

Procedures for all purchases

In compliance with Education Department General Administrative Regulations (EDGAR), the following guidelines must be adhered to for all federally funded purchases beginning July 1, 2015.

Micro Purchases: those purchases of goods and services that are less than \$10,000.01. Quotes are NOT required for purchases that are less than \$10,000.01. However, the Purchases MUST be “qualified vendors” and purchased equitably from qualified vendors. (**example:** purchase of general office supplies costing \$2,000)

Small Purchases: those purchases that cost between \$10,000.01 and \$49,999.99. Per EDGAR, price or rate quotations must be made from an adequate number of qualified sources. This applies even to vendors that are on the Region VII or other School Board approved purchasing cooperatives.

For all purchases ranging from \$10,000.01 and \$49,999.99:

1. At least two price quotes must be obtained in writing
2. Quotes may be received from vendors, vendor online pricing, or generated from online search engine
3. All purchase orders for federal purchases costing between \$10,000.01-\$49,999.99, must have the required quotes attached to the requisitions and referencing campus plans and goals.

Purchases that are \$25,000 and over require formal School Board approval

Purchases that are over \$50,000 will require competitive bidding or competitive proposals with final School Board approval

Vendors that are claiming sole source status must complete and have notarized the sole source affidavit located on the Purchasing Department’s website unless already on file with Region VII and posted on their website.

Effective: 12/31/2013

Updated: 2/21/2018

Updated: 7/1/2018

NACOGDOCHES INDEPENDENT SCHOOL DISTRICT PURCHASING GUIDELINES

The Board may adopt rules and procedures for the acquisition of goods and services. The Board may delegate its authority regarding an action authorized or required to be taken by the District by Education Code Chapter 44, Subchapter B to a designated person, representative or committee. The Superintendent, or his designee, for the Nacogdoches Independent School District is responsible for the development, implementation, and administration of purchasing procedures for the District. These procedures will be in accordance with local, state and federal statutes or ordinances, good business practices, and the provisions in the annual budget adopted by the Board of Trustees for the current fiscal year.

The comprehensive procurement system will include written regulations and procedures as required to efficiently provide for the needs of the District. These regulations and procedures will be the policies for procurement for the District. **Any deviation from these regulations and procedures requires the express approval of the Superintendent.**

CODE OF ETHICS

PURCHASING OPERATIONS

Consider first the interests of the School District and the betterment of the educational program of the District.

Endeavor to obtain the greatest value for every tax dollar expended in a manner conducive to good business practices and in compliance with statutory requirements.

Strive for knowledge of school equipment and supplies in order to recommend items that may either reduce costs or increase the efficiency of the educational program.

Give responsible bidders equal consideration and the assurance of unbiased judgment in determining whether their products meet the educational needs of the District.

Discourage the offer of and decline gifts or favors, which might influence or be construed to influence the purchase of goods or services.

Accord a prompt and courteous reception, insofar as conditions permit, to all that call on legitimate business missions.

Be ever mindful of the reason for the existence of the Purchasing function: to provide support to the various entities of the District charged with the responsibility of creating an educational environment of excellence.

Constantly seek, identify and implement strategies and techniques that will enhance the level of **service** provided by the Purchasing function.

CODE OF CONDUCT

Regulations: 2 CFR Part 200.318, formerly 7 CFR Part 3016.36(b)(3), State Procurement Code and Regulations, and Nacogdoches Independent School District.

Procedures: The Nacogdoches Independent School District seeks to conduct all procurement procedures:

- in compliance with stated regulations; and
- to prohibit conflicts of interest and actions of employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal, State, or local award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity. Based on the severity of the infraction, the penalties could include a written reprimand to their personnel file, a suspension with or without pay, or termination.

For questions and concerns regarding procurement solicitations, contract evaluation, and award, contact:

Purchasing Contacts: 936.569.5000

Chief Financial Officer	Lisa Barbarick
Accounting Supervisor	Wendy Fox
Purchasing/Accounts Payable Specialist	Janice Molandes
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Revised: July1, 2018

DEPARTMENTAL PURCHASING

GENERAL PURCHASING PROCEDURES

Purchasing in the Nacogdoches Independent School District is a part of the Business Office. The function of this centralized operation is to organize and administer procurement for the District in accordance with the responsibility and authority delegated by the Superintendent and the Board of Trustees.

