

Sunnyslope County Water District Purchasing Policy

8100: Purchase/Expense Authorizations, Limits & Procedures

8100.1 All purchases made for the District by staff shall be in conformance with the approved District budget and shall be authorized by the General Manager, Finance Manager, Department Manager, or his/her designate, or the Board of Directors, as appropriate and defined under this policy. **Exceptions** include utility bills and pre-approved monthly contract services.

Local firms may be allowed a 10% preference margin where items are available from multiple sources. A “Local” firm is defined as a business having a physical location in Hollister or having a regular presence in Hollister with deliveries in Hollister at least once per week.

Price comparisons between vendors should always be at the *delivered* price.

- A. **Purchases under \$1,000:** The Finance Manager or Department Manager’s approval is required.
1. To purchase small items such as office supplies, auto parts, and other miscellaneous items costing less than \$1,000, vendors will be asked to submit pricing information by telephone or written quotation as much as possible, and/or practical. District business is then awarded to those vendors that provide the best delivered prices, discounts, etc.
- B. **Purchases over \$1,000 and up to \$20,000:** The General Manager’s approval is required.
1. Quotations will be solicited from vendors, preferably from two (2) or more sources, and may be received by telephone, fax, or mail prior to selecting a preferred supplier.
 2. Inventory purchases costing over \$1,000 per item require a minimum of two (2) competitive price quotes, unless additional qualified vendors are not available.
- C. Any **purchase or expense over \$20,000** shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorization.
1. To purchase items costing **more than \$20,000 and up to \$40,000** requires soliciting three (3) competitive price quotations (unless it can be shown that three qualified vendors are not available). The quotes may be received by telephone (but must be confirmed in writing at time of order), by fax, or by mail prior to selecting a preferred supplier. The lowest qualified quote will be accepted upon proper authorization.
 2. For items **over \$40,000** or large quantity orders, the District will provide suppliers with a list of items to be purchased. Suppliers will provide formal bids for consideration. The bids will be presented to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices and having an acceptable delivery date.

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3. **Vehicles** will be purchased through the State's Vehicle Procurement Program, unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids.

- D. **Emergency Expenditures:** An emergency situation involves matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the Board. In an emergency situation, the General Manager has the authority to approve emergency repair expenditures up to \$50,000 without prior Board approval. The General Manager shall notify the Board President of the emergency purchase as soon as practical, and shall submit the purchase details to the full Board of Directors at the next board meeting.

8100.2 A "**Petty Cash**" fund shall be maintained in the District office having a balance-on-hand *maximum* of \$1,000. This includes the impressed balance of \$150 for the cash drawer at the front counter.

- A. Petty cash may be advanced to employees or directors upon their request and the execution of a receipt for same, for the purpose of procuring items or services appropriately relating to District business. After said items or services have been obtained, a receipt for same shall be submitted to the Finance Manager, and any remaining advanced funds shall be returned. The maximum petty cash advance shall be \$100 per day. All petty cash advances must be accounted for or returned within three days of the advance of funds or return from trip.
- B. No personal checks shall be cashed in the petty cash fund.
- C. Petty cash will be reconciled regularly during the month, and a reconciliation report will be submitted to the Finance Manager at month-end. The petty cash fund shall be accounted for in the District's financial records.

8100.3 A "**Postage Stamps-on-Hand**" fund shall be maintained in the District office having a balance-on-hand *maximum* of \$3,000.

- A. A variety of denominations of postage stamps are maintained by the cashier at the front counter for use on outgoing mail that cannot be mailed under the District's Bulk mail permit. "Forever" postage stamps may be purchased in large quantity when rates are about to increase, upon authorization by the Finance Manager.
- B. Postage stamps will be inventoried and a report submitted to the Finance Manager each month-end. The postage stamps-on-hand fund shall be accounted for in the District's financial records.

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8100.4 Whenever “**Out-of-Pocket**” expenses are incurred by employees or Directors of the District for items or services appropriately relating to District business, as verified by valid receipts, said expended cash shall be reimbursed upon request from the District’s petty cash fund (up to \$100), see § 8100.2, or by Expense Report (over \$100), see § 8150 Expense Reimbursement Policy. In those instances when a receipt is not obtained or is unobtainable, the requested reimbursement shall *not* be reimbursed unless approved by the General Manager or Finance Manager prior to remuneration.

8110: Purchases by Credit Card

8110.1 This section applies to all individuals who are authorized to use District credit cards and/or who are responsible for managing credit card accounts and/or paying credit card bills. Credit cards shall not be issued to or used by members of the Board of Directors.

A. A District credit card shall be issued to employees holding the following positions:

<u>Position</u>	<u>Credit Limit</u>
General Manager	\$6,000
Finance Manager	\$6,000
Water/Wastewater Superintendent	\$6,000
Operations & Maintenance Crew Chief	\$4,000
District Engineer	\$4,000
Executive Assistant – Confidential	\$4,000
Lead Water Treatment Plant Operator	\$4,000
Lead Water/Wastewater Utility Maintenance	\$4,000

B. All credit card bills shall be paid in a timely manner to avoid late fees and finance charges.

C. All credit card purchases shall be reasonable and necessary to the furtherance of District business, and should be the last payment option with vendors whenever possible. No personal expenses shall be charged on a District credit card. If there is an overlap on a transaction between personal and District business, the employee shall pay for the transaction personally and then request reimbursement by the District.

