

JACKSBORO INDEPENDENT SCHOOL DISTRICT

PURCHASING DEPARTMENT

PURCHASING MANUAL

Introduction

The purpose of this manual is to provide information to all schools and departments the Purchasing Policies and Procedures of Jacksboro Independent School District.

The function of the Purchasing Department is to provide JISD a centralized purchasing system for all schools and departments; to provide the delivery of materials, equipment, and services needed in a timely manner while maximizing the value of every taxpayer dollar and complying with local, state, and federal purchasing laws and regulations.

The Purchasing Department is responsible for providing the goods and services needed by the District that are the most cost effective and efficient manner while establishing a competitive opportunity for all qualified vendors.

It is the responsibility of all JISD employees involved in any aspect of the purchasing function to be familiar with these policies and procedures. The employees are to follow them in the execution of day-to-day business, and to report any violations to their immediate supervisor. The Purchasing Department is primarily responsible for compliance with these procedures.

Authority for Procurement

The Board of Trustees has authorized the Superintendent or his designee the authority to make budgeted purchases unless state law or Board policy requires the Board to make or approve a purchase. Board Policy states that all policies, procedures, and practices for procurement will follow the applicable laws of the State of Texas as prescribed in the Texas Education Code Statutes, Texas Attorney General Opinions, federal regulations, and other applicable sources.

Under the Texas Education Code § 44.0312 (a), the board of trustees of the District may, as appropriate, delegate its authority under this subchapter regarding an action authorized or required by this subchapter to be taken by a school District to a designated person, representative, or committee.

1. The following person has been delegated authority to act as an agent for JISD in carrying out the purchasing activities of the District:
 - a. Business Manager
2. Administrators have the authority in procuring goods or services for the District is responsible for earnestly working to attain the District's procurement goals and objectives.
3. Principals share purchasing authority with the purchasing department concerning purchases made from Activity Funds.

The purchasing department shall supervise the purchase of all materials, supplies, equipment, and services for the District.

The purchasing department shall develop appropriate procedures to assure:

- That purchases are made in accordance with appropriate statutes, regulations, and Board policy.
- The existence of a list of approved vendors who have a record of good products, services, and prices.
- Effective advertising for the procurement of products and services.

Under Board policy CH (LOCAL) Responsibility for Debts, the board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control; **persons making unauthorized purchases shall assume full responsibility for all debts.**

STATUTES, REGULATIONS, AND BOARD POLICY APPLICABLE TO PURCHASING

1. The Texas School Law Bulletin (Primarily sections 44.031 through 44.033). An electronic version of the Texas State Education Code can be obtained at the following website address: <http://www.capitol.state.tx.us/statutes/ed.toc.htm>
2. The Texas Education Agency (TEA) Financial Accountability System Resource Guide Purchasing Module. The TEA Resource Guide can be accessed at the following website address: <http://www.tea.state.tx.us/school.finance/audit/resguide14/purchase/>.
3. Jacksboro Independent School District (Sections CH...). The JISD Board Policy can be accessed at the following website address: <http://www.jacksboroisd.net>.

PURCHASING ETHICS

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing functions. Purchasing personnel and school District employees face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. In an effort to get the job done successfully and on time, one may be tempted to circumvent policies, procedures, and laws, or make their own liberal "legal" interpretations of existing policies. Such activity, although well intentioned, will cause ethical problems.

In addition to the information provided in this section, please read the following Board Policy:

- Board policy DH (Legal/Local), Employee Standards of Conduct. This policy resides on the District's website.

The Texas Education Agency (TEA), *Financial Accountability System Resource Guide – General Ethical Standards and other Documents*, prescribes common standards of ethics governing the conduct of employees involved in the purchasing function, which are incorporated in the procedures prescribed below.

Sequential Purchases – District employees shall not make purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.

Conflict of Interest – In accordance with Board Policy DBD (LEGAL), an employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the employee knows is interested in or likely to become interested in any such transactions of the District. *Penal Code 36.08(d)*. A conflict of interest is defined as any circumstance that could cast doubt on an employee's ability to act with total objectivity with regard to the District's interest.

Gifts – District employees shall not solicit, accept, or agree to accept any gifts or benefits from a person conducting or intending to conduct business with the District. **Note:** The prohibition of

accepting gifts does not apply to accepting an unsolicited item with a value of less than \$75, excluding cash or a negotiable instrument (*Penal Code 36.10*).

