

SUMNER COUNTY GOVERNMENT'S PURCHASING POLICY

Updated as of
12/16/2013

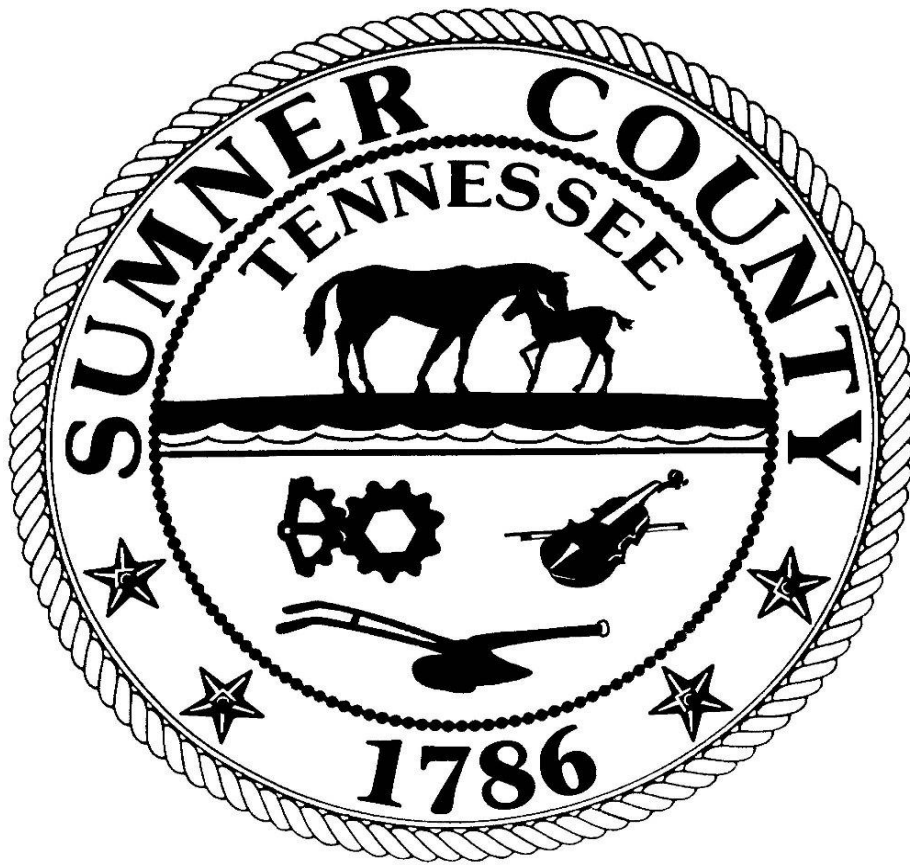


TABLE OF CONTENTS

Description	Page
I. Purchasing Overview	3
II. General Provisions	3
III. Non-purchase Order Purchases	4
IV. Purchase Orders	4-8
A. Detailed Purchase Order Procedures	4
B. Exemptions from Purchase Orders	5-6
C. Blanket Purchase Orders	6
D. Line-item Budget Balances	7
E. Purchases Exceeding Purchase Order Limit	7
F. Purchase Order Cancelations and Payments	8
V. P-card Purchases	8-9
VI. Biddable Items	9-13
A. Detailed Formal Bidding Procedures	9-11
B. Specification of Invitation to Bid and Request for Proposal	11
C. Cancelation of Invitation to Bid	12
D. Minor Informalities in Bids Received	12
E. Mistakes in Formal Bids Received	13
F. Exemptions from Bidding	13
VII. Emergency Purchases	14
VIII. Cooperative Purchasing	14
IX. Vendor Relations and Conflicts of Interest	15
X. New Vendors	15
XI. Month End Procedures	15-16
XII. Year End Purchases	16-17
A. Items Not Requiring a Purchase Order	16
B. Items Requiring a Purchase Order	16-17
XIII. Special Provisions	17-18
XIV. Invoice Payments	18-19
A. General	18-19
B. Request for Check Issuance	19
XV. Implementation Date	19

I. PURCHASING OVERVIEW

This manual is designed to give a clear understanding of the purchasing process and its policies and procedures. The purpose of these policies and procedures is to create a simple, yet controlled and efficient, system for making approved purchases within budget limitations, to provide reasonable assurance that all laws and regulations are complied with for all purchases, and to ensure accurate and timely payment of bills.

