

Germantown Municipal School District

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| Monitoring: Review: Annually, in September | Descriptor Term: Purchasing | Descriptor Code: FM 2.805 | Issued Date: 06/19/17 |
| | | Rescinds: | Issued: 02/17/14 |

1 *General*

2 The school system will purchase competitively and seek maximum educational value for every dollar
3 expended. Authorization to purchase shall be provided by the board. The **Executive Committee** or their
4 **designee** shall serve as purchasing agent for system-wide purchasing.¹ Principals shall serve as
5 purchasing agents for individual schools.

6 Purchases made by anyone not authorized by the appropriate officials shall become the personal
7 responsibility of the persons making the purchase agreement. The **Board** will not, under any
8 circumstances, be responsible for payment for any materials, supplies, or services purchased by
9 unauthorized individuals or in an un-prescribed manner.

10 No school shall be obligated to pay for any expenditure made by a student or a teacher or by any other
11 employee unless he/she first receives a written purchase order from the proper office or unless prior
12 written permission or arrangements are made with the principal.

13 The **Board** shall purchase locally whenever the conditions are comparable or when it is most practical
14 under the circumstances.

15 *Individual Schools*

16 The **Superintendent** must approve the following purchases:

- 17 1. a single piece of equipment costing more than five thousand dollars (\$5,000.00);
- 18 2. one that is to be attached to or one that requires alteration of the building; or
- 19 3. one that will become a permanent fixture.

20 **District Office**

21 **ROUTINE PURCHASES**

22 Routine purchases shall include expenditures for supplies, salaries, and routine expenditures required for
23 the operation of the school system. These expenditures shall be anticipated and provided for in the budget
24 and will normally be authorized by the board at the beginning of the fiscal year. The **Superintendent** or
25 his/her designee shall make all routine purchases without further board authorization; however, the
26 **Board** shall be promptly informed if any substantial variation from budgeted estimates occurs or becomes
27 necessary.

SPECIAL PURCHASES

Special purchases are those which are not routine and which may or may not be specifically identified by line item in the budget. Examples of special purchases are all capital expenditures such as for vehicles, buildings, major contracts, purchases of major equipment, items for long-term use, and supplies of an unusual quantity or nature. All purchases in this category shall require specific prior board approval on an item-by-item basis. In its approval, the Board may place constraints on the Superintendent or his/her designee requiring Board evaluation and/or approval at various steps in the procurement process. This will be determined by the Board on an individual basis depending on the nature of the procurement action.

EMERGENCY PURCHASES

Description

An emergency is one which presents one or more of the following conditions:

- Imminent or actual loss or life or danger of personal injury;
- Imminent or actual loss of or danger to property;
- Conditions which would contribute to materially higher cost (including more school hours lost or school closure) if purchasing is deferred

In such a situation, competition should be engaged when practicable, but this policy recognizes that some emergency situations may not allow for competitive procurement.

Poor planning (e.g. failure to manage contract beginning dates or expiration dates) or the expiration of funds (e.g. expiration of federal funding for a project) do not constitute an emergency. These circumstances may require immediate action and may justify the use of another non-competitive procurement method *authorized by board policy*, but not an emergency purchase.

Prior Authorization

A department head is authorized to make emergency purchases with the approval of the Chief Financial Officer. If possible, the Superintendent and the Board, should be contacted prior to the purchase(s).

Subsequent Action

Immediately following the emergency purchase, a report-- *including* a description of the emergency, the measures taken to correct the emergency, a detail of vendors' quotes or bids (if available), the cost of the items purchased on an emergency basis, any corrective action which should be taken to prevent reoccurrence of the *emergency*--will be directed to the Chief Financial Officer within three days, who, in turn, will submit a quarterly report to the Board.

PURCHASING OF SURPLUS PROPERTY

The Superintendent and his/her designee is be authorized to act for the Board in acquiring federal surplus property through the Tennessee General Services Department for surplus property and in entering into agreements, certifications, and covenants of compliance concerning the use of federal surplus property.

COOPERATIVE PURCHASING

The Board, at its option, will join in cooperative purchasing with other school systems to take advantage of lower prices for bulk purchasing and to reduce the cost involved in bidding whenever such buying appears to be to the benefit of the system.

Further, the Superintendent and his/her designee is authorized to purchase any needed items through suppliers approved on the state bid list.

ONLINE PURCHASING²

The board recognizes that online purchasing may provide opportunities for savings, but extra precaution should be used to ensure that accounting procedures are followed. Online purchasing shall be permitted with the following requirements:

1. Prior authorization must be obtained from the Superintendent or his/her designee before setting up new online accounts, and schools shall maintain a list of accounts.
2. Online purchases must be for school purposes and made in accordance with established policies and procedures. School employees are prohibited from making personal purchases even with the intent of reimbursing the school system. School employees are prohibited from using a school's tax exempt status for personal purchases of any kind.³
3. The availability of money for the fund/account in question should be determined before purchase orders are approved.
4. All purchase orders must be properly filled out and approved prior to a purchase.
5. Price quotes should be obtained where possible and/or practical and retained with other purchase documentation.

PURCHASING WITH FEDERAL GRANT FUNDS

Before grant funds are obligated or expended, the Superintendent or his/her designee shall review the cost of a proposed expenditure and determine if it is an allowable use of federal grant funds.⁴ The Superintendent or his/her designee will minimize the time that elapses between the transfer and disbursement of funds once an expenditure is approved.

No person officially connected with or employed by the school system may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. A real or apparent conflict of interest arises 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. Upon discovery of any potential conflict, the director shall disclose the potential conflict to the federal awarding agency in writing.⁵

Legal References

1. TCA 49-2-206(b)(3); TCA 6-36-115
2. *Tennessee Internal School Uniform Accounting Procedure Manual*, Section 4-9 - 4-12
3. TCA 49-2-608(1)
4. 2 C.F.R. § 200.403
5. 2 C.F.R. § 200.112

Cross References

Purchase Orders and Contracts 2.808