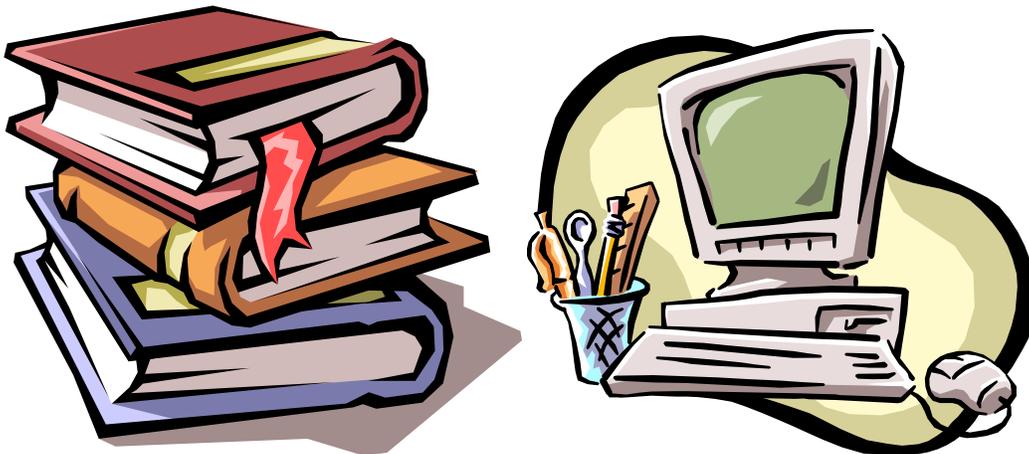


Poplarville School District



Purchasing Handbook

Rev. 09/13/2018

Purposes and Goals

The purpose of this booklet is to explain the purpose and responsibilities of the Poplarville School District (PSD) Finance Department with respect to purchasing. In addition, and most important, this booklet sets purchasing procedures that must be followed by all schools and departments.

The Poplarville School District Finance Department has two major responsibilities with respect to purchasing:

1. The responsibility to all students, schools and administrative departments for procuring the necessary items of supplies, furniture and equipment, and services in the quality and quantity when they are needed.
2. And at the same time a responsibility to the taxpayers for purchasing all approved items at the best possible value while providing adequate records to show that this was done legally according to prevailing laws and board policy.

It is our common goal to best serve the students of this district, and to do so following established procedures and guidelines. In order for this to be accomplished, a cooperative atmosphere must exist between buyer, vendor and user.

The annual operating budget of our school district is the financial plan for the operations of the school system. The purchasing laws and guidelines under which our school district must operate in expending the annual operating budget are quite clear. Your attention is directed to the following procedures and guidelines, which all personnel must follow in the purchasing process.

Legal Guidelines

The procedures and guidelines that the PSD has adopted are derived from Section 31-7-1, et seq, Mississippi Code Ann. (1972) that very clearly defines the purchasing practices to which our school district must adhere. In addition, for reference, the Mississippi State Auditor's Purchase Law Summary can be located at www.osa.ms.gov and select Resources and then select Purchase Law Summary.

In brief, the prevailing law(s) define the approved obligation of funds based on the cost and the nature of the item(s) or service(s) being purchased. A summary of these guidelines follows.

1. LEGAL PURCHASES

LEGAL ITEMS are defined as those items directly associated with the operation, maintenance, repair or construction of schools and school equipment. Such items must be essential to an effective school program. Only items of this nature may be requisitioned and purchased by any school district. Legal items must be legally purchased in order to complete the transaction, following the letter of the law.

An **ILLEGAL PURCHASE** includes any transaction made between an individual(s) and a vendor(s) to obligate or expend school district funds while circumventing the above-defined procedures. Submitting an "after the fact" requisition, with vendor invoices attached to the requisition does not legalize the purchase. Breaking up requisitions into purchases of \$5,000 or less or larger purchases into \$50,000 (\$25,000 ARRA FUNDS) or less in order to informally bid items or services in an attempt to circumvent the formal bid procedures is likewise illegal. Purchase orders shall be issued and payment made for only those items and services obtained in the prescribed legal manner. The purchase law violation for circumvention and invoice splitting reads as follows:

PURCHASE LAW VIOLATION PROHIBITION AND VENDOR PENALTY.