The Sumner County Finance Director will serve as the purchasing agent for Sumner County, excluding the school system and the highway department.

Sumner County Government will make purchases in compliance with Chapter 113 of Private Acts of 2002, applicable state statutes, and all Sumner County Commission Resolutions. The County will purchase competitively, when possible, and seek maximum value for every dollar expended.

II. GENERAL PROVISIONS

- A.** If the cost of all like item purchases, within the fiscal year, is expected to range between \$2,500 and \$9,999.99, three written or verbal (including telephone) quotations, when practicable, should be obtained and documented on the purchase order requisition form or the requisition for payment, as applicable. If it is practicable to obtain a quote will be determined by the Finance Director or the Finance Director's designee.
- B.** All like item purchases estimated to exceed \$9,999.99 in a fiscal year shall be bid, if applicable, through the finance department (see bidding).
- C.** All invoices should be addressed to the requisitioning department (not the finance department).
- D.** All purchases must be appropriated, as required by state statute, before making a purchase commitment.
- E.** All purchases shall be allowable within state statutes and clearly be for a public good. If an item is not clearly for a public good, final determination will be made by the Financial Management Committee.
- F.** The county will not be liable for payment of any purchases made contrary to state statute or to any of the purchasing procedures.
- G.** Line-item classifications (account codes) are based on the State of Tennessee Comptroller's Uniform Chart of Accounts. Sumner County is required to use this classification system by Section 5-8-501, Tennessee Code Annotated. The Sumner County Commission has line-item budgetary control by state statute.

III. NON-PURCHASE ORDER PURCHASES

Purchases that do not require a purchase order are defined under “exemptions from purchase orders.” These purchases shall be made only by authorized county employees and must comply with all “general provisions.”

IV. PURCHASE ORDERS

The purchase order is written evidence of the agreement between the buyer and the merchant at agreed upon prices, terms and delivery dates.

A. DETAILED PURCHASE ORDER PROCEDURES

1. Purchase orders are to be requested by an elected official, department head, or their designee by properly completing a requisition for purchase order and submitting it to the finance department.
2. Requisition for purchase order forms are available on the county’s web site under county offices/finance/functions/purchasing or can be obtained via e-mail from the finance department.
3. An adequate balance of unencumbered appropriations must be available in the appropriate line-item.
4. A single purchase order can only be from one vendor and only from one fund.
5. A purchase order is not valid unless it is issued before any commitment to purchase (order) unless it is an emergency purchase or a construction contract. An invoice date or order date preceding a purchase order’s date will be considered a violation of this provision. Completion of a requisition is not an approval for purchase.
6. Purchase order requisitions received in the finance department via email (purchasing@sumnertn.org) or from the county’s web site will be processed first. All other purchase order requisitions will be processed in the order they are received after all emailed purchase order requisitions are processed.
7. Requisitions received after 3:30, generally, will be processed the next business day.
8. For an amount to be encumbered, the purchase order must be for a specific amount and for specific items or services, and a purchase commitment must exist (the item or service has been ordered).
9. It is recommended, but not required, that department heads and elected officials send a copy of the purchase order to the vendor at the time of purchase commitment to ensure a complete understanding with the vendor.
10. Purchase orders cannot be for services provided outside of the fiscal year.

B. EXEMPTIONS FROM PURCHASE ORDERS

The following items will not require a purchase order; however, the department head or elected official may request a purchase order for any of these exemptions. In addition, the Sumner County Finance Director or the Financial Management Committee can grant other exclusions from the purchase order requirement, when deemed appropriate.

- All utilities, including regular monthly phone charges
- Detaining or incarcerating juveniles
- Postage and shipping costs, if not part of an order
- Jurors, court costs, interpreters for courts
- Food for inmates, while working for the county
- Travel reimbursements and hotel bills
- Data processing services from a continuing vendor
- Dues, tuition, and professional fees/taxes
- Membership fees
- In-service training costs
- Non-contracted and contracted medical costs for inmates
- Non-profit donations
- Refunds for overpayments
- Payroll costs
- Licenses and permits
- Lease and rental payments
- Maintenance agreements for computers, copiers, and postage machines
- Employee and official bonds
- Inter-departmental billings
- State and federal billings
- Newspaper advertisements
- Bank fees and service charges
- Medical bills for K-9
- Audit services
- Legal services and court costs
- Unemployment payments
- Liability claims payments
- Debt service payments
- All law enforcement confidential payments
- The cost of investigators, expert witnesses, or any other costs associated with ongoing law enforcement investigations, litigation, or potential litigation that may compromise the law enforcement activity or litigation
- Vehicle tags and/or registration
- Drug testing
- Fuel-man, Fleet-one, or other fuel operators of this type
- Filing of documents in the Register of Deeds Office
- All payments through the self-insurance/internal service funds
- All liability (including malpractice) insurance payments

