

OHIO DEPARTMENT OF TRANSPORTATION PURCHASING AND CONTRACT ADMINISTRATION MANUAL



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CHAPTER 8**Payment Card**

In this Chapter look for:

- ✓ Benefits
- ✓ Limits
- ✓ Security
- ✓ Where to call for lost/stolen payment cards
- ✓ Hosting Meetings/Seminars
- ✓ Employee Awards
- ✓ Subscriptions
- ✓ Payment Card Manual

<http://intranet.dot.state.oh.us/finance/Manuals/Accounting/PaymentCardMan.PDF>

I. Overview

The State of Ohio's Payment Card Program allows state employees to acquire goods as they are needed for operations without undue delay. It is designed primarily for the purchase of equipment, materials and supplies that cost less than \$1,000. Use of the card is meant to simplify and streamline the procurement process and lower overall transaction costs. Cardholders are expected to use good judgment. The payment card program introduces an electronic invoicing and payment process which has fundamentally changed the way payments are made.

All cardholders have limits defined by their supervisors (within OBM guidelines) and enforced at the point of purchase by Visa control features. Limitations are established for spending amounts per transaction, types of vendors from whom purchases can be made, number of transactions made per day, and others.

The Payment Card Program **does not** supersede State Purchasing regulations or an agency's internal regulations for purchasing. All purchases made with federal monies must meet requirements set forth by the federal grantor.

The program is managed by the Statewide Payment Card Administrator of the Ohio Office of Budget and Management (OBM). Each participating agency has a Payment Card Administrator to manage its card program. The Payment Card Administrator for each agency is responsible for the overall management of the agency's payment card program. Level of participation in the program and the number of cards issued is determined by the executive staff of each agency. All payment cards issued shall have the written approval of OBM.

Benefits of the payment card:

- W-9 only required when adding vendor to service vendor list
- vendor paid in three days
- less paperwork
- cost to process is less expensive (estimated voucher payment of **\$150.00** vs payment card **\$75.00**)

Following are highlights from the payment card manual:

II. Purchases over \$1,000

- A. Some of the payment cardholders have authorization to purchase goods over \$1,000. Most of the payment cards have a preset limit of \$1,000, for a single visit to a vendor. The Administrator of the Payment Card Program can approve a purchase for over \$1,000 even when your payment card has the preset limit of \$1,000.
- B. Overriding a payment card, with a \$1,000 up to \$2,500 (some exceptions) limit is possible by contacting your District/Central Office Payment Card Administrator.

- C. Payment card purchases over \$1,000 must follow the direct purchasing guidelines and the required number of quotes or reference current contract number. Quotes should be attached to the log. (See direct purchasing flowchart on page vi.)
- D. Aggregate Limits: Exceeding the \$2,500 limit applies only to the following contracts: **DOT100, DOT101L, DOT101G, DOT223, DOT099**. There are absolutely no exceptions.

III. OBM Policy and Guidelines

Card issuance and cancellation. The Agency Payment Card Administrator is responsible for all card issuance and cancellation. All payment cards issued must have the written approval of OBM.

Cards are to be returned immediately to the Agency Payment Card Administrator upon a change in the cardholder's job status such that they no longer require a card, or upon separation from State employment for any reason.

Cards are to be returned to OBM upon request of the Program Administrator or the Agency Payment Card Administrator.

Cards are issued following the Agency Plan that is signed by the agency director and filed with the Statewide Program Administrator.

Issuance of a new card, as a result of a lost/stolen card being canceled, the Agency Payment Card Administrator notifies the Statewide Payment Card Administrator of the change.

IV. Payment Card Limitations And Restrictions. Individual cardholder controls constitute a cardholder's profile.

- A. The Agency Administrator is responsible for establishing and changing cardholder profiles. Issuance of a card or changes to a cardholder setup must have the written approval of the Program Administrator.

The Agency Payment Card Administrator maintains a file of all cardholder agreements, cardholder applications, and cardholder information and approval sheets.

The Agency Payment Card Administrator must provide the Program Administrator, with OBM, all cardholder information and approval sheet for each cardholder. Any change to a cardholder's setup (limits, payor, reconciler, account number, etc.) must be filed with OBM.

