



San Luis Obispo County Community College District

Fiscal Services Procedures and Guidelines Manual

Pursuant to Federal Requirements in 2 CFR part 200, EDGAR. Effective 7/1/2016

These federal and district policies are applicable to all grants awarded to the District. All employees who deal with grants must be familiar with them and must fully comply with all requirements contained herein.
10-18-2016

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I. Allowability of Costs

Purpose:

All federally funded projects must adhere to the guidelines set forth by the federal government for managing federal funds through the Office of Management and Budget (OMB) Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards. Section 2 CFR 200 outlines a number of policies, procedures, and requirements that grant managers must follow. One of these is a section on allowable and unallowable costs that is relevant to nearly all federally funded projects, regardless of department and intent. Unless specifically noted in the Grant Award Agreement, the rules apply to all federal grant programs, including federal monies passed through a state entity.

Policy Statement:

Cuesta College will ensure that all expenses charged to federally funded projects are in adherence with District policy and the policies, procedures and requirements described in Office of Management and Budget (OMB) Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards.

Procedures for determining allowability of costs in accordance with Subpart E Cost Principles:

This section outlines the allowable costs for grants and sub-awards at San Luis Obispo County Community College District. The policy follows the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 2CFR Part 200, which provides the basic criteria to determine direct costs on federally sponsored projects. Regardless of the funding agency, costs for sponsored programs are based on answering the question: Are costs allocable, allowable, consistent, and reasonable in like circumstances? Each financial transaction charged against a federal award is evaluated against these concepts.

Prior to incurring an expense, the cost must be allowable, reasonable, and the cost allocation must be determined. Allowable costs can vary by each grant; to ensure allowability, refer to your grant's rules and regulations. For Federal awards, refer to Uniform Guidance §200.403. To meet the test of allocability, costs incurred that benefits two or more projects or activities must be allocated to the projects based on the proportional benefit. For Federal awards, refer to Uniform Guidance §200.405. Finally, the costs must be what a "prudent person" would consider reasonable for the products or services purchased. It is important to remember that all three tests, (allowable, allocable, and reasonable) must be met before charging an expense to your grant. Failing to do so can lead to audit disallowance, and if the inappropriate expense is seen as being willful, charges of fraud can be placed against the District, program director, and/or administrative staff members.

Procedure for Expense Approval:

All grant expenses are reviewed and approved by the grant manager prior to being charged to the grant account. If a cost is determined to be unallowable, the grant manager will be required to provide a non-grant account for the expense, prior to sending it to the Fiscal Analyst. If an expense is determined to be unallowable or is disallowed after it is posted to the grant account, the expense will be moved by the Fiscal Analyst to a non-grant account designated by the grant manager's Dean or Vice President.

Definitions:

Allocable: The cost is incurred for the benefit of only one project, or the item can be easily assigned to multiple benefitting projects. A specific project may only be charged that portion of the cost that represents the direct benefit to that project.

Allowable: Costs must conform to any limitations or exclusions stated in the federal cost principles or in the sponsored agreement. The cost must not specifically be designated as "unallowable" by regulation or grant award conditions.

Consistent: Similar costs are treated as direct or indirect costs when incurred in like circumstances. Costs that are direct charged to a grant should not be included as indirect costs on other projects when incurred for the same purposes.

Reasonable: The cost is generally recognized as reasonable if the item purchased and the cost of the item reflects the action that a prudent person would take under similar circumstances at the time the individual makes the purchase. The cost must be necessary to the College's operations and/or the sponsored project's performance. The purchase must comply with established College policies and the purchaser must be acting with due prudence in carrying out their responsibilities to the College.

Indirect Costs: Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular grant project, an instructional activity, or any other institutional activity. Indirect costs are also referred to as Facilities & Administrative (F&A) costs.

Unlike Circumstances: When a cost is incurred for a purpose outside of the normal practices or activities for that type of cost.

Travel

Conference Request/ Travel Reimbursement Guidelines

The Conference Request/ Travel Reimbursement form is used when a person is planning to attend a meeting or conference away from the school district. Prior approval must be secured from your Department/Division Administrator and Vice President before attending any off-campus activity. If you are seeking reimbursement for mileage only, the same reimbursement form is used.

You may obtain the [Conference Request/Travel Reimbursement form](#) on-line.

Original receipts are required for hotel/motel bills and registration fees in order to obtain reimbursement. If you are not given one, ask for one. Most organizations are happy to comply with your request.

The District will reimburse for single room rates only. If a non-employee accompanies you, please obtain the single room rate, if available, and note it on the bill.

Telephone calls are not reimbursed unless they are district business related.

Credit card statements are not acceptable as original receipts.

Copies of completed registration forms are not considered valid receipts. If you paid the registration fee, you must obtain a receipt.

Original receipts are required to substantiate transportation expenses. Travel agency, airline ticket, bus ticket, train ticket, and car rental receipts are valid. Receipts must show cost of ticket and dates traveled.

Detailed receipts are required for meals. No meal expense may be claimed or reimbursed more than once in any given 24-hour period. See attached Travel Reimbursement Rates and Conditions for further detail on trip lengths and meal timeframes.

The District will not reimburse for liquor and entertainment.

Receipts are required for miscellaneous expenses.

If you use your own vehicle, the District will reimburse you at the IRS established mileage rate. Gasoline receipts will be accepted in lieu of mileage if you choose. If a district vehicle or rental car is used, reimbursement will be for the cost of gasoline only (receipts required).

When a Conference/Travel Reimbursement form is submitted for final reimbursement of expenses, proper signatures and account strings must be included on the form. This means that your Department/Division Administrator has approved all expenses. Send forms and receipts to Budget, who will then forward them to Accounts Payable for processing.

Travel Reimbursement Rates and Conditions

The following reimbursement rates are maximums, not allowances. Employees may claim only their actual expenses and must have receipts substantiating the amount claimed. Employees may not claim meals provided by the state, meals included in hotel expenses or conference fees.

For each full 24-hour period of travel, employees may claim the following:

Breakfast	Actual expense up to \$8
Lunch	Actual expense up to \$12
Dinner	Actual expense up to \$30

TRIPS OF 24 HOURS OR MORE:

For travel lasting 24 hours or more, employees may claim meals (as noted above) based on the following time frames:

FIRST DAY OF TRAVEL	
Trip begins at or before 6 am	Breakfast may be claimed
Trip begins at or before 11 am	Lunch may be claimed
Trip begins at or before 5 pm	Dinner may be claimed
CONTINUING AFTER 24 HOURS	
Trips ends at or after 8 am	Breakfast may be claimed
Trip ends at or after 2 pm	Lunch may be claimed
Trip ends at or after 7 pm	Dinner may be claimed

TRIPS OF LESS THAN 24 HOURS:

For travel lasting less than 24 hours, employees may claim breakfast and/or dinner (as noted above) based on the following timeframes:

FRACTIONAL DAY OF TRAVEL	
Trip begins at or before 6 am and ends at or after 9 am	Breakfast may be claimed
Trip begins at or before 4 pm and ends at or after 7 pm	Dinner may be claimed
Employees may not claim lunch on one-day trips.	

Personnel Costs: Time and Effort Reporting Policy

Purpose:

As a recipient of federal funds, San Luis Obispo County Community College District (Cuesta College) must comply with the Office of Management and Budget (OMB) Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards. Section 2 CFR 200 requires certification of effort to document salary expenses charged directly or indirectly against federally-sponsored projects. This process ensures that salaries and wages are properly expended and that actual effort is consistent with the originally anticipated (budgeted) effort. Cuesta College's effort reporting policies and procedures are intended to meet this requirement.

Policy Statement:

Time and effort reporting shall reasonably reflect the percentage distribution of effort expended by Cuesta College employees involved in federally funded grants, contracts, and cooperative agreements, and shall be incorporated into the records of the College. These reports shall reasonably reflect the activities for which the employee is compensated and shall encompass all activities on an integrated basis.

Each employee whose time is committed to a federally sponsored project shall complete a time and effort report. This report is required for any time and effort paid by a federally-funded project or an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in effort reports.

Cuesta College uses an "after-the-fact effort" reporting system. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the employee, supervisor or Project Director.

The Fiscal Analyst is responsible for the distribution, collection, and retention of all employee effort reports in a timely manner.

The Time and Effort Report must represent, in percentages totaling 100%, a reasonable estimate of an employee's actual effort for the period being reported. Compensated effort includes all research, teaching, administration, service, and any other activity for which an individual received compensation from the College. Note: It is recognized that research, instruction, and service are often inextricably intertwined and estimates will be necessary in most cases.

Effort and payroll distributions are NOT the same. The effort reporting process is a method for confirming salary charges made to all sponsored awards. Payroll distributions are estimates of how effort is anticipated to be expended.

Faculty may be paid up to 33% of their 9-month, base salary if working on a federally-funded project. Base salary does not include overloads, administrative stipends or other pay received over the academic year. Additional limitations may be set by specific federal agencies, such as [NSF's two-ninths rule](#) which limits faculty summer salary to 2/9 of their base academic year

salary (applies to all NSF projects). Nevertheless, Project Directors must still devote the full committed effort as proposed and awarded without regards to the salary reimbursement limitation.

The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely effort reporting. Cuesta College expects that all employees working on federally-funded projects will complete Time and Effort Reports completely and in a timely manner.

Payroll policy and procedure shall follow District policy and procedure in addition to time and effort verification.

Procedures:

When a Project Director receives an award from an external sponsor she/he will prepare a projected distribution of effort for the expected duration of the grant. This will be based on the budget proposed to the funder and should be provided to the Fiscal Analyst in the required format. The Fiscal Analyst will maintain this document with the grant file.

If 100% of an employee's effort is dedicated to a federally-funded project, the employee must complete and submit a Time Certification Form every six months to the Fiscal Analyst. It must be signed by the employee, the supervisor and the Project Director.

If an employee is partially dedicated to a federally-funded project, the employee must complete the Time and Effort Report demonstrating time spent on federal and non-federal funded activities for the duration of the federal grant. No classified or administrative staff may work more than 100% on federal funding. Example: A classified instructional aide is performing duties dedicated to both federally-funded activities and District-funded activities. At the end of the pay period, the employee will need to complete a Time and Effort Report demonstrating actual effort. The employee, supervisor and Project Director will sign the Time and Effort Reports each pay period and send to the Fiscal Analyst.

If the employee is a faculty member receiving a stipend for work above and beyond their contract, the faculty member will also have to complete a Letter of Agreement as well as Time and Effort Reports for the months covered on the Letter of Agreement each pay period. The faculty will also have to demonstrate the hours covered by the district, such as teaching and contract required activities.

The Project Director shall ensure that each employee working on a federally-funded project receives a Time Certification Form or Time and Effort Report as needed.

Project Directors are required to return appropriately completed and signed Time and Effort Reports to the Fiscal Analyst by the 10th day of the following month.

The Fiscal Analyst will review the Time and Effort Report, confirm appropriate verification, and maintain original reports with the grant file.

Any salary reallocations or adjustments resulting from Time and Effort Reports will be reviewed quarterly by the Fiscal Analyst. If the difference is 5% or greater, the adjustment will be made. If the difference is less than 5%, the adjustment will be made annually

Changes:

If there is an error on a Time and Effort Report, evidence of salary reallocations must accompany a modified Report. In addition, notations on Time and Effort Reports must be made in ink and initialed by the employee.

II. Cash Management

Federal Cash Management Policy

The Federal government requires the District to establish cash management policies to minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the District's disbursement of those federal funds. Funding can be done one of two ways, in advance or by reimbursement. The District typically operates most of their grants on a cost reimbursement basis, with the exception of Direct Financial Aid programs. This means the District pays for program expense up front and is reimbursed by the grantor agency after the program has filed its required financial reports. For this reason, program directors should complete their financial reports in a timely manner.

