



Chapter 10 Purchasing Procedures

Purchasing procedures establish the authority and mechanics required in purchasing for the subrecipient's operation. The purpose is to establish guidelines and regulations governing the purchase of supplies, equipment, contractual services, and other items, to ensure funds are expended in accordance with an approved budget, with consideration of the availability of funds to pay for such purchases, and in compliance with contractual provisions and relevant laws and regulations.

Purchases

Subrecipients shall follow their own purchasing procedures provided the procurement conforms to applicable federal law and the standards identified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR 200](#)).

At minimum, CVAD grant recipients and subrecipients must follow the procurement standards as written in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - [200 CFR 318](#) through [200 CFR 326](#).

Subrecipients must have standards and procedures in place for a segregation of duties to ensure no one individual has the authority/responsibility to order, receive purchases, approve invoices for payments, or make payments, sign checks and mail payments.

Selecting Vendors

Vendor Qualifications: All vendors providing supplies, equipment, or services should be reputable firms having demonstrated capacity to produce or provide supplies, equipment, services and other items within a reasonable time or within specific time limits established by the purchaser. Vendors should be subject to disqualification if they misrepresent quality, quantity, or price of what is being purchased. Vendors that exceed reasonable time limits should also be disqualified.

Selecting Vendors: Whenever possible, select vendors on the basis of three price quotations or competitive bids. As a subrecipient, you must conduct all procurement transactions in a manner providing full and open competition consistent with the Procurement Standards in the Uniform Requirements at [CFR 200.319](#). This requirement holds whether procurement transactions are negotiated or competitively bid, and without regard to dollar value. In order to avoid unfair competitive advantage, contractors that develop or draft specifications, requirements, statement of work and invitations for bids or requests for proposals, must be excluded from competing for such procurement.

Written procedures for procurement transactions must ensure all solicitations incorporate a clear and accurate description of the technical requirements of the material, product, or service to be procured. Solicitations should also identify all requirements that must be fulfilled and all other factors to be used in evaluating bids and proposals.

Under certain circumstances, supplies, equipment, services, or other items may be purchased without bids or quotations. Quotations may not be necessary if a qualified vendor is the sole source of the items to be purchased, or, in case of emergency, when immediate delivery is necessary for the entity's continued provision of adequate services.

All sole-source purchases should be reviewed by the person at the agency with authority to approve such purchases, or a designee. In any event, the grantee project director should be apprised of any sole-source purchase as soon as possible. A written memorandum explaining all emergency purchases and all other sole-source purchases exceeding an amount determined by management should be attached to the file copy of the purchase order.

To determine what Method of Procurement to be followed, please refer to [CFR 200.320](#) (Methods of Procurement) in the Uniform Requirements as well as [Chapter XIV. Procurement of Goods and Service and Chapter XV. Procurement of Professional Services](#) of this grant manual.

Disbursement of Funds

Upon proper certification of invoices and bills, make disbursements in accordance with your agency's policies and standard grant procedures for the issuance of checks and vouchers.

Supporting Documentation

Present supporting documentation to justify each journal entry. In most cases, staff members should use preprinted, sequentially numbered forms. Written policies, concerning the use of the forms, should be established.

The following are examples of supporting documentation:

1. All journals and ledgers
2. Annual financial reports with working papers
3. Annual program reports, including statistics, with working papers
4. Bank reconciliation
5. Bank statements
6. Checks/Warrants
7. Contracts
8. Correspondence
9. Deposit slips
10. Fixed assets inventory listings
11. Inventory count sheets
12. Invoices
13. Journal vouchers
14. Leave requests
15. Petty cash count sheets
16. Petty cash receipts
17. Petty cash reimbursement receipts
18. Pre-numbered cash receipt
19. Purchase orders
20. Support for sole-source-decisions
21. Telephone logs
22. Time sheets
23. Travel claims
24. Written policies

Maintain a current roster of grant or contract agreements. Include the following information for each grant:

1. Grantor
2. Federal grant number
3. Title of grant
4. Catalog of Federal Domestic Assistance (CFDA)
5. Period Covered
6. Approved budget (latest revision)
7. Grantor share
8. Match Requirements
9. Purpose of grant

Maintain a file on each grant. The file should contain at least the following items:

1. Grant agreement, including grant budget
2. All grant agreement amendments
3. Copy of periodic financial reports
4. Other pertinent information (e.g., correspondence, monitoring reports)

Maintain information on in-kind contributions and matching requirements by grant in separate file folders, as necessary.

