

Procedure: Purchasing Authorization

ESD purchases through a decentralized program-based purchasing process. Programs typically have specialized needs for goods and the preponderance of purchasing is related to services. Business Services is responsible for:

- Reviewing and updating procedures, forms, guidelines and resources to ensure consistent and compliant execution of purchasing decisions
- Providing training to program staff to ensure compliance with state and federal regulations, Board policy and established procedures as well as best operational practice
- Monitoring compliance with regulations and established procedures, including debarment & suspension status
- Supporting vendor / product evaluations of environmentally-friendly products, as requested
- Executing cooperative purchasing agreements
- Proactively communicating potential legal, policy and or other funding source concerns and helping to appropriately resolve concerns raised by staff with purchasing duties

The originator of a purchase is responsible for compliance with relevant laws, regulations, policies, procedures, grant funding requirements and budget capacity within the program. This does not mean that staff authorized for purchasing must be a legal expert, nor that they should not rely upon their own judgment when questionable points arise. It is only important that the purchasing staff learn basic purchasing fundamentals under state and federal requirements and ESD policy so that they may recognize the need for guidance and obtain it when necessary.

Business Services shall establish practical and efficient purchasing procedures, forms, reports, records and systems that allow programs to efficiently and effectively requisition purchase of supplies, equipment and services. Procedures and forms shall establish authorization requirements for procurement of goods and services and include review by Business Services staff for overall compliance and appropriate documentation of purchase transaction.

Business Services shall periodically review ESD purchasing patterns to assess opportunities for “economies of scale” purchasing and determine compliance with purchasing procedures, including procurement thresholds (refer to [Board Policy 6211](#) and related procedures).

Prepayment

Prepayment for services is generally only authorized for the following:

- Event / Conference registrations
- Site / event deposits
- Subscriptions
- Dues / Membership fees
- Federal or state transactions (would not be considered a gift of public funds)
- Contractual start-up or transitional arrangements
- Airfare
 - Note that reservations and payments for airfare should, in general, be made under refundable or transferrable arrangements, even though these fares may cost more than those offered under non-refundable terms. Nonrefundable terms should only be considered when attendance and non-cancellation is assured.

- Reservation insurance may be purchased on low-airfare offerings when the price of the insurance plus airfare does not exceed the next best rate available under refundable or transferrable arrangements.

Hotels may offer discounted pricing for prepayment of the lodging fees under the reservation period. In general such payments are non-refundable and should only be executed when the reservation is made very close to the travel dates and use is assured.

Vendor Approvals

Requests for new vendors shall be submitted to Business Services-Accounts Payable. New service vendors must complete IRS Form W-9 Request for Taxpayer Identification Number and Certification. Completed forms should be forwarded to Business Services-Accounts Payable to be attached to the vendor record for annual IRS 1099 reporting requirements.

Cooperative Purchasing

Where it is economically advantageous, ESD should join with other governmental agencies or other school districts in cooperative purchasing. Cooperative purchasing agreements must be approved by the Board of Directors and meet state bid procurement requirements. ESD accounting or purchasing staff shall maintain a record of approved cooperative agreements. See [6210-P3 Cooperative Purchasing Agreements](#).

Purchasing Methods

ESD has established the following methods for purchasing goods and services: (listed in order of preferred use)

- Purchase Orders
- Invoice Voucher, including travel reimbursement vouchers
- Purchasing Card
- Imprest Checking Account / Revolving Fund
- Petty Cash Fund

Purchase Orders – see [6210-P2 Purchase Order Requisitions](#)

Purchase orders are the preferred requisition method for most situations, issued in advance of the purchase. Procedures for requisitioning and processing payment for services rendered are the most efficient of all purchasing methods and provide a system encumbrance for amounts committed by purchase order requisition. Most purchases of goods and service should be done through the purchase order process.

Invoice Vouchers – see [6215-P1](#)

Payment by invoice voucher may be to facilitate payment for goods or services obtained without prior authorization through a Purchase Order, contract or agency purchasing card.

Purchasing Card—see [Policy 6212](#) and related procedures

Appropriate uses of purchasing card are for travel (lodging, ground transportation, airfare), for vendors who do not accept purchase orders (many internet vendors) and when the cost of using a purchasing card outweighs other preferred methods of purchasing.

Imprest Checking Account – see [6215-P2](#)

Provides a low-cost way of paying for small purchases that do not accept purchase orders or purchasing cards and where lead time for invoice voucher request is not practicable.

Petty Cash Fund – see [6215-P2](#)

Provides a low cost and efficient way to reimburse for small dollar purchases, primarily minor out-of-pocket expenses.

Contracts for Services Provided – see [6210-P4 Contracts for Services Rendered to ESD \(AP\)](#)

Requisitions of services for scopes of services which are defined by mutual agreement of ESD and the contractor should be supported by a contractual agreement, which include, at a minimum, a description of the services to be performed, timelines and fees in addition to other general contractual terms and provisions.

All proposed contracts and related agreements are to be submitted under the established process to the Superintendent, or his/her designee for review and signature.

Suspension and Debarment

Before entering into an agreement to purchase goods and/or services under federal funding sources for amounts that equal or exceed \$25,000 (per vendor, per year), ESD shall ensure that the vendor is not suspended or debarred from participating in federal assistance programs. As a best practice, it is recommended that all purchases meeting this threshold should meet debarment review standards, when practicable, regardless of the funding source. ESD includes suspension and debarment representations on all contracts, including POs. For further validation of status, consult the “Systems of Awards Management” (www.sam.gov). Any search results should be part of the contract selection record.

Safeguarding of Assets

Assets of ESD are safeguarded through maintenance of inventory and asset records. Assets and theft sensitive equipment are identified by account and object codes at the time of requisition. Purchase of capital assets shall require approval of the Superintendent, or his/her designee. See [Board Policy 6801 Capital Assets and Depreciation](#) and related procedures.

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Formerly Included in Administrative Procedures Sections E, G, H, I