

Purchasing Manual

Policies & Procedures



MATANUSKA-SUSITNA
BOROUGH SCHOOL DISTRICT

CONTENTS

1.0 Introduction..... 3

2.0 Purchasing Policies..... 3

3.0 Roles and Responsibilities..... 3

 3.1 Purchasing Department..... 4

 3.2 Accounting Department..... 4

 3.3 Site/Department Purchasers..... 5

 3.4 Purchase Approvers..... 5

 3.5 Administration, External Auditors, and Reviewing Agencies..... 5

4.0 The Life Cycle of a Purchase..... 6

 4.1 Identifying a Need..... 6

 4.2 Developing a Specification..... 6

 4.3 Selecting a Vendor..... 8

 4.4 Writing a Contract..... 12

 4.5 Making a Purchase..... 13

 4.6 Managing a Purchase..... 17

 4.7 Receiving a Purchase..... 17

 4.8 Reconciling a Purchase..... 18

 4.9 End of Life..... 18

5.0 Year-End Responsibilities..... 19

 5.1 Year-End Purchasing Deadlines..... 19

 5.2 Capital Asset Inventory..... 19

 5.3 Open Purchase Orders..... 20

6.0 Violations..... 20

7.0 Contacts..... 21

 7.1 Purchasing Department..... 21

 7.2 Warehouse Department..... 21

 7.3 Accounting Department..... 21

Additional Resources..... 21

 Board Policies and Administrative Regulations..... 21

 TeamDynamix KnowledgeBase and Service Requests..... 22

Revision History..... 23

1.0 INTRODUCTION

This manual is designed to assist all employees of the Matanuska-Susitna Borough School District (District) with the proper purchasing practices to ensure full compliance with laws and with District School Board of Education (Board) policies, administrative regulations, procedures, and guidelines.

Questions about the interpretation of policies, regulations, or the guidance in this manual should be directed to the Purchasing Department.

2.0 PURCHASING POLICIES

The laws, board policies, administrative regulations, guidelines, and manuals that govern District purchasing activities include, but are not limited to:

- [2 CFR 200.313](#), Equipment
- [2 CFR 200.317-326](#), Procurement Standards
- [2 CFR 200.439](#), Equipment and Other Capital Expenditures
- [AS 36.30](#), State Procurement Code
- BP and AR 2300 Conflict of Interest
- BP 3300 Expenditures/Expending Authority
- BP and AR 3310 Purchasing Procedures
- BP and AR 3311 Competitive Procurement Requirements
- AR 3311.02 Competitive Procurement Requirements When Using Federal Funds
- BP 3312 Contracts
- BP 3314 Payment for Goods and Services
- BP 3315 Relations With Vendors
- BP and AR 3340 Inventories
- BP and AR 3340.01 Capital Assets
- Non-Personnel Spending Guidelines
- Sole Source Requirements
- MSBSD Procurement Card Manual
- MSBSD School and Student Activity Special Revenue (SSASR) Fund Manual

3.0 ROLES AND RESPONSIBILITIES

Board policies and administrative regulations delegate considerable decision-making authority to the Purchasing Department and to department and school administrators. The employees involved in the purchasing process are responsible for understanding these policies and regulations, and the procedures which address purchasing and vendor relations.

3.0 Roles and Responsibilities, cont.

Purchasing choices are important business decisions made on behalf of the District, using public resources that it has been entrusted with. Purchasing decisions should be made only after thoroughly considering the options available and evaluating what is in the best interests of the District. Per BP 3314, Payment for Goods and Services, District personnel who incur obligations which are contrary to Board policy and administrative regulations may be personally liable for any loss or damage to the District.

The purchasing process has been established with internal controls in place, which include the segregation of duties and responsibilities. As the dollar value of a purchase increases, so does the complexity, and the level of authority and responsibility required to obligate the District.

3.1 Purchasing Department

The Purchasing Department has been delegated the authority and responsibility of facilitating, reviewing, and carrying out purchasing activities on behalf of the District. Specifically, the Purchasing Department is responsible for:

- Procuring or assisting with the procurement of supplies and services.
- Training and advising employees on proper purchasing policies, regulations, procedures, and guidelines, and enforcing them as necessary.
- Developing, compiling, and maintaining a log of contracts awarded for supplies, services, and professional services, together with any amendments to contracts.
- Maintaining records pertaining to the procurement of all supplies and services, as well as the disposal of supplies, equipment, or capital assets which belong to the District but are no longer needed.
- Selling, trading, or otherwise disposing of surplus items.
- Joining with other units of government in cooperative purchasing ventures where the best interests of the District would be served through competitive pricing.
- Compiling and maintaining, to the extent practicable, bidder and vendor lists for supplies, services, and professional services utilized.
- Adopting standard specifications for supplies and services wherever practicable.
- Other responsibilities which may be required for the full support of District purchasing activities.

3.2 Accounting Department

The Accounting Department contributes to purchasing activities by:

- Processing and payment of invoices.
- Administration of the procurement card program.
- Administration of School and Student Activity Special Revenue (SSASR) funds.
- Maintaining financial records of purchases in accordance with Generally Accepted Accounting Principles (GAAP).

