

<u>Section:</u> Fiscal Management	Knox County Board of Education Policy			
	Purchasing	Descriptor Term:	Descriptor Code:	Issued:
			D-230	7/95
			Reviewed:	Revised:
	11/24	4/24		

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The Board will purchase competitively and seek maximum educational value for every dollar expended. Purchasing will be done in compliance with the [Procurement Code of Knox County](#) and in accordance with [Knox County Purchasing Regulations](#) and Knox County Purchasing Electronic Commerce Card Program.¹

Section 2-580 of the [Procurement Code of Knox County](#) exempts internal school funds, school activity funds, cafeteria funds, and concession funds from the Code and states that these funds shall be governed by procedures contained in the [Internal School Funds Manual](#) as provided for in Tennessee Code Annotated 49-2-110 and adopted by the Knox County Board of Education (See [Board Policy D-241](#)).

ROUTINE PURCHASES

Routine purchases shall include expenditures for supplies, salaries, and routine expenditures required for the operation of the school system. These expenditures shall be anticipated and provided for in the budget and will normally be authorized by the Board at the beginning of the fiscal year. The Director of Schools shall make all routine purchases without further Board authorization. However, the Board shall be promptly informed if any substantial variation from budgeted estimates becomes necessary.

SPECIAL PURCHASES

Special purchases are those which are not routine and which may or may not be specifically identified by line item in the budget. Examples of special purchases are all capital expenditures such as for vehicles, buildings, major contracts, purchases of major equipment, items for long-term use and supplies of an unusual quantity or nature. All purchases in this category shall require specific prior Board approval on an item-by-item basis. In its approval, the Board may place constraints on the Director of Schools requiring Board evaluation and/or approval at various steps in the procurement process. This will be determined by the Board on an individual basis depending on the nature of the procurement action.

EMERGENCY PURCHASES

Emergency purchases are those which are necessary to avert hazards which threaten health or safety, to protect property from damage or to avoid major disruption of educational activities. If within budgetary limits and deemed essential, emergency purchases may be made by the Director of Schools. However, if the purchase is of such significant magnitude as to impact on the integrity of the budget, the Chairman shall call a special or emergency meeting of the Board to deal with the matter. In any event, the Board shall be advised promptly of all emergency purchases.

Purchases made by anyone not authorized by the appropriate officials shall become the personal responsibility of the persons making the purchase agreement. The Board will not, under any

1 circumstances, be responsible for payment for any material or supplies purchased by unauthorized
2 individuals or in an unprescribed manner.

4 **PURCHASING AUTHORITY**

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6 The Director of Schools or the Director's designee shall be authorized to act for the Board in acquiring
7 federal surplus property through the Tennessee General Services Department for surplus property and in
8 entering into agreements, certifications and covenants of compliance concerning the use of federal surplus
9 property.

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11 The Director of Schools is authorized to purchase any needed items through suppliers approved on the
12 state bid list.

14 **LOCAL PURCHASING**

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16 The Board will purchase locally whenever other conditions are comparable.

18 **COOPERATIVE PURCHASING**

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20 The Board, at its option, will join in cooperative purchasing with other school systems to take advantage
21 of lower prices for bulk purchasing and to reduce the cost involved in bidding whenever such buying
22 appears to be to the benefit of the system.

24 **GIFT CARDS**

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26 The use of gift cards to make school related purchases is prohibited. Although the purchase of gift cards
27 under any circumstances is discouraged, the district recognizes that schools and/or departments may want
28 to purchase gift cards to be distributed as awards or incentives to a student or other third party. Gift cards
29 must be kept in a secure environment with restricted access. Upon the purchase of each card, relevant
30 card information must be recorded on a log or register, noting:

- 31
- 32 1. Date card was purchased and by whom;
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 - 34 2. Employee given receipt of the card (must be independent of purchaser of the card) with
35 corresponding initials indicating acknowledgement of receipt;
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 - 37 3. Vendor from which the card was purchased;
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 - 39 4. Value of the card; and
 - 40
 - 41 5. Individual (e.g. student or third party) to whom the card is ultimately issued to (including date).
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43 Weekly reconciliations (along with the date reconciled) must be performed by an individual other than
44 the custodian of the card to ensure information on the gift card log or register matches the actual cards on
45 hand. The reconciliation should include ensuring gift cards have not been used while in custody and
46 retained with a lower value than the original purchase amount. The reconciler should record the date and
47 results (e.g. value of amount reconciled, any discrepancies noted, etc.) of the reconciliation, along with
48 their signature. Reconciliations must also be signed by the department head.

1 Gift cards cannot be purchased for the benefit of employees or to pay vendors for goods and services.
2 Gift cards cannot be purchased using federal, state, county, or other types of grants unless the terms and
3 conditions of the grant permits such purchase.
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5 The district must comply with the Internal Revenue Service regulations governing gift cards under IRS
6 Section 132 in that some gift cards are considered taxable and reportable income to the recipient on IRS
7 Form 1099-MISC if the value of the card(s) is \$600 or more in any calendar year.
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9 If gift cards are received from a vendor, organization or individual as part of a sponsorship or donation
10 to the district, see Policy D-130 Donations, Gifts, and Bequests.
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Legal Reference:

- 40 1. T.C.A. § 49-2-206(3); T.C.A. § 6-36-115.
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42 Cross Reference:

- 43 • Knox County Board of Education Policy D-130 Donations, Gifts, and Bequests.
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46 Approved as to Legal Form
47 By Knox County Law Director 1/11/2024
48 /Gary T. Dupler/Deputy Law Director
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