- B. The following types of transactions are specifically **excluded** from the program:
- All Services except those provided on the Approved Service Vendor List <http://itcww012/ccvendor/vendorlist.asp>
 - Travel expenses including lodging (except those that can be paid through the ODOT Direct Bill program), meals and car rental
 - Gasoline
 - Cash advances
- C. ODOT is legally mandated to set aside 15% of the total goods and services purchased to certified minority vendors. Eligible payment card expenditures do count towards the 15% calculation.
- D. Non - contract payment card transactions count towards the \$50,000 vendor limit.

V. Payment Card Security

The only person entitled to use the Payment Card is the person whose name appears on the face of the card. Do not lend your Payment Card to another person for use. The payment card must not be loaned to another person

under any circumstances. When a cardholder is absent for a period of time, the agency should seek to obtain another card for a different designated employee, either temporarily or permanently.

Each cardholder is responsible for the security of his/her card. All precautions should be used to maintain confidentiality of all information relating to the card, such as the cardholder account number and expiration date. The account number should never be left in a conspicuous place.

The vendors must use the payment card number of the individual placing the order.

VI. The Payment Process for cardholders (See Payment Card Manual)

When you make a transaction using the Payment Card, follow the procedures below:

- A. Tell the Supplier you will be paying with your Payment Card and ODOT is tax exempt.
- B. Retain all receipts showing clearly that no taxes were paid.
- C. Cardholders are responsible to ensure goods are received, meet specifications and proper documentation is provided prior to processing the transaction.
- D. After processing transactions through the Accounting system, forward all receipts with label/stamp attached to District/Central Office Accounting Office.
- E. Cardholders must process their payments within two business days of the transaction posting to the system.
- F. Returned goods for credit greater than a \$250 invoice will not be processed until credit is posted.

VII. Hosting Meetings/Seminars

Verify the object code by referencing the accounting object code manual.

<http://intranet.dot.state.oh.us/finance/Manuals/Accounting/Object%20Code%20Manual.pdf>

Following are the required documentation to process the invoice for payment:

- A. An agenda
- B. A list of attendees is required unless the meeting is for an entire district or the Central Office involving the entire District or Central Office, a list of attendees is not required, however please state either: "entire District function" or "entire Central Office function" in your IOC (item C below).
- C. The purchase of food and refreshments is authorized as part of a special meeting or conference. When submitting an invoice for payment you need to provide copy of prior approval by a Deputy Director (or designee), a list of attendees, an agenda, and a statement that the food was an integral part of the meeting. (refer to page 8-9 for IOC)
- D. An itemized invoice listing the services and/or food that was involved. Banquet charges must be listed.
- E. If lodging is to be reimbursed at current rate or less, then use object code 230-07 for in-state and if lodging is over current rate then use object code 230-08 for conference lodging.

VIII. Employee Awards

See IOC page 8-10

Object Code 130 - see appropriate sub-object
Object Code 131

Following are the required documentation to process the invoice for payment:

- A. Itemized original invoice
- B. An approval IOC from your Deputy Director
- C. Awards presented to the entire District or Central Office is receiving an employee recognition award, then use the allocation plan provided by your fiscal officer. Otherwise, provide a list of employee names and indicate whether they are bargaining or non-bargaining unit employees. Length of Service plaques can be purchased with public funds and have always been deemed eligible for reimbursement.
- D. Awards over \$25.00, employees social security number must be provided.

IX. Subscriptions

The following is required by State Accounting for purchasing subscriptions:

- A. Subscriptions can only be paid for one year or less.
- B. You must submit a copy of the subscription order form.
- C. Subscriptions must be ODOT only, do not use person's name, only title.

X. Electronic Payment Card Procedures

- A. Electronic Process

Cardholder instructions:

- 1. Complete the following label/stamp and attach to the supporting documentation

Date good/services received	_____
VPC/PCR Number	_____
Phone order (Y or N)	_____
Signature	_____
MBE (Y or N)	_____
Contract #	_____
VPC/PCR Number	_____
Funding	_____
Additional Description	_____
Inventory Number	_____

- 2. Maintain the supporting documents in a pending file
- 3. After confirmation of the purchase on the computer, then go to the pending file and pull the appropriate invoice and record the VPC# or PCR# on the label/stamp.
- 4. After completing the transaction, submit all appropriate documentation to the Accounting Office for

reconciliation.

