## Oakland County Department of Management and Budget Purchasing Division Policies and Procedures Adopted May 24, 1990 and Revised May 1, 2004

# **Section 1000: Governing Authority**

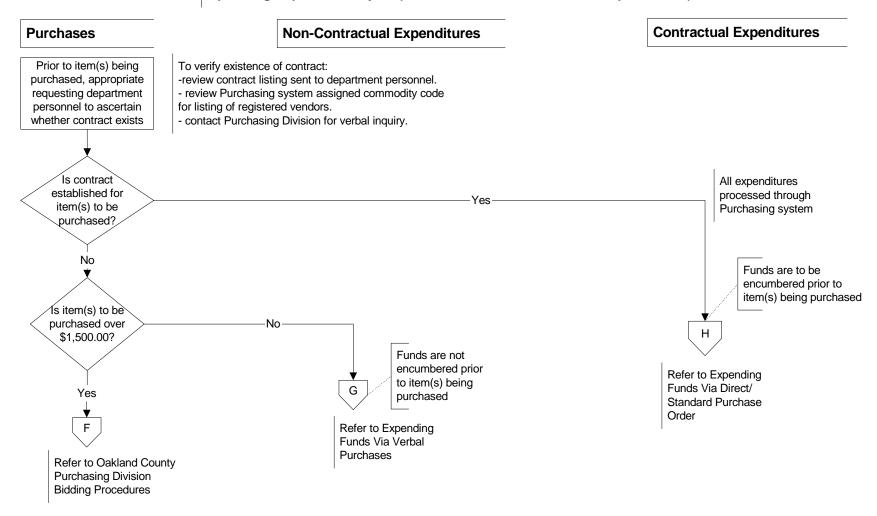
The purchasing function is vital to governmental agencies, private business and citizens concerned with the prudent expenditure of public funds. Procurement activities undertaken by employees charged with that responsibility are binding upon the County, within the limits of authority. These activities can be equally binding when the buyer exceeds his authority. It is important that all individuals involved in procurement activities are familiar with the laws and resolutions governing the procurement of goods and services on behalf of the County of Oakland.

The procurement function was originally prescribed and defined as part of the responsibilities of the finance department (Department of Management and Budget) in 1973 PA 139 Section 13; more commonly known as the "Unified Form of County Government Act." Augmenting this Act are several laws and resolutions that regulate and define the activities of the Purchasing Division both generally and for specific areas. These laws and resolutions are incorporated herein as developed by the Purchasing Division.

## Oakland County Department of Management and Budget Purchasing Division Policies and Procedures Adopted May 24, 1990 and Revised May 1, 2004

Flowchart of the Operating Expenditure Cycle as Defined by the Oakland County Board of Commissioners and the Oakland County Department of Management and Budget and Purchasing Division Organizational Chart

# **Operating Expenditure Cycle (excludes internal service fund expenditures)**



All expenditures are processed through financial/Purchasing system.

- non-contractual expenditures greater than \$1,500.00 shall be forwarded to the Purchasing Division for review prior to purchase.
- contractual expenditures flow through Purchasing system.

