

**RHEA COUNTY FINANCE COMMITTEE  
375 CHURCH STREET, SUITE 200  
DAYTON, TN 37321**

**PURCHASING DEPARTMENT GUIDELINES**

OCTOBER 27, 2016

**QUOTE BIDS**

3 QUOTES MUST BE OBTAINED FOR PURCHASES OF MORE THAN \$10,000 AND LESS THAN \$25,000.00. THESE QUOTES SHOULD BE FROM COMPANIES THAT SELL THAT PARTICULAR ITEM. A FAXED/HARD COPY QUOTE FROM THE VENDOR AND COPY OF THE BID SPECIFICATIONS SHOULD BE INCLUDED. SPECIFICATIONS AND QUOTES MUST BE SENT TO THE FINANCE OFFICE. DEPARTMENT HEAD'S ARE RESPONSIBLE FOR OBTAINING THESE QUOTES. IF THE LOW QUOTE IS NOT THE FAVORED QUOTE, IT MUST BE BROUGHT TO THE FINANCE COMMITTEE FOR APPROVAL.

**FORMAL BID SPECIFICATIONS**

FORMAL BID'S WILL BE TAKEN FOR ALL PURCHASES OF \$25,000 OR MORE WITH THE EXCEPTION OF USED EQUIPMENT. USED EQUIPMENT PURCHASES MAY BE ACQUIRED IN ACCORDANCE WITH PROVISIONS OF TENNESSEE CODE ANNOTATED 12-3-1202. IT IS THE RESPONSIBILITY OF THE DEPARTMENT HEAD TO PREPARE BID SPECIFICATIONS AS WELL AS OBTAINING THE ADDRESS OF ANY SPECIAL VENDORS HE/SHE WISHES TO INVITE TO BID. IF THE LOW BID IS NOT THE FAVORED BID, IT MUST BE BROUGHT TO THE FINANCE COMMITTEE FOR APPROVAL.

**OVER THE PURCHASE ORDER/ACCOUNT LINE**

PAYMENTS OVER THE PURCHASE ORDER AMOUNT IS LIMITED TO 50.00. ANYTHING ELSE MUST BE APPROVED BY THE FINANCE DIRECTOR IN ORDER TO EXPEDITE A PAYMENT TO PREVENT ADDITIONAL CHARGES OR TAKE ADVANTAGE OF ANY DISCOUNTS.

**PURCHASE ORDER DATES**

INVOICES MUST BE AN ORIGINAL AND APROVED BY THE DEPARTMENT HEAD BEFORE PAYMENT. THE FINANCE DIRECTOR CAN APPROVE PAYMENT IF MERCHANDISE IS BOUGHT BEFORE PURCHASE ORDER HAS BEEN ISSUED. THE ONLY EXCEPTION IS SCHOOL FOOD AND JAIL FOOD. THIS EXCEPTION IS DUE TO THE FLUCTUATION OF INMATES AND STUDENTS EATING LUNCH. INVOICE DATES DO NOT MATTER WHEN SCHOOL AND JAIL FOOD IS INVOLVED.

### **EMERGENCY PURCHASE ORDERS**

YOU MUST HAVE PURCHASE ORDER IN HAND OR THE PURCHASE ORDER NUMBER BEFORE ORDERING.

### **INVOICE CUT OFFS**

THE CUT OFF FOR SUBMISSION OF PAYMENT IS **3:30 P.M. ON MONDAY**. THE INVOICES MUST BE TURNED IN TO THE ACCOUNTS PAYABLE CLERK. ANY INVOICES RECEIVED AFTER THE CUT OFF TIME WILL BE PROCESSED FOR THE NEXT WEEK'S CHECK RUN. IN THE EVENT THAT THE COUNTY OFFICES ARE CLOSED FOR A MONDAY HOLIDAY INVOICES MUST BE TURNED IN ON THE **FRIDAY** BEFORE. ALL INVOICES MUST BE ORIGINALS PER AUDIT GUIDELINES. FAXED COPIES WILL BE ALLOWED, AS LONG AS, THE ORIGINAL FOLLOWS. EMAILED INVOICES WILL BE ACCEPTED. DEPARTMENT HEADS MUST SIGN INVOICES FOR PAYMENT APPROVAL. IF YOU HAVE A CHECK AND WOULD LIKE TO PICK UP A CHECK INSTEAD OF HAVING IT MAILED, IT IS YOUR RESPONSIBILITY TO INFORM THE ACCOUNTS PAYABLE CLERK. ANY CHECKS WILL NOT BE READY UNTIL THURSDAY AFTERNOON.

### **GRATUITY**

GRATUITY WILL NOT BE REIMBURSED FOR MEALS WHEN TRAVELING. THE EXCEPTION TO THIS RULE BEING THE ESTABLISHMENT AUTOMATICALLY ADDS THE GRATUITY TO THE CHECK.

### **PERMISSION/APPROVAL**

THE FINANCE DIRECTOR'S SIGNATURE IS REQUIRED FOR ALL COUNTY AND SCHOOL PURCHASE ORDERS. THE SCHOOL SUPERINTENDENT'S APPROVAL IS NOT NEEDED FOR PURCHASE ORDERS, HOWEVER, HE CAN APPROVE ANY PURCHASES OVER THE PURCHASE ORDERS' ORIGINAL AMOUNT.

