FI$CALLY SPEAKING- Everything you need to know to get things paid at OCC!

February 2024

REQUISITION REVIEW

Requisitions are not always easy to process. I thought you might like some quick tips and helpful embedded links for you to pull up information to help you with your purchasing needs.

The District Purchasing department has updated the Purchasing Handbook and Self Service Handbook to help you navigate the requisition process. I recommend you review these documents to make entering your requisitions easier. Additional departmental Budget information and static monthly reports can be found at O:\BannerReports if you need to be granted access, please e-mail the Director of Business Services.

Please know that the Purchasing & Contract Services Department may be processing up to 200 requisitions each week. You need to plan your purchases up to four weeks prior to when you need the purchase order. Purchasing needs two weeks from the date they receive the requisition until the purchase order is expected to be ready. Please do not contact Purchasing during this time as it may delay other purchases orders from being completed. Health and safety purchase orders should be the only exception.

All purchases require prior approval through the established requisition/purchase order process. Items ordered without an authorized PO are not the responsibility of the District, whether or not they are school related materials.

Purchasing Training

The Purchasing Department has developed Banner Training Videos for you. I hope you take the time to watch these even if you are a seasoned requisition professional.

Existing Vendor vs New Vendor

Existing vendors are already in Banner. All new vendors need to complete a W9 Form (most current IRS version of form). The requestor needs to forward the W9 to CCCD Purchasing for Banner purchases or to the Bursar's Office for auxiliary purchases.

Credit Applications & Payment Terms

If a vendor requires a credit application from the District before accepting our orders, submit the credit application to the Bursar's Office.

Please verify that the vendor will accept purchase orders and Net 30 payment terms (*payment for goods or services is due in full 30 days after the transaction has been completed*) prior to submitting the requisition. Note: if the vendor will not accept a Purchase Order, please contact CCCD Purchasing for District managed funds or Bursar's Office for auxiliary funds.

To Quote or Not To Quote

The quote requirements are:

- Purchases over $15,000 require 3 quotes.
- Purchases over $5,000 require 1 quote.
- Federal funds purchase over $10,000 requires 3 quotes. Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity (CFR 200.439).
- If vendor replies "unable to quote" in writing, it qualifies as a quote.

- Sole Source Vendors are exempt from the 3 quote requirement and require a letter from the vendor confirming that the vendor is the "Sole Source" for the purchase. "Sole Source" letters are reviewed and approved by the Purchasing Director.
- If the quote references a cooperative purchasing agreement (CMAS, E&I, FCCC, NASPO, NJPA, US Communities, etc) or another public agency's piggybackable contract, then the 3 quote requirement for orders exceeding $15,000 does not apply, but is recommended. These purchases require board approval if exceeding the bid threshold.
- The bid limit for the 2024 calendar year is $114,500, including all taxes, shipping, handling, etc. related to the purchase. Any purchases over this amount need to proceed through a formal bidding process.
- The bid limit for Public Works contracts is $15,000, contracts over $1,000 are subject to prevailing wage and must be processed through District held accounts regardless of ultimate funding source.

Supply vs Equipment

Equipment is typically defined as a purchase when a single item is greater than $500. If your single item is one $1,500 computer, then it should be classified as equipment. Since it is also technology, it is classified as equipment technology. If you have three $500 tablets, then they should be classified as a supply as the single item does not exceed the $500 threshold. Since this is also technology, it is classified as supplies technology. Please note: All equipment/fixed assets purchase over $1,000 and all computer and computer related equipment over $500 must be tagged by IT and inventoried by M&O Receiving regardless of funding source.

- Common SUPPLY account codes
    a. 4110 - Instructional Supplies Materials (cannot use with any program code higher than 6XXXXX except for 611000 and 619000.)
    b. 4210 - Noninstructional Supplies Materials (cannot use with any program code lower than 6XXXXX.)
    c. 4904 - Supplies Technology (printers, keyboards, thumb drives, etc. and needs to be reviewed by Information Technology (IT) department.)
    d. 4915 – Other Supplies and Materials (meeting related supplies and food expenses.)
- Common EQUIPMENT account codes
    a. 6401 - Equipment Capitalized: Single item is $5,000 or greater
    b. 6402 - Equipment Capitalized Technology: Single item is $5,000 or greater and needs to be reviewed by Information Technology (IT) department.
    c. 6406 – Equipment: Single item is greater than $500
    d. 6407 - Equipment Technology: Single item is $500 or greater and needs to be reviewed by Information Technology (IT) department.