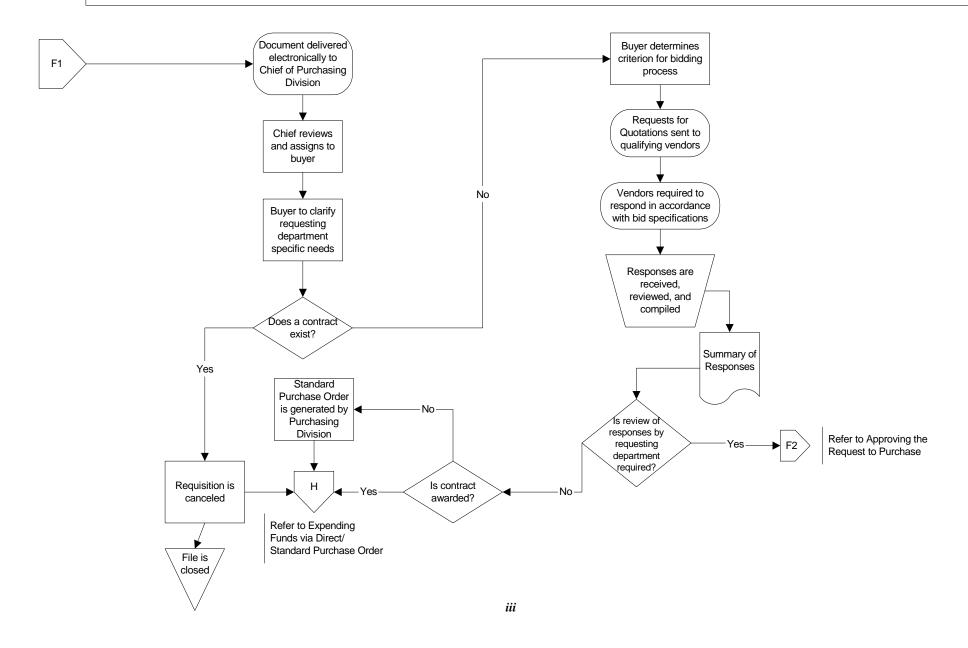
Client	Page	Prepared by	Date
Oakland County Requesting Department	1 of 10	Meiers/Pisacreta- Auditing Division	08/01/02
Process		Accepted by	Date
Operating Expenditure Cycle		Department of Management and Budget	10/01/02

#### **Preparing the Requisition**

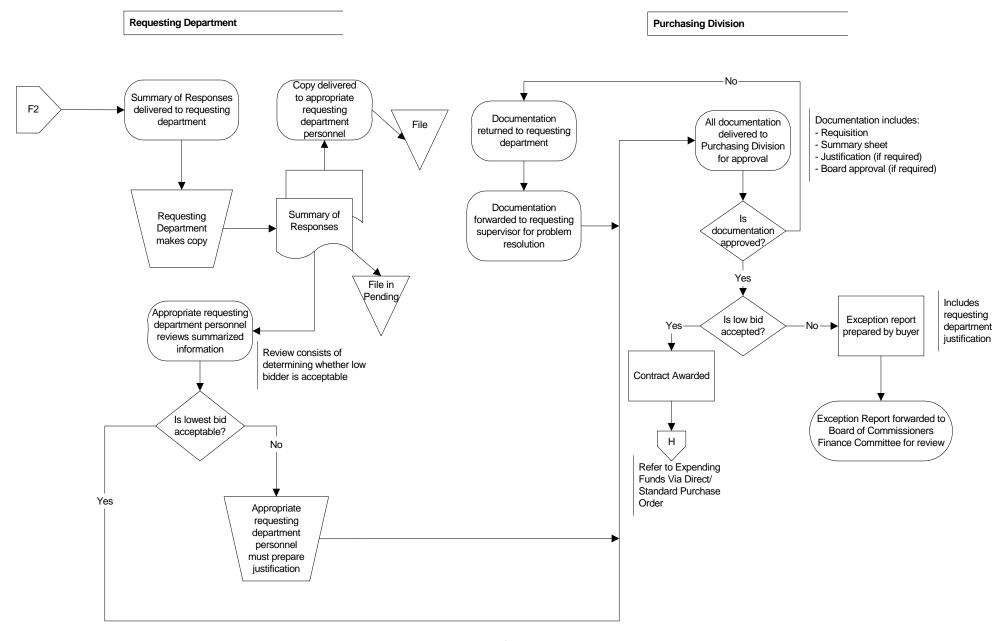
#### **Requesting Department** Requisition forwarded to Requisitions may requesting department be completed by Requisition personnel responsible for any employee in completed processing (entry into Requesting Purchasing system) Department Processes associated with Yes data entry into Purchasing Required information system are regulated by the Requisition delivered to entered into Department of Management appropriate requesting and Budget Purchasing Purchasing system department personnel Division for authorization Authorization established by requesting Requisition saved department (by No dollar threshold) Requisition is Requisition number posted generated by system No Have proper authorizations been - Approval paths are rules obtained? and steps defined within Requisition Purchasing system that enters must be completed prior to electronic document being forwarded approval path to Purchasing for execution Electronic Have electronic and hard copy approvals been documents obtained? compared If document is rejected, it is returned to originator for corrective action Yes F1 - All purchases exceeding \$1,500.00 for which there is no known contract in existence are sent Refer to Processing out for bid in accordance with Oakland County Purchasing Division policies and procedures. the Request for - All contracts are administered through the Purchasing system and funds are encumbered Quotation when the Purchase Order is issued by the requesting department.

