# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SECTION 1 PURCHASING AUTHORITY</strong></td>
<td>5</td>
</tr>
<tr>
<td>1.1 GUIDELINES</td>
<td>5</td>
</tr>
<tr>
<td><strong>SECTION 2 QUOTATIONS, BIDS, AWARDS</strong></td>
<td>6</td>
</tr>
<tr>
<td>2.1 PURCHASES UNDER $5,000</td>
<td>6</td>
</tr>
<tr>
<td>2.2 PURCHASES FROM $5,001 TO $49,999</td>
<td>6</td>
</tr>
<tr>
<td>2.3 PURCHASES OF $50,000 AND OVER</td>
<td>6</td>
</tr>
<tr>
<td>2.4 LOCAL BID PROCEDURES</td>
<td>6</td>
</tr>
<tr>
<td>2.5 PRICING PROCEDURES FOR BID PRICES</td>
<td>7</td>
</tr>
<tr>
<td>2.6 PURCHASING PROGRAM COOPERATIVES</td>
<td>7</td>
</tr>
<tr>
<td>2.7 ONLINE PURCHASING</td>
<td>8</td>
</tr>
<tr>
<td><strong>SECTION 3 HISTORICALLY UNDERUTILIZED BUSINESSES AND LOCAL FIRMS</strong></td>
<td>9</td>
</tr>
<tr>
<td>3.1 GENERAL INFORMATION</td>
<td>9</td>
</tr>
<tr>
<td>3.2 DEFINITIONS</td>
<td>9</td>
</tr>
<tr>
<td>3.3 BOARD EXPECTATIONS</td>
<td>9</td>
</tr>
<tr>
<td>3.4 GUIDELINES FOR SECURING QUOTES</td>
<td>9</td>
</tr>
<tr>
<td><strong>SECTION 4 PURCHASE REQUISITION PROCESSING</strong></td>
<td>11</td>
</tr>
<tr>
<td>4.1 GENERAL INFORMATION</td>
<td>11</td>
</tr>
<tr>
<td>4.2 REQUISITION PREPARATION INSTRUCTIONS</td>
<td>11</td>
</tr>
<tr>
<td>4.5 APPROVAL OF REQUISITIONS</td>
<td>14</td>
</tr>
<tr>
<td><strong>SECTION 5 PURCHASE ORDER PROCESSING</strong></td>
<td>15</td>
</tr>
<tr>
<td>5.1 PURCHASE ORDER PROCESSING</td>
<td>15</td>
</tr>
<tr>
<td>5.2 BACK ORDERS</td>
<td>15</td>
</tr>
<tr>
<td>5.3 CANCELLATION OF PURCHASE ORDERS</td>
<td>16</td>
</tr>
<tr>
<td>5.4 RECEIVING DELIVERIES</td>
<td>16</td>
</tr>
<tr>
<td>5.5 BLANKET PURCHASE ORDERS</td>
<td>17</td>
</tr>
<tr>
<td><strong>SECTION 6 CHECK REQUEST</strong></td>
<td>18</td>
</tr>
<tr>
<td><strong>SECTION 7 EMERGENCY CHECK REQUESTS</strong></td>
<td>19</td>
</tr>
<tr>
<td>7.1 GENERAL PROCEDURES FOR CHECK REQUESTS</td>
<td>19</td>
</tr>
<tr>
<td><strong>SECTION 8 VENDOR INFORMATION</strong></td>
<td>20</td>
</tr>
<tr>
<td>8.1 GENERAL INFORMATION</td>
<td>20</td>
</tr>
<tr>
<td>8.2 SOLE SOURCE VENDORS</td>
<td>20</td>
</tr>
<tr>
<td>8.3 VENDOR LISTS</td>
<td>20</td>
</tr>
<tr>
<td>8.4 VENDOR RELATIONS</td>
<td>20</td>
</tr>
<tr>
<td>8.5 VENDOR VISITATIONS</td>
<td>21</td>
</tr>
<tr>
<td>8.6 VENDOR PERFORMANCE EVALUATIONS</td>
<td>21</td>
</tr>
<tr>
<td>8.7 ETHICAL PRACTICES</td>
<td>21</td>
</tr>
<tr>
<td>8.8 VENDOR OFFERS TO PERSONNEL</td>
<td>21</td>
</tr>
<tr>
<td>8.9 VENDOR REVIEW FOR SUSPENDED OR DISBARRED STATUS</td>
<td>21</td>
</tr>
<tr>
<td><strong>SECTION 9 STANDARDIZATION OF MATERIAL</strong></td>
<td>22</td>
</tr>
<tr>
<td>9.1 GENERAL INFORMATION</td>
<td>22</td>
</tr>
<tr>
<td><strong>SECTION 10 ACCOUNT CODE DETERMINATION</strong></td>
<td>23</td>
</tr>
<tr>
<td>10.1 GENERAL INFORMATION</td>
<td>23</td>
</tr>
<tr>
<td>10.2 THE CODE STRUCTURE</td>
<td>23</td>
</tr>
<tr>
<td>10.21 FUNCTION CODES</td>
<td>23</td>
</tr>
<tr>
<td>10.22 OBJECT CODES – EXPENDITURES/EXPENSES</td>
<td>28</td>
</tr>
</tbody>
</table>
10.23 PROGRAM INTENT CODES .......................................................................................... 33

SECTION 11 LEGAL CONSIDERATIONS ........................................................................... 37

11.1 GENERAL INFORMATION ....................................................................................... 37

11.2 TIME ....................................................................................................................... 37

11.3 OFFER AND ACCEPTANCE ...................................................................................... 37

11.4 CONFLICTING TERMS AND INTERPRETATION OF CONTRACTS ................. 38

11.6 WARRANTY PROTECTION ....................................................................................... 38

SECTION 12 STATE, LOCAL SALES, AND FEDERAL EXCISE TAXES ......................... 39

12.1 TAXABLE STATUS OF PURCHASES ....................................................................... 39

A. TAX FREE PURCHASES ............................................................................................. 39

B. SCHOOL SPONSORED TRIPS .................................................................................... 39

TOLL FREE NUMBERS ..................................................................................................... 40
PREFACE

This manual is designed to establish uniform procedures for the procurement of materials and services that are consistent and within the policies of the DeSoto Independent School District.

These procedures apply to all material and services procurements and related activities that result in the disbursement of public funds by the district or an employee of the district.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based and the meaning and intent of the procedures themselves.

