



2016-2017

**PURCHASING &
ACCOUNTS PAYABLE
PROCEDURES**

PURCHASING BASICS

No purchase of goods and services shall be binding on the college until a written contract or Purchase Order is entered into by the College and Administration by the Purchasing Department.

Kilgore College is sales tax exempt, except for sales tax on restaurant purchases. Any sales tax charged on purchases must be reimbursed to the College by the employee who made the purchase.

BASIC RULES:

- Purchases costing \$5,000 or less require one quote
- Purchases exceeding \$10,000 require more than two written quotes
- Purchases exceeding \$25,000 require formal bids by the Purchasing Department
- Exception to Purchasing Procedures:

Current Contracts

State Contract Purchases

Purchasing Cooperative Contract Purchases

Authorization and approval by the Vice President of Finance

PURCHASING PROCEDURES

- **PLANNING**

It is the responsibility of the department making the request to allow sufficient time for orders to be placed and merchandise received. Lack of planning and last minute purchases cost extra time and money.

Purchasing forms, including reimbursement, sales and hotel tax exempt forms may be found on MyKC, under the HR tab and Forms or on JICS under Business Office, Forms and Policies.

- **JICS**

Instructions for Requisition entry in JICS will be available on the portal or may be obtained from the Purchasing office.

All JICS Approvers should review their Pending Approvals folder **daily** in order to maintain the timeliness of the purchasing process.

Do not allow another to use your JICS log in to approve requisitions for you; contact Purchasing and a proxy will be assigned.

The use of Signature stamps is not acceptable as approval for the purchase or payment of any monetary transactions and is a violation of strong internal control measures required by accounting standards.

- **APPROPRIATE BUDGET EXPENDITURES:**

- 1) CONTRACTED SERVICES (Object Code 6210)**

Services which are performed by an outside vendor. Often has a written contract for ongoing services.

- 2) OFFICE SUPPLIES (Object Code 6310)**

Office supplies necessary to operate the functional area.

- 3) GENERAL SUPPLIES (Object 6315)**

Some departments that are not of the “office” environment would use this category (i.e. grounds supplies, resident hall supplies).

4) INSTRUCTIONAL SUPPLIES (Object Code 6320)

General supplies used for instructional purposes. This does include stores or print services when you complete a requisition.

5) ALLOCATED CHARGES (Object Code 6325)

Items such as copy card, copy log or copy ticket from the print shop, telephone charges, and postage that are charged against your budget on a regular basis.

6) DUES & MEMBERSHIPS (Object Code 6330)

Charges related to professional organizations and licensing.

7) REPAIRS AND MAINTENANCE (Object Code 6335)

Charges such as maintenance contracts, and repairs/maintenance performed by physical plant that will be charged to the functional area.

8) STAFF & FACULTY TRAVEL (Object Code 6410)

General expense related to travel and training costs. Travel and training for eligible part-time faculty should also be included in this category. Training Costs/Fees related to tuition, registration, or sign-up fees are usually included here.

All travel is to be conducted on a reimbursement of cost basis. The following reimbursement rates have been established by the institution:

Personal mileage: Reimbursement for personal vehicles used in school travel will be made at the State rate that is in effect on September 1st of each fiscal year.

NOTE: Mileage is reimbursed based upon distances between cities of origin and destination by using **MapQuest**, shortest distance option – for inner city travel, use Point to Point descriptions.

Hotel charges: Actual rate charged by the hotel, subject to approval by the appropriate budgetary head.

NOTE: Receipts must be submitted for reimbursement to be approved. Additionally, Kilgore College is exempt from State of Texas sales tax. It is the employee's

responsibility to obtain a hotel tax exemption form prior to travel. State of Texas sales tax will not be reimbursed.

Food Charges: Reimbursement for meals will be made at the State rate that is in effect on September 1st of each fiscal year.

If attending a conference and registration fee includes some meals, an adjustment in daily meal allowance will need to be made as follows:

Breakfast:	\$ 8
Lunch:	\$12
Dinner:	\$26

Example: Conference provides Breakfast and Dinner – daily meal allowance will be \$12.