### Processing the Request for Quotation

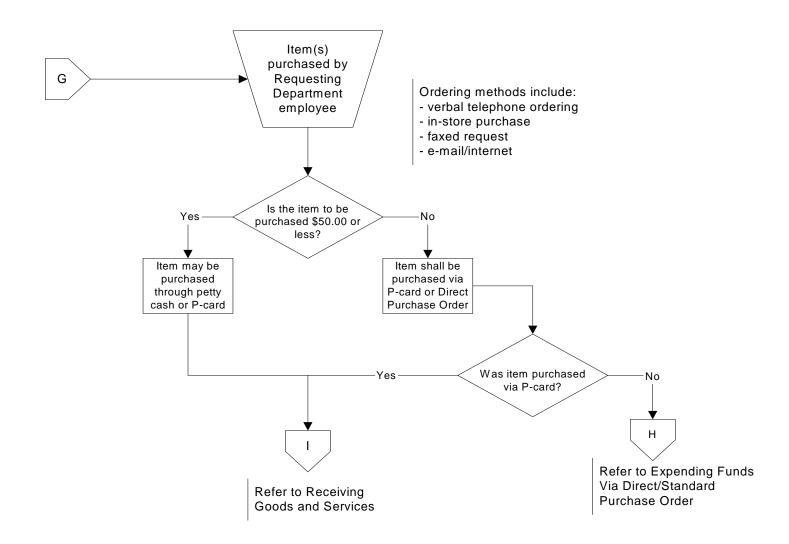
### **Purchasing Division**



#### Approving the Requisition



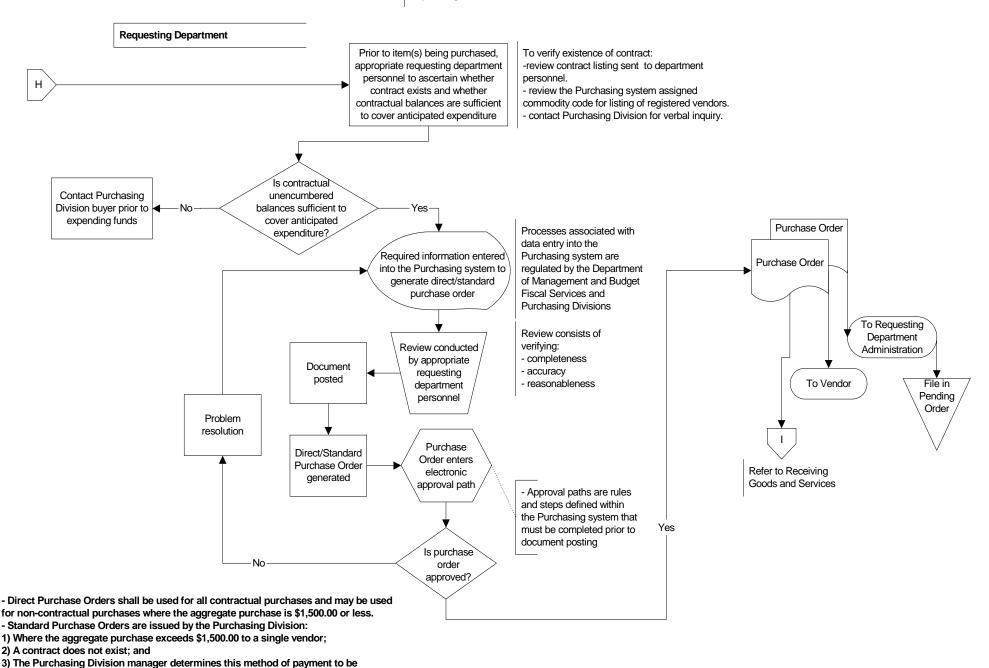
# **Expending Funds Via Verbal Purchases**



Verbal purchases are not encumbered prior to the receipt of goods or services and occur with items:

