

Thurston County Fire Protection District 8 DISTRICT POLICY MANUAL



POLICY TITLE:	Procurement, Expenditures and Audit General Guidelines
POLICY NUMBER:	1-03-PO-00
REVISION:	9
DATE ISSUED/REVISED:	DRAFT
BOARD APPROVAL SIGNATURE:	

Procurement and payment of goods and services for the District shall follow procedures as required by the laws, codes and regulations set forth for State of Washington political subdivisions, and by guidelines established in this Policy. It shall be the responsibility of the Board to assure proper checks, balances and procedures are developed to provide guidance to District staff in the execution of day-to-day business activities.

I. Purchasing Authorization: Purchasing of routine goods and services (including ongoing costs such as utilities, maintenance & operations), conducting public works projects and contracting for professional services must be in compliance with appropriate Washington State Statutes for fire districts. Where competitive bidding for goods, services, public works or contracts are required, the District Secretary shall ensure adequate documentation of bid solicitation is included in the purchasing file(s). Refer also to the attached "Fire Dist 8 Procurement Matrix". The current version of the "Fire District 8 Procurement Matrix" in Procedure 1-03-01 will delineate the steps necessary for procurement of the following categories:

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- a. Equipment, Materials and Supplies: ~~Fire districts are required to competitively bid any purchases of materials, equipment and supplies exceeding \$40,000. By resolution, purchases estimated to cost between \$40,000 and \$75,000 may use the purchase contract process (vendor register) established by Statute.~~
- b. Public Works: ~~For projects under \$30,000 no competitive bidding requirements apply. For projects between \$30,000 and \$350,000, the District may utilize the approved small works roster or the competitive bidding processes.~~
- c. Professional Services: ~~Legal, accounting, consulting, appraisal, insurance, bonding, facility maintenance, and utilities services are not subject to the statutory competitive bid requirements for fire districts. Retaining engineering, land survey or architectural services require compliance with requirements set forth in Statute, and~~
- d. Telecommunications and Data Processing. ~~The District may use the competitive negotiation procedures established by Statute when purchasing telecommunication and data processing services.~~

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The Board may delegate purchasing authority to the Fire Chief, who in turn may sub-delegate purchasing authority to District staff; specific sub-delegations are documented in *Procedure 1-03-01* (current version).

Purchases for goods & services from any District fund up to \$10,000 may be approved by the Fire Chief. The Fire Chief shall ensure necessary funding in the current budget is in place and that appropriate purchasing procedures are practiced. The Fire Chief shall report budget status, including any overages, to the Board at their monthly regular meetings

~~**II. Purchasing:** District purchasing is conducted under a variety of authorities and procedures set by Statute and this Policy. Proper documentation shall be filed for all purchases.~~

- ~~a) **Purchase Orders:** The District Secretary shall maintain a Purchase Order log. All purchases in excess of \$1,000 shall be recorded and approved by the Fire Chief prior to purchasing. When a Purchase Order is issued for a purchase, the transaction must be entered into the District log file. Information entered shall include the pre-numbered Purchase Order number with the i) name of requestor, ii) date of request, iii) name of vendor, (iv) brief description of item(s) requested, v) estimated cost of item(s) including sales tax and vi) approval notation by Fire Chief. Invoices from the vendor should include the Purchase Order number for reference.~~
- ~~b) **Purchasing from other agencies' contracts:** Cooperative purchasing is authorized by Statute if 1) the District has an interlocal agreement in place with the lead purchasing agency, 2) has obtained assurance that the original bid was properly advertised by the lead agency, 3) has obtained assurances that legal requirements for bidding were followed by the lead agency, 4) that the vendor has agreed to allow additional purchasers to the original bid and 5) the purchase is of a like item.~~
- ~~c) **Purchasing from pre-existing vendor roster:** The District will subscribe with an approved vendor roster system and will comply with the regulations for its use.~~
- ~~d) **Purchases made from a "sole source" vendor:** When it is determined that a purchase can only be made from a single vendor, the District Secretary shall request and receive documentation (from the purchaser) that the equipment, materials or supplies required meet the needs of the District and that such equipment, materials or supplies can only be obtained from a single vendor. The Board shall review the documentation; if acceptable, a resolution shall be made to allow such "sole source" purchase.~~
- ~~e) **Emergency Purchases:** Statute provides that an emergency purchase may be authorized by the Fire Chief or Board when unforeseen circumstances beyond the control of the District result in either: (a) a real, immediate threat to the proper performance of essential functions; or (b) a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. After the purchase decision the Board shall approve the emergency purchase by passing a Resolution documenting the basis for the emergency.~~

~~**III. Payment of Invoices:** When a vendor or contractor invoices the District for any goods, services or projects, the Fire Chief, or designee, shall act as the "Signing Officer" and shall obtain an original copy of the invoice, review it for accuracy, initial and date it, and forward it to the District Secretary for processing. In order to be authorized payment, the original invoice must contain the minimum information including the name of the vendor, date of transaction, a complete description of the good/service/project provided and the total cost (including taxes).~~

