

City School District of Albany

PURCHASE/AP PROCESS

User Manual

(All District Staff)



October 31, 2019

TABLE OF CONTENT

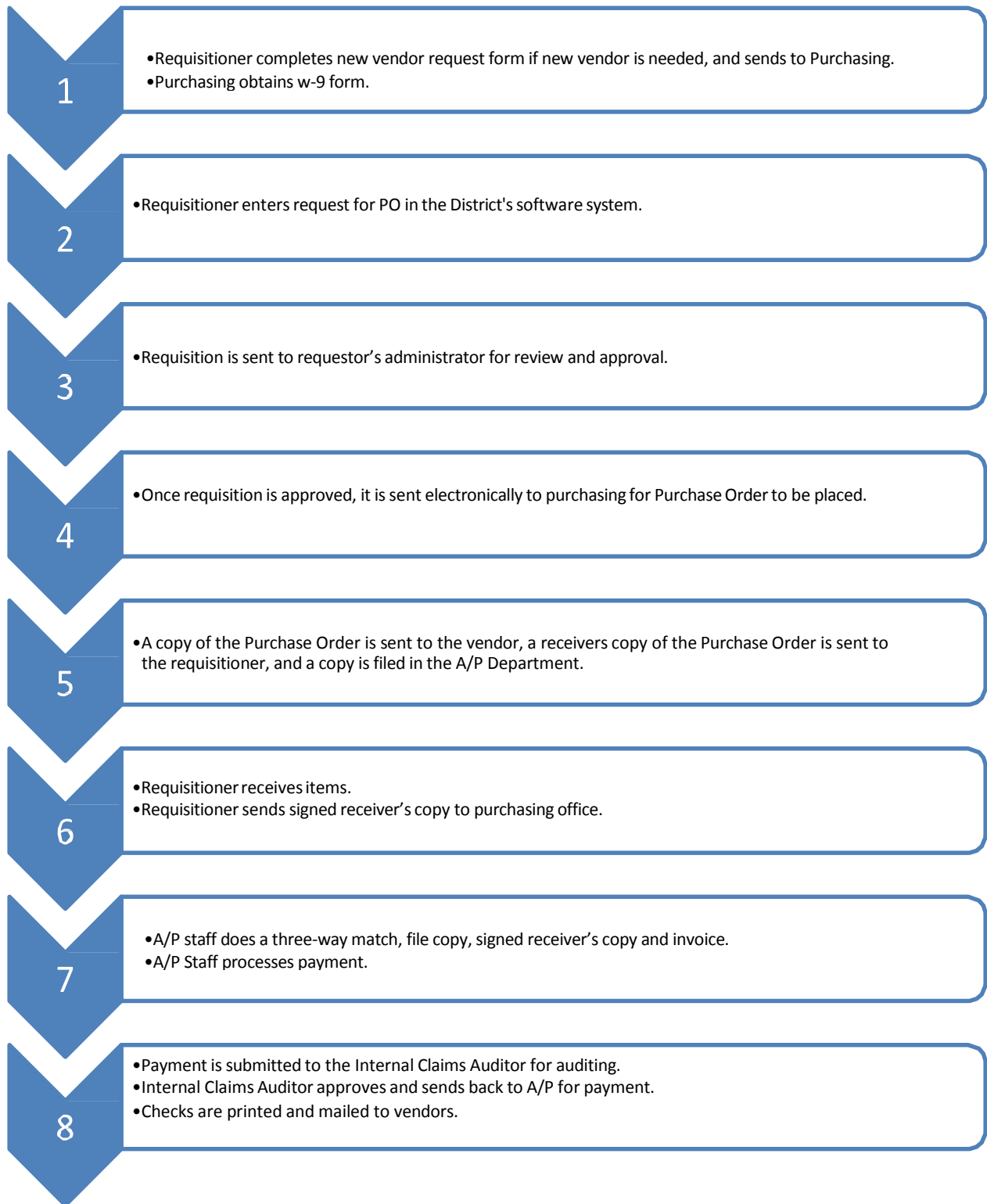
Introduction	1
Outline Purchasing Procedure	2
Authority and Responsibility	3
Contracts	3/4
Purchasing Process	4
Competitive Pricing Required	4/5
Reimbursement for Taxes	5
Exhibit A	6
Receiving	7
Payment Processing	7
Payment Terms and Penalties	7
Tax Exempt Status	7
Reimbursement for Taxes	7
Enforcement/Consequences	8
Requesting New Vendors	8
Ship to Locations	8
Changes to Purchase Orders	8
Incorrect or Damaged Shipments	8
Credits	8
Entering Requisition	9/10/11/12/13/14/15

