



SUMMARY OF PURCHASING PROCEDURES

- Use of Direct Payment Requests (DP) should be limited to \$250 for one time purchases or reimbursements for travel and mileage related items (Attachment A).
- Procurement of goods and services in excess of \$250 without first obtaining an approved purchase order (PO) will be prohibited (Attachment B).
- All other purchases must be approved by an appropriate supervisor prior to ordering goods/services via a PO.¹
- Purchase orders may not be entered and approved by the same person.
- Purchases less than \$2,500 may be based on telephone quotes² (Attachment C).
- Purchases between \$2,500 and \$50,000 must be based upon three written price quotes³ (Attachment C)—maintain documentation of quotes.
- Purchases that are \$6,000 or greater must begin with a resolution and be routed for authorization via the Resolution Cover Sheet (Attachment D). In these cases, the PO will be prepared by the Purchasing Department rather than the originating department.
- Consultant agreements and professional services for \$10,000 or more must be done via the RFP process⁴ through the Purchasing Department with Legal Department review.
- Competitive bidding is required at \$25,000 or more including professional services and consulting agreements for Ohio School Facilities Commission (OSFC) related building projects via the Purchasing Department.
- Competitive bidding/request for proposals(RFP)/request for bids (RFB) is required at \$50,000⁵ (Attachment E) or more via the Purchasing Department including consulting agreements and professional services with limited exceptions—certain exceptions require Board approval⁶ (urgent necessity and single source).
- All vendor checks will be mailed.
- Purchases may not be split to avoid the above requirements.
- Gift card purchases can not be done without the prior approval of the CFO (Attachment F).

If you have any questions regarding the purchasing policies or procedures, please e-mail them to James P. Fortlage, CFO at James.P.Fortlage@cmsdnet.net.

¹ ORC 5705.41 (D)

² Board Policy DJC

³ Board Policy DJC

⁴ Board Policy DJC

⁵ ORC 3313.46 and Board Policy DJ

⁶ ORC 3311.75 (B) and 3313.46 (B)

“The primary goal of the Cleveland Metropolitan School District is to become a premier school district in the United States of America.”

**Cleveland Municipal
School District**

 ★ Educating
Cleveland's
Children

ATTACHMENT A

James P. Fortlage
Chief Financial Officer

1380 East Sixth Street, Cleveland, OH 44114 • 216.574.8246 • Fax 216.574.8317 • www.cmsdnet.net

MEMORANDUM
Eugene T. W. Sanders, Ph.D.
Chief Executive Officer

Board of Education
Robert M. Heard, Sr.
Chair

Grady P. Burrows
Vice Chair

Rashidah Abdulhaqq
Lawrence W. Davis
Louise P. Dempsey
Flor M. Gomez
Denise Link
Willette A. Milam
Natalie Peterson
Ex Officio Members
Dr. Michael Schwartz
Dr. Jerry Sue Thornton
To: Principals
Secretaries
Athletic Directors

From: James P. Fortlage, Chief Financial Officer *JPF*
James Larson-Shidler, Deputy Chief Financial Officer *JLS*
Pamela Smith, Chief of Staff *PES*
Date: July 27, 2007

Subject: Direct Pays

The District Policy states that all purchases of goods and services with district funds require the approval of the Chief Financial Officer or his designee to assure fund availability and adherence to the district policy.

Effective immediately, the District will not be processing direct pay requests unless it is an emergency and the amount is less than \$250.00. The amount limit of \$250.00 on direct pays has been in effect for the general fund but it will now include all funds including student activity funds (Fund 018, Fund 200 and Fund 300).

Purchase Orders must be used for any intended purchase of goods and services in excess of \$250.00. Purchase Orders are data entered on-line in the District's real-time system with a timely turnaround.

All phone orders to vendors by district employees will be prohibited and violators of this procedure will be reprimanded and responsible for the unauthorized purchase of the goods or services. The use of multiple direct pays to the same vendor to keep the amount under the limit of \$250.00 will also be in violation of the district policy.

Thank you.

xc: Dr. Eugene Sanders, Chief Executive Officer
Deputy Chief of K-8
Deputy Chief of Secondary Education
Assistant Superintendents

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Ex Officio Members
Dr. Michael Schwartz
Dr. Jerry Sue Thornton

MEMORANDUM

To: All CMSD Employees

From: Eugene T. W. Sanders, Ph. D.
Chief Executive Officer

Date: January 18, 2008

Subject: Ohio Revised Code 5705.41(D)

District policy prohibits the procurement of goods and services exceeding \$250.00 without first obtaining an approved purchase order. In addition, the Ohio Revised Code 5705.41(D) requires that all District obligations for payment include a certification that funds are available. Therefore, for any purchase order to be valid it must contain such certification. Invoices for orders shipped without certification will be void, and the District will refuse payment on those invoices.