New Account Code Classifications

- There is a new Government Accounting Standard (GASB 96) for Subscription Based Information Technology Arrangements (SBITA). To ease the implementation and for tracking purposes, account 5612-SBITA has been created. If you have been using any of the following accounts for IT related expenditures/purchases, please use **5612** instead**.**
    o 5407 Service Maintenance Agreement (SMA) – **ONLY IT related**.
    o 5608 Software Licensing
    o 5609 Multi-Year SMA – **ONLY IT related**.
    o 5611 Software License Fees
    o 5802 Subscriptions – **ONLY IT related**.
- Use **4915** Other Supplies & Materials instead of **4210** when purchasing food.

Independent Contractors

A fully signed agreement is required before we can process an Independent Contractor purchase order. An Independent Contractor Agreement may be valid for a term of one fiscal year (expires June 30). Full instructions and guidelines for Independent Contractors as well as PDF versions of the agreements can be found on the OCC President's Portal page.

Independent Contractor agreements are processed by the President's Office. Please verify with the President's Office if you are unsure a purchase requires an Independent Contractor agreement.

You may need an Independent Contractor agreement if the following conditions exist:

- Construction on campus
- Food Vendor providing service on site (picked up from a vendor does not require an IC agreement).
- Other services performed on campus (office equipment repair does not count).

Type of Contract	Term Limit
Independent Contractor	NTE Fiscal Year
Professional Expert	NTE 3 Years
Clinical Affiliation Agreements	NTE 5 Years
Contract Education Agreements	NTE 3 Years
Software/License Agreements	NTE 3 Years
Other Non-Standard Agreements	
Goods	NTE 3 Years
Services	NTE 5 Years

Note: IC agreements are only required for Guest Lecturer/Speakers if sessions exceed more than calendar day.

NSF Requisitions

Prior to completing a requisition, there needs to be enough budget available. NSF requisitions cannot be submitted in Banner Self Service and will cause delays in your requisition being approved. Complete any necessary Budget Transfers (BT) from within Banner Self Service (Finance/Budget Transfer) before you start processing a requisition.

Budget Numbers

Budget numbers (FOAPS) used within requisitions need to be compatible. Instructional account numbers (11XX, 13XX, 4110, 5804) must be paired with Instructional program codes (010000 thru 499998, including 611000 and 619000). Please do not mix non-instructional account numbers with instructional program numbers. The most common type of error is using a 4110 601000 or 4210 with an instructional program code (010000 thru 499998, including 611000 and 619000).

Auxiliary Purchases

Purchases for Associated Students, Trust, Swap Meet, Foundation, and Community Services follow the same district guidelines. For auxiliary purchases, complete the Auxiliary Purchase Order Request Form and route for signatures.

Checks will be issued on Mondays and Wednesdays (except the first week of each month). Payments will be processed on terms listed below unless discounts are available:

        a) Vendors – Net 30 from date of invoice.
        b) Independent Contractors – Net 30 from date of receipt of invoice.
        c) Personal expense reimbursements – Net 7 from date received.

Checks to Independent Contractors or unincorporated businesses require Presidential and/or Board Approval, I.R.S. Form W-9 (subject to 30-day verification period), and California State EDD 542 Form <u>prior</u> to checks being issued.

All invoices/receipts must be properly documented as to the purpose and the place of purchase. Expenses should be submitted in a timely manner for appropriate accounting period recording. Receipts for personal expense reimbursement older than 60 days are subject to review and/or non-payment. All invoices/receipts must be originals or electronic copies and detailed. Summary credit card slips are not considered receipts.

Reimbursement for Gift Cards will not occur without prior written approval from the Director of Business Services. Note: Gifts cards may not be used in lieu of compensation/reimbursement. Please see IRS De Minimis Fringe Benefits.

Note: The mileage reimbursement rate for 2024 is $0.67 cents per mile.

Other Resources:

California Budget and Accounting Manual
CCCD Purchasing Website
OCC Bursar's Office
California Community Colleges Compendium of Allocations and Resources

Board Policies

	Board Policy	Administrative Policy
Auxiliary Organizations	BP 3600	AP 3600
Associated Students' Finance	BP 5420	
Fiscal Management	BP 6300	AP 6300
Purchasing	BP 6330	AP 6330
Bids & Contracts	BP 6340	AP 6340
Contracts for Independent Contractor or Professional Expert Services	BP 6370	AP 6370
Institutional Memberships	BP 6901	
Political Activity	BP 7370	AP 7370
Travel	BP 7400	AP 7400