

Finance/Audit Committee Approval _____
Trustees Approval April 7, 2009
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Fiscal Policies

Purchase Orders

Purpose:

The Purpose of this Policy is to define the procedure by which Purchase Orders are approved and processed thru the Accounting System.

Authority:

O.R.C. § 5705.41, O.R.C § 125.04, O.R.C.§ 505.37, O.R.C. § 5549.21, O.R.C. § 3517.13, O.R.C. § 9.24, O.R.C. § 507.11

Policy:

Purchase orders shall be used to approve purchase commitments and to encumber funds against the available appropriation account(s) according to O.R.C. § 5705.41. The four types of Purchase Orders are as follows with definition of each.

- **Regular:** is issued when the purchase of a specific item(s) from a specific vendor is planned. It can be for any amount and is good until the contract is fulfilled or canceled.
- **Blanket:** is being made for a certain purpose against (1) a specific budget line item appropriation account in a certain fund; and (2) does not exceed an amount of money that may be spent from that line item as approved by the trustees in a resolution.
- **Then and Now:** If prior certification of funds by the fiscal officer was not obtained before the contract or order involving the expenditure of money was made, a Then and Now Purchase Order must be used.
- **Super Blanket:** may be outstanding up to the end of the fiscal year and may be used for the purchase of the following services :

accountant , attorney at law, physician, architect, professional engineer , consultant, surveyor construction project manager appraiser and, for the purchase of fuel oil, gasoline, food items, roadway materials and utilities; any purchases of supplies, equipment and services exempt from competitive bidding under R.C. § 125.04 (ODAS purchase contracts); and for any other specific expenditure that is a recurring and reasonably predictable operating expense.

Purchase Orders with a value of \$1.00 thru \$750.00 may be approved by the Department Manager. Purchase Orders with a value of \$750.01 thru \$5,000.00 must be approved by the Township Administrator along with the Department Manager. All Purchase Orders with a value of \$5,000.01 and up must be approved by two (2) Township Trustees.

All Purchase Orders will include the following:

1. Purchase order number (consecutively numbered)
2. Requisition number reference (if applicable)
3. Date
4. Name of township
5. Name of vendor
6. Account code
7. Quantity, unit description, price per unit, and amount(if applicable)
8. Name and title of person authorizing purchase order
9. Statement regarding exemption from Ohio sales tax and/or federal excise tax, if applicable
10. Destination
11. Method of shipment(if applicable)
12. Fiscal officer's certification

Any purchase made by township employees over the amount of \$5,000.00 must have quotes from at least three vendors attached to the purchase order, unless the product being purchased is a single source supplier. If the department is unable to obtain three quotes then it must be documented that an effort was made to obtain the quotes but no response was received. If the purchase of Fire Equipment is to be made then the Township will comply with R.C § 505.37 which states that any fire equipment purchased over \$50,000.00 must be competitively bid. Additionally, R.C § 5549.21 must be adhered to in the purchase of Road Equipment. Any purchase of Road Equipment over \$50,000.00 must be competitively bid. All other Purchases not included in the above Referenced Codes of over \$25,000.00 must have competitive quotes or formal bids attached to the Purchase Order unless utilizing State Contract, in which documentation of such shall be attached. This includes Regular Purchase Orders, Then and Now Purchase Orders, Blanket Purchase Orders and in some cases Super Blanket Purchase Orders. Purchase Orders of any amount can be signed by the Administrator when Trustees have approved expenditure by Resolution or Motion at a scheduled Board of Trustee meeting.

Any contract issued on behalf of the Township with a value of \$500 or more will be in compliance with O.R.C. §3517.13. This section of the code prohibits awarding public contracts to an organization if specified persons responsible for that organization make campaign contributions to the holder of the public office with ultimate responsibility for the award of the contract. In the event that a contract is awarded for an amount of \$500.00 or more a " Affidavit In Compliance With Section 3517.13 " will be completed and attached to the contract.

Any contract issued on behalf of the Township with a value of \$100,000 or more will require the completion of a "Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization" prior to the awarding of the Contract.

Any contract issued on behalf of the Township will be in compliance with O.R.C. § 9.24. This section of the code states that no state agency and no political subdivision shall award a contract for goods, services, or construction, paid for in whole or in part with state funds, to a

person against whom a finding for recovery has been issued by the auditor of state on and after January 1, 2001 if the find for recovery is unresolved.

When services and/or products are received and an invoice is received, payment of that invoice and corresponding Purchase Order can proceed. (See Payment of Bills Policy)