SECTION 2.03 – ELECTRONIC PURCHASE ORDER PROCESS

Contact: Purchasing @ Extension 4180

A. Overview

Purchase orders are required for all purchases except as defined in Section 2.02 for procurement card purchases, imprest checking accounts, or reimbursement vouchers. Purchase orders are a means of providing clear information and order terms to vendors, encumbering/tracking budgets, and providing historical data on orders. Purchase orders should always be used for contractual services as well as for purchase of fixed assets or theft sensitive assets.

B. References

BusinessPlus Purchasing Manual
Section 2.02 – Allowable Purchasing Methods
Section 2.04 – Procurement Cards
Section 2.05 – Imprest Checking Accounts
Section 2.06 – Reimbursement Vouchers
Policy/Procedure 6210 – Authorization and Control
RCW 28A.330.080 – Payment of claims-signing of warrants

C. Requesting a Purchase Order

The district uses the Business Plus on-line purchasing system to produce purchase orders. Detailed instructions about how to use BusinessPlus are included in your BusinessPlus Training Manual. If you need help, or aren't sure how to input your information, please call ext. 4180 for assistance. When you input a Purchase Request, please keep the following in mind:

- Provide detailed information/description about your order. Please be as descriptive as possible when entering your Purchase Request. Please note that only the first 40 characters (approximately) will be visible when you receive on this PO later, so you should make sure the beginning of the description clearly identifies the item. Also, remember that the vendor needs to understand your PO when it arrives, so item numbers or other identifiers are highly recommended.

- An "open" or "not to exceed" purchase order to cover a specific time period must indicate in general what will be purchased on the PO. If multiple payments will be issued against an open PO, remember to reverse the dollar amount with the quantity when you enter your purchase request. (For example: 1000 at $1.00 each for a $1000 open PO.)

- Attachments to Purchase Requests may be electronically attached to your requisition by scanning the attachment, but if this is not available, the attachment should be marked with the Purchase Request number and forwarded to the purchasing office as soon as possible for timely processing. Purchase requests awaiting attachments or Personal Services Contracts will not be processed until the relevant information has arrived.

- *Examples* of attachments would be:

  - Quotes to support the purchase
  - Referenced existing contracts
  - Approved Out of State Travel Request
  - Certificates of Insurance (if applicable)
  - Fully signed Contractual Services Agreements.

- Include the appropriate shipping amounts and sales tax rates. More information on sales tax is included below.

D. Sales Tax

We are required to pay sales tax on all purchases, including shipping and handling. If a purchase is made from an out of state vendor that does not charge tax, we are still required to pay tax to the State of Washington. This is called *compensating tax*. The sales tax rate is determined by the location of the sale:

- The sale of tangible property from a Washington vendor is charged at the tax rate of the retail outlet of the seller.

- The sale of tangible property from outside of Washington is taxed at the rate of the seller's in-state presence (examples: resident sales person, office, etc.) or at the buyer's location, if the vendor has no in-state presence.

- The sale of labor and services (construction) is taxed at the rate of the location where services are primarily performed.

- Rental/lease: Leases of longer than 30 days are taxed at the tax rate of the buyer's location. Leases/rentals of less than 30 days are taxed at the tax rate of the seller's location.

- When in doubt, use the default sales tax rate on your purchase request. When the accounting office makes payment, they will determine the appropriate rate.

E. KCDA On-line Purchases

KCDA provides an on-line shopping tool which is available for school use. Once a school has been assigned log-in information, they can view the KCDA catalog on-line and shop as needed.

The process for placing an order includes creating a "shopping cart", filling the cart and then approving the cart. The cart is then forwarded to purchasing for approval and allows time for schools to leave the KCDA area and enter their Purchase Request into BusinessPlus. At the time the PO is issued, purchasing will finalize approvals for your cart and submit the order to KCDA. Note: It is important to check out your cart and not leave it "parked" so purchasing can complete the necessary approvals.

Detailed data entry instructions will be provided with training from KCDA. Questions or concerns about the process may be directed to the purchasing office.

F.   Purchase Order Revisions

When it becomes necessary to revise a purchase order, please use the [Purchase Order Revision form.](#)

Examples of revisions to a purchase order might be:
- Increase/decrease in dollar amount over $50 ($50 and under may be revised via an e-mail)
- Change in product
- Change in account number

Be as descriptive as possible when completing the [Purchase Order Revision form](#). Please indicate whether or not the vendor needs written authorization to make the change you are requesting.

G.   Return of Merchandise

When items need to be returned to the vendor, schools or departments should contact the vendor for a return authorization number, a shipping address, and any other instructions the vendor may require.

- Securely package the item as per their instructions.
- Include a copy of the packing slip or other identifying paperwork.
- Return authorization numbers, if provided, should be clearly written on the outside of the box and on the packing slip inside the box.
- Address the box as per the vendor's instructions. Be aware that sometimes shipments are returned to different locations.
- Ship, preferably by traceable method, to the vendor. Keep records of the tracking number and return information until your package is received and credit is issued.
- Do not receive your items in BusinessPlus. This will help ensure that the accounting office does not process payment.

Schools and departments should notify accounting that a credit or refund is pending.