

PO Summary Guidelines

The approved method for purchasing at the Kern Community College District is through the purchase order process. In addition, all purchase orders should be completed and approved before purchases are made.

Please review the items below carefully.

All forms are located via the [KCCD inside portal](#).

- **VENDORS:** Please make sure the vendor and/or new address is set up in Banner prior to entering your purchase order. Vendor questions can be emailed to purchasing@kccd.edu.
- **COMMODITIES:** The commodity description (and item text) should provide sufficient information so that any individual can clearly understand what is being purchased (or what service is being provided). For subscriptions, software licensing, maintenance services or any service that covers a period of time, enter the dates or date range of services. Commodity Codes are needed for travel POs. Refer to "PO Entry for Travel PO's" in KCCD inside portal.
- **REQUESTOR:** The requestor name and phone number print on the purchase order as the contact information. This information is defaulted to the user entering the purchase order but should be updated with the appropriate contact information.
- **REIMBURSEMENT PURCHASE ORDERS:** *Reimbursement purchase orders should be the exception and should not be used to circumvent the use of the regular purchase order process.* Enter your purchase order as a "standing" order to avoid the three-way match requirement. Enter the vendor name and receipt date as the commodity description. For example, type "Walmart 1/15/24" on the commodity description line. Enter the items for reimbursement as non-taxable and the receipt total as the commodity unit price. Enter a brief description of the purchase in Item Text. For example, type "notebooks for budget workshop 1/28/24" in Item Text. Write the PO number and the Employee name on the paper receipt and attach it to a full sheet of paper. Include documentation supporting the preapproval to make the purchase. This sheet of paper with the attached receipt and supporting documentation will be processed for reimbursement once the purchase order is complete and approved.
- **STANDING PURCHASE ORDER:** Standing purchase order does not mean open purchase order. A standing purchase order is any purchase that is intangible and cannot be physically received. In some cases, a standing, open purchase order is acceptable for a specific project (e.g., maintenance supplies for a Computer Lab Remodel or 25 lunches for a counselor meeting). Standing purchase orders are typically non-taxable in nature.
- **PURCHASE ORDER DOES NOT NEED TO BE SENT TO THE VENDOR:** For those purchase orders that do not need to be sent to the vendor, type "DO NOT PRINT" in the Comments field on the first page of the purchase order. Purchase orders with this text in the Comments field will not be sent to the vendor. If you would like the purchase order to be sent to the person who entered the purchase order only, then type "EMAIL REQUESTER" in the Comment Field. This applies to some purchase orders where items have already been received and some change orders.
- **PURCHASE ORDER NEED TO BE SENT TO THE VENDOR:** For all purchase orders that need to be emailed or faxed to the vendor, type "EMAIL" or "FAX" in the Comments field and include the appropriate fax number or email address and vendor contact name in the Document Text.
- **PURCHASE ORDER FOR ITEMS ALREADY RECEIVED:** If you are entering a purchase order for items or services already received, please provide documentation as to why the purchase order was not entered prior to placing/receiving the order. When entering the purchase order, select the type of purchase order (regular or standing) based on the type of purchase had the PO been issued prior to receiving the items or services. All regular purchase orders will require receiving. If the vendor does not need to receive the printed purchase

order, type “DO NOT PRINT” in the Comments field. Again, purchase orders that have this text in the Comments field will not be mailed out to the vendor.

- **PURCHASE ORDER FOR A SERVICE:** A purchase order for a service requires a valid agreement to be on file. The agreement must be sent to the Contracts Dept for review, processing, signature, and ratification/approval. Contract questions may be emailed to contracts@kccd.edu.
- **CHANGE ORDERS:** *Change orders will not automatically print. If you need your change order to print and have sent to the vendor, contact your campus or District Business Services Office.* Type “Change Order” in the Document Text (and do not uncheck the print box) so that these words will appear on the purchase order if this change order is mailed to the vendor.
- **DOCUMENT TEXT:** *The following items are no longer entered in Document Text: FOAPAL, Approver, or Requestor.* Items to be entered in the Document Text include quote numbers or other items indicated in the above or below paragraphs (Change Orders, FAX/Email information, and the required three quotes information for purchases over \$5,000).
- **FREIGHT:** In order to expedite the three-way match requirement, enter freight and shipping charges with the shipping cost as the number of units and the unit price as \$1.00. For example, if the shipping cost is \$25.00, enter 25 units at \$1.00 each.
- **SALES TAX:** All California vendors are responsible to pay sales tax regardless of whether they collect sales tax from us. If a California vendor does not invoice us for sales tax, we will not pay sales tax to the vendor but rather remit that sales tax to the State of CA. We are responsible for sales tax on all out-of-state purchases even if the out-of-state vendor does not charge us. If the out-of-state vendor does not charge sales tax on their invoice, we are obligated to pay sales (use) tax to the State of California. Typically, sales tax rates are based on the rate established at the location of delivery. If a vendor charges a sales tax lower than the sales tax at the location of delivery, then Business Services will make the use sales tax adjustment at the time of keying in the invoice. If the vendor charges a sales tax rate higher than the location of delivery, then the department needs to reach out to the vendor to obtain a revised invoice.
- **PURCHASES OVER \$5,000.00:** KCCD follows the CUPCAA bid threshold process for non-contract expenditures. However, for purchases of goods, services, equipment, or materials that exceed \$5,000 in total cost, there is a requirement to obtain at least three (3) informal bids for the purchase. *The documentation of the informal bids must be kept in your files for at least 12 months.* There must be information entered in the Document Text of the purchase order that the informal bid process has been completed. Be sure to uncheck the “print” box for the line items in Document Text that contain this information. Also include in Document Text reasons for selecting a bidder that is not the lowest price. (For example, there may only be one vendor that supplies those items in the area, such as a newspaper ad.) *There are some exceptions including emergencies (which require approval by the Director of Finance & Administrative Services or CFO), purchases from college bookstores, foods services, or other internal operations, formal contractual and/or bid obligations for services or materials, and fuel and incidentals associated with travel.* Email purchasing@kccd.edu with any questions you may have.
- **FIXED ASSETS:** *KCCD no longer capitalizes group purchases of equipment as fixed assets – each item must individually qualify.* See the Supply vs. Equipment Flowchart below. *If the cost of a furniture or equipment item exceeds \$5000, it should be charged to a fixed asset account (6XXXFA).* The dollar limit includes the total cost to acquire the item – including shipping charges, tax, installation, etc. The purchase of computers to outfit a computer lab is no longer a fixed asset unless the total cost of each individual computer exceeds \$5,000.
- **SUPPLIES (4XXX) VS EQUIPMENT CAPITAL OUTLAY (6XXX):** Use the following chart to determine if your purchase is a supply or capital outlay. Contact Business Services if you have any questions.