This manual supersedes all prior publications regarding the administration of Purchases, Purchase Requisitions, and Purchase Orders. If at any time this manual conflicts with Board Policy CH (Legal) or CH (Local) then Board Policy will be followed.

SECTION 1 PURCHASING AUTHORITY

1.1 GUIDELINES

Without the express consent and written approval ** of the Superintendent or Chief Financial Officer or Purchasing Director, no employee shall:

1. Purchase supplies or materials for the District.

2. Charge the cost of any supplies, services, or materials to the District.

3. Purchase supplies or materials for personal use or for the use of a particular school or department.

Students shall not be permitted to purchase items for the school District for any purpose.

Unauthorized purchases or charges are subject to non-reimbursement of expense or charge of full purchase price to employee. Anyone creating or authorizing a purchasing commitment prior to approval may be liable to prosecution under the Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.

** Signatures on Purchase Orders/Requisitions will constitute written approval.

NOTE: No purchase orders will be processed unless funds have been budgeted and are available at the time of processing for the items or services requisitioned.

Purchase requisitions need to be processed at the time of quotation, not when an invoice is presented for payment. Requisitions presented with invoices attached must have a note of explanation as to why the purchasing process was disregarded and how this has been corrected on the campus or department.
SECTION 2 QUOTATIONS, BIDS, AWARDS

2.1 PURCHASES UNDER $5,000

Purchases under $5,000 may be implemented in the most expedient manner available to the school or department. Competitive bid vendors should be used if at all possible.

2.2 PURCHASES FROM $5,001 TO $49,999

District purchasing procedures call for purchases of personal property in excess of $5,000 from non-bid vendors to be purchased by obtaining written price quotations from at least three vendors. (This option does not apply or is not available if the annual aggregate of $50,000 has been reached in a given category.) The following guidelines apply to purchases made using this procedure:

- Obtain 3 price quotes from vendors
- Confirm quotes in writing by mail, fax, or e-mail from the vendor.
- Forward a copy of the quotes received from the vendors to the Purchasing Office for audit purposes.
- Purchases should be made from the vendor offering the “best value” to the district.
- As necessary, contact the Purchasing Office for a list of qualified vendors.

2.3 PURCHASES OF $50,000 AND OVER

State Law requires that all school district contracts for goods or services valued at $50,000 or more in the aggregate for each 12 month period shall be made by one of the following competitive purchasing methods that provide the best value to the district.

- Competitive bidding for services other than construction services
- Competitive sealed proposals for services other than construction services
- Request for proposals for services other than construction services
- Inter-local contracts (includes all purchasing cooperatives in which we participate)

Any single, budgeted purchase of goods or services that costs $25,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place.

For more information contact the Purchasing Office.

2.4 LOCAL BID PROCEDURES

The Purchasing Office advertises for competitive bids and quotations for many products and services throughout the year. The Board of Trustees must approve all DeSoto ISD bids and proposals prior to any purchases being made from these contracts.
The entire “competitive price procedure” requires several weeks to complete. This time lag must be taken into account when submitting bid requests. Prior to submitting requests for preparation of bid documents, users must determine the availability of funds and obtain approval from the appropriate administrator. Persons requesting sealed bids or proposals may be required to assist the Purchasing Office in the preparation and in evaluation of bids.

2.5  **PRICING PROCEDURES FOR BID PRICES**

The procedure to be followed in selecting and pricing items will be dictated by the Vendor determined to be the “Contract Vendor”.

**Catalog Price Discounts** – Some vendors bid specific discounts off of their catalog prices. Using the catalog, view the choice of items to be purchased and if the discount percentage is listed, calculate the discount to arrive at the final price. Please remember that the catalog price is not always the District price.

**Line Item Pricing** – In some cases, vendors have bid products on a line item basis. Prospective purchasers may be provided with line item bid price lists and will identify the approved vendors and prices from the item listing.

**Cooperative Pricing** – The Purchasing Office upon request will provide pricing for items purchased through the various State and/or regional purchasing cooperatives. State and regional cooperative contract information/pricing may also be obtained on the internet websites for the respective cooperatives. Many of the frequently used cooperatives may be found on the DeSoto ISD purchasing website page with links to the respective websites.

2.6  **PURCHASING PROGRAM COOPERATIVES**

DeSoto ISD participates in several purchasing cooperatives. This allows users to take advantage of multiple vendor contracts for purchasing any of the items available through the cooperatives without going through the normal bid process.

Contact the Purchasing Office for updated information regarding vendors and items available through the member cooperatives. The approved member cooperative information may also be obtained via the internet through the Purchasing Department website.

DeSoto ISD Approved Purchasing Cooperatives:

- Region 18 Purchasing Cooperative – Contact Purchasing Department
- **BuyBoard** (Call Purchasing Department for user name and password.)
- **Department of Informational Resources** (DIR)
- **The Cooperative Purchasing Network** (TCPN)
- **The Interlocal Purchasing System** (TIPS)
- **Window on State Government: Texas Procurement and Support Services (TPASS) / Texas Multiple Award Schedules (TXMAS) and Texas Term Contracts**
- **Educational Purchasing Cooperative of North Texas (EPCNT)** – Call the Purchasing Department for more detailed information on utilizing EPCNT bids.
2.7 **ONLINE PURCHASING**

**Amazon.com**
The District does a limited amount of purchasing online using a district Amazon.com account. Purchases through this Amazon account are limited due to the fact that we have a limited credit line and as a “non-bid vendor” it is thus subject to the more restrictive purchasing laws. The district does purchase some teacher resource books through this vendor. **ALL Amazon purchases must be made through the District account through the Purchasing Office.**

**Other Online Purchasing**
In certain situations, online purchasing may be the only option available to obtain products needed for specific instructional settings or events. If online purchasing is the only option available then Purchasing Cards may be utilized to the limits authorized in the Procurement Card Manual. Due to the inherent risks of circumventing the internal controls currently in place online purchasing must be kept to a minimum and utilized only when approved procurement methods have been exhausted.

For additional information or questions, contact the Purchasing Department at 972-274-8266.
SECTION 3 HISTORICALLY UNDERUTILIZED BUSINESSES AND LOCAL FIRMS

3.1 GENERAL INFORMATION

The objective of the following provisions is to increase the competition and promote the long-term competitive capacity of local firms and historically underutilized businesses (HUBs) owned or operated by minorities or women by encouraging and providing information and access to compete in all facets of the District’s procurement opportunities.