INTRODUCTION

The District's goal for every purchasing transaction is to obtain the best value possible. Best value is determined by evaluating many factors (such as price, delivery capabilities, quality, past performance, training, financial stability, service capabilities, ease of ordering, payment, etc.) and selecting a vendor that offers the best combination of those factors. Generally, the lowest price carries the most weight, unless a vendor is determined not to be reputable.

When bids are required by law and or policy, they are to be conducted on an open and competitive basis and without favoritism, in order to maximize the best value to the department/school and District. Interested suppliers will receive fair and impartial consideration.

Below is a simple outline of Purchasing Procedures, specific policies and procedures are detailed throughout the purchasing process



AUTHORITY AND RESPONSIBILITY

These activities include:

- Determining which products and services they need to run their programs.
- Initiating requisitions.
- Confirming delivery of product and service.

Requester/end user (teacher, secretary, aide, maintenance worker, etc.):

- Determine what they need.
- Assess important factors (i.e. delivery, customer service, etc.).
- Select a vendor.
- Initiate an electronic Requisition through the District's financial system (or communicate needs to authorized requestor).
- Ensure the proper receipt of ordered goods or services.

Approver (administrator, principal, director, etc.):

- Validate the legitimate business purpose of the requested item or service.
- Validate that adequate funding is available.
- Approve the purchase requisition.
- Review and approve reimbursement requests and other special purchasing transactions.
- Monitor current year budgets.

Purchasing Staff:

- Review all requisitions to confirm all purchasing procedures have been followed.
- Issue Purchase Orders.

A/P Staff:

- Prepare and audit payment requests and reimbursements.
- Submit payments to vendors.

CONTRACTS

Departments/schools do NOT have the authority to sign ANY contracts or agreements with outside parties in the name of the District or one of its departments/schools. Contracts and agreements need to be reviewed and then signed by the BOE president.

The City School District of Albany has established minimum contractor's liability insurance requirements. Vendors that do business with the District are expected to meet these minimum requirements, and provide documents to demonstrate required coverage.

PURCHASING PROCESS

The purchase of goods and services from outside vendors is to begin with the initiation of a purchase requisition through the district's financial system or a paper form requesting a purchase order submitted to the district office (allow three working days for paper form). This shall occur at the time the product or service is identified, not when it is time to pay for the product or service.

A fully approved and budget checked Requisition is then automatically sourced into a Purchase Order. The official Purchase Order is ready to be sent to the vendor. The system provides an appropriate audit trail since all transactions are captured in the system specific to each individual purchase, putting the District in the best position to ensure compliance in NY State statute.

Starting with a Requisition ensures that an approved and official Purchase Order is issued. An official Purchase Order is the legal document that governs the transaction and properly protects the department/school and District and guarantees payment to the vendor.

Verbal purchases (without an approved purchase order) (i.e. phone orders) are not considered valid by the District, nor are purchase orders generated through internal department/school systems or means other than the district's financial system. Employees/Vendors that use these means to initiate purchases assume responsibility for such purchases at their own risk.

COMPETITIVE PRICING REQUIRED

With the exception of purchases under \$1,000 competitive quotes, bids, or proposals are required (see Exhibit A).

Departments/schools must consider annual or total year spending for products or services needed on a regular and repetitive basis to determine whether a bid/RFP needs to be performed.

All bid/RFP openings are to be scheduled by the District Purchasing Agent.