Purchasing is a support function of the District charged with the responsibility of acquiring goods and services requested by the instructional and administrative departments in a manner consistent with state law, Board of Trustees policies and good business practices.

Purchasing shares with the Business Office and other administrative offices the responsibility of expending District funds in such a manner that all transactions will pass numerous audits with respect to district, state, and federal procurement regulations.

Acquisition of the requested goods and services shall be made by the issuance of an official, numbered, District purchase order, which has been approved in advance, or pay voucher.)

It should be noted that the yearly deadline for issuing routine purchase orders for the current school year will be **April 15** (local and Federal funds).

Situations will undoubtedly arise which are not fully covered by these procedures. The purchasing staff is always available to discuss any procurement procedure that serves the best interest of the District and the department concerned.

The purchasing procedures contained in this document are intended to comply with local, state and federal statutes and ordinances. In the event of conflict, the appropriate statute or ordinance will prevail.

In accordance with Article 6251-16 of the State of Texas statutes, the Nacogdoches Independent School District does not discriminate against individuals or companies in regard to race, religion, sex or national origin in awarding of bids.

SPECIFIC PURCHASING PROCEDURES

PURCHASING AUTHORITY

Purchases in the District shall be made solely on the basis of price, quality, and service. Personnel involved in purchasing shall be prepared to justify all purchases in light of the following:

1. Under no circumstances are purchase commitments of any kind to be made on behalf of the District unless covered by an official, numbered District purchase order or a legally accepted contract or agreement. This shall include all funds – Operating, Food Service, Federal, etc.
2. Competitive bidding and/or quoting is to be employed to the maximum extent possible. (All purchases over \$3,000 shall be accompanied by [3] quotes unless the vendor is a sole source accompanied by a sole source letter). The number of potential sources to bid should be sufficient to insure price, technology, and service competition. Three bidders are considered to be the minimum number when the product is standardized or the

specifications definitely established. Vendors receiving request to bid should only be those who would be given serious consideration on the final selection.

3. In all purchasing activities, first consideration is to be given to the best interest of the District, buying without prejudice in an effort to obtain the maximum ultimate value for each dollar expended. Purchases are to be made on the basis of "value" which is to be recognized as a combination of quality, service, and price. The placing of business on behalf of the District through friendship and acquaintance without recognizing the "value" to be gained as outlined above will not be tolerated.

Violations of these policies or guidelines may subject any offending employee to dismissal from employment.

ALL CONTRACTS LET FOR BID

The sections below pertain to all contracts that are subject by law to competitive bidding.

PURCHASES VALUED AT OR ABOVE \$50,000

All District contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period, shall be made by the method that provides the best value for the District:

1. Competitive bidding [See also Local Board Policy CVA];
2. Competitive sealed proposals [See also Local Board Policy CVB];
3. A request for proposals for services other than construction services;
 1. 4. A catalog purchase as provided by Government Code Chapter 2157, Subchapter B;
4. An inter-local contract; Purchasing Cooperatives approved by the School Board

In awarding a contract, the District **shall** consider:

1. Purchase price;
2. The reputation of the vendor and of the vendor's goods and services;
3. The quality of the vendor's goods or services;
4. The extent to which the goods or services meet the District's needs;
5. The vendor's past relationship with the District;
6. The impact on the ability of the District to comply with laws relating to historically underutilized businesses;
7. The total long-term cost to the District to acquire the goods or services;
8. Any other relevant factor that a private business entity would consider in selecting a vendor.
[Education Code 44.031 \(b\)](#)

The factors listed above are the only criteria that may be considered by the District in its decision to award a contract. The District may apply one, some, or all of the criteria, but it may not completely ignore them. ([R.G.V. Vending v. Weslaco Indep. Sch. Dist., S.W.2d Tex. App.-Corpus Christi 1999](#)).