Purpose – Prohibits Circumvention and Invoice Splitting
Note - Imposes Penalty on Vendor

No contract or purchase as herein authorized shall be made for the purpose of circumventing the provisions of this section requiring competitive bids, nor shall it be lawful for any person or concern to submit individual invoices for amounts within those authorized for contract or purchase where the actual value of the contract of commodity purchased exceeds the authorized amount and the invoices therefore are split so as to appear to be authorized as purchases for which competitive bids are required. Submission of such invoices shall constitute a misdemeanor punishable by a fine of not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000) or by imprisonment for thirty (30) days in the county jail, or both such fine and imprisonment. In addition, the claim or claims submitted shall be forfeited.

2. REQUESTING BIDS OR QUOTATIONS

Although quotations may be taken in several different ways, it is the responsibility of the Finance Department acting in accordance with the statutes of the State of Mississippi, and the policies set forth by the School Board of the PSD, to best determine the manner in which prices shall be solicited. All decisions on purchasing shall be based on the best prices, consistent with quality and service. The best interest of the PSD shall be given first consideration in all transactions. Bids can be placed in two major categories: Formal Bids and Informal Bids.

(A) FORMAL BIDS AND/OR REVERSE AUCTIONS

Purchases of goods and commodities over \$50,000, exclusive of freight and shipping charges, or services purchased with federal funds over \$250,000 may be made only after advertising for competitive sealed bids once each week for two (2) consecutive weeks in a local newspaper or publication. **Purchases made with American Recovery and Reinvestment Act Funds in excess of \$25,000 must go through the formal bid procedure.** "Purchase" is defined as the total amount of money encumbered by a single purchase order; this includes buying, renting, leasing or otherwise acquiring.

The bid opening and/or reverse auction shall not be conducted less than seven (7) working days for commodities and fifteen (15) working days for construction after the last publication notice. Before an ad may be published in the newspaper advertising publicly the School Board's intent to solicit formal bids and /or hold reverse auctions, a complete set of specifications for each category being bid must be on file in the Finance Department.

All bid advertisements should be submitted on the agency bid bank webpage. Please visit <http://mscpc.com> and select Agency Bid Bank. After completing the User Registration, manage user profile, upload and post current bid advertisements and solicitations as well as receive an automated receipt acknowledgment with actual date, bid title and /or number.

A list of all items which are competitively bid, a recap sheet indicating the bid prices of all participating vendors, and a mailing list of all vendors which were extended an invitation to bid must be maintained on file in the Finance Department.

In order to exercise "quality buying", which is defined as the purchase of goods, supplies, materials, equipment, or services that will fulfill but not exceed the requirements for the purpose intended, proper specifications must be written, and these specifications placed in the hands of qualified, potential bidders. Where necessary, the Purchasing Clerk will work with department heads to compile the specifications. The Purchasing Agent encourages competitive bidding by extending a courteous reception to interested parties, giving equal brands fair consideration and seeking competitive sources of supply.

The Formal Bid is a legal document in that it represents an "offer" on the part of the vendor offering a bid quotation. The bid name and bid opening date must be stated on the front cover of each bid. All bids must be in sealed marked envelopes. PSD may establish secure procedures by which bids may be submitted via electronic means. All sealed bids are publicly opened and read aloud upon request at the designated time and place. All Formal Bids are presented to the School Board for approval prior to the purchase of any item contained on them, and are placed in the minutes of the board meeting at which approval to purchase was granted.

All purchases are made from the "lowest and best" bidders. In determining the lowest and best bid, freight and shipping charges shall be included. If it is recommended that a bid other than the lowest bid actually submitted be accepted, a reason for the low bid item(s) being rejected and the unit price difference between the low bid and the bid recommended for acceptance, are placed in the minutes of the board meeting. A detailed record of all "bid item rejection" incidents must be maintained in the Finance Department.