3.3 Site/Department Purchasers

Site and department purchasers (including but not limited to principals, administrative secretaries, supervisors, and procurement card holders) are responsible for:

- Making purchases that maximize the value of public resources with which they have been entrusted.
- Purchasing in full compliance with District policies, regulations, procedures, guidelines, manuals, and grant award terms.
- Managing contracts and purchase orders to ensure that vendors provide goods or services in accordance with the contract terms, and that the site or department receives supplies and materials in a timely manner.
- Promptly notifying the Accounting Department that invoices may be paid after contracted goods or services on the invoices have been provided, and the vendor is due payment.

3.4 Purchase Approvers

A purchase approver is an employee who is responsible for approving transactions in the Enterprise Resource Planning (ERP) system after they have been released into workflow. A purchase may go through a number of workflow approvals to meet a variety of compliance requirements. Purchase approvers are responsible for:

- Ensuring that purchases are thoroughly reviewed for compliance with District policies, regulations, procedures, guidelines, and manuals, including the use of appropriate competitive practices and proper account coding.
- Ensuring that only authorized items and services are requisitioned and/or purchased.
- Ensuring that supplies, materials and equipment are not extravagant nor accumulated beyond actual needs.

3.5 Administration, External Auditors, and Reviewing Agencies

All transactions are subject to review by District administration, external auditors, and other agencies in order to test for compliance with District policies, regulations, manuals, procedures, and guidelines; federal, state and local laws; and restrictions or other constraints imposed by agencies or donors.

4.0 THE LIFE CYCLE OF A PURCHASE

4.1 Identifying a Need

Steps to identify a need include the following:

- Determine existing options for meeting the need. Can the need be filled in-house, through a warehouse requisition, a surplus request, or a work order? Can existing equipment, supplies, or personnel be used or repurposed to meet the need?
- Determine whether funding is available to meet the need and verify that the purchase is allowable with the selected funding source.
- Determine the timeline available to meet the need. Ensure that there is sufficient time to complete all parts of the procurement process by planning ahead and anticipating needs.
- Determine whether **goods** (items that are usually tangible products), **services** (the rendering of time, effort, and labor), or a combination of the two would best meet the need.

4.2 Developing a Specification

Definition

A specification describes the characteristics of a good or service required by the District. It can be used interchangeably with the terms, “purchase description,” “purchase specification,” “purchase requirement,” “commercial item description,” “scope of work,” “scope of services,” and “statement of work.”

Purpose

A specification informs every subsequent part of the purchasing activity. Overly broad specifications run the risk of not fully meeting the need. Overly narrow specifications will improperly limit competition. Specifications should only be as restrictive as absolutely necessary for the purchase to meet the need. The purpose and goal of a well-developed specification is to meet the need while maintaining fair, equitable, and competitive purchasing practices.

DO be specific and detailed in presenting mandatory requirements for providing goods or services.

DON'T present something as mandatory or required if it truly is optional.

DO state a requirement of fact once and avoid duplication.

DON'T write specifications or scopes of service that restrict responses to a single bidder or product.

Performance Specifications

Performance specifications (also known as **Functional Specifications**) are preferred since they communicate what a product is to do, rather than how it is to be built. A performance specification may include:

- A general nomenclature or description
- Required performance characteristics (minimum/maximum) to include speed, storage, production capacity, usage, or ability to perform a specific function

4.2 Developing a Specification, cont.

Performance Specifications, cont.

- Operational requirements, such as limitations on environment, water or air cooling, electrical requirements
- Site preparation requirements for which the contractor or the District will be responsible, such as electrical and plumbing integrations
- Compatibility requirements with existing equipment or programs
- Conversion requirements for maintaining the current equipment or system until switching to the new equipment or system
- Installation requirements
- Delivery date
- Maintenance requirements
- Supplies and parts requirements
- Quantity and method of pricing
- Training requirements
- Warranty
- Service location and response time

Design Specifications

Design specifications employ dimensional and other physical requirements, and focus on how a product is fabricated, rather than on what it should do. Design specifications are normally prepared by architects and engineers for construction or custom-manufactured products. A design specification may include:

- Dimensions, tolerances, and specific manufacturing or construction processes
- References to a manufacturer's brand name or model number
- Use of drawings, and other detailed instructions to describe the product

Brand Name or Equal

When a specification mentions a manufacturer's brand name or model number, it should also include the words "or equal." In this regard, "or equal" is interpreted to mean, "substantially equal and capable of performing the essential functions of the referenced brand name or model." Identify in the specification any specific features of the referenced brand that must be met.

4.2 Developing a Specification, cont.

Scope of Services

Services require a different kind of specification than goods. The scope of services should include as much information as possible to clearly set the expectation for, and measurement of, performance with the contractor. Generally, the scope of services should answer in detail:

- Who is doing the work?
- Who is responsible for coordinating the work?
- What work is being done? (Include detailed breakdowns and deliverables.)
- Where is the work being done?
- When is the work being done? (What specific days or ranges of days? What deadlines or milestones is the contractor expected to meet?)
- Why is the service being performed? (What educational or business purpose does it serve?)
- How much does the work cost? (Include detailed breakdowns.)