3.2 DEFINITIONS

A HUB shall be defined as a business formed for the purpose of making a profit in which at least 51 percent of the business is owned, operated, and controlled by one or more of the following:

1. Minority-Owned Business Enterprise (MBE)
2. Minority Individual
3. Woman-Owned Business Enterprise (WBE)
4. Small Business Enterprise
   (For a complete definition of the above categories please use Board Policy CH (Local)

3.3 BOARD EXPECTATIONS

DeSoto ISD strongly encourages HUB participation in both work advertised for competitive procurement and in general purchasing of commodities and services. The goal/expectation of the Board is to achieve 30 percent participation by HUB vendors. The Board has also indicated its desire to promote and do business with local vendors as much as current purchasing law permits.

3.4 GUIDELINES FOR SECURING QUOTES

The guidelines below for securing quotes apply to purchases made through non-bid vendors and through DeSoto ISD local bid vendors. Quotes are not necessary when purchasing through major cooperative purchasing organizations such as TPASS, TCPN, TIPS/TAPS, Buyboard, EPCNT, Region 18 and the like. (Quotes are strongly encouraged, however, if the district can secure needed goods or services at competitive prices through local HUB or M/WBE bid vendors rather than using the purchasing cooperatives.)

1. Purchasers are to secure a minimum of three quotes (with at least one quote being form a HUB or M/WBE vendor) for any purchase over $500.
2. Quotes may be written or secured by e-mail or telephone, but need to be recorded on forms developed for this purpose. Quotes/records are to be maintained for at least one fiscal year prior to the current year and should be legible and organized, as the board may ask for access to these quotes.
3. Under current law, all eight criteria as included in Sec. 44.031(b) of the Texas Education Code must be considered in any purchase, with “best value” to the district being the deciding factor in making the final purchasing decision. Under Sec. 44.031, districts are
asked to consider such criteria as price, quality of product or service, HUB or M/WBE considerations, the vendor’s past relationship with the district, and the like.

As a guideline, DeSoto ISD purchasers are asked to weigh all factors, and if determining that quality of product and vendor services are basically equal, to utilize HUB or M/WBE vendors if the price offered by a HUB or M/WBE vendor is the lowest quoted price or within 5 percent of the lowest quoted price.
SECTION 4 PURCHASE REQUISITION PROCESSING

4.1 GENERAL INFORMATION

Each campus or department must prepare and enter its own orders. Decisions regarding personnel authorized to execute purchase requisitions and purchase orders will be left to the discretion of the building principal or director. Due to the fact that all purchase orders and numbers are generated electronically, it is imperative that procedures for entering required information be followed exactly. Any orders submitted for approval with missing information, misspelled words, or incorrect budget codes may be deleted or re-entry of information requested.

NOTE: No purchase orders will be processed for items or services requisitioned unless funds have been budgeted and are available at the time of processing.

4.2 REQUISITION PREPARATION INSTRUCTIONS

Purchase requests should be completed in the TEAMS financial software system.

1. Select the following option from the TEAMS main menu:

   ![Select Requisition Type](image)

   1. Create Requisitions/Requests
      2. Create Requisitions

2. The next screen should look like this:

   ![Requisition Types](image)

   At this point you will need to select a “Requisition Type”. Each requisition type will follow the same steps to enter. Instructions regarding Blanket Requisitions will be in Section 5.

3. After you will be directed to the Requisition Header screen. This is where you will choose your Vendor, Category, Ship-To Location, and Ship-To Receiving Group. The screen should look like this:
Note: There are two options available for picking the vendor and category.

Option 1 – Choose the Category of merchandise from the drop down menu. This option will narrow the Vendor options available and provide a drop down menu for those selected approved vendors. Here’s an example choosing Category “Art Supplies & Equipment”:

Option 2 - Type in the name of the vendor. There is not a drop down box for this option; however, there is a search feature using the icon. This option will narrow the category to those items types approved for sale by that vendor. Searching for Dell, Inc. will yield the following choices:

4. Your options for Ship-To Location and Ship-To Receiving Group should typically be limited to your campus or department. If, however, you have questions about this please contact the Purchasing or Finance Department for assistance
5. When all required lines have been completed you will be ready to **Add Line Items**.

6. At this point you will be ready to enter the line items you wish to order. It is very important that each line is filled out entirely and accurately.
   a. Quantity
   b. Vendor Stock Number
   c. Unit of Measure (Drop Down)
   d. Long Description
   e. Justification
   f. Special Instructions (i.e. Please deliver to library)
   g. Unit Price
   h. Unit Discount (some vendors will give discount off of unit price in their bid)
   i. Total Line Amount (Automatically Calculated)
   j. Accounts (See Step 7)
7. When you are ready, Add appropriate account based on information in Section 9 – Account Code Determination. No account with insufficient funds available may be used.

8. Add necessary Requisition Attachments. These could include quotes, proposals, special instructions, detailed item lists, etc.

9. to begin the approval process.

4.5 APPROVAL OF REQUISITIONS

After the requisition has been entered into the TEAMS system it is automatically ready for approval. ALL approvals chains are set up, and all requisitions are approved, in the TEAMS system. Requisitions will not appear on the list of requisitions to be processed by the purchasing office until the budget manager has performed the on-line approved process. Each budget manager should perform on-line approval of purchase requisitions daily. Printouts of all approved requisitions entered prior to 9:00 a.m. are reviewed daily in the purchasing office for accuracy of expenditure accounts, account balances, and vendor selection. Requisitions containing any discrepancies or questionable elements will remain on hold until all issues are resolved. Users will be notified by e-mail at any point in the approval chain if requisitions are approved or denied. All approved requisitions will be processed and purchase orders printed and distributed by noon each day.

The appropriate assistant superintendent of curriculum must approve all purchase requisitions totaling $2,500 or more. The appropriate assistant superintendent or district administrator (other than curriculum) will need to approve requisitions totaling $5,000 or more. These approvals will automatically route to these approvers in the TEAMS workflow. Requestors should plan on extra processing time if requisitions need additional approvals. The superintendent of schools will approve any orders totaling $25,000 or more.
SECTION 5 PURCHASE ORDERS

5.1 PURCHASE ORDER PROCESSING

Vendors must receive a copy of all purchase orders to their company. This will be accomplished, in part, by the following procedures:

- The purchasing office will print all purchase orders.
- The Purchasing Office will mail all purchase orders unless other written instructions appear on the purchase requisition form.
- Purchase orders that need to be faxed must include the fax number in the special comments box. The Purchasing Office will send all faxes.
- Purchase orders will be emailed if appropriate.
- Attachments for Purchase Orders will be included if attached to original requisition.