- All purchases for agency type funds, which includes the 18th Judicial District Drug Task Force Fund and the District Attorney General Fund
- Aggregate purchases from an existing vendor not to exceed \$500 per week
- If obtaining a purchase order is determined unnecessary, or of no value, by the Finance Director

C. BLANKET PURCHASE ORDERS

In order to minimize any hardships in complying with the purchasing procedures, departments are authorized to utilize blanket purchase orders in certain instances. This is not the most desirable method but may be used in some instances.

1. Blanket purchase orders are for routine items only, such as office supplies, gasoline, maintenance supplies, and other such items.
2. The blanket purchase order shall be with only one vendor and shall be for like purchases.
3. Each department is responsible for monitoring expenditures against blanket purchase orders and for ensuring they do not exceed authorized amounts, except as noted in “purchases exceeding the purchase order limit” (section IV. E.).
4. The blanket purchase order must be for a defined period of time, not to exceed June 30, and will liquidate at the end of the period. Encumbered balances will not carry forward to a subsequent period.
5. The purchase order must be a reasonable estimate of the total cost for the period requested.
6. The description, on the requisition, of the items to be purchased shall adequately and accurately reflect the items to be purchased.
7. Blanket purchase orders may be requested for the following lengths of time:
 - Annual purchase orders must be fixed monthly or annual amounts that generally do not vary, except for overages or other similar charges. They may also be used for items that are bid, or when the amount is set by a contract or statute, and if reasonable estimates can be made of the total costs. The Civil Service Commission may utilize annual purchase orders for all purchases.
 - Monthly purchase orders are for like purchases such as office supplies, vehicle maintenance, janitorial supplies, library books, building materials, jail food, asphalt, rock, or if approved by the Finance Director.

D. LINE-ITEM BUDGET BALANCES

For a purchase order to be issued, an adequate unencumbered balance shall exist in the appropriate line-item. These line-item classifications (account codes) are based on the State of Tennessee Comptroller's Uniform Chart of Accounts. Sumner County is required to use this classification system by Section 5-8-501, Tennessee Code Annotated. The Sumner County Commission has line-item budgetary control by state statute.

To expedite the purchase order process, the budget committee and the Sumner County Commission authorizes the Sumner County Finance Director to make adjustments between non-salary budget line-items within the same major category for \$2,500 or less per line-item per month. These amounts shall be presented to the budget committee at the following meeting. Adjustments for June can be only for "uncontrollable circumstances" and will be considered approved and will be reported to the budget committee in July as "uncontrollable circumstances." Final determination of "uncontrollable circumstances" will be made by the budget committee chairman.

E. PURCHASES EXCEEDING PURCHASE ORDER LIMIT

In rare instances, the amount of the purchase may exceed the amount of the purchase order.

1. If the exact cost is not known, an estimate must be made for each item and noted as "ESTIMATED BUT NOT TO EXCEED."
2. The limit that the expenditure may exceed the purchase order is based on the lesser of the following.
 - a. the unencumbered balance in the appropriate line-item, or
 - b. 25% of the purchase price, or
 - c. \$5,000.

However, if such overages make the item biddable (over annual dollar threshold), adequate compelling written documentation of why the original estimate was in error must be provided to the finance department and approved by the Finance Director.

Additionally, for items or services bid, any such overages cannot result in a change in scope from the original bid.

Payment of this additional amount will require written approval from the appropriate elected official or department head (or designee).

3. The adjustment shall be for price variances from estimates, shipping costs, and other variances in final price but not for additional items ordered.
4. With justification, the Sumner County Financial Management Committee may grant exceptions. However, the committee is under no obligation to grant such exemptions.

