

GEORGIA DEPARTMENT OF CORRECTIONS



Standard Operating Procedures

Policy Name: Purchase Orders

Policy Number: 405.02

Effective Date: 09/03/2020

Page Number: 1 of 3

Authority:
Commissioner

Originating Division:
Administration and Finance
Division

Access Listing:
Level I: ALL Access

I. Introduction and Summary:

The purpose of this procedure is to provide general information regarding Purchase Orders. The Purchase Order is used for financial purposes to encumber funds.

II. Authority:

- A. O.C.G.A. §§ 50-5-58 and 50-5-69;
- B. Department of Administrative Services (D.O.A.S.) Georgia Procurement Manual: Stage 6, 6.3.1 Purchase Order;
- C. Georgia Department of Corrections (GDC) Purchasing Manual;
- D. GDC Standard Operating Procedures (SOPs): 405.01 GDC Purchasing Manual, 405.03 Tax Exemptions, 405.04 Mandatory Source Purchases, 405.05 Contract Release Purchases, 405.06 Open Market Purchases, 405.07 PeopleSoft Financials for Purchasing, 405.08 Purchasing Card, 405.11 Restricted Purchases Requiring Special Approval, and 405.12 Emergency Purchases; and
- E. ACA Standards: 2-CO-1B-09, 5-ACI-1B-14 (ref, 4-4038), 4-ACRS-7D-25, and 4-ALDF-7D-15.

III. Definitions:

- A. **Purchase Order** - A contract between the state entity and the supplier.
- B. **Capital Improvement** - The addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increases its useful life, or adapts it to a new use.
- C. **Commodity Code** - Codes that are used to identify commodities and/or services being purchased.

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D. **Open Contract** - The contract has a set unit price but no specified quantity.

E. **PeopleSoft Financial** - A Software System provided by DOAS, State Purchasing Division, through Team Georgia Marketplace.

IV. Statement of Policy and Applicable Procedures:

Purchase Orders are required for all purchases of goods and services. Purchase Orders must contain a clear description of items purchased, price, appropriate purchase type, Commodity Codes, unit of measure, quantity, and an authorized signature.

A. Purchase Orders shall be used when purchasing from the following categories:

1. Statewide contracts;
2. Agency contracts;
3. Mandatory Sources (Georgia Enterprises for Products and Services is a mandatory source);
4. Intergovernmental Agreement (purchases from other governmental sources);
5. Statutory Exemptions - per O.C.G.A. § 50-5-58 (technical instruments and supplies; livestock for slaughter; perishable items; emergency supplies of drugs, chemicals, dental supplies and equipment; professional and personal services; real estate leases);
6. Construction Projects (any expense related to construction or public works projects);
7. Sole Brand (purchase greater than \$24,999.99 for a specific brand product where no other brand will meet the needs or requirements);

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8. Sole Source (purchase greater than \$24,999.99 where products or services are available from only one source);
 9. Creating a new contract (other than an Open Contract);
 10. One-time purchases not tied to any contract;
 11. Emergency Purchase (purchase over \$24,999.99 and normal purchasing procedures cannot be utilized without detrimental effects on operations or endangering the health and safety of any person).
- B. Purchase Orders must be processed using the PeopleSoft Financial system, which is provided by DOAS State Purchasing Division. Detailed instructions for creating a Purchase Order in PeopleSoft are located at the State Accounting Office Financial User Productivity Kit-Module #9. (saofnupk.state.ga.us)
- C. Procedures established in the GDC Purchasing Manual located on the GDC Intranet (CAPTIVA) must be followed when creating a Purchase Order.
- D. All purchases made with a Purchase Order are sales and use tax exempt.

V. **Attachments:** None

VI. **Record Retention of Forms Relevant to this Policy:**

Records containing quotes made by vendors to supply goods or services to an agency require a retention of 11 years for Capital Improvement Projects and seven (7) years for all other records.