

PURCHASING - GENERAL PROVISIONS

- A. All purchases shall be made using a valid purchase order processed through the Office or by the school approved purchasing card. There are times that an invoice is received without a purchase order being issued or an approved purchasing card being used. These routine exceptions (i.e. mileage reimbursement, tuition reimbursement, etc.), require a proper ASN and supervisor signature before remitting payment.
- B. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order.
- C. Employees are forbidden to use the name of the school for any discounts provided to the school, or any other means for associating a personal purchase with the school. They are to make clear to any school supplier from whom they are purchasing an item that it is a personal purchase by the employee and is not associated with the school. Failure to abide by this provision could lead to disciplinary action.
- D. Blanket purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. The HOS must approve all blanket purchase orders before they are issued.
- E. Any contracted service, other than legal services, for a single transaction, that costs the school more than the state minimum bidding requirement for supplies, materials and equipment, must be approved by the Board of Education. Such purchases and the method for procuring such purchases will be communicated to the Board Finance Committee prior to the solicitation of the service.
- F. The HOS will determine the most appropriate method of obtaining prices for items or groups of items that are not subject to formal bidding procedures.
- G. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board

PURCHASE ORDER PROCEDURE

- A. The requestor completes a purchase order.
- B. The office manager responsible for the purchase shall assign a purchase order number and forwards to the HOS for approval and to assign an account number.
- C. The purchase order is then processed for completion.

PAYMENT OF CLAIMS PROCEDURE

- A. When delivery is made, the office manager checks the purchase order to ensure the order has been received correctly and in proper condition.
- B. If so, the packing or delivery slip is initialed and put in the file for awaiting the invoice.
- C. The office manager checks the delivery slip against the purchase order, and if everything is in order, the invoice is stamped and given to the HOS for approval.

- D. If the office manager finds discrepancies or has questions, s/he shall contact the teacher or HOS.
- E. The vendor's invoice is filed with applicable documentation in the filing system.

COMPETITIVE BIDS FOR SUPPLIES, MATERIALS, AND EQUIPMENT WHICH EXCEED STATE OF MICHIGAN THRESHOLD AMOUNT

The Superintendent or designee is authorized to use discretion in deciding whether the purchase of supplies, materials, and equipment or the construction, repair or renovations of buildings when the cost is at or below the threshold amount as listed in the Michigan School Code of 1976, as amended, 380.1274, will be made on a non-negotiated basis, by informal or formal quotation, or by competitive bid. The Superintendent will establish written guidelines and procedures for implementation of this policy.

Competitive bids shall be obtained for supplies, materials, and equipment when such cost is above the threshold amount as established in the School Code of 1976, as amended, 380.1274. The Superintendent or designee is authorized to obtain competitive bids in the following manner:

- A. Participation in the State of Michigan's Department of Management and Budget Joint Competitive Bidding Program as authorized by Section 1263, 1984 P.A. 431;
- B. Participation in the Regional Educational Media Center Purchasing Program (REMC) for central purchasing of equipment related to media center activities authorized by Section 671, 1976 P.A. 451;
- C. Participation through third-party competitive bidding for materials, supplies, and equipment through such programs as the hospital purchasing service (HPS), or the "classrooms for tomorrow" computer equipment procurement program, or other similar programs;
 - a. Third-party competitive bidding on behalf of the School District shall constitute a competitive bid for purposes of Section 1274 of the School Code of 1976, as amended.
- D. Solicitation for bids by letter or by publication in a local Newspaper, trade journal or other appropriate publication.
 - a. The solicitation must specify the time and place the bids will be opened. If specifications are prepared, these will be made available to all interested bidders. The bids shall be sealed and shall be opened by the Superintendent or his/her designee. All bidders shall be invited to attend the opening of the bids.

The Superintendent or his/her designee shall inform the Board of Education of the terms and conditions of the bid(s) and shall recommend which bid(s) should be accepted.

In formulating recommendations, the Superintendent may give consideration to the quality of the items to be supplied, their conformity with specifications and suitability to the District, delivery terms, past performance of the bidder and any other factors materials to the transaction.

The Board of Education reserves the right to reject any or all bids, waive irregularities, and accept the bid that, in its opinion, is in the best interest of the School District.