Advance payments to the District's Financial Aid programs must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements in carrying out the purpose of the approved program or project. To the extent available, the District must disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

The District is required to account for the receipt, obligation and expenditure of federal funds. The District must maintain advance payments of Federal awards in interest-bearing accounts, unless federal funds received are less than \$120,000 per year or interest earning are expected to be less than \$500. Interest earned up to \$500 per year may be retained by the District for administrative expense. Any additional interest earned on Federal advance payments must be remitted annually to the Federal awarding agency.

Petty Cash Procedures

Petty Cash funds may be established in individual departments on campus. The need for the funds will be evaluated by the Director of Fiscal Services. If the need is determined to exist, the fund will be assigned to a specific individual (the fund custodian) who is responsible for the accounting and security of the money. The account will be reimbursed by submitting a Cash Box Reconciliation Form with receipts attached to the Accounts Receivable Office.

To set up a petty cash fund, a written request should be sent to the Fiscal Services Department giving the name of the person who will be the fund custodian, the Department or Division for which the fund is being established, and the amount requested. The request should be signed by the custodian and the Department Director or Dean as applicable. Upon receipt of the memo, a check will be issued by the Accounts Payable Office, payable to the account custodian. The check can be endorsed and cashed either at the Cashier Office or a location of the custodian's choice. The same procedure is followed to increase the amount of an existing account.

Each custodian should maintain the fund at his or her work station during normal working hours. The money should be secured so that unauthorized individuals do not have access to it and the fund should be locked at night in a restricted area. If the custodian will no longer be working at Cuesta College or is taking an extended leave, the fund shall be transferred to a new custodian by submitting a request letter to the Director of Fiscal Services, or it shall be re-deposited with the Accounts Receivable office.

The fund should be available for audit with or without notice and the cash on hand plus receipts for amounts paid out (if any) should equal the accountable amount. It is not necessary to return the fund at the end of each fiscal year. However, all receipts should be submitted by the date designated in the year end schedule (usually the last working day in June) so that the expenses are recorded in the correct fiscal year.

If a faculty/staff member requests an advance from the fund to make a purchase, a note giving the date and amount of the advance and signed by the recipient should be placed in the fund. When the receipts from the purchase are submitted to the custodian (plus or minus any cash difference) the note can be discarded.

The daily limit for purchases from a single vendor (excluding sales tax) is \$50 regardless of the size of the purchase fund. Any purchase exceeding this amount should be done through a regular requisition. However, transactions on different days from different vendors can be combined on a single voucher. Reimbursements should be obtained within 30 days of the purchase or more frequently if needed to meet the operating requirements of the department.

Purchases made through this account are still subject to the same spending guidelines as any other purchases. Cash Box Reconciliation Form available from the Accounts Receivable office should contain a description of the items being purchased, the account number to be charged, the signature of the person approving the expense, and the signature of the person receiving the money (these two signatures cannot be the same person).

The cash counts will be conducted by someone other than the custodians. Cash count forms will be submitted to the Director for Fiscal Services and will be logged by that office as to date and frequency of count, in order to ensure compliance. If needed, the cash count will be performed by staff from the Fiscal Services office so that compliance with the frequency and manner of the count shall be maintained.

The frequency of the counts shall be as follows:

<u>Size of fund:</u>	<u>Frequency of count:</u>
\$300.00 or less	Annually
\$300.01 to \$3,000.00	Quarterly

III. Procurement

Purchasing Guidelines: Revised 2010

GENERAL INFORMATION

We encourage and look forward to your doing business with the District. Vendors and potential vendors should keep in mind that the SLOCCCD Board Policy requires that procurement of material supplies, equipment, projects and construction services be done in a manner, so as to encourage open competition.

Employees with the titles of Director of General Services or Purchasing Technician/Buyer have been delegated authority to act as agents for the District. It is suggested that your initial contact be with the Purchasing Department. Contact with vendors as to quality, quantity, delivery, prices, terms and adjustments are made through Purchasing. No one outside of the Purchasing Department and Procurement Card holders can commit the District to a purchase. Materials should not be shipped or any services begun without a purchase order number or procurement card authorization. All sellers should protect themselves by asking for written confirmation of orders and awards.

Purchase Orders

Purchase orders are specific orders placed by the Purchasing Department. Small material/supplies, equipment and service procurements may be awarded without competition. Blanket purchase orders are issued to selected vendors, on a fiscal year basis by Purchasing, for use by District employees to procure repetitive, high volume, low dollar value items on a continuing basis. A Standing Purchase Order's use is limited to the dollar value of the written purchase order issued.

Formal Bids

The Public Contract Code, under PCC 20651, requires that the District formally solicit bids for similar materials, equipment, supplies or services, except construction services, valued District-wide in excess of the amount specified in the code. Public Projects in excess of \$15,000 District-wide require a formal bid and are handled by the Purchasing Department. Public projects include construction, alteration, renovation, improvements and repairs to any District facility. Professional services such as legal or architectural are exempt from the bidding process.

Formal sealed bids are solicited in the form of a Request for Bid. Any questions regarding formal bids should be addressed to the Buyer indicated in the bid. Formal bids must be submitted on the Request for Bid form provided and have an original signature. Facsimile responses are not accepted on formal bids. Any incomplete information or irregularities may result in a submitted formal bid being found non-responsive and thus not considered. Closing dates and time for formal bids is noted on the form mailed or picked up by the vendor. Request for Bid forms must be received by the Purchasing Department before the closing date and time indicated to be considered. Formal bids will be date and time stamped when received with a public opening and reading at the date and time indicated. All bids become public record after the close date. Abstracts of written bids showing prices and awards are available.

Vendors wishing to be placed on the bid list should contact the Purchasing department 805-546-3134.

Prevailing Wage Requirements

Labor Code § 1771. Except for public works projects of one thousand (\$1,000) or less, not less than the general prevailing rate per diem wages for work of a similar character in locality in which the public work is performed, and not less than the general prevailing wages for holiday and overtime work fixed shall be paid to all workers employed on public works. This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance.

Insurance

Vendors cannot begin work until the proof of insurance required has been submitted to and approved by the District. Satisfactory proof of insurance consists of a certificate of insurance on an ACORDTM Form and a policy endorsement issued by the Vendor's insurance company that references the policy number and the District named as additionally insured. Except for worker's compensation insurance, the policy shall not be amended, modified or the coverage amounts reduced without the District's prior written consent. The District shall be furnished thirty (30) days written notice prior to cancellation of the insurance. Vendors shall not allow any Subcontractor, employee or agent to commence work until the insurance required has been obtained.

1. **WORKER'S COMPENSATION INSURANCE.** Vendors must maintain Worker's Compensation Insurance on all employees to be engaged in work for the District. In case of any such work sublet, the Vendor shall require the Subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees employed in connection with the work unless the Vendor's insurance covers the Subcontractor and its employees.
2. **PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE.** Vendors shall maintain Public Liability Insurance in an amount not less than \$1,000,000 for injuries, including accidental death to any one person and subject to the same limit for each person, in an amount not less than \$1,000,000 on account of one accident, and Property Damage Insurance in an amount not less than \$1,000,000. Any Subcontractor employed in connection with the work shall maintain such insurance unless the Vendor's insurance covers the Subcontractor and its employees.
3. **AUTOMOBILE LIABILITY INSURANCE:** \$1,000,000 combined single limit per accident or bodily injury and property damage.

PURCHASING DEPARTMENT

1. The Purchasing Department should be an asset to the District if used in the proper manner. The Purchasing Department is available to give the following information:
 - a. Pre-budget cost figures
 - b. Product catalogs, recommendations for campus standard equipment, and furnishing.
 - c. Complete identification and information of existing furniture and equipment.
 - d. Contact persons/vendors for comprehensive and explicit information on highly technical items.
 - e. Access to obtain on-line and procurement card purchasing.
 - f. Follow-up on existing orders.
 - g. Recommendations for Vendor use or materials to purchase.
 - h. Contract review and analysis.

2. Advice for challenges pertaining to the above is available in the Purchasing Department. The staff is available to assist you M-F 8:00 am – 5:00 pm.

3. If a purchasing or vendor challenge should arise please call Purchasing Department at extension 3134. We will do all we can to alleviate your challenges, and answer any and all questions.

ROOM IDENTIFICATION

1. All rooms in all buildings of Cuesta College are identified by room number and description.
 - a. San Luis Obispo Campus – The first two numbers indicate the building number, the second two numbers indicate the room number
 - b. North County Campus – “N” designates the North County site, the first two numbers indicate the building number, and the second two numbers indicate the room number.

2. Room and building number should be listed at all times when requesting the following: (NO EXCEPTIONS):
 - a. Purchase of equipment or supplies
 - b. Transfer of equipment from one location to another
 - c. Repair of equipment
 - d. Maintenance contracts
 - e. Delivery of all equipment or supplies

PROCEDURE FOR PROCURING ANY GOODS OR SERVICE

It is required that all personnel use one of 5 Authorized Purchasing Methods for obtaining goods (materials, supplies, equipment) or services.

Obtaining goods or services using a method other than the 5 listed below is considered an Unauthorized Purchased and will be addressed accordingly.

The representatives from Cuesta College who are authorized to commit District funds for expenditures are the President/Superintendent, Vice-Presidents, Director of General Services Division, and holders of District Credit Cards with pre-approved limits.

Due to the increasing number of unauthorized purchases being made, vendors are required to accept only orders from authorized Cuesta College representatives, or orders accompanied by a purchase order number.

In the event that an unauthorized purchase is made without prior approval from the Budget Analyst and the Purchasing Department, the person making the purchase will be notified of failure to follow procedure. In addition, the District may return the merchandise to the vendor, and refuse to pay or reimburse the debt.

5 Authorized Purchasing Methods

1. Approved Purchase Order (generated from a requisition)
2. Cal Card (District provided procurement card)
3. On-Line Office Depot ordering
4. Standing (blanket) Purchase Order
5. Claim for out-of-pocket expenses less than \$100

AUTHORIZED PURCHASING METHOD- # 1: Approved Purchase Order (generated from a requisition)

A Purchase Order is a legal document between the San Luis Obispo County Community College District and the vendor. Both parties shall agree upon any deviation from the original purchase (i.e.; change order) to request a change or cancellation of the purchase order. All personnel of the District or College shall work with the Purchasing Department.

The Purchasing Department will be the sole contact with the vendors for the purpose of change orders.

1. Use the Cuesta College General Requisition form.
2. Fill in "Requested by," "Ext.," "Date," "Dept/Div," "For use by," "Room #," "Date required," "Ship to," "Date Required" and any Comments.
3. All staff, regardless of title, who is asking for any product or service through purchasing, shall print their name in the "REQUESTED BY" section of the general requisition form and have it approved by the authorized Department/Division Head and Budget Analyst. When necessary, ITS, Physical Plant, Computer Services, or Foundation must approve and sign requisition form.
4. All items shall be numbered in the "ITEM" section of the requisition. All items shall be listed according to exact quantity required in column designated "QUANTITY". In column designated "UNIT/M" indicate how merchandise is packaged (bottle, barrel, case, each, dozen, lot, etc.)
5. In column designated "DESCRIPTION", list item(s) requested and describe to the fullest detail possible. When available always indicate item number in description section. When ordering equipment and supplies from different vendors use separate requisitions.
6. In column "COST" indicate price per unit. In column "EXTENDED PRICE" multiply quantity by cost and record amount.
7. Indicate account number to be used in the "CHARGE ACCOUNT NUMBER (S)" section of the requisition.
8. When a new vendor is suggested, it is very important to submit complete name, address, and telephone number and fax number of the company. Please indicate the vendor is new by checking the "New?" section on the requisition.
9. If the vendor has issued a written quote, a copy of it **MUST** be attached to the requisition. If only a verbal quote was obtained, note the person's name and, when known, the person's telephone extension in the "Quoted by" section on the top right hand side of the requisition.
NOTE: Orders of \$1,000 or more must have a written quote attached. Orders over \$5,000 should have 2 or 3 competitive quotes.
10. Retain the pink copy of the requisition for your files.