Financial Interest – District employees shall not participate directly or indirectly in procurement when the employee or the employee’s family member has a financial interest pertaining to the procurement.

Personal Use – District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership.

Equal Consideration – District employees shall grant all competitive suppliers equal consideration insofar as state or federal laws and District policy permit. This is especially important when evaluating bids and proposals.

Credit for this content of this section is given to the Texas Education Agency and the Comptroller of Public Accounts, Standard Financial Management System for Texas Cities and Counties, Model Purchasing Manual.

State law relating to violation of purchasing requirements imposes upon violators certain criminal penalties, which are found in Section 44.032, Texas Education Code, and Chapter 271.029, Local Government Code.

These are certain common standards of ethics which should govern the conduct of employees involved in the purchasing function, as follows:

1. It is a breach of ethics to attempt to realize personal gain through public employment with a school district by any conduct inconsistent with the proper discharge of the employee’s duties.
2. It is a breach of ethics to attempt to influence any public employee of a school district to breach the standards of ethical conduct set forth in this code.
3. It is a breach of ethics for any employees of a school district to participate directly or indirectly in a procurement when the employee knows that:
 - a. The employee or any member of the employee’s immediate family has a financial interest pertaining to the procurement; or
 - b. A business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurements; or
 - c. Any other person, business, or organization with whom the employee or any member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

- d. If a school district board member or other official has a substantial interest in procurement, that person shall abstain from discussion and decisions regarding the award of the procurement contract. In addition, the board member should disclose this substantial interest by filing an affidavit with the district.

4. Gratuities

- a. It is a breach of ethics to offer, give or agree to give any employee or former employee of a school district to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract of subcontract, or to any solicitation or proposal therefore pending before this government. Acceptance of gratuities may be construed as a criminal offense.

5. Kickbacks

- a. It is a breach of any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract of a school district, or any person associated therewith, as an inducement for the award of a subcontract or order.

6. Contract Clause

- a. The prohibition against gratuities and kickbacks prescribed above should be conspicuously set forth in every contract and solicitation therefore.

It is a breach of ethics for any employee or former employee of a school district knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

Local Government Code Chapter 176 provides information regarding conflict of interest statements to be filed by vendors and certain school district employees. HB 1491 passed by the 80th Legislature made modifications to the requirements for conflict of interest statements. Refer to Texas Ethics Commission website for additional information and sample forms. Refer to DH (Exhibit) for Code of Ethics and Standard Practice for Texas Educators.

Under Texas Education Code §44.032:

- (b) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential, or component purchases to avoid the requirements of Section 44.031(a) or (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(c) An officer, employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(d) An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(e) The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local Government Code, and is subject to removal as provided by that chapter and Section 24, Article V, Texas Constitution. For four years after the date of the final conviction, the removed person is ineligible to be a candidate for or to be appointed or elected to a public office in this state, is ineligible to be employed by or act as an agent for the state or political subdivision of the state, and is ineligible to receive an compensation through a contract with the state or a political subdivision of the state. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of workers' compensation benefits to the removed person for an injury that occurred before the commission of the offense for which the person was removed. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.

(f) A court may enjoin performance of a contract made in violation of this subchapter. A county attorney, a district attorney, a criminal district attorney, a citizen of the country of which the school district is located, or any interested party may bring action for an injunction. A party who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

Employees involved in the purchasing process are exposed to more than ordinary temptations because they are involved with the expenditure of large amounts of public money. Strict adherence to the above standards are critical to the protection of the employee's and the District's reputation. Any violations to these standards shall be reported immediately to the Superintendent.

CONTROL ENVIRONMENT

Texas Education Agency guidance states that “a district needs a strong control environment in which to perform the purchasing function.” Three activities govern a strong and successful control environment:

1. A comprehensive purchasing manual.
2. Monitoring purchasing activities by all employees involved with the procurement of goods and services.
3. Training personnel on purchasing procedures.

The purchasing manual is a primary tool for establishing a strong control environment and must be adhered to by employees of the District. The purchasing manual provides written procedures designed to detect and prevent the circumvention of statutes, regulations, and board policy applicable to purchasing.

