



MEMO

Finance

To: Finance & Personnel Committee
From: Finance Director, William Van Rossum
Date: 12/05/2022
Re: City Purchasing Policy Update

During the planning of the APRA funding project list development, I was in conversation with our third-party auditor regarding how we need to account for the ARPA funds when spending begins. In this conversation I was offered a sample purchasing policy that was recently created. I took this opportunity to compare our current policy and the sample document. I found areas from the sample that improved the clarity and content of the City Purchasing policy. Below are the major changes made to the City purchasing policy.

- Section 3-101 – Standard Purchasing dollar levels (Modified and Added levels)
- Section 3-102 – Grant Funded Purchases (Added)
- Section 4 – Types of Purchase (Modified)

With these changes we are ensuring that staff is following a standard guideline when purchasing goods and services on behalf of the City. The policy updates will ensure we meet the requirements of the ARPA funding program guidelines as well as other State Statutes. To formalize the policy update, I am looking for approval from Council on the latest purchasing policy to place on file.

City of Kaukauna City Wisconsin

PURCHASING POLICY AND PROCEDURE

Effective Date: December 2022

Contents

1 GENERAL INFORMATION	4
1-101 Introduction & Purpose	4
1-102 Authority of City Purchasing	4
1-103 Definition of Purchases	4
1-104 Prompt Payment - Receipt and Acceptance of Supplies, Service or Construction	4
1-105 Ethics.....	5
1-106 Justifications for Not Accepting Low Bid.....	5
1-107 Purchase by Auction Website	5
2 LIMITS, AUTHORITY AND RESPONSIBILITY	5
2-101 Standard Purchase Approval Limits	5
2-102 Delegation.....	6
3 PROCUREMENT LEVELS	6
3-101 Standard Purchasing Levels	6
1. Purchases under \$5,000.....	6
2. Purchases over \$5,000 to \$25,000.....	6
3. Orders over \$25,000.....	7
3-102 Grant Funded Purchases.....	7
1. Micro Purchases (Items less than \$10,000):	7
2. Small Purchases (Items between \$10,000 and \$250,000):.....	8
3. Large Purchases (Items greater than \$250,000):.....	8
4. Noncompetitive Proposals:	9
3-103 Disposal of Excess Supplies or Obsolete Equipment.	10
4 TYPES OF PURCHASES	10
4-101 Effective Price Quotes or Sealed Bids.....	10
4-102 Informal Price Quotes (Bids)	10
4-103 Publicly Advertised Bidding Process (Requests for Proposals)	11
4-104 Sole Source Purchases.....	11
4-105 Emergency Purchases.....	12
4-106 Cooperative Purchases	12
4-107 Professional Services	12
5 GENERAL POLICIES.....	13
5-101 Unauthorized Purchases	13
5-102 Purchases from City Employees and Public Officials	13
5-103 Facsimile Bids.....	13
5-104 Sales Tax Exemption.....	13
6 PUBLIC WORKS CONSTRUCTION PURCHASES.....	13
6-101 Definition of Public Works Projects	13

6-102 Public Works Construction Purchases	14
6-103 Wisconsin's Prevailing Wage Rate	14
6-104 Assessment of Vendor Qualifications	14
6-105 Applicable Law	14
7 PROCEDURE.....	14
7-101 Introduction	14
7-102 Workflow	14
7-103 Record Retention	16
7-104 New Vendor Request	16
7-105 Credits	16

1 GENERAL INFORMATION

1-101 Introduction & Purpose

City of Kaukauna and the City of Kaukauna Common Council supports sustaining and promoting a purchasing environment based on the understanding that individual departments are in the best position to determine the purchasing needs of their departments. Policies, procedures, and processes are meant to reflect an environment that puts them in the best possible position to get the products and services needed in a timely and cost-effective manner to effectively run their departments, while also ensuring appropriate business processes are followed.