NOTICE PUBLICATION

Notice of when and where bids or proposals or the responses to a request for qualifications will be received and opened shall be published in the county where the District's central administrative office is located, once a week for at least two weeks prior to deadline for receiving bids, proposals, or responses to a request for qualifications. If there is no newspaper in that county, the advertising shall be published in a newspaper in the county nearest the county seat of the county in which the District's central administrative office is located. In a two-step procurement process, the time and place where the second-step bids, proposals, or responses will be received are not required to be published separately. [Education Code 44.031\(g\)](#)

PERSONAL PROPERTY PURCHASES VALUED \$10,000 TO \$50,000

When the District seeks to purchase personal property of a value of at least \$10,000 but less than \$50,000, in the aggregate, for a 12-month period, the District may either purchase those items in accordance with Education Code 44.031(a) and (b) described above or follow the vendor list procedures described below: [Education Code 44.033\(a\)](#)

For each 12-month period, the District shall publish a notice in two successive issues of any newspaper of general circulation in the county in which the school is located. If there is no newspaper in the county in which the school is located, the advertising shall be published in a newspaper in the county nearest the county seat of the county in which the school is located, specifying the categories of personal property to be purchased and soliciting the names, addresses, and telephone numbers of vendors that are interested in supplying any of the categories to the District. [Education Code 44.033\(b\)](#)

For each category, the District shall create a vendor list consisting of each vendor that responds to the published notice and any additional vendors the District elects to include. Before the District makes a purchase from a category of personal property, it must obtain written or telephone price quotations from at least three vendors from the list for that category. If fewer than three vendors are on the list, the District shall contact each vendor. Whenever possible, telephone quotes should be confirmed in writing by mail or facsimile. The bidding records shall be retained with the District's competitive bid records and are subject to audit. Purchases shall be made from the lowest responsible bidder. [Education Code 44.033\(b\)\(c\)](#)

PROFESSIONAL SERVICES

The purchasing requirements of Education Code Section 44.031 do not apply to a contract for professional services rendered, including the services of an architect, fiscal agent, or attorney. [Education Code 44.031\(f\)](#)

The District may contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by Education Code 44.031.

Competitive bids shall not be solicited for professional services of any licensed or registered certified public accountant, architect, landscape architect, land surveyor, physician, optometrist, professional engineer, state-certified or state-licensed real estate appraiser, or registered nurse. Contracts for these professional services shall be made on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. [Gov't Code 2254.002, 2254.003\(a\)](#)

EMERGENCY DAMAGE OR DESTRUCTION

If school equipment, a school facility, or a part of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the Board determines that the delay posed by the methods provided for in Education Code 44.031 would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or the part of the school facility may be made by methods other than those required by Education Code

44.031. [Education Code 44.031\(h\)](#)

COMPUTERS

The District may acquire computers and computer-related equipment, including computer software, through the Texas Procurement and Support Services Cooperative Purchasing Program in accordance with Government Code Chapter 2157. [Education Code 44.031\(i\)](#)

ADMINISTRATIVE DIRECTIVE REGARDING PURCHASE OF COMPUTERS AND OTHER TECHNOLOGY

Please observe the following procedures in purchasing computers and other items of technology:

1. Departments and/or campuses needing to purchase computers and/or other items of technology should first specify the task or outcome to be achieved with the equipment to be purchased.
2. The task to be accomplished, or desired outcome, is then to be submitted to the Department of Technology Services for input regarding what type of equipment could achieve the desired outcome at the lowest cost consistent with a high degree of efficiency. The Department of Technology Services will assist the initiator of the request in developing the specifications for the equipment to be purchased.
3. Requisitions to be submitted for the purchase of computers and other items of Technology will be developed in accordance with the specifications designated by the Department of Technology Services and must be submitted to the Director of Technology Services for approval.

Following this procedure will help to ensure that all computers and other items of equipment purchased will accomplish the desired outcome with a high degree of efficiency at the lowest cost to the district and can be maintained effectively by the district.

SOLE SOURCE

Compliance with Education Code 44.031 is not required for purchases that are available from only one source, including:

1. An item for which competition is precluded because of a patent, copyright, secret process,

- or monopoly.
- 2. A film, manuscript, or book.
- 3. A utility service, including electricity, gas, or water.
- 4. A captive replacement part or component for equipment.

The sole source exception shall not apply to mainframe data processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000. [Education Code 44.031\(j\)\(k\)](#)

Documentation is required as evidence of attempts to locate alternative sources. Follow the instructions on the Sole Source Purchase Justification and submit the documentation with the purchase order. Failure to document these findings will delay the order because it will be returned to the individual that submitted the purchase order.

IMPERMISSIBLE PRACTICES

A Trustee, employee or agent shall not, with criminal negligence make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner.

"Component purchases," means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. "Sequential purchases" means purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment.