Other allowable purchasing options.

- **Piggybacking Resolutions:** The District may obtain alternative pricing at its option that other governmental units and agencies have obtained through a competitive process consistent with district policy and State law. The allowable governmental agencies have been defined as Federal and State including and beyond NYS Governmental units, agencies thereof, or any other political subdivision or district therein. This pricing has already been competitively bid and therefore does not require alternative quotes or bids.
- **Best Value Resolutions:** This option still requires the District to follow laws, regulations, procedures, and policy regarding the solicitation of competitive bids or proposals, and

preserve the integrity of the purchasing process which includes preparing specifications and an evaluation of the bids or proposals received. Whereas, the last step has historically been to award to the lowest responsible bidder, the Best Value option allows the District to optimize quality, cost, and efficiency.

- **Cooperative Bidding Resolutions:** This resolution allows the District to participate in cooperative bids administered by the Capital Region BOCES. BOCES regularly administers cooperative bids when several school districts are seeking similar items. The goal is to maximize volume for the bidding process in pursuit of financial savings. This pricing has already been competitively bid and therefore does not require alternative quotes or bids.

REIMBURSEMENT FOR TAXES

Since the District is exempt from paying New York State sales tax, these taxes are not reimbursable when an employee has extended personal funds for the purchase.

(EXHIBIT-A)*Methods Of Competition To Be Used for Non-Bid Procurements*

	Verbal Quotes		Written Quotes	RFP* Or Bid	Other
Number of Quotes Required	0	3	3		
Purchase Contracts up to \$20,000					
Under \$1,000	X				
\$1,000 - \$2,500		X			
\$2,501 - \$20,000			X		
Public Work Contracts up to \$35,000					
Under \$5,000	X				
\$5,000 - \$10,000		X			
\$10,001 - \$35,000			X		
Emergencies		X			
Insurance			X		
Professional Services					
Under \$10,000	X				
\$10,000 - \$20,000		X			
\$20,001 and over				X	
Leases of Personal Property					X
Second-Hand Equipment from Other Governments		X			
Certain Food & Milk Purchases		X			
Sole Source (For example, patented or monopoly item)					X

*RFP: Request for Proposal

RECEIVING

A signed receiver's copy is the department/school's way of indicating to Accounts Payable that the product has been received or the service has been provided and therefore the Purchase Order is approved for payment.

- I. Invoices are to be paid using a 3-way match, signed receiver's copy, purchase order, and invoice.
- II. Requester must send signed receiver's copy and packing list or other vendor documents included with the shipment to accounts payable after items have been received.
- III. Accounts payable to match receiver's copy with purchase order and invoice, enter payment then send to internal auditor for approval.
- IV. After approval accounts payable prints check and sends to vendor.

PAYMENT PROCESSING

Vendors are instructed to send invoices directly to District Office for proper processing. This is the best way to ensure invoices are paid in a timely manner.

In order to maintain a good payment record and to encourage the proper use of Purchase Orders, Accounts Payable will give the highest payment priority to original invoices supported by properly issued and approved Purchase Orders, and confirmation of receipt of goods and services.

PAYMENT TERMS AND PENALTIES

The District's standard for payment of vendor invoices is within (30) days after receipt of the invoice.

TAX EXEMPT STATUS

The City School District of Albany is exempt from New York State sales tax.

REIMBURSEMENT FOR TAXES

Since the District is exempt from paying New York State sales tax, these taxes are not reimbursable when an employee has extended personal funds for the purchase.

ENFORCEMENT/CONSEQUENCES

Employees must be authorized to commit the District's resources to a purchase. District faculty and staff are responsible for adherence to all sections of the policy. Examples of improper use of purchasing authority include:

- Stringing or splitting a large purchase into two or more smaller orders in attempt to avoid bid requirements.
- Conflict of interest and/or poor ethical conduct.
- Not processing a purchase for each transaction (Requisition to Purchase Order process).
- Improper, misleading, or deceptive use of the sole source justification or Bid Documentation Form or any related information.

