



**ERATH COUNTY
PURCHASING, AND
INVENTORY
OCTOBER 1, 2011**



PRESENTED BY THE COUNTY AUDITOR & COUNTY TREASURER OFFICES

If you have any questions, please call 965-1484 or 965-1483.

PURCHASING ISSUES





PO NEEDED FOR ALL PURCHASES

- ✘ A purchase is made when:
 - + An order is placed with a vendor
 - + A tire is dropped off to be repaired
 - + You check out at a store
 - + A piece of equipment is dropped off for repair
- ✘ When making ANY kind of purchase that will obligate any county funds, a purchase order must be obtained from the Auditor's Office PRIOR to the purchase.
- ✘ Purchase orders are to be Itemized at time of issuance.

PO NEEDED FOR ALL PURCHASES (CONT.)



- ✘ You may contact Tyler or Kay at the Auditor's Office by phone at 965-1484 or 965-1446.
- ✘ If an emergency purchase is required contact Janet either in office at 965-1425 or cell 254-979-1131
- ✘ If funds are not available in the appropriate line item a purchase order will not be provided. To correct the problem a line item transfer will need to be approved through Commissioner's Court before issuance of the purchase order.
- ✘ Planning is a key part of governmental purchasing, the money entrusted to the county should be spent in a thoughtful and planned manner.



PO NEEDED FOR ALL PURCHASES (CONT.)

- ✘ Employees of the County are responsible for obtaining the purchase order NOT the vendor. That is not to say a vendor can not obtain the purchase order, but the policy remains the same and the employee is ultimately responsible for obtaining the purchase order in the proper manner.
- ✘ Please refer to the purchasing policy approved in Commissioner's Court on July 25, 2011. A copy is attached for your reference.

PURCHASES THAT COST LESS THAN \$1,000



- ✘ A purchase order from the Auditor's Office may be obtained and purchase made. Call or stop by the Auditor's Office with the information needed to complete the purchase order. Information for the purchase order may also be faxed to the Auditor's Office at 965-1401
- ✘ A purchase order must be obtained from the Auditor's Office PROIR to the purchase.

TOTAL PURCHASE PRICE THAT IS \$1,000 OR MORE, BUT LESS THAN \$5,000



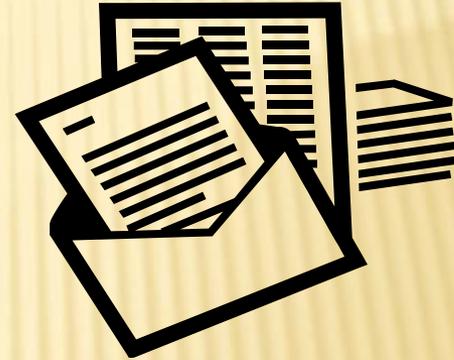
- A requisition must be completed with three telephone contact bids.
Requisition attached
- Once the requisition is completed, a purchase order from the Auditor's Office may be obtained and purchase made. Call or stop by the Auditor's Office with the information needed to complete the purchase order.
- A purchase order must be obtained from the Auditor's Office PRIOR to the purchase.



PURCHASES THAT COST \$5,000 OR MORE, BUT LESS THAN \$10,000



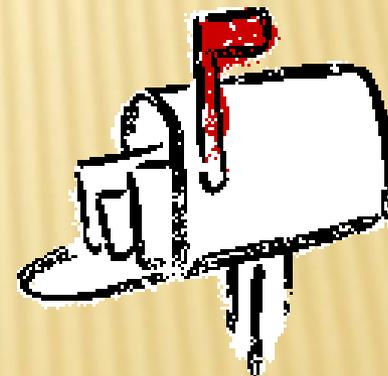
- ✘ A requisition must be completed with three written bids.
- ✘ Once the requisition is completed, a purchase order from the Auditor's Office may be obtained and purchase made. Call or stop by the Auditor's Office with the information needed to complete the purchase order.
- ✘ A purchase order must be obtained from the Auditor's Office prior to the purchase.





PURCHASES THAT COST MORE THAN \$10,000

- ✘ As required by Commissioner's Court, the Competitive Bidding process must be carried out in accordance with Local Government Code Section 262 under advertised and sealed bids.





EXCEPTIONS

- ✘ Emergencies - For example, the Jail is open 24 hours a day. If the purchase absolutely cannot wait until normal business hours, you have approval from the office holder and you know for a fact there is money in the appropriate budget line, you may make the purchase with the understanding that a phone call to the Auditor's Office will be made first thing the following business day for a purchase order.
- ✘ Improper planning can not be considered a true emergency. Care should be taken that emergency purchases do not result from improper planning.
- ✘ Monthly Reoccurring Bills – These are bills that would have been approved with the yearly budget.



REOCCURRING INVOICES (CONT.)