F. PURCHASE ORDER CANCELATIONS AND PAYMENTS

1. If, for any reason, a purchase is not completed or an order is not placed, the finance department shall be notified immediately. Notification will cancel the purchase order and disencumber the budget line-item for that amount.
2. For any purchase order (other than monthly purchase orders, annual purchase orders or annual contracts) not returned with the invoice within 90 days of issuance, the purchase order will be cancelled, unless an extension is requested in advance.
3. For all monthly purchase orders not returned with the invoice within 60 days following the end of the period (month), the purchase order will be cancelled, unless an extension is requested in advance.
4. All annual purchase orders will be governed by year end procedures.
5. Purchase orders for construction contracts, architects, and engineers will be held open until closure by completion of the project.
6. If an order is complete or if a partial order is received and the remainder of the order is cancelled or if the amount of the invoice is less than the purchase order amount, return the purchase order with the invoice number(s) indicated, the total amount of the invoice(s) indicated, mark "Full Payment of P.O.," sign the bottom of the purchase order (receiving signature), and attach the invoice(s) to initiate payment.
7. For partial payments, return the purchase order with the invoice number(s) indicated, the total amount of the invoice(s) indicated, mark "Partial Payment of P.O.," sign the bottom of the purchase order (receiving signature), and attach the invoice(s) to initiate payment. Keep a copy of the purchase order to submit with the final invoice(s) when the order is completed, following the procedure in number 6 above.
8. Invoices, from vendors who allow discounts, must be submitted in a timely manner to allow for application of all said discounts.

V. P-CARD PURCHASES

1. Purchases on the county's p-cards require a purchase order if otherwise a purchase order would have been required.
2. All requisitions for purchase orders that will utilize the p-card should indicate a p-card department number (i.e. 96, 97, 98, or 99) on the purchase order requisition form.
3. P-card purchases require the same documentation as non-p-card purchases.
4. All travel and other regulations apply to p-card purchases.
5. County p-cards may not be used, under any circumstances, for personal purposes.

6. Any purchases that are outside of the purchasing policy or the travel policy will require immediate re-payment of all costs and may result in closure of the card and/or legal action.
7. County p-cards may not be used by anyone other than the named card holder(s).
8. Monthly expense reports must be submitted timely. Habitual failure to submit p-card expense reports timely will result in termination of card privileges.

VI. BIDDABLE ITEMS

Sumner County Commission policy is that all like item purchases, unless covered under “exemptions from bidding,” estimated to exceed \$9,999.99 in any fiscal year will be competitively bid in a newspaper of general circulation and on the county’s website. The practice of splitting an order or dividing items to be purchased to avoid the use of the bidding process or other purchasing procedures is prohibited and will result in non-payment of invoices. No bid will be awarded nor contract entered into if the bid price exceeds the current market price. A state valid contract may be utilized in lieu of a bid. However, all documentation (including the bid’s identification number) must be submitted to the finance department before a purchase order can be issued.

A. DETAILED FORMAL BIDDING PROCEDURES

The following guidelines set forth the procedures for issuing the invitation to bid, preparing the corresponding request for proposal(s), and accepting a bid.

1. All bids shall be processed through the finance department, except for construction contracts that have an architect.
2. For construction contracts under an architect’s supervision, all bid documentation shall be forwarded to the finance department in PDF format for electronic storage.
3. Specifications shall be submitted to the finance department (room 302) or to purchasing@sumnertn.org not less than 14 days before the date of the publication of the invitation to bid date.
4. The elected official or department head will need to verify that funds are available to cover the item being bid.
5. Specifications will be reviewed by the finance department to allow maximum competition for bidders.
6. A draft of the invitation to bid and the request for proposal will be returned to the elected official or department head for revisions and final approval.
7. Any unsettled disagreements, if applicable, on the preparation of the invitation to bid or request for proposal shall be settled by the purchasing committee.
8. After the specifications are finalized, the finance department will set up a bid file and place an invitation to bid in a newspaper of general circulation. A detailed request for

proposal will also be placed on the Sumner County web site. The invitation to bid and its corresponding request for proposal will be published at least ten days before the bids are to be opened.