REQUESTING NEW VENDORS

If a vendor needs to be added, departments/schools must e-mail the request to the Purchasing Clerk.

SHIP TO LOCATIONS

Departments/schools are expected to select the appropriate 'ship to' address. Only a pre-established location can be selected by requisitioner.

CHANGES TO PURCHASE ORDERS

All changes to Purchase Orders must be requested with explanation for the requested change, via e-mail to the Purchasing Agent.

INCORRECT OR DAMAGED SHIPMENTS

If a shipment is received with incorrect or damaged goods, the packing material, packing slip, and/or shipping ticket should be saved. These may be needed if the items have to be returned or exchanged with the vendor. Adhere to the following to ensure incorrect shipments are handled appropriately:

- The Purchasing Clerk shall notify the vendor so that appropriate action may be taken such as issuing credit or providing a replacement.
- If the order has to be shipped back to the vendor, it should be packed in the original cartons and the vendor's process for return should be followed.
- The department/school should also accurately record this activity (i.e. number of items received, number of items returned, comments, etc.).

CREDITS

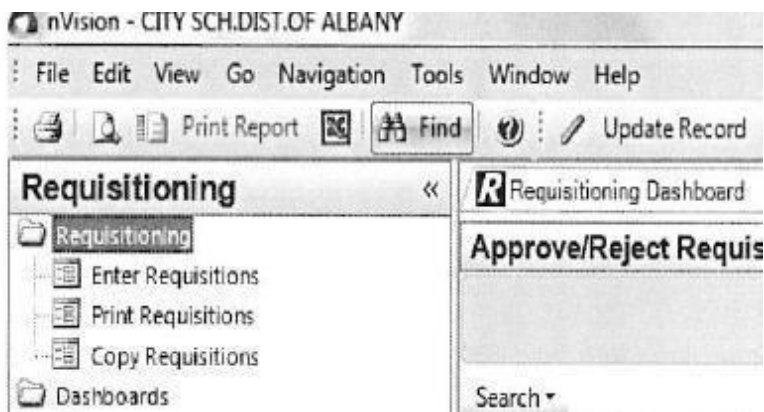
Credits may occur due to the receipt of defective merchandise, returned goods, discounts, or incorrect invoice payments. If a department/school believes it is entitled to a credit from a vendor the department/school should contact Accounts Payable for assistance. All credit request shall be sent to Accounts Payable for processing.

ENTERING REQUISITION

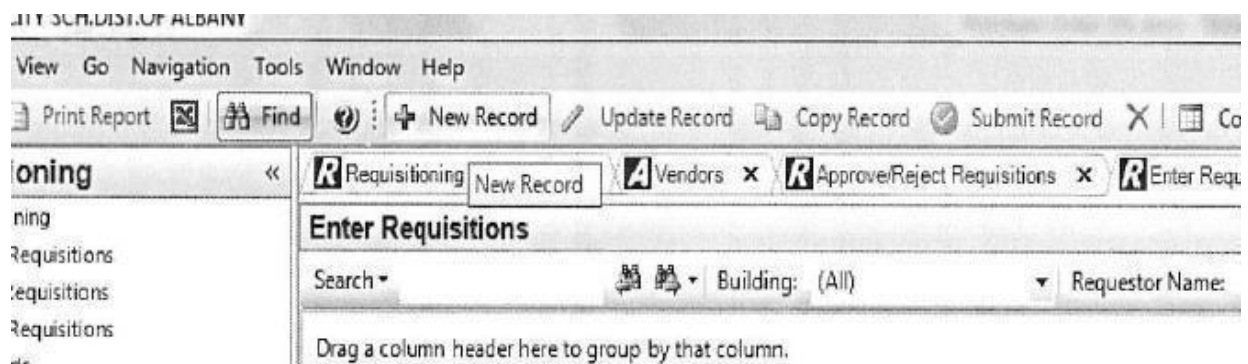
Open nVision.

Go to Requisitioning. If it's in Folder Form double-click to open it.

Click **Enter Requisitions**.



Now click **New Record**.



