

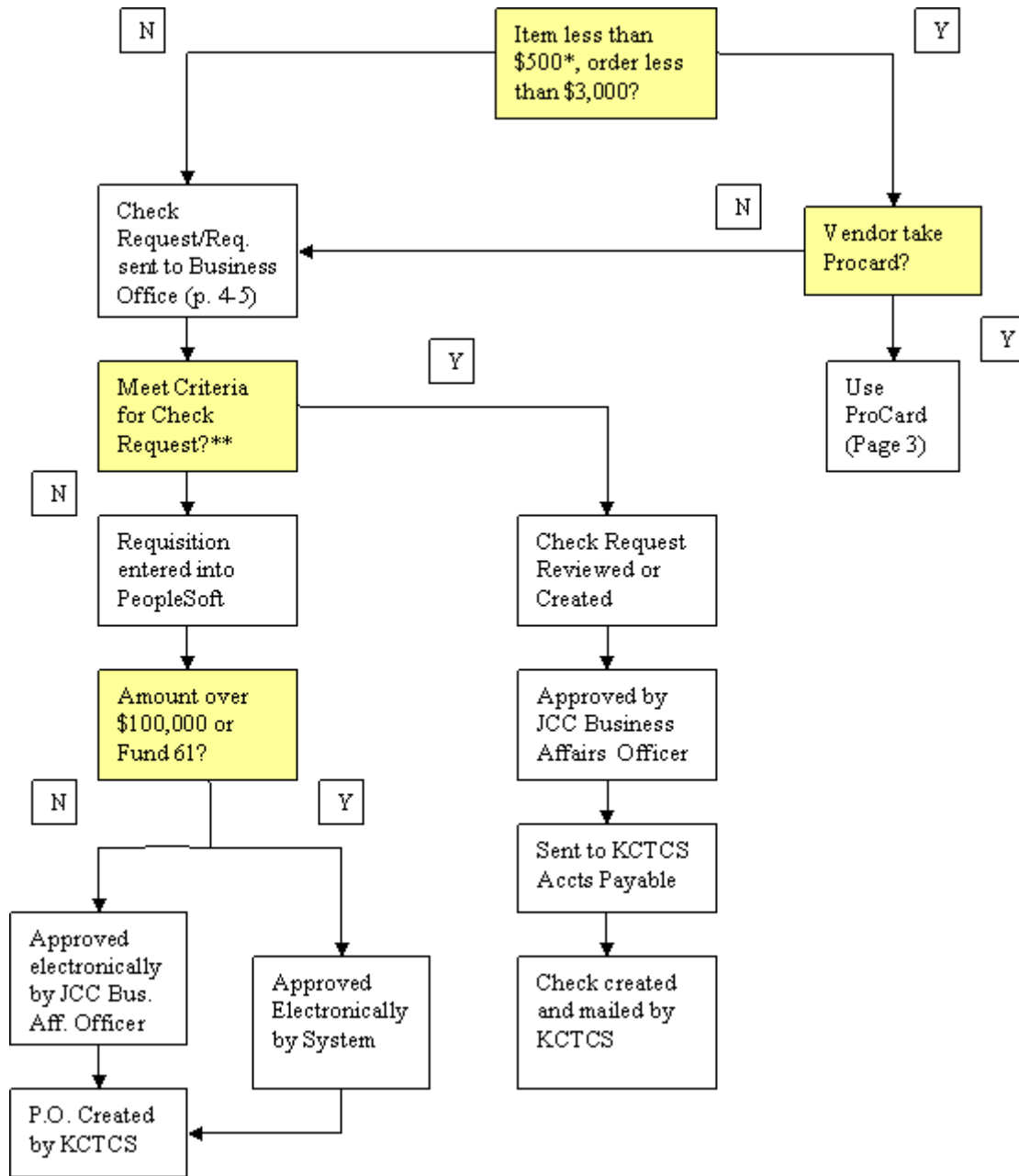


# **Purchasing and Accounts Payable Quick Reference and Guide**

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## **Basic Purchasing Flowchart**



\*Some M&O items allowed to exceed \$500 limit

\*\*See Procedures Manual for approved check request purchases (memberships, utilities, etc.)

## Procurement Card (ProCard) Purchases

A ProCard (MasterCard) is issued to those who routinely purchase supplies/items for classroom or office use. It is the preferred, and in most cases the required way to purchase individual items of less than \$500 and total purchase of less than \$3,000. ProCard holders must complete an application and training before being issued a card.

- Permitted ProCard purchases
  - Single items less than \$500 (some M&O items up to \$1,000)
  - Total orders less than \$3,000
  - Typical types of purchases:
    - Registration fees
    - Office supplies
    - Classroom supplies
    - Periodicals
    - Small services (in which case a Certificate of Insurance MUST be obtained PRIOR to the service performed)
  
- Restricted ProCard purchases:
  - Travel related expenditures
  - Food (without prior Presidential approval)\*\*
  - Printing services
  - Equipment items (\$500 and above)
  - Orders exceeding \$3,000 (orders must NEVER be split to avoid the dollar cap)

ProCard users must print out their activity monthly (via the web), attach receipts, and forward to the Business Office for documentation, filing, and auditing. Those who violate ProCard procedures and/or auditing requirements may have their cards suspended or revoked.