A letter has been sent to all vendors that do business with CMSD advising them not to accept any orders for purchases that exceed \$250.00 unless there is a duly encumbered and certified purchase order.

The District strongly advises against placing any phone orders. For items under \$250.00, schools and offices are required to provide vendors with a signed copy of a Direct Pay Form. The use of multiple direct pays to the same vendor to keep the amount under the limit of \$250.00 will also be in violation of the District policy (this circumstance requires a purchase order as described above).

District employee procurement of goods and services in excess of \$250.00 without first obtaining an approved purchase order will be prohibited and violators of this policy will be reprimanded and responsible for the unauthorized purchase of the goods or services.

Your cooperation in adhering to the above mentioned procedures is greatly appreciated.

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ATTACHMENT C

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BIDDING REQUIREMENTS

Contracts for purchases which equal \$50,000 or more or consultant contracts equaling \$10,000 or more are let only after formal competitive bids are solicited and received in compliance with Federal and State law. However, under certain circumstances, as set forth by law, competitive bidding is not required.

Purchases over \$2,500 but under \$50,000 should be based on written price quotations submitted by at least three vendors. These quotations are treated confidentially until the deadline for filing is past; thereafter, they are public information. Purchases under \$2,500 may be based on telephone quotations.

The Purchasing Division of the Department assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Chief Financial Officer or his/her designee receives the bids and price quotations and records them. The CEO makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding.

[Adoption date: May 16, 2002]

LEGAL REFERENCES:

ORC 153.50; 153.54; 3313.372; 33313.373; 3313.46; 3319.04; 3327.08

CROSS REFERENCES:

DJCD, Bonding Requirements

RESOLUTION COVER SHEET

Cleveland Municipal School District

ATTACHMENT D

Resolution Tracking Number	CFO ()	Name of Resolution	
Type of Resolution	(A) ADMINISTRATIVE: Between \$8,000 and \$25,000 or previously authorized spending of any amount (B) BOARD: \$25,000 or above, not previously authorized and not for professional services in support of Educating Cleveland's Children (ECC). (C) CEO PROFESSIONAL SERVICES: Above \$25,000 for professional services in support of Educating Cleveland's Children (ECC). (E) EMERGENCY: Board resolution but between Board meetings.		
Initiating Chief	James Fortlage, Chief Financial Officer Signature _____ Date _____	Initiating Director	Candi Lukat Signature _____ Date _____
Resolution Number	2008-		

ADMINISTRATIVE REVIEW			
STEP	ACTION	Initials of Person Taking the Action	Date Action Was Taken
12.	Initiating Chief shares resolution at Chiefs Meeting		
	Chief Academic Officer reviews		
	Chief Communications Officer reviews		
	Chief Financial Officer reviews		
	Chief Legal Counsel reviews		
	Chief Operations Officer reviews		
13.	Initiating Chief shares resolution at Executive Cabinet Meeting		
14.	Initiating Chief forwards resolution to Chief Operating Officer		

TECHNICAL REVIEW			
STEP	ACTION	Initials of Person Taking the Action	Date Action Was Taken
1.	Initiating Chief forwards resolution to Chief Financial Officer		
2.	CFO forwards resolution to Director of Budgets		
3.	Budget Division reviews resolution		
	Account Number	Amount Encumbered	
4.	Director of Budgets forwards resolution to CFO		
	Approved _____ Denied _____		
5.	CFO forwards resolution to Director of Purchasing		
6.	Purchasing Division reviews resolution		
	Bidding Process Review	Approved _____ Denied _____	
	DBE Review	Approved _____ Denied _____	
7.	Director of Purchasing forwards resolution to CFO		
8.	CFO forwards resolution to Initiating Chief		
9.	Initiating Chief forwards resolution to Chief Legal Counsel		
10.	Chief Legal Counsel reviews resolution		
11.	Chief Legal Counsel forwards resolution to Initiating Chief		

FINAL PROCESSING: BOARD VOTE AND/OR RESOLUTION NUMBER ASSIGNED			
BOARD RESOLUTION (B)			
15.	Chief Operating Officer		
	Adds resolution to Board Agenda		
	Obtains signatures of Board Chair, CEO, CFO if passed		
	Assigns resolution number, adds to log, copies to Chiefs		
ADMINISTRATIVE (A), CEO PROFESSIONAL SERVICES (C) OR EMERGENCY (E) RESOLUTION			
15.	CFO assigns resolution number, adds to log, copies to Chiefs		

ATTACHMENT E

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PURCHASING OBJECTIVES

The District's goals with respect to its purchasing policies are as follows:

- A. To establish an acquisition process created from sound business practices that will support the requirements of the students and staff of the Cleveland Municipal Schools.
- B. To maintain a financially healthy, competitive and reliable base of suppliers, which will provide the materials and services necessary to support the District.
- C. To maximize the value of dollars expended by the District on materials and services through the incorporation of technology enhancements and sound pricing philosophies.