If a situation occurs which is not addressed in the purchasing manual, it should be brought to the attention of the purchasing department to determine the proper course of action. If it is likely that this situation will reoccur, the proper procedures will be included in a revision to the purchasing manual.

In addition to the purchasing manual, the following activities enhance the control environment and require monitoring by those involved in procuring goods and services:

- ***Approval of purchase requisition at the campus and department levels.*** The campus principal or department head should review for need and approve purchase requisitions before they are submitted to the business office for processing.
- ***Approval of purchase orders.*** The purchasing director and or other designated official should review requisitions for compliance before approving purchase orders for issuance to vendors.
- ***Supervision of purchasing process.*** Vigilance in the supervision of the entire purchasing function on a daily basis is essential.
- ***Segregation of duties among purchasing and accounting personnel.*** The Business Manager along with the Superintendent are responsible to ensure that duties among purchasing and accounting personnel are properly segregated (to the degree possible) to provide a checks-and-balances environment.
- ***Maintenance of purchasing files and records.*** The purchasing staff should be trained and supervised so that purchasing files and records are complete and maintained in an orderly fashion for the period required by law.
- ***Control over incoming merchandise.*** Receiving personnel (either centralized or decentralized) should be trained and monitored to ensure that the proper

procedures are followed with incoming merchandise (i.e., the counting and inspection of merchandise received).

- ***Verification of invoices with purchase orders.*** Accounts payable personnel verify that the invoice, the purchase order, and the receiving information match before presenting the invoice for approval for payment.
- ***Verification of delivery.*** The requesting campus or department is responsible for ensuring that the deliveries are in agreement with its original purchase order.
- ***Training of personnel.*** Formal training is conducted annually normally at the beginning of the school year. However, training is conducted throughout the school year through revisions to the purchasing manual.

Risk Management

There are numerous risk factors associated with the procurement of goods and services. A few examples would include:

- Violating statutes and regulations governing appropriate procurement methods.
- Failing to comply with Board policies.
- Initiating purchases without Board approval or an approved purchase order.
- Abusing purchasing authority and committing fraud.
- In order to maintain a strong control environment for the procurement function, the responsibilities and actions shall be taken in order to minimize risk.

Responsibilities

Board of Trustees

- Purchase order/contracts over \$10,000 must be approved by the Board of Trustees before the items/services are ordered.

Business Manager

- Shall establish and maintain a reliable and financially accountable control environment for procuring goods and services.
- Shall continually monitor the District's procurement activities, assess risks, and improve the procurement control activities.
- Shall be the authorized personnel to make purchase commitments and issue purchase orders.
- Submit contracts over \$10,000 to the Board of Trustees for approval.

Campus/Department Administrators

- Shall plan purchases for each budget year in order to maximize opportunities to use competitive procurement options.
- Shall coordinate purchases valued at \$50,000 or more with the Business Manager for competitive procurement and to select the best method of procurement and Board approval.
- Shall process all requests for procurements that costs or aggregate to a cost of \$50,000 or more through the Business Office for competitive procurement and Board approval.
- Shall only initiate and approve procurements that are within approved budget authority.

All employees

- Shall strictly adhere to the Board policy and this manual to control procurement activities.

Purchasing Process

The purchasing process begins when the department/campus determines a need for goods or services and ends when that need is met. The purchasing department provides support to the schools and departments by monitoring or handling purchases in order to ensure compliance with all applicable statutory and legal requirements, JISD Board Policy, best practices, and adherence to the ethical standards advocated by the Texas Association of School Business Officials.

The following criteria are used by JISD to evaluate the overall “best value” when awarding a bid:

1. The purchase price;
2. The reputation of the vendor and the vendor’s goods or services;
3. The quality of the vendor’s goods or services;
4. The extent to which the goods or services meet the district’s needs;
5. The vendor’s past relationship with the district;
6. The impact on the ability of the district to comply with the laws and rules relating to historically under-utilized businesses;
7. The total long-term cost to the district to acquire the vendor’s goods and services; &
8. Any other relevant factor specifically listed in this bid.

This criteria is required under the Texas Education Code §44.031.

Schools and Departments are encouraged to utilize planning activities for anticipated needs. Lead times vary for different purchasing methods so the administrator should consult with the Purchasing department to determine proper purchasing methods. Items requiring Board action must be formally placed on the agenda. Principals and department heads are responsible for the funds under their control. Requests for additional funding or transfers from one budget category to another must be directed to the Business Manager.

