

Approved by Council Officers
Thursday, November 4, 2004

Purchase Requisitions and Purchase Orders are designed to control spending as it relates to activity budgets before actual costs become the council's responsibility. Purchase Requisitions and Purchase Orders provide the necessary check and balance procedures to insure the proper control of council expenditures.

Definitions

1. **Purchase Requisition** – The Purchase Requisition Form serves the following purposes:
 - a) Identifies the name of the Council/District Activity of Budget Item(s) to be charged.
 - b) The proposed cost and quantity of items to be purchased.
 - c) Name of the Company or Individual from whom items or services will be purchased.
 - d) When properly signed, serves as the approval for issuing a Purchase Order or Check.

2. **Purchase Order** – The Purchase Order Form serves the following purposes:
 - a) Provides the authorization for companies or individuals to charge items sold or services rendered to the council.
 - b) Provides a permanent record for approved expenditures of the council.
 - c) Protects vendors from providing products or services that have not been approved for a district or council program.

PURCHASE ORDERS
Effective October 8, 2004

Sound business management of a council requires that a purchase order system be in place to control expense obligations that the council accrues. Placing an order for services or materials requires a purchase order. Purchase orders will be the responsibility of the Scout Executive.

1. Purchase orders are pre-numbered and consist of three copies. A completed purchase order will specify the vendor, purpose of the purchase, account to be charged for the purchase. Authorization is from the Controller or the Scout Executive.
2. The original copy of the purchase order shall go to the vendor, the second copy to the person requesting the purchase, and the third copy kept in the Controller's office. The control copies of the purchase order should be filed in numerical order each day.
3. There is only one source of purchase orders and that is the Controller. The Controller will at all times know the status of issued purchase orders or unused purchase orders.
4. If a remote site needs a purchase order, the requestor at the remote site will call the Controller, provide the necessary information, including the purchase requisition, properly approved, and request a faxed copy of the original purchase order.
5. When the vendor invoice has been received (at any site), the second copy of the purchase order should be sent to the Accounting Department with the invoice, where the quantity received and dollar amounts on the invoice are checked and approved. The copy should then be attached to the invoice.
6. Voided copies of the purchase order should be stapled to the control copy of the purchase order and kept in the Accounting Department file.

**Purchase Requisitions and Purchase Orders
Procedures – (Effective October 8, 2004)**

ALL COUNCIL EMPLOYEES AND VOLUNTEERS will follow the following procedures when placing an order for goods and services.

Step One

- a) Chairman of the Event and Professional Staff Advisor prepare a budget showing income and expenses. The budget is submitted to the Scout Executive or his designate by the end of March in the year prior to the event, and reviewed at least 90 days prior to the event. The budget must include a 12% contingency and show that the income will exceed expenses.
- b) File the approved budget with the Accounting Department. (NOTE: no purchase orders will be issued if approved budget is not on file in Accounting. Budgets must include the cost center of the event.)

Step Two

- a) Field Staff obtain two to three (2-3) bids for items for which the total cost is \$250 (Finance Director, Program Director, DFS or Scout Executive, \$500) or more and submit with the Purchase Requisition. These would be items such as portolets, shirts, caps, etc. Items such as campground fees and Council Trading Post materials from BSA do not need competitive bids. All others must have at least two bids.
- b) Complete a Purchase Requisition Form. Make sure you include the following information:
 - 1) Activity/Event or Budget Line Item to be charged.
 - 2) Name and Address of vendor from whom goods or services are to be purchased.
 - 3) Amount of purchase.
 - 4) Name of employee completing the Purchase Requisition.
 - 5) Current date.
 - 6) Payment Terms.

NOTE: A separate Purchase Requisition must be completed for each vendor.

- c) If the vendor will extend credit to the Council for materials or services a purchase order will be issued. If the vendor requires payment in advance, the requesting employee must complete a Check Request form and the Council will prepare a check in advance for the amount of purchase. The check can be mailed directly to the vendor or given to the person requesting the check. Please fill in the Special Instructions line if the check is not just to be mailed. (NOTE: ALL Check requests must be in to the Controller at least 2 weeks prior to date needed.

Step Three

Submit Purchase Requisition Form(s) to Scout Executive or Director of Field Services for approval.

Step Four

Submit Approved Purchase Requisition Form(s) to Controller.

Step Five

Controller will complete Purchase Order and authorize the purchase of approved items. The Original and second copy of the Purchase order will be returned to the employee requesting it.

Step Six

Place order with vendor when completed Purchase Order is returned to employee from Controller. The employee will fax or mail the signed purchase order to the vendor. **(Please note orders are not to be placed prior to receiving a purchase order.)**

Step Seven

- a) When products or services have been delivered, the invoice and the signed receipt of delivery must be forwarded to the Accounting Department.
- b) The invoice will be paid after the Accounting Department has the invoice, purchase order, and signed delivery receipt.