In order to accomplish prompt receipt of and payment for all materials required by the District, each campus or department should:

A. Maintain and Review Purchase Requisition/Order File weekly and:
   1. Examine all Requisitions. Follow-up on all Requisitions that have not been processed within seven (7) days of entry.
   2. Examine all orders past due. Past due orders will constitute those that have been outstanding over 30, 45, 60, or in certain cases 90 days.

B. Follow-up with vendors for whom we hold Past Due Orders:
   1. Follow-up procedures will be by:
      a. email
      b. letter
      c. phone
      d. fax

C. Notify Accounts Payable for order status/cancellations:
   1. Accounts Payable may be notified by:
      a. interoffice mail
      b. phone
      c. e-mail

5.2 BACK ORDERS

As a general practice, the district does not accept back orders; however, some vendors may deliver multiple items in separate shipments, or ship from different locations with different arrival dates. Therefore, it is advisable to wait a few days before completing the receiving record for a purchase order if all items are not received on the first delivery.

NOTE: Most vendors will list item as “Back Ordered” with an anticipated date of availability on the invoice or packing slip.
5.3 CANCELLATION OF PURCHASE ORDERS

All purchase orders will have a ninety (90) day cancellation clause affixed to them. Flexibility of assigned cancellation dates will be considered in such situations as proximity of vendor, availability of the merchandise, and quantities required. Any merchandise not received by that deadline may be cancelled, or merchandise received after that deadline may be refused.

Cancellation deadline extension may be granted by the requisitioning department or school if extending the deadline is deemed to be in the best interest of the department or school. The vendor should be contacted and informed of the deadline extension to insure that they do not automatically cancel the order.

In the event that a vendor has begun production of a custom-made part or product, or has secured for delivery to the District an article that the vendor is not likely to sell within the vendor’s normal scope of business, or if the vendor has incurred costs in preparation for special or custom production, the District shall accept such costs as the vendor may incur as a result of the premature cancellation.

5.4 RECEIVING DELIVERIES

1. When all merchandise has been received by a campus or department, Accounts Payable must be notified in order for the invoice to be considered for payment. This is done by completing the Receive module in the TEAMS system.

2. The Receiving Search may be done by Purchase Order Number, Vendor, or Date.
3. Enter Received Quantity when all items have been delivered and inspected.

4. Any packing slips and/or invoices included in the shipment should be noted in the appropriate location when prompted.

5. Invoices given directly to campus personnel should be forwarded to Accounts Payable with the purchase order number clearly indicated on it. This includes charge tickets, receipts and repairs.

6. Check delivery address before accepting any merchandise for your department or campus. Verify that the merchandise delivered matches with the delivery manifest. **DO NOT** accept merchandise if it is addressed to another campus/department, if it is damaged, or if it does not match driver’s records.

5.5 **BLANKET PURCHASE ORDERS**

1. District personnel will use the same method of data entry as standard purchase orders, with the exception that larger amounts of funds can be encumbered for repeat purchases from the vendor over an extended period of time using a single purchase order.

2. All blanket purchase orders are **closed prior to budget year-end.**

3. Monitor your balance on all blanket purchase orders.

4. Charge slips, receipts or invoices must be sent in as used. **DO NOT WAIT UNTIL P.O. FUNDS ARE DEPLETED/SPENT.** This makes for late payments to vendors, resulting in finance charges and late fees, which will also be paid for by your budgeted funds.

5. Receipts/Invoices must be detailed, listing items purchased. Purchase order numbers must be clearly indicated on all receipts/invoices sent to Accounts Payable.

6. Once encumbered funds are depleted/spent, a new requisition and purchase order will need to be completed before further purchases can be made.
SECTION 6 CHECK REQUEST

It is understood that on rare occasions it is not feasible to complete a Purchase Order as described in Section 5. On those occasions it will be permissible, WITH PRIOR APPROVAL of the Chief Financial Officer, to request a check using the Check Request Module in the TEAMS system. **This option is not to be used as a substitute for a Purchase Order due to poor planning.** The Check Request is for those rare instances when an approved vendor will not accept a Purchase Order, or for employee reimbursements of unforeseeable purchases or fees paid by an employee for approved district expenses.

6.1 CHECK REQUEST PREPARATION INSTRUCTIONS

1. Select from the TEAMS Main Menu:

2. The data entry screen will look like the following:

3. All items marked with a * must be completed prior to submitting.

4. The approval process for check requests follows the same approval chain as requisitions; however, the final approval and processing is Accounts Payable.

5. Checks are typically printed each Thursday at 4:00 for distribution Friday. Extra time should be allotted to account for check run delays.
SECTION 7 EMERGENCY CHECK REQUESTS

7.1 GENERAL PROCEDURES FOR CHECK REQUESTS

From time to time it is recognized that situations will arise whose urgency will dictate immediate processing of check requests. Emergency requests can be accommodated when a TRUE EMERGENCY exists. The following is an excerpt from the TEXAS EDUCATION AGENCY FINANCIAL ACCOUNTABILITY SYSTEM RESOURCE GUIDE, paragraph 3.2.5.7:

“Care should be taken that emergency purchases do not result from improper planning rather than from a true emergency.

It is important that the school district attempts to eliminate purchases for non-emergency situations as much as possible and requires that all emergency purchases are fully justified.”

PLEASE NOTE: Lack of planning DOES NOT constitute grounds for approval of a “Rush Order”. These should be those items or events where no previous knowledge of need could have been foreseen.

REMEMBER: For internal controls to work it takes three employees being available to process, print, and verify positive payment to process a check. There is no override on this internal control. Please take this into consideration when requesting emergency checks.

A campus or department may input an emergency check request into the TEAMS system and then call the finance office to explain the need for emergency processing.

All normal approval chains will be followed prior to issuance of an “Emergency Check”.
SECTION 8 VENDOR INFORMATION

8.1 GENERAL INFORMATION

All products or services purchased for the district must be purchased through approved district vendors. Approved vendors include all local DeSoto ISD bid vendors, regional cooperative vendors, State bid vendors, other state agencies or vendors available through inter-local agreements, and “sole source vendors,” and some “spot” (non-bid) vendors.

8.2 SOLE SOURCE VENDORS

Sole source vendors are defined as companies that produce and distribute their own products and do not allow other companies to sell or distribute these products. Examples of sole source vendors would be publishing companies who publish and sell their own products, such as videos, books, and pamphlets.

