

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

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Effective Date: July 1, 2010

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Applies To: Colleges and the System Office

Procedure Responsibility: KCTCS Office of Purchasing

Requisitioning

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Section 4.3.1 - General

- A. The proper procedure to purchase or obtain any supplies, equipment or services, not otherwise delegated, is to submit a purchase requisition to KCTCS Office of Purchasing. (See also business procedure 4.2 Procurement Card and 3.2 Check Requests.) Requisitions are created online using the PeopleSoft financial system's purchasing module. The purchasing module is designed to provide the information necessary to secure for the requisitioning unit the items specified, at the time required, such as, delivery to the proper place and the encumbering of funds against the correct budget.
- B. The requisition serves the following purposes:
 - 1. The basic purchasing document for purchases of supplies, equipment, or services using the unit's designated fund source(s).
 - 2. The source of specific information required by KCTCS Office of Purchasing in the preparation of the secondary purchase document(s).
 - 3. As a reference for the unit to check and verify the accuracy of the purchase order and supporting secondary documents.
- C. Sufficient time is to be allowed for KCTCS Office of Purchasing to secure bids and to make an orderly and timely purchase. Requisitioned commodities or services are to be processed with sufficient lead-time – lead time will vary depending on the commodity or service and the quantity ordered. Where bids are required, sufficient time is to be allowed for the preparation and receipt of bids and for the assembly and shipment of the commodities by the vendor.

Section 4.3.2 – Major Equipment Requisition Requirements

Major Equipment Purchases - In order to comply with KRS 45.760, KCTCS Office of Purchasing requires any requisition for any item of equipment costing \$200,000 or more and computer or telecommunications “system” that costs \$600,000 or more, to be accompanied by a memorandum identifying the line item number that is shown in the approved Commonwealth of Kentucky biennial budget. This requirement is applicable whether equipment is purchased, leased, or lease-purchased.

Note: Except for equipment to be used for medical, scientific or research purposes, (excluding computer equipment), the KCTCS Office of Purchasing will not process a requisition for an item of equipment which costs in excess of \$200,000 and/or computer or telecommunications “system” that costs \$600,000 or more, unless specifically approved in the Commonwealth of Kentucky’s biennial budget.

Section 4.3.3 – Requisition Approval Process – Workflow

- A. KCTCS uses the PeopleSoft Workflow Process (sometimes termed electronic signature process) for requisition approvals. The following are definitions of the individuals involved in the approval process.
1. Requester – This individual requesting the goods or services.
 2. Requisitioner – This individual entering the requisition into the PeopleSoft system.
 3. Approver – The individual approving the requisition based on the approval authority in business procedure 1.10 (Financial Document Approvals).
- B. College and/or System Office units may develop additional internal controls using a paper requisition form.
- C. College presidents/chief executive officers (CEO) and the KCTCS chancellor and/or vice presidents are required to designate requisition approvers based on the provisions of business procedure 1.9 Financial Delegation of Authority and 1.10 Financial Transaction Approval Authority.
- D. All requisitions utilizing funds for capital construction projects are routed for approval through KCTCS Office of Facilities Management and are to be in accordance to business procedure 3.13 Capital Assets.
[Business Procedure 3.13](#)

- E. Once created, requisitions are to be approved promptly. Any requisition that cannot be processed due to approval status, valid Budget Control Module (BCM) status, or because of an unknown suggested vendor, will be cancelled or deleted by KCTCS Office of Purchasing, unless corrected within thirty (30) days from the date it was created. If there are extenuating circumstances or there is a problem correcting any of the above referenced conditions which prohibits the processing of the requisition within thirty (30) days, the appropriate unit may request an extension period in writing (e-mail acceptable) to the KCTCS Office of Purchasing.

Section 4.3.4 - Preparation of a Requisition

- A. In order to encourage competition, strong consideration must be given to specifications. For example, a “description of certain dimensions and types of materials, performance and functions” are to be provided, but need not convey bidding or quotation instructions. A specification is to identify and include minimum and basic requirements, describe functional features, including color, grade, size and quantity.
- B. An adequate purchase description is an aid to competition. In the absence of competition, the purchase description provides support in determining the reasonableness of price and also serves to communicate to the approver what is to be purchased. A purchase description is to set forth the essential physical and functional characteristics of the commodity or service required. Descriptions that consist of only an invoice number or quote number with no reference to identify the product or service will not be processed and will be referred back to the business unit for proper detail.

In general, purchase descriptions are to describe the most prominent and important characteristics of the referenced products essential to the needs of the end user. The following characteristics are suggested for consideration in preparing descriptions for the items or services to be purchased:

1. manufacturer and model or part number
2. common nomenclature
3. kind of material, i.e., type, grade, alternatives, etc.
4. principles of operation
5. restrictive conditions
6. dimensions, size or capacity
7. intended use, including: location within an assembly and essential operating conditions

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8. equipment with which the item is to be used
9. other pertinent information that further describes the item(s), material(s) or services required.