The purpose of the purchasing policy is to formalize the framework for the City's daily purchasing activities to include approval and authority, applicability and scope, contacts, guidelines, and procedures. Considerable authority has been delegated to departments to make purchasing decisions. This requires that employees involved at every step of the purchasing process take full responsibility for understanding City of Kaukauna policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of City of Kaukauna and therefore should be made with the utmost consideration for what is in the best interest of the City.

1-102 Authority of City Purchasing

The ultimate decision concerning policy at City of Kaukauna resides by law with the City of Kaukauna Common Council under the leadership of the Common Council President and Mayor. This includes the approval of financial policies which establish and direct the operations of the City. This policy shall be administered on behalf of the Mayor by the Finance Director or designee.

This policy is applicable to all employees involved in making purchasing decisions or approving purchases on behalf of their department. **Failure to follow purchasing procedures may result in the reduction or loss of delegation**

1-103 Definition of Purchases

Purchases for the purpose of this policy include; supplies, materials, contractual services, equipment, and furniture. It is meant to include all items for which the City budgets to expend funds unless specifically excluded or subject to other guidance, such as advertising in the official City newspaper.

1-104 End of Year Purchases

When ordering goods and services, allow enough time to receive the goods and services prior to year end. Goods and services received after year end will be charged to the following year's budget. Any exceptions or carryover of funds shall be brought to the attention of the Finance Director.

1-104 Prompt Payment - Receipt and Acceptance of Supplies, Service or Construction

It is important to process the receipt of goods and services promptly to take advantage of early

payment discounts. Promptly notify the Finance Director or designee of any discrepancies, damages, or if the item was not received. Also, notify the Finance Director or designee of unsatisfactory performance of a vendor.

1-105 Ethics

It is unethical for employees to participate directly or indirectly in a purchase when there is a conflict of interest, such as the employee or a member of the employee's immediate family, who has a financial interest in the purchase or its outcome.

1-106 Justifications for Not Accepting Low Bid

Awards will be made to the lowest responsible bidder meeting all the bid specifications, not only the purchase price. For bids not awarded to the lowest bidder, justification used to determine the lowest responsible bidder shall be documented with the Finance Director or noted in the committee minutes. Written justification for not selecting the lowest bidder for informal bids is also required. If the department has delegation for informal bids, this documentation should be included in the requisition or forwarded to the Finance Director with the appropriate requisition number indicated. A responsible bidder is one who possesses the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, financial and technical resources, sufficient staff, and equipment to provide the service, demonstrated ability to satisfactorily perform the work in a prompt and conscientious manner or accessibility to other necessary resources.

1-107 Purchase by Auction Website

The City recognizes the potential for savings by using auction websites for purchases. When departments plan to use an auction website, they are to notify the Finance Director which website they are using and what they are purchasing. Users shall use an official City logon to the auction site and any correspondence shall also be with an official City email address. It is the department's responsibility to establish an account, bid on the item, plan for the purchase with the Finance Director and plan for the delivery of the item.

Due to the nature of bidding online, there will be deviations from the normal procedures of the purchasing policy. The procedures for the expenditure amount levels will be waived.

2 LIMITS, AUTHORITY AND RESPONSIBILITY

2-101 Standard Purchase Approval Limits

City of Kaukauna maintains a purchasing environment that delegate's considerable decision-making authority and responsibility to employees. These activities include:

- Determining which products and services are required to run the department.
- Initiating requisitions
- Initiate, approve and complete individual purchases less than \$5,000; Prior approval is not necessary; however, the Department Manager/Supervisor is required to approve and sign off on all purchases made during the invoice approval process.
- Obtain approval for purchases over \$5,000 prior to purchase;

- Segregation of duties and responsibilities in the purchasing process provides proper controls. As the dollar value and complexity of a purchase increases, so does the level of authority and responsibility required to obligate the City for a purchase. Supervisory approval is required for all requisitions based on the following monetary parameters:
 - \$1,001-\$10,000 - Department Manager or Supervisor
 - \$10,001-\$25,000-Mayor
 - Over \$25,000 - City Common Council
- Projects/Items included in City of Kaukauna's general fund budget are approved by the City of Kaukauna Common Council during the annual budget process.
- Projects not included in the annual budget must be approved by the City of Kaukauna Common Council prior to purchasing, this include the Capital improvement Plan projects
- Any inappropriate purchases are the responsibility of the person making the transaction. If a transaction is deemed inappropriate for normal city business the employee will be required to pay for the incurred charges. Furthermore, inappropriate purchases with City funds may result in further discipline including suspension and/or termination of employment.