4.3 Selecting a Vendor

Selection of a vendor depends on a variety of factors. The purchaser should ensure that the vendor selected is providing the best value for the price. In addition to price, qualitative factors may be considered if those factors are genuine and realistic requirements to meet the need. The District is exempt from sales tax and Federal excise taxes, so these costs should never be included in the cost of purchases.

Shipping Terms

The District strongly prefers that all purchases be quoted using the shipping term of Free On Board (FOB) Destination. The FOB location is the point at which the legal ownership of the goods transfers from seller to buyer. It's important that the FOB location be at a point in the process where the District can inspect the delivery to ensure compliance with the order and certify that the goods are free from damage. Anything other than FOB Destination exposes the District to the potential loss from damaged or incomplete shipments, and limits the recourse available to correct such issues.

4.3 Selecting a Vendor, cont.

Competitive Procurement Requirements

Competitive procurement helps ensure the prudent management of public resources. Purchasing thresholds are contained in BP 3311, Competitive Procurement Requirements.

Micro-Purchases are the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$25,000. To the extent practicable, micro-purchases must be distributed equitably among qualified suppliers. Competitive quotations are not necessary, provided that the price is reasonable, but reasonableness of the price is most easily documented by obtaining multiple quotes. Prices are affected by factors that include, but are not limited to, speed of delivery, length and extent of warranty, limitations of seller's liability, quantities ordered, length of the performance period, and specific performance requirements. The purchaser must ensure that contract terms, conditions, and prices are commensurate with the District's need.

Small Purchases are those over \$25,000 but not exceeding \$100,000. For small purchases, price or rate quotations must be obtained from an adequate number of qualified sources (generally at least three). In order to meet competitive procurement requirements, quotes must be comparable to each other (meaning equal in quantity, quality, durability, and fitness for the purpose intended), include shipping to the delivery destination, and not include sales or excise taxes.

Sealed Bids or Proposals are required for purchases over \$100,000. This is a publicly advertised, formal process by which the District obtains bids or proposals from qualified vendors. Invitations to Bid and/or Requests for Proposal are developed and published by the Purchasing Department in collaboration with the site or department. For purchases of this magnitude, purchasers must work with the Purchasing Department.

Purchases must NEVER be split to circumvent purchasing thresholds. This is considered a violation of District purchasing policy and the employee may be held personally liable for any loss or damage to the District, and may also be subject to personnel actions and/or other discipline.

Cooperative Purchasing

Cooperative purchasing is a process where a governmental entity competitively solicits sealed bids or proposals and allows other governmental entities to utilize the resulting contracts. The District belongs to several purchasing cooperatives and can utilize contracts through them for advantageous pricing without having to go through another competitive process. If the good or service is available through a purchasing cooperative, please reach out to Purchasing to ensure the District is a member of the applicable cooperative. Procurement using cooperative purchasing agreements is encouraged and eliminates the need for multiple quotes. (See BP 3311 Competitive Procurement Requirements.)

4.3 Selecting a Vendor, cont.

Procurement by Non-Competitive Proposals (Non-Federal Funds)

Under certain circumstances, some purchases may be exempted from competitive procurement requirements. For the following kinds of purchases with non-Federal funds, the purchaser must complete BUSSVS15, Exemption from Formal Bidding Requirements Request, and submit it to the Director of Finance. Please also refer to the District's Sole Source Requirements.

- Instructional materials for which purchasing guidelines have been established by School Board Policy in BP 6161.1.
- In-service presenters, speakers, or curriculum, instruction, or staff development experts selected for particular and unique expertise.
- Professional or consultant services such as medical, legal, negotiation, technical, or educational services, but not including architectural/engineering services.
- Professional or consultant services (such as property and casualty insurance) purchased jointly with Local, State, or Federal agencies.
- Sole source procurements, such as for public services, utilities or energy-related expenses, site licenses, software upgrades, maintenance contracts, and specialized services, software or equipment where no competition exists.
- Purchases which augment previously purchased items when the District has established a need for standardization of equipment or supplies and would incur substantial costs to switch products or product lines.
- Purchases involving replacement of equipment where similar equipment can be traded in.
- Purchases involving items regulated by Fair Trade Statutes.
- Purchases made through cooperative purchasing agreements, existing Federal/State or inter-district contracts including General Services Administration contracts; or when cooperatively bidding with other public agencies.
- In the case of exigency, when there is a need to avoid, prevent, or alleviate serious harm or injury, financial or otherwise, to the District, and the use of competitive procurement would prevent the urgent action required to address the situation.
- After solicitation of a number of sources, competition is deemed inadequate.

Procurement by Non-Competitive Proposals (Federal Funds)

In limited circumstances, purchases using resources provided by the Federal Government may also be exempted from competitive procurement. The purchaser must complete PUR10, Procurement by Non-Competitive Proposals Request and submit it to the Director of Finance, if the purchase using federal resources appears to meet the criteria for exemption from competitive procurement. Please also refer to the District's Sole Source Requirements.

