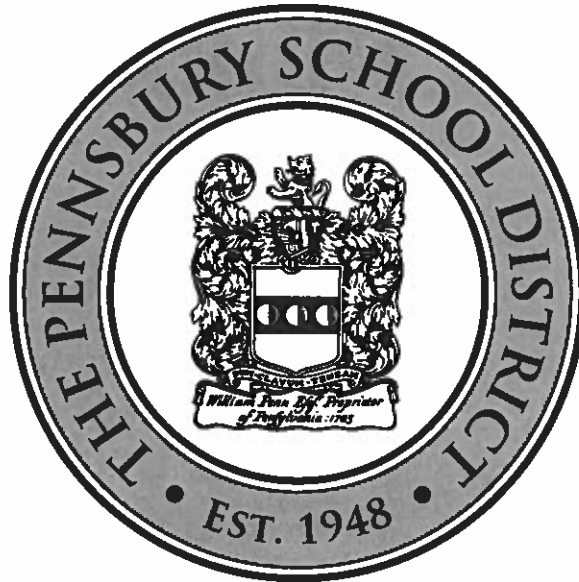


**THE**  
**PENNSBURY** SCHOOL  
DISTRICT



**PURCHASING**  
**MANUAL**

**PENNSBURY SCHOOL DISTRICT**  
Purchasing Department  
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Fallsington, PA 19058  
215-428-4156  
rev. 9/2020

# **Pennsbury School District**

## **Purchasing Manual**

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## **Part I**

### **Introduction**

This manual attempts to cover all aspects of the procurement cycle in the Pennsbury School District. Daily purchase requirements used in the operation of the Pennsbury School District are made by teachers, school administration, secretaries, support staff, assistants and other school employees. Purchases are also made by various departments such as Facilities, Transportation and Technology. These requirements are often used in the classroom-teaching environment, buildings, equipment repair or general maintenance operation. The purchase requests may cover supplies, equipment, service contracts, leases, or rental services. By developing this manual, the Purchasing Department envisions that it can provide clear direction for individual(s) involved in the procurement cycle from the bid or quote requirement, to the requisition process, receiving and finally the payment process for all goods or services received for all areas.

The information provided in the following pages is gleaned from the PA Public School Code and local policies of the Pennsbury School Board. Instructions for completing various processes were based on aforementioned policies, first-hand knowledge of historical experiences, and other general internal enhancements.

The guidelines herein apply to purchases and payments for all funds. This includes General Fund, Student Activity, Special Projects, Capital Plan, Bond Issue, and Grant accounts.

Recommendations and suggestions for corrections or revising this manual should be directed to the District Purchasing Agent.

Special thanks to the staff of the Purchasing Department, Financial Services, School Principals, Teachers and other support staff who have devoted many hours to providing recommendations and editing of this manual.

## **Part II**

### **General Policy Statement**

It is the intent of the Pennsbury School District to utilize its financial resources in the most practical manner considering cost, quality and service. It is further our intent to meet all legal and ethical requirements in our purchasing process and follow sound business practices. To these ends, it is essential that uniform purchasing guidelines be established and practiced in order to maintain high standards of business practices and successful relationships within the Pennsbury School District and the business community at large.

## **Part III**

### **LEGAL REQUIREMENTS**

#### **UNIFORM COMMERCIAL CODE**

The Uniform Commercial Code, state laws and federal regulations are the controlling guidelines for purchasing materials, supplies, and equipment for use in the Commonwealth of Pennsylvania Public Schools.

Article 2 of the Uniform Commercial Code establishes the legal requirements for the structure, arrangement and readjustment of contracts for the sale of goods including general obligations under the contract, passing of title, performance, breach of contracts and remedies in the breach of contracts.

#### **SCHOOL LAW OF PENNSYLVANIA**

Section 8.807.1 of the School Law of Pennsylvania, covers the purchase of materials, supplies and equipment. This section of the Public School Code of 1949, as amended, establishes the primary legal requirements to be followed in the purchase of materials, supplies and equipment for use in public schools in the Commonwealth.

Section 7-751 of the School Law of Pennsylvania, covers the purchase of construction and repair services. This section of the Public School Code of 1949, as amended establishes the primary legal requirements to be followed in the purchase of construction and repair services for use in public schools in the Commonwealth.