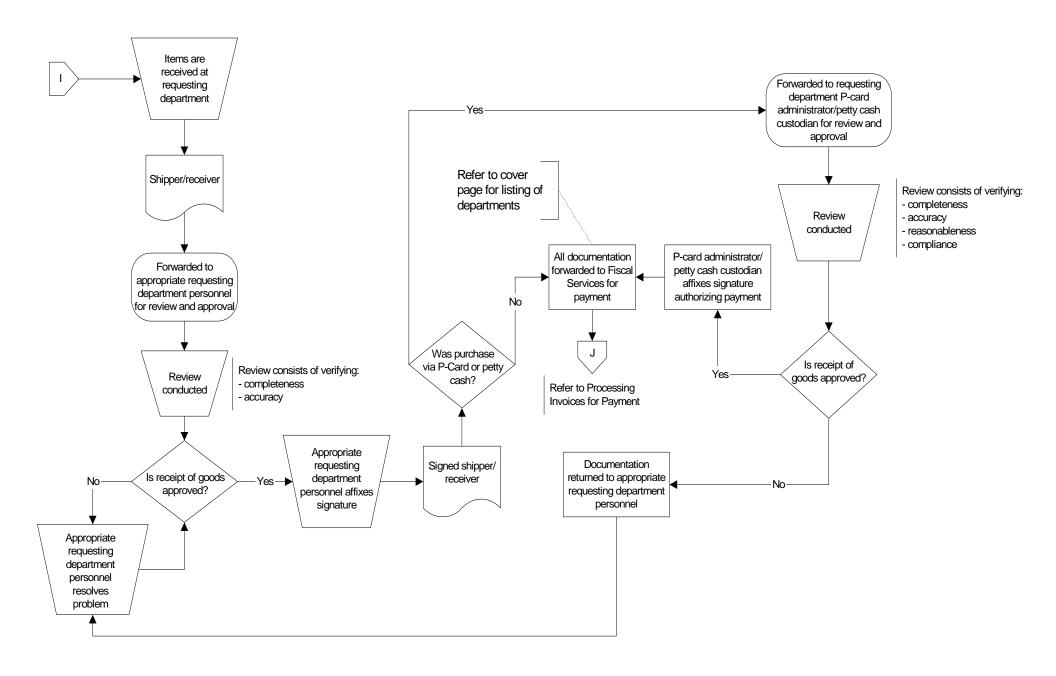
- with a purchase price of \$1,500.00 or less.

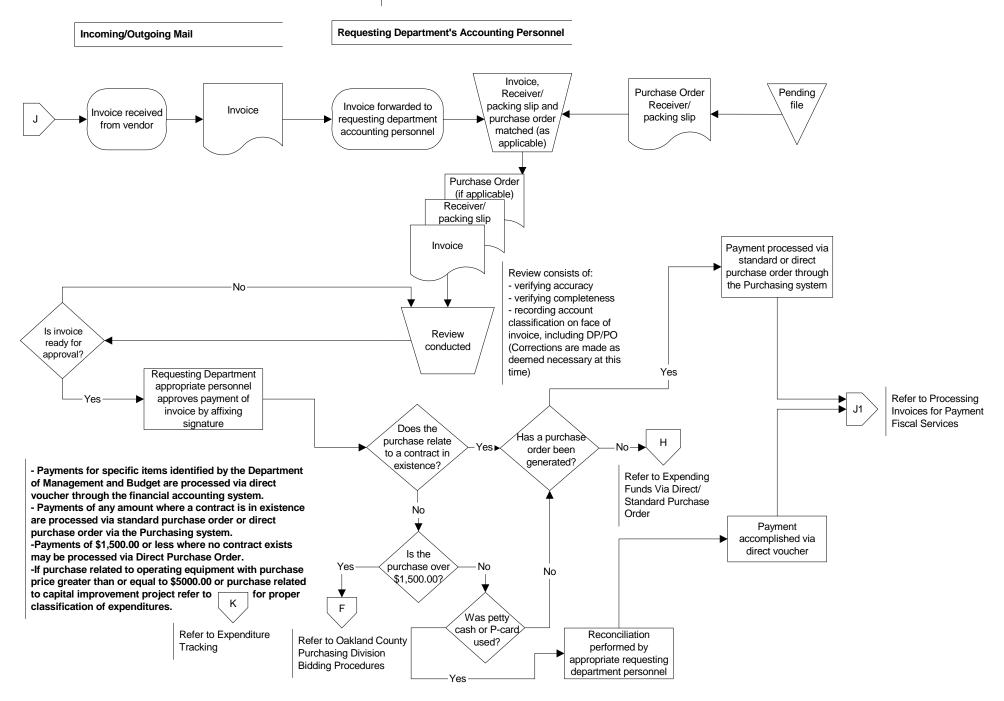
### **Expending Funds Via Direct/Standard Purchase Order**