This box will appear:

Requisition - New Requisition

File Edit View Help

New Update Copy Paste Save Save and Submit Save and Close Search

Requisition

Req Number: Transaction Date: 11/01/2017

Vendor ID: Binoculars Req Source: Other

Vendor Name: Contract/Ref:

Description: Ship To Building: ADMINISTRATION BLDG

Requestor: Moorse, Jennifer Ship To Contact:

Approval Path: Administrative Bldg 2 Req Amount: 0.00

Approval Status: Not Submitted

Requisition Detail

Requisition Items Account Distribution Shipping Distribution File Attachments Requisition History

Req Address: Ship To Address:

BINOCULARS BINOCULARS

NY US ALBANY NY 12207 US

You will see your name (**Requestor**) and location (**Ship to Building**) auto-filled.

On the left, second from the top is the **Vendor ID** box. You may enter the number (if you have memorized it) or click on the **Binoculars** icon to search for them. Once the **Vendor Lookup** box opens put your cursor into the **Search** box and enter the name (just the first few letters will do). Highlight your vendor by clicking on them and hitting the **OK** button.

If you do not see the vendor, you need to e-mail a request for a new vendor to purchasing.

The rest of the fields of the Requisition will now be open and the vendor's address will auto-fill:

Req Number:		Transaction Date:	11/01/2017
Vendor ID:	20514	Req Source:	Other
Vendor Name:	W.B. MASON CO. INC	Contract/Bid Ref:	
Description:		Ship To Building:	ADMINISTRATION BLDG
Requestor:	Monroe, Jennifer	Ship To Contact:	<None>
Approval Path:	Administration Bldg-2	Req Amount:	0.00
		Approval Status:	Not Submitted

Requisition Detail

Addresses	Requisition Items	Account Distribution	Shipping Distribution	File Attachments	Requisition History
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Req Address

29 MILL STREET		INSIDE DELIVERY REQUIRED
		1 ACADEMY PARK
ALBANY	NY	12204
		US

Ship To Address

ALBANY	NY	12207
		US

There is a box labelled **Description** under **Vendor Name**.

Donot write anything in this box. It is for Purchasing's use only.

Requisition

Req Number:		Transaction Date:	10/24/2018
Vendor ID:	20514	Req Source:	Other
Vendor Name:	W.B. MASON CO. INC	Contract/Bid Ref:	
Description:	teh pinsells	Ship To Building:	ADMINISTRATION BLDG
Requestor:	Monroe, Jennifer	Ship To Contact:	<None>
Approval Path:	Administration Bldg - Purchasing	Req Amount:	0.00
		Approval Status:	Not Submitted

Requisition Detail

Addresses	Requisition Items	Account Distribution	Shipping Distribution	File Attachments	Requisition History
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Always fill in! If what you need isn't there add it using CAPITALS!

Make sure you fill in the **Ship to Contact** box. If you don't see what you need you may hit the "+" to enter it. Always use all capital letters for this. Example: PURCHASING/JENNIFER MONROE.

The box labelled **Req Source** has a drop-down menu offering Sole Source, State Contract or Bid.

A Sole Source means that this is the only vendor that can supply this particular item or service. Most textbooks fall under this category, because the publisher is the direct seller.

Choose one of the options if it applies to your requisition. In the field under that if known, put in the applicable Bid Number or State Contract Number.

If you are ordering something to go to a Building other than your own you may enter it into the **Ship to Building** box.

Next you'll click on the **Requisition Items** tab in the center of the form.

Line No.	Item Number	Description	Account	UOM	Quantity	Unit Price	Extended Amt
1							

If you click inside any of the grid-marks there (**Item Number, Description, Account** etc.) you will get this:

Item No.:

Item Desc.:

Account:

Unit Measure:

Quantity:

Unit Price:

Discount Pct:

Generate Asset: ☐

Discount Amt:

Shipping Pct:

Shipping Amt: 0.00

Extended Amt:

OK Cancel

If your item is from a Bid then enter *our* Bid Number in the **Item No.** box, hit Tab and most everything will auto-fill with the exception of the vendor's item number and the quantity.