XI. Training and Information (contact District/Central Office Accounting Offices)

All cardholders, cardholder supervisors, card administrators, reconcilers, and payors must attend training on the policies and procedures associated with the Payment Card Program. They must be informed on payment card statements and other sources of information relevant to the program.

Payment Card Manual is available on the Finance Web Page
<http://intranet.dot.state.oh.us/finance/Manuals/manuals.htm>

XII. Common questions asked

A. *What do I do if my card is lost or stolen?*

If the Payment Card is lost or stolen you must immediately notify the Payment Card Administrator.

NOTE: Do not have the Bank reissue the card

Lost/Stolen Cards (24 Hour Bank Coverage): 1-800-300-3084

B. *What are the purchasing regulations that must be considered before purchasing with the card?*

1. **The cardholder must follow the agency's internal regulations concerning purchasing.**
2. Items that are available from another state agency (DAS State Printing, OPI) or from SUP/OIH must be purchased from them.
 - Payment card can be used for ODOT and DAS contracts.
 - SUP/OIH will accept payment card for supplies only.
3. Employees using the card are expected to exercise good judgment in making purchases. In cases where the cardholder is making a purchase of less than \$1,000 with a vendor, neither phone nor written bids are necessary if the cardholder is reasonably sure a competitive price is being obtained.
4. All contracts should be considered before purchasing.

C. *Which Suppliers Can I Use?*

Any supplier or merchant that accepts ODOT payment card may be utilized.

D. *What If The Supplier Does Not Accept Payment Card?*

You may refer the supplier to your Agency Payment Card Administrator.

E. *What Procedures Are Followed When I Will No Longer Be Working for My Agency?*

Your Payment Card must be submitted to your Payment Card Administrator.

F. *What Steps Are Taken When Problems Arise with a Purchase?*

- Contact vendor to resolve problem.
- If resolution cannot be reached contact payment card administrator for further assistance.

Under no circumstances should a vendor be permitted to bill for goods before they are shipped.

Back-ordered goods should be billed after they are shipped. Vendors who bill before shipping goods should be advised that ODOT will not allow this practice.

G. *What about disputed Items?*

If you have a dispute and cannot reach resolution with the merchant, contact your Agency Payment Card Administrator who will assist in or complete the disputed items form. The form must be completed within 60 days of the transaction date and faxed to the Bank fax number shown on the form. The Bank will now intercede with the merchant or supplier on your behalf. (see page 8-12 for a dispute form)

Examples of disputed items:

The merchandise arrives broken and the merchant refused to replace it.

The invoice is for more than your receipt and the merchant refuses to give you a credit.

H. *What Steps Are Followed When My Credit Card Is Declined At Point-Of-Sale?*

The merchant may make an inquiry about why the transaction was declined or you may make an inquiry by calling current bank card phone number located on the back of your payment card.

I. *Under What Circumstances Might My Credit Card Be Declined?*

Your card will be declined for the following:

1. You have exceeded your designated transaction limit or monthly credit limit.

NOTE: There are circumstances when exceeding a limit can be authorized. Contact your program administrator if you believe a temporary increase in your limit is justified.

2. You attempt to use the card for a blocked merchant category, such as travel-related expenses.

NOTE: If you wish to purchase from a vendor and believe the category is incorrectly applied, the possibility can be investigated by your program administrator.

3. The credit card company has a security concern because of a use pattern (e.g., you haven't used it for a long time). They may ask for your mother's maiden name, your social security number, or your address.

NOTE: If you are asked for your address, give them the address that was on your application. In most cases it is the address of your program administrator.