COMMITMENT OF CURRENT REVENUE

A contract for the acquisition, including lease, of real or personal property is a commitment of the District's current revenue only, provided the contract contains either or both of the following provisions:

1. Retains to the Board the continuing right to terminate the contract at the expiration of each budget period during the term of the contract.
2. Is conditioned on a best efforts attempt by the Board to obtain and appropriate funds for payment of the contract.

[Local Gov't Code 271.903](#)

ADMINISTRATIVE DIRECTIVE REGARDING SIGNING CONTRACTS

The Superintendent and/or the Associate Superintendent of Business and Operations may only sign contracts obligating the expenditure of School District funds.

Other individuals may contractually obligate the School District only with the express

approval in writing of the Superintendent.

LEASE PURCHASE AGREEMENTS

A lease is an agreement between two parties that conveys the use of property for a specified period of time. An important issue in the accounting for leases is the identification whether the lease should be treated as a purchase by the lessee and sales by the lessor. Leases that are identified as a purchase-sale transaction are referred to as capital leases, and those that are not are referred to as operating leases.

Operating leases – In an operating lease there is no equity accumulation by the lessee (the School District) and no ownership transfer. This type of lease is not considered to be debt. Payments are treated as expenditures or expenses in the same manner as rent.

Capital leases – Some lease agreements are worded in such a way that an asset and a liability need to be recorded. The determination whether a lease is capital or operating is usually determined if one of the following conditions is satisfied:

1. The ownership of the property transfers to the lessee at the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 75% or more of the estimated useful life of the leased property.
4. At the inception of the lease, the present value of the minimum lease payments are equal to 90% or more of the fair value of the leased property.

Lease-purchase agreements, like contracts, can only be signed by the Superintendent and/or the Associate Superintendent of Business and Operations. When approval is granted, an official, numbered, District purchase order should be issued for the portion of the lease through the end of the current fiscal year. Also remember to budget these lease payments in future years.

IDENTICAL BIDS

If the District receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, it shall select only one bidder from the identical bids.

If only one of the bidders submitting identical bids is a resident of the District, that bidder shall be selected. If two or more such bidders are residents of the District, one shall be selected by the casting of lots. In all other cases, one of the identical bids shall be selected by the casting of lots.

The Board shall prescribe the manner of casting lots and shall be present when the lots are cast. All qualified bidders or their representatives may be present at the casting of lots.

INTERLOCAL AGREEMENTS

To increase efficiency and effectiveness, the District may contract or agree with other local governments and with state agencies, including the Texas Procurement & Support Services Cooperative Purchasing Program, Region VII Purchasing Coop, and others as it deems necessary to perform some of its purchasing functions.

Gov't Code 791.001, 791.011

The District may agree with another local government, including a nonprofit corporation that is created and operated to provide one or more governmental functions and services, or with the state or a state agency, including the Texas Procurement & Support Services Cooperative Purchasing Program, to purchase goods and services reasonably required for the installation, operation, or maintenance of the goods. Such an agreement may not, however, apply to services provided by firefighters, police officers, or emergency medical personnel.

If the District purchases goods and services by agreement with another local government or with the state or state agency it satisfies the requirement to seek competitive bids for the purchase of goods and service.

Gov't Code 791.025(b)(c); Atty. Gen. Op. JC-37(1999)

STATE PURCHASING PROGRAM

Purchasing services performed for the District by Texas Procurement & Support Services Cooperative Purchasing Program shall include:

1. The extension of state contract prices to the District when the commission considers it feasible.
2. Solicitation of bids on items desired by the District if the solicitation is considered feasible by the Texas Procurement & Support Services Cooperative Purchasing Program and is desired by the District.
3. Provision of information and technical assistance to the District about the purchasing program.

The Texas Procurement & Support Services Cooperative Purchasing Program may charge the District its actual costs in providing purchasing services.