Budgeted items of equipment may be purchased outright, or, if such equipment is a big ticket item, may be lease-purchased and interest paid thereon by contract, for a term not to exceed the useful life of property covered thereby as determined according to the upper limit of the Asset Depreciation Range (ADR) Guidelines for the Class Life Asset Depreciation Range System established by the Internal Revenue Service.

The equipment purchased under a lease-purchase agreement is still subject to the same bidding rules as equipment purchased outright. In addition, at least two (2) written quotes for the financing of the lease-purchase must be obtained. The rate of interest paid cannot exceed the amount set forth in state law. This maximum is currently 11%. The decision on whether to lease purchase equipment must be determined by the central office administration of the PSD after considering the amount of funds available in the budget. Please note that an employee of the PSD does not have the authority to enter into a lease-purchase agreement with a vendor.

All Formal Bids will contain, at a minimum, the following sections:

- (a) Bid Cover Sheet
- (b) Proposal Form
- (c) Instructions and Conditions
- (d) Specifications
- (e) Detail of Components

(B) INFORMAL BIDS (QUOTES)

Purchases of goods and/or commodities over \$5,000 but not over \$50,000, exclusive of freight and shipping charges, or services purchased with federal funds over \$10,000 but not over \$250,000 may be made by obtaining two (2) or more "competitive written bids" without publishing or posting advertisements for bids. **Purchases made with American Recovery and Reinvestment Act Funds in excess of \$25,000 must go through the formal bid procedure.** A "competitive written bid" is defined to mean "...a bid submitted on a bid form furnished by the school district and signed and dated by authorized personnel representing the vendor, or a bid submitted on a vendor's letterhead or identifiable bid form and signed and dated by authorized personnel representing the vendor or electronic bids received electronically (i.e.: e-mail or the Internet)". Electronically submitted bids do not need to be signed but additional documentation must be provided to support the electronic submission (copy of email). The law does not allow for oral quotations by vendors; all pricing must be in writing. Quotations may, however, be submitted by vendors via a fax machine if the above format is followed. A page from a catalog cannot serve as a quote.

The superintendent's or finance director's signature must be on all requisitions before making a purchase over one thousand five hundred dollars (\$1,500). This includes purchases made from maintenance, transportation and activity accounts; however, this excludes food service perishable items.

3. PURCHASES THAT DO NOT REQUIRE BIDDING

(A) PURCHASES NOT OVER \$5,000

For purchase orders for commodities that have a total cost of \$5,000 or less, exclusive of freight or shipping charges, the law does not require that the items be bid as such. For the purchase of services with state or local funds or purchase of services with federal funds of \$10,000 or less, the law does not

require that services be bid as such. The only guidelines set are the assurance that the price(s) paid for the item(s) be fair, and that it be known to the purchasing authority that the district is not paying in excess of the fair market value for said items or the published prices of the concerns from which the purchase is being made.

(B) STATE CONTRACTS

The law provides for the outright (no bid requirement) purchase of certain items via "State Contract Purchasing". Such items may be purchased using Mississippi State Contracts, provided such items are on file with the State Purchasing Authority. Such items have in fact been bid; however, the bid process was conducted by the Mississippi Department of Finance and Administration and not school districts. The concept behind the state contract procedures is the governmental agencies or school districts shall receive a discounted price based on the quantity purchased by all statewide agencies and school districts. Applicable state contracts can be located on the Mississippi Department of Finance and Administration's website (<http://www.dfa.state.ms.us/Purchasing/StateContracts.html#ABC> under state purchasing, travel and fleet management link).

When purchasing items from state contracts, the hard copy of the purchase order requisition must contain the item number, if applicable, and the state contract number. In addition, a copy of the applicable state contract page must be forward to the finance department to attach to the purchase order.

(C) IDENTICAL ITEMS PRICED BELOW STATE CONTRACTS

Identical items available at or below state contract price may be purchased without bidding even if the vendor is not a state contract vendor. The only requirements are that the item has to be identical including the brand.