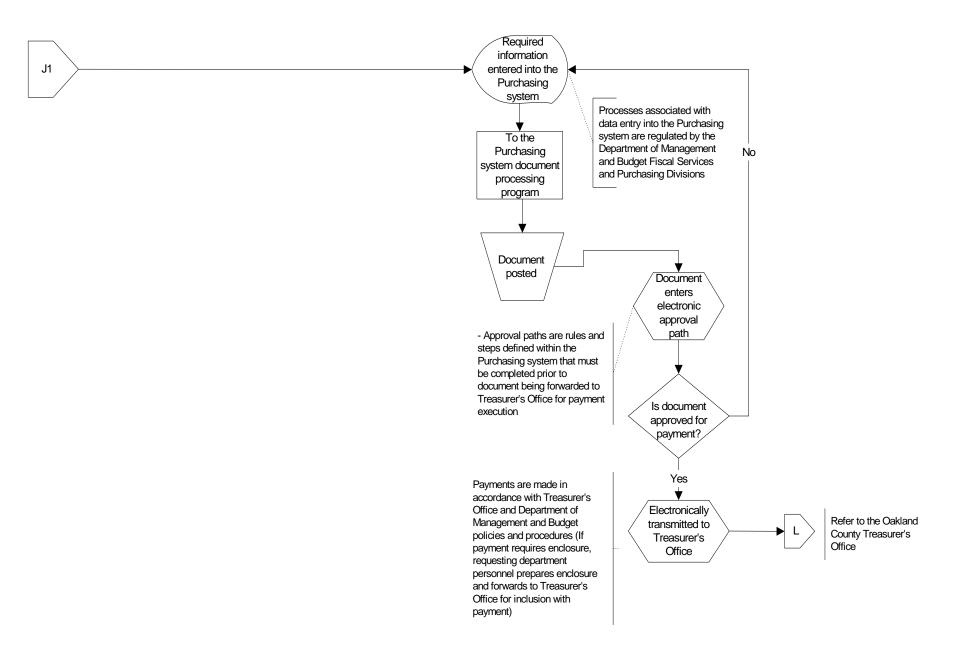
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appropriate under the circumstances.





#### **Fiscal Services**



#### **Construction In Progress General Government Assets** Operating Equipment Additions Deletions Additions **Deletions** Additions **Deletions** Operating equipment Operating equipment sent to Completed projects purchased during the Completed capital auction with little or no Expenditures incurred where total to date current fiscal year with a residual value due to use or improvement projects from ongoing projects expenditures are purchase price of where total to date obsolescence both new and existing transferred to GGA and \$5,000.00 or more expenditures were categorized as Land, transferred from CIP Operating equipment Buildings, and Park subsidiary ledgers and disposed of due to no Improvements and categorized as Land, value or usefulness Infrastructure Buildings, and Park Improvements and Infrastructure in GGA subsidiary ledgers GGA sent to auction with little or no residual value due to use or obsolescence GGA purchased during the current fiscal year with a purchase price of GGA disposed of due to \$5,000.00 or more no value or usefulness

Expenditures relating to operating equipment and capital improvement projects are tracked in order to account for physical inventory and to provide a basis for financial information forwarded to Fiscal Services at fiscal year end for inclusion in the County's comprehensive annual financial report

- Expenditures relating to capital improvement projects are manually recorded in subsidiary ledgers by facility by project (Completed projects are closed to GGA)
- Expenditures of \$5,000.00 or more relating to Capital Purchases are recorded in the asset management module financial accounting system