Item No.: 850.0002

Item Desc: ADHESIVE PUTTY 2.5OZ , ELMER'S, REMOVABLE, REUSABLE, NON-TOXIC. **NO SUB**
EP198620

Unit Measure: EA

Quantity:

Unit Price: 1.0000

Discount Pct:

Generate Asset: ☐

Discount Amt:

Shipping Pct:

Shipping Amt: 0.00

Extended Amt:

OK Cancel

Enter the Bid Number and hit Tab.

Enter the Vendor's item number.

Enter the quantity needed.

If you have a quote from the vendor or need three quotes to back-up a requisition of a certain amount, then scan those items to yourself. Save them on your computer and rename them appropriately. Click the **File Attachments** tab. Then hit the **Add** button and **Browse** your computer for the file you need. *Do not interoffice or email back-up. Please be sure to attach it to your requisition.*

*If a vendor has given you a quote you may write in your **Item Desc** box: "Please see attached quote Q7925888." Purchasing does not need you to transcribe a quote. The only reason you should be transcribing a quote is if it will help you with your order.*

Attachments need to be in a .pdf, Excel or Word document. Do not attach web links.

Always include shipping. If shipping is free then you must notate that in the item description box. Please do not put this in the comments section because that is not printed out on the purchase order. Call the vendor to find out how much it is for “Inside Delivery”. Sometimes it’s more than their standard shipping rate. The only exceptions are Bid items (shipping is worked into the price) and W.B. Mason.

SHIPPING ON REQUISITION

There are four ways to notate your shipping:

- 1) Enter the shipping percentage on each line. I.E. if you know a vendor charges 15% to ship items and you have three items then on *each* of the three lines enter 15% in the **Shipping Pct** box.
- 2) If the vendor has given a single amount please enter it in the **Shipping Amt** box. It is our preference that you choose the first or last line.

The screenshot shows the 'Requisition Items' dialog box with the following fields and annotations:

- Item No.:** A text field with a red arrow pointing to it from the annotation: "Free shipping" will go after the item's description.
- Item Desc:** A large text area with a red arrow pointing to it from the same annotation: "Free shipping" will go after the item's description.
- Shipping Pct:** A text field with a red arrow pointing to it from the annotation: "Add a shipping percentage here or....."
- Shipping Amt:** A text field with a red arrow pointing to it from the annotation: "...a single amount here."
- Extended Amt:** A text field with a red arrow pointing to it from the same annotation: "...a single amount here."

The dialog box also includes fields for Account, Unit Measure, Quantity, Unit Price, Discount Amt, Discount Pct, and Generate Asset, along with OK and Cancel buttons.

- 3) Hit the + sign and generate an entirely new line with “Shipping” in the **Item Desc** box and the shipping amount in the **Extended Amt** box.

- 4) The fourth option choose **Shipping Distribution** from the grey tabs in the middle of the New Requisition pop-up. Enter the budget code in the **Account** box. You may enter information in the **Description** box but *you do not need to*. Finally, enter the shipping amount in the **Amount** box.

The screenshot shows a software interface with several tabs at the top: **Addresses**, **Requisition Items**, **Account Distribution**, **Shipping Distribution** (selected), **File Attachments**, and **Requisition History**.

On the left is the **Shipping Distribution Summary** section, which includes the following fields:

- Shipping to Distribute: 0.00
- Shipping Distributed: \$0.00
- Difference: \$0.00
- Distribution Status: ☒ In Balance

Below these fields is a message: **Enter a shipping amount to distribute. Then perform the shipping account distribution to the right.**

On the right is the **Shipping Distribution** table. It has a toolbar with navigation icons and a search box. The table has four columns: **Account**, **Description**, **Pct**, and **Amount**.

Account	Description	Pct	Amount
*			

Two large black arrows point to the first empty row of the table. The left arrow points to the **Account** column, with the text **Budget code here!** below it. The right arrow points to the **Amount** column, with the text **Amount here!** below it.