(D) ITEMS PURCHASED FROM INFORMATION TECHNOLOGY SERVICES EXPRESS PRODUCTS LIST

Items may be purchased with local and state funds from the Mississippi Department of Information Technology Services Express Products List (ITS EPL) without obtaining formal bids up to the dollar limit specified in the EPL. Unlike State Contracts, the purchase of identical items at or below the ITS EPL price from vendors not on the ITS EPL is not allowed. Applicable ITS EPL pages can be located on the Mississippi Department of Information Technology Service's website (<http://www.its.ms.gov> under the procurement link).

When purchasing from the ITS EPL, the hard copy of the purchase order requisition must be coded with the EPL number and a copy of the completed EPL pages must be attached to the purchase order requisition.

(E) EMERGENCY PURCHASES (COMMODITIES AND REPAIRS ONLY)

The law does make provision for those purchases, which because of their nature, must deviate from the normal procedure. A bona fide operating emergency is defined as an eventuality that (a) cannot reasonably be foreseen (b) demands correction by immediate action, and (c) threatens either an economic loss or the health or safety of students, school personnel, or the public. If impending damage to facilities is apparent, then the Superintendent of Schools can declare an emergency status. Never may an emergency be declared because of the failure to plan ahead. A detailed record of all "emergency purchase" incidents must be maintained in the Finance Department and approved at the subsequent board meeting, including a description of the commodity purchased, the price thereof, and the nature of the emergency and shall be noted on the minutes.

(F) REPAIRS TO EQUIPMENT

Repairs to equipment, when such repairs are made by repair facilities in the private sector, are exempted from bid requirements, provided that invoices contain the following information:

1. identify the equipment repaired,
2. specify repairs made,
3. identify parts by number and name,
4. identify supplies used, and
5. number and hours of labor and costs.

All of these items are required before payment for repairs can be made. However, engines, transmissions, rear axles and/or other such components shall not be included in this exemption when replaced as a complete unit instead of being repaired.

Purchases of parts for repairs to equipment, when personnel of the school district make such repairs are also exempt from bid requirement. However entire assemblies, such as those identified above, shall not be included in this exemption when the entire assembly is being replaced instead of repaired. Note that this exemption only applies to parts purchased for repairs; it does not include parts used for normal maintenance of the equipment.

Repairs to equipment require purchase orders issued prior to calling a repairperson or delivering equipment to a repair facility.

***The amount of the repair, if not known, should be estimated and the language "Amount Estimated for Labor" and "Amount Estimated for Parts/Supplies" should be included on the purchase order requisition.

(G) SINGLE SOURCE ITEMS

There exists some items which are termed "Noncompetitive" items, which are peculiar to a particular function and which are available from only one source of supply (Example: adding on to an existing phone system, certain testing materials, etc.). The law provides that such items can be purchased without advertising or obtaining bids. All single source items must be presented to the School Board for approval prior to the purchase of such items. Furthermore, each purchase of single source items must have board approval and shall be noted on the minutes.

(H) P.T.O. AND ALTERNATE SOURCES OF FUNDS

Monies raised by the PTO, PTA, Athletic Boosters, Band Boosters, or any other school organized activity, which are not placed in the school's Activity Account, are exempt from the bid process. In such situations, the organization would negotiate directly with the vendor for the sale and delivery of the items being purchased, and neither the school nor central purchasing would need to be involved. **However, if the accounting of funds, regardless of the source, are placed in the school's Activity Account, then the same procedures apply for these funds that apply to regular district budgeted funds.**

The District cannot issue purchase orders to purchase items for any outside organization such as the PTO, PTA, Athletic and Band Boosters, or any similar organization. All purchases by these organizations must be initiated by and billed directly to the organization. Any joint purchases between PSD and the organization must be made by the PSD. The funds necessary to pay for the part of the joint purchase being funded by the organization must then be donated to PSD, approved by the school board, and receipted into the appropriate PSD account.