2-102 Delegation

Authority to purchase certain supplies, services or construction items may be extended to other City officials or employees for the effective purchasing of those items. The delegation to purchase shall be a Memo of Understanding written to that specific individual or department with a copy on file

3 PROCUREMENT LEVELS

3-101 Standard Purchasing Levels

This Section will outline the buying levels and when a bid or request for proposal is necessary.

1. Purchases under \$5,000.

If the expected cost of the requisition is less than \$5,000.00, **and the items are not offered on standard contracts**, the Department Head or designee may place the order directly with the vendor using best judgment as the basis for vendor selection.

2. Purchases over \$5,000 to \$25,000.

The department determines the need for products or services and is instructed to obtain the necessary three (3) informal price quotes. For sole source purchases, prepare the necessary documentation on why the purchase should be considered sole source. Please see Section 4-104 for details.

- The departments are required to document at least three (3) informal/verbal price quotes they received. To assure prices quoted are comparable, be certain that the total price represents all costs, including delivery and annual on-going costs.

- Multiple facets of a project are combined as one project when determining the cost of a project.
- The purchase is placed with the successful vendor by issuance of a signed or written agreement.
- The board shall give a class 1 notice under chapter 985 before it contracts for the work or shall contract with a person qualified as a bidder under s. 66.0901(2).

3. Orders over \$25,000.

- All items/services more than \$25,000 are to be procured through a publicly advertised bidding process. Multiple facets of a project are combined as one project when determining the \$25,000 cutoff.
- The committee of jurisdiction must give the authority for the advertisement of bids and the department must furnish the committee of jurisdiction and Finance Director with complete and detailed specifications on the item/service to be purchased.
- All public bids must be advertised on the City Website.
- A written request for proposals (RFP, see section 4-103) must be developed and made available to all vendors.
- All bids received must be sealed bids and be received prior to the determined date of opening.
- All bids received will be publicly opened by the Committee of Jurisdiction.
- The reporting/governing committee has the right to accept and reject all bids. See Section 1-106, Justifications For Not Accepting Low Bid.

3-102 Grant Funded Purchases

Unless specifically prohibited by the granting authority, grants must be administered through a written contractual agreement between the City and the party providing the services. All purchases made with grant funds must comply with the terms and conditions of the grant and this policy. If the grant requirements conflict with this policy, the Finance Director may suspend those provisions of this policy only for the specific grant and for the duration of that grant. The department head is responsible to comply with purchases covered by grant funds.

Uniform Grant Guidance issued by the Federal Office of Management and Budget (OMB) outlined the following procurement standards for all dollars applied to federal grant programs:

1. Micro Purchases (Items less than \$10,000):

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the City must distribute micro-purchases equitably

among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable.

2. Small Purchases (Items between \$10,000 and \$250,000):

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchases are used, price or rate quotations must be obtained from an adequate number of qualified sources.

3. Large Purchases (Items greater than \$250,000):

Follow requirements under 1 (construction) or 2 (all other) below depending on applicability.

1. Sealed Bids for Construction Contracts: Note that a federally funded public works project shall follow the lower dollar threshold requirements of Wisconsin Statutes 66.0901 and 59.52(29) outlined in the public works section in section 6-102. Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

For sealed bidding to be feasible, the following conditions should be present:

- a) A complete, adequate, and realistic specification or purchase description is available;
- b) Two or more responsible bidders are willing and able to compete effectively for the business; and
- c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.

