THE CITY OF
BOWLING GREEN
Ohio

ADMINISTRATIVE INSTRUCTION NO. 9
City of Bowling Green
Purchasing Policy

This policy sets forth the purchasing procedures for the City of Bowling Green. Its purpose is to streamline the paper flow process, eliminate unnecessary paperwork and duplication of effort, and provide a consistent and unified process for all Department/Divisions.

PROCEDURE FOR PURCHASES UNDER $100.00

Step 1. The Division Head must verbally authorize purchase requests. In Departments where there is no Division Head, the purchase must be verbally authorized by the Department Head or designee. (NO REQUISITION OR PURCHASE ORDER IS REQUIRED).

Step 2. Local purchasing is encouraged. If a local vendor offers a product or service at a level of up to 15% higher than an out-of-town competitor, the award should be given to the local vendor.

Step 3. Purchase is made.

Step 4. Invoice (receipt for purchase) is submitted to Division Head or designee by end of workday on which purchase is made.

Step 5. Invoice is stamped "Received and Checked" by Division Head or designee. Information on stamp shall reflect:

A. Date approved
B. Signature
C. General ledger account number to be charged

Step 6. Approved invoices are submitted on a daily basis by Division Head or designee to the appropriate office, Finance (non-utility) or Utility Business Office. Invoices are date stamped the day received in the respective areas.

NOTE: Invoices received by the 5^{th} of each month are processed for payment on the 10^{th} of the month. Invoices received by the 20^{th} of each month are then processed for payment on the 25^{th} of the month.

Step 7. The Account Clerk enters information from the invoice into the New World Systems financial software. An edit listing is produced. The Finance Director verifies these listings using the original vendor invoice and approves if correct, indicating the date of the approval.

Step 8. The Account Clerk then updates the approved edit listings. The updated journal entries are reviewed and posted to the general ledger by the Finance Director (non-utility) or Utility Accountant.

Step 9. The Account Clerk selects updated invoices for payment.

Step 10. Checks are printed and mailed to vendors.

Step 11. The Account Clerk updates checks. The updated journal entry is reviewed and posted to the general ledger by the Finance Director (non-utility) or Utility Accountant.

PROCEDURE FOR PURCHASES EXCEEDING $100.00

PRE-PURCHASE

Step 1. Requisition is completed and then approved by Division Head (if applicable) and Department Head or designee.

Step 2. Local purchasing is encouraged. If a local vendor offers a product or service at a level of up to 15% higher than an out-of-town competitor, the award should be given to the local vendor. This process is warranted in all cases not subject to formalized comparative quotes, and may be applied to cases involving comparative quotes, depending on the items to be purchased.

COMPARATIVE QUOTES ARE NEEDED ONLY FOR PURCHASES WHICH TOTAL OR EXCEED $750.00

When providing comparative quotes, it is only necessary to provide the name of the vendor and the cost of the total purchase. In other words, if your purchase includes more than one item it is not necessary to list the price of each individual item separately in the space provided for price comparisons. A total comparative price for all items will be sufficient.

***SUGGESTION* – If there are routine vendors you regularly do business with, a requisition request for a Blanket or Super Blanket Purchase Order should be made. A Blanket request should not exceed $5,000 or three months. A Super Blanket request does not necessarily have a dollar restriction, except that if the amount is $25,000 or over, Council approval is required. All Super Blanket requests are closed at 12/31 of each calendar year and cannot be carried forward as an encumbrance to a future year.**

Step 3. The completed requisitions are submitted to Finance (non-utility) or the Utility Business Office. Requisitions are date stamped the day they are received in the respective areas.

The Division/Department should retain a copy of the Requisition for record-keeping purposes.

Step 4. The Account Clerk prepares Purchase Orders. Utility Purchase Orders/Requisitions are submitted to the Utility Business Manager, who shall initial the requisition near the account number and account balance verifying the accuracy of the information. All Purchase Orders/Requisitions are then submitted to the Finance Director for general ledger account review and signature, certifying the availability of funds.

Step 5. The approved Requisition along with Purchase Order is then forwarded to the Municipal Administrator (non-utility) or the Director of Utilities for signature.

Step 6. (NON-UTILITY) Following approval by the Municipal Administrator, the Requisition and Purchase Order shall be returned to the Account Clerk in the Finance Director's Office. (UTILITY) Following approval by the Director of Utilities, the Requisition and Purchase Order shall be returned to the Account Clerk in the Utility Business Office. The forms are distributed as follows:

Requisition:

White copy is kept by the Account Clerk to be attached to pink copy of Purchase Order included with check processing.

Purchase Order:

White copy is sent to originating department for processing to Vendor
Yellow copy is sent to originating department
Gold copy is put in Account Clerk's current file
Pink copy is held by Account Clerk and is included with check processing

Step 7. Approved Purchase Orders are updated by the Account Clerk. The updated journal entries are reviewed and posted to the general ledger by the Finance Director (non-utility) or Utility Accountant.

POST PURCHASE

Step 8. When merchandise is received, a Receiver form is completed.

Step 9. Original copy of Receiver form is submitted to Finance (non-utility) or Utility Business Office. Receiver forms are date stamped the day received in the respective areas.

Step 10. All invoices are submitted immediately to Finance (non-utility) or Utility Business Office for processing.

NOTE: Invoices received by the 5th of each month are processed for payment on the 10th of the month. Invoices received by the 20th of each month are then processed for payment on the 25th of the month.

Step 11. The invoice is matched with a Receiver and the pink copy of the Purchase Order issued for the item(s). Invoice information is entered into the New World Systems financial software by the Account Clerk. An edit listing is produced. The Finance Director verifies these listings using the original vendor invoice and approved if correct, indicating the date of the approval.

Step 12. The approved edit listings are then updated by the Account Clerk. These updated journal entries are reviewed and posted to the general ledger by the Finance Director (non-utility) or Utility Accountant.

Step 13. Updated invoices are selected for payment by the Account Clerk.

Step 14. Checks are printed and mailed to vendors.

Step 15. Checks are updated by the Account Clerk. This updated journal entry is reviewed and posted to the general ledger by the Finance Director (non-utility) or Utility Accountant.

Step 16. After each check run, a listing of department charges is forwarded to each department included in that particular payment batch. At month end, a Budget Performance Report is sent to each department. This report summarizes the total budget, budget revisions, and actual expenses for the month, year to date expenses, current encumbrances and remaining budget available.

PURCHASES OF $25,000 OR HIGHER

These purchases are authorized in accordance with the laws of the State of Ohio and the ordinances of the City of Bowling Green. In most cases, that means local legislative approval is required.

6-1-06

John B. Quinn, Mayor   Date