Principals and department heads may only authorize expenditure of appropriated funds; therefore, the state requires that a school district operate under an encumbrance accounting system. No one has the authority to spend district funds unless the funds have been set aside for the stated purpose and has been properly approved by the purchasing agent.

All purchase commitments shall be made by the Purchasing department on a properly drawn, signed, and issued purchase order. Vendors of the District have been notified that orders placed without a properly drawn purchase order shall not be honored by the District.

All District employees should not that acquisitions of good or services that do not follow the established procedures are considered to be unauthorized and the person completing such a transaction may be held personally liable for the debt as per Board Policy.

Requisitions requesting payment for unauthorized purchases must be submitted with an explanation stating why it was necessary to circumvent the established procedures. These requisitions will be submitted to the employee's supervisor for further action.

Procurement Procedures

State law requires that school districts consider all purchases in a category in the aggregate for a 12-month period. JISD considers the fiscal year the 12-month period for planning bids; but it should be noted that the law states for a 12-month period with no restrictions. This means that the Purchasing Department must consider the district as a whole; not per campus/department and all purchases in a 12-month period regardless if it is a fiscal year or not. When reviewing a requisition for approval, the Purchasing Department must consider past, current, and future purchases of similar items when determining the category of the purchases.

State laws specifically state that an individual (or entity) may not split, separate, or make sequential or component purchases to avoid the competitive bidding process. The district is a member of several purchasing coops that have awarded bids on a competitive basis. District employees are encouraged to contact the Business Office in order to discuss the different options available.

Procurement Levels

If the items or services needed are not currently covered by a competitive purchasing contract, the limits listed below will apply:

\$01 - \$9,999 – Purchase from a bid, coop, or obtain three verbal quotes that must be documented.

\$10,000 - \$49,999 – Schools and Departments may obtain three written quotes or request the Purchasing Department to obtain the quotes or purchase from a bid or coop.

\$50,000 and up – Requires a competitive procurement method as defined by Texas Education Code 44.031. These purchases must be referred to the Purchasing Department.

Sole Source

The District recognizes that there may be instances when sole source purchases must be made, but such purchases must be appropriately justified according to Texas Education Code 44.031. The justification for such purchases must be in writing and must be based upon a need for some feature or characteristic (specification) that is unique to the requested product or service that cannot be provided by any other product or service. Additionally, it must be documented that the item or product to be purchased is precluded from competitive procurement practices by the existence of a patent, copyright, secret process, or monopoly. The written justification, signed by the requestor or authorized individual, must be forwarded to the Purchasing department for approval.

Purchase Orders

Purchase orders are issued by the Purchasing department to procure specific goods and services needed by the schools and departments. The purchase order is a formal document and is a binding commitment between the district and the vendor. It is the contract.

Purchase orders are issued directly by the Business Office. They are generated and controlled by number sequence through the District's financial operating system.

Requisitions are entered and approved. After the requisition is approved, the Purchasing Department will print the purchase order, sign, and mail the purchase order unless otherwise directed by the school/department. Only original, signed purchase orders are considered contracts for orders. Purchase orders can only be signed by the Business Manager or Superintendent.

Purchase orders must be for the exact items listed and freight must be included. If the purchase order is not for the correct amount or freight was not included; Purchasing must authorize the increase before the goods are shipped.

Restrictions

Personal Items

District funds will not be used to purchase personal items. All items purchased with district funds are the property of JISD. This property may be assigned to a staff member, but it is always the property of the district. It must be returned to the district if the staff member leaves the employment of JISD or is reassigned.

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If the equipment is removed from the campus, the fixed asset manager must be notified and the proper forms completed.

Licenses

Licenses for software or publications must be registered under the name of JISD. The name of end user may be noted on the requisition for routing purposes, but the software or publication remains the property of the district, and may be used by all parties before the software will be purchased.

Memberships and Subscriptions

Memberships must be institutional memberships when available. Individual memberships will be paid if the membership is necessary for the currently held job position. Insurance will not be paid by the District.

Subscriptions must be in the name of JISD – Campus/Department and must be related to the mission of the school or department for which the subscription is purchased. Magazines will not be delivered to home addresses.