If sealed bids are used, the following requirements apply:

- a) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids. The invitation for bids must be publicly advertised;
- b) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond;
- c) All bids will be opened publicly opened as directed by Board of Public works;
- d) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid

when prior experience indicates that such discounts are usually taken advantage of, and

e) Any or all bids may be rejected if there is a sound documented reason.

2. Competitive Proposals for Other Contracts Greater than \$250,000: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

a) Requests for proposals (RFP) must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

b) Proposals must be solicited from an adequate number of qualified sources;

c) The City must have a written method of conducting technical evaluations of the proposals received and for selecting recipients;

d) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors considered; and

e) The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

4. Noncompetitive Proposals:

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the City; or
4. After solicitation of several sources, competition is determined inadequate.

3-103 Disposal of Excess Supplies or Obsolete Equipment.

Supplies or equipment no longer serving a useful purpose are to be disposed. This shall be done by transferring the material to a department which may need similar supplies or equipment, by competitive sealed bidding, by public auction, or in such a manner considered to be in the best interest of the City.

Information Technology (IT) equipment shall have IT check off to ensure any device used for data storage be properly cleaned or destroyed prior to transfer or disposal.

City owned supplies or equipment shall not be sold to City employees except by public auction or competitive bidding.

4 TYPES OF PURCHASES

Competitive solicitation among potential suppliers is good business practice and, in some cases, required. Departments should plan to have established contracts re-bid at least every three years. (Some contracts can be longer, primarily those that require a significant on-site investment by the vendor). City of Kaukauna requires that bids be solicited from at least three vendors using one of the three methods below for all purchases of \$10,000 or more.

4-101 Effective Price Quotes or Sealed Bids

Effective price quotes or bids require the development of clear specifications that will result in the quality level appropriate for the purchase. Poorly designed bid specifications lead to ambiguities and are almost always the reason for purchasing discrepancies. **When developing bid specs, it is advisable to establish a time for which bids are to be held open.**

Awards will be made to the lowest responsible bidder. "Responsible" means the vendor who meets the specifications and is a qualified vendor. See 6-103 for information on Wisconsin prevailing wage rates.

4-102 Informal Price Quotes (Bids)

Although titled "informal," this is still a competitive procedure. It involves the comparison of bid quotations from at least three (3) or more vendors whenever possible by using:

- Current price lists or catalogs.
- Recent price quotations on file (within the calendar year).
- Phone or verbal quotations solicited from vendors.
- Written informal price quotations or bids (including fax quotes).

All departments will obtain and document the quotes. Documentation for verbal and phone quotes must include the vendor's name, the salesperson providing the quote, the quoted price, the date of the quote and the telephone number. To assure prices quoted are comparable, be certain that the total price represents all costs, including delivery.

- Three or more qualified suppliers shall be solicited to submit a proposal.

- The Department Manager is responsible for ensuring that contracts do not exceed \$50,000.
- Award shall be based on overall value including but not limited to cost, quality, timely delivery, equipment reliability, and experience.

4-103 Publicly Advertised Bidding Process (Requests for Proposals)

This method of purchasing is appropriate when the purchase amount exceeds \$25,000 or the specifications or scope of the services cannot be adequately prepared to provide all prospective contractors with a complete and accurate description of the work to be performed. Generally, you are looking for the vendor to solve a problem for you. Professional services often fall into this category. The basis for selection includes other performance factors along with price.

Examples of performance include work experience on projects of a similar size, expertise of the staff, and technical solution to the problem. Cost is always a factor to be considered. RFP's may be evaluated by a team of knowledgeable personnel.

Publicly advertised bids will be received as sealed bids by the City Clerk's office. The City Clerk or office designee will record receiving each bid and forward them to the appropriate department head after the deadline has passed. Sealed bids are to be opened as directed by Board of Public works. The committee of jurisdiction can decide whether to award the sealed bids at the bid opening meeting or postpone to the next committee meeting. While in the City Clerk's possession, sealed bids shall be stored under lock and key

4-104 Sole Source Purchases

Occasionally, there is only one source for a good or service. Although commonly referred to as "sole source" purchases, they should be thought of as "noncompetitive negotiations." In such instances, you should make every effort to assure that you have obtained the best possible price. Complete the requisition form and send the letter stating the reasons for the sole source purchase to the Finance Director.