(I) ITEMS PURCHASED FOR RE-SALE

Items purchased for re-sale to students or the general public is exempt from state purchasing laws. This would include items purchased for school bookstores, fund-raising activities, etc. **Sales tax must be paid on items purchased for re-sale prior to July 1, 2013.**

(J) CONSTRUCTION

Any bid item for construction in excess of \$5,000.00 shall be broken down by components to provide detail of component description and pricing. These details shall be submitted with the written bids and become part of the bid evaluation criteria.

4. SALE OF SURPLUS PROPERTY:

When, in the opinion of PSD, the use of property, owned or held by the School Board, is unnecessary, undesirable, or for whatever reason(s) no longer needed in the operations of the school district, the board may declare the property surplus and may sell such property either through the Formal Bid process or at public auction. In addition, the board can dispose of the property by throwing it away if it is determined that the property is of no value to the district and it would not be worthwhile to sale it. However, the property cannot be given away. If sold, all property shall be sold to the highest and best bidder for cash. Like the Formal Bid, no sale of property shall be final until the sale has been confirmed and approved by the School Board, and the purchaser has complied with all terms of the bid. All proceeds from the sale of surplus property are paid to the Finance Office.

5. ITEMS USED IN THE OPERATIONS OF SCHOOL CAFETERIAS

The purchase of items used in connection with the operation of the school cafeterias will be handled by the Food Service Department of the PSD. Perishable supplies or foods purchased for use in connection with the school lunch programs are excepted from the bid requirements.

6. ITEMS USED IN THE MAINTENANCE OF SCHOOLS AND TRANSPORTATION OF STUDENTS

The Director of Maintenance will handle the purchase of items used in connection with the operation of maintenance of schools. The Director of Transportation will handle the purchase of items used in connection with the operation of transportation.

**Any purchase by the Director of Transportation, Maintenance and Food Service acting as "purchasing agents" are subject to audit in accordance with the Mississippi Codes governing purchasing policies of the "Purchasing Agent" within the finance department.

Steps in the Purchasing Process

1. CLASSIFICATION OF ITEMS PURCHASED:

Is it Equipment, a Repair, or is it a Supply? Sometimes it is not exactly clear as to which type of requisition and budgeted code should be used when requisitioning various items and services. Needs fall into three main areas:

- (A) Repairs to school owned items of furniture and equipment
- (B) Supplies/commodities needed to operate the instructional or administrative programs
- (C) Purchase of new or replacement items of furniture and equipment.

(A) REPAIRS TO SCHOOL OWNED ASSETS

What constitutes a repair to an asset? A repair can be defined as the restoration of a given piece of equipment, of a given building...to original condition of completeness or efficiency from a worn, damaged, or deteriorated condition. Hence, any cost paid to an outside vendor for services rendered to place any band instrument or piece of equipment, or an item of furniture into a usable, operating condition, shall constitute a repair.

(B) SUPPLIES/COMMODITIES

A supply/commodity item is generally defined as any article or material, which meets any one or more of the following conditions:

- (1) It is consumed in use.
- (2) It loses its original shape or appearance with use.
- (3) It is expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it (which is not true of equipment).
- (4) It is an inexpensive item, having characteristics of equipment, whose small unit cost makes it inadvisable to capitalize the item.
- (5) It loses its identity through incorporation into a different or more complex unit or substance.

(C) PURCHASE OF NEW OR REPLACEMENT ITEMS OR FURNITURE AND EQUIPMENT

A furniture and equipment item is a material unit that meets all of the following conditions:

- (1) It retains its original shape and appearance with use:
- (2) It is nonexpendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit (which is not true of supplies/commodities).
- (3) It represents an investment of money, which makes it feasible and advisable to capitalize the item.
- (4) It does not lose its identity through incorporation into a different or more complex unit or substance.

All equipment purchased must be marked and recorded in accordance with the procedures of the Finance Department.