#### **PENNSBURY SCHOOL DISTRICT ADMINISTRATIVE PROCEDURE 610.2**

The Pennsbury Board of School Directors must approve all bids awarded by the Pennsbury School District. Pennsbury School District's Administrative Procedures Manual 610.2 requires that all purchases of supplies and equipment be purchased with a purchase order. These procedures apply to purchases and payments from all funds. This includes General Fund, Student Activity, Special Projects, Capital Plan, Bond Issue, Federal Programs and Grant accounts.

***Legal Requirements (CONT'D)***

**PURCHASES \$21,000 OR GREATER (BIDS)**

All furniture, equipment, school supplies and appliances, and services for public school use, costing \$21,000 or more must be publicly bid and approved by the Board of School Directors. All bids must be advertised once a week for three (3) weeks in not less than two (2) newspapers of general circulation. Specifications of the material or service to be purchased must be clear to both the requestor and the vendor. This process may take approximately 6 to 8 weeks.

**PURCHASES \$11,300 TO \$20,999 (QUOTATIONS)**

Quotations are required for all purchases between \$11,300 and \$21,000. Telephone quotes are acceptable but must be followed up in writing and it is important to compare "apples to apples". Specifications must be clear to both requestor and vendor. It is preferred that the quotes be on the suppliers letterhead and include shipping and handling. Quotes should be signed by the vendor and may be faxed.

The School Law of Pennsylvania prohibits splitting of purchases in either of the above categories for purposes of circumventing the bid or quote law.

## **Part IV**

### **Requisition Process**

#### **REQUISITIONS**

The purchase requisition process is an internal communication document most commonly used to request certain materials or services. The requisition is the beginning level of the purchase order process. After the requisition goes through the approval process, the requisition is then converted into a purchase order. In summary, a requisition is a request for a purchase, which is formalized into a purchase order. The essential information which every requisition should contain includes the following:

1. Originator and location
2. Vendor name
3. Approval Z(electronic budget authorization) to make the purchase
4. A clear and comprehensive description of the desired material/service
5. Quantity
6. Unit cost
7. Total cos
8. Date materials/service required
9. Delivery location
10. Date of the requisition
11. Sources (i.e. vendor catalog and page number). All quotes should be in writing
12. Account to be charged
13. All special handling instructions for the internal use of Purchasing or Financial Services Department

A purchase requisition must be completed for all items requested. The Purchasing Agent or designee will review all Purchase Requisitions , which have been posted in the business system (Sungard). Requests will be reviewed for appropriateness of material, most cost-effective procurement method, funding availability, pre-authorized budgetary consideration and appropriate account number.

When budgetary provisions are not available, a requisition cannot be posted and purchases will not be made. All expenditure commitments will be applied to the appropriate budget expenditure account. If requisitions cannot be posted you should contact the Purchasing Department for additional assistance.



### ***Requisition Process (Continued)***

There are instances where requisitions are submitted to purchasing for processing and are rejected or delayed for processing. Possible reasons for rejecting or delaying requisitions may include:

1. Requisition does not contain proper approval or accounting codes
2. Requisition is not in budget or is over budget
3. Requisition is not consistent with the standard district specifications
4. Requisitioned material or service is one that is prohibited by the district, state or federal laws
5. Requisition exceeds approved authorization limits and may require formal bidding
6. Requisitioned material or service does not meet health and safety requirements
7. Requisition does not contain the necessary backup documents (such as multiple quotes) where applicable

Requisitions in the Pennsbury School District are entered into the Powerschool financial system and consist of the requisition item and requisition account panels. Employees must complete a Purchase Requisition for all items purchased.

### **INFORMATION TECHNOLOGY PURCHASES**

All computer purchases including software must have the Director of Information Technology's pre-approval before a requisition is processed into a purchase order. Payment for any software or hardware without the Director of Information Technology's prior approval will not be the responsibility of the Pennsbury School District.

### **TRANSPORTATION PURCHASES**

Before making any arrangements for chartered bus transportation, please refer to the annual memo issued by the Transportation Department which indicates the companies the District is permitted to use and the legal requirements for van rentals. The District must use its own transportation staff and equipment to provide services and equipment when available. The Transportation Department must be contacted prior to making any bussing arrangements.

