



TROTWOOD-MADISON CITY SCHOOLS **PURCHASING PROCEDURES**

As employees of the Trotwood-Madison School District, we are subject to strict rules and guidelines, as to the appropriate expenditure of public funds. These rules and regulations, which are outlined by the State of Ohio in the Ohio Revised Code and the Trotwood-Madison Board of Education in its policy manuals, are summarized below.

ACCORDING TO THE LAW

By state law, any vendor who makes a sale without having received a numbered purchase order signed by the treasurer does so at their own risk and relieves the district of financial liability for the purchase. Furthermore, under state law, any purchase made without proper authorization makes the purchaser “personally liable for the full amount of the contract or obligation”. Therefore, the person who makes an unauthorized purchase may become liable to the vendor for the return of the purchase or full payment.

A VALID PURCHASE ORDER

No employee or other individual in the district may legally obligate the District to a purchase. The District is obligated only if proper procedure is followed using a valid purchase order.

A valid purchase order:

- is secured in advance of the obligation to purchase
- is for a legitimate school district expenditure and consistent with the approved educational goals and programs of the district
- is complete as to quantity, description, anticipated price and approved vendor
- has been approved by the appropriate building administrator or supervisor
- has been coded to the appropriate fund, function, object, etc.
- has been assigned a purchase order number
- has been signed by the Treasurer/CFO

PURCHASING PROCEDURES

1. Any employee interested in initiating a purchasing request shall first discuss the matter with the appropriate building administrator or immediate supervisor who will indicate approval by signing the requisition or quote.
 - Requisition forms can be found on the Staff Common “M” drive in the Treasurer’s Office Info folder.
2. Once the initiator has received approval to make a purchase, the approved requisition and or quote should be given to the appropriate secretary for online entry into the USASWeb requisition system.
3. When the exact cost of a purchase is not known in advance, the secretary should use an estimate and include shipping, handling, etc.
4. Once per week, the accounts payable department will process the detailed requisition report for approval from the Superintendent and Treasurer/CFO.
 - If approval is not granted, the building administrator or supervisor will be notified.
 - Delays may occur if:
 - you have not provided sufficient information to determine what you are purchasing.
 - you are using a vendor that is not established with the District.
5. The accounts payable department will convert the approved requisitions into a purchase order. The purchase order is immediately emailed to the requesting secretary upon conversion. By approving the purchase orders the Treasurer has certified the availability of funds and those funds will be encumbered.
6. Your department/building secretary will notify you when your purchase order is ready.
 - Purchase orders that include detailed information will be sent to the vendor from Accounts Payable for immediate order processing.
 - The initiator and dept./bldg. secretary will need to communicate regarding placing orders for purchase orders that do not include complete order information.
7. The invoicing address should always be:

Trotwood-Madison City Schools
Attn: Accounts Payable
3594 N. Snyder Road
Trotwood, OH 45426
8. When you have received your items or services have been rendered, notify your building/department secretary so they can initiate the payment process.

EMERGENCY ORDERS

Despite every reasonable effort to anticipate needs, true emergencies will happen. In the event of a **true emergency**, the initiator of the purchase request must still follow the above procedures, albeit in expeditious fashion with the help of the treasurer’s office, and shall not telephone or fax an order until an approved/signed purchase order is generated. Only legitimate emergencies will be considered.

- Examples of a legitimate emergency:
 - Heating/cooling repair, flooding clean up, life changing events effecting students
- Examples of a non-emergency:
 - Failure to plan, not acting on a known need in a timely manner

PURCHASE ORDER CANCELLATION

If you will not be using your purchase order, notify your building/department secretary that the purchase order is no longer needed. The purchase order will be closed and the funds will no longer be encumbered.

VENDOR PAYMENT

- All payments of the district shall be made by an official warrant (check) of the district.
- No payments will be made using cash.
- No payment will be issued without proper invoice or receipt documentation.

EXPENSE REIMBURSEMENTS

Expense reimbursements generally fall into two major categories. The first type would include professional leave reimbursement (meetings and mileage) and intra-district travel. The second type would include reimbursement for supplies and equipment, purchased by personnel on behalf of the district because the vendor of choice does not accept purchase orders.

Expense reimbursements do not relieve, but actually heighten, an employee's responsibility to follow proper purchase order procedures. All expense reimbursements require:

- advance preparation of a purchase order estimating the amount of the expenditure
- advance approval from the building administrator or supervisor, and the superintendent and treasurer
- presentation of a TMCS D tax exemption form to the vendor at the time of purchase
 - the purchaser will not be reimbursed for sales tax that could have been avoided by presentation of a tax exempt form; these forms are available in the treasurer's office
- submission of itemized point of sale receipts for attachment to the original purchase order
 - receipts must be dated after the approved purchase order date.
- professional leave approval form and professional leave reimbursement form for any expense reimbursements related to off-site professional development.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be issued for any specific recurring and reasonably predictable operating expenses (i.e. mileage reimbursement, utilities). This certification may be issued for the entire fiscal year or until funds on the purchase order are exhausted, whichever occurs first. This does not apply to purchase orders using the District credit card.

CONTRACTS

Employees should never sign a financial agreement on behalf of the District. Contracts may only be signed by the Superintendent, Treasurer/CFO, or Director of Operations.

FISCAL YEAR END PROCEDURES

The school district's fiscal (or accounting) year runs from July 1st through June 30th. It is expected that budgets be prepared with current year operational and student needs in mind, and that materials and services should be ordered early enough in the year to benefit currently enrolled students.

Never order merchandise or services for any fiscal year that cannot be received, checked, approved for payment and paid prior to June 30th. As soon as your merchandise is received, immediately notify your building/department secretary so they can begin the payment process. While this is important throughout the year in order to pay vendors promptly, it is particularly important in June.

General Fund purchase orders not fully paid out by June 30th will be cancelled and/or closed out by the Treasurer's Office. If still required, these orders will need to be rewritten in the subsequent fiscal year. Unspent General Fund (001) account balances do not carryover from one year to the next. Non-General Fund account balances (i.e. funds 009, 018, 200, 300) do carryover into the following fiscal year. Specific information is communicated annually in the Treasurer's Office Fiscal Year-End Purchase Order Processing memorandum e-mailed in April or May.

The Treasurer's Office will accept clearly marked future requisitions for the next school year beginning in June. These requisitions will be converted to PO status upon opening for the new fiscal year. Invoiced amounts will be charged to the following year's budget. Please make sure these requisitions are submitted to your building administrator/immediate supervisor by June 7th and are clearly marked "FY20".

QUOTATIONS AND BIDS

The Board of Education encourages solicitation of bids from at least three vendors on purchases of more than \$10,000 for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in savings. Competitive bids are generally required by statute to build, repair, enlarge, improve or demolish a school building when the \$50,000 threshold is attained. (Board Policy 6320) For assistance with bidding, contact the Operations Department.

QUESTIONS

Please contact Janice Allen, Treasurer/CFO at 854-3050, ext. 1137 if you have any questions or concerns.

LEGAL REFERENCES

ORC 3313.46; 3313.51; 3327.08; 5705.41; 5705.412; 5705.44; 5705.45.