- The item or service is available only from a single source.
- The item or service is an emergency requirement which will not permit a delay resulting from competitive solicitation.
- The federal awarding agency, or pass-through entity, expressly authorizes noncompetitive proposals in response to a written request.
- After solicitation of a number of sources, competition is deemed inadequate.

4.3 Selecting a Vendor, cont.

Ethics and Conflicts of Interest

It is critical to the transparency and fairness of the procurement process that purchasers behave ethically in the selection of vendors and award of purchases.

Per BP 3315, Relations with Vendors, no employee shall accept personal gifts, commissions, or expense-paid trips from individuals or companies selling equipment, materials or services required in the operation of District programs. Gifts include any item or service purchased specifically for an employee, which is not generally offered to other buyers.

This policy does not prohibit employees from accepting promotional or advertising items such as calendars, desk pads, notebooks and other office gadgets, which are offered by business concerns, free to all as part of their public relations programs.

In addition, BP 2300, Conflict of Interest, requires that employees refrain from participating in official District financial decisions in which they have a substantial financial interest. District employees who work for, or serve as, consultants for potential vendors shall not participate in evaluating any equipment, materials or services of that vendor or its competitors.

If an employee or an employee's immediate family member has a financial interest in a vendor which does business with the District, the employee must complete PUR08, Conflict of Interest Affidavit annually, and submit it to the Purchasing Department prior to completion of any purchases from the applicable vendor. The affidavit, along with total revenue received from the District in the prior year, will be reported to the Board. "Immediate family member" means an employee's grandparent, parent, child, grandchild, brother, sister, spouse, child of a spouse, or a regular member of the employee's household.

Note: This policy does not apply to contracts with individual employees for the purposes of providing coaching or sponsorships to co-curricular or extra-curricular activities.

Creation of Vendors

If a vendor does not exist in the ERP system, a Vendor Packet can be requested from the Purchasing Department. The vendor should fill out the Vendor Packet, and the purchaser should submit the completed packet as a service request in TeamDynamix > Services > Business Service > Vendor Record Request or Update.

4.4 Writing a Contract

Professional Service Contracts (PSCs)

A professional services contract (PSC) must be executed whenever the District is engaging an independent **contractor** (an individual or entity who is not an employee or is not acting in their employment capacity for the District) for services in exchange for payment. Contracts are required for all eligible services, regardless of funding source or payment method. The scope of services developed in the specifications phase of the purchase now becomes the scope of services used for the contract, along with any additional details that are specific to the selected contractor's proposal.

Contracts ensure that the work that the contractor is expected to perform is clearly defined in scope, in cost, and in time. Contracts also ensure that the risk of liability for the service is mitigated through contractor-provided insurance coverage.

Service work may not begin until a fully-executed contract is in place. This means that the contract has been reviewed and signed by the contractor, the site or department administrator, the Risk Manager, and the Purchasing Supervisor. Contractors who begin work without a contract in place do so at their own risk. Employees do not have the authority to authorize service work requiring a contract unless a contract is in place. An employee who directs that service be performed without a contract may be held personally liable for any loss or damage to the District and also may be subject personnel actions and/or other discipline.

If the service is being rendered for free, (such as a book author visiting a classroom), volunteer protocols will need to be followed instead.

Purchases of Services Not Requiring Professional Service Contracts

The following types of purchases do not require a PSC:

- Conference or admission fees.
- Fees or tuition for trainings, courses, or classes when the content is not tailored specifically to the District and which are not held on District owned or controlled property.
 - Note: In-service presenters, trainings with content specifically tailored for the District, and services procured from educational partners for correspondence programs, do require a PSC.
- Services which are performed at the vendor's place of business or a location other than District owned or controlled property, when the vendor does not have contact with students without direct supervision from District staff, and which does not involve access to records containing personally identifiable information or student records.
- Equipment rentals under \$25,000, for a duration of less than 12 months, and when no set-up, installation, or other services are performed on District owned or controlled property.

Please reach out to the Purchasing Department with any questions to determine if a planned purchase requires a PSC.

4.4 Writing a Contract, cont.

Other Contract Forms

Sites and departments may not enter into contracts or other binding agreements without the express permission of the Business Services Department and/or the Purchasing Department. This includes signing quotes that authorize work without a PSC. All non-standard contracts and agreements must be referred to the Business Services Department and/or the Purchasing Department for review and approval.

4.5 Making a Purchase

Requisitions and Purchase Orders

Once a vendor has been selected, the purchaser has confirmed the vendor is active in the ERP system, and any service contracts have been fully executed, the purchase can be completed. Generally, the purchaser would enter a **requisition** into the ERP system. The requisition must include a thorough and complete description of the purchase, and all appropriate fields should be filled. All quotes that were obtained, and a summary comparison of those quotes, must be attached, along with any other documentation (exemptions, contracts, etc.). Consider whether an outside person, who knows nothing about the purchase, could understand what is being purchased and why. For information on how to enter a requisition into the ERP system, please refer to the Purchasing section of the District KnowledgeBase.