9. All bid files shall be assigned a unique index number that shall be used in all future references to the bid.
10. The Finance Director may approve a shorter time for publication with compelling justification.
11. Sealed bids will be received and opened by the finance department staff, with at least two county employees present during all bid openings.
12. Bid submission by email, telephone or any other electronic means will not be allowed. Bid modifications by these means also will not be allowed.
13. Bids shall be received, handled, and protected in a manner that will prevent fraud and preserve the integrity of the competitive bidding system.
14. Each bid envelope received shall be stamped, or have written on it in ink, the date and time of actual receipt. The notation shall be signed by the person entering the information on the envelope.
15. The finance department staff will document the bid opening and prepare a schedule of all bids.
16. The department, agency or official to receive the merchandise, construction or service will determine if the product or service conforms to the detailed specifications.
17. The Finance Director's designee, with input from the elected official or department head, will determine the best and lowest bid. If for any reason, other than the lowest conforming bid is chosen, the purchasing committee's approval is required along with justification for not choosing the lowest conforming bid.
18. The elected official or department head is responsible for notifying all bidders.
19. After approval of the bid by the elected official or department head, the bid schedule will be placed on the county's web site.
20. All documentation will be stored electronically in the finance department's server. All original documentation will be forwarded to the requesting elected official or department head who will be responsible for maintaining the original documentation.
21. The elected official or department head shall forward a purchase order requisition to the finance department at purchasing@sumnertn.org for issuance of the purchase order showing the line item for the purchase, thus indicating funds are available.

22. The purchase order will be prepared and forwarded to the elected official or department head. The purchase order shall include, by reference, the earlier assigned file index number (VI.A.9.).
23. The Elected official or department head will receive a copy of the purchase order, place the order, and follow the procedures thereafter as contained in the Sumner County Purchasing Policies and Procedures.

B. SPECIFICATIONS OF INVITATION TO BID AND REQUEST FOR PROPOSAL

The following includes specifications that must be adhered to when issuing an invitation to bid and preparing the corresponding request for proposal.

1. Ad in Newspaper – An invitation to bid should appear in a local newspaper of general circulation at least ten days before the bid opening date.
2. Request for Proposal – The details of the invitation to bid (request for proposal) shall be placed on the Sumner County web site during the same period as the invitation to bid.
3. Alternate Bids – Bids may be invited on alternate items or schedules but may not be considered unless requested by the request for proposal.
4. Amendments to Specifications – Amendments to the bid specifications, including changes, additions, reductions, modifications, omissions, explanation, and interpretations, may be made and issued in the form of an amendment to the request for proposal. The amendments must be made before the bids are opened and must be indicated in a new invitation to bid and in an amended request for proposal.
5. Clarifications and Answers to Inquiries – All questions by prospective vendors shall be submitted in writing via email to purchasing@sumnertn.org. All questions, along with the answers, shall be posted on the county's web site.
6. Cancellations – Invitations to bid may be cancelled if it is clearly in the county's best interest, such as where there is no longer a requirement for the order or where amendments would be of such magnitude that a new invitation to bid would be desirable. If the invitation to bid is cancelled, bids received shall be filed (unopened) in the official bid file and all bidders shall be notified.
7. Solicitation of Bids – Bids shall be solicited from all qualified sources deemed necessary to assure full and free competition and the best value for the county's dollar. In addition to a newspaper advertisement, the elected official or department head may mail invitations to bid and/or requests for proposal to all known prospective bidders.

C. CANCELLATION OF INVITATION TO BID

1. Preservation of the integrity of the competitive bid system dictates that after bids have been opened, an award must be made to the responsible bidder who submitted the best and lowest bid, unless there is a compelling reason to reject all bids and cancel the invitation to bid. As a general rule, after opening, an invitation to bid should not be cancelled or re-advertised due solely to increased requirements for the items being procured. An award should be made on the initial invitation to bid, and the additional quantity should be treated as a new procurement, unless specified as part of the bid specifications.
2. Invitations to bid may be cancelled after the bid opening, but prior to awarding of the bid, where such action is consistent with number 1 above and is in the best interest of the county for the following reasons.
 - a. Inadequate, ambiguous or deficient specifications were cited in the invitation to bid and/or the request for proposal.
 - b. Items are no longer needed.
 - c. The invitation to bid and/or the request for proposal did not provide for consideration of all factors of costs to the county.
 - d. Bids received indicated that the needs of the county can be satisfied by a less expensive item which differs from that on which bids were invited.
 - e. All otherwise acceptable bids received are at unreasonable prices.
 - f. The bids were not independently arrived at in open competition, appeared collusive, or were submitted in bad faith.
 - g. The bids received did not provide competition which was adequate to insure reasonable prices.
3. Should administrative difficulties be encountered after the bid opening which may delay the award beyond the bidder's acceptance periods, the several lowest bidders should be requested, before expiration of the bids, to extend the bid acceptance period in order to avoid the need for re-advertisement of an invitation to bid.
4. When it is determined to cancel an invitation to bid, the elected official, department head, or the designee shall notify each bidder that the invitation to bid has been cancelled, stating the reasons for such action. Any bids received should be filed, unopened, in the official bid file.