One or more of the following circumstances, with adequate justifications, may serve as the basis for using noncompetitive negotiation:

- The service or good is unique or of a proprietary nature and available from only one source. This should be an infrequent circumstance.
- Patent or Proprietary: The patented or proprietary features of a product or service that cannot be obtained from others. The features are available from only one source and not merchandised through competitive outlets.
- Intrinsic Value: When a product or procurement is determined by its historic, artistic, or educational value. When viable specifications or standards cannot be determined in the procurement of a professional or technical service.
- Grant moneys are involved that require subcontracts and specify the contractor.

- A public emergency exists where the urgency for the required service will not permit competitive solicitation.
- Substantial time pressure exists beyond the department's control. (This does not include administrative delays or confusion in processing the necessary paperwork for approval.)
- To avoid numerous vendors serving a connected system. Example – more than one vendor installing and maintaining key card accesses.

4-105 Emergency Purchases

An emergency is a situation which threatens the **public health, safety, or welfare** and **all** the following conditions exist: the circumstance was unforeseen; calls for immediate action; and cannot be responded to using established purchasing methods.

When such situations occur and the purchase will exceed your delegated amount, inform the Finance Director of the emergency, and then secure the goods or services without regard to normal purchase selection procedures. Try to obtain at least two (2) competitive prices if it will not hamper or delay activities necessary to eliminate the emergency. A formal written determination declaring that an emergency exists or existed must be made by the department head and submitted to the Finance Director within 48 hours. If the emergency occurs after regular working hours, purchase what is necessary and notify the Finance Director on the next working day.

For emergencies within your delegated responsibility, prepare a letter of the circumstances detailing why it meets the definition of an emergency and document any competitive process that was used. Send a copy of this letter to the Finance Director.

4-106 Cooperative Purchases

If the total expenditure is \$25,000 or less, any purchase made from the State of Wisconsin cooperative purchase contracts, or made through other purchasing associations, will constitute compliance with the competitive bidding requirements. No additional bidding is required since the contracts established by these entities have already gone through the competitive bidding process.

In addition, if the identical product can be obtained at a lower price, you may order from that vendor without additional bidding if the cooperative purchasing contract you are using for the price comparison is a current contract.

4-107 Professional Services

Professional services are necessary to the City when there is a need for a vendor to solve a problem for you. The method of purchasing those services is appropriate when it is difficult to provide all prospective contractors/vendors with a complete and accurate description of the work to be performed. Examples of those services are auditing, legal, engineering, architecture, landscaping, information technology, etc. The basis for selection includes other performance factors along with price. Examples of performance include work experience on projects of similar size, expertise of staff, and the technical ability for their firm to resolve the problem.

RFP's will be written by the department to solicit the necessary firms. The RFP's may be evaluated by a team of knowledgeable personnel. RFP's must be approved by committee of jurisdiction.

All requests for legal services must be submitted to the City Attorney, except for human resources where an employment law attorney's opinion is required. If the City Attorney cannot provide the requested legal services, he/she will implement a procedure for outsourcing legal services.

5 GENERAL POLICIES

5-101 Unauthorized Purchases

Purchases that do not follow appropriate policies and procedures shall be brought to the Finance Director and/or Committee for review. After review, the Committee will respond in an appropriate manner considering the facts and circumstances. This can include discussions with committee of jurisdiction up to and including employee discipline for not following City policy.

5-102 Purchases from City Employees and Public Officials

Any single public official or City employee may enter contracts with City of Kaukauna in which they have a private interest in and that it does not exceed an aggregated amount of \$15,000 per year. (Wisconsin State Statute 946.13) It will also be City policy that purchases will not be made from City employees or Public Officials without full disclosure.