For purchases of goods where the quantity and cost of each item is well defined, the purchaser should enter a **Normal** type requisition, sometimes called a **Receiver** type. For purchases of services, or for purchases of goods where the quantity and cost of items is not well defined or the purchases will occur over a period of time, the purchaser should enter a **Blanket** type requisition.

For blanket requisitions, the purchaser should ensure that the amount requested reflects the total amount reasonably expected to be spent for the applicable time period covered by the requisition. For year-long, recurring blanket POs, it can be helpful to utilize historical spend to estimate the expected spend for the current year.

It is essential that proper account codes be used for purchases in order to properly categorize expenditures in compliance with state reporting requirements and GAAP. More information about account codes can be found in the District KnowledgeBase.

After all information has been entered into the ERP system, all documentation is attached, and the requisition has been allocated to the proper account code(s), the requisition can be released into workflow. A requisition may go through a number of levels of workflow to obtain the appropriate departmental or categorical approvals based on the specifics of the purchase. Workflow can be triggered by a variety of factors including (but not limited to) department, account code(s), and amount.

4.5 Making a Purchase, cont.

Requisitions and Purchase Orders, cont.

The final level of approval is the Purchasing Department. The Purchasing Department reviews the requisition and, if it is complete and correct, converts it into a **Purchase Order** (PO). The PO will be transmitted to the vendor via fax or email, depending on how the vendor is set up (unless the purchaser has specifically notified the Purchasing Department that the PO should not be sent to the vendor).

Upon conversion, a **Department Copy** of the PO is emailed to the purchaser. Copies of POs can also be retrieved from the ERP system. In the ERP system, the **Purchasing Copy** will include the General Ledger (GL) coding for each line and a GL allocation summary at the bottom, like the Department Copy. The **Vendor Copy** will not include any GL allocation information and is more appropriate for sharing with outside entities.

Procurement Cards (P-cards)

In certain circumstances, it may be allowable to make a purchase using a p-card instead of entering a requisition for a PO. Purchasers should keep in mind that p-cards are only a method of payment. Purchases on p-cards must follow all of the same purchasing requirements as purchases made with any other method. Refer to the District's Procurement Card Manual for additional information on when purchases on p-cards are allowable.

Shipping Purchases to the District Warehouse

For purchases that cannot or should not be delivered directly to the school/department site, purchases may be shipped instead to the District warehouse at 690 Cope Industrial Way, Palmer, AK 99645. During requisition entry, purchasers can change the ship-to code from the default (LOC0) to the school/department name plus the warehouse address (LOC3). Verify that the ship-to code has been changed for all lines of the requisition. For p-card purchases, purchasers can use the school/department name as the addressee plus the warehouse address.

For all purchases shipped to the warehouse, please email MSDWarehouse@matsuk12.us with a notice that includes which school the purchase is for, the approximate date of delivery, and details of the expected shipment (either a copy of the PO or the order confirmation from the p-card purchase).

Warehouse Requisitions

The District warehouse stocks commonly-used items such as copy paper, butcher paper, laminating film, and nitrile gloves. In order to request items from the District warehouse, a warehouse requisition must be entered. These are processed in much the same way as a requisition for outside purchases, but they result in a **pick ticket** instead of a PO. Warehouse items have already been procured competitively and do not require additional competition for purchase. For instructions on warehouse requisitions, please refer to the Purchasing section of the District KnowledgeBase.

4.5 Making a Purchase, cont.

Federal Programs Purchases

All purchases made with resources provided by the Federal Government must be encumbered ahead of time. Requisitions directly to vendors should already be processed ahead of time as a matter of course. However, prior to making a grant-related p-card purchase, a **placeholder requisition** must be entered to encumber the funds. When encumbering funds for p-card purchases, the purchaser should only encumber the amount needed for the specific activity.

The requisition should include the following information:

- Vendor: Federal Programs (Vendor #1502)
- General Description: FP (Location) Funding Source
- Description:
 - P-card purchase
 - Not to exceed: \$XXX.XX
 - No single item to exceed \$500
 - No soda pop
 - List the place of purchase: (Amazon, Three Bears, Fred Meyer, etc.)
 - Authorized Purchasers: XXX

Upon approval, the placeholder requisition will be converted to a **placeholder PO**. Prior to reconciling the applicable p-card statement, the purchaser should email MSDPurchasing@matsuk12.us to request closure of the placeholder PO encumbering the funds that were spent on the p-card statement being reconciled.

Note: Sales and excise taxes cannot be charged to any federal grant. If taxes cannot be waived for a grant, the tax should be coded to: 100.xxx.xxx.0000.1.0.490 (use the location and most appropriate function that corresponds to the purchase).

School and Student Activity Special Revenue (SSASR) Fund Purchases

Purchases made with SSASR fund resources must follow all of the same purchasing requirements as purchases made with any other funds. Refer to the District's SSASR Fund Manual for additional information about purchasing with these funds.