Sole source vendors must provide the district with written documentation verifying their status. This written documentation must be forwarded to the purchasing office for audit purposes. This documentation from the sole source vendor only needs to be submitted one time. Campuses or departments may contact the purchasing office to verify that a sole source letter is on file for a given vendor.

8.3 VENDOR LISTS

The vendor list is available through the TEAMS system. The TEAMS vendor list is the most up-to-date list available. If assistance is needed in locating vendors in the TEAMS system, please contact the purchasing office.

Request for adding a new vendor must be sent to the purchasing office for approval and assignment of a vendor number.

NOTE: Please verify the need for a new vendor by checking the current vendor list before request is made.

8.4 VENDOR RELATIONS

It is our policy to maintain and practice the highest possible standards of business ethics, professional courtesy and competence in all of our dealings. At all times, applicable laws must be scrupulously observed. In this regard, the following should be observed when dealing with suppliers and their representatives:

1. Accord prompt and courteous reception, as well as fair and equal treatment, to all suppliers and their representatives.
2. Provide equal opportunity for all suppliers to make price specification quotations.
3. Guarantee the confidentiality of all price quotations made by vendors.
4. Explain as clearly and fully as possible to suppliers the reason for any rejections of bids or quotations.
5. Remain scrupulously free from obligations to any supplier.
6. Keep informed about sources or supply, methods, services, and materials, and encourage their testing.

8.5 VENDOR VISITATIONS

Sales calls and demonstration solicitors shall not call at individual schools during hours of operation without approval from the Office of the Superintendent or designee. Such approval may be granted to demonstrate any material, equipment, publication or service for possible use in the District’s schools.

A signed letter of approval on District letterhead must be presented to the building principal before any sales call or demonstration is to be granted.

8.6 VENDOR PERFORMANCE EVALUATIONS

Purchasing, maintenance, operations, accounting/finance, and transportation personnel deal with vendors on a continuing basis. It is important that information be recorded about specific vendor performance.

The purchasing office welcomes any useful and constructive evaluations from schools and departments. This information will be useful for all concerned to monitor and effectively stimulate vendor activities and performance.

8.7 ETHICAL PRACTICES

This District’s vendors, their products, personnel, and services are a natural extension, and important component in the operation, of the District. It is the responsibility of all employees to work to maintain the good name of the school district, to develop and maintain good relations between the District and its vendors, and to keep in mind that personal contacts form much of the basis for the vendors’ opinions of the District.

8.8 VENDOR OFFERS TO PERSONNEL

A vendor is prohibited from offering gifts or favors that could influence, or that could be construed to influence, purchases utilizing District funds. An employee shall refuse any such offers and shall report such offers to his or her principal or department head and purchasing.

8.9 VENDOR REVIEW FOR SUSPENDED OR DISBARRED STATUS

All Vendors with orders that exceed $25,000 will be checked for a suspended or disbarred status on SAM.GOV prior to a purchase order being issued. Additionally, all vendors will be examined annually for their status on the SAM.GOV website.
SECTION 9 STANDARDIZATION OF MATERIAL

9.1 GENERAL INFORMATION

Standardization of all supplies, materials, and equipment is to be achieved whenever possible. We can all help to save the District money by consolidating orders and taking advantage of economies-of-scale whenever possible. Consolidation and standardization is also useful for those who are primarily responsible for entering requisition information.

Try to set up lines of communication between campuses. Most reputable vendors will deliver one order to multiple locations if they know in advance, as well as, giving increased discounts for larger orders.

The purchasing office will assist in this process whenever possible.
SECTION 10 ACCOUNT CODE DETERMINATION

10.1 GENERAL INFORMATION

The following information is intended for use as a general guideline only. No attempt has been made to provide all-inclusive information. Each individual requisition will need to be judged on its own merit, and a decision based on the following guidelines regarding coding will need to be made at the campus level. All decisions regarding proper coding at the administrative level will be based on this information. The ultimate responsibility for accurate coding, however, remains at the campus level with the building principal. To avoid any problems with regard to misuse of funds, all requisitions should be carefully screened for proper coding prior to submission for approval. Any questions regarding coding can be directed to the Finance or Purchasing Departments.

10.2 THE CODE STRUCTURE

<table>
<thead>
<tr>
<th>FUND</th>
<th>FUNCTION</th>
<th>OBJECT</th>
<th>LOCAL ORGANIZATION</th>
<th>FISCAL YEAR</th>
<th>PROGRAM</th>
<th>INTENT</th>
<th>LOCAL OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
<td>-</td>
<td>XX</td>
<td>XXXX</td>
<td>XX</td>
<td>XXX</td>
<td>X</td>
<td>XX</td>
</tr>
</tbody>
</table>

10.21 FUNCTION CODES

A function represents a general operational area in a school district and groups together related activities.

11 – Instruction

This function is used for activities that deal **DIRECTLY** with the interaction between teachers and students. This function includes expenditures/expenses for direct classroom instruction and other activities that deliver enhance or direct the delivery of learning situations to students.

Costs to Include
- Upkeep and repairs to instructional materials and equipment in the classroom
- Field trips
- Instructional supplies, grade books, computer labs, handbooks, etc.
- Testing materials for tests **developed and administered by teachers**.

Costs to Exclude
- Testing materials for standardized tests (Function 31)
- Office supplies (Function 23)
- Staff Development (Function 13)
12 – Instructional Resources and Media Services

This function is used for expenditures/expenses that are DIRECTLY AND EXCLUSIVELY used for resource centers, establishing and maintaining libraries and other major facilities with educational resources and media.

Costs to Include
- Building individual’s ability in their use of library books and materials
- Selecting, preparing, maintaining and making available to members of the instructional staff equipment, films, transparencies, tapes, TV Programs, software, CD ROMs, and similar material.
- Library books, films, videocassettes, CD ROMs, and other materials that are maintained by a resource center or library.
- Supplies for binding and repairing books or other media contained in the resource center
- Upkeep and repairs to media, library and resource center material and equipment.

Costs to Exclude
- Reference books in the classroom (Function 11)
- Textbooks (Function 11)
- Test booklets (Function 31)
- Teaching supplies used in the classroom (Function 11)

13 – Curriculum Development and Instructional Staff Development

This function is used for expenditures/expenses that are DIRECTLY AND EXCLUSIVELY used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. Expenditures and expenses include in-service training and other staff development for instructional personnel.

Costs to Include
- Staff that research or develop new or modified instruction
- Fees for outside consultants conducting training
- Staff who prepare and/or conduct in-service training
- Travel and subsistence for staff attending in-service or staff development meeting
- Supplies, materials and equipment for curriculum development or in-service training.