Grant and Special Fund Purchases

Purchases from special or grant funds will be made in accordance with the district's purchasing policies and procedures, unless other constraints are applicable.

The Business Office will determine federal fund program deadlines and will inform district personnel.

Bid Items

Requested items that are currently awarded bids must be purchased from the awarded vendors. Bid items must be purchased when the items are similar in nature or established by District standards.

VENDOR RELATIONS

In centralized purchasing, the purchasing department is primarily responsible for vendor relations, contact and communication. However, school campuses, departments, and staff may also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations. It must be understood that contact and communication with vendors by school campuses, departments, and staff are not to represent a commitment to purchase; only authorized personnel are authorized to make purchase commitments.

Approved Vendor List

An “**approved vendor**” is a vendor that has been awarded a Bid/Proposal through the JISD competitive procurement process or through an Interlocal Agreement. Approved vendors are preferred because they have competed for business through the competitive procurement process and normally provide greater savings.

If unclear from whom to purchase a good or service, please contact the Purchasing Department prior to contacting a vendor.

Vendor List

A vendor on the vendor list is a vendor that is established in the Purchasing system. Many businesses used by the District in the past are already established in the database. However, all vendors in the Purchasing system are not necessarily approved for all purchases because of approved vendors and the competitive procurement process.

Contact the purchasing department if there is a question concerning a vendor.

New Vendor Request

Often vendors contact schools and departments and offer goods and services. If a school or department decides to purchase goods or services from a new vendor, they will have to request a new vendor through the Business Office.

Vendor Performance Evaluation

Evaluation of vendor performance is an important aspect of centralized purchasing. Problems encountered by a particular school or department can be avoided by other District entities when these occurrences are communicated to the Purchasing Department.

- Timeliness of deliveries
- Service availability
- Completeness and accuracy of the order
- Quality of products or services received

Whenever problems are encountered with a vendor it is important to document the problem, noting the date and an accurate description of the problem. In addition to contacting the Purchasing Department, the vendor should be contacted. Keep a record of all phone calls, including the dates and what was discussed and send a copy to the Purchasing Department preferably by email.

If the problem is not resolved, coordinate with Purchasing to prepare written correspondence stating the problem, the corrective action required and that the vendor's failure to correct the problem to be sent from the Purchasing Department.

If a significant problem continues, legal counsel will be obtained regarding the removal of the vendor from the vendor list and discontinuing with the vendor.

Purchasing Cooperatives

Membership to Purchasing Cooperatives are allowable under state law and meet competitive purchasing law requirements. Memberships must be approved by Interlocal Agreement by the Board of Trustees.

JISD are members of the following Purchasing Cooperatives:

- Education Service Center, Region 9
- Department of Information Resources (DIR)
- TCPN
- TASB Buyboard
- Texas Procurement and Support Services (TPASS)

Point of contact for all Purchasing Cooperatives is through the Purchasing Department.

Budget (Object) Codes

It is the end user's responsibility to ensure the correct budget (object) codes are used when completing a requisition. In order to process purchase orders in a timely manner, the correct object code must be used when the requisition is entered. A requisition that contains the wrong budget code will not be processed until the end user provides the correct budget code.

For complete list of budget codes, please refer to the *Budget Planning Process and Budgeting Handbook*. Copies are available and can be requested from the Business Office. If you have questions regarding which budget code to use, contact the Business Manager at (940) 567-7264 for assistance.

REQUISITION AND PURCHASE ORDER PROCESSING

Overview

The requisition and purchase order process can be viewed as having four distinct steps:

1. The requisition process
2. The purchase order process
3. Delivery and Receipt of goods or services
4. Invoice and Payment

The requisition and purchase order process begins when a need is determined by an end user and is not completed until payment is made for the goods and/or services. In this section, the first two steps of the process will be discussed at length; delivery and receipt will be discussed. Invoice and payment procedures are contained in the Accounting Procedure Manual. Contact the Business Office for a copy of this manual.

Requisition Process

A requisition is an internal document by which a campus or department of the district requests the purchasing department to initiate a purchase order. It is a request generated electronically for the purchase of supplies, services, equipment, etc. A requisition is an un-approved purchase order. No purchasing commitment shall be made without an approved purchase order.

NOTE: All end users must keep in mind the following purchasing prime directives:

- Approval of purchases must be made prior to purchase.
- Request for payment without a purchase order approved by the Purchasing Department will become the responsibility of the person ordering the material or service.

