

	<i><b>Jefferson County Policies &amp; Procedures</b></i>		
Policy Name:	<b>Purchase Order and Invoice Policy</b>	Revised:	8-07-2014
Policy Number:	<b>Finance – 305</b>	Author:	Stanton
Associated:	Pink Purchase Order 4 Part-Form from Accounts Payable		

The purpose of this policy is to establish a uniform procedure for processing all purchase orders and invoices for the County. A purchase order is to be used for items which have a cost of \$5,000 or greater. Please note that items should not be purchased separately to avoid the \$5,000 limit when ordering in bulk. For example, a department needing five computers at \$1,000 each should not purchase the computers separately to avoid the PO policy. All purchases of goods or services at or above \$5,000 require the approval of the County Commission.

The process for Purchase Orders (PO) at or above \$5,000 is as follows:

- The PO is to be completed in its entirety including the budget line item from which the expense should be paid. The account coding on the PO must represent the appropriate account classification for the item being purchased.
- The PO is submitted to the Commission Staff to be included on the next Commission Meeting Agenda.
- Once the PO is approved, the Commission Staff sends the entire PO to Accounts Payable.
- Accounts Payable will distribute a pink and white copy back to the originator indicating the purchase has been approved. (Accounts Payable keeps the blue and yellow copies).
- ONLY at that point, should the originator of the PO purchase the item(s). Once the item is purchased and an invoice is obtained, the white copy of the purchase order the invoice attached should be returned to the Accounts Payable department. Accounts Payable will then process the payment. A check, along with the invoice will be mailed to the vendor. Accounts Payable will keep one copy of the invoice and one copy of the purchase order for their files for auditing purchases.
- All purchases must be for reasonable and necessary costs. No purchases shall be made in excess of the amount approved by the Commission, unless the difference is strictly due to state tax and shipping costs.

The process for invoices without Purchase Orders (purchases less than \$5,000) are as follows:

- The invoice is to be signed by the appropriate department manager or person designated by the department manager. This signature provides the authorization that it was approved by the department for payment.

--The individual signing the invoice is to also write on the invoice the budget account number that is to be charged in their budget. The account coding on the invoice must represent the appropriate account classification for the item being purchased. For example if supplies are coded to professional services the invoice will be declined for misclassification of the expenditure type. When coding invoices the departments are required to write in the following budget code format on the invoice XXX-XXX. Where the first set of three numbers represent the department number and the second set of three numbers represent the object code of the expenditure. For example if the Sheriff's Office was purchasing supplies the coding would be 700-341. In this example 700 is the department number of the Sheriff's Office and 341 is the number for office supplies. If any department is paying an invoice from a fund other than the General Operating Budget of the County then it needs to be clearly written on the invoice which fund is being charges, as an example the Coal Severance Fund.

--Reimbursements must be submitted with an expense report, along with itemized receipts and supervisor's approval.

--If the budgeted line item does not have the necessary funds to pay the invoice the invoice will not be processed for payment. It will be the purchaser's responsibility to complete a budget revision form, and obtain the signature of the Finance Director. The Department Manager may also have to appear before the Commission to have monies moved within the budget to accommodate the purchase.

--Payments will not be made off statements unless the department attaches the detail to the statement which would be the individual invoices or individual receipts.

-- Any request for payment not submitted in the appropriate format is subject to being held by the Accounts Payable Department pending resolution of the Department Manager.

--Any late charges will be charged to the department that incurred the purchase. These late charges include late charges incurred by late submission of invoices; invoices that are being held for lack of budgeted funds; or requests for payments that are being held because they are in the wrong format.

--Departments should refrain from using other credit cards other than the Pcard. These other credit cards would include credit cards such as Staples and Home Depot. Any rewards program incentives from any credit card other than the Pcard are to be used only for authorized County purchases.

If there are insufficient funds within their overall department budget to purchase the item, and a budget transfer is not approved by the Commission then it is the responsibility of the purchaser to either return the product or be personally responsible.

Exceptions to Purchase Orders: If the purchase is a required emergency for continued employee productivity or our citizens' use of our services and buildings, the maintenance department manager (in conjunction with the County Administrator) has the authority to spend up to \$10,000, if time is of the essence. Examples of exceptions would be, but not limited to, heating and air conditioning of the buildings, elevators for the public, car repairs for the deputies, or weather emergencies. If the purchase is above \$10,000, the maintenance department manager would be required to email the Commissioners to seek approval. Either exception requires the maintenance department manager to submit the PO through the agenda at the next regularly scheduled meeting for approval/ratification.