Costs to Exclude
- Substitute pay for instructional staff attending staff development or inservice training (Function 11)

21 – Instructional Leadership

This function is used for expenditures/expenses that are DIRECTLY used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services.
Costs to Include
- Supplies and materials related to instructional leadership
- Upkeep and repairs to materials and equipment related to instructional leadership
- Travel and subsistence for instructional leadership personnel

Costs to Exclude
- Staff development and inservice training personnel (Function 13)
- Supplies, materials, and travel for inservice or staff development (Function 13)

23 – School Leadership

This function is used for expenditures/expenses that are used to direct and manage a school campus. They include the activities performed by the principal, assistant principal, and other assistants while they:

1. Supervise all operations of the campus
2. Evaluate staff members of the campus
3. Assign duties to staff member of the campus
4. Coordinate school instruction activities with other administrators in the district.

Costs to Include
- All expenditures related to teacher appraisal
- Upkeep and repairs to equipment related to school leadership
- Computers used exclusively by school leadership staff
- Design of campus improvement plans

31 – Guidance, Counseling and Evaluation Services

This function is used for expenditures/expenses that are **DIRECTLY AND EXCLUSIVELY** used for assessing and testing students’ abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes the costs of psychological services, identification or individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

Costs to Include
- Mental health screening
- Psychologists, Psychiatrists, and Diagnosticians
- Placement Services
- Maintaining information on home and family background
- Maintaining information on courses of study for individual students
- Testing Material for standardized tests
- Student/Parent counseling
Costs to Exclude
- Testing materials for student tests developed and administered by teachers (Function 11)

33 – Health Services
This function is used for expenditures/expenses that are **DIRECTLY AND EXCLUSIVELY** used for providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.

Costs to Include
- Contracted medical services
- Staff and student inoculations
- Medical and health supplies for the use of students to assist in health care
- Medicaid administrative expenditures

Costs to Exclude
- Medical and health supplies to be used for athletics (Function 36, Program Intent 91)
- Speech, health, physical and occupational therapy to assist special education students in the learning process (Function 11)

36 – Extracurricular Activities
This function is used for expenditures/expenses for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either competitive or noncompetitive setting.

*Extracurricular* activities include athletics and other activities that normally involve competition between schools. Other kinds of related activities are included (such as drill team, pep squad and cheerleading). Also included in *extracurricular* activities are other University Interscholastic League competitions such as one-act plays, speech, debate, band, etc.)

Costs to Include
- Expenditures/expenses for **insurance** to cover student injuries that take place while participating in athletics
- Medical and health supplies to be used for athletics
- Athletic supplies and equipment, including, uniforms, etc.
- Game Officials
- Travel for coaches, trainers, sponsors, and students including meals and lodging
- Travel for band directors, sponsors of debate, science competition, etc. and students including meals and lodging for student competition and extracurricular activities.
- Gatekeepers, timers, scorekeepers, etc.
Costs to Exclude
- Security for co-curricular/extracurricular events (Function 52)
- Property Insurance for uniforms and equipment (Function 51)

41 – General Administration
This function is for expenditures/expenses that are for the purpose of managing or governing the school district as an overall entity.

Costs to Include
- Costs for board of trustees, including travel, training, and legal fees
- Costs related to the office of the superintendent
- Costs related to budgeting, accounting, fiscal affairs, human resources, textbook custodian, PEIMS, risk management, community/public relations, records management

Costs to Exclude
- Building and property insurance (Function 51)
- Management Information Services (MIS) (Function 53)
- Computer networks, mainframes, and software that serve multiple functions (Function 53)

51 – Facilities Maintenance and Operations
This function is used for expenditures/expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair, and insured. This function is used to record expenditures/expenses for the maintenance and operation of physical facilities and grounds. This function also includes expenditures/expenses associated with warehousing and receiving services.

Costs to Include
- Costs related to building and appliance maintenance
- Property/Casualty insurance, including food service operations
- Contracted maintenance of vehicles used for maintenance and operations, including food service operations
- Utilities for the entire school district, including food service operations

Costs to Exclude
- Security and monitoring expenditures (Function 52)

52 – Security and Monitoring Services
This function is used for expenditures/expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.
Costs to Include
- Security guards
- Crossing guards
- Security at school sponsored events
- Supplies, equipment and contracted services for the safekeeping of students and staff, including metal detectors, drug dogs, surveillance devices, etc.

53 – Data Processing Services

This function is for expenditures/expenses for data processing services, whether in-house or contracted.

Costs to Include
- PC networks (including hardware/software maintenance) that include student and general administrative software, license fees and serve multiple locations
- Mainframe computers (including hardware/software maintenance) that include student and general administrative software and serve multiple locations
- Technology network, data, or system security.

Costs to Exclude
- Stand alone or networked computers used by a specific functional area
- Instructional computer labs, licensing, supplies, maintenance, etc. (Function 11)
- Library systems software/license including computers (Function 12)

10.22 OBJECT CODES – EXPENDITURES/EXPENSES

There are several different types of object codes that classify transactions. The expenditure/expenses codes are distinguished from other types of codes as they always begin with the digit “6”. Only those object codes that are controlled and monitored at the campus/department level will be discussed in detail here.

6100 – Payroll Costs

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The school district acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.
6200 – Professional and Contracted Services

This major account classification is used to record expenditures/expenses for services rendered to the school district by firms, individuals and other organizations. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies.

6219 – Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. Government Code 2254.002 defines professional services to be the following:

- Architecture
- Optometry
- Landscape architect
- Professional Engineer
- Land surveying
- Real estate appraising
- Medicine
- Professional Nursing
- Accounting

These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in the areas that supplement the expertise of the school district.

6249 – Contracted Maintenance and Repair

This code is used to classify expenditures/expenses for normal contracted maintenance and repair of items rendered by firms, individuals, or other organizations, other than the school district. When contracted maintenance and repair services are rendered, the total cost of the service, including labor and parts, is to be included in the contracted services account. This includes normal upkeep, repair and restoration of:

- Office Equipment
- Furniture
- Computers
- Copiers
- DistrictOwned Telephone Systems
- Facsimile Machines
- Maintenance agreement fees
- Buildings and grounds (janitorial/landscaping, etc.)
• Vehicles
• Other Equipment

6269 – Rentals-Operating Leases

This code is used to classify expenditures/expenses for other rentals – operating leases. This includes, but is not limited to, rental or lease of:

• Furniture
• Computers
• Copiers
• Telecommunications equipment
• Vehicles
• Buildings

6291 – Consulting Services

This code is used to classify expenditures/expenses for consulting services. Consulting services refer to the practice of helping districts to improve performance through analysis of existing problems and developing future plans. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all function areas such as instruction, curriculum and administration.

