

Bay Mills Community College
Purchasing Procedure
As of April 19, 2022

Purchases

1. Requesting a Purchase Order

- a. The person requesting a Purchase Order fills out all applicable items of the Purchase Order (PO) form and ensures that the items and amounts entered on the form are accurate. **The total cost of the order must include shipping, if applicable.** If the item being ordered is heavy, make sure that you request a **lift gate** and include the cost on the PO. (**Note:** If the total purchase is \$10,000 or more, competitive quotes or other documentation must be obtained in accordance with [BMCC's Procurement Policy](#).)
- b. After the PO form has been completed, the person requesting the order emails the completed PO form to an Authorized Check Signer. If approved, the signer will electronically sign the form and email it to the VP for Business and Finance.

2. Processing the PO

- a. The VP for Business and Finance answers the following two questions and reviews/obtains documentation:
 - 1) Is the total purchase \$10,000 or more? If yes, review the competitive quotes or other documentation provided, verify that they meet the requirements in BMCC's Procurement Policy, and initial the PO form. If more documentation is needed, follow up with the requestor of the PO before initialing the PO form.
 - 2) Is the total purchase \$25,000 or more? If yes, run a suspension and debarment check on the vendor at www.sam.gov to verify that there is no active exclusion from doing business with the federal government. If no active exclusion, initial the PO form, print the report and attach it to the PO, and put a copy of the report in the Suspension and Debarment file. If the vendor is suspended or debarred, the person requesting the PO is notified that we cannot do business with this vendor and the request is void.
- c. The VP for Business and Finance assigns the next PO number in the sequence, enters the program to charge, line item, general ledger account number, and initials.

- d. The VP for Business and Finance emails the completed PO form to the Executive Assistant and includes the requestor of the order.

3. Placing the Order

- a. The Executive Assistant places the order with the supplier (vendor) and verifies the following before confirming the order:
 - 1) The total order being placed with the vendor does not exceed the total amount of the PO. If the total purchase is higher than the authorized amount, do not place the order. Contact the requestor of the order to see if they would still like to purchase the items at the higher amount and if so, write the higher amounts on the PO form and obtain the Authorized Check Signer's initials on the PO form for approval.
 - 2) Ensure that accounts payable has a W-9 on file for the vendor. If the order is placed on the BMCC credit card, a W-9 is not required.
 - 3) Ensure that no sales tax will be charged on the order. If the vendor is charging sales tax, send them our sales tax exemption form and any other documentation they require so that sales tax is taken off before the order is placed.
- b. After the order is placed, sign the PO form under the "ordered by" and enter the order date. If ordered on the BMCC credit card, also sign and date this area of the PO form. Then put the PO form in the Admissions & Purchasing area of Centillion. (Note: In limited circumstances, the person requesting the PO may also place the order. This is primarily for specialized orders, such as I.T., science equipment, or custom designs. The person who placed the order needs to sign the PO form, sign under the ordered on BMCC credit card area (if applicable) and enter the date. If there is an in-person sale and the employee signed the receipt, such as with GFS, then the PO form does not need to be signed in the ordered by area.)
- c. Record the information from the PO on the PO tracking worksheet immediately. If the items have not been ordered, highlight the line on the worksheet. Then follow up with the person who is supposed to be placing the order.

4. Delivery of Items – Technology Orders

- a. Upon delivery of technology orders, the Receptionist notifies the I.T. Department. I.T. will pick up their packages as soon as possible and store them in a secure location.
- b. The I.T. Technician checks the packing slip and verifies that the correct items and quantities have been received and are in good condition. If no packing slip was included, the I.T. Technician uses the PO form to verify the receipt of items. The PO form can be obtained from the Receptionist.
- c. The following steps apply to complete orders, partial orders, and incorrect orders:
 - 1) If the order is complete, the I.T. Technician signs and dates the packing slip or PO form.
 - 2) If this is a partial order with a packing slip, the I.T. Technician signs and dates the packing slip.
 - 3) If this is a partial order with no packing slip, the I.T. Technician highlights the items received on the PO, signs the PO under received by, enters the date, and notes the partial order.
 - 4) The I.T. Technician delivers or emails the signed packing slips or PO forms to the Receptionist.
 - 5) The I.T. Technician also notifies the Receptionist if the entire order or a partial order has been received.
 - 6) If the order is incorrect, the I.T. Technician will notify the vendor and the Receptionist about the issue with the order.
- d. The I.T. Technician immediately enters the I.T. items in the inventory tracking program.