## ***Requisition Process (Continued)***

### **PTO PARTNERSHIP PROGRAM PURCHASES**

The purchase of goods and services for the PTO Partnership Program will be made in accordance with administrative procedure #5310. In addition to the requirements detailed in the procedure, all other purchasing requirements will also apply. As with regular purchases managed by the purchasing department, sometimes the purchase of goods or services may require bids or quotes or may be obtained from approved pricing on state contracts or other approved price lists maintained by the department. All purchases made by the purchasing department are tax exempt and become the property of the Pennsbury School District after they are purchased.

### **PURCHASES FROM STUDENT ACTIVITIES ACCOUNTS (SAA)-FUND 81**

Funds in these accounts are student funded and are owned by the students. All requisitions for student accounts require written approval from the appropriate student representative. All purchase requests must follow regular purchasing guidelines.

### **PURCHASES FROM SPECIAL PROGRAMS-FUND 82**

Funds in these accounts are not student owned and funded. While some of these accounts may involve students, the accounts are convenience accounts for groups that are school related. All purchase requests shall follow regular purchasing guidelines.

**NOTE:** If goods are being purchased for resale for a fundraiser using either of the above accounts and the item is taxable as determined by the Pennsylvania Department of Revenue, the group may either pay sales tax for the item when purchased or must collect sales tax when they hold the fundraiser. It is strongly recommended that sales tax be paid at the time of purchase. The cost of the sales tax should be factored into the resale price when developing the fundraiser.

***Requisition Process (Continued)***

**REQUISITION APPROVAL/BUDGETED AND UNBUDGETED MATERIALS**

Purchase requisitions for budgeted materials will be reviewed and approved by the Budget Center Manager or designee and electronically transmitted to the Purchasing Department by entering a new purchase requisition in the Powerschool system. The Purchasing Agent will review and authorize the requisition for purchase order preparation.

Purchase requisitions for unbudgeted equipment and services will be requested through a submission of an unbudgeted request form and also by completing the budget transfer form by the Budget Manager. Approval will be required by the District Business Administrator, Superintendent, CEO where the process is required and in the case of cross-functional levels, the Board of School Directors.

## **Part V**

### **FORMAL PURCHASE ORDER**

When a supplier has been chosen for the items or services to be purchased, and all criteria for purchase authorization has been met, the Purchasing Agent or his/her designee will approve the purchase requisition, with acceptable purchasing references and convert the requisition into a purchase order. The purchase order is the legal document used to make, accept and confirm an offer of purchase. All purchases should be printed by the Purchasing Department on a district approved purchase order prior to the purchase being made. Verbal purchases must not be made to a vendor under any circumstances. No expenditure of school funds shall be made without the prior approval of the Purchasing Agent. Purchases made without a purchase order are considered personal purchases and will not be paid by the District.

Many local vendors will accept purchase orders and allow the employees to pick-up items directly. The Purchasing Department can advise you if Pennsbury already has arrangements in place for a specific vendor. If there are no current arrangements, the Purchasing Department can contact the vendor to find out if arrangements can be established although this is not a recommended way to complete the purchase. In the case where a Pennsbury employee picks up an order directly from a vendor, they are required to forward any receipts, invoices or other paperwork to the secretary of the school/location for signature. The secretary will forward all receipts and necessary documents to the Purchasing Department so that proper arrangements can be made for payment.

### **BLANKET ORDERS**

Blanket purchase orders may be issued for small repetitive purchases from a vendor that the Purchasing Department established a business relationship with and the vendor has agreed to invoice the District directly. Blanket purchase orders are very appropriate for items that are not stocked or are perishable and when a School or Department will be making many purchases from the same vendor throughout the year. Equipment or capital purchases are NOT permitted under blanket purchase orders. Blanket purchase orders are issued for a "not to exceed" dollar amount and they also specify the name of the employees who are permitted to make purchases using the blanket purchase order. All orders placed under a blanket order need to be documented in some fashion for the receiving individual or department to efficiently monitor shipments and notify the Purchasing Department and the Finance Department. This type of order must be closely monitored and should be used by a limited number of employees. Please

contact the Purchasing Department to determine how blanket purchase orders may benefit you or your department.