Requisitions are initiated by those having proper authority. After a requisition is in the system it must then be approved by the principal or department head. Unless state law or Board policy specifically requires the Board to make or approve a purchase, authorized District employees in

charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative procedures [See Board Policy CH (LOCAL)].

Section 44.052 Texas Education Code states that a superintendent that approves any expenditure of school funds in excess of the amount appropriated for that item(s) in the adopted budget commits a Class C misdemeanor offense. Consequently, close supervision and monitoring of the availability of budget dollars and of the approval process for requisitions are important elements of the District's purchasing process.

NOTE: Administrators are responsible for complying with statutory requirements, Board policies, and the procedures established in this manual when purchasing goods or services for the District.

Requisition Format

In order to avoid delays in processing, requisitions should include all information necessary to clearly define the needs of the user department or campus. The information required includes the following:

- Complete and accurate description of items to be purchased
- Quantity needed
- Vendor name and address
- Account code to be charged
- Price
- Payment terms, if any
- Discounts, if any
- Transportation arrangements (shipping/freight cost, if any)
- Bid/Proposal number, if any
- Requested by (school campus, department, individual)
- Required delivery date, if any
- Any special instructions

Requisitions received by the Purchasing Department are reviewed for the following terms prior to approval of a purchase order.

- Accuracy
- Adequate description
- Proper account coding
- Overall completeness
- Compliance with competitive procurement as established in Texas Education Code 44.031

Purchase Orders

After the requisition is reviewed and approved by the Business Manager, the requisition will be assigned a purchase order number. Purchase orders are among the most commonly utilized methods for procuring goods and services. As its name indicates, this document serves as a formal order for goods, materials, and/or services from a vendor. A purchase order, once approved, is a binding commitment for the District to remit payment to the vendor after the item(s) and/or service(s) are received. Once items are shipped and/or services performed, the vendor must submit a properly executed invoice to the Accounts Payable Department to receive payment.

A purchase order is an important accounting document as it contains information on the expenditure to be made and the account code to be charge. Once issued, the purchase order encumbers funds and serves as an expenditure control mechanism. The purchase order is also used in the accounts payable process as it documents that an order has been issued, received, and accepted by the user and payment may be made to the vendor.

A purchase order is authorized when signed by the Business Manager. **Do not send campus printed requisitions or purchase orders to the vendors.**

Purchase Order Process

The purchase order is the written evidence of orders placed as a result of properly initiated and approved purchase requisitions. A purchase order is of a standard format to facilitate processing and contains the items indicated on the requisition.

As mentioned earlier, purchase orders start with a requisition. Requisitions originate with the end user and describe the item(s) to be purchased, the quantity, pricing, the account to be charged, a vendor, etc. From the requisition a purchase order authorizing the purchase is approved by a purchasing buyer. Purchase orders are copied for the Business Office and then mailed or faxed to the vendor.

Purchase Order Procedures

Purchases shall be made by means of purchase orders that are properly drawn, duly authorized, and adequately funded. Only the Business Office shall release a purchase order to a vendor. **If vendors are contacted by the end user in the initial phase of a procurement action, they should be advised by the end user that delivery of goods or services should not be initiated until the vendor has received an approved purchase order.**

Purchase orders are issued on Wednesdays by the purchasing department based on information submitted on requisitions. If a purchase order is needed immediately, contact the Business office.

Purchase orders are not to be modified with the vendor or by schools or departments directly. If it becomes necessary to change the terms of a purchase order, the school or department must first advise the Business Manager. Once an agreement to any price increases or modification of terms is reached, purchasing has the responsibility to adjust the encumbrance on the Purchase order and notify all involved parties of the changes.

Once a purchase order is issued, the same purchase order number cannot be used for reorders. When merchandise has been returned or is damaged and a reorder of replacement merchandise is desired, a new requisition must be submitted.

Cancellation of a Purchase Order

In the event it is necessary to cancel a Purchase Order, the school or department must advise the Business Office. The Business Manager will close the purchase order and liquidate the funds encumbered. The school or department placing the order must also notify the vendor of the cancellation of the purchase order.