Local Gov't Code 271.082

DISTRICT REQUIREMENTS

The District may participate in the purchasing program by filing with the Texas Procurement & Support Services Cooperative Purchasing Services a resolution adopted by the Board requesting that the District be allowed to participate on a voluntary basis, to the extent the Texas Procurement & Support Services Cooperative Purchasing Services deem feasible, and stating that the Board shall:

1. Designate an official to act for the District in all matters relating to the program, including the purchase of items from the vendor under any contract.
2. Direct the decisions of its representative.
3. Be responsible for:
 - a. Submitting requisitions to the Texas Procurement & Support Services Cooperative Purchasing Program under contract(s) and for payment directly to the vendor; and
 - b. Electronically sending purchase orders directly to vendors and electronically sending the Texas Procurement & Support Services Cooperative Purchasing Services reports on actual purchases.
4. Be responsible for the vendor's compliance with all conditions of delivery and quality of the purchased item.

WAREHOUSE PURCHASES

Purchases by the NISD Warehouse shall comply with all purchasing laws and procedures. Campuses or departments who purchase directly from the NISD Warehouse may rely upon the warehouse purchasing process and no additional quotes or bids are required.

COOPERATIVE PURCHASING PROGRAM

The District may participate in a cooperative purchasing program with another local government or a local cooperative organization. If the District does so, it may sign an agreement with another participating local government or a local cooperative stating that the District will:

1. Designate a person to act on behalf of the District in all matters relating to the program.
2. Make payments to another participating local government or local cooperative organization or directly under a contract, as provided in the agreement.
3. Be responsible for the vendor's compliance.

If the District participates in a cooperative purchasing program, it satisfies any law requiring it to seek competitive bids.

[Local Gov't Code 271.102; Atty. Gen. Op. JC-37 \(1999\)](#)

UNAUTHORIZED CHARGES/PURCHASES

Any commitment to acquire goods or services from budgeted funds prior to securing an official, numbered, District Purchase Order is prohibited. Anyone creating or authorizing such a commitment prior to securing a Purchase Order will be personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.

All requested exceptions to this policy must be made in writing to the Superintendent.

PURCHASE ORDERS

A purchase order is a contract document that obligates the District and vendor to the terms and conditions as listed thereon.

Purchasing is to be done using the electronic purchase order system unless otherwise covered by one of the approved exceptions listed in this document. Each school and department is to enter their requisitions into the system for processing. The purchase order system will then go through the procedure of checking the balance in the code, encumbering the amount, assigning a purchase order number, and printing the purchase order. The purchase order will be returned to the place of origin for mailing unless other arrangements have been made (see Distribution of Purchase Order Copies under Procedures). The Associate Superintendent of Business and Operations or designee must approve any exception to this rule in advance.

ON-LINE PURCHASING SYSTEM PROCEDURES

The objectives of the on-line purchasing system are:

- A. Streamline the purchasing process by improving its efficiency using state of the art technology.
- B. Increase campus and department accountability while enhancing site- based management in the purchasing process.
- C. Shift major responsibility for compliance to the campus and departmental administration, thus providing better controls of the process.

The process for the on-line purchasing system is:

1. Each campus and departmental administrator is responsible for budgeted funds being available in the proper account before entering a requisition for the purchase order.
2. Each campus or departmental administrator is responsible for establishing internal controls and thus assuring themselves that there will be no delays in processing purchase orders due to budget shortfalls, improper coding of expenditures or improper issuance of purchase orders without proper administrative authority. Attached is a suggested Requisition for Purchase Order Form which you may modify for your special needs.
3. Campus and departmental administrators are responsible for purchasing compliance. This compliance is summarized below:
 - a. Vendors that have been approved by the Board of Trustees through the bid or proposal process must be used for all purchases unless the item to purchased is not available from any of these sources.
4. When purchases require counter authorization from a district level program director, such authorization shall be obtained before entering the requisition for a purchase order. This would include transactions involving state technology funds and certain federal funds. Please retain your Requisition for Purchase Order forms with these counter signatures for audit purposes.
5. All purchases of merchandise or services require the use of an electronically generated purchase order. There is no system for issuing hand generated purchase orders. Approved purchase-orders will be printed twice weekly, usually on Tuesday and Thursday. Purchases that do not require a purchase order include, but are not limited to:
 - a. Utility costs - electricity, water, phone, etc.
 - b. For travel advances or reimbursement, use travel form

Any questions as to whether a specific purchase requires a purchase order shall be resolved by the Chief Financial Officer.

6. The Business Office is responsible for reviewing, approving and distributing all purchase orders once they have been properly submitted. All purchase orders will be returned to the campus or department of origin for final dispersion to the vendor.
7. Distribution of purchase order copies:
White (Vendor) -sent to campus or department for mailing, faxing, etc. to vendor.