11. If a Material Safety Data Sheet (MSDS) sheet is required from the vendor, indicate that in the “Description” of the requisition.

12. After the Purchasing Department has processed the requisition, the yellow copy of the requisition with the purchase order number on it is returned to the requestor. Requestors are able to track their purchase orders through the District’s computer system.

13. The purchasing copy of the purchase order is on file in the Purchasing Department. Purchase orders are kept on file for a minimum of two (2) years.

AUTHORIZED PURCHASING METHOD- #2: Cal Card (District provided procurement card)

Cuesta College uses a variety of methods for the purchase of goods and services including purchase orders and blanket standing orders. Processing purchase orders is ineffective for low dollar value goods, and occasionally suppliers refuse to accept a purchase order.

The procurement credit card should be used as the first option before other existing methods to obtain supplies and services costing less than \$950 per transaction including tax. Cardholders are encouraged to use the Procurement Credit Card for low dollar purchases in order to achieve cost savings and improve processing time for such items.

Summarized Procedures for Cal Card Usage (Detailed Handbook and other Cal Card information can be obtained in the Purchasing Department.)

1. Responsibility

The cardholder is responsible for ensuring the Procurement Credit Card is used in accordance with the Procurement Credit Card Handbook, and all purchases of commodities are in compliance with Cuesta College procurement and contracting procedures and policies.

2. Security of Procurement Credit Card

The Cardholder is responsible for the security of the Procurement Credit Card, and is the only authorized user of the card.

3. Determines the Need

The Cardholder determines the need to purchase supplies using good judgment, and in the best interest of the District.

4. Screens Requests

The Cardholder screens requests to determine if the request is an appropriate use of the Procurement Credit Card.

5. Obtaining Goods

The Cardholder will use the Procurement Credit Card to purchase goods in person, by telephone, or through a secured internet site.

6. Shipping purchases to Cuesta College

The Cardholder will specify the warehouse address when shipping purchases to Cuesta College San Luis Obispo Campus: Shipping and Receiving, Building 7400, Highway 1, San Luis Obispo, CA. 93405 or Cuesta College North County Campus: 2800 Buena Vista Drive, Paso Robles, CA 93446. The Cardholder will make a copy of the order confirmation, write "VISA" across the top of the copy, and forward (via inter-campus mail) to the Shipping and Receiving Department.

7. Receipts and Invoices

The Cardholder will obtain a receipt or invoice for each purchase. If necessary, the Cardholder will require the vendor to itemize the receipt or invoice. An itemized receipt or invoice consists of the following information for commodity purchases:

- Vendor name and information
- Description of commodities purchased
- Quantity purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if applicable

8. Individual Receipts

Individual receipts or invoices smaller than 4 1/1" x 5 1/2" must be taped on an 8 1/2 x 11" sheet of paper to ensure they are not lost in transit.

NOTE: Excessive instances of lost receipts may result in loss of card privileges.

9. CalCard 'E'-reconciliation in Banner and Bank Statement

- a. Electronic files of all purchases will be downloaded from US Bank into the Banner system.
- b. The Banner system will distribute notification via email to the Cardholders that their files must be reconciled.
- c. Cardholders will assign proper account codes to purchases in the Banner system for expense and payment. Note: Coded expenses will move (via Banner) to the budget manager for approval once approval queues have been implemented.
- d. Cardholders will print their Banner email notification, attach their receipts, and forward to Approving Official for approval signature.
- e. Cardholders will forward their signed Banner email notification and receipts to Accounts Payable for auditing purposes.
- f. At the close of each monthly billing cycle, U.S. Bank will send an individual bank statement directly to each Cardholder to be kept for their files.

AUTHORIZED PURCHASING METHOD #3: On-line Office Depot Ordering

1. Basic office supplies can be ordered through on-line services.
2. Deliveries are received within 2 days of order.
3. Contact the Purchasing Department for details and log in information (must be permanent employee).

AUTHORIZED PURCHASING METHOD #4: Standing (Blanket) Purchase Order

1. When recurring purchases are requested from a single vendor throughout a particular fiscal year, a standing purchase order for various items may be used. The following items are strongly recommended for the purchase order:
 - a. General description of material to be purchased.
 - b. Name of those authorized to use the standing purchase order. (If none is designated, Purchasing will put requisitioner's name as authorized user).
 - c. Limit of total dollar amount to be spent.
2. Procedures to obtain a standing order:
 - a. Use the Cuesta College General Requisition form available through the Purchasing Department.
 - b. Complete designated areas listed on form. Indicate the "Not to Exceed" dollar amount for purchasing during the Fiscal Year. (Increases to the Standing Purchase Order must be requested through the Budget Department who will inform the Purchasing Department upon approval.)
 - c. Forward requisition to the Budget Department for approval. After approved, Budget Department will forward requisition to the Purchasing Department to create purchase order.
 - d. A purchase order number will be assigned by the Purchasing Department. Specify the purchase order number when making the purchase, and ask sales person to include purchase order number on the receipt.
 - e. After selecting items at vendor, sign sales receipt and/or packing list and forward to the Accounts Payable Department. Receipt must include itemized list of purchase and prices; purchase order number; date; and signature of recipient.

Note: The above procedure will provide prompt payment to vendor to insure your future use of standing purchase orders.

AUTHORIZED PURCHASING METHOD #5: Claim for Out-Of-Pocket Expenses

1. Claim requests will be reimbursed for mileage incurred while conducting district business, or for out-of-pocket district expenses and emergency supplies up to \$100. Claim forms are not intended to be used as a way to circumvent the purchasing process.
2. Claims submitted to the Accounts Payable department for unauthorized purchases will be denied reimbursement and the individual making the purchase will be responsible for any debt they incurred.
3. To obtain a claim forms contact the Fiscal Services Department.

ADMINISTRATOR, DEPARTMENT/DIVISION HEAD, SUPERVISOR RESPONSIBILITIES

It is required that all Administrators, Department/Division Heads and Supervisors be responsible and accountable for all purchases made by staff in their departments.

This includes purchases made by any of the 5 Authorized Purchasing Methods.

For purchases using requisition and standing orders:

1. Scrutinize all requisitions in the best interest of the College District.
2. Verify or fill in the "Charge Account Number(s)" and sign the bottom of the requisition designated "Approvals (required) Division/Department Head" section.
3. Assure the requisition is complete. If requisition is not properly completed, it may be RETURNED TO REQUESTOR.
4. Forward to the Budget Analyst in the Fiscal Services Department and retain the pink copy for your department records.

For out of pocket claims:

1. Verify that item(s) purchased match the receipt for the reimbursement amount requested.
2. Verify the account code is correct before signing claim.

For Office Depot on line orders

1. Check department budget regularly to confirm these purchases are in the best interest of the District.
2. Verify the account codes are correct.

For Cal Card purchases

1. Verify the items on the purchase log are legitimate purchases, match receipts, and statement.
2. Verify account codes are correct before signing the log.

ITEM(S) RECEIVED FOR PREVIEW BEFORE PURCHASE

1. When preview merchandise arrives, item(s) will be received by Shipping & Receiving personnel and then delivered to the appropriate person/department for preview.
2. Any paperwork sent by the vendor with deadlines to return item(s) or submit payment will be delivered to the individual/department with item(s).
3. The requisitioner shall be solely responsible for calling the Shipping & Receiving Department to arrange for item(s) to be picked up for return by the deadline date.
4. If item(s) will be retained by the individual/department, the requisitioner shall be solely responsible for submitting the correct paperwork to complete the purchase transaction.

CHANGE ORDERS AND CANCELLATIONS

Change Orders

1. A change order must be processed through the Purchasing Department.
Changes are:
 - a. Price, quantity, or shipping information.
 - b. Description of item (i.e. discontinued and replaced by a new item).
 - c. Vendor or their location.
2. Purchasing must be notified in writing of any changes made outside the Purchasing Department.
3. The purchasing copies of the Purchase Order will be pulled from files and marked up with changes, including description of the change (i.e. Item #1: quantity change from 3 to 6), dated, and signed by Purchasing. Changes to the order will be made in the computer system. A change sequence number will be indicated on the purchase order.
4. Copy of the changed purchase order will be faxed to the vendor with a follow-up phone call confirming receipt of changed order.
5. Changes can be viewed in the computer system.

Cancellations

To notify the vendor that the entire purchase order should be cancelled:

1. The requestor must notify the Purchasing Department and provide a justification in writing to initiate a cancellation. The Director of General Services or any Purchasing staff has the authority to approve a cancellation.
2. Purchasing Department will contact the vendor to obtain status of the order and inform them of cancellation. Any additional charges incurred (i.e. restocking charges) as a result of cancellation will be paid for by requestor.
3. The original and purchasing copies of the Purchase Order will be pulled from files and marked "CANCELLED", dated, and signed by Purchasing.
4. A copy of the cancelled Purchase Order will be faxed to the vendor with a follow-up phone call confirming receipt of cancellation.
5. Canceled orders can be viewed in the computer system.

RECEIVING PURCHASE ORDER POLICY

Orders placed by Purchasing:

1. A printed copy of the purchase order will be faxed to the vendor and filed in the Purchasing Department.
2. Requestor can track the receipt of their order through the computer system.
3. The requestor must contact the Purchasing Department to follow up on items not received within the time designated on the purchase order.

Orders Received:

1. All orders will be received in the computer system by Shipping & Receiving Technicians.
2. Requestors will sign packing slip as proof of delivery. Packing slip will be filed in the Shipping & Receiving department.

3. Shipping & Receiving Technicians will provide information of partial shipments to the Purchasing Department for follow up.

Standing (Blanket) Purchase Orders:

1. Packing slips or invoices from Standing (blanket) purchase orders will be signed and forwarded to the Accounts Payable Department by the receiver as proof of delivery for payment.

Partial or Incomplete Orders:

1. Notification of partial shipment and incomplete purchase orders are forwarded by Shipping & Receiving Technicians to the Purchasing Department on a daily basis if possible.
2. Follow-up is done by the Purchasing Department approximately every month on outstanding shipments.
3. When a requestor has a question pertaining to a purchase order with items back ordered or late, inquiry shall be directed to the Purchasing Department via email or phone.
4. Include vendor name and purchase order number so follow up can be done expediently and efficiently without any delay to either party.
5. When shortages are noted, wrong items received, merchandise is received damaged, or other findings of this nature, contacts shall be directed to the Purchasing Department via email, and use the RMN when returning items.

OFF-CAMPUS PICKUPS AND DELIVERIES

Off-campus pickups and deliveries associated with a purchase order must be handled through the Purchasing Department. Please notify the Purchasing Department when a town run pickup or delivery is required, and provide complete pickup/delivery information. Purchasing will make arrangements with Shipping & Receiving personnel for pick-up/delivery.

Shipping & Receiving personnel will deliver merchandise to the requestor. Upon receipt, requestor will sign packing slip "OK to Pay", and forward to Accounts Payable for payment. (Purchase Order number must be written on packing slip).