Consulting does not include routine service/activity that is necessary to the functioning of a school district’s programs. It also does not apply to services provided to conduct organized activities (such as training or other similar educational activities)

6299 – Miscellaneous Contracted Services

This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere.

6300 – Supplies and Materials

This major classification includes all expenditures/expenses for supplies and materials.

6319 – Supplies for Maintenance and/or Operations

This code is used to classify expenditures/expenses for supplies and material necessary for maintenance and/or operations. Expenditures/expenses in this account include, but are not limited to:

• Janitorial or custodian supplies
• Building maintenance staff supplies for minor repairs and upkeep by maintenance staff.
• Supplies for upkeep of furniture and equipment

6321 – Textbooks

This code is used to classify expenditures/expenses for textbooks purchased by the school district and furnished free to students, certain classes or grades.

6329 – Reading Materials

This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries whether in print or electronic format.

6339 – Testing Materials

This code is used to classify expenditures/expenses for testing materials including test booklets and study materials related to those tests.

6343 – Items for Sale

This code is used to classify expenditures/expenses for such items as soft drinks, food, and other goods to be sold through vending machines, school stores, fund-raising activities, etc., not related to regular food service program.

6397 & 6399 – General Supplies

This code is used to classify expenditures/expenses for those items of relatively low unit costs, typically less than $5,000, (even though used in large quantities) necessary for the instruction process and/or for administration. These items include:

• Consumable teaching and office supplies such as paper, workbooks, pencils, forms, postage, etc.(6399)
• Furniture and Equipment less than $5,000 (6397)
• Audio visual aids such as films, VCR tapes, CD ROM disks, computer disks, software, etc.(6399)

6400 – Other Operating Costs

This major classification is used to classify expenditures/expenses for items other than Payroll Costs, Professional and Contracted Services, Supplies and Material, and Capital Outlay.
**6411 – Travel and Subsistence – Employee Only**

This code is used to classify the costs of transportation, meals, room and other expenses associated with traveling on official school business. The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, in-service training, etc. Membership dues are classified in account 6495, Membership Dues.

**6412 – Travel and Subsistence – Student**

This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events.

**6419 – Travel and Subsistence – Non-Employee**

This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. This includes expenditures/expenses for the following groups:

- Travel for individuals not employed by the school district

This includes travel expenses incurred while traveling to school district authorized activities, including transportation expenditures/expenses paid:

- Parents
- Board Members

Registration fees associated with attending conferences, including seminars inservice training, etc. are also classified in this account.

**6495 – Dues**

This code is used to identify expenditures/expenses for dues paid to clubs, committees, or other organizations. Examples of organizations are TASA, TASP, TASB, TASBO, Lions Club, Rotary Club, local chambers of commerce and other associations. This does not include any registration fees associated with attending conferences or seminars, which are coded to 6411.

**6499 – Miscellaneous Operating Costs**

This code is used to classify expenditures/expenses for all other operating costs not mentioned above. This account includes:

- Fees (not associate with travel)
- Awards
- Graduation Expenses
• Food/Refreshments for school related meetings
• Newspaper advertisements

6600 – Capital Outlay

6639 – Furniture and Equipment

This code is used to classify expenditures/expenses for all equipment, furniture, technology equipment and capital outlay items having per-unit value of $5,000 or more and/or a useful life of three or more years and/or can benefit from being included in the fixed asset inventory.

6669 – Library Books and Media

The library uses this code to classify all expenditures for books and films that meet the three-year useful life criteria, or have a per unit value of, equal to, or greater than $5,000, and are to be catalogued and controlled by the library.

10.23 PROGRAM INTENT CODES

These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served. In the case of state programs, state law may determine the intent and the permissible use of allotments.

11 Basic Educational Services

The costs incurred to provide the basic services for education/instruction to students in grades PK-12 prescribed by state law as well as adult basic and secondary education services. Basic is defined as the curriculum provided for those students that are not in special education. Basic educational services include the costs to evaluate, place, and provide educational services to students in honors, college preparatory and advanced placement courses.

21 Gifted and Talented

The costs incurred to assess students for program placement and provide instructional services (which are guided by the state plan) beyond the basic educational program and that are designed to meet the needs of students in gifted and talented programs

22 Career and Technology

The costs incurred to evaluate, place and provide educational and/or other services to prepare students for gainful employment, advanced technical training or for homemaking. This may include apprenticeship and job training activities
23 **Services to Students with Disabilities (Special Education)**

The costs incurred to evaluate, place and provide educational and/or other services to students who have Individual Educational Plans (IEP) approved by Admission, Review and Dismissal (ARD) committees. These plans are based on students’ disabilities and/or learning needs.

24 **Accelerated Education / Compensatory Education**

The costs incurred to use instructional strategies in accordance with campus/district improvement plans to provide services in addition to those allocated for basic services for instruction, thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.

25 **Bilingual Education and Special Language Programs**

The costs incurred to evaluate, place and provide educational and/or other services that are intended to make the students proficient in the English language, primary language literacy, composition and academic language related to required courses. These services include the bilingual basic program of instruction and special assistance to increase cognitive academic language proficiencies in English.

28 **Disciplinary Alternative Education Program – DAEP Basic Services**

All costs incurred to provide the base line program (nonsupplemental) services to students who are separated from the regular classroom to a disciplinary alternative education program.

31 **High School Allotment**

This program code is to be used to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12.

91 **Athletics and Related Activities**

The costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf, swimming, wrestling, gymnastics, baseball, tennis, track, volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad or any other organized activity to support athletics. However, this does not include band.
99 Undistributed

All charges which are not readily distributed to program intent codes are classified here. Program intent code 99 may be used when recording substitute teachers and on-behalf teacher retirement payments in all function codes. This code may be used for costs not clearly attributable to specific program intent.
SECTION 11 LEGAL CONSIDERATIONS

11.1 GENERAL INFORMATION

Under the Uniform Commercial Code, there has been a great improvement in the law of buying and selling. This section represents only some of the basic rules pertaining to the law of buying and selling under the Uniform Commercial Code, hereafter referred to UCC.

