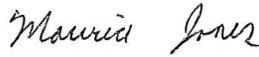


	<b>Town of Chapel Hill, NC</b>	<b>Policy Number:</b>  <b>BMD-02</b>	<b>I. <a href="#">POLICY</a></b> <b>II. <a href="#">PURPOSE</a></b> <b>III. <a href="#">PROCEDURE</a></b> <b>IV. <a href="#">FORMS/INSTRUCTIONS</a></b> <b>V. <a href="#">ADDITIONAL CONTACTS</a></b> <b>VI. <a href="#">DEFINITIONS</a></b> <b>VII. <a href="#">RESPONSIBILITIES</a></b> <b>VIII. <a href="#">APPENDICES</a></b> <b>IX. <a href="#">FAQ</a></b> <b>XI. <a href="#">RELATED INFORMATION</a></b> <b>XII. <a href="#">POLICY HISTORY</a></b>	<b>Approved By:</b>    <b>Maurice Jones, Town Manager</b>
	<b>Procurement Policy</b>	<b>Effective Date:</b>  <b>November 30, 2018</b>		

## Procurement Policy

### I. POLICY

The Procurement Policy governs the process through which a government acquires good and services for its own use.

### II. PURPOSE

Government procurement laws provide a legal and procedural framework that generally emphasizes price rather than total cost, and value and openness, control, and accountability, rather than efficiency alone. In accordance with our values of PROFESSIONALISM and ETHICS, the Town has established procedures to give Town Employees the tools to make decisions that are in the best interest of the organization.



**Professionalism:** We are committed to the excellence and accountability of our own performance as well as the performance of the organization. We carry out our jobs efficiently and effectively, are open to feedback about our performance and show a willingness to learn.



**Ethics:** We conduct ourselves in a way that is consistent with and deserving of the level of trust that has been placed in us by the community members of Chapel Hill.

The Finance Director is authorized to issue procedures consistent with this policy.

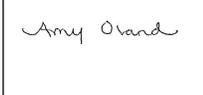
	Town of Chapel Hill, NC	Policy Number: BMD-02	I. <a href="#">POLICY</a> II. <a href="#">PURPOSE</a> III. <a href="#">PROCEDURE</a> IV. <a href="#">FORMS/INSTRUCTIONS</a> V. <a href="#">ADDITIONAL CONTACTS</a> VI. <a href="#">DEFINITIONS</a> VII. <a href="#">RESPONSIBILITIES</a> VIII. <a href="#">APPENDICES</a> IX. <a href="#">FAQ</a> XI. <a href="#">RELATED INFORMATION</a> XII. <a href="#">POLICY HISTORY</a>	Approved By:  Amy Oland, Interim Director, Business Management
	Procurement Procedures	Effective Date: November 30, 2018		

### III. Procurement Procedures

#### A. Submitting Invoices for Payment

1. Vendors are to send all invoices directly to the Accounts Payable (AP) Office either by mail or email to [accountspayable@townofchapelhill.org](mailto:accountspayable@townofchapelhill.org)
  - a) The AP Office can't guarantee timely payments if vendors send invoices directly to departments
  - b) Departments should work with vendors to make sure they are aware of this process
2. Mailed and emailed invoices are opened/checked once a day by the AP Technician who then date stamps, writes the due date on the invoice, scans and emails the invoices to the appropriate department for processing
  - a) The AP Office keeps the original invoice on file until payment is made and may use it to send out Past Due notices to departments when the invoice is approaching its payment date
3. Once received, departments are responsible for verifying the purchases that have been invoiced are valid and that goods have been received or services have been rendered.
  - a) Departments should stamp the invoice with a Town-issued Invoice Stamp and fill out the applicable information
    - i. Check box for either paying off of a Purchase Order (PO) or by check disbursement
      1. PO # - enter applicable PO number, department should also be verifying that there is enough money available on the PO to cover the total cost of the invoice

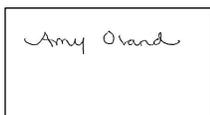
Approved by Amy Oland  
Interim Director,  
Business Management