J. *Will I Encounter Questions Concerning The Tax-Free Status Of My Purchases?*

The card itself should be sufficient identification to allow you to make tax-free purchases. However, there are vendors who will want to have on file a Sales and Use Tax Blanket Exemption Certificate or will want you to fill out a standard form their business requires. Providing a tax ID number should not be necessary, but if you must give one, use <http://intranet.dot.state.oh.us/finance/forms/blanketexempt.pdf>

K. *How long does it take for a payment voucher to appear in the ODOT Accounting System?*

The vendor determines the length of time for a purchase to be processed to create a voucher to State Accounting. Vendors vary in their frequency in processing their payment credit card transactions. As a rule of thumb allow 30 days for your payment credit card transactions. After the 30 days, contact your District Accounting Office or the Payment Card Administrator.

L. *What is the comment screen?*

The “comment screen” is required to communicate special instructions to your approver or payor, for example to provide:

1. Inventory numbers for items over \$1,000 or \$100 if on the sensitivity list. See Finance Web Page for sensitivity list.
2. State Job Numbers and Federal Apportionment Numbers when required
3. Special Account Coding instructions for your payor
4. Listing of quotes and all backup justification (non-contract or emergency purchases)

Chapter 8

Purchasing & Contract Administration
Payment Card

Certification of Meeting Expense

To: DDD
From:
Date:
Subject: Prior approval for meeting expenditures

The Office of _____, is holding a meeting, _____
(Location) (Month-Day-Year)
for _____ following food and refreshments: _____
(Activities)

The cost of hosting the meeting will be \$_____.

Your certification of the above-mentioned expenditures is requested.

I certify that this purchase of the above named food and refreshments is an integral part of the meeting.

Signature (Full Name)

Date

INTER-OFFICE COMMUNICATION

Date: December 12, 2002
To: D1 Distribution
From: Rich Winning, ^{Jan} Administrator, Office of Accounting
Subject: Meal or Food Expenses for Hosting Meetings

This memo is intended to serve as a reminder on the Office of Budget and Managements (OBM) procedures for submitting meal or food expenses related to meetings for payment.

When planning meals or food expenses for a certain number of people, you need to confirm the number of attendees before ordering the food with the vendor. The objective is to make sure ODOT only pays for the number of people planning to attend. Prepare your List of Attendees based on the people that confirmed their attendance. The invoiced number of meals should be reasonably close with the number of people on the List of Attendees. If not you must provide an explanation for the difference. Employees who just "Don't Show" should be held liable to pay for any meals ordered.

Documentation Requirements for meal and food meeting expenses:

1. List of Attendees
2. Business Agenda
3. IOC signed by your Deputy Director or his/her designee. The IOC must certify the food and refreshments were a necessary and integral part of the meeting.
4. Itemized invoice describing the list of items purchased.

Please contact David Busack, Accounts Payable Manager at (614) 644-7496 if you need clarification of this memo.

C: Julie Ray
David Busack
District Fiscal Officers

INTER-OFFICE COMMUNICATION

Date: December 12, 2002
To: D1 Distribution
From: Julie Ray, Deputy Director, Division of Finance
Subject: Appreciation Gifts and Awards



The purpose of this IOC is to provide some written guidance for the purchase of farewell and appreciation gifts and awards.

Farewell & Appreciation Gifts

There may be occasions where appointees and other staff members will be leaving State service. The policy of the Governor, as well as ODOT, is that **no public funds will be used for the purchase of gifts or any appreciation item outside of our normal recognition program.** Staff may take up **voluntary collections** if they so desire for farewell or thank you gifts. Receptions, lunches, dinners or other similar activities will be held at the expense of attendees. **No state funds should be used to finance any part of such functions.** Also, there should not be any solicitation from anyone doing business with ODOT either now or anticipated in the future.

Any gift from a single source valued in excess of \$75 will need to be reported on the recipient's disclosure form if they file a financial disclosure statement. Please reference the memo dated November 7, 2002 from the Governors office regarding ethics law pertaining to accepting gifts.

Length of service (retirement) plaques can be purchased with public funds and have always been deemed eligible for reimbursement.