D. MINOR INFORMALITIES IN BIDS RECEIVED

Sumner County reserves the right at any and all times to accept or reject any and/or all bids in whole or in part and to waive any minor informalities or irregularities in any bid.

E. MISTAKES IN FORMAL BIDS RECEIVED

1. Prior to the specified bid opening time, a vendor will be allowed to withdraw his bid for any reason.
2. After the bid is opened, Sumner County shall permit withdrawal of bids upon showing clear and convincing evidence of an alleged mistake. The amount of the mistake need not be proved.
3. All withdrawals of bids must be in writing and signed by the bidder.

F. EXEMPTIONS FROM BIDDING

1. Purchases or leases for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors or in transportation, and un-anticipated volume of work
2. Purchases from agencies created by two or more governments
3. Purchases from nonprofit corporations whose purpose(s) is to provide goods or services specifically to governments, such as the Local Government Data Processing Corporation
4. Purchases for professional services such as lawyers, engineers, public accountants and others allowed by state statutes
5. Maintenance for which the extent of the repairs cannot be determined
6. Any product or service which may not be procured by competitive means because of the existence of a single source of supply or because of a proprietary product (sole source). To be considered a sole source, all requirements set forth in state statutes will be followed.
7. Drug dogs are considered a specialized service.
8. Real property is a unique item.
9. Undercover law enforcement vehicles for confidentially reasons
10. Library books are not considered like purchases for the annual bid limits.

VII. EMERGENCY PURCHASES

Emergency purchases are purchases which are necessary to avert hazards which may threaten health or safety, to protect property from damage, or to avoid a major disruption of governmental activities. Emergency purchases do not include purchases due to improper planning. If within budgetary limits and deemed essential, emergency purchases may be made by the elected official, department head or by the purchasing agent or the designee. If the purchase is of such significant magnitude as to impact the integrity of the budget, the purchasing agent or the designee shall call a special or emergency meeting of the purchasing committee to deal with the matter.

1. If the emergency is after the finance department's normal business hours, a requisition for a purchase order must be sent to purchasing@sumnertn.org during the finance department's next business day.
2. If the emergency is during the finance department's normal business hours, immediately after averting the hazard(s), a requisition for a purchase order must be sent to purchasing@sumnertn.org.
3. The requisition shall be accompanied by correspondence explaining the nature of and the date and time of the emergency (must be necessary to avert hazards which may threaten health or safety, to protect property from damage, or to avoid a major disruption of governmental activities).
4. If within budgetary limits, an emergency purchase order will be issued (for a valid emergency) and shall be noted as such on the purchase order.
5. If outside budgetary limits, after being duly appropriated by the Sumner County Commission, an emergency purchase order will be issued (for a valid emergency) and shall be noted as such on the purchase order.
6. If all policies are followed, such purchase orders will not be considered deficient (after the fact).

VIII. COOPERATIVE PURCHASING

The purchasing agent or the designee, at his/her option, will join in cooperative purchasing with the elected officials and/or department heads to take advantage of lower prices for bulk purchasing whenever it is beneficial to Sumner County. An annual review of all such agreements and the purchases made through them shall be made to verify the benefits of the agreement to Sumner County. All purchases, whether by competitive bid or otherwise, shall take into consideration the quality of the articles supplied, the compliance with developed specifications, the suitability to the requirements of Sumner County, and the delivery terms.

IX. VENDOR RELATIONS AND CONFLICTS OF INTEREST

The elected officials, the department heads, the purchasing agent, and the designees shall give equal opportunity to all eligible vendors. Each order will be placed on the basis of quality, price, delivery, and service history.