Amazon Business

The District maintains a district-wide Amazon Business Prime account. This helps centralize and consolidate Prime fees, tax exemptions, and purchasing data. It also gives the District, sites, and departments more access to and control over their Amazon purchases. Individuals and sites should not have separate Amazon Business or Amazon Prime accounts, and site-based fees for Amazon Prime are not an allowable expense.

4.5 Making a Purchase, cont.

Amazon Business, cont.

District purchases from Amazon must only be placed through the District-sanctioned Amazon Business account on a District p-card. Purchases through personal Amazon accounts or on personal payment methods are not acceptable. Users should shop for Prime items whenever possible in order to avoid incurring taxes and shipping charges. All Amazon purchases must conform to District purchasing policies, including competitive thresholds.

Any District employee can be added as an Amazon Business user, whether they hold a p-card or not. A user who is not a p-card holder can add items to a list for finalization by one of their group's p-card holders. A user who is a p-card holder can add items to a cart and finalize the purchase. Users should only finalize purchases using their own p-card. If there is a need to make an Amazon purchase that exceeds the limits of the purchaser's p-card, please contact the Purchasing Department. New users under the District account can be requested by emailing MSDPurchasing@matsuk12.us with the user's name, email address, and site affiliation.

Equipment and Capital Assets

Equipment purchases which cost at least \$5,000.00 must be tracked per AR 3440.01. Equipment purchases of at least \$25,000.00 which are used in operations, and have initial useful lives extending beyond one year, will be capitalized per BP 3440.01. All expenditures required to put a capital asset into service for its intended purpose at the intended location, including contracted installation costs, should be coded to the same asset object code as part of the cost of the capital asset.

To comply with [2 CFR 200.439](#), purchases of goods with a per unit cost of \$5,000 or more with federal resources requires the prior written approval of the federal awarding agency or pass-through entity.

Aggregate purchases of goods of at least \$25,000 may also be subject to capitalization, even if the unit cost of the individual items is less than the capitalization threshold. For questions on whether a purchase is considered equipment under BP 3440 and 3440.01, contact the Purchasing Department.

Travel

For **group** travel (groups of 8 or more), please contact the Alaska Airlines Group Desk at (800) 445-4435 or Group.Desk@AlaskaAir.com and reference contract ID #CA48. The Group Desk office hours are 6:00 AM – 6:00 PM Pacific Time, Monday – Friday, and 7:30 AM – 6:00 PM Pacific Time on Saturdays. The Group Desk is closed on Sundays.

For individual travel, the District maintains a corporate EasyBiz account with Alaska Airlines. This enables employees to book tickets more flexibly and repurpose tickets more effectively if plans change. To book individual travel, please contact the Purchasing Department.

4.5 Making a Purchase, cont.

Employee Purchases for Reimbursement

In general, employees should avoid making District purchases with personal funds. While the District maintains a process for employee reimbursement of expenditures made on the District's behalf, it is discouraged. Making District purchases with personal funds circumvents prior approval and negates the District's exemption from taxes.

4.6 Managing a Purchase

Purchase Order Change Orders

If the quantity, price, scope, or funding of a purchase changes, changes must also be made to the PO. To prevent receiving record inconsistencies and payment delays, it is essential that these changes be made as soon as the purchaser is aware of the need for a change in order.

In order to prevent double ordering, Purchase Order Change Orders are not automatically transmitted to the vendor. If the vendor needs a copy of the updated PO, the purchaser can retrieve it from the ERP system and send it to the vendor. Just like an original PO, a Purchasing Copy and a Vendor Copy will be generated for each change order when it is processed. Original POs will end in -00 after the eight-digit PO number. Subsequent change orders will end in -01 (and following) after the PO number.

Professional Service Contract Amendments

If the scope, price, or effective dates of a service change, a Professional Service Contract Amendment must be completed. The amendment must be executed before additional work can proceed and before any associated PO Change Order will be processed.

4.7 Receiving a Purchase

For Normal or Receiver POs, an accurate receiving record must be entered into the ERP system. It is the responsibility of the person entering the receiving record to ensure that the record accurately reflects the items and quantities delivered. The receiving record should be entered with care, as it serves as the sole authorization for the Accounting Department to process and pay invoices for received items.

Under no circumstances should a receiving record be created for any item that has not been physically received by the District. Doing so is a violation of District purchasing policy and the employee may be held personally liable for any loss or damage to the District, and may be subject to personnel actions and/or other discipline.

4.8 Reconciling a Purchase

Invoicing

Invoices should be sent to accounting@matsuk12.us. Original invoices mistakenly sent to a site or department should be forwarded to the Accounting Department via intradistrict mail. On a Normal or Receiver PO, the invoice will be compared to the receiving record. If the invoice matches the receiving record, the invoice will be paid without any additional involvement or authorization from the site or department. If the invoice does not match the receiving record, it will be held until the Accounting Department has a matching receiving record or a matching invoice. On a Blanket PO, the site or department will need to review the invoice for accuracy and provide the Accounting Department with the approval to pay.