Purchase descriptions are not to be written so as to specify a product or a particular feature of a product specific to one manufacturer or vendor. Such restrictive descriptions will only be accepted when it is determined that the particular feature(s) is essential to the unit's requirements.

- C. After determining the requirements for commodities, equipment or services, the agency should formulate their specifications (usually from catalogs, brochures or acceptable brands) and then complete a purchase requisition.
- D. In an instance that the requesting unit feels there are "no substitutions" or that "commodities must be compatible and/or interchange with existing equipment", a full explanation must be submitted in writing with the requisition to the KCTCS Director of Purchasing (or designee).
- E. Units should be very specific by designating the correct procurement units (each, box, lot, etc.) in relation to the quantities desired. When other than market items are desired, care is to be given to correctly identify those items requiring special fabrication, etc. Descriptions are to be in detail. Drawings that would facilitate good competitive bids are to accompany the requisition.
- F. The files of complete specifications, quotes and/or other required documentation must be attached to the requisition header comments in the PeopleSoft Purchasing Module in accordance with established operational protocols for that functionality

Section 4.3.5 – Vendors

Units are encouraged to recommend a vendor on the requisition. This may be done by entering the PeopleSoft vendor number in the appropriate field on the requisition panel in PeopleSoft. If the vendor is not already in the PeopleSoft system, then the complete name, address, point of contact information, Employee Identification Number (EIN), telephone number and facsimile number of a vendor must be included in the requisition comments. Vendors will be added to the PeopleSoft database by KCTCS Office of Accounts Payable.

Section 4.3.6 – Receiving Locations

- A. Units are encouraged to establish a central receiving location for each campus for delivery of goods. At a minimum, units must appoint an individual or individuals to receive goods in a timely manner that have been

ordered via the requisition/purchase order process. Invoices cannot and will not be paid until the PeopleSoft system indicates that the goods have been “received”. Therefore, units must receive on the order within PeopleSoft, when received, for the payment to be processed. To help ensure this, units must have a system in place to monitor deliveries. Upon receipt, inspection of the order is to include the following:

1. check of specifications
 2. check for the quantity
 3. check for damage
 4. check that the delivery time is correct
 5. check that the ship to location is correct
- B. KCTCS Office of Purchasing must be notified in a timely manner when materials are returned, damaged shipments are received, or other disputes arise regarding established purchase orders so that documentation is noted for future reference.

Section 4.3.7 – Confirming Requisitions

- A. Units may, under special conditions, use a confirming requisition, e.g., a situation where the unit already has a vendor invoice. KCTCS Office of Purchasing must grant approval prior to submitting a confirming requisition. Prior approval is not required if a permanent approval has been granted (see subsection “1 & 2” below) or the requisition amount is \$3,000 or less and the item is not a capital equipment item or an item to be placed in the KCTCS property management inventory as defined in the KCTCS Business Procedure Manual or a commodity otherwise restricted by KCTCS Business Procedures such as printing.

The commodities with a permanent approval for a confirming requisition are:

1. Payment of an established personal service contract (see Business Procedure 4.15.) [Business Procedure 4.15](#)
 2. Payments authorized by a Memorandum of Agreement (MOA)
- B. Confirming requisitions must include a statement in the comments section of the requisition indicating that it is a “confirming requisition.” This will certify and authorize the invoice for payment. The following standard comment has been created and made available in PeopleSoft to be copied into the requisition comments:

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“I hereby certify that the materials and/or services detailed in this requisition and any attachment referenced herein have been duly furnished to the benefit of the Kentucky Community and Technical College System; and, that this claim is complete as stated, and that payment therefore, is just and legal; and has not been authorized in part or in whole, heretofore and is due.”

- C. Requests for a confirming requisition must be emailed to KCTCS Office of Purchasing prior to when the unit contacts the vendor. If there is not an established PeopleSoft vendor number, then completed vendor information must be included in the requisition comments of the confirming requisition as directed in procedure 4.3.5.
- D. The approval process for confirming requisitions is described in sections 4.3.3 and section 4.3.4 as applicable. Adequate descriptions including attachment of supporting documentation of the commodity or services purchased are required, as well as, the invoice information.
- E. The unit must indicate the confirming requisition number and business unit on the original invoice. The original invoice must be scanned to create a PDF file which must be attached to the requisition header comments in the PeopleSoft Purchasing Module in accordance with established operational protocols for that functionality.
- F. Procurement requirements shall not be parceled, split, divided, or scheduled over a period of time in order to undermine the intent of the KCTCS business procedure. Units are to make their purchases based on sound business and financial planning. Units are to keep the goals of economy and efficiency in mind, and are to consider storage capacity and product shelf life when purchasing commodities.

End of Procedure