X. NEW VENDORS

1. To comply with Internal Revenue Service requirements, all vendors who perform any type of service are required to have a current IRS Form W-9 on file with the Sumner County Finance Department. At the time of requisition, the individual requesting a purchase order or disbursement will be informed if it is a new vendor and if a form W-9 is required. If form W-9 is required for a new vendor, the elected official or department head shall forward a completed form W-9 to the finance department. It can be obtained from the finance department, Sumner County's website, or the Internal Revenue Service's website at www.irs.gov.
2. To comply with the Tennessee Lawful Employment Act, non-employees (individuals hired as independent contractors) must have on file any one of the following documents.
 - Valid Tennessee driver's license or photo ID issued by the department of safety
 - Valid out-of-state driver's license
 - U.S. birth certificate
 - Valid U.S. passport
 - U.S. certificate of birth abroad
 - Report of birth abroad of a U.S. citizen
 - Certificate of citizenship
 - Certificate of naturalization
 - U.S. citizen identification card
 - Valid alien registration documentation or proof of current immigration registration
3. In addition, for all vendors with annual purchases in excess of \$50,000 (if a business license is required), a business license must be on file in the finance department, or the requisitioner must submit a copy with the purchase order requisition form or the payment requisition form, as applicable.

XI. MONTH END PROCEDURES

1. At the end of each month, all departments shall receive an expenditure report comprised of, by line-item, the original and amended budgets, the month-to-date and year-to-date expenditures, the year-to-date encumbrances, and the unencumbered balances.
2. At the end of each month, all departments shall receive a detailed ledger for that month of transactions by line-item for that department.
3. At the end of each month, all departments shall receive a detailed listing of all outstanding purchase orders for that department.

4. Any purchase order in excess of the limits in the section “Purchase Order Cancellations and Payments” (IV.F.) will be canceled before the 15th of the month. After cancellation, purchase orders are no longer valid.

XII. YEAR END PURCHASES

To guarantee that an item will be paid in the appropriate fiscal year (i.e. a payable or an encumbrance), the following procedures must be adhered to.

A. ITEMS NOT REQUIRING A PURCHASE ORDER

1. All non-purchase order payment requests shall be submitted to the finance department by July 15th of each year to ensure payment, unless an uncontrollable circumstance arises.
2. The finance department must be notified by July 15th if a request cannot be submitted for payment due to uncontrollable circumstances.
3. Circumstances beyond ones control are defined as follows.
 - a. Monthly statements dated and/or received after July 15th
 - b. An invoice has been requested but has not been received
 - c. Item(s) have not been received by July 15th
4. If a circumstance beyond ones control arises,
 - a. Notify the finance department immediately;
 - b. Attempt to obtain the amount due from the vendor;
 - c. Send an email to the finance department by July 15th noting the vendor’s name and the amount due to ensure recognition of the liability; and
 - d. Forward documentation to the finance department for payment as soon as possible.
5. To be a valid liability, the order date on the invoice must be on or before June 30th.

B. ITEMS REQUIRING A PURCHASE ORDER

1. All requisitions for purchase orders, for the current fiscal year, shall be received by the finance department by May 31st of each year unless the expenditure is for “uncontrollable circumstances,” which include the following.
 - a. State and Federal Grants with limitations on the period of availability (time limit) of funds, unless the purchase order could have clearly been obtained earlier. In such cases, the cutoff will remain May 31st.
 - b. Continuing projects (a purchase order could not have been reasonably obtained earlier)
 - c. Emergencies (as defined under emergency purchases)
 - d. Unforeseeable circumstances (a problem arose between May 31st and June 30th)

2. All “uncontrollable circumstances,” except for continuing projects, must be documented in writing by the requester.
3. The order date must be on or before June 30th to be a valid liability.