Objectives

- A. ENSURE the uninterrupted flow of materials, supplies and services. To obtain and ensure delivery of quality merchandise and services at the right price.
- B. DEVELOP reliable alternate sources of suppliers to meet District requirements.
- C. TREAT all prices and technical information submitted by suppliers confidentially prior to the bid opening in order to preserve a good business reputation and obtain competitive prices.
- D. ESTABLISH consistent terms and standards to minimize user and supplier disputes.
- E. RESOLVE complaints on purchased materials and services procured by the District.
- F. PROVIDE leadership in the standardization of materials, supplies, equipment, services and procedures.
- G. DISPOSE of all materials and equipment declared to be surplus or obsolete in accordance with State and District Regulations.
- H. ACHIEVE full compliance with Ohio Revised Code regulations and statutes, contract terms and conditions and obligations implied by law.

The Purchasing Division will be responsible for initiating and maintaining effective and professional relationships with present and potential vendors. The Purchasing Division is the functional division through which all requests regarding prices and products are handled. The Purchasing Division will administer all formal bids, proposals and quotations for materials and services equal to or greater than \$50,000.

Negotiations with suppliers are to be handled in a professional and ethical manner by the appropriate purchasing personnel within their delegated authority. All employees involved in purchasing activities will work to enhance the image and integrity of the District. All employees engaged in purchasing activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.

Vendor selection and products will adhere to procurement regulations and the policies of the District.

Purchasing personnel will seek to obtain and purchase all goods at the lowest overall cost, consistent with service, quality and delivery. Purchasing personnel have the responsibility to inform requisitioners whenever the quantity or specifications of materials ordered are inconsistent with sound purchasing practices and/or market conditions.

The Director of Purchasing is delegated by the CEO to authenticate the quality and kind of material requested in order that the best interest of the District may be served. The Director of Purchasing will advise management of economic conditions and changes significant to the District's long and short term interests.

Purchasing Records

1. The Purchasing Division will comply with the District's Record Retention Policy.
2. An Approved Vendor List will be maintained in a current status at all times.
3. A current record shall be maintained of all term agreements and contracts. All Board approved contracts will be maintained on file for a period of no less than ten (10) years after contract completion. The CFO will maintain the original contract.
4. All other records shall be maintained as deemed necessary and in the manner established by the Purchasing Director.

[Adoption date: May 16, 2002]

LEGAL REFERENCES:

ORC 9.01; 149.35; 3313.172; 3313.29; 3313.37; 3313.46; 3327.08;
5705.41

CROSS REFERENCES:

DA Fiscal Management Goals
DI Fiscal Accounting and Reporting
EHA Data and Records Retention

ATTACHMENT F



James P. Fortlage
Chief Financial Officer

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MEMORANDUM

TO: Principals

FROM: James Larson-Shidler, Deputy Chief Financial Officer

THRU: Pamela Smith, Chief Of Staff

DATE: April 21, 2008

SUBJECT: Purchase of Gift Certificates/Gift Cards

Per the State Auditors Office, the District must ensure that any gift certificates/cards given to students or parents are used to purchase items that meet the "proper public purpose" requirements for spending of public monies. Additionally, the District must prove that the use of the gift certificates/cards bought furthered the objective of the program.

Effective immediately, the purchase of gift certificates/cards must be approved by explicit written permission by the Chief Financial Officer.

In order to demonstrate "proper public purpose", the following records/documents must be maintained and available for audit inspection:

- Retain receipts for the purchase of gift certificates/cards;
- Obtain and verify signatures of gift certificate/card recipients;
- Reconcile and account for all certificates/cards purchased, distributed and returned, if applicable.

If receipts are not collected and submitted to Accounts Payable within 30 days of the purchase of the gift certificates/cards, you will be asked to personally reimburse the District for the total dollar value.

Please convey this information to your appropriate staff including any staff members who are managing grant funds.

xc: Chief Financial Officer
Deputy Chief of Preschool – 8
Deputy Chief of Secondary Education
Assistant Superintendents

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