Awards & Prizes

According to an Executive Order, ODOT may establish an employee recognition program. The Director may expend Department funds to purchase awards for employee suggestions that reduce Department cost, improve the quality of delivered goods & services, and for the recognition of exemplary performance of employees. **All awards must be for work related performance.** The law does not specify the amount or type of award that can be given. Those are set by the Director thru approved plans and policies. Individual awards in excess of \$25 each will be considered taxable income and recorded on the employees W-2 statement.

Divisions and Districts should budget and code expenditures for employee awards to the Employee State Accounting Codes (SACs 4KAI or 4KA2). This includes Awards for the Employee of the Month, Annual Meetings as well as items purchased under other plans approved by the Director.

.....

Items Rejected for Reimbursement

Following are some of the items which have previously been determined as not eligible for reimbursement:

- Tee shirts for all employees...not part of a performance recognition program
- Food prior to or at the conclusion of a meeting
- Food and refreshments for "Open House"
- Christmas and Thank You cards
- Christmas decorations not used in a public lobby
- Flowers for deceased employees or family members; or secretaries day

I think from the above list you can get a good idea of the types of things which **should not** be purchased with public funds.

Please distribute this IOC to the individuals you deem appropriate.

c: Winning
 Busack
 Morrison
 District Fiscal Officers
 file

**COMMERCIAL CARD CLAIMS
STATEMENT OF DISPUTED ITEM**

Instructions: Your company should first make good-faith efforts to settle a claim for purchases directly with the merchant. If assistance from Bank of America is required, please complete this form, and mail with required enclosures within 60 days from the billing close date to:

Bank of America – Commercial Card Services Operations
P. O. Box 53142
Phoenix, AZ 85072-3142
FAX (888) 678-6046

Company Name: _____
Account Number: _____
Cardholder Name: _____

This Charge appeared on my statement, billing close date: _____
Transaction Date: _____
Reference Number: _____
Merchant Name/Location: _____
Posted Amount: _____ Disputed Amount: _____

(Cardholder Signature) (Authorized Participant Signature) (Date) (Phone Number)

Please Check Only One

1. **Unauthorized Transaction:** I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My Bank of America card was in my possession at the time of the transaction.
2. **Charge Amount Does Not Agree With Order Authorizing the Charge:** The amount entered on the sales slip was increased from \$_____ to \$_____. I have enclosed a copy of the unaltered sales slip.
3. **Merchandise or Services Not Received:** I have not received the merchandise or services represented by the above transaction. The expected date of delivery of services was _____. (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them and their response.)
4. **Defective or Wrong Merchandise:** I returned the merchandise on _____ because it was (check one):
 _____ defective; _____ wrong size; _____ wrong color; _____ wrong quantity.
 (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them, their response and proof of the return of merchandise. Please provide a detailed description of the wrong or defective nature of the merchandise.)
5. **Recurring Charges After Cancellation:** On _____ (date), I notified the merchant to cancel the monthly/yearly agreement. Since then my Bank of America account has been charged _____ time(s). (Please enclose a copy of the merchant's confirmation of your cancellation request.)
6. **Recurring Charges Already Paid by Other Means:** I already paid for the goods and/or services represented by the above charge by means other than my Bank of America Commercial Card. (Please provide a copy of the front and back on the cancelled check, money order, cash receipt, credit card statement, or other documentation as proof of purchase/payment. Describe your efforts to resolve this matter directly with the merchant, the date(s) you contacted them, and their response.)
7. **Credit Appears as a Charge:** The enclosed Credit Voucher appeared as a charge on my Bank of America Commercial Card account.
8. **Credit From Merchant Not Received:** I did not receive credit for the enclosed Credit Voucher within 30 calendar days from the date it was issued to me by the merchant shown above. (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them and their response. Provide a detailed statement explaining your reason(s) for disputing this charge.)
9. **Hotel Reservation Cancelled:** I made a reservation with the above hotel which I later cancelled on _____ (date) at _____ (time). I received a cancellation number which is _____. (Please describe how the reservation was cancelled, proof of cancellation and attempts to resolve this issue with the merchant.
 _____ I was not given a cancellation number.
 _____ I was not told at the time that I made the reservation that my account would be charged for a "No Show".
 _____ I was not informed of the cancellation policy.
10. **Double or Multiple Charges:** My Bank of America Commercial Card Account has been double charged. The valid charge appeared on _____ (date). The duplicate charge(s) appeared on _____.
11. **Do Not Recall the Transaction:** The statement has an inadequate description of the charge. Please supply supporting documentation.
12. **Other; Above Descriptions Do Not Apply:** Please attach a detailed letter explaining the reason for your dispute and your attempts to resolve this issue with the merchant.