End User's Responsibilities

- Shall ensure that the purchasing process (through the use of an approved purchase order) always precedes the payment process (invoice).
- Shall only initiate and approve procurements that are within approved budget authority.
- Shall use approved vendors to procure goods and services.
- If necessary, confirm with the purchasing department that an approved vendor is not available for the goods or services needed.
- If a vendor must be contacted to obtain information to prepare a requisition, shall explain to the vendor that the request for information does not represent a commitment to purchase.
- Shall provide for initiating, authorizing, and adequately funding the procurement through a properly approved purchase order.
- Shall monitor the purchase order life cycle.
- Shall not release the requisition/purchase order number or use a draft copy of the requisition in dealing with the vendor until there is an approved purchase order by the purchasing department.
- Shall monitor the vendor's performance to ensure proper delivery of the goods or services ordered. If the goods or services are not delivered as ordered, the end user shall take action necessary to protect the District's interest. Problems with vendor's unsatisfactory performance shall be directed to the purchasing department for appropriate action, which may include closing the purchase order.
- Shall not make any commitments to acquire goods or services in the name of the District for personal use or ownership.

- Shall coordinate purchases valued at \$10,000 or more with the Business Office in order to select the method of procurement that will provide the best value to the District.
- Shall process all requests for procurement that cost or aggregate to a cost of \$50,000 or more through the Business Office.
- Shall follow the policies and procedures contained in Board policy CH (LEGAL) for emergency purchases.
- Shall be responsible for complying with statutory requirements, Board policies, and the Purchasing Manual procedures when purchasing goods or services for the District.
- Shall not make changes to purchase orders after it has been sent to the vendor without prior approval from the Purchasing Department.
- Shall ensure that items ordered match the purchase order.

Purchasing Department Responsibilities

- Shall not initiate requisitions/purchase orders. The purchasing department may only process purchase orders that have been initiated, duly authorized, and adequately funded by operating departments.
- Shall supervise the purchase of all materials, supplies, equipment, and services for the District according to guidelines established in the Texas Education Code 44.031.
- Shall not approve a requisition/purchase order after the event has taken place.
- Shall review each purchase order in a timely manner for completeness and verify that the proposed purchases are being made through approved sources.
- Shall verify compliance with statutes, regulations, and Board policy to the Budget Handbook.
- Shall have discretion to direct purchases through local agreements or cooperatives in order to save time and money.
- Shall review requests to use vendors in a timely manner and verify that the annual aggregate amount for the goods or services ordered does not require competitive procurement.
- Shall work with the end users to resolve problems with vendors.
- Shall send the vendor the approved purchase order.
- Shall be the only personnel authorized to contact vendors to make purchase commitments and issue purchase orders.

Types of Purchase Orders

Routine Purchase Orders

Routine purchase orders are for all normal purchasing transactions requiring a purchase order. These are “line item” purchase orders (i.e. purchase orders that have a quantity and a unit price per each item to be purchased).

Emergency Purchases

Two types of emergency purchases are made in school districts. One type results from an eminent threat to the health, safety, or welfare of students. Such purchases must comply with state law and may be made only after a formal board action declaring an emergency and authorizing the purchase. An example of an emergency purchase of this type is the authorization to repair a school after a fire or a natural disaster.

Emergency purchases exceeding the dollar amount triggering competitive procurement requirements shall be made in accordance with subsection (h) Section 44.031 Texas Education Code.

The second type of emergency purchase provides for the acquisition of goods or services to meet an immediate need such as purchases to repair damage to a facility which may imperil students or the security of the facility. This type of emergency purchase is normally utilized after regular business hours or on weekends and holidays. After purchases of this type are made, a purchase order should be issued after the fact on the next business day.

DELIVERY AND RECEIPT

Delivery and receipt of goods/services is the goal of the requisition and purchase order process. Carefully checking deliveries and ensuring that the end user(s) that ordered the goods/services actually obtain them is a critical part of the purchasing process.

1. Locate the “packing slip.” The packing slip contains the information of the items shipped from the vendor. The packing slip should list the following information:
 - Date of shipment from the vendor
 - JISD Purchase Order Number
 - Quantities and descriptions of items shipped
2. Ensure the items on the packing slip match the items on the Purchase Order.
3. Examine the outside of the containers for damage.
4. Open container and verify contents are what was ordered.
5. When you receive the invoice, forward the invoice and purchase order to the Business Office for payment.

