

SCOTTS VALLEY FIRE PROTECTION DISTRICT		
STANDARD OPERATING PROCEDURES	ARTICLE: I	SOP: 1203
	SECTION: 1200	FINANCE
	SUBJECT: PURCHASING AUTHORIZATION	

Purpose: To establish a clear procedure for district members to make necessary purchases on behalf of the district.

Scope: This procedure gives guidance to district members when making purchases on behalf of the district. While this procedure gives specific authority for making purchases, it is not meant to replace good fiscal judgment for conducting business. It is imperative that purchasing officers monitor and track the status of the various district budget accounts in order to assure that money is available for a projected purchase.

Definitions:

Purchase Order (P/O):

A document that is filled out by a district member authorizing a financial transaction to take place. Required for all purchases of \$25 or more or when purchasing from a vendor not having an open P/O. (See attached copy of a Purchase Order, Form #1.)

Capital Expenditure:

An expenditure of funds for the purchase of an item that exceeds \$5,000 in cost. Capital expenditures shall follow the policies and procedures as outlined in SOP 1200, *Capital Expenditures*.

Fixed Asset:

Two hundred ninety-nine dollars and ninety-nine cents (\$299.99) or greater in value and is a non-disposable item such as furniture, large tools and portable equipment and is required to be tracked as inventory.

Duty Chief:

The chief officer responsible for on-call coverage.

DATE: 5/01/98	APPROVED: 	PAGE 1 OF 4 PLUS 2 FORMS
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STANDARD OPERATING PROCEDURES	ARTICLE: I	SOP: 1203
	SECTION: 1200	FINANCE
	SUBJECT: PURCHASING AUTHORIZATION	

Open Purchase Order:

A pre-arranged charge account with a vendor for the purpose of making routine or emergency purchases of less than \$25. The vendor will bill the district on regular intervals once several purchases have been accumulated (typically for hardware, automotive parts, etc.).

Emergency Operations:

The functions of the district during disaster, campaign and extended attack modes.

Contract:

A formal agreement between parties to pay for services rendered. Typically a contract would include the services to be rendered, under what conditions, by a given time for an identified amount.

Apparatus:

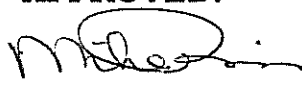
Emergency response vehicles and associated equipment.

Mobile Equipment:

All vehicles owned or leased by the district, including sedans and utility vehicles.

Facilities:

Buildings and grounds where fire crews, fire administration, fire training, and maintenance are housed.

DATE: 5/01/98	APPROVED: 	PAGE 2 OF 4 PLUS 2 FORMS
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STANDARD OPERATING PROCEDURES	ARTICLE: I	SOP: 1203
	SECTION: 1200	FINANCE
	SUBJECT: PURCHASING AUTHORIZATION	

Maintenance:

Activities that assure safety and reliability of district apparatus and facilities. Maintenance will also increase the serviceability and life of the asset.

Procedure:

1. Purchases Requiring Authorization
 - A. Capital expenditures shall be authorized by the Board of Directors as outlined in the district's capital expenditure purchasing policy, SOP 1200, *Capital Expenditures*.
 - B. Purchases of items such as new equipment, tools, furnishings or other items that are not routine maintenance in nature that exceed \$50. These purchases shall be reviewed by the responsible division chief and may require consultation with the fire chief or district's financial officer based on budget condition and fiscal constraints.
 - C. All formal contracts for services shall be approved by the fire chief prior to entering into the contract.
 - D. All formal contracts for services shall be approved by the fire chief to utilize those funds as appropriated, and in conjunction with the district's purchasing policy.
 - E. Transfer of funds from district accounts shall be authorized by the Board of Directors.
 - **Fire Chief:** The fire chief is authorized to make any expenditures as appropriated by the Board of Directors.
 - **Division Chief:** The division chief shall review and authorize or deny purchases within his/her area of responsibility based on need and fiscal impacts.

DATE: 5/01/98	APPROVED: 	PAGE 3 OF 4 PLUS 2 FORMS
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SCOTTS VALLEY FIRE PROTECTION DISTRICT		
STANDARD OPERATING PROCEDURES	ARTICLE: I	SOP: 1203
	SECTION: 1200	FINANCE
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- *Duty Chief:* The duty chief shall be authorized to make the following purchases:
 - Purchases necessary for operations and logistics during emergency operations.
 - Purchases for the purpose of maintenance of apparatus equipment and facilities up to \$250.
 - Purchases necessary for the daily operations for the district up to \$250.

2. Documentation:

Purchase orders shall be filled out for all purchases of more than \$25 and when utilizing a vendor who is *not* recognized as having "*open purchase order*" authorization.

- A. P/O shall be filled out pursuant to SOP 1201, *Purchase Orders*.
- B. *Purchase Order Log (see attached Form #2)* shall be filled out. This serves as a means of accounting for all purchase orders. If a P/O becomes VOID, write "VOID" under vendor name.
- C. For purposes of vendors with "*open purchase orders*", the customer copy shall be put in the "*to be paid*" file. Information to be noted on the customer copy shall include signature of purchasing member, date, purpose of the item, and the district's expenditure account numbers.

DATE: 5/01/98	APPROVED: 	PAGE 4 OF 4 PLUS 2 FORMS
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