5-103 Facsimile Bids

Fax bids will be accepted whenever practical within the guidelines established in the original request for bids.

5-104 Sales Tax Exemption

As City of Kaukauna is exempt from Wisconsin state sales tax, employees must provide sales tax exemption information to any hotels, car rental companies and similar when traveling on City business. All vendors with whom the City does business shall also be provided the sales tax exemption information. See Accounts Payable or a Finance Department staff member with questions.

6 PUBLIC WORKS CONSTRUCTION PURCHASES

6-101 Definition of Public Works Projects

Public Works projects are defined as any repairs, remodeling, construction, or changes to any

City owned land or building or City and/or state roads. Public works projects also include capital purchases and construction projects in the highway department. Public Works projects may also be the purchase of the materials used for the repairs, remodeling, construction, or changes to any City owned land or building or City and/or state roads.

6-102 Public Works Construction Purchases

All public work, including any contract for the construction, repair, or improvement of any public work, building, or furnishing of supplies or material of any kind where the estimated cost of such work will exceed \$25,000 shall be let by contract to the lowest responsible bidder using the sealed competitive bid process. Any public work, the estimated cost of which does not exceed \$25,000, shall be let as the board may direct. If the estimated cost of any project is between \$5,000 and \$25,000, the board shall give a class 1 notice under chapter 985 before it contracts for the work or shall contract with a person qualified as a bidder under s. 66.0901(2).

A contract, the estimated cost of which exceeds

\$25,000, shall be let and entered under s. 66.0901, except that the board may by a three- fourths vote of all the members entitled to a seat provide that any class of public work or any part thereof may be done directly by the City without submitting the same for bids. This subsection does not apply to public construction if the materials for such a project are donated or if the labor for such a project is provided by volunteers.

6-103 Wisconsin's Prevailing Wage Rate

Generally, the prevailing wage rates apply when the City does projects as identified at 6-101 and the project cost exceeds \$25,000. Section 66.0903 of Wisconsin Statutes covers projects bid or negotiated.

6-104 Assessment of Vendor Qualifications

Bid specifications may be sent to any vendor, and bids will be accepted from any vendor submitting a bid. Vendor qualification will be assessed before the award is made.

6-105 Applicable Law

Nothing contained in this policy shall be construed to supersede or pre-empt applicable law regarding City of Kaukauna purchasing policies or procedures. To the extent that the terms of this policy are inconsistent with applicable law, the terms of the governing law shall control.

7 PROCEDURE

7-101 Introduction

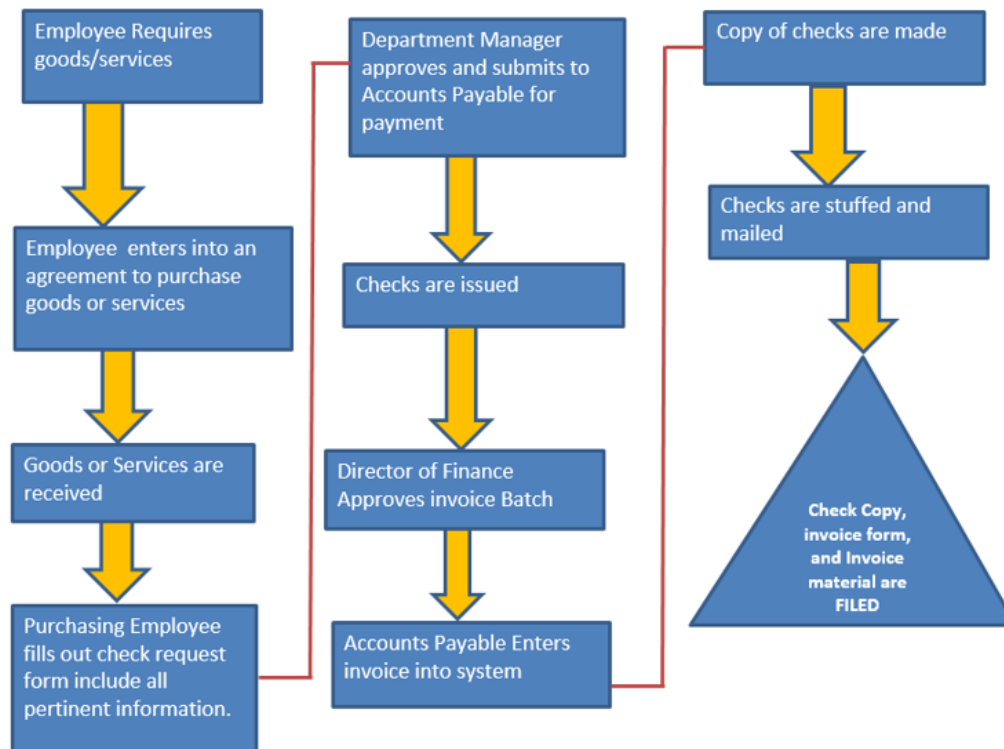
Procedures are needed to meet the intent of this policy and to provide an appropriate audit trail, while putting the City in the best position to pay for purchases in a timely manner. These procedures are intended to be broad enough to allow individual departments to function properly within the guidelines set forth, yet specific enough to safeguard City resources.