NOTE: Original itemized receipts must be submitted for reimbursement to be approved.

NOTE: Meals for non-overnight travel will not be reimbursed.

The employee is reimbursed once the travel reimbursement form, purchase requisition and itemized receipts are received, approved and verified, purchase order issued, and check issued. Appropriate vehicle rental or mileage reimbursement charges should be budgeted in this category.

9) STUDENT TRAVEL (Object Code 6420)

The same as faculty travel but students related. Advances may be issued for student travel when qualified with the appropriate time line.

10) EQUIPMENT – Due to the change in the capitalization rate, equipment will now be charged to two different accounts.

a) EQUIPMENT (Object Code 6710)

This will include all items purchased costing \$500-\$4,999 and have an anticipated useful life greater than or equal to one year. Software should be included in supplies.

b) CAPITALIZED EQUIPMENT (Object Code 6715)

This will include all items purchased for \$5,000 or more and have an anticipated useful life greater than or equal to one year. Repairs or improvements made to equipment with original value greater than \$5,000 that alter its original state or original ability, or increases the useful life greater than or equal to one year should be budgeted as capitalized equipment.

- **PROCESSING**

Attempts are made to process the purchase requisition within five (5) working days after the document is in the purchasing queue or office.

- **REQUISITIONS**

Entry of requisitions in JICS must include detailed information regarding the order; an attached list of items being ordered is not acceptable. Requisitions must also include specific information about who, when, what and how. The requisition must indicate that the order is to be faxed and include the fax number, or whether the purchase order needs to be emailed, held for invoice, etc.

- **REQUESTS FOR CHECKS** (KC Bursar, Reimbursements, etc.)

Allow ten (10) working days after the request is received by Purchasing.

Reimbursement requests must be submitted within **sixty** (60) days of the actual expense. Reimbursement requests submitted after the sixty (60) days will **not** be reimbursed. This includes mileage, hotel, meals, miscellaneous expenses, other business expenses paid personally or any other expense for which reimbursement is requested. Please submit appropriate completed Travel Reimbursement or Reimbursement Only worksheets along with original itemized receipts taped to a plain sheet of paper.

- **PURCHASING**

Once a purchase order is issued and funds encumbered, it is mailed, emailed or faxed to the vendor.

- **PURCHASE ORDERS**

Official documents used to encumber funds for the purchase of goods and services as requisitioned by the departments. The document gives the

seller authority to ship and invoice for goods specified on the order and is Kilgore College's promise to pay for the goods.

No goods or services are to be ordered without an approved purchase order.

• **UNAUTHORIZED PURCHASES**

Any purchase made without a purchase order is an **unauthorized** purchase. No individual may make purchases involving the use of college funds. Payment of unauthorized expenditures shall be the sole responsibility of the person placing the order.

• **OPEN (BLANKET) PURCHASE ORDERS**

May be issued for a specific service or supply, which is invoiced monthly, or as delivered, and the amount is pre-determined by either a quotation or contract. Federal Express, cylinder rental and gases, are a few examples of open purchase orders. Open purchase orders will have a dollar limit and be for no longer than one year.

• **EMERGENCY/VERBAL PURCHASE ORDERS**

Must be kept to a minimum. Generally, emergency orders will be issued only when it is determined the delay posed by adhering to the proper purchasing procedures will impair the normal operation of the institution. If an emergency/verbal purchase order number is assigned, a purchase requisition must immediately be entered into JICS including the assigned purchase order number.

- Aramark – a verbal purchase order number **must** be obtained from the Purchasing office prior to making any arrangements with Aramark.
- Enterprise auto rental - a verbal purchase order number **must** be obtained from the Purchasing office prior to making any auto rental reservations.

• **SUMMER PURCHASING**

Departments are encouraged to submit request for procurement by June 15. Routine payments will be made after that date but major procurement is encouraged to end after this date.