XIII. SPECIAL PROVISIONS

1. All construction contracts will have purchase orders obtained after bids are awarded (if required and budget approved) but before commencement of the project (start of construction).
2. All construction contract change orders must be within the original scope of the work and for an unforeseen and reasonably unforeseeable circumstance.
3. All contracts must be cleared by the Sumner County Law Director as required by a Sumner County Commission resolution before any purchase commitments are signed.
4. All purchases by the Sumner County Board of Education that are made through Sumner County’s Capital Projects Fund will follow the county’s purchasing policy except for the following modifications.
 - a. All bids for school projects will be performed by the Sumner County Board of Education, and a copy of all pertinent information will be emailed to the finance department for electronic storage after the bids are awarded.
 - b. All items excluded from purchase orders by the Sumner County Board of Education are also excluded by the Sumner County Purchasing Policies and Procedures for school purchases in Sumner County’s Capital Projects Fund.
5. The Finance Director may pay invoices, based upon his discretion, for items in which a purchase order should have been obtained but were not due to oversight within the parameters enumerated below.
 - a. The aggregate invoices total is less than \$2,500.
 - b. The purchase was clearly for an allowable expense and for a public good.
 - c. The amount was within the budgetary limitations.
 - d. The department or employee has not habitually failed to properly obtain a purchase order.
6. The Finance Director **may** grant an exception to the purchasing policy if **all** of the following applicable criteria are met.
 - a. The elected official, department head, or his or her approved designee has not failed to obtain a purchase order (when required) within the past 12 months.
 - b. A letter adequately detailing the circumstance that resulted in the failure to follow the policy has been filed with the Finance Director or the Finance Director’s designee.
 - c. There was no violation of state statutes, which includes exceeding the budget by major category or failure to obtain a bid, if required.

- d. If applicable, the elected official, department head, or his or her approved designee has documented with the finance department that they made a good faith effort to avoid or have abated any late charges that may have occurred.
 - e. If the elected official, department head, or his or her approved designee has **not** attempted avoided late charges, then such amount has been reimbursed to the county by the responsible individual.
7. The Financial Management Committee **may** grant exceptions to the purchasing policy if **all** of the following applicable criteria are met.
- a. If applicable, the elected official, department head, or his or her approved designee has filed (in the finance department) a completed copy of the approved Vendor Notification Letter (Attachment A), if required, along with documentation that it was sent to the vendor.
 - b. The elected official, department head, his or her approved designee, or vendor has not been determined to be a habitual offender by the committee.
 - c. A letter adequately detailing the circumstance that resulted in the failure to follow the policy has been filed with the finance department.
 - d. There was no violation of state statutes, which includes exceeding the budget by major category.
 - e. If applicable, the elected official, department head, or his or her approved designee has documented with the finance department that they made a good faith effort to avoid or have abated any late charges that may have occurred.
 - f. If the elected official, department head, or his or her approved designee has **not** attempted avoided late charges, then such amount has been reimbursed to the county by the responsible individual.

XIV. INVOICE PAYMENTS

A. GENERAL

1. Sumner County does **not** allow vendors to pick up payments at the finance department.
2. Except for maintenance contracts, all payments unless approved otherwise, shall be after receipt and acceptance of goods and/or services.
3. Payments will generally be issued within four business days of proper submission to the finance department.
4. Emergency payments will only be made with prior approval of the Finance Director and only in extreme cases.
5. The finance department utilizes the bank's positive pay feature to ensure valid payments. Therefore, emergency payments will have at least a one day turn-around to allow for processing of the file by the bank.
6. Invoices shall not include state sales taxes.

7. Invoices shall not include late charges.
8. Invoices must be complete before submission for payment.
9. In order for the finance department to issue a purchase order or before a disbursement of funds for non-purchase order items can be made, an accurate vendor name or vendor number is required.

B. REQUEST FOR CHECK ISSUANCE

1. The following instructions are for the preparation of a request for check issuance that does not pertain to a currently open purchase order.
 - a. A “requisition for payment” form must be completed to authorize payment when a purchase order is not needed.
 - i. The proper account classification based on the state’s uniform chart of accounts must be utilized.
 - ii. An adequate unencumbered appropriation in the correct line-item must be available.
 - iii. The requisition must have an authorized signature and date.
 - iv. For an existing vendor, the vendor’s number or the vendor’s official name must appear on the requisition where such is indicated.
 - v. For a new vendor, all required “new vendor information” must be included (section X).
 - b. All supporting documentation must be attached with a paper clip.
2. The instructions for the preparation of a request for check issuance for an open purchase order is addressed under “purchase order cancellation and payments” (IV.F.).

XV. IMPLEMENTATION DATE

All purchasing requirements are effective immediately upon passage of this policy (as amended).