### **REQUISITIONS**

ALL REQUISITIONS MUST BE EMAILED, FAXED OR HAND DELIVERED. REQUISITIONS MUST BE COMPLETED IN THEIR ENTIRETY, WITH THE ACCOUNT LINE YOU WISH TO PURCHASE ITEMS OUT OF. ACCOUNT BALANCE REPORTS ARE GIVEN TO EACH DEPARTMENT MONTHLY, WEEKLY IF REQUESTED. WHEN SENDING IN A PURCHASE REQUISITION IF YOU WOULD LIKE TO HAVE A CHECK RAN WITHIN THE SAME WEEK OF THE PURCHASE ORDER IT IS THE RESPONSIBILITY OF THE DEPARTMENT HEAD TO INFORM THE ACCOUNTS PAYABLE CLERK. IF YOU DO NOT WANT THE CHECK MAILED OUT IT IS ALSO THE RESPONSIBILITY OF THE DEPARTMENT HEAD TO INFORM THE ACCOUNTS PAYABLE CLERK IN ADVANCE.

## **INVENTORY**

IT IS THE DEPARTMENT HEADS' RESPONSIBILITY TO NOTIFY THE INVENTORY CLERK IN WRITING OF ANY ADDITIONS/DELETIONS IN THEIR INVENTORY. ANY ITEM SURPLUSED OR BROKEN MUST HAVE THE INVENTORY STICKER REMOVED AND ATTACHED TO A SHEET OF PAPER AND SENT TO THE INVENTORY CLERK IN FINANCE DEPARTMENT. IF YOU CANNOT REMOVE THE TAG WRITE DOWN NUMBER, THE SERIAL NUMBER, ITEMS DESCRIPTION, AND SEND TO INVENTORY CLERK. ITEMS MOVED FROM ONE LOCATION TO ANOTHER MUST ALSO BE GIVEN TO THE INVENTORY CLERK ALONG WITH TAG NUMBER, SERIAL NUMBER AND NEW LOCATION/OFFICE. DO NOT REMOVE THE INVENTORY TAG IF MOVING FROM ONE LOCATION TO ANOTHER.

## **INVENTORY GUIDELINES**

INVENTORY GUIDELINES ARE DEFINED AS ANY ITEM ABOVE 300.00 AND/OR ELECTRONICS WITH THE EXCEPTION OF 4 DRAWER FILING CABINETS, AS WELL AS, SOME DESKS. KEYBOARDS, MOUSE AND 2 DRAWER FILING CABINETS, SCHOOL DESKS AND CHAIRS WILL NOT BE COUNTED AS INVENTORY.

## **FIXED ASSETS/ACCOUNTS PAYABLE**

FIXED ASSET GUIDELINES ARE DEFINED AS "ANYTHING" OVER \$10,000. THIS CAN INCLUDE ANYTHING ONE ITEM PURCHASED SUCH AS FURNITURE, FIXTURES, EQUIPMENT, LAND, MACHINERY OR VEHICLES. ALSO TO BE COUNTED ARE SEVERAL PURCHASES ADDED TOGETHER FOR THE CONSTRUCTION OF ONE PROJECT, SUCH AS BUILDINGS, ROADS, BRIDGES. IT IS THE DEPARTMENT HEADS' RESPONSIBILITY TO NOTIFY THE ACCOUNTS PAYABLE CLERK OF ANY PURCHASES, CHANGES OR ADDITIONS TO FIXED ASSETS. IT IS THE RESPONSIBILITY OF THE DEPARTMENT HEAD TO MAKE THE FIXED ACCOUNTS PAYABLE CLERK AWARE OF ANY AND ALL COSTS OF A CONSTRUCTION IN PROGRESS.

## **ASSET CLASSIFICATIONS FOR FURNITURE, FIXTURES & EQUIPMENT**

LAND – THE COST OF LAND SHOULD INCLUDE, IN ADDITION TO THE ACQUISITION COSTS, ANCILLARY COSTS SUCH AS LEGAL AND TITLE FEES, UNPAID TAXES ASSUMED, SURVEYING AND RECORDING FEES, APPRAISAL AND NEGOTIATION FEES, EASEMENT, DAMAGE PAYMENTS, SITE PREPARATION COSTS (CLEARING, FILLING AND LEVELING) AND ANY DEMOLITION OF UNWANTED STRUCTURES

FIXED EQUIPMENT – IS GENERALLY A CONFIGURATION REQUIRING CONTRACTOR INSTALLATION (SUCH AS WALK IN FREEZERS, HEATING AND AIR SYSTEMS, BOILERS, SPECIALIZED FLOORING, FOOD LINES, ETC) INSTALLATION OFTEN INCLUDES CHARGES FOR VARIOUS PERMANENT SERVICE CONNECTIONS, ASSEMBLY, SITE PREPARATIONS AND OTHER MISCELLANEOUS TYPES OF LABOR. THESE ASSOCIATED INSTALLATION COSTS ARE INCLUDED IN THE CAPITALIZED COST OF NEWLY ACQUIRED FIXED EQUIPMENT. EQUIPMENT ITEMS THAT ARE EITHER BUILT IN OR LARGELY IMMOBILE BUT DO NOT LOSE THEIR

IDENTITY AS PART OF THE BUILDING ITSELF ARE FIXED EQUIPMENT SINCE THEY ARE SEPARATELY IDENTIFIABLE.