To schedule an off-campus pick up or delivery for other than Purchase Order items, contact the mailroom via "Messenger Request" email at least 24 hours in advance. (See General Services Mailroom Procedure MARO 4.1, section 5.3)

Exchanges, returns, or repairs requiring delivery off-campus must be processed through the Purchasing Department and Shipping & Receiving via the RMN Form. The Purchasing Department will contact the appropriate vendor involved to send items out for exchange, returns, or repairs.

EXCEPTION: STANDING PURCHASE ORDERS, PROCUREMENT CARD, OUT-OF-POCKET CLAIMS UNDER \$100.

Any personnel, who is authorized by their immediate supervisor, may purchase and pick up merchandise off-campus by using a standing purchase order, a procurement card, or out-of-pocket claim under \$100. Proper signature on packing slips, or sales slips and the immediate transfer of such papers to the Accounts Payable Department upon return to the campus must be done to expedite payment to the vendor. (See Standing Purchase Order)

DEFINITION OF EQUIPMENT vs SUPPLIES

The California Community Colleges' Budget and Accounting Manual provides guidelines for distinguishing between supplies, equipment, site improvements and buildings. Districts are required to correctly identify each expenditure in order to maintain necessary accounting uniformity.

Expenditures for equipment, improvement of sites, and buildings over \$5,000 are charged as capital outlay. Expenditures for supplies are charged as current expenses.

Supplies are expendable, consumed, or easily broken. Examples: paper, cleaning materials, nails, test tubes, and keys. Items with relatively short service life and replaced frequently are charges as supplies.

Equipment includes movable personal property of a relatively permanent nature and/or significant value. Examples: furniture, machines, musical instruments and vehicles.

Some articles are more difficult to classify; they have characteristics of equipment but have low unit cost, are frequently lost, broken, or worn out and replaced in normal use. When assigning items to the various classifications refer to the following list. If the answer to any of these five questions is 'YES', the item should be classified as a supply. If all answers are 'NO', the item should be classified as equipment.

1. Does the item lose its original shape and appearance with use?
2. Is it consumable, with the normal service life of less than one (1) year?
3. Is it easily broken, damaged or lost in normal use?
4. Is it usually more feasible to replace it with a new unit than repair it?
5. Is it inexpensive? Does the small unit cost make it inadvisable to inventory the item? (Education Code, Section 81600).

Exception to the above: Nonconsumable articles, generally classified as supplies, should be classified as equipment if they are purchased to start or expand materially the equipping of another facility.

INVENTORY CONTROL

District Policy

The Board shall manage, control, and insure school property.

At the time of the annual audit, the district auditor shall be asked to verify the fact that there is an inventory control system procedure and that this procedure is being implemented.

Inventory Control

The inventory control shall be implemented in the following manner:

1. Fixed assets records shall be maintained to meet the legal requirements.
2. At minimum all items of equipment having a purchase value of \$1,000 or more shall be labeled with an appropriately numbered and coded metal identification tag.
3. A separate record shall be kept for each item tagged. All necessary and identifying information shall be recorded.
4. A physical inventory shall be taken annually to determine:
 - a. That all fixed assets owned by the District appear in the records.
 - b. That all fixed assets in the records are on hand.
5. All acquisitions, leases and disposals shall be properly accounted for in the fixed assets records and shall be handled in accordance with law.
6. Physical safeguards, such as adequate locks for buildings and rooms shall be provided to protect and control fixed assets.
7. All Staff must obtain written approval from their Supervisors prior to removing District Assets from any campus.
8. All deeds and other legal documents relating to real property shall be recorded in the office of the County Recorder.
9. All documents indicating legal evidence of ownership, such as deeds, title insurance policies, certificates of ownership and bills of sale, shall be carefully safeguarded against loss by fire and theft.

INVENTORY IDENTIFICATION AND RELOCATION

Taggable assets have a Cuesta College identification tag attached (inventory number). In most cases, it can be found underneath the item or in an inconspicuous place, with the exception of computers, which are tagged in the front.

When information is requested concerning an item, have the inventory number available before contacting the Purchasing Department. In most cases the inventory record pertaining to the item has the following information available:

- Inventory Number
- Description
- Serial Number
- Location: Building & Room
- Purchase Order Number
- Date of Purchase
- Quantity
- Unit Cost

1. The information listed on each record is correct and will only remain so with the cooperation of all employees through the proper use of Inventory Change Forms available through the Purchasing Department.
2. When item(s) are moved from one location to another, or any other changes are made pertaining to that equipment, the Inventory Change Form must be filled out in its entirety and immediately forwarded to the Purchasing Department.
3. No equipment shall be transferred from one building or room to another at any time without the consent of the supervisor. An Inventory Change Form shall be completed, signed, and approved. The form shall then be sent to the Purchasing Office for action.
4. Surplus Equipment Transfer: See the General Services web site at www.cuesta.edu/deptinfo/genserv/ . Shipping and Receiving Procedure SHRE 3.1.

SURPLUS PROPERTY

All items designated for storage by any Department/Division shall be transferred to the District Storage buildings or Warehouse using and Inventory Change Form. The Department/Division will indicate whether the equipment is being stored for future use or to be sold at a surplus property sale.

1. Items Held for Future Use
 - a. Property may be held for department/division future use. A sticker indicating the department/division name is placed on the equipment and then placed in District storage.
 - b. The Shipping and Receiving Department maintains a list of all property stored and will attempt to recycle all property held in storage.
2. Items Held for Surplus Sale
 - a. The Purchasing Department will send a listing to all member of management asking if any Department/Division can use the item(s). If it can be used, it is transferred. All surplus items are stored in the District storage building until declared surplus by the Board (Ed. Code 81450 and 81460 inclusive).
 - b. After Board approval the campus is notified of public surplus sale. Sale of surplus equipment is held through publicsurplus.com.
 - c. Surplus items will be disposed of in one of the following manners:
 - i. Retain merchandise for next Surplus Sale.
 - ii. Donate items to local charities, other schools, or non-profit organizations.
 - iii. Dispose of as trash.

EQUIPMENT REPAIR AND MAINTENANCE

Off-Campus and/or Contract Work

1. Procedure for Repairs on Computers and Printers: Contact Computer Services for work order information.
2. Procedure for Repairs on other Office Equipment:
 - a. Contact the Purchasing Department with description of machine and problem.
 - b. Purchasing will contact vendor for repair.
 - c. After repair is complete, please review invoice for accuracy, sign invoice (OK to pay), and send it to the Accounts Payable Department.

Procurement Credit Card Handbook

General Information

In today's environment of streamlining, government, state, and local agencies are looking for ways to cut administrative time, effort, and costs. Procurement Credit Cards, essentially VISA credit cards, enable agencies to significantly trim the traditional paper and labor intensive procurement process for small dollar purchases. With the ease of a widely accepted VISA card, Cuesta College employees may make walk-in purchases, place telephone and electronic orders, and confirm purchases of up to \$950 per transaction. The card allows departments to effectively control and monitor small purchases and reduce time and paperwork.

Cuesta College uses a variety of methods for the purchase of goods and services, including purchase orders, standing (blanket) purchase orders, and claim reimbursements. Processing purchase orders is not cost effective for low dollar value goods and occasionally suppliers refuse to accept a purchase order.

The Procurement Credit Card should be used as the first option before other existing methods to obtain supplies and services costing less than \$950 per transaction, including tax, which are not prohibited or restricted. Cardholders are encouraged to use the Procurement Credit Card, for low value purchases in order to achieve cost savings and improve processing time for such items.

Contact the following for questions or concerns:

Agency Program Administrator:

Chris Green, Fiscal Services, 805-546-3902, cgreen@cuesta.edu

Assistant Program Coordinators:

Linda Brizzolara, Purchasing Dept., 805-546-3134, lbrizzol@cuesta.edu

Celeste Brown, Purchasing Dept., 805-546-3134, cbrown@cuesta.edu

PROHIBITED OR RESTRICTED PROCUREMENT CARD PURCHASES

Prohibited

If the goods are ‘prohibited’, the use of the Procurement Credit Card is unauthorized and should not be used to procure such items. Additional blocks will be placed on Credit Cards by the Fiscal Services Department depending on specific department needs and usage.

The use of the Procurement Credit Card is strictly **prohibited** for the following:

Personal purchases—**no exceptions**.

Home deliveries.

Cash advance, leases, maintenance service, equipment rental exceeding one week.

Communications equipment, cellular telephones, pagers, and accessories.

Splitting of purchases to circumvent the dollar limitation.

Equipment as defined in Appendix E of Budget and Accounting Manual (pp. E.1 & E.2).

Restricted

If the goods or services are ‘restricted’, the Procurement Credit Card may still be used if established approvals and criteria are met. Some examples of **restricted** purchases are:

Services: otherwise available from Physical Plant.

Office furniture: must be verified by Purchasing that campus standards are being met prior to purchase.

Computer software or hardware: Computer Services must approve item(s) prior to purchase.

Equipment requiring installation or wiring: Physical Plant must be consulted prior to purchase.

EMERGENCY PURCHASES

The Procurement Credit Card, may be used to purchase a restricted item when there is an emergency need and time is of the essence. ‘Emergency’ is defined as the need for goods/services necessary for the continuance of critical daily operating functions, or when an emergency condition exists involving public health, welfare, or safety. Failure to allow adequate lead time **does not** constitute an emergency. It is the department’s responsibility to submit a written justification with their monthly department records stating: 1.) Why the item or service was necessary; and 2.) Program impact if the item or service had been filled through normal ordering procedures.

NOTE: THE QUANTITY ORDERED ON A CREDIT CARD MUST BE ONLY ENOUGH TO COVER THE NATURE OF THE EMERGENCY.

REVOCATION OF CREDIT CARD

In the event of repeated abuses of Procurement Credit Card policies, the card will be revoked.

AREA OF RESPONSIBILITY AND PROGRAM ADMINISTRATION

U.S. Bank Government Services

U.S. Bank is the State of California Procurement Credit Card contractor who issues the Procurement Credit Cards. All Cardholders will receive their Procurement Credit Card from the Purchasing Department, Fiscal Service Division. Cardholders will be advised when their card is available, and must sign a Cardholder responsibility agreement, and attend a short workshop to receive the Procurement Credit Card.

Fiscal Services Division

The **Director of Fiscal Services** is responsible for coordinating the program, issuing Procurement Credit Cards, reporting information and assisting departments in utilizing the cards correctly.

The **Purchasing Department** within the Fiscal Services Division will administer and maintain the Procurement Credit Card program and is responsible for accumulating, reporting, coordinating and evaluating all aspects of the program.

The **Accounts Payable Department** within the Fiscal Services Division is responsible for verifying monthly statements for payment, auditing the U.S. Bank Statement of the Account and processing it for Payment to U.S. Bank.

Cardholder (Cards will be issued to permanent Cuesta College employees only)

The Cardholder is responsible for the security of the Procurement Credit Card, the appropriate use of the card, compliance with Cuesta College procurement procedures, and reconciliation of all purchases via the Banner P-Card system.

Cardholder must verify that budgeted funds are available prior to making any purchase.

Approving Official

The Approving Official is responsible for reviewing all charges, ensuring all purchases are appropriate, ensuring no prohibited items have been purchased, verifying that all proper documentation is attached to the monthly U.S. Bank statement, and signing their approval.

PROCEDURES: Cardholder

1. Responsibility

The Cardholder is responsible for ensuring the Procurement Credit Card is used in accordance with this handbook, and all purchases of commodities are in compliance with Cuesta College procurement and contracting procedures and policies.

2. Security of Procurement Credit Card

The Cardholder is responsible for the security of the Procurement Credit Card, and is the only authorized user of the card.

3. Determines the Need

Cardholder determines the need to purchase supplies using good judgment, and in the best interest of the District. Cardholder screens requests to determine if the request is an appropriate use of the Procurement Credit Card.