- ✘ All regular reoccurring bills should be sent directly to the Auditor's Office for a purchase orders (i.e.: utility, drinking water, online charges, subscriptions, etc...) You do not have to call the Auditor's Office for a purchase order. These should be bills that were approved with the yearly budget.
- ✘ The bill to address on these reoccurring bills should be:
 - ✘ Name of Your Department/Office
 - ✘ C/O Auditor's Office
 - ✘ 100 W Washington St
 - ✘ Stephenville TX 76401
- ✘ Copies of these purchase orders can be obtained from the Treasurer's Office once the purchase order has been completed.

ORIGINAL INVOICE REQUIRED



- ✘ Original invoices must be turned into the Treasurer's Office for payment to be made. If you would like to keep a copy for your records you may.
- ✘ If for some reason you receive the invoice that already has a purchase order associated with it, please send it immediately to the Treasurer's Office so that payment can be made.

WAL-MART PURCHASES



- ✘ The county has one account with Wal-mart. If you need to purchase something from Wal-mart, you must come to the Auditor's Office and check out the credit card with the tax exempt card. A purchase order will be required before the card is handed out with an estimated/expected amount to be spent. The cards must be returned to the Auditor's Office the same day that they were picked up along with receipt.

STAPLES PURCHASES



- ✘ The county will have only one account with Staples. You must get a purchase order from the Auditor's Office prior to making any purchases at Staples (in store or online). You will be able to take the purchase order with the account information on it to Staples to make your purchase.



OOPS—I LEFT SOMETHING OFF MY LIST!!!

- ✘ If you get to the store (Wal-mart or Staples) and realize that you need something else or the price has changed, you must call the Auditor's Office with an updated price prior to checking out at the store. If the price change is within \$25, you may make the change at the Auditor's Office when you return with the receipt.



CONTRACTS

- ✘ Any contract that will obligate the county for a period that last longer than 30 days must be approved in Commissioner's Court. This includes but is not limited to items such as copier rentals, water coolers or ice machine leases, postage machine rentals, maintenance and service agreements.
- ✘ Contracts can only be signed by the county judge after approval has been made in commissioner's court.
- ✘ Any contract that will obligate the county for a period that last beyond the fiscal year end will require a bidding process to be followed.
- ✘ Contract terms should be concurrent with the Counties fiscal year.

TRAVEL



- ✘ Employees will be reimbursed for mileage if they must travel in their personal vehicle for county business. The rate of reimbursement at this time is .555 cents per mile. This rate is set by Commissioner's Court adoption of the Internal Revenue Service rate.



REIMBURSEMENTS OF EXPENSES

- ✘ If you are being reimbursed for meals or other items, you must attach an original itemized ticket/invoice to your completed and signed expense form. An expense form is attached and an electronic copy can be provided by calling the Auditor's Office.
- ✘ The expense form must be signed by your office holder for reimbursement to be made.
- ✘ The expense form needs to give dates, details of trip (such as where and what conference you attended).
- ✘ If two or more employees travel together and one person pays for all expenses, that person will turn in one expense report listing the expenses and who they are for. If the trip is overnight and the employees are claiming per diem, each employee must turn in their own expense report. Per diem will not be paid to one person for more than one employee's expenses.
- ✘ Sales tax on receipts will be reimbursed for meals but gratuity will not.
- ✘ Reimbursements for items other than meals will be reimbursed once approved if the purchase was made in an emergency situation when a purchase order could not be obtained. Sales Tax will not be reimbursed on these items.

PER DIEM



- ✘ Meals reimbursement will be made in one of two ways:
 - + First if travel causes an employee to be gone for a full day other than the first and last days of travel a \$36 per diem may be claimed on the full days that the employee is away from home.
 - + Second an employee can claim meals on the first and last day of travel with itemized receipts detailing the meal with a cost not to exceed commissioner court approved amount per meal (\$9 Breakfast/ \$12 Lunch/ \$15 Dinner)
- ✘ For example, if the trip is one night, the employee may request, to be reimbursed by itemized receipts, and if the trip is for more than one night per diem may be requested for the full days away from home.
- ✘ A copy of the conference itinerary should be attached to the expense report. Along with any other important information about the trip.
- ✘ This policy is addressed in the Personnel Policy Manual under “Policy on Travel”.

TRIPS – HOTELS



- ✘ Call for a purchase order with the confirmation #.
- ✘ Send some form of backup for the training or trip to go with the purchase order for the hotel.
- ✘ A check will be printed to the hotel and given to the employee prior to the trip.
- ✘ Hotel rooms are not state tax exempt.
- ✘ Attached is a listing of approved rates for hotels .
- ✘ If the conference hotel is full, rates will be waived for approved overflow hotels as well.