A signed and numbered district Purchase Order is considered a binding contract under the UCC and should be treated as such. The following items are a few things that buyers should take into consideration when a purchase order is utilized.

11.2 TIME

An offer by a merchant to buy or sell goods in a signed writing is not revocable during the time stated in the writing, or if no time is stated, a “reasonable” time not to exceed three months.

The Buyer’s written order becomes an irrevocable offer which the Supplier can treat as firm “for a reasonable time,” not to exceed three months, unless the purchase order states a definite date when the shipment is required, or stipulates an early acceptance or acknowledgement date. By doing this, the Buyer protects himself against the possibility that he will be unable to cancel orders that have not been accepted by the Supplier for a longer period of time than desired by the Buyer, but less than three months.

11.3 OFFER AND ACCEPTANCE

For a contract to be recognized and enforced the UCC states that “Conduct by both parties which recognizes the existence of a contract is sufficient to establish a contract or sale, although the writings of the parties do not otherwise establish a contract.” It also states “an acknowledgement or confirmation operates as an acceptance (thus, creating a contract), even though it states terms additional or different from those offered or agreed upon.” These additional terms become part of the contract unless:

A. The offer or order expressly limits acceptance to the terms of the offer and/or provides that no variation in terms will be permitted or accepted.

B. Notice of objections to the additional or different terms is given within reasonable time after they are received.

C. The additional or different terms “materially alter” the contract.

11.4 CONFLICTING TERMS AND INTERPRETATION OF CONTRACTS

The buyer should protect himself against unacceptable changes in purchase orders or contracts resulting from conflicting terms in the forms used by the Seller. Such protection is afforded when the Buyer does one or both of the following:
A. Examines the Seller’s proposal or acknowledgement and promptly objects in writing to all unsatisfactory terms.

B. Includes a clause in the printed purchase order form which expressly limits acceptance to the terms of the offer by providing that acceptance of order is limited to the terms and conditions shown there on, and that no deviation from them will be accepted.

If a conflict of terms is so great as to “materially alter” the provision of an order so that acceptance would change the basic nature of the offer, the terms of acceptance do not become part of the contract, even though the Buyer makes no objection.

The following rules are basic to contract interpretation:

1. A contract will be construed to carry out the intent of the parties, so as to make it lawful and enforceable if at all possible.

2. Language is considered in its ordinary and customary sense, and technical terms are considered according to the type of transaction.

3. If the contract is on a printed form, any ambiguous clauses will be construed against the party supplying or drawing the form.

4. The contract will be construed as a whole and effect given to all its parts.

5. Inconsistencies partly printed, typewritten, and/or handwritten will be resolved in favor of handwriting over the typewritten form.

6. Words control over figures, when number inconsistencies occur.

7. When two meanings are possible from words, phrases, etc., the interpretation that upholds the contract as valid and enforceable is favored.

11.6 WARRANTY PROTECTION

Warranty protection afforded the Buyer has been enlarged and improved in the UCC. It is also more difficult for sellers to escape their warranty obligations through “fine print” sales contracts. The UCC provides three types of warranties as follows:

1. Express Warranty
2. Implied Warranty
3. Implied Warrant of Fitness for a particular purpose.

A written (Express Warranty) is always the best option when available. It may be in the form of the Seller’s quotation or proposal, or in the form of an acknowledgement.
SECTION 12 STATE, LOCAL SALES, AND FEDERAL EXCISE TAXES

12.1 TAXABLE STATUS OF PURCHASES

Ruling No. 95-0 from the State Comptroller, effective October 1, 1969 states:

“The sale, lease or rental of tangible property directly to or for storage, use or other consumption of tangible personal property directly by an educational organization . . . which property is necessary to its function as such, and paid for by the organization is exempted from the computation of (state and local sales) taxes.”

Provisions under Article 21-023 of the Federal Statutes provide tax exemption to the School District.

In accordance with these rulings:

A. TAX FREE PURCHASES

All items purchased by a public school, school district or non-private school for the schools own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a Texas Sales Exemption Certificate. To be valid the certificate must state that the merchandise being purchased is for the organization’s own use in providing education is being made in the name of the organization, and that payment shall be made from the organization’s own funds.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. Examples – cheerleaders purchasing their own uniforms, band members purchasing their own instruments and athletic teams purchasing their own jackets.

B. SCHOOL SPONSORED TRIPS

Meals purchased by the school district for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc. may not claim exemption from the sales tax on meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the Hotel Occupancy Tax if the school contracts with and pays for the accommodations and provides the hotel with a completed Hotel Occupancy Tax Exemption Certificate.

Teacher, coaches, etc., MAY NOT claim exemption from sales tax on personal purchases while on school business even though they are reimbursed by the school for expenses.
REMEMBER: THERE ARE NO TAX EXEMPT NUMBERS. EXEMPTION CERTIFICATES DO NOT REQUIRE NUMBERS.

ANY EMPLOYEE USING SCHOOL TAX EXEMPT STATUS TO AVOID PAYMENT OF PERSONAL SALES TAX MAY BE LIABLE FOR PROSECUTION UNDER TEXAS PENAL CODE, CHAPTER 39, ABUSE OF OFFICE, SECTION 39.01 (This also applies to booster clubs, PTA’s, and other outside organizations – they must apply for and receive their own tax-exempt status)

TOLL FREE NUMBERS

The State Comptroller’s Office maintains a toll-free tax information number for quick response to any state tax questions you may have. You can reach the Comptroller’s Office from anywhere in Texas by dialing: 1-800-252-5555.
REFERENCES

Websites
DISD Website www.desotoisd.org
Internal Revenue Service www.irs.gov
Texas State Comptroller www.window.state.tx.us
Secretary of State www.sos.state.tx.us

Phone Numbers
Texas State Comptroller 800-252-5555
Secretary of State 512-463-4600
Internal Revenue Service 877-829-5500
Director of Finance 972-274-8212 x-216
Director of Purchasing 972-274-8266

Policy
PURCHASING AND ACQUISITION CH(LEGAL)
PURCHASING AND ACQUISITION CH(LOCAL)
PURCHASING AND ACQUISITION: PAYMENT PROCEDURES CHF(LEGAL)
PURCHASING AND ACQUISITION: VENDOR RELATIONS CHE(LEGAL)
PURCHASING AND ACQUISITION: VENDOR RELATIONS CHE(LOCAL)
PURCHASING AND ACQUISITION: REAL PROPERTY CHG(LEGAL)
GIFTS AND SOLICITATIONS FJ(LEGAL)

Current policy and regulations may be found at www.desotoisd.org