4. Obtaining Goods

The Cardholder will use the Procurement Credit Card to purchase goods in person, by telephone, or through a secured Internet site.

5. Pre-Purchase Approval Process

Cardholders must obtain pre-approval from their Approving Officials for Cal Card purchases of \$200 or greater. Once the form is signed by your Approving Official, you may proceed with the purchase. Attach the form with your receipt to the monthly U.S. Bank statement.

6. Shipping Purchases to Cuesta College

The cardholder will specify the warehouse address when shipping purchases to:

Cuesta College, Building 7400, Highway 1, San Luis Obispo, 93405

The cardholder will make a copy of the order confirmation, write "VISA" across the top of the copy, and forward to the Shipping and Receiving Department.

7. Receipts and Invoices

- a) The Cardholder will obtain a receipt or invoice for each purchase. If necessary, the Cardholder will **require the vendor to itemize the receipt or invoice**. An itemized receipt or invoice consists of the following information for commodity purchases:

-Vendor name and information

-Description of commodities purchased

- Quantity purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if applicable

- b) Individual receipts or invoices smaller than 4 ¼” X 5 ½” must be taped on an 8 ½ x 11” sheet of paper to ensure they are not lost in transit.
- c) Receipts are to be attached to the monthly statement in the order they are listed.

Note: Excessive instances of lost receipts may result in loss of card privileges.

8. CalCard ‘E’-reconciliation in Banner and Bank Statement

- a) Electronic files of all purchases will be downloaded from US Bank into the Banner system.
- b) The Banner system will distribute email notifications weekly to the Cardholders that have charges to be reconciled. Reconciliation and coding of these purchases must be completed within 14 days of the notification in FAAINVT **Repeated failure to reconcile and code charges will result in a strike.**
- c) Cardholders or designee will assign proper account codes to purchases in the Banner system for expense and payment. (Note: Coded expenses will move via Banner to the budget manager for approval, once approval queues have been implemented.)
- d) At the close of each monthly billing cycle, U.S. Bank will send an individual bank statement directly to each Cardholder.
- e) Cardholders will attach their receipts to the monthly U.S. Bank statement in the order they are listed, and forward to Approving Official for approval signature.
- f) Cardholders will forward their signed monthly U.S. Bank statement and receipts to **Accounts Payable** within 14 days from the statement date for auditing purposes.
- g) Foundation charges must be sent to the Foundation to be encumbered before being submitted to the Accounts Payable Department.

9. Fiscal Year-End

All Procurement Cards will be deactivated the Monday in June prior to the bank cut-off date and reactivated on July 1st for the fiscal year end closing. Cardholders are asked not to use the card during this period.

10. Reporting Discrepancies

- a) If an item is billed incorrectly, the Cardholder must provide a complete explanation on the Banner email notification, attach the original receipt. Notify the vendor of the incorrect amount billed to rectify the discrepancy.
- b) Cardholder is responsible for contacting U.S. Bank, 800-344-5696 (not the Purchasing Department or Accounts Payable), on questionable items or disputed items which appear as a transaction on the bank statement within 15 days after the date of the invoice report.
- c) If items purchased with the Procurement Credit Card are found defective, the Cardholder is responsible for returning the item(s) to the merchant for replacement or to receive a credit on the purchase (use RMN process-see purchasing website). If the merchant refuses to replace the defective item, then the purchase of this item will be considered to be in DISPUTE.

- d) A copy of the receipt shall be kept until the corrected credit transaction shows up on the Banner email notification. The credit receipt shall then be attached to the corrected U.S. Bank statement and forwarded to Accounts Payable in the usual manner.

11. Reporting Fraudulent Charges

- a. Cardholders can help to prevent fraud by carefully reviewing their Banner email notifications and their monthly statement. If a Cardholder discovers a fraudulent transaction, the Cardholder should immediately report the fraudulent transaction to **U.S. Bank Fraud Investigation Services 800-344-5696**.
- b. U.S. Bank will work with the Cardholder to confirm the validity of the transaction(s) in question. An affidavit may be mailed to the Cardholder. It must be signed and returned. It may also be necessary to close the current account to prevent additional fraud activity. The District may also require the credit card to be turned into the Purchasing Department for termination and destruction.
- c. The Cardholder should reconcile their Banner email notification and their monthly statement by circling any suspected fraudulent transactions and write "fraud" next to the charge(s). Deduct the fraudulent charge(s) from the total amount owed and process the statement as required. The Cardholder should follow the reporting instructions as stated in the previous paragraph.
- d. If a credit or debit balance remains the Cardholder and Accounting Office should work with U.S. Bank, Invoice and Payments Services, to clear the amount off the account. Invoice and Payments Services can be reached by calling Customer Services at 800-344-5696 and ask to speak to an Invoice and Payments Services Representative.
- e. U.S. Bank Government Services Fraud Prevention Unit continually monitors CAL-Card accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, U.S. Bank Government Services Fraud Prevention Unit may contact Cardholders by telephone to inform them regarding the use (or attempted use) of the CAL-Card in a fraudulent manner.

Direct any concerns about fraud on the CAL-Card to U.S. Bank Customer Services at (800)344-5696.

IMPORTANT: The Cardholder must also provide the following information to their Agency Program Coordinator:

- The account number on which the fraud has been detected
- The date and dollar amount of the fraudulent transaction(s)
- The date the Cardholder first contacted, or was contacted by, U.S. Bank regarding the fraud
- The name of the U.S. Bank Fraud Representative who is investigating the account
- The new account number (if established)

PROCEDURES: Approving Official

Reconcile Purchases with Banner Email Notification

Electronic files of all purchases will be downloaded from US Bank into the Banner system for Cardholders or designee to reconcile upon Banner email notification. Cardholders or designee will enter account information in Banner **immediately**, attach their receipts to the monthly U.S. Bank statement, and forward to Approving Official for approval signature. The approving official will:

1. Review charges to ensure that purchases are appropriate and any purchase of restricted items are appropriately documented. Review list of transactions to be sure all invoices/receipts are included.
2. Approve, initial, and date the U.S. Bank statement with the receipts prepared by Cardholders or designee in their Department.
3. Cardholders will forward their signed U.S. Bank statement and receipts to **Accounts Payable** within 14 days from the statement date for auditing purposes.

**Accounts Payable, Building #8000
Attn: Procurement Credit Card Program**

USAGE REPORTS

Usage reports reflecting Cardholder activity are accessed by the Purchasing Department, Purchasing Technician through US Bank on-line system. This information will be made available upon individual request.

Three Strikes Policy

Failure to comply with Procurement Credit Card procedures will result in the Cardholder receiving a written warning.

**Three written warnings will constitute the *suspension* of
Credit Card privileges.**

REPLACING PROCUREMENT CREDIT CARDS

There may be instances where it becomes necessary to replace Procurement Credit Cards. It will be the card user's responsibility to initiate this process. Follow those instructions below that apply:

REPORTING LOST PROCUREMENT CREDIT CARD

- a) Cardholder will immediately contact U.S. Bank Customer Service at 800-344-5696.
- b) Cardholder will then immediately contact their approving official.
- c) The approving official will immediately notify the Purchasing Department by telephone, 805-546-3134 or email, lbrizzol@cuستا.edu or cbrown@cuستا.edu.
- d) The Purchasing Department will contact the bank contractor to obtain a replacement card. U.S. Bank will mail replacement cards to the Purchasing Department office within two (2) working days of notification.
- e) The Purchasing Department office will notify the card holder when replacement card is available.

REPLACEMENT OF WORN OUT OR DEFECTIVE CARDS

- a. If a Procurement Credit Card needs to be replaced because it is worn out or defective, the card user will contact the **Purchasing Department by telephone, 805-546-3134 or email, lbrizzol@cuستا.edu or cbrown@cuستا.edu**, to request a replacement card. The worn out/defective card will be turned in to the Purchasing Dept. when the replacement card is picked up.
 - a) **DO NOT FOLD, SPINDLE, OR MUTILATE PROCUREMENT CREDIT CARDS.** U.S. Bank will issue a replacement card within two days after receipt of memorandum.
 - b) The Purchasing Department will notify departments when the replacement card is available.

REPLACING A CARDHOLDER OR APPROVING OFFICIAL CARDHOLDER

- a) When a Cardholder leaves the District, their credit card must be returned to the Purchasing Department. **DO NOT FOLD, SPINDLE, OR MUTILATE PROCUREMENT CREDIT CARDS.**
- b) A new credit card may be requested for another employee by submitting a "Cuesta College Procurement Credit Card Application".
- c) U.S. Bank will issue a new card within two weeks after receipt of request. The Purchasing Department office will notify departments when new cards are available.
- d) When an employee moves to another department, they may keep their card provided the new budget manager approves of the card. Once written approval is obtained by the Purchasing Department, another card (same number) will be issued with updated department information.

APPROVING OFFICIAL

- a) When an approving official leaves the department, a memorandum from the department head requesting a change in approving official should be submitted to the Purchasing Department office. The memorandum or email must include the name of the new approving official.
- b) Forward the memoranda or email to: Purchasing Department, Attn: Procurement Credit Card Program, Linda Brizzolara, lbrizzol@cuesta.edu or Celeste Brown, cbrown@cuesta.edu

COMMON DISPUTE REASONS

The most common dispute reasons are described below. If you have any questions regarding the appropriate dispute reason to use, contact **U.S. Bank Customer Service at 800-344-5696**.

Unauthorized Mail/Phone Order

This reason should be used for telephone or mail order transactions. If a sales slip is signed or imprinted with the Cardholder's card, this reason does not apply.

Duplicate Processing

This reason is used when a transaction has been multiple billed to an account. The amounts must be the same. The Cardholder should provide the transaction details of the original billing, such as dollar amounts, transaction date, etc. A copy of the monthly bank statement on which the billings occur and copies of the original sales slip.

Merchandise Not Received

This reason is used when the goods were not received or paid for by other means. The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of merchandise. If the goods were paid for by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided and a copy of the Statement of Account. In the event merchandise was canceled, full details should be provided, such as why the transaction was canceled and date of cancellation.

Merchandise Returned

In the event merchandise was returned and a credit has not yet been posted, the Cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number on the monthly statement, postal, UPS or other official receipt proving the merchandise was returned should be forwarded with the Cardholder's Statement.

Credit Not Received

This reason may be used when the Cardholder has received a credit voucher or written refund acknowledgment from the vendor, but the credit has not been posted to the Cardholder's account within 30 days from the date on the voucher or acknowledgment. The Cardholder acknowledges participation in the transaction but the goods were returned or the service was canceled. The

Cardholder should state the amount of credit they are expecting and provide a copy of the credit memo.

Alteration of Amount

This reason is used when the Cardholder participated in the transaction and indicates that the amount was altered without permission. The Cardholder must acknowledge the amount before alteration and a copy of the Cardholder's copy of draft must be provided to support this reason. The amount of the credit would be the difference between the amount before alteration and after alteration.

Inadequate Description or Unrecognized Charge

In the event the Cardholder does not recognize the transaction description, they should request that USBN supply a copy of the sales draft due to inadequate description or unrecognized charge. This should be requested only after reviewing their supporting documentation and ensuring a merchant (vendor) description or location error has not occurred. Contact **US Bank Customer Service 800-344-5696** for a copy of the transaction.

Copy Request

This reason should be used when the Cardholder recognizes the charge, but requires a copy of the sales draft for their records. The Cardholder should be encouraged to keep all other supporting documentation, such as catalog information, magazine ad, shipping documents, etc., as evidence of their purchase.

Services Not Received

This reason is used when the services were never performed or paid for by other means. The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of service. If the services were paid for by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided. In the event the request for service was canceled, full details should be provided, such as why the transaction was canceled and date of cancellation.