Additional information on ProCards, their use, policies, and procedures can be obtained through:

- Coordinator of Purchasing Services and ProCard Administrator (Pamela Dumm), extension 2109.
- ProCard regulations at <http://www.kctcs.net/businessaffairs/BusPro/4.2%20procard.doc>
- ProCard Holder Guide at: <http://www.kctcs.net/businessaffairs/Purchasing/CardHoldGuide.doc>

\*\*Please note the following guidelines for Employee and Non-Employee Meals (BP 1.13-1.14). These are in addition to the prior approval needed by the college president for any food purchase (excluding student classroom use).

Employee Meals:

Food provide for employees must be for “working meals” with the following stipulations”

- Breakfast: The meeting must start by 8am and end no earlier than 11am
- Lunch: The meeting must start by 10am and end no earlier than 2pm
- Dinner: These meeting or meals require the prior approval of the KCTCS Comptroller

The total amount of the meal cannot exceed the normal meal allowance for an employee in travel status. A BA 50 form (<http://www.kctcs.edu/businessaffairs/FORMS/BA50%20working%20meal.xls>) **MUST** be completed and submitted with the payment document.

Non-Employee:

On-Campus: Student receptions are limited to \$2,000, no additional form is required. Official guests (advisory boards, board of directors, etc.) are limited to \$500, no additional form is required.

Off-campus: If hosted by an employee, the employee may be reimbursed. A BA4 form

(<http://www.kctcs.edu/businessaffairs/FORMS/BA4.xls>) must be attached to the reimbursement request.

## Check Request Purchases

Generally, Check Requests are ONLY used when a vendor does not accept a ProCard and for other restricted and specific types of purchases/payments. The form can be printed or downloaded from <http://www.kctcs.edu/businessaffairs/FORMS/BA1.doc>. It must be signed by the appropriate budget manager and forwarded to the Business Office for processing. Appropriate documentation (invoice, receipt, etc.) must be attached.

- Examples of permitted purchases with a Check Request:
  - No maximum limit:
    - Student Refunds
    - Catalogue Library Materials
    - Bookstore payments
    - Utilities
    - Accreditation Fees
    - Advertising
  - \$3,000 limit:
    - Meeting rooms
    - Honorariums
    - Dues\*
    - Membership fees\*
    - Subscriptions\*
    - Registration Fees\*
    - Catering\*
    - Postage\*

\*These will be paid by Check Request ONLY if the vendor will not accept the ProCard.

## Requisition Purchases

Requisitions are used for purchases not otherwise permitted through ProCard or Check Request. Generally, it is used for all equipment purchases, services rendered over \$500, and orders exceeding \$3,000. Information to create the electronic requisition is put on a Purchase Requisition Form (<http://www.kctcs.edu/businessaffairs/FORMS/BA8.doc>), approved by the appropriate department head, forwarded to the Business Office, and entered locally into PeopleSoft. From there it is approved electronically and forwarded electronically to KCTCS for the creation of a Purchase Order, which is sent to the vendor. The more detailed Purchase Requisition form is used to provide the information necessary to secure (and in some cases bid out by KCTCS) the items specified.

More detailed information and full guidelines for using Requisitions can be found at <http://www.kctcs.net/businessaffairs/BusPro/4.3%20Requisitioning.doc>.

## General Guidelines for all Purchases

- Payment should never precede the receipt of goods or services. Any exceptions should have the Purchasing Office's knowledge and approval.
- A proper Chart String should always be provided.
- Purchases from Fund 12 (Grants and Contracts) should have the approval of the Office of Curriculum Development before submission to the Business Office.
- Purchases from Fund 11 (Gift) should have the approval of the Office of Resource Development prior to submission to the Business Office.
- A ProCard must always be used whenever possible for items less than \$500 and for total orders less than \$3,000
- If a ProCard is used for services (electrical, HVAC, etc.), we must have insurance information on file **BEFORE** services are rendered.
- Services rendered for over \$500 (if a ProCard cannot be used) **MUST** be done on a Requisition **BEFORE** services are performed. It will be processed as a Confirming Requisition.
- Original supporting documentation should always be attached to forms sent to the Business Office (Check Requests, Purchase Requisitions, ProCard Edit Sheets, etc.).
- Any food purchases must have prior approval from the President's Office.
- Procedure for emergencies:
  - If after normal business hours and involving loss of property and/or harm to individuals: Do whatever is necessary. You will be asked for justification and/or explanation after-the-fact.
  - Otherwise, contact the Purchasing office **BEFORE** making any commitments or beginning work. Verbal approval, or an emergency P.O. can be processed very quickly in emergency situations.
- When in doubt, contact the Purchasing Office (extension 2109) **BEFORE** making the purchase.

### **Please note:**

House Bill 269 puts further restrictions on purchasing and procurement for all state agencies until June 30, 2004. Please note the following cost-saving provisions of the Bill:

#### **Reduction in Travel**

- The college President must pre-approve all out-of-state travel. Written justification must be kept in the President's office.

#### **Reduction in Printing**

- The college President must pre-approve all printing
- State funded sources (internal, other state agencies) must be used whenever possible
- Printing can not be purchased using ProCard or confirming requisitions. A purchase order must be issued **PRIOR** to the printing

#### **Reduction in Furniture and Equipment**

- The college President must approve and submit written justification for any purchase of equipment or furniture
- Generally only replacement furniture or equipment will be accepted as justification
- If the purchase is authorized, the Division of Correctional Industries or the Division of Surplus Property shall be used whenever possible

#### **Personal Service Contracts**

- Only in emergency or extraordinary circumstances