D. All credit card transactions shall have third-party documents (invoices or receipts) attached and the District purpose annotated (if not obvious) by the cardholder. Any meals paid by credit card must have the names of the diners listed and the business purpose of the meeting annotated.

E. The Finance Manager shall review credit card transactions by the General Manager. The General Manager shall review credit card transactions by the Finance Manager and all other credit card holders.

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8120: Payments by Check or Electronic Fund Transfers (EFT) Processing

8120.1 All requests for issuing checks or EFT shall be from original invoices or properly executed Check Request forms (See Check Request form attached) reviewed and approved by the General Manager, Finance Manager, or his/her designate.

- A.** All requests for payment must be entered into QuickBooks including the appropriate due date.
- B.** All supporting documents for invoices and Check Requests (packing slips, price quotes, receipts) must be attached.

8120.2 Checks will be printed on a weekly basis, based on the due date of the obligation. All checks will be signed by two authorized signers (preferably one of which will be a Director).

- A.** Payment to Vendors – is based on the due date of the invoice according to the credit terms. Checks will be issued every Monday for all obligations due within the next two weeks. All available purchase discounts will be taken when possible.
- B.** Payment to Customers – is based on overpayment of their final bill. A printout of the credit balance on the customer’s account from the utility billing program will be deemed an original invoice. Account Technicians will confirm the balance due to the customer and enter the refund request into QuickBooks. The refund is deemed payable immediately and will be issued the next time checks are printed.
- C.** Payment to Employees – is based on monthly net pay as calculated by QuickBooks Payroll and is payable on the last working day of the month. Expense reimbursements to employees by check shall be supported by an approved Check Request or Expense Report form and will include appropriate supporting documentation. All reimbursement requests payable to employees shall be entered into QuickBooks through the “Write Checks” feature in QuickBooks.
- D.** Payment for Payroll Liabilities – is based on monthly payroll obligations calculated by QuickBooks Payroll and is payable on the last working day of the month.
- E.** Payment to Board of Directors – is based on monthly Expense Report submitted for meetings attended the previous month. (See Expense Report form attached and § 7020 Board Compensation Policy).
- F.** Payment to City of Hollister (as their billing Agent) – is based on City of Hollister sewer and street sweeping payments collected from their customers the previous month, and as charged to their customers through our utility billing system. The payment obligation is entered into QuickBooks monthly by General Journal Entry with supporting documents and reconciliation of the utility billing program.

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8120.3 All EFT payments are assigned a log number, which replaces use of a check number to identify the payment. The log is a worksheet in an Excel workbook named “ACH Payment Check Number Log FY XX-XX.xls.

- A. Electronic Fund Transfers processed by the District use the web based “AllTime Treasury” program thru Santa Barbara Bank & Trust. Use of this program requires a username and password assigned by the District’s program administrator.
- B. Payment by “Direct Deposit” to Employees and Directors will be done thru AllTime Treasury after receipt of a properly executed “Authorization for Direct Deposit” form. (See Employee Authorization forms [one version for single checking/savings accounts and one version for multiple accounts] and Director Authorization form attached).
- C. The electronic payment of Federal tax withholding & Medicare taxes is thru the IRS’s EFTPS program, and is supported by documents produced thru QuickBooks Payroll.
- D. Electronic payments that are automatically deducted by the vendor, such as Merchant fees and QuickBooks supplies, must be supported by documents explaining the calculation of fees or an invoice.

8130: Board Ratification of Payments

8130.1 A “Disbursement Listing” of all checks and EFT payments made from the last board meeting to the current board meeting shall be prepared by the Finance Manager, or his/her designate and will be presented to the Board of Directors at their regularly scheduled board meeting.

- A. The Board of Directors will review the listing of checks and EFT payments for approved bills; make inquiries about any invoices/payments they so choose; and make a motion and vote to ratify the Disbursements List.

Policy Approved:	<u>September 8, 2011</u>
Policy Amended:	<u>September 15, 2015</u>
Policy Amended:	<u>September 19, 2017</u>
Policy Amended:	<u>March 17, 2020</u>
	Date

Sunnyslope County Water District
Check Request

Date: _____	Entered:		
Vendor/Name: _____			
Address: _____			

Reason For Request: _____			

Amount Requested: _____	Acct #: _____	Amt.: _____	Class: _____
Department: _____	Acct #: _____	Amt.: _____	Class: _____
Date Needed: _____	Acct #: _____	Amt.: _____	Class: _____

** APPROPRIATE SUPPORTING DOCUMENTATION MUST BE ATTACHED **

Mail Check: Yes <input type="checkbox"/> No <input type="checkbox"/>		Return Check to: _____
Requested By: Name / _____		Date: _____
Title _____		
Approved By: _____		Date: _____
General Manager or Finance Manager		
Remarks: _____	Paid:	