Not as Described

This reason is used when the Cardholder claims goods or services were not received as described. The written document of what was to be delivered must be different than what was actually delivered. It is important that the sales draft specifically describe what was purchased. For example, this reason could not be used when the Cardholder was expecting a Sony tape recorder, model LXX210 and when he or she got back to the office, they determined that a Sony model B640 was in the box and the sales draft simply said "tape recorder". In a telephone order situation, the verbal description is considered the "document characterization". The Cardholder must explain in his or her letter how the verbal description was different from what was actually received. An attempt must be made to return the goods and must be stated in the Cardholder's documentation. If merchandise was returned, proof of such return should be forwarded with a copy of the return authorization.

INFORMATION SOURCES

U. S. Bank Government Services

Customer Service 24/7

800-344-5696

Cuesta College Fiscal Services Division

Agency Program Administrator – Chris Green
cgreen@cuesta.edu

805-546-3902

Assistant Program Coordinator – Linda Brizzolara
lbrizzol@cuesta.edu

805-546-3134

Assistant Program Coordinator – Celeste Brown
cbrown@cuesta.edu

805-546-3134

Accounts Payable (Billing) – Shawna Donahou
Accounts_Payable@cuesta.edu

805-546-3137

Purchase Order Processes

Purchasing will periodically run the PO batch close process (FPPPOBC) to close low values and check PO’s that have been inactive. The following parameters may vary depending on the time of the year:

- All \$0 purchase orders
- Increase the amount to perhaps \$50, with no activity for several months
- Increase the amount again to \$200 or so, with no activity
- Increase to a larger amount, \$950 and above with no activity for a lengthy period

Reports will be run in the audit mode and we will check with various departments and query the reason the PO would still be open without activity. The department may decide the PO will no longer be used and possibly free up the funds for something else

- Department will contact the Budget Accountant and request closure of the PO
- The Budget Accountant will then authorize Purchasing via email to close the PO
- Purchasing will confirm closure with everyone involved in the decision via email

An Open Receiving report (FPRRCDL) will be run periodically checking outstanding items:

- The reports print by vendor and we will print regular orders only
- Purchasing will check to see if an invoice has been paid against the item and a “final indicator” button was not pushed which would keep the PO open. In most cases this is cause, otherwise:
- The department may need to be contacted to verify receipt of an item
- Vendor will be contacted depending on the circumstance of the invoice and/or item in question
- There are many variables to take into consideration before closing a regular PO

SIGNATORY AUTHORITY updated 1/1/2016	
Budget Approval:	
a. Division Chairs	up to \$500
b. Directors	up to \$2,500
c. Deans/Executive Directors	up to \$5,000
d. Vice Presidents	up to \$10,000
e. President	over \$10,000

QUOTE REQUIREMENT THRESHOLDS:

Orders of:

\$ 1,000 or more must have one written quote

\$ 5,000 or more should have two to three competitive quotes

Exceptions: Physical Plant and Telecommunications for services only

\$15,000 two to three quotes; Public Contract Bid, Ed Code 20651 (there are exceptions)

Bid Threshold 2016:

\$87,800 (includes tax and shipping)

OFFICIAL BIDDING PROCESS

Definitions: The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.

“Bid” means an offer, made in response to a solicitation, to perform a contract for services, labor or to supply goods or materials at a specified price.

“Bidder” means a supplier who submits a bid to the District in response to a solicitation.

“Purchasing Agent/Buyer,” means the San Luis Obispo Community College District, Cuesta College authorized contracting official.

“District” means San Luis Obispo Community College District, Cuesta College.

Bid Packet: This Bid Packet consists of the following: Cover Letter, General Instructions, Bid Form, Bid Proposal, Debarment Suspension Disclosure Statement, Certificate of Workers Compensation Insurance, Drug Free Workplace Certification and Non-Collusion Affidavit.

Bid Proposal Preparation. All information required by the bid forms must be completely and accurately provided. Numbers shall be stated in both words and figures where so indicated in the bid forms; conflicts between a number stated in words and in figures are governed by the words. Partially completed Bid Proposals or Bid Proposals submitted on other than the bid forms included herein are non-responsive and will be rejected. Bid Proposals not conforming to these Instructions for Bidders and the Notice Calling for Bids may be deemed non-responsive and rejected.

Documents Accompanying Bid Proposal. Each Bid Proposal shall be accompanied by: (a) the required Bid Security, if any; (b) Non-Collusion Affidavit; and (c) Drug-Free Workplace Certification; (d) Debarment Suspension Disclosure Statement, and shall be executed by an individual duly authorized to execute the same on behalf of the Bidder. All information or responses of a Bidder in its Bid Proposal and other documents accompanying the Bid Proposal shall be complete, accurate and true; incomplete, inaccurate or untrue responses or information provided therein by a Bidder shall be grounds for the District to reject such Bidder's Bid Proposal for non-responsiveness. The inclusion of modifications to the District's forms and/or the inclusion of qualifications, limitations or other modifications of the Contract Documents in a Bidder's Bid Proposal or other documents submitted by a Bidder with its Bid Proposal will render the Bid Proposal non-responsive and rejected.

Submittal of Bid Proposals. Bid proposals, enclosed in a sealed envelope, shall be addressed and delivered to San Luis Obispo Community College District, Cuesta College, Attn: Purchasing Department, P.O. Box 8106, San Luis Obispo, CA 93403-8106, before the time stated in the Bid Packet. Each envelope shall bear the Title of the Bid and the Name of the Bidder. No electronic (e-mail) or fax bids or amendments to bids shall be accepted. All Bid Proposals shall be submitted on forms furnished by the District. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from the District as set forth above. Only Bid Proposals submitted to the District at or prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered.

Date and Time of Bid Proposal Submittal. The District will place a clock ("the District Clock") in a conspicuous location at the place designated for submittal of Bid Proposals. For purposes of determining the time that a Bid Proposal is submitted, the District Clock shall be controlling. The foregoing notwithstanding, whether or not Bid Proposals are opened exactly at the time fixed in the Call for Bids, no Bid Proposals shall be received or considered by the District after it has commenced the public opening and reading of Bid Proposals; Bid Proposals submitted after such time are non-responsive and will be returned to the Bidder unopened.

District's Right to Modify Contract Documents. Before the public opening and reading of Bid Proposals, the District may modify the Bid, the Contract Documents, or any portion(s) thereof by the issuance of written addenda disseminated to all Bidders who have obtained a copy of the Specifications, Drawings and Contract Documents pursuant to the Call for Bids. If the District issues any addenda during the bidding, the failure of any Bidder to acknowledge such addenda in its Bid Proposal will render the Bid Proposal non-responsive and rejected.

Modifications. Changes to the bid forms which are not specifically called for or permitted may result in the District's rejection of the Bid Proposal as being non-responsive. No oral or telephonic modification of any submitted Bid Proposal will be considered. A written modification may be considered only if actually received by the District prior to the scheduled closing time for receipt of Bid Proposals and the public opening thereof.

Erasures; Inconsistent or Illegible Bid Proposals. Bid Proposals must not contain any erasures, interlineations or other corrections unless the same are suitably authenticated by affixing in the margin immediately opposite such erasure, interlineation or correction the surname(s) of the person(s) signing the Bid Proposal. Any Bid Proposal not conforming with the foregoing may be deemed by the District to be non-responsive. If any Bid Proposal or portions thereof, is determined by the District to be illegible, ambiguous or inconsistent, whether by virtue of any erasures, interlineations, corrections or otherwise, the District may reject such a Bid Proposal as being non-responsive.

Interpretation of Specifications, Bid or Contract Documents. Should a Bidder find discrepancies and/or omissions from the drawings or documents, or should be in doubt as to meaning, the Bidder should contact the Purchasing Agent/Buyer listed in the Bid Packet. All inquiries will be answered in writing and distributed to all Bidders in the form of addenda to the bid. Neither the District nor its representative will be responsible for any oral instructions. No addenda will be issued later than five (5) working days prior to the date set for the opening of bids.

It is the responsibility of the Bidder to verify that their Bid has been received by the District's Purchasing Department prior to the bid opening. Verification of receipt can be made through the Purchasing Agent/ Buyer listed in the Bid Packet.

Specifications: The use of a manufacturer, product brand name or make in the specifications is not intended to restrict Bidders. The specification establishes the quality, performance capability and functionality of the materials and goods desired. Alternative materials or goods on which other proposals are submitted must, in all cases be equal or exceed in every detail to the item specified. Bid must clearly state the brand, make or model number. Alternative goods and materials are subject to review and must be submitted not less than fifteen (15) working days prior to the final date for submission of Bid Proposals and bid opening by the District, or by XXXXXX. The District, for inspection and specification testing, may require samples of bid items. Samples furnished must be free of expense to the District. Samples furnished must also be identical in all respects to the products specified in the bid. Samples, if not destroyed by tests, and if requested, will be returned at the Bidder's expense. All goods furnished under this contract shall be newly manufactured goods. Used or reconditioned goods are prohibited, unless otherwise specified.

Approval of Substitutions or Alternatives. No substitution of any specified item, product, material or system ("Specified Items") will be considered unless the Bidder submits a request to substitute Specified Items along with data substantiating the equivalency of the proposed substitution with the Specified Items not less than fifteen (15) working days prior to the final date for submission of Bid Proposals and bid opening by the District, or by XXXXXXXX. The Bidder may propose to furnish alternatives or substitutes for a particular item specified in the Contract Documents, provided that such proposed substitution or alternative complies with the requirements of the Specifications relating to substitutions of specified items and the Bidder

certifies to the District that the quality, performance capability and functionality, including but not limited to the intended aesthetic effect, of the proposed alternative or substitute will meet or exceed the quality, performance capability and functionality of the item or process specified, and must demonstrate to the District that the use of the substitution or alternative is appropriate and will not delay completion of the Work or result in an increase to the Contract Price. The Bidder shall submit engineering, construction, dimension, visual, aesthetic and performance data to the District to permit its proper evaluation of the proposed substitution or alternative. If requested by the District, Bidder shall promptly furnish any additional information or data regarding a proposed substitution or alternative which the District deems reasonably necessary for the evaluation of the proposed substitution or alternative. The District will issue an addendum identifying all approved substitutions, if any, no later than five (5) working days prior to the scheduled Bid Opening. The District's acceptance or rejection of a proposed substitution shall be final.

Withdrawal of Bid Proposal. Any Bidder may withdraw its Bid Proposal by written request actually received by the District prior to the scheduled closing time for the receipt of Bid Proposals and the District's public opening and reading of Bid Proposals. A written notice of withdrawal of a submitted Bid Proposal received after the scheduled closing time for receipt of Bid Proposals or the District's public opening and reading of Bid Proposals shall not be considered by the District, nor effective to withdraw such Bid Proposal.

Bid Security. Each Bid Proposal shall be accompanied by Bid Security in the form of: (a) cash, (b) a certified or cashier's check made payable to the District or (c) a Bid Bond, in the form and content attached hereto, in favor of the District executed by the Bidder as a principal and a Surety as surety (the "Bid Security") in an amount not less than the percentage of the maximum amount of the Bid Proposal, as set forth in the Notice Calling for Bids. Any Bid Proposal submitted without the required Bid Security is non-responsive and will be rejected.

Bid Security Return. The Bid Security of three or more low Bidders, the number being solely at the discretion of the District, will be held by the District for ten (10) days after the period for which Bid Proposals must be held open (which is set forth in the Call for Bids) or until posting by the successful Bidder(s) of the bonds, certificates of insurance required and return of executed copies of the Agreement, whichever first occurs, at which time the Bid Security of such other Bidders will be returned to them.