***(Purchasing Methods Continued)***

**EMERGENCY ORDERS**

In case of emergency, Confirming Authorization Numbers (CA#) may be obtained from the Purchasing Department during normal business hours. Upon request from the Budget Manager, and approval by the Purchasing Supervisor, a Confirming Authorization Number will be issued by the Purchasing Department. The Budget Manager has the responsibility of ensuring that sufficient funds are available in the appropriate budget account prior to requesting a CA#. If sufficient funds are not available, the requester will be required to submit a budget transfer form to be completed.

The requester must immediately submit a Purchase Requisition for the item ordered. The Confirming Authorization Number must be referenced on the first line of the Purchase Requisition. This measure notifies the Vendor and the Purchasing Department of the request and prevents duplicate shipments of ordered materials. Confirming Authorization Numbers WILL NOT be issued if the merchandise has already been received. Purchases made without a purchase order or CA# are considered personal purchases and will not be paid for by the PSD.

**PURCHASING ALTERNATIVES**

The Cooperative Purchasing Act and the expanded Cooperative Purchasing legislation allows local public school districts to participate in and purchase from state contracts established by the Department of General Services of the Commonwealth of Pennsylvania and authorizes joint purchasing arrangements such as those administered by the following:

Most Intermediate Units (IU) across the state operate a joint or cooperative purchasing program that member or neighboring districts can participate in. This allows School Districts to benefit from lower prices associated with volume or bulk purchasing.

COSTARS allows school districts to use contracts the Department of General Services (DGS) negotiated primarily for Commonwealth use by district governmental units.

PEPPM represents cooperative purchase offerings for technology purchases.

There are other cooperatives such as KPN, OMNIA, GSA, AEPA and Sourcewell to name a few more. Under the above purchasing alternatives, the bid requirement has been satisfied by the

local IU or state, and purchases can be made by the local school district without going through the formal bid process. These consortiums are submitted to the school board for approval.

***(Purchasing Methods Continued)***

**SOLE SOURCE PURCHASES**

A sole source purchase is an award of an order for materials to the only known capable supplier determined by the unique nature of the requirements or market conditions. A letter should be provided from the supplier on letterhead to communicate the status of a sole source supplier.

**FOLLOW-UP (EXPEDITE)**

When a purchase order has not been delivered/completed within a reasonable period of time (60-90 days), the initiating school or department should contact the Purchasing Department to follow-up with the supplier to ascertain the status of the purchase order. Once contacted, the Purchasing Department will contact the supplier and obtain information necessary to determine what the next step should be to complete the purchasing process and have the materials delivered to the school based on the expected request.

## **PART VI RECEIVING/RETURNING OF MATERIALS**

### **RECEIVING MATERIALS**

When deliveries are made to the schools or departments within the school district by the warehouse delivery staff or by direct shipment from suppliers, the deliveries shall be received and signed for by an individual who is authorized to do so. Individuals signing for materials are responsible for securing the materials until the materials reach the requesting department or individual. When an order has been received and all the materials requested have been verified to be in acceptable condition, the budget manager or designee will initial the packing list that coincides with the shipment received and forward it to the purchasing department. At this time, someone in the department receiving the merchandise should go into the business system and go to the receiving module (Receive Ordered Materials) to complete the process so that the payment can be made from the Finance Department. Any items that are not in proper condition or need additional follow up from the Purchasing Department require the end user to contact the Purchasing Department as soon as possible to look into researching the issue.

### **RETURNING UNSATISFACTORY MATERIALS TO THE SUPPLIER**

In the event there are damages, shortages or other unusual issues associated with the purchase order, the party receiving the merchandise should contact the Purchasing Department immediately to advise the department of the problem they've encountered with their order. The school or department experiencing the problem will fill out a supplemental form and forward the form to the purchasing department right away. The purchasing department will evaluate the problem and assist with the vendor contact to resolve the issue and determine the next course of action whether it be to return the item for credit or look into an exchange and return of the merchandise received. All available paperwork should be forwarded to the purchasing department at all times and the end user may keep copies where they desire.

#### **Important:**

Schools and departments should never independently make arrangements to return and exchange items with suppliers. The Purchasing Department will contact the supplier to ensure that a proper return authorization is received. A return material authorization form will be generated by the purchasing department.