PURCHASES FOR SUPPLIES, MATERIALS, AND EQUIPMENT GREATER THAN \$5,000 BUT LESS THAN THE STATE OF MICHIGAN THRESHOLD AMOUNT

- A. Quotations must be obtained from a minimum of three (3) vendors.
- B. Record of quotations is to be submitted to the Purchasing Department for purchase order backup.

COMPETITIVE BIDS ON BUILDING CONSTRUCTION, RENOVATIONS, AND REPAIR

The Board shall obtain competitive bids on all materials and labor required for the complete construction of a new building or buildings, or additions to, repairs or renovations of existing buildings when the cost is in excess of the threshold amount as indicated in the Michigan School Code of 1976, as amended, 380.1267, except repairs in emergency situations.

The Board shall advertise for bids once in the local newspaper annually designated by the Board for its legal publications. In addition, the Board must post an advertisement for at least two (2) weeks on the Department of Management and Budget website or a designated school organization website.

In order to meet the requirements of Public Act 232 of 2004, the Board will need to include the following information in advertisements for bids:

- A. The date and time bids must be received;
- B. The date, time and place of a public meeting where the Board or designee will open and read aloud the bids received by the due date and time;
- C. State that the Board, intermediate school board, or board of directors will not consider or accept a bid received by the Board, intermediate school board, or board of directors after the date and time specified for bid submission;
- D. State that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the Board, intermediate school board, or board of directors or the Superintendent of the school district, intermediate superintendent of the intermediate school district, or chief executive officer of the public school academy;
 - a. A board, intermediate school board, or board of directors shall not accept a bid that does not include this sworn and notarized disclosure statement.

Bids shall be opened and read aloud in a public meeting at the time and place advertised for receipt of bids. The Board may reject any or all bids, and re-advertise in the same manner provided by law and this policy.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. Items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained;

06/14/2022

- B. Opportunity be provided to as many responsible suppliers as possible to do business with the School District;
- C. Prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. Where the requester has recommended a supplier, the Superintendent may make alternate suggestions if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- E. Upon the placement of a purchase order, the Superintendent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations

The Superintendent may acquire equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

M.C.L.A. 380.1267, 380.1274 et seq.

LOCAL PURCHASING

The Board of Education recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the District from established local merchants.

Goods and services will be purchased locally whenever the following factors are seen as being equal between local and non-local vendors or whenever local vendors excel in said factors provided that all statutes pertaining to public purchasing are duly observed:

- A. Quality of product or service.
- B. Suitability of product or service.
- C. Price
- D. Conformance of specifications.
- E. Convenience of delivery.
- F. General reputation of business firm.
- G. Service to School District.

VENDOR RELATIONS

The Board of Education shall not enter a contract knowingly with any supplier of goods or services to this District under which any Board member or officer, employee, or agent of this School District has any pecuniary or beneficial interest, direct or indirect, unless the person has not solicited the contract or participated in the negotiations leading up to the contract. This prohibition shall not prevent any person from receiving royalties upon the sale of any textbook of which s/he is the author and which has been properly approved for use in the schools of this District.

For the purpose of this policy "beneficial interest" shall be determined in accordance with M.C.L.A. 15.321 et seq.

Board members and school personnel shall not accept any gifts or favors from vendors which might, in any way, influence their recommendations on the eventual purchase of equipment, supplies, or services.

All sales persons, regardless of product, shall clear with the Superintendent's Office before contacting any teachers, students, or other personnel of the School District. Purchasing personnel shall not show any favoritism to any vendor. Each order shall be placed in accordance with policies of the Board on the basis of quality, price, and delivery with past service a factor if all other considerations are equal.

MISCELLANEOUS EXPENSE RESTRICTIONS

These restrictions apply to all purchases made with an approved purchase order or with an approved purchasing card.

General Fund (including Grants, Extended Daycare, Rental, etc.) – Expenditure Parameters

- A. Sales tax is not refundable (exception: meal reimbursement)
- B. Meals are reimbursed up to a maximum of \$30 a day under an accountable plan.
 - a. Complete a Request for Payment form or a Conference form if an approved purchasing card was not used.
 - b. Attach all itemized receipts.
 - c. Send to supervisor for signature.
 - d. Submit to Business Office for payment.
- C. Mileage will be reimbursed at a rate .50/mile for FY14/15
- D. Generally gifts and flowers are not appropriate expenditures.