See Supply vs. Equipment Flowchart below



Supply vs. Equipment

Use the following flowchart as a method of distinguishing whether your purchase is a supply item or an equipment/furniture item. Supplies are charged to a 4XXX account; whereas, furniture/equipment items are charged to a 6XXX account. (The criteria are listed in priority order.)

Lasts more than two years → **NO**

YES ↓

Repair rather than replace → **NO**

YES ↓

Independent unit rather than being incorporated into another unit item → **NO**

At first "**NO**" item is declared to be **SUPPLY**

YES ↓

Cost of tagging and inventory small percent of item cost → **NO**

YES ↓

EQUIPMENT

**NOTE: A process for tagging and tracking equipment and furniture is being modified and will be forthcoming.

- **INSTRUCTIONAL MATERIALS:** Per the Budget and Accounting Manual, expenditures for supplies used by students, faculty, and other personnel in connection with an instructional program should be coded as instructional supplies (4310).
- **COMMODITY LEVEL ACCOUNTING/DOCUMENT LEVEL ACCOUNTING:** The Document Level Accounting box is checked by default. This means that the entire purchase order has the same FOAPAL (or FOAPAL split). ***If you need to assign separate FOAPALS to individual commodities, uncheck the Document Level Accounting Box.*** This will require you to enter a separate FOAPAL for each commodity. Commodity level accounting should be used unless all items on a purchase order have the same FOAPAL (or FOAPAL split).
- **NSF CHECKING/POOLED BUDGETING:** All purchase orders go through a verification process to confirm there are sufficient funds available for the purchase. KCCD utilizes pooled budgeting, which groups all 4XXX accounts together, all 5XXX accounts together (excluding 5899), and all 6XXX accounts together within the FOAPAL string when verifying funding availability. Any document (purchase orders, budget transfers, invoices, journals, etc.) that has a FOAPAL entered, even though the document may not be completed, is included when this verification occurs.
- **TRAVEL:**
 - **Per Diem:** *All travel meal reimbursements will be paid based on District-stated per diem rates (not actual expenses). Exceptions apply to employees accompanying traveling students and there is no overnight stay required. All approved traveling employees for student trips will be **reimbursed ACTUAL expenses**, up to the District-stated per diem rates. Original, itemized receipts must be submitted by the approved traveling employee.*
 - **Mileage** is reimbursed at the current approved rate.
 - **Rental of vehicles:** Rental vehicles driven by a college representative should be charged to one of the following appropriate travel account numbers: 5209, 5212, or 5220. Rental vehicles driven by a representative of the rental agency should be charged to account 5602.
 - **Purchase Orders** must be done for all travel. See the supplemental travel guidelines.
 - **Pre-payments** must be submitted to the campus Business Services Office or District Business Services at least 20 days in advance of travel. Please work with the appropriate office for your prepayments.
 - **Supervisor signature** is required on travel forms authorizing the individual to be away from campus on travel. The electronic approval of the purchase order simply approves the funding of the travel.
 - **All employee travel** must be submitted on either the “Claim for Travel Reimbursement” or “In District Travel Expense Claim” even when the employee is accompanying students/athletes to an event.
 - **Student Travel** should be submitted on the “Student Travel Authorization” form. Refer to the Student Travel Authorization Form for the current student per diem rates.
 - **Non-Employee Travel** must be submitted on the “Claim for Travel Reimbursement” form and should be indicated as NON-EMPLOYEE. *Non-employees are eligible for the District-stated per diem rate given to employees.*
 - **Backup support** should include a copy of the conference agenda and google map for mileage.
- **APPROVALS:** Approval of Banner documents (purchase orders and budget transfers) can be done either on Banner or Finance SSB.
- **DISAPPROVALS:** Be sure to check your Banner messages daily. All notifications of purchase order disapprovals will be sent via the Banner messages (personal phone calls will no longer be made). *All disapprovals should have the reason for the disapproval stated in the Banner message.*
- **ORIGINAL RECEIPTS/INVOICES:** Submit only original, itemized receipts/invoices for payment.

- **EXPENDITURE TRANSFERS:** If an expense is charged to an incorrect FOAPAL or FOAPAL element, complete an Expenditure Transfer Request form to make the correction. *The Expenditure Transfer Request must include the Banner Invoice number and the Banner Invoice transaction date.*
- **CONTRACTS/AGREEMENTS:** Purchase orders for contractual obligations (i.e., annual service agreements, speakers, facility rentals) should be entered upon contract approval. Individuals authorized to enter into contracts on behalf of the District/Colleges are the Chancellor and Chief Financial Officer. Please work with your VP of Finance and Administrative Services on your campus to ensure all contracts are properly approved.