

**OFFICE OF THE SUPERINTENDENT**

**MUSKEGON AREA INTERMEDIATE SCHOOL DISTRICT**

FINANCES

6320/page 1 of 2

PURCHASING

**Purchasing**

The obligation of District money must always follow an approval process regardless of the source of funds to be spent. The purchasing process varies somewhat depending on whether the purchase is for a product (purchase order request) or a service (contract). In all cases, the approvals must be obtained prior to notifying the vendor that their proposal has been accepted by the District.

The School District will not guarantee payment for purchases made by employees who have not followed these guidelines.

**Purchase Orders**

A purchase order is the document which authorizes a vendor to deliver to the Board of Education goods (or services) required for system operations, and for which a general appropriation has been made. All purchases require an approved purchase order before a vendor may be notified that the Intermediate School District is buying a product (or a service).

Purchase orders are processed in the Business Office. A requisition form should be completed on the MAISD on-line purchase order system by employees and submitted through supervisors for initial approval. Requests must include the complete vendor name, address, and account number(s) to be charged. Service contracts are also available on-line. Staff are expected to use this electronic system.

Following is a guide for the processing of purchase orders submitted by the various departments.

**Purchasing Limits**

- A. Requests under \$1,000 must be approved by a building principal, supervisor, or consultant, with final approval by the Associate/Assistant Superintendent or his/her designee.
- B. Requests from \$1,001 - \$5,000 must be signed by a building principal, supervisor, or consultant, approved by the departmental director, with final approval by the Associate/Assistant Superintendent or his/her designee.
- C. Requests between \$5,001 and the state competitive bid minimum follow the same process, but final approval is by the Superintendent or his/her designee.
- D. All purchases over the state competitive bid minimum must be approved by formal board action.

**OFFICE OF THE SUPERINTENDENT**

FINANCES

**MUSKEGON AREA INTERMEDIATE SCHOOL DISTRICT**

6320/page 2 of 2

For purchases expected to cost less than \$1,000, staff should exercise diligence in attempting to locate the best available value. For purchases likely to fall between \$1,000 and \$5,000, quotations should be obtained from at least three vendors. These quotations may be verbal or written. Purchases expected to exceed \$5,000 must be based upon written quotations obtained from at least three vendors in accordance with Board Policy #6320. Whenever possible, local vendors should be given an opportunity to provide a price quotation.

In some cases "open purchase orders" may be employed for goods which are frequently purchased throughout the school year. Such "open purchase orders" must be based upon written quotations obtained at least once every three years.

In situations in which goods or services are bid cooperatively by a consortium of school districts, the quotation(s) accepted by the consortium may be used.

Purchases which are expected to exceed the annually established base amount contained within PA 159 and adjusted by the consumer price index must be approved by the Board and must be let for competitive bids. Upon Board approval, a completed "Purchase Order Request" must be submitted to the Business Office by the originating department. The current base amount should be obtained from the Business Office before considering a purchase.

**Purchase of a Service**

The purchase of a personal professional service, such as a meeting presenter or a sign language interpreter, requires the execution of a contract between the service provider and the MAISD. In most cases, contracting can be simplified by using the MAISD "Independent Contract Agreement." In cases where this document is not relevant, a contract will need to be written to cover the individual conditions of the agreement. Contract documents are available on-line and hardcopies are available in the Document Center.

All contracts are to be submitted through the departmental directors or Associate/Assistant Superintendent to the Superintendent. All contracts must be approved by the Superintendent before the service provider is verbally awarded the contract.

Contracts over the amount established by PA 159 must be submitted to the Board of Education for approval.

IRS rules differentiate between contract services and temporary employees. Before submitting a contract for approval, it must be determined if a contract relationship or an employee relationship exists. This determination is accomplished by using the "Independent Contractor or Temporary Employee" worksheet and the accompanying instructions. These documents may be found on-line and in hardcopy form in the Document Center.

Approved 12/21/92

Revised 4/93

Revised 9/93

Revised 9/94

Revised 10/2003

Revised 9/06