Pink (Receiving) -sent to campus or department. As order is received - quantity, unit, item unit price and total price is checked - the person checking the order signs and dates the pink copy as received and returns to the Business Office with the invoice attached. This copy will be the Business Office's authorization to pay the invoice.

Yellow (Keypunch Payment Fund) - this copy will be filed in the Business Office to be used as tickler file if receiving report is not received from campus.

8. Upon payment of invoices, all check copies are to be kept on file in the account payable office of the Business Office.
9. All invoices for payment should be sent to the Business Office, Nacogdoches Independent School District, PO Box 631521, 420 S. Shawnee Street, Nacogdoches, Texas 75963-1521. Under no circumstances should invoices be mailed to an individual as this delays payment to the vendor.

The deadline date for requisitions for purchase orders to be submitted to the Business Office is shown below. The date will be adjusted to the next workday if it falls on a weekend or holiday. The school calendar may be consulted for the exact dates of holidays.

April 15 - All routine purchases for the current local and federal budget year.

The above date does not apply to special contracts, 12-month programs, or replacement of unrepairable or vandalized equipment.

During the regular budget year, POs should be submitted as infrequently as possible. To prevent numerous uneconomical small purchases, requests should be for as large a quantity as storage space and budget allocations will permit. Every effort should be made to process Purchase Orders over \$10,000 according to the following timelines:

- No later than September board meeting for local budget
- No later than November board meeting for federal budget

The necessity to plan for equipment and supply requirements cannot be overemphasized. The time required processing a P.O. from initiation to delivery of the materials or service might vary from a few days to several weeks. The P.O. must travel from the originator through approved channels to the Business Office. The Business Office must secure competitive bids, obtain evaluation and approval of the bids. The time required for processing by The Business Office will vary according to the nature and value of the transaction, the existing workload and various legal requirements.

PAY VOUCHERS

Services, supplies and equipment available for immediate pick-up from **local vendors in amounts not exceeding \$200** may be purchased through the use of Pay Vouchers. Pay Voucher forms are uniquely numbered and are issued to campuses and departments by the Business Office.

Since Pay Vouchers are not and cannot be encumbered, Account Managers hold ultimate responsibility for expenditures using Pay Vouchers. The Account Manager is responsible for:

1. completing the form correctly;
2. obtaining the invoice or cash register receipt from the individual making the purchase;
3. routing the Pay Voucher and invoice or cash register receipt to Accounts Payable;

4. insuring that appropriate charges are made to Pay Vouchers;
5. insuring that purchases do not exceed departmental budgets.

A 'local' vendor is construed as being within a 100-mile radius from Nacogdoches. Being in Houston or Dallas and being able to 'pick up' the merchandise does not constitute authorized use of a Pay Voucher. Pay Vouchers should be used primarily for items to be 'picked up' by the campus or department. However, if an item is to be delivered, the vendor must provide an invoice with the delivery. Campuses or departments requesting delivery of Pay Voucher items will bear the responsibility of dealing with the vendor in the case of damaged or incorrect goods. If an ordered item needs to be delivered, it is preferable that the Purchase Order method be utilized.

The Pay Voucher should not be used for:

1. purchases exceeding \$200;
2. purchases which will be delivered;
3. purchases to non-local vendors (even if the item is to be picked up);
4. purchases for items which are not appropriate based on the funding source of the account (i. e. personal items);
5. purchases exceeding your approved budget;
6. splitting purchases to avoid other purchasing requirements;
7. purchases that will be billed by the vendor.

NOTE: The cost of a single item may not be split on multiple Pay Vouchers in order to avoid proper processing. Also, items totaling more than \$200 may not be picked up at one time and invoiced separately on multiple Pay Vouchers. Campuses/Departments violating these rules will have their Pay Voucher privileges removed.

Completing the Pay Voucher Form

The Pay Voucher is a 4-part NCR form. Upon issuing the Pay Voucher fill out the following areas.

1. Vendor Name.
2. Vendor Number.
3. Date Issued.
4. Signed (Principal, Director or Account Manager must sign the pay voucher.).
5. Quantity.
6. Catalog Number (If known.).
7. Description of Article. Record the specific item(s) to be purchased. Otherwise, make a general description to include the item(s) to be purchased (Example: 2 Paper mate pens, 1 post it fax notes, 1 copyholder, OR general supplies.).
8. Unit Cost. The unit cost of each item(s).
9. Total. Quantity times Unit Cost.
10. Account Number (Fill in the account number from which payment is to be made.)
11. Invoice Date (If known).
12. Invoice Number (If known).
13. Disbursement Amount (The total of all item(s) requested or listed on the invoice.).