(2) THE REQUISITION PROCESS

Note:

*It is not legal to "give out" purchase order numbers. The Integrity System will only import information from the new requisition form available on the district website. The requisition must be entered into the computer system and emailed as an attachment to the school bookkeeper. **The purchase can only be made after the actual purchase order is printed, signed and returned.***

Please be specific when describing items to be requisitioned. Remember that the items requisitioned on this form must be placed on a purchase order and the vendor must be able to accurately determine what is being ordered. Likewise, auditors view these requisitions and purchase orders, and they too must have enough information to clearly identify the items being ordered in order to accomplish their goals.

All parties involved when requisitioning all types of legal items shall implement the following procedures:

Nothing, except for those items exempt from the requisition and purchase order process, may be purchased without a proper and correctly processed requisition being completed and submitted to the Finance Department. The user initiates all requisitions. All required users must provide information on the

requisition form if the Finance Department is to know exactly what is being requested, and if all budgetary obligations are to be met in the approval process. If all the required information is not provided, the requisition will be returned for correction. All requisitions should be typed on district requisition forms and emailed to the applicable bookkeeper for import into the accounting software to be approved and upgraded to a purchase order by the Finance Department. Requisitions shall be clear and legible. The following information is required to constitute a complete requisition:

Requisition Form Instructions

1. Bookkeepers will complete the account information. Do not enter anything in this section.
2. Employees should complete the following:
 - A. Date- Enter the current date of completing the requisition.
 - B. Vendor Section – Enter the complete vendor name, address including the city, state, zip, phone number, and fax number.
 - C. Employee- Enter the entire name of person requesting merchandise (Ex. John Smith)
 - D. Department- Enter the budget from which funds is to be used. Ex. (SPED, Title, EEF, District, Activity, and etc.) and School (CDC,MSP,PHS,PLE,PUE, Central Office)

3. Enter requested items:

- A. Quantity – Enter the number of items needed, the number must be numerical. TAB
- B. Unit – Use the drop down box to select a unit. **This box has to be filled for each line item.**

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BOX/BX CRATE/CRT DOZEN/DZ EACH/EA GALLONS/GAL HOURS/HR MILES/MI PAIR/PR SETS/SET THOUSAND/THOU | CASE/CS DISCOUNT/DSCT DAILY REIMBURSEMENT RATE/DAY FREE/FR HOTEL NIGHT STAY/HTL MEMBERSHIP/MEMB PACKAGE/PKG REAMS/REAM SHIPPING /HANDLING CHARGES-ESTIMATED/SHIP YARDS/YD |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

After you select the unit once, you can type the first letter and it will automatically fill in that specific unit. If one does not appear to apply use the unit “Each”. TAB

- C. Item / Description:

When entering requested items, catalog numbers should be typed in the Item/ Description column first followed by the description of the items. The Item/Description column is limit to 30 characters. If an additional line is needed for description, enter the remaining information on the next line and use “0” for quantity, “Each” for unit, and finish typing the item description, and “0.00” for unit price. Unit measures are limited to those found in dropdown list. The number of item lines per requisition is limited to 35 lines. Complete and submit an additional requisition for request greater than 35 line items. TAB
- D. Unit price – Enter the amount for each item, the amount must be numerical. TAB
- E. Total price- Spreadsheet will automatically calculate, **DO NOT MODIFY IN ANY WAY!!!**

- F. Shipping/handling must immediately follow the last line item to be ordered. Always include estimated shipping/handling charges.
 - G. Free items should immediately follow the last line item. You must use "Free" for unit and numerical "0.00" for price.
 - H. Discount should immediately follow the last line item. You must use "Discount" for unit and a negative number (numerical) for price.
4. In order for the program to import the information correctly, **DO NOT SKIP LINES**.
 5. Save as an Excel File with a unique file name for your records. (EX. J. Smith-Classroom Direct) Filename should have **xls** as the extension.
 6. Email the requisition form to the appropriate School Bookkeeper as a file attachment.

Important: Do not modify this spreadsheet other than completing the sections described.