7-102 Workflow

The workflow has been established to ensure accountability in conjunction with the requisition, purchasing, receiving, and payment process. See Exhibit A below for a summarized Flow Chart of

the full process. This system provides an appropriate audit trail as all transactions are captured in the system.

EXHIBIT A – Purchasing Flowchart



a. Bid/Commit to Purchase

- a. Using the guidelines below begin the purchasing of goods or services.
 - Requisitions under \$5,000 may be purchased without prior approval. However, the Department Manager/Supervisor is required to approve and sign off on all purchases made during the invoice approval process and will see the purchase at that time, if not before.
 - Requisitions over \$5,000 should be handled following the Authority and Responsibility Guidelines in section 3 above prior to actual purchase of goods/services.

b. Receiving Goods/Services

When goods or services are received the department manager or employee doing the purchasing will receipt the purchased goods and ensure what was ordered is what was received.

c. Invoicing for Payment

All purchases at City of Kaukauna will require an invoice with detailed information of what the invoice is charging. The purchasing employee needs to review the invoice and ensure it does not include sales tax and is the amount expected for the good/services received. A check request form must be filled out

including an account that the invoice payment will be charged to. Once finished the department management must approve payment.

d. Payment

Invoices are processed every two weeks. Substantiating detail is needed before playing each invoice.

- Fill out an AP payment Stamp including the below info
 - Vendor Name
 - Account Number to charge
 - Amount to pay
 - Description to include in System
 - Project Code for ALL capital projects
 - Invoice # if available

Note: Any invoices Submitted with missing info will be given back

- Accounts Payable enters the invoice into City's Accounting System
- Director of Finance will approve for payment
- Once approved, accounts payable will issue payment.

To maintain a good payment record, Accounts Payable will give the highest payment priority to original invoices supported by properly completed forms to issue payment. You are responsible for timely payment and addressing any fees associated with late payments.

7-103 Record Retention

Accounts Payable must maintain copies of all documentation related to purchases. During the independent audit, auditors may request to view any document related to a particular purchasing decision. Therefore, record retention is not required in other departments.

7-104 New Vendor Request

If a new vendor must be added, departments must send an email request to the Accounts Payable (ap@kaukauna-wi.org). This will ensure that vendor numbers are not duplicated and consistency of vendor names across departments. A signed W-9 form must also be obtained from the new vendor.

7-105 Credits

Credits occur due to the receipt of defective merchandise, returned goods, discounts, or incorrect invoice payments. If a department believes it is entitled to a credit from a vendor or receives a credit memo that is deemed to be valid, the department should contact Accounts Payable for assistance. improperly applied credits are difficult to correct, therefore all credit memos shall be sent to Accounts Payable for processing.

Effective Date: November 2022

Revisions Adopted: November 14, 2022