THE DEPARTMENT MUST RECORD THE TOTAL AMOUNT OF THE INVOICE ON THE FACE OF THE PAY VOUCHER.

Distribution of the Form

The WHITE ORIGINAL should be attached to the invoice or delivery receipt from the vendor and forwarded to Accounts Payable.

The YELLOW COPY should be given to the vendor at the time of purchase.

The PINK COPY should be retained by the campus/department for budget records.

The GOLDENROD COPY should be sent to Accounts Payable with the WHITE ORIGINAL and will be returned to the campus/department after payment to the vendor.

Budget Information

Purchases made with Pay Vouchers **are not encumbered**. This should be taken into account when monitoring your 'unencumbered' funds.

At End-Of-Year, Pay Vouchers and invoices must be routed to Accounts Payable by 4:30 PM on the date specified in End-Of-Year instructions. Pay Vouchers received in Accounts Payable after the specified date or issued after June 30 will be paid from the next fiscal year's budget.

When Accounts Payable enters the Pay Voucher for payment, the payment process will be stopped if the account has insufficient funds. The Pay Voucher will then be sent back to the campus/department account manager for handling.

Source of Authority: Texas Government Code, Title 10, Subtitle D, Chapters 2151 through 2176.

OPEN PURCHASE ORDERS

Open Purchase Orders are issued to make miscellaneous supplies, materials, services or minor repairs available as needed by various departments. The general purpose of Open Purchase Orders is to eliminate the need for numerous individual purchase orders for items of small dollar value and to provide a means of acquiring urgently needed items or services.

Open Purchase Orders will be issued to vendors as identified by the user department. Appropriate authorization by the Associate Superintendent of Business and Operations is required for all Open Purchase Orders.

1. Open Purchase Orders may be used for, including but not limited to, pickup or delivery of small quantities of items, minor repairs, or continued professional services.
2. Items to be capitalized (fixed assets) such as tools, machinery, furniture, cabinets, or equipment **is not** to be purchased on Open Purchase Orders.
3. The estimated total cost for a purchase order **may not** be exceeded. **The user department is responsible for maintaining records to insure that the total amount of requests does not exceed this amount.** The Business Office **will not** process requests for payment that exceeds the total amount.

Attach all receipts to a requisition/Open P.O. For your protection, keep a copy of all invoices/receipts for your files.

PAYMENT PROCEDURES

PAYMENTS DUE

A payment owed by the District based on a contract executed on or after September 1, 1987, is overdue on the 31st day after the date on which the District received the goods under the contract or the date on which the performance of services under the contract was completed, or the date on which the District received the invoice for the goods or services, whichever is later. However, if the Board meets only once a month, the payment is not overdue until the 45th day after the date of receipt of goods, performance of services, or receipt of invoice whichever is later. ([Gov't Code 2251.021](#); Art. 601f, as amended by Ch. 1012, Acts of the 73rd Legislature (1993))

The District shall calculate and pay interest automatically at the time that payment is made on the principal. Interest payments shall accompany the net amount due for goods and services. The District may not require a vendor to petition, invoice, bill, or wait any additional days to receive the interest due.

INTEREST

A payment begins to accrue interest on the date the payment is overdue and bears interest at the rate of one percent per month. Interest stops accruing on the date the District or vendor mails or electronically transmits the payment. The unpaid balance of a partial payment made within the prescribed period accrues interest, unless the balance is in dispute. ([Gov't Code 2251.025](#), [2251.029](#))

The District shall compute and pay interest at the time the payment is made on the principal. Interest payments shall accompany payment of the net amount due for goods and services. The District may not require a vendor to petition, invoice, bill, or wait additional days to receive the interest due. The District may not require a vendor or subcontractor to agree to waive the vendor's or subcontractor's right to interest as a condition of the contract. ([Gov't Code 2251.027](#))