COMMODITIES OVER \$5,000 BUT NOT OVER \$50,000

SERVICES OVER \$10,000 BUT NOT OVER \$250,000 PAID WITH FEDERAL FUNDS

- All of the above items plus at least two (2) signed, dated, written quotes (informal bids) unless the items to be purchased are on the state contract or are exempt from the purchase law. (Quotes may be electronically sent VIA e-mail – these quotes do not require signatures but must attach original email, etc. for support.) If purchase is in accordance with the state contract, ITS EPL list, attach a copy of the current correspondence list to your requisition.
- When purchasing a sole source item, attach a copy of the board approved letter to your requisition.

Please note that the greater than \$5,000 amount for commodities or \$10,000 amount for services paid with federal funds applies to the total requisition and not individual line items on the requisition.

Items may be requisitioned at any time during the year unless the Finance Office has required an early cut-off for accounting purposes. If the requisition is to be charged to a fiscal budget year other than the current year, e.g., next budget year for requisitions submitted toward the end of the current year, this year should be noted on the face of the requisition.

(A) MULTIPLE REQUISITIONS TO SAME VENDOR

Splitting requisitions to reduce the amount below \$5,000, \$10,000, \$50,000 or \$250,000 is illegal under state and federal purchasing laws. When multiple requisitions are turned in from the same department at the same time, those requisitions that cause the total to exceed \$5,000, \$10,000, \$50,000 or \$250,000 will be returned to the sending school or department. The department must then obtain at least two (2) written quotes (informal bid) or an advertisement for bids must take place (formal bids and/or reverse auction).

(B) REQUISITIONS FOR REPAIRS TO EQUIPMENT

Requisitions are not required for repairs to equipment covered under maintenance contracts.

For repairs not covered under maintenance contracts, a requisition must be prepared. The requisition should contain the description and amount. If the amount of the repair is not known, it should be estimated and the language “Amount Estimated for Labor” and “Amount Estimated for Parts/Supplies” should be included on the purchase order requisition.

The only time that a requisition for a repair is not needed is where it has been determined by the Director of Maintenance or Director of Food Services that the delay could be detrimental to the daily operations of the school or cause further damage, e.g., broken water pipe, freezer unit quits working, etc. This repair would then be considered an emergency and must comply with the Emergency Purchase procedures. The superintendent must approve the repair.

(C) EXPENDITURE CODING

It is very important that all items purchased be charged to the proper expenditure code. This information is used by the PSD, the Mississippi Department of Education, Mississippi State Legislators and the US Department of Education for statistical data.

Each requisition received in the Finance Department is reviewed to insure the completeness of all data provided. If the requisitioning party does not provide pertinent information, the requisition will be returned to that party, with a notation of the missing information to be provided. Once the requisition is considered complete, it is then reviewed for budgetary accuracy (supplies, services, furniture, and equipment).

Do not allow your lack of planning to become our emergency! Use good judgment in what you determine as requiring immediate attention. Just as in the normal requisition process, all conditions must be satisfied before a purchase order may be issued for the transaction; the written requisition must be completed, there must be sufficient funding in the correct budget account and the bid laws regarding the purchase must be followed.

Under no circumstances should a requisition be submitted after the fact. This is a violation of state law and board policy. Requisitions submitted with invoices attached (after the fact) will be returned to the requesting party and they will be **PERSONALLY** responsible for payment of the invoice.

The item(s) on the requisition are now ready to enter the procurement phase of the process.

4. ITEMS EXEMPT FROM THE PURCHASE ORDER REQUIREMENTS

The following items are exempt from the requisition and purchase order requirements of the PSD.

- Emergency conditions as determined by the Superintendent of Education,
- Repair conditions that meet the definition of an emergency, i.e., an eventuality that (a) cannot reasonably be foreseen (b) demands correction by immediate action, and (c) threatens either an economic loss or health or safety of students, school personnel, or the public. The Director of Maintenance must provide adequate explanations of the situation before the invoice will be paid if there is not a corresponding purchase order. (The key here is that the emergency meets the definition.)
- Repairs covered under service contracts.
- Travel reimbursements and advances
- Utilities, including cellular phone and pager charges
- All types of insurance and bonds
- Any and all payments in connection with employee payrolls
- Transfer of funds between bank accounts
- Waste pickup and/or recycling services
- Construction payments
- Legal and other professional services such as auditors, architects, engineers, etc.