5. Delivery of Items – Specialized Orders and Deliveries to Other Locations

(Includes food service, library, large items delivered directly to the farm or fitness center, and other specialized orders, such as science equipment or lab supplies.)

- a. If these items are delivered to the front office, the Receptionist notifies the proper department. Packages will be stored in a secure location and picked up within 2 days of notification.

- b. The person receiving the order checks the packing slip and verifies that the correct items and quantities have been received and are in good condition. If no packing slip was included, the person receiving the order uses the PO form to verify the receipt of items. The PO form can be obtained from the Receptionist.
- c. The following steps apply to complete orders, partial orders, and incorrect orders:
 - 1) If the order is complete, the person receiving the order signs and dates the packing slip or PO form.
 - 2) If this is a partial order with a packing slip, the person receiving the order signs and dates the packing slip.
 - 3) If this is a partial order with no packing slip, the person receiving the order highlights the items received on the PO, signs the PO under received by, enters the date, and notes the partial order.
 - 4) The person receiving the order delivers or emails the signed packing slips or PO forms to the Receptionist.
 - 5) The person receiving the order also notifies the Receptionist if the entire order or a partial order has been received.
 - 6) If the order is incorrect, the person receiving the order will notify the vendor and the Receptionist about the issue with the order.

6. Delivery of Items – All Other Orders

- a. The Receptionist opens the boxes and confirms delivery for the other orders.
- b. The Receptionist checks the packing slip and verifies that the correct items and quantities have been received and are in good condition. If no packing slip was included, the Receptionist uses the PO form to verify the receipt of items.
- c. The following steps apply to complete orders, partial orders, and incorrect orders:
 - 1) If the order is complete, the Receptionist signs and dates the packing slip or PO form.

- 2) If this is a partial order with a packing slip, the Receptionist signs and dates the packing slip.
- 3) If this is a partial order with no packing slip, the Receptionist highlights the items received on the PO, signs the PO under received by, enters the date, and notes the partial order.
- 4) If the order is incorrect, the Receptionist notifies the vendor about the issue with the order.

7. PO Packet and Payment Processing

- a. The Receptionist holds the PO form, any supporting documentation (competitive bids, grant justification, etc.), invoice(s), and packing slips (or signed PO's for receipt of items), until the entire order has been received. (Note: In some cases, we may need to pay on partial orders due to delays with the shipping industry.)
- b. When an entire order has been received, the Receptionist records the date received on the PO tracking sheet.
- c. The Receptionist reviews the PO tracking sheet on a weekly basis and follows up with employees about items that have not been received or with vendors on any items that have not been invoiced. The Receptionist notes the contact and relevant information on the tracking sheet to avoid duplication of effort.
- d. The Receptionist compares the PO with the invoices to verify that all invoices have been received and investigates any differences between the actual PO amount and invoices.
- e. Before sending the PO packet to Accounting, the Receptionist verifies that it is complete by making sure that all of the invoices, PO with signatures under ordered by, packing slips or signature on PO under received by, and applicable supporting documentation, such as quotes, competitive bids, and order confirmations are included.
- f. After the PO packet is complete, the Receptionist records the date sent to Accounting on the PO tracking sheet and gives the PO packet to the Bookkeeper for review and payment processing.
- g. The Bookkeeper prepares a check request form, initials, and attaches the PO form, any supporting documentation, packing slips, and invoices. The Bookkeeper also verifies that the invoices have been received, signatures with order dates are on the PO, packing slips or PO's are signed off as

received, and no Michigan sales tax is charged before sending to the Accountant.

- h. The Accountant also verifies that the PO packet is complete and checks to make sure that the general ledger account number has been properly entered.
- i. After the Accountant has reviewed and initialed the check request, it is given to an Authorized Check Signer for final review and approval.