Forfeiture of Bid Security. If the Bidder awarded the Contract fails or refuses to execute the Agreement within ten (10) calendar days from the date of receiving notification that it is the Bidder to whom the Contract has been awarded, the District may declare the Bidder's Bid Security forfeited as damages caused by the failure of the Bidder to enter into the Contract and may thereupon award the Contract to the responsible Bidder submitting the next lowest Bid Proposal or may call for new bids, in its sole and exclusive discretion.

Prices: Prices shall be shown on the Bid Form for each individual item. Sales and Use Taxes, if applicable, shall be included at the San Luis Obispo County sales tax rate of 8.25%. Pricing should be valid for the period as indicated in the bid proposal/pricing forms.

Quantity: All quantities are estimates and may vary upon actual ordering of units. The District reserves the right to increase or decrease quantities, all or part of the items may be awarded. Over shipments will be returned at the Bidder's expense.

Delivery: Time and manner of delivery are essential factors in proper performance under the contract. Promptness of delivery may be a factor in awarding the bid. Unless otherwise specified, the Bidder(s) shall be responsible for delivery and shall pay all costs, including drayage, freight, packing and insurance costs for delivery FOB Destination as specified in the bid. Where specific authorization is granted to ship goods FOB Point of Origin, Bidder(s) agrees to prepay all shipping charges, routing the least expensive method. Each invoice will list shipping charges as a separate line item on the invoice.

Contract Renewal: The term of the contract as stated in bid documents and may be extended for additional periods. Per Education Code § 81644 contracts for goods and materials may not exceed three (3) years, contracts for services may not exceed five (5) years. Bidder and the Purchasing Agent/Buyer, representing the District, must mutually agree upon allowances for manufacturer price increases and decreases, which must be accepted prior to renewal of contract.

Prevailing Wage: In accordance with Section § 1771 of the California Labor Code, except for public works projects of one thousand dollars (\$1,000) or less, as defined in Section §1720, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works. This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.

In accordance with Section § 1773 of the California Labor Code, the Bidder shall post a copy of the determination prevailing rates of wages at each job site. A copy of these determinations, entitled "PREVAILING WAGE SCALE" is available to any interested party through the internet at: www.dir.ca.gov. The Bidder and any Subcontractor(s) shall not pay less than the specified prevailing rates of wages to all workers employed by them in execution of the contract when applicable.

Workers Compensation: Section 3700 of the Labor Code requires every employer to be insured against liability for Worker's Compensation or to undertake self insurance in accordance with provisions of that code. The successful bidder shall sign and deliver to the District the form Certificate included as part of the Contract Documents prior to performing any of the Work under the Contract:

References: Bidder may be required to provide a reference list of current customers using materials, goods or services similar to those specified in the bid.

Opening of Bid Proposals: Bid proposals will be opened and read at or shortly after the time set in the advertised Notice Calling For Bids, unless otherwise stated in the Bid Packet. Bidders or their representatives, and other interested persons, may be present at the opening of bid proposals. Bid proposals that arrive after the time set for bid opening will be returned to the vendor unopened and considered non-responsive.

Bidders Interested in More Than One Bid Proposal; Non-Collusion Affidavit. No person, firm, corporation or other entity shall submit or be interested in more than one Bid Proposal for the same Work; provided, however, that a person, firm or corporation that has submitted a sub-proposal to a Bidder or who has quoted prices for materials to a Bidder is not thereby disqualified from submitting a sub-proposal, quoting prices to other Bidders or submitting a Bid Proposal for the proposed Work to the District. The form of Non-Collusion Affidavit included in the Contract Documents must be completed and duly executed on behalf of the Bidder; failure of a Bidder to submit a completed and executed Non-Collusion Affidavit with its Bid Proposal will render the Bid Proposal non-responsive.

Waiver of Irregularities. The District reserves the right to reject any or all Bid Proposals or to waive any irregularities or informalities in any Bid Proposal or in the bidding.

Award of Contract. The Contract for Goods and/or Services, if awarded, will be by action of the District's Board of Trustees to the responsible Bidder submitting the lowest priced responsive Bid Proposal. If Alternate Bid Items are included in the bidding, the lowest priced Bid Proposal will be determined on the basis of the Base Bid Proposal or on the Base Bid Proposal and the combination of Alternate Bid Items selected in accordance with the applicable provisions of the Instructions for Bidders. In the event that this bid calls for the acquisition, procurement or maintenance of electronic systems, data processing, electronic telecommunication, supporting software, related materials, goods and/or services, a community college district may contract with one of the three lowest responsible competitive proposals or bids per Education Code § 81645. The District reserves the right to reject any or all bids or alternates.

Alternate Bid Items Not Included in Award of Contract. The District may, during performance of the Contract, add or delete from the scope of the Contract any or all of the Alternate Bid Items with the cost or credit of the same being the amount(s) set forth by in the Alternate Bid Items Proposal.

Responsive Bid Proposal. A responsive Bid Proposal shall mean a Bid Proposal which conforms, in all material respects, to the Bid and Contract Documents.

Responsible Bidder. A responsible Bidder is a Bidder who has the capability in all respects, to perform fully the requirements of the Contract and the moral and business integrity and reliability which will assure good faith performance. In determining responsibility, the following

criteria will be considered: (i) the ability, capacity and skill of the Bidder to provide the goods and/or services of the Contract; (ii) whether the Bidder can perform the Contract promptly and within the time specified, without delay or interference; (iii) the character, integrity, reputation, judgment, experience and efficiency of the Bidder; (iv) the quality of performance of the Bidder on previous contracts; (iv) such other information as may be secured by the District having a bearing on the decision to award the Contract, to include without limitation the ability, experience and commitment of the Bidder to properly and reasonably plan, schedule, coordinate and execute the Contract and whether the Bidder has ever been debarred from bidding or found ineligible for bidding on any other Contracts. The ability of a Bidder to provide the required bonds will not of itself demonstrate responsibility of the Bidder.

Form of Contract: The form of contract which, the successful Bidder, will be awarded is a District Purchase Order. The Purchase Order shall incorporate as though fully set forth therein the Contract Documents that shall include the General Instructions, Bidder Instructions (if applicable), Bid Specifications, Bid Proposal, Certificate of Workers Compensation Insurance, Drug Free Workplace Certification and Non-Collusion Affidavit.

Hold Harmless: The Bidder shall hold the San Luis Obispo Community College District, Cuesta College, its officers, agents, servants and employees harmless from liability, claims, actions, liens, judgments, demands, damages, losses, costs or expenses of any kind arising from death, personal injury, property damage or other cause based or asserted upon any act, omission, or breach connected with or arising out of the goods purchased hereunder, the progress of work and/or performance of services under this Contract and the Contract Documents. As part of this indemnity, the Bidder agrees to protect and defend, at its own expense, the District, its officers, directors, employees, agents and independent contractors from and against all claims, suits, or proceedings for patent, trademark, copyright or franchise infringement arising from the purchase, installation or use of services or goods and materials purchased herein.

Anti-Discrimination: Bidder hereby certifies that in performing services or providing materials or goods for the District, there shall be no discrimination in hiring or employment practices because of sex, race, color, ancestry age, national origin, disability, disabled veteran status, or religious creed. The Bidder further agrees to comply with all applicable Federal regulations and California Fair Employment Practice Act.

Invoices and Payments: Unless otherwise specified, the Bidder shall render invoices for materials, goods and services under the contract to the San Luis Obispo Community College District, Cuesta College, Accounts Payable Department, P.O. Box 8106, San Luis Obispo, CA 93403-8106. Invoices shall be submitted on a form acceptable to the District under the same firm name as shown on contract. All invoices, packing lists, packages, and shipping notices shall contain the applicable purchase order number. The Bidder shall list separately any taxes payable by the District.

Utilization of Bids by Other Community Colleges, School Districts, State Universities and California Public Agencies. For the term of this Contract and any mutually agreed extensions pursuant to this request for bids, at the option of the vendor, other community college districts, school districts, State Universities, any public corporation or agency within the State of California, including any county, city, town, or municipality, may purchase identical item(s) at the same price and upon the same terms and conditions pursuant to Sections 20118 and 20652 of the Public Contract Code.

Warranty: Unless otherwise specified, the warranties contained in this contract begin after acceptance of merchandise has occurred. Bidder will include all written information on any warranty provided by Bidder or the manufacturer.

Bid Protests: The parties shall deal in good faith and attempt to resolve potential bid protests informally. If the dispute persists, the Bidder shall submit to the Purchasing Agent/Buyer, the "Bidder Protest" form within five (5) working days after being notified by the Purchasing Department of the proposed award. The written bid protest shall set forth, in detail, all grounds for the bid protest, including without limitation all facts, supporting documentation, legal authorities and argument in support of the grounds for the bid protest; any matters not set forth in the written bid protest shall be deemed waived. All factual contentions must be supported by competent, admissible and creditable evidence. Any bid protest not conforming with the foregoing shall be rejected by the District as invalid. The District will respond to all protests in writing. The Board of Trustees will not consider protests from Bidders and/or their agents during a public meeting if they have not followed this procedure. Action by the District's Board of Trustees relative to a bid protest shall be final and not subject to appeal or reconsideration by the District's Director, Purchasing Department, or any other employee or officer of the District or the District's Board of Trustees.

Rehabilitation Act of 1973: Vendor hereby warrants that the products or services to be provided under this agreement comply with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194. Vendor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services, which is brought to its attention. Vendor further agrees to indemnify and hold harmless the San Luis Obispo County Community College District, Cuesta College, the Chancellor's Office of the California Community Colleges, and any California Community College using the vendor's products or services from any claim arising out of its failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a breach and be grounds for termination of this agreement.

In-kind Benefits of Donated Equipment: Include with bid response any additional in-kind benefits or donated equipment. Any equipment and/or benefits listed in bid responses will not be considered in determining the award of bid.

Technology Clause: This request for bids seeks to address the rapid advances in technology. As technology advances, it is understood that the improved or enhanced components/products may supercede existing products in both price and performance and yet be essentially similar. By allowing functionally similar, upgraded or identical products that may be introduced in the future or during the term of this bid are included under the general umbrella of compatible product lines and are thus specifically included in this bid document.

Artwork: Any artwork produced for a project is the sole property of the District and shall be forwarded to the Purchasing Department at P.O. Box 8106, San Luis Obispo, CA. 93403-8106, upon completion of this project.

IV. Standards of Conduct: Employees and Board of Trustees

General Provisions

In 1989, the President's Commission of Federal Ethics Law Reform recommended that individual agency standards of conduct be replaced with a single regulation applicable to all employees or Board of Trustees whose salary or wages is funded by Federal funds or who spends or approves the expenditure of Federal funds. The term "Employees" in this document will refer to both employees and Board of Trustees.

Effective February 3, 1993, the Standards of Conducts for Employees was replaced with a uniform set of standards applicable to all employees of the Executive branch. Where necessary, individual agencies have authority to issue supplemental regulations.

Principles of Ethical Conduct

- Public service is a public trust requiring employees to place loyalty to the Constitution, the laws and ethical principles above personal private gain.
- Employees shall not hold financial interests that conflict with the conscientious performance of duty.
- Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.
- An Employee shall not, except pursuant to the exceptions in subpart B, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from doing business with, or conducting activities regulated by the employee's agency, or whose interest may be substantially affected by the performance or nonperformance of the employee's duties.
- Employees shall put forth honest effort in the performance of their duties.
- Employees shall make no unauthorized commitments or promises of any kind of purporting to bind the government.
- Employees shall not use public office for private gain.
- Employees shall act impartially and not give preferential treatment to any private organization or individual.
- Employees shall protect and conserve District (including Federal) property and shall not use it for other than authorized activities.
- Employees shall not engage in outside employment or activities, including seeking or negotiation for employment, that conflict with Government duties and responsibilities.