**PART VII  
PURCHASE ORDERS PAYMENT METHODS**

**PAYMENT OF INVOICES/PURCHASE ORDER PAYMENTS**

When an order has been completed and the materials or services have been received, the Purchasing Department will be notified by the requestor through the receipt of the packing list for that specific purchase order. In the event that a packing list has not been received with the order that was placed with the supplier, an email from the end user detailing what was received and by which vendor, listing what had been received is acceptable. Since payment cannot be processed without the end user receiving the purchase order in the system, that is another requirement to help with the payment process. The packing list or other backup documentation is forwarded to the purchasing department to the invoice can be matched with the packing slip, etc. and then the purchasing department will prepare the invoice for purchase order payment processing which in turn is forwarded to the Finance Department for the next step in the step in the payment process.

**PRE-PAYMENTS**

Some vendors will not accept a purchase order unless it includes a payment with the order. If this is the case, a purchase order should be issued following the same procedure as a standard purchase order. When entering the purchase requisition for prepayment, the first line should read "CHECK IN PROPER AMOUNT ATTACHED". This statement should be followed by any instructions for the disposition of the order. (I.E.: If the check should be sent with the purchase order or if the check should be forwarded to somebody at a particular building). The next part of the purchase requisition should contain a detailed description that adds up to the total value of the check amount requested. To obtain a check from the general fund, the purchase requisition must be entered into the system well in advance to give the Finance department time to process the check request. The same procedure should be followed for any SAA or special accounts that require a check as well.

**ADVANCES**

In some cases the vendor may not accept a purchase order or School District check. If an employee is making a purchase for the School District from a vendor that does not accept a purchase order or check, an advance can be issued to the employee. This is an unusual circumstance and should have prior approval by the Purchasing Department and the Finance Department. All receipts must be returned to the Finance Department immediately after making



the purchase. Additionally, the budget manager must show some type of authorization for this type of purchase in advance of the process to obtain an advance for the purchase.

### ***Purchase Order Payment Methods (Continued)***

## **REIMBURSEMENTS FOR PURCHASES**

Employees can also be reimbursed for purchases made, provided original receipts and the budget manager approval are obtained and submitted for payment. This too is a unique and unusual practice but there are times when this is a necessary method depending on the circumstances. The Purchasing Department should be notified prior to this type of purchase. In the case of purchases for the Technology Department, must be approved by the Director of Information Technology. Payment for any software purchases without the approval of the Director of Information Technology will not be the responsibility of the Pennsbury School District.

## **PROCUREMENT CARDS (P-CARDS)**

The Pennsbury School District has recently implemented a new program in which in certain cases, there will be "district" credit cards used for a select group of Pennsbury employees. The use of P-Cards was originally designed to reduce the need for multiple uses of petty cash as well as to provide the District with more buying flexibility while creating some streams of revenue for the District in the form of rebates, etc. The P-card process originates through the Finance and Purchasing Departments. The Director of Finance will work with the Purchasing Manager to determine the select groups of employees who will obtain the P-Card as well as determine the amounts that will be pre-loaded on these cards. Those using these cards will be responsible for all purchases they make for the district and for reconciling all receipts, etc. to assist Finance with the proper payments for the goods or services requested. These end users will sign a form which holds each of them accountable for what is purchased and how it is to be used in the district. Most of these purchases will be used from the general fund and the proper account numbers must have the appropriate balances available in order to assign the P-Card to an end user.

## **PART VIII**

### **TAX EXEMPTION CERTIFICATES**

Tax-exemption information is included on every purchase order. If a supplier does not accept purchase orders and there is no other supplier, the Purchasing Department will be informed so that a "one time" tax certificate is prepared for the supplier prior to the purchase being made. There are on occasion where existing vendors may require a current tax exemption certificate based on certain guidelines required. The Financial Services Department will not reimburse individuals for sales tax paid on purchases.

**Appendix:**

A Purchasing Guide for using the Power School (Sungard) software system was developed by the Purchasing Department and includes in depth instructions on how to use the system with illustrations for purchase requisitions, purchase orders, receiving purchase orders and warehouse requisitions. It also includes some navigational tips and was updated when Power School upgraded the District to a newer version in 2019. This guide is available upon request through the Purchasing Department.