Reconciling P-card Transactions

To ensure that the correct dollar amount was charged to the p-card, a purchaser must compare each transaction posted in the ERP system to the itemized receipt and order that was obtained when the purchase was made. Purchasers must also confirm that the goods purchased were received, and that all purchases were in full accordance with purchasing and p-card program policies. Purchasers should ensure that proper backup documentation is attached to all p-card transactions.

Closing Purchase Orders

Site and department administrative personnel should regularly review open POs to ensure they are being closed when they are no longer needed. For most Normal or Receiver POs, Accounting can close the PO with the final invoice as long as it is fully received. However, for all other POs, the site or department will need to request closure by emailing the Purchasing and Accounting Departments. Accounting will review the PO for pending invoices, and either authorize the Purchasing Department to close the PO, or ask for it to remain open.

4.9 End of Life

Surplus Supplies and Equipment

When supplies and equipment are no longer needed by the site or department, they should be offered to other sites and departments by following the established surplus procedures provided in the Warehouse section of the District KnowledgeBase. For equipment on the site or department's Capital Asset Inventory list, an Inventory Disposition Form must be completed to record the new location of the equipment. Please contact the District warehouse for questions about surplus of items.

Disposal of Supplies and Equipment

When supplies and equipment are no longer needed by the site or department and they are broken beyond repair, or pose a danger to staff or students, they should be disposed of. For equipment on the site or department's Capital Asset Inventory list, an Inventory Disposition Form must be completed to record the disposal of the equipment. Please contact the District warehouse for questions about disposal of items.

4.9 End of Life, cont.

Surplus or Disposal of Technology Equipment

Surplus or disposal of technology equipment such as Chromebooks, laptops, monitors, and classroom displays requires the permission and involvement of the IT Department. Please contact the applicable IT Support Specialist for assistance.

Surplus or Disposal of Equipment Purchased with Federal Resources

Surplus or disposal of equipment purchased with resources provided by the Federal Government requires the permission and involvement of the Federal Programs Department. To comply with [2 CFR 200.313](#), surplus equipment purchased with Federal Programs allocated resources should be offered first to other Federally-supported programs before it is offered to the District at large.

5.0 YEAR-END RESPONSIBILITIES

5.1 Year-End Purchasing Deadlines

Each year, usually in mid-February, the Purchasing Department publishes the year-end purchasing deadlines. These deadlines ensure that there is sufficient time to ship, receive, invoice, and pay for orders prior to the end of the fiscal year. They also ensure that purchases are properly accounted for in the same fiscal year that the District received the benefit of the purchase. These dates are applicable to all school sites, charter schools, departments, and grants. Exceptions may be granted on a case-by-case basis by the Purchasing Supervisor. Prior year exceptions do not guarantee equivalent current year exceptions.

Out-of-State orders have earlier deadlines than **In-State** orders because shipping will generally take longer from out of state vendors. Orders delivered to schools have earlier deadlines than orders delivered to the District warehouse. District warehouse deliveries assure items will be received and accounted for even after school staff are no longer on contract for the year or if orders are delayed.

In all cases, purchasers should have a good understanding of delivery lead times and plan accordingly. Purchases which arrive after the receiving deadlines, and/or after the end of the fiscal year, may be recorded as expenditures of the new fiscal year, even if the purchase is made before the order deadline.

5.2 Capital Asset Inventory

Principals are responsible for verifying and validating the site-specific Capital Asset Inventory report generated by the Purchasing Department prior to the end of the fiscal year. The inventory list must be returned to the Purchasing Department confirming that each asset remains at the applicable site. If any asset on the list have been removed from the site, the list must include notations as to the disposition of the item, and copies of the associated Inventory Disposition Form must accompany the returned inventory list.

5.3 Open Purchase Orders (POs)

All open POs must be closed prior to a school purchaser's last contract day unless other arrangements have been made with the Purchasing Department. For year-round departments, as many open purchase orders as possible should be closed prior to the end of the fiscal year. Purchasers should regularly review open POs to ensure they are being closed when they are no longer needed.

5.4 Year-End Receiving

Receiving records should not be entered in the ERP system after June 30 for prior-year POs. Contact the Purchasing Department for assistance with purchases that were physically received in the prior fiscal year but for which a receiving record was not created. Under no circumstances should a receiving record be created for any item that has not been physically received by the District.

6.0 VIOLATIONS

Examples of violations of policies, regulations, manuals, or procedures include but are not limited to:

- Any purchase made in violation of policies, regulations, and this manual
- Incurring sales tax without documenting and acknowledging due diligence to avoid
- Failure to obtain required documentation (e.g., quotes, invoices, etc.)
- Authorizing services without an executed contract in place
- Splitting or otherwise structuring purchases to circumvent purchasing thresholds, approval authority, or other policies
- Recording receipts in the ERP system when goods have not physically been received
- Employee fraud, misuse, or unauthorized purchases

Violations will result in corrective actions, which will be dependent upon the severity of the violation, the number and severity of previous violations, the outcome/response to previously imposed corrective actions, and other factors deemed relevant to the violation.