- Inter-fund transfers and loans, including indirect cost transfers
- Standing annual subscriptions (updates) to professional publications
- Postage and PO box rental
- Reimbursements to parents for Special Education travel
- Payments to officials, security, etc. for athletic event services
- Buildings/Grounds Security
- Refunds to students, etc. for fees paid
- Tuition reimbursements from Title II
- Field trip reimbursements to District
- Student hearing officers and court reporters
- Some purchases for and on behalf of the MS Forestry
- Membership dues for school and professional organizations
- Purchased Services (i.e. lawn care, painting)
- Film Processing
- Any other items as determined by the Superintendent or Finance Director.

All other items must have a purchase order issued prior to placing the order. Invoices for any items not on this list or pre-approved for exemption that are purchased without first obtaining a purchase order will be returned to the purchaser and/or administrator/principal for payment.

5. THE PROCUREMENT PROCESS

All purchases for goods and equipment for which the School Board for the PSD shall be responsible must be authorized prior to their purchase using the official purchase order form in the properly executed manner. The purchase order form is a legal document, and is the seller's only authority to ship and invoice item(s) purchased by the school system. The purchase order is the "acceptance" of the "offer" made by the vendor, via a bid quotation or other published price. No person is authorized to pick up, receive, or receipt any material, supply, or service for PSD unless a proper purchase order has been duly issued and processed, or the item is exempt from the purchase order process. Any violation of this procedure will result in the employee being charged directly for the cost of the goods.

A number of the elements provided on the requisition form are then placed on the purchase order form, and the various copies of the purchase order are systematical distributed. All purchase orders are entered "on-line" into the district's accounting software. The purchase order form consists of four (4) copies, and each copy is distributed to the designated party involved in the purchasing process.

6. THE RECEIVING PROCESS

(A) ACCEPTANCE

Each delivery at the school or other delivery location must be inspected and approved within one (1) calendar week from its arrival. In cases where the "attention to" person is not available, the building administrator or designee must inspect and approve the shipment.

(B) RECEIVING REPORTS

Immediately following receipt and inspection, the principal or other person receiving supplies, materials, or services must forward to the Finance Department:

1. A signed packing slip, if available, or the invoice if included in the shipment, or a copy of the purchase order signed received. All invoices must be marked received and signed/initialed, and coded and then sent to the Finance Department for payment. If the vendor mails the invoice to the Finance Department it will be sent to the department that received the goods to be marked received and signed/initialed and coded for payment.

2. A letter or memo to the Finance Department explaining why the shipment is not approved for payment. Valid reasons for not paying an invoice in its entirety include: the quantity ordered was not received or items were substituted and are not acceptable.

No payment will be made unless there is a signed packing slip, or an invoice marked received for payment (original or copy), or a copy of the purchase orders signed received.

7. THE PAYMENT PROCESS

PSD will only process accounts payable checks after the regular monthly board meeting. A copy of the Accounts Payable Payment/Cut-Off Schedule is available in the Finance Department. Checks will be distributed Wednesday afternoon following the board meeting. Invoices will be marked paid including the check number.

8. ACTIVITY FUND PURCHASES

Purchases made from school activity funds which are financed in total with public funds (i.e., general activity funds and athletic funds), must comply with Mississippi purchasing laws and the previously stated procedures and guidelines.

Purchasing made from school activity funds that are generated in total from privately generated funds, (i.e., agency activity/club funds), are not required to comply with state purchasing laws but must comply with these procedures and guidelines. Purchases made from school activity funds that are financed in part with privately generated funds and in part financed or supplemented with public funds are to be treated as purchases made from public funds and must comply with state purchasing laws and these procedures and guidelines.

Activity funds can't be classified as agency activity/club funds to circumvent the purchasing laws. They are classified based upon their purpose and use.