CHAPTER 11

Quotes for Supplies and Materials

In this Chapter look for:

- ✓ Control limits
 - ✓ Quote limits
 - ✓ Hosting Meetings/Seminars
 - ✓ Employee Awards
 - ✓ Subscriptions
 - ✓ Release and Permit
 - ✓ Real Estate limits
 - ✓ Pre-approval Requirement- **Warning: Cannot use Debit Voucher**
 - ✓ W-9/Vendor Master Input Document (VMI) /OBM Letter
 - ✓ Emergency defined
-

I. Overview

Direct purchasing includes purchases with EDI, payment card, debit voucher, or a purchase order with obtained quotes.

When utilizing the above purchasing methods, review of proper purchasing guidelines are required. If guidelines are not followed, purchase order requests will not be approved, invoices will not be paid, and/or the purchaser could become personally liable for paying the vendor.

II. Purchasing Control Limit Guidelines

To determine if the vendor has reached the \$50,000 spending limit for supplies and personal services or the \$75,000 limit for Real Estate Leases, access the accounting system or contact your District/Central Office Accounting Office. Web Site address for vendors approaching and/or exceeding the \$50,000 spending limit: http://intranet.dot.state.oh.us/finance/payment_card_system.htm. If the vendor has reached either of these limits and you still wish to purchase from this vendor, you MUST request the purchase go to the Office of Contracts for bid or Controlling Board for approval before proceeding (ORC Section 127.16). The Controlling Board number must be entered into APS in order to bypass controlled edit rejects. NOTE: THE AMOUNT SPENT WITH CONTROLLING BOARD APPROVAL DOES NOT COUNT TOWARD THE VENDOR LIMITS LISTED ABOVE.

If the vendor **has not** reached the spending limits as previously mentioned, then proceed with the following guidelines.

For each purchase, determine if the item is for supplies, personal service, or real estate leases.

A. If a supply item (supplies - means all property, including but not limited to rental, lease, or purchase of equipment, materials, and insurance)

1. Obtain quotes using letterhead quote form:
<http://intranet.dot.state.oh.us/finance/Manuals/Accounting/Quotform/quotform.qpw>

Total Amount Purchased	No. of Quotes	Type
\$0 to \$500.00	1 quote	Debit voucher, payment card or EDI
\$500.01 to \$1,000.00	1 quote	Purchase order, payment card or EDI
\$1,000.01 to \$2,500.00	2 quotes	Purchase order, EDI, or approval from District/Central Office Payment Card Administrator
\$2,500.01 to \$30,000.00	3 quotes	Purchase order or EDI
\$30,000.01 and above	CO, Contact Office of Contracts, Purchasing Services	

B. Hosting Meetings/Seminars

Verify the object code by referencing the accounting object code manual.

<http://intranet.dot.state.oh.us/finance/Manuals/Accounting/Object%20Code%20Manual.pdf>

Following are the required documentation to process the invoice for payment:

1. An agenda
2. A list of attendees is required unless the meeting is for an entire district or the Central Office. An ODOT hosted meeting involves an entire District or Central Office. a list of attendees is not required, however please state either: "entire District function" or "entire Central Office function" in your IOC (item 3 below).
3. The purchase of food and refreshments is authorized as part of a special meeting or conference. When submitting an invoice for payment you need to provide copy of prior approval by a Deputy Director (or designee), a list of attendees, an agenda, and a statement that the food was an integral part of the meeting. (refer to page 8-9 for IOC)
4. An itemized invoice listing the services and/or food that was involved. Banquet charges must be listed.
5. If lodging is to be reimbursed at current rate or less, then use object code 230-07 for in-state and if lodging is over current rate then use object code 230-08 for conference lodging.