BMD Procurement Procedures  
November 30, 2018

- a. If not, a PO increase must be completed prior to payment of invoice
    - 2. If paying by check disbursement but there should have been a PO (see Purchasing Guidelines) then a memo should be attached to the invoice stating why proper purchasing procedures were not followed
      - ii. Amount – should not include tax amounts
      - iii. Account Number – list appropriate general ledger account number both when using a PO or a check disbursement
        - 1. If multiple accounts, please list out to the side
        - 2. Verify there is enough budget available in the account to cover the total cost of the invoice
          - a. If not, budget transfer must be in place prior to payment of invoice
      - iv. Vendor # - look up in the financial software system if needed
4. Obtaining proper signatures
  - a) Signatures on stamped invoices with or without a PO are required as follows:
    - i. Stamped invoices with a PO – with the PO process, the purchase has already been through a workflow of approvals and therefore can just be signed on the payment approval line by an authorized signer if they are also the one verifying receipt of goods/services, otherwise a 2<sup>nd</sup> person should be signing verifying receipt of goods/services
    - ii. Stamped invoices w/o a PO (check disbursement) – 2 different signatures required, person verifying receipt of goods/services and authorized signer
      - 1. Department Heads have designated employees in their department who are allowed to sign as approvers on invoices and check disbursements– please check with department admin staff or AP department for a listing of those employees if unsure
5. Completed invoices should be forwarded back to the Accounts Payable office for processing
  - a) AP cuts checks based on due date – departments should make every effort to process invoices and check disbursements in a timely manner so AP has time to process and pay before due date
    - 1. Checks that need to be cut outside of the normal AP schedule must be addressed on a case by case basis by contacting the Accounts Payable Supervisor as soon as possible
  - b) AP checks are run on Thursdays for Friday payment and mailing – cut off for entry into current week’s batch is Wednesday afternoon
    - i. Departments will be notified by email when exceptions to this schedule are needed (i.e. Holiday week)

Approved by Amy Oland  
Interim Director,  
Business Management



BMD Procurement Procedures  
November 30, 2018

- ii. Reimbursement checks for employees are distributed Friday morning into Departmental mailboxes located in Town Hall
- iii. All other checks are mailed out on Friday at end of day
  - 1. Vendor checks that need to go back to Departments instead of being mailed must be clearly marked that way on the invoice or check disbursement form

**B. Check Disbursement w/o an Invoice**

- 1. Process the same as above with the exception being that instead of a vendor issued invoice that can be stamped, departments have some type of back-up documentation or receipt and need to fill out a Check Disbursement Form to supplement information
  - a) Signed by requester and authorized approver

**C. Employee Reimbursements – Non-Travel Related**

\*\*for travel related expenses – see Travel Policy\*\*

- 1. Occasionally employees must make an out-of-pocket expense for Town related business if they don't have an Town-issued Purchasing Card
  - a) If total expense is under \$25 then employee should request a petty cash reimbursement
    - i. Fill out the Petty Cash Reimbursement Form, attach supporting documentation and obtain signatures needed for payment
    - ii. Turn Petty Cash for in for payment
      - 1. Police, Parks and Rec and Public Works employees may obtain directly from their department
      - 2. All other employees should submit for reimbursement at the Revenue Office in Town Hall
  - b) If total expense is over \$25 then employee should fill out a Check Disbursement Form, attach supporting documentation and obtain signatures required
    - 1. Turn into Accounts Payable office for payment during next scheduled check run

Approved by Amy Oland  
Interim Director,  
Business Management

Amy Oland

BMD Procurement Procedures  
November 30, 2018

REFERENCE MATERIALS All materials are linked for ease of reference.

[PURCHASING PROCEDURES MANUAL: This 68 Page manual provides a comprehensive overview of the purchasing and procurement processes for the Town of Chapel Hill.](#)

[FLOW CHART: BEFORE MAKING A PURCHASE: this chart shows what factors to consider before making a purchase.](#)

[FLOW CHART SUBMITTING INVOICES FOR PAYMENT: this chart shows how to submit invoices for payment.](#)

[FLOW CHART EMPLOYEE REIMBURSEMENT: this chart shows how an employee can submit expenses for reimbursement](#)

*Approved by Amy Oland  
Interim Director,  
Business Management*

*Amy Oland*

*BMD Procurement Procedures  
November 30, 2018*