- ~~a) **Motor vehicle fuel purchases:** Each District vehicle is assigned a fuel charge card which is to be used at the designated vendor's location(s) for refueling. The driver must also enter the security code for the charge card and the correct odometer reading of the vehicle being fueled. The motor vehicle fuel vendor shall provide a monthly invoice of charges listing the vehicle and total quantity of fuel purchased.~~

~~**IV. Auditing & Processing Warrants and Electronic Fund Transfers:** As required by Statute and Policy, all invoice payments shall be approved by the Board at open public meetings. Preparation for warrants or electronic fund transfers are the responsibility of the District Secretary. These are presented to the Board on summary approval sheets but may also be presented in an individual fashion.~~

The District Secretary ("Auditing Officer") shall ~~further~~ review invoices approved by the Signing Officer for accuracy, then, a warrant ~~or electronic fund transfer~~ shall be prepared to pay the vendor or contractor for the invoice. The Auditing Officer shall ensure each warrant ~~or electronic fund transfer~~ is coded according to the Washington State Business Accounting & Reporting System ("BARS") for fire districts.

Each ~~warrant authorization for payment by warrant or electronic fund transfer~~ shall bear the signature of at least two (2) authorized individuals. Any standard expense claims, ~~including (excluding payroll, ongoing (previously approved) contracts, utilities and insurance related costs)~~ up to **Ten Thousand dollars (\$10,000)** may be approved by the Signing Officer and Auditing Officer. Any ~~standard expense claim warrants or electronic fund transfers~~ in excess of **Ten Thousand dollars (\$10,000)** must be approved by the Chair of the Board and either the Signing Officer or the Auditing Officer. If either the Signing Officer or Auditing Officer is not available, the Chair of the Board shall sign as the second signature. If the Chair of the Board is not available, the Vice Chair shall sign warrant(s) ~~or electronic fund transfers~~. If both the Chair of the Board and the Vice Chair are not available, another Board member shall sign warrant(s) ~~or approve electronic fund transfers~~.

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As specified in Statute, the primary Signing Officer and Auditing Officer shall be bonded. The District provides a five-hundred thousand dollars (\$500,000) bond for the primary Signing Officer and Auditing Officer to assure the faithful discharge of their duties. Proof of such bonding can be provided by the District Secretary upon request.

The Board shall review and approve the claims paid. The District Secretary shall prepare and the Board shall approve ~~one a~~ general certificate directing the Thurston County Treasurer's bank to ~~pay-process~~ all ~~authorized~~ warrants ~~and electronically~~ **electronic fund transfers**. The general certificate must specify the identification number, date, amount, and funds used for payment of each warrant. If the Board disapproves any claim, the Signing Officer and Auditing Officer will recognize the claim as a receivable of the District and will pursue collection diligently until the amount is either collected or the Board is satisfied and approves the claim.

~~V. Other Means of Purchasing:~~

- ~~a) **Credit cards:** In accordance with Statute, purchase of goods or services with District credit cards shall be made only by District personnel approved by the Board only for purposes relating to District business and within the allowable limitations of the card. The charge slip (receipt) of each transaction must have a clear impression of the date, total cost of the transaction and the name of the District person making the transaction. That District person shall forward the receipt to the District Secretary for processing. Refer to Policy 1-06 "Use of District Purchasing & Travel Cards" for further information.~~
- ~~b) **District Revolving Fund:** In accordance with Statute, a checking account shall be established and maintained with a local bank to allow for cash purchases. Refer to Policy 1-04 "Revolving Fund Guidelines" for further information.~~
- ~~e) **Other Costs:** Costs for travel, subsistence, meals or other out of pocket expenses incurred by District personnel in the course of authorized business shall be handled as per the provisions of Policy 1-01 "Compensation & Reimbursement".~~

IV. Cash Control: The District Secretary has authority to receive and accept cash donations, payments for permits, sale of copies or other cash transactions that may arise from time to time. The Fire Chief also has authority to accept cash if the District Secretary is not available. A pre-numbered duplicate receipt book shall be used and a receipt issued for each transaction. Funds will be promptly deposited in the District's account with the Thurston County Treasury.

VII. Statutory References: the following Statutes are referenced as they exist at the time of the adoption of this Policy:

- ~~• RCW 39.04.190 bid requirements~~
- ~~• RCW 39.03.200 bid requirements~~
- ~~• RCW 39.04.270 bid requirements~~
- ~~• RCW 39.04.280 bid requirements~~

- ~~* RCW 39.34.030 bid requirements~~
- ~~* Chapter 39.80 RCW professional services~~
- ~~* RCW 42.24.115 credit cards~~
- ~~* RCW 42.24.180 bonding, and~~
 - ~~▪ RCW 42.26.010 revolving funds.~~