requirements:

Inventory Management Controls

Equipment/Property Records must be maintained and include (Reference: 2 C.F.R. Part 200.313):

- Description of the equipment/property
- Serial number or other identification number
- Funding source of property (including Federal Award Identification Number (FAIN))
 - Located on Award Allocation Notification
 - Located on DESE Payment Transmittal
- Who holds the title, if applicable
- Acquisition date
- Cost of the property
- Percentage of federal participation in the project costs for the federal award under which the property was acquired
- Location of the property
- Use and condition of the property
- Any ultimate disposition data including the date of disposal and sale price of the property

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property. Any loss, damage or theft must be investigated. Adequate maintenance procedures must be developed to keep the property in good condition.

Property Use

Equipment must be used by the non-federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the non-federal entity must not encumber the property without prior approval of the federal awarding agency.

During the time that equipment is used on the project or program for which it was acquired, the non-federal entity must also make equipment available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired.

- First preference for other use must be given to other programs or projects supported by federal awarding agency that financed the equipment.
- Second preference must be given to programs or projects under federal awards from other federal awarding agencies.
- Third preference use for non-federally-funded programs or projects.

When no longer needed for the original program or project, the non-federal entity may transfer title to the property to the federal government or to an eligible third party provided that:

- The non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.
- When original or replacement equipment acquired under a grant is no longer needed for the original project or program, the equipment may be transferred and used in other projects or programs currently or previously funded by the federal awarding agency.
- The transfer of such items should be noted on the equipment inventory maintained by the non-federal entity.

When acquiring replacement equipment, the non-federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Property Disposition

When the original or replacement equipment acquired under a federal award is no longer needed for

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the original project or program the non-federal entity must dispose of the equipment as follows:

- Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the federal awarding agency. The disposition of such items should be noted on the equipment inventory maintained by the subgrantee/subrecipient.
- Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-federal entity or sold. The federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from the sale by the federal percentage of participation in the cost of the original purchase. If the equipment is sold, the federal awarding agency may permit the non-federal entity to deduct and retain from the federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses. Proper sales procedures must be established to ensure the highest possible return. (Reference: 2 C.F.R. Part 200.313)

Real Property Use

Real property means land, including land improvements, structures and appurtenances, but excludes moveable machinery and equipment. (Reference: 2 C.F.R. 200.85)

A non-federal entity may not use its grant for real property unless specifically permitted by the authorizing statute, regulation and Department.

Real property (if approved) must be used only for the originally authorized purposes as long as needed for that purpose, during which time the non-federal entity must not dispose of or encumber its title or other interests.

Real Property Disposition

When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Department. The instructions must provide for one of the following alternatives:

- Retain title after compensating the federal awarding agency
- Sell the property and compensate the federal awarding agency
- Transfer title to the federal awarding agency or to a third party designated/approved by the federal awarding agency (Reference: 2 C.F.R. Part 200.311)

Title to federally-owned property remains vested in the federal government. The non-federal entity must submit annually an inventory listing of federally-owned property in its custody to the federal awarding agency. (Reference: 2 C.F.R. Part 200.312)

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Note: The reader is encouraged to review policies and/or forms for related information in this administrative area.

Implemented: 11/11/2015

Revised: 03/09/2020;

Raytown C-2 School District, Raytown, Missouri