

Purchasing Procedures

Less than \$25,000*



COMMUNITY UNIT
SCHOOL DISTRICT
World-Class Schools Serving Caring Communities

Proper Steps for Purchasing

1. Receive quote/pricing from vendor(s)
2. Enter requisition – attach quote(s) if available
3. Use appropriate account code number – NOT account code that has budget available
4. Requisition receives administrator approval
5. Procurement Specialist creates PO from requisition after reviewing attachments, account coding, pricing, and vendor.
6. Order is placed with vendor
7. Items/service received
8. *Detailed* invoice (quantity, service/product, per item price, total, shipping, etc.) received at department/building. Invoice is reviewed for accuracy
9. Administrator initials and invoice is attached to PO record
10. Receiving notes entered by department/building
11. Accounts Payable processes for payment ONLY if PO record has an invoice attached and receiving notes.

PO numbers are required to place an order with a vendor. The PO number is the binding agreement between the District and a Vendor. However, there may be instances when an invoice is received and there is no PO number referenced. Some *examples* of this include: finger printing charges, attorney fees, insurance, etc. ALL invoices must have a PO number to be processed for payment and receiving notes. Receiving notes alert AP that the order was shipped in full or that services were performed.

To expedite the purchasing process:

- Approval streams have been simplified
- Budget Control groups have been established to allow a budget line item to go over budget as long as there are funds available in your department/building budget
- DACs (Distributed Accountability Centers) will be utilized to limit user access to only the accounts, orders, etc. that pertain to his/her area.

Open POs

- 'Open' POs may be created at the start of the fiscal year for reoccurring expenses. Examples include: lease payments, food service, transportation, student tuition, utilities.
- Open POs are preferred for monthly recurring expenses because they give a truer picture of the financials of the District by encumbering future obligated expenses. However, they should be used carefully – a vendor may only perform a service or deliver goods with the District's authority. If you are unsure if an open PO is appropriate, please contact the Business Office.
- Payment on an open PO requires the same documentation: receipt/invoice attached and receiving/amount to be paid notes.

P-Cards

- Any staff member issued or signing out a p-card must sign an acceptable use policy.
- P-cards should be used when going through the PO process is not economically sensible (i.e. small purchase), conference registration, or purchasing when a PO number is not accepted (i.e. Amazon.com)
- Original *detailed* receipts are required and should be given to the person who will be responsible for reconciling p-card statement.
- Purchase orders will be entered for monthly statements at the building/department level.
- Using a p-card requires following the same procedures as any other purchase: admin approval, detailed receipts attached, proper account coding.
- Any abuse or misuse of a p-card may result in revocation and/or disciplinary action.

Same Day / Off Cycle Checks

These should be avoided and must be approved by the Chief Financial Officer. Good planning and proper use of open POs should eliminate the need for these checks. Illinois School Code mandates that the BOE must approve payments before being released to vendors. Off cycle checks circumvent this mandate. Vendors are aware of this statute. Also, the Prompt Payment Act states that government entities are exempt from late fees if payment is late because it is awaiting the next Board meeting.

**Request for Bids / Quotes (RFQ) / Proposals (RFP)*

Bids – required for most purchases >\$25,000 and require the oversight of the Business Office.

Purchases for similar items within a close proximity of time that in the aggregate exceed \$25,000 are to be treated as a purchase in excess of \$25,000 and shall be subject to the District's bidding procedures. Please contact the Business Office for assistance.

Quotes/Proposals

- RFQ - Used when a specific item or service is needed and below the bid threshold
- RFP – Used when seeking the best solution to a set of requirements
- RFPs and RFQs must be submitted in a sealed enveloped clearly marked and sent to the attention of the business office
- Submit written requirements/specs (email acceptable) to at least three vendors for purchases above \$2,500
- Contact Purchasing Agent with any questions or for assistance with the above

This policy does not apply to purchases of materials or services related to the construction, improvement, or repair of district buildings or of any mechanical equipment installed therein. Such materials and services shall be subject to the construction related purchasing procedures that are from time to time adopted by the District.