TRIPS – REGISTRATION FEES

- ✘ Find out if the course must be paid for in advance or if a purchase order will work and an invoice will follow after the conference.
- ✘ Send data to Auditor's Office for purchase order with dates, place, title of conference, and who will attend.

PROCESS OF PAYMENT



- ✘ Once the goods or services are received and the proper approvals are made, then payment will be processed.
- ✘ The Treasurer's Office will match the invoice with the purchase order.
- ✘ The office holder or person designated to approve purchase orders will then need to stop by the Treasurer's Office and sign the purchase order verifying that all goods or services have been received.
- ✘ The County Judge and County Auditor will then give final approval for payment.
- ✘ Once all approvals are made, a check will then be printed and sent for payment.
- ✘ This process will take at least one week from the time the office holder signs the purchase order for approval.
- ✘ Checks will normally be printed on Thursday or Friday each week. Therefore, purchase orders signed after Tuesday will be processed in the following week.

NEW ACCOUNTS



- ✘ When setting up a new account with a new vendor remember to explain to them that the county uses a purchase order system and a purchase order will be required on invoices.
- ✘ The billing address should be:
 - ✘ Name of Your Department/Office
 - ✘ C/O Treasurer's Office
 - ✘ 100 W Washington St
 - ✘ Stephenville TX 76401
- ✘ Make sure that the vendor understands that the county is exempt from sales tax and that the appropriate sales tax forms are given to the them. The forms are available in the Auditor or Treasurer's Offices.
- ✘ New vendors are also required to provide a W-9 which contains their tax ID information, and a copy of their liability insurance certificate, if applicable. Attached is a W-9 and a copy of Erath County's tax exemption form.



WHO DO I CALL?

- ✘ Need purchase order or to change a purchase order – Auditor Office-Tyler/ Kay @ 965-1484/ 965-1446
- ✘ Emergency Purchase Orders Janet @965-1425/254-979-1131(cell)
- ✘ Question on inventory—Auditor Office-Kay/ Tyler @ 965-1446/965-1484
- ✘ Question on budget, monthly expense report or need to move money within budget—Auditor Office - Kay/ Tyler @ 965-1446/965-1484



- ✘ Why Vendor not paid or has a check been printed?
 - Treasurer Office-Marsha @ 965-1426
- ✘ Question on paycheck or benefits (insurance, retirement, etc.)? – Treasurer Office-Dawn @ 965-1483
- ✘ Got hurt at work or had accident in county vehicle
 - Treasurer Office-Dawn or Donna @ 965-1483



INVENTORY





INVENTORY – WHAT TO LIST

- ✘ Line Item # 802 Equipment Purchases - Fixed Asset contains:
 - ✘ Non electronic inventory greater than \$1,000.00 (per unit price)
 - ✘ Electronic inventory greater than \$125.00 (per unit price)
- ✘ Line Item # 800 Equipment Purchases Inventory contains:
 - ✘ Non electronic inventory less than \$1,000.00 (per unit price)
 - ✘ Electronic inventory less than \$125.00 (per unit price)
- ✘ Line Item # 710 Supplies contains:
 - ✘ Items such as printer cartridges, pens, pencils, staplers, paper, file folders, envelopes, dater stamp, and etc. (If you believe an item falls into a grey area please call the Auditor's Office for clarification)
- ✘ Supplies can be considered as items that are used up in one year, where as, inventory lasts longer than one year.



INVENTORY (CONT.)

- ✘ Any technology based purchase (software, computers, cameras, etc...) must be approved through the IT Department before purchase order is issued, to ensure that all purchases are compatible with Erath County's existing structure.
- ✘ All inventory purchased will require the office, where the purchase was made, to supply the Auditor's office with identification information for the product for record keeping purposes.
(purchases from lines 800 and 802)



DISPOSAL OF INVENTORY

- ✘ Salvage Property (zero value) – means personal property other than item routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.
- ✘ Surplus Property – means personal property that:
 - + Is not salvage property or items routinely discarded as waste
 - + Is not currently needed by its owner
 - + Is not required for the owner's foreseeable needs
 - + Possesses so usefulness for the purpose for which it was intended



DISPOSAL OF INVENTORY (CONT.)

- ✘ A Inventory Change Form must be filed with the Auditor's Office. (attached)
- ✘ Commissioner's Court will deem Salvage (zero value) property as so.
- ✘ The proper disposition of property will be made by Commissioner's Court, by the any of the following:
 - + Competitive Bid or Auction
 - + Trade in
 - + Disposal or Destruction
 - + Donation to Civic or Charitable Organization in the County

THANK YOU



- ✘ Thank you for helping us maintain the integrity of Erath County's financial management, entrusted to us by the tax payers of the County.
- ✘ If there are any further questions please do not hesitate to call if a question should arise.