- **RECEIVING CENTER**

All orders must be shipped to **Kilgore College Receiving Center, 108 Choice St., Kilgore, TX 75662**. Orders are opened and inspected by the Receiving Agent and then delivered to the appropriate building and room.

- **PICK UP ORDERS**

If it is necessary for the merchandise to be picked up, a copy of the purchase order is returned to the department. When the merchandise is picked up, the individual is responsible for signing and dating the packing slip, stapling the packing slip/invoice to the copy of the purchase order, and returning all to Accounts Payable as notification that the merchandise has been received. A few vendors require the Purchase Order be faxed prior to an individual picking up the merchandise, i.e. Sam's Club, Lowe's.

- **DIRECT DELIVERIES**

If merchandise is delivered to a department with a packing slip or invoice, it is the responsibility of the department to notify receiving, sign and date all paper work and return to **Accounts Payable**.

- **CANCELLED ORDERS**

The Budget Administrator sends an email to the Purchasing Office when there is a need to cancel an order. Please reference the order number, the vendor name, and the reason for the cancellation. The Purchasing Office will contact the vendor and attempt to cancel the order. In some cases, the College may be responsible for certain costs related to the order. If the merchandise is not received and the department or vendor hasn't contacted the Purchasing Office the order will be cancelled.

CREDIT CARD USAGE PROCEDURES

KILGORE COLLEGE FUEL CREDIT CARDS

Fuel credit cards may be temporarily issued to individuals when traveling. The fuel cards offer per gallon rebates and remove applicable fuel taxes.

Upon return to campus, credit cards, receipts and the Fuel Card Expense sheet must be returned to the Purchasing Office. Employees who have assigned fuel

credit cards must submit the customer's copy of the gasoline receipts along with a completed Fuel card Expense sheet on which the appropriate budget number has been written by the fifth of each month.

It is the responsibility of the cardholder to prevent unauthorized access to their Fuel card PIN. A lost or stolen card must be reported to the Purchasing Office immediately.

Fuel cards should only be used to purchase fuel for rental or college owned vehicles and only **regular** grade fuel should be purchased. Any travel involving the use of personal vehicles will be reimbursed on the current approved mileage rate.

FIRST BANKCARD VISA CARDS

Employees who have an assigned Visa card are responsible for all charges to that card and must sign a Kilgore College Credit Card Agreement.

One purchase requisition per month must be entered into JICS upon receipt of the monthly statement, itemizing each purchase. The Visa Transaction log and statement along with itemized credit card receipts must be submitted to the Purchasing office within ten (10) days from the time the statement is available for review. If this deadline is not met, the cardholder can be held personally responsible for any interest or late fees, and repeated failures to meet the deadline may result in the loss of the use of the card.

If Visa card is used while traveling on official college business, the Travel Reimbursement/Visa worksheet will be submitted to Purchasing for both credit card charges and personal reimbursement.

Periodic reviews of credit limits will be conducted to ascertain if the limits appear to be sufficient. Adjustments may be approved if necessary.

Visa cards are not to be used to purchase fuel. College fuel credit cards should be used for all necessary fuel purchases.

Visa cards are **NOT** to be used to make purchases at Walmart, Office Depot or other vendors with whom we have an "active" corporate account as sales tax will be charged.

Transactions using the KC Visa to make a purchase from one of our KC merchants, such as KC Bookstore, Texas Shakespeare Festival, East Texas Oil Museum or any other KC merchant are types of transactions that are considered to place our accounts at a high risk of fraudulent activity and First Bankcard Visa requests they **not** be exercised.

WAL-MART CARDS

The **Cardholder**, (the person who was issued the card), will be the accountable party for all aspects of the account; which includes not only justification for the activity on the account, but the proper submission of all required payment documents, submitted in a timely manner.

When making a purchase at Walmart, be sure to notify the checker that Kilgore College is sales tax exempt. Any sales tax charged must be reimbursed to the College by the Cardholder.

A completed Wal-Mart spreadsheet with appropriate signatures must be turned into the Business Office within seven (7) days of purchase with receipts stapled to the spreadsheet.