C. Employee Awards

See IOC page 8-10

Object Code 130 - see appropriate sub-object

Object Code 131

Following are the required documentation to process the invoice for payment:

1. Itemized original invoice
2. An approval IOC from your Deputy Director
3. If the entire District or Central Office is receiving an employee recognition award, then use the allocation plan provided by your fiscal officer. Otherwise, provide a list of employee names and indicate whether they are bargaining or non-bargaining unit employees.

4. Awards over \$25.00, employees social security number must be provided.

D. Subscriptions

The following is required by State Accounting for purchasing subscriptions:

1. Subscriptions can only be paid for one year or less.
2. You must submit a copy of the subscription order form.
3. Subscriptions must be ODOT only, do not use person's name, only title.

E. Release and Permit

ODOT requests a Release and Permit number once each biennium from DAS/ State Purchasing for the purchase of specific supplies, materials and services necessary for construction and maintenance of state highways. Without this release and permit we would be required to make all our competitive bid purchases through State Purchasing or the Controlling Board.

F. Give potential contractors/vendors a **clear definition/description** of the item you want them to quote on.

1. Where compatibility is required, you may quote a "brand name", but you must add the following statement "or approved equal"
2. If compatibility is **not** essential/required, you must **provide** an open specification to be quoted.
3. Questions concerning these guidelines should be addressed to the Central Office/District Purchasing Specialist or Office of Contracts/Purchasing Services Section.

G. Award goes to the lowest responsive and responsible bidder.

H. Information regarding quotes available to vendors.

1. Clarification of specifications is a legitimate question and can be answered.
2. Questions regarding other vendors bids or bid amounts must not be addressed until a vendor has been selected and the purchase has been completed.

I. ODOT is legally mandated to set aside 15% of the total goods and services purchased to DAS certified minority vendors.

J. If for personal service contract (services - means the furnishing of labor, time, or effort by a person, not including the delivery of a specific end product other than a report which, if provided is merely incidental to this required performance.)

1. No more than \$49,999.99 for each single purchase. For Personal Service over \$500 see Chapter 13.
2. A single purchase equal to or exceeding \$50,000 must be bid or a Release and Permit number assigned by DAS, so that Controlling Board approval may be obtained.
3. The Release and Permit number assigned by DAS must be entered into APS to bypass control edit.
4. No ODOT employee is authorized to sign any document that binds the Department contractually

other than those employees provided signature authority in writing by Chief Legal Counsel.

- K. If for Real Estate (leases of real property. This does not include land or permanent interest in land.)
1. A \$75,000 limit for all rental/lease contracts.
 2. Contracts must be reviewed by Chief Legal Counsel.
 3. A single purchase over \$75,000 must be bid or a Release and Permit number assigned by DAS.
 4. The Release and Permit number assigned by DAS must be entered into APS to bypass control edit.

III. Pre-Approvals - WARNING: cannot use debit voucher

The pre-approval system was created by DAS to provide an additional level of review and approval for specific items. These items are identified in your object code listing manual.

<http://intranet/finance/Manuals/Accounting/Object%20Code%20Manual.pdf>

Some examples are: computers, telecommunications, copiers, vehicles, and radios. Pre-approval numbers are required on the purchase order when processing.

Pre-Approvals may be obtained from the following DAS Divisions:

- A. **For computer equipment, data processing services, and telecommunications** needs, contact the ODOT Division of Information Technology (614)466-3553; <http://intranet.dot.state.oh.us/socc/default.asp>
- B. **For vehicles**, the ODOT Office of Equipment and Support Services (614) 351-2827; <http://intranet.dot.state.oh.us/oess/>
- C. **Copiers**
Upon acceptance of request, a Pre-Approval Number will be assigned to pay for approved equipment. Standard purchasing procedures must be followed. The Pre-Approval Number must be entered on Requisition/Purchase Order. Agencies can review Pre-Approval Numbers through CAS inquiry QPREA01.

IV. W-9, OBM Letter

A vendor must be in the Central Accounting System (CAS) and ODOT Accounting System before a purchase can be made. If you do not have access to CAS or cannot find the vendor in the ODOT Accounting System, contact your District or CO accounting office.