- Employees shall disclose waste, fraud, abuse and corruption to appropriate authorities.
- Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those such as Federal, State, and local taxes that are imposed by law.
- Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.
- Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or these Standards of Conduct.

Gifts from Outside Sources

Prohibits employees from soliciting or accepting gifts from outside sources. An employee shall not solicit or accept a gift given because of his official position or from a prohibited source.

Prohibited source is defined:

- Seeking official action by the District
- Doing or seeking to do business with the District
- Regulated by the program's agency
- Substantially affected by the performance of his duties

Gifts do not include: coffee, donuts, similar modest items of food, greeting cards, plaques, certificates, trophies, prizes in contests open to the public, commercial discounts that are available to the public, anything for which the employee pays market value.

Conflict of Interest

Disqualifying financial interest prohibits an employee from participating in an official capacity in a matter in which he has a financial interest or in which his spouse, child, or any relative or close friend, i.e. an employee cannot place an order for computer software with a company owned by his wife.

Impartiality in Performing Official duties

There may be circumstances other than those covered by Conflict of Interest in which employees should not perform official duties in order to avoid an appearance of loss of impartiality.

Personal and Business Relationships

Employees should obtain specific authorization before participating in certain matter where their impartiality is likely to be questions. The matters specifically covered by this standard include:

1. Involving specific parties, such as contracts, grants, or investigations, that are likely to affect the financial interest of members of employees' households; or

2. In which person with whom employees have specific relationships are parties or represent parties. This would include, for example, matters involving recent employers, employers of spouses or children, or anyone with whom the employees have or seek a business or financial relationship.

Extraordinary Payments from Former Employers

Employees are restricted in participation in certain matters involving former employers when the former employer gave an employee an “extraordinary payment” in excess of \$10,000 prior to being employed by the District. Federal funded grants prohibit any employee from participating for two years in matters in which that former employer is party or represents a party. A routine severance payment or vacation payout made under an established employee benefit plan does not constitute an extraordinary payment.

Seeking Other Employment

Employees are prohibited from participating in their official capacities in particular matters that have a direct and predictable effect of the financial interest of person with whom they are “seeking employment” or with whom they have an arrangement concerning future employment.

Misuse of Position

Private Gain

Employees are prohibited using their public office for their own private gain or the private gain of friends, relatives, or persons with whom they are affiliated in a non-government capacity, or for the endorsement or any product, services, or enterprise.

Government Property

Employees have an affirmative duty to protect and conserve the District’s property and to use the District’s property only for authorized purposes.

Nonpublic or Confidential Information

Employees are prohibited against engaging in financial transactions or allowing the improper use for private gain using nonpublic or confidential information obtained while performing their official duties.

Official Time

Employees are prohibited against using official time other than in an honest effort to perform official duties and a prohibition against encouraging or requesting a subordinate to use official time to perform unauthorized activities.

Outside Activities

Any employee who wishes to part take in outside employment or outside activities must comply with these provisions:

- Obtain prior written approval from their program’s funding agency.
- Outside employment or activity cannot conflict with employee’s official duties.

- In the absence of specific authorization, employees cannot serve as an expert witness when the United States is a party or has a direct or substantial interest.
- Employees cannot receive compensation for teaching, speaking or writing that is related to their official duties.

Outside employment or activity must comply with your program’s funding agencies rules and regulations.

Board Policy 2710: Conflict of Interest

Reference: Government Code § 1090, et seq.; 1126; 87200, et seq.; Title 2, § 18730 et seq.

1. A board member shall not engage in any employment or activity that is inconsistent with, incompatible with, in conflict with, or inimical to his or her duties as an officer of the district. A board member shall not simultaneously hold two public offices that are incompatible. (Government Code § 1126) (Attachment A)
2. District employees must resign their current position prior to being sworn in as elected or appointed members of the same District’s governing board.
3. A board member shall not be considered to have a financial interest in a contract if his or her interest is limited to those interests defined as remote under Government Code § 1091 or is limited to interests defined by Government Code § 1091.5.
4. Board members shall not have a financial interest in any contract made by the Board or in any contract they make in their capacity as board members.
5. A board member who has a remote interest in any contract considered by the Board shall disclose his or her interest during a board meeting and have the disclosure noted in the official board minutes. That board member shall not vote or debate on the matter or attempt to influence any other board member to enter into the contract.
6. Upon leaving the board, former members shall not, for a period of one year act as an attorney, agent, or otherwise represent for compensation others appearing before the board.
7. In compliance with law and regulation, the Superintendent/President shall establish administrative procedures to provide for disclosure of assets or income of board members:
 - (a) when those assets or income originate from a source which is included in a decision made by the board, and;
 - (b) the board member would have to exclude him/herself from the decision making process because the resulting decision could affect their financial interests.
8. Board members shall file statements of economic interest with the filing officer as prescribed in administrative procedure.
9. Board members are encouraged to seek counsel from the District’s legal advisor in every case where any question of conflict of interest arises.
 - (a) Except as provided in Sections 1128 and 1129, a local agency officer or employee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a local agency officer or employee or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed. The officer or employee shall not perform any work, service, or counsel for compensation outside of his or her local agency employment where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of his or her employing body, unless otherwise approved in the manner prescribed by subdivision.

- (b) Each appointing power may determine, subject to approval of the local agency, and consistent with the provisions of Section 1128 where applicable, those outside activities which, for employees under its jurisdiction, are inconsistent with, incompatible to, or in conflict with their duties as local agency officers or employees. An employee's outside employment, activity, or enterprise may be prohibited if it:
- (i) involves the use for private gain or advantage of his or her local agency time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local agency office or employment or;
 - (ii) involves receipt or acceptance by the officer or employee of any money or other consideration from anyone other than his or her local agency for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her local agency employment or as a part of his or her duties as a local agency officer or employee or;
 - (iii) involves the performance of an act in other than his or her capacity as a local agency officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or employee or the agency by which he or she is employed or;
 - (iv) involves the time demands as would render performance of his or her Duties as a local agency officer or employee less efficient.
- (c) The local agency shall adopt rules governing the application of this section. The rules shall include provision for notice to employees of the determination of prohibited activities, of disciplinary action to be taken against employees for engaging in prohibited activities, and for appeal by employees from such a determination and from its application to an employee. Nothing in this section is intended to abridge or otherwise restrict the rights of public employees under Chapter 9.5 (commencing with Section 3201) of Title 1.
- (d) The application of this section to determine what outside activities of employees are inconsistent with, incompatible with, or in conflict with their duties as local agency officers or employees may not be used as part of the determination of compensation in a collective bargaining agreement with public employees.

Administrative Policy 2710: Conflict of Interest

Reference: Government Code § 87105, 87200-87210; Title 2, § 18700 et seq. and as listed below.

1. Incompatible Activities (Government Code § 1126, 1099). Board members shall not engage in any employment or activity that is inconsistent with, incompatible with, in conflict with or inimical to the Board member's duties as an officer of the District. Pursuant to Government Code section 1099 and established precedent, a person may not simultaneously hold two public offices if there is any significant clash of duties or loyalties between the offices, if the dual office holding would be improper for reasons of public policy, or if either office exercises a supervisory, auditing, or removal power over the other. (Gov. Code, § 1099, subd. (a); see *People ex rel. Chapman v. Rapsey*, supra, 16 Cal.2d 636; 81 Ops.Cal.Atty.Gen., supra, at p. 345.)¹

- a. A board member shall not simultaneously hold two public offices that are incompatible.
- b. When two offices are incompatible, a board member shall be deemed to have forfeited the first office upon acceding to the second.

2. Financial Interest (Government Code § 1090 et seq.). Board members and designated employees shall not be financially interested in any contract made by the Board or in any contract they make in their capacity as members of the Board or as designated employees.

- a. A board member shall not be considered to be financially interested in a contract if his or her interest meets the definitions contained in applicable law (Government Code § 1091.5).
- b. A board member shall not be deemed to be financially interested in a contract if he or she has only a remote interest in the contract and if the remote interest is disclosed during a board meeting and noted in the official board minutes. The affected board member shall not vote or debate on the matter or attempt to influence any other member of the Board to enter into the contract. Remote interests are specified in Government Code § 1091(b); they include, but are not limited to, the interest of a parent in the earnings of his or her minor child.

3. No Employment Allowed (Education Code § 72103(b)). An employee of the District may not be sworn in as an elected or appointed member of the governing board unless and until he or she resigns as an employee. If the employee does not resign, the employment will automatically terminate upon being sworn into office. This provision does not apply to an individual who is usually employed in an occupation other than teaching and who also is, at the time of election to the board, employed part time by the District to teach no more than one course per semester or quarter in the subject matter of that individual's occupation (Education Code § 72103(b)).

¹ Opinion No. 05-1113 of February 8, 2007 EDMUND G. BROWN JR. Attorney General; GREGORY L. GONOT Deputy Attorney General

4. Financial Interest in a Decision (Government Code § 87100 et seq.). If a board member or designated employee determines that he or she has a financial interest in a decision, as described in Government Code § 87103, this determination shall be disclosed and made part of the Board's official minutes. In the case of a designated employee, this announcement shall be made in writing and submitted to the Board. A board member, upon identifying a conflict of interest, or a potential conflict of interest, shall do all of the following prior to consideration of the matter.

- a. Publicly identify the financial interest in detail sufficient to be understood by the public;
- b. Excuse him or herself from discussing and voting on the matter;
- c. Leave the room until after the discussion, vote, and any other disposition of the matter is concluded unless the matter is placed on the agenda reserved for uncontested matters. A board member may, however, discuss the issue during the time the general public speaks on the issue.

5. Gifts (Government Code § 89503). Board members and any employees who manage public investments shall not accept from any single source in any calendar year any gifts in excess of the prevailing gift limitation specified in law.

- a. Designated employees shall not accept from any single source in any calendar year any gifts in excess of the prevailing gift limitation specified in law (\$390.00)² if the employee would be required to report the receipt of income or gifts from that source on his/her statement of economic interests.
- b. The above limitations on gifts do not apply to wedding gifts and gifts exchanged between individuals on birthdays, holidays and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value. Gifts of travel and related lodging and subsistence shall be subject to the above limitations except as described in Government Code § 89506.
- c. A gift of travel does not include travel provided by the District for board members and designated employees.
- d. Board members and any employees who manage public investments shall not accept any honorarium, which is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering (Government Code § 89501 and 89502).
- e. Designated employees shall not accept any honorarium that is defined as any payment made in consideration for any speech given, article published, or attendance at any public or private gathering, if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. The term "honorarium" does not include:
 - 1) Earned income for personal services customarily provided in connection with a bona fide business, trade, or profession unless the sole or predominant activity of the business, trade or profession is making speeches.
 - 2) Any honorarium that is not used and, within 30 days after receipt, is either returned to the donor or delivered to the District for donation into the general fund without being claimed as a deduction from income tax purposes.

² Title 2 Section 18730.8.1 No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$390 in a calendar year from any single source, if the member or employee would be required to

report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

6. Representation (Government Code § 87406.3). Elected officials shall not, for a period of one-year after leaving their position, act as an agent or attorney for, or otherwise represent for compensation, any person appearing before that local government agency.

7. Filing Statements. Designated employees and officials shall file statements with the San Luis Obispo County Community College District (SLOCCCD) Superintendent who will appropriately record and file them, and make them available for public inspection. (Gov. Code § 81008)
Employees and officials should contact the SLOCCCD/Cuesta College Superintendent/President's office for assistance or information regarding disclosure statements. A list of designated positions and disclosure categories is contained in the District's Conflict of Interest Code.

Approved/Adopted: October 3, 2007