Agency Funds

- A. Restricted Funds – Funds may be expended only as dictated by originator(s).
 - a. Donations with explicit parameters (i.e., Rotary, Ace Foundation, etc.).
 - b. Fundraisers where school clearly identifies expected use (i.e., field trips, party, etc.).
- B. Limited Restriction Funds (Implied) – These funds may be used for student expenses only.
 - a. Dollars donated with no written expectations (i.e., PTO).
 - b. Revenue generated with no express use noted (i.e., photo rebates, generic school fundraisers).
- C. Discretionary Funds – These funds may be used for staff and student expenses.
 - a. Revenue collected for Sunshine fund.
 - b. Vendor Proceeds (i.e., Coke/beverage rebate).
 - c. Other revenue generated by staff (i.e., T-shirt sales to staff only).

PTO/OTHER FUNDRAISERS

These organizations function independently of Traverse City Area Public Schools.

- A. Organizations must clearly identify themselves (NOT TCAPS).
- B. They do NOT qualify for use of TCAPS school Tax Exempt Number.

06/14/2022

- C. These organizations may donate dollars to schools with expense guidelines (Student or Staff).

NOTE: Gift Certificates – If parameters permit, gift certificates may be purchased for gifts/incentives. Completed certificates should be photocopied before disbursement to recipient. Attach the certificate copy along with the recipient signature to a Request for Payment form if it was not purchased using an approved purchasing card, and submit to the Business Office for reimbursement.

TRAVERSE CITY AREA PUBLIC SCHOOLS REIMBURSEMENT POLICIES/GUIDELINES

REQUEST FOR PAYMENTS

These requests are mainly for the reimbursement to employees for expenditures made on the District's behalf. These types of purchases are discouraged, but in some instances cannot be avoided. Request for payments are reviewed by the AP person using the following guidelines:

1. It is suggested that accounts payable receive “**original**” receipts with reimbursement requests. Copies of cash register receipts are accepted in some circumstances where it cannot be avoided.
2. It is necessary that a Supervisor of the requester be aware of what was purchased before reimbursement can be completed. This also applies to meals purchased with credit cards. Typically, restaurants will issue two receipts – one with just a total and one itemized. Accounts payable requests the “**itemized original**” receipt. If the restaurant or any other establishment does not issue an itemized receipt, it is the responsibility of the staff person to ask for one.
3. The district will not reimburse cash for purchases made using a **gift card or a gift certificate**. If a gift card or gift certificate is used to pay for a portion of a purchase, the district will reimburse only for that portion of the purchase that was paid for by cash or credit card. Therefore, please do not use personal gift cards/certificates when purchasing items for TCAPS.
4. Any reimbursement requests for the “purchase” of **gift certificates** must include copies of all certificates, names of recipients, and reason for the certificate.
5. When a staff member places an order on line or by phone, district policy is to have any merchandise that is to be paid for by TCAPS shipped to a TCAPS' location. Reimbursement will not be made for items shipped to personal home addresses.

6. Generally gifts and flowers are not appropriate expenditures. Any purchase of alcohol will not be reimbursed
7. It is not legal practice for anyone to use TCAPS' tax-exempt number when TCAPS is not the purchaser at point of sale. Therefore, purchase orders and TCAPS' purchasing cards will be the only legal means to purchase for TCAPS with tax exempt status. Most generally, sales tax is not reimbursable.

Requests that do not comply with the above guidelines could be denied reimbursement. These requests are inputted into MIS (INVENTORY) for payment processing.

CONFERENCE REIMBURSEMENTS

Conference Reimbursements are reviewed by the AP person using the following guidelines:

1. Sales tax is not refundable (exception: meal reimbursement)
2. Meals are reimbursed up to a maximum of \$30 a day under an accountable plan.
3. Attach all original itemized receipts
4. Mileage will be reimbursed at a rate of \$.50 per mile for FY15/16
5. Generally gifts and flowers are not appropriate expenditures. Any purchase of alcohol will not be reimbursed
6. Send to supervisor for signature and account coding.
7. Submit to Business Office for payment

Requests that do not comply with the above guidelines could be denied reimbursement. These requests are inputted into MIS (INVENTORY) for payment processing.