DISPUTED PAYMENTS

The District shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the District receives the invoice. If a dispute is resolved in favor of the vendor, the vendor shall receive interest on the unpaid balance beginning on the date that the payment for the invoice is overdue. If a dispute is resolved in favor of the District, the vendor shall submit a corrected invoice that shall be paid within 30 days of receipt. The unpaid balance accrues interest if it is not paid by the appropriate date. ([Gov't Code 2251.042](#))

EARLY PAYMENT DISCOUNTS

The District shall attempt to take advantage of an offer for an early payment discount, but may not take an early payment discount unless it makes a full payment within the discount period. If the District takes an early payment discount later, the unpaid balance accrues interest beginning on the date the discount offer expires. ([Gov't Code 2251.030](#))

EXCEPTION

These provisions do not apply to payments made by the District or a vendor if:

1. There is a bona fide dispute between a vendor and a subcontractor or between a subcontractor and its supplier concerning the supplies, materials, or equipment delivered or the services performed which causes the payment to be later;
2. The terms of a federal contract, grant, regulation, or statute prevent the District from making a timely payment with federal funds; or
3. The invoice is not mailed to the person to whom it is addressed in strict accordance with any instructions on the purchase order relating to the payment.

PROPOSED CONTRACTS

The Board may execute, perform, and make payments under a contract for the use or purchase or other acquisition of real property or an improvement to real property. For purposes of this policy, "contract" means an agreement entered under the authority of Local Government Code 271.001 and following (Public Property Finance Act), but does not mean a contract solely for the construction of improvements to real property. If the Board proposes to enter into such a contract, it shall publish notice of that intent not less than 60 days before the date set to approve execution of the contract. Publication shall be in a newspaper of general circulation in the District. The notice must summarize the major provisions of the proposed contract. The notice shall estimate the construction and other costs, but the Board shall not publish the first advertisement for bids for construction of improvements until 60 days after publication of the notice of intent.

[Local Gov't Code 271.004\(a\)](#)

PURCHASES FOR INDIVIDUALS

Any commitment to acquire goods or services in the name of Nacogdoches Independent School District for personal use or ownership is prohibited.

Any individual making such a commitment may be liable under the Texas Penal Code, Chapter 30, Abuse of Office, Section 30.01.

Staff members will not use district letterhead in making personal purchases or ordering materials for their own use.

All individuals in the District who make personal purchases through the mail will use their home address and their individual stationary for placing personal orders.

SURPLUS OR SCRAP PROPERTIES OTHER THAN REAL ESTATE

When property becomes surplus, is no longer needed, or is in unusable condition, these procedures will be followed in disposing of said property:

1. The Superintendent or his or her designee will inspect the property. Items obtained as federal surplus shall be handled in accordance with federal regulations.

2. Upon the recommendation of the Superintendent, the Board, by resolution, may declare the property surplus and no longer needed and authorize the disposal of the property.
3. Disposal will be as follows (see Policy CI Legal; CDB Legal; [Education Code 11.151\(c\)](#)):
 - a. By sealed bid after advertisement in a newspaper of general circulation at least one week prior to the closing of bids; and
 - b. By public auction/sale after publication as listed in 3a above.
 - c. Should both 3a and 3b above fail to result in the disposal of the property, the Superintendent or his or her designee may, at his/her discretion either sell at any price, give away, destroy, or scrap the property.
4. All sales will be handled by the giving of a receipt for cash or check, and all proceeds will be deposited to the District's general fund with the giving and receiving of receipts thereof.
5. Items that are beyond repair, no longer of use, or surplus may be traded in on more useful items by the following procedures:
 - a. Examination by the administration as indicated in section 1 above.
 - b. Board resolution authorizing the trade.
6. In all cases where property is declared surplus, it shall be removed from the District inventory when disposed of and property notation made showing the price realized for said property upon disposal.
7. Since title of all property is vested in the Board, no property may be sold or disposed of without a resolution of the Board with the following exceptions:
 - a. Scrap building materials.
 - b. Parts of equipment that cannot be used or identified.
 - c. Items that are to be traded-in for newer or more suitable items.

In such cases, the Superintendent or his/her designee shall inspect the items, making a written notation for record of the nature of the item(s), the reason for disposal, and the date of disposal. Such records shall be kept for at least five years.

OPEN RECORDS

The Nacogdoches Independent School District complies with the Open Records Statutes as outlined in Title 110A, Article 6252-172, of the Revised Civil Statutes of the State of Texas.