- First Level Violation – The Purchasing Supervisor will communicate the violation and proper procedures with the offending party and approving authority. Examples of first level violations include but are not limited to: first time violations by purchaser or approver; failure to obtain required documentation (quotes, invoices, etc).
- Second Level Violation – By direction of the Director of Finance and enforced by the Purchasing Supervisor. Purchasing permissions will be suspended until offending party has asserted receipt of this manual, an understanding of the reason for the violation, and has issued a memo to the Purchasing Supervisor addressing the actions that will be taken to resolve the violation and avoid repeating the violation in the future. The supervisor of the employee must also be copied on the memo and formally authorize the reinstatement of purchasing privileges.

6.0 Violations, cont.

- Third Level Violation – By direction of the Director of Finance and enforced by the Purchasing Supervisor. Purchasing permissions will be revoked. Notification will be sent to the purchaser and supervisor of the employee. If it is determined to be in the best interests of the District, and approved by the Director of Finance, purchasing permissions may be reinstated after a period of at least three months has passed. To request reinstatement of purchasing privileges, supervisor of employee must issue a memo to the Purchasing Supervisor addressing the actions that will be taken to resolve the violation and avoid repeating the violation in the future.

Certain violations may result in the individual being required to reimburse the District for inappropriate charges and may also result in disciplinary action. The District reserves the right to pursue any civil or criminal remedies deemed appropriate.

7.0 CONTACTS

7.1 Purchasing Department

Phone: (907) 861-5120 Email: MSDPurchasing@matsuk12.us

- Beth Munson, Purchasing Supervisor, (907) 861-5130, beth.munson@matsuk12.us

7.2 Warehouse Department

Phone: (907) 861-5129 Email: MSDWarehouse@matsuk12.us

7.3 Accounting Department

Email: accounting@matsuk12.us

ADDITIONAL RESOURCES

Board Policies and Administrative Regulations

District School Board Policies and Administrative Regulations can be found in the District's BoardDocs page, under the "Policies" tab.

TeamDynamix KnowledgeBase and Service Requests

Team Dynamix, the District's KnowledgeBase and Service Request system, can be accessed from the Employee Quick Links page on the District's website.

Additional Resources, cont.

Forms

- **Purchasing/Warehouse Forms:** TeamDynamix > KnowledgeBase > Business Departments > Purchasing or Warehouse > Purchasing or Warehouse Forms
 - Conflict of Interest Affidavit – Employees who have a financial interest in a vendor doing business with the District must fill out this form annually.
 - Exemption from Formal Bidding Requirements Request – This form is used to validate and document that purchases using non-Federal resources meet the standard for procurement by non-competitive proposals.
 - Federal Funds Procurement by Non-Competitive Proposals Request – This form is used to validate and document that purchases using Federal resources meet the standard for procurement by non-competitive proposals.
 - Professional Services Contract (PSC) – This form is used to describe, document, and authorize service work performed by independent contractors.
 - PSC Contract Amendment – This form is used to amend the scope, price, time, and/or other factors of an executed PSC.
 - Vendor Packet – Vendors must fill out these forms in order to be enrolled as a vendor in the ERP system.
 - Inventory Disposition Form – This form is used to document the transfer or disposal of District equipment.

Instructional Guides and Manuals

- **Purchasing Guides:** TeamDynamix > KnowledgeBase > Business Departments > Purchasing
 - Amazon Business Prime Training
 - ERP System – Pick Ticket Entry (Warehouse Requisition Entry)
 - ERP System – PO Change Orders
 - ERP System – PO Inquiry
 - ERP System – PO Receiving
 - ERP System – Requisition Entry
 - ERP System – Requisition Entry – Duplicating Requisitions
 - ERP System – Requisition Entry – Next Year Requisitions
 - Professional Services Contract (PSC) Instructions
 - Sole Source Requirements
- **Warehouse Guides:** TeamDynamix > KnowledgeBase > Business Departments > Warehouse
 - Surplus Process

Additional Resources, cont.

Instructional Guides and Manuals, cont.

- **Accounting Guides:** TeamDynamix > KnowledgeBase > Business Departments > Accounting
 - P-Cards – This section contains multiple resources related to the p-card program, including instructional guides and the Procurement Card Manual.
 - Student Activities – This section contains multiple resources related to the School and Student Activity Special Revenue Fund, including instructional guides and the SSASR Fund Manual.
 - Chart of Accounts Quick Reference
 - Munis Chart of Accounts
 - Non-Personnel Spending Guidelines

Service Requests

TeamDynamix > Services > Business Service

- Professional Services Contract (PSC) – This is where completed PSCs are uploaded for review and approval.
- Vendor Record Request or Update – This is where completed Vendor Packets are uploaded to either create a new vendor or update an existing vendor in the ERP system.

REVISION HISTORY

The latest version shall supersede all prior formal or informal policies and procedures.

Revision Date	Revision Number	Summary of Changes
July 2022	0	Original



MATANUSKA SUSITNA

**BOROUGH SCHOOL
DISTRICT**