- A. Check CAS for the vendor by the name in OVNAM01 or by Federal Tax Identification number OVNDR01. If you do not have access to CAS, then you should check the ODOT Accounting system (CICSPRD1),
- select option # 6 (vendor system) from the main menu,
 - select option #1, if you have the tax ID# or
 - select option 4 to search by name.
- B. If the vendor is in CAS and not ODOT Accounting, call Office of Accounting, Fiscal Support Section.
- C. If the vendor is not in CAS or ODOT Accounting Vendor System, a W-9 Federal Form <http://www.irs.gov/pub/irs-pdf/fw9.pdf>, and an OBM letter <http://www.state.oh.us/obm/Information/memos/2001/12-01-01.pdf> must be sent to the vendor to be completed and returned to the District Accounting or Central Office Fiscal Support Section.

Vendors will not receive payment unless a correctly completed W-9 is entered and sent to OBM to be added to

CAS and ODOT systems. The VMI (Vendor Master Input) procedures that are listed below take into account that the completed W-9 has been sent to District/ Central Office Fiscal Support Section for processing:

- A. District or Central Office of Accounting receives the W-9 document for processing:
 - 1. Check W-9 Form for:
 - a. Correct issued date--forms dated prior to Jan. 2002 are unacceptable
<http://www.irs.gov/pub/irs-pdf/fw9.pdf>
 - b. **Original signature is mandatory**
 - c. Vendor's status completed
 - d. No alterations on W-9
- B. Adding a new Vendor and Subsidiary in the system at the same time:
 - 1. One W-9 with parent company name only.
 - 2. One W-9 with subsidiary name only.
 - 3. Put same Vendor Number on both forms.
 - 4. OBM will assign a number for the S1, S2, S3, etc.. to replace the first two digits of the parent Company's number. All other numbers with the tax ID will be the same.
 - 5. An IRS label that displays both names can be used in lieu of a W-9 and is actually more acceptable to OBM.
 - 6. Entered on-line by District or Central Office Accounting Personnel.
- C. Adding just a subsidiary Vendor.
 - 1. One W-9 with subsidiary name only.
 - 2. Entered on-line by District or Central Office Accounting Personnel.
- D. Adding a Sole Proprietor.
 - 1. Show the individual's name on the top line of W-9 and the business name on the next line.
 - 2. When entering on-line show the business name on the top line and the individual's name on the next line.
- E. When adding a vendor with a P.O. box and street address, only one will be added. The P.O. box takes precedence over the street address, and additional on-line entry must be used.
 - 1. Show street address on one AC01.
 - 2. Show P.O. box on one AC02.
- F. When making a change to an existing Vendor Number already in the system, e.g, adding a subsidiary or an address or replacing an address, enter on-line.
- G. When adding an address code to a Vendor, or a subsidiary, the documentation required is an invoice or a letter from the Vendor. No other documentation will be accepted.
- H. If a new vendor is being added, check IMSCAS QVNDR05 to make sure the vendor number or name are not in the system.
 - 1. Check IMSCAS QVNAM01 to make sure the name is not currently in the system with a different Vendor Number. Any discrepancy requires documentation from the Vendor.
 - 2. Or, if additional documentation is needed, e.g, "L" in the W-9 field showing a letter was sent to the company requesting additional information, or, "B" notice requiring IRS label. Do not process form.

- I. If modifying a current Vendor, check IMSCAS QVNDR05 to make sure request has not previously been processed.
- J. Return any incomplete/incorrect forms to vendor, using attached VMI return.

V. District/Division declares an Emergency as defined under OAC 123:5-1-01 (G)

Emergency Condition means a situation which creates a threat to public health, welfare, safety, which may arise by reason of epidemics, riots, equipment failure or such other reasons as may be proclaimed by the governor; or which interrupt the operation of production facilities maintained by Ohio Penal industries in its program for employment of prisoners.

- Poor planning does not constitute an emergency.
- Refer to ODOT Emergency Purchasing Procedures IOC on page 10-9