

SOPP # 105 (Requisitioning)	<u>Prepared By:</u> Accounting Division
<u>Effective Date:</u> July 22, 2019	<u>Approved By:</u> Commissioner of Finance
Title	REQUISITIONING
Purpose	To ensure uniformity and compliance with procurement regulations made throughout the central Government of the Virgin Islands utilizing the Enterprise Resource Planning (ERP) System.
Policies	<ul style="list-style-type: none"> ✓ Requisitions are initiated by the end-user department/agency; ✓ The following items <u>DO NOT</u> require a requisition and are valid for straight payment processing via the Accounts Payable Module: <ul style="list-style-type: none"> a. Sub-Grants, Scholarships, Subsidies, and Sponsorship b. Petty Cash/Imprest Funds c. Postage (i.e. USPS, Fed Ex, UPS, DHL, Pitney Bowes, etc.) d. Subscriptions and membership dues e. Inter-Fund Transfers and Inter-Governmental Transfers f. Judgments & Claims g. Executed leases for property and/or equipment rentals (i.e. office, parking spaces, Xerox, etc.) h. Refunds i. Travel Reimbursements j. Travel Advances (Inter- and Off-Island) k. Stipends l. Uniform Allowances m. Utilities (e.g., light, water, telephone, mobile and data provider services) n. Security Services (i.e., Recurring security monitoring services with approved contract only) o. Workmen's Compensation p. Bulk Transportation Tickets (for travel related to medical and/or medical emergency care only) q. Emergency Task Orders executed by Property and Procurement r. Private donations <ul style="list-style-type: none"> ▪ <u>NOTE:</u> Purchases utilizing private donations shall be conducted in accordance with the written intent of the donor. The written intent of the donor must be attached to the straight payment transaction in the ERP System. If a department/agency wishes to utilize any private donations outside of its intended purpose, written permission must be given from the donor. Additionally, if a private donation is given without any intended purpose, the funds should be utilized in the best interest of the Department/agency. When practicable, purchases utilizing private donations should procure goods and

	<p>services in a timely manner based upon the most favorable terms (i.e., after careful consideration of competing offers and without unduly sacrificing quality and performance).</p> <p>s. Mailbox rentals</p> <ul style="list-style-type: none">✓ Except as noted above, normal bulk ticket purchases and payments to travel agencies are to be routed through Property and Procurement.✓ All fix Asset Forms must be itemized and completed in its entirety.✓ The practice of transmitting justification letters external to the ERP System for purposes of obtaining an “advance written paper-driven approval” from the Department of Property & Procurement and/or Department of Finance is unwarranted and redundant; requisitions must have proper supporting documentation attached (e.g., quotations, bids, proposals and letters of justification) executed by the department/agency head and attached to a requisition at the point-of-entry;✓ Except for certain exemptions, as provided for under Title 31 V.I.C. § 239; procurements of goods and/or services with a total cost not exceeding fifty thousand dollars (\$50,000) require at least three (3) vendor quotations/bids and must be attached to the requisition at point-of entry;✓ The selection of a vendor by the user agency shall be made to the lowest responsive responsible vendor quote/bid; however, in those instances where the lowest responsive responsible vendor quote/bid is not selected, the department head must attach a written justification letter to the requisition within the ERP System at the point-of-entry, outlining the specific circumstance(s) that gave rise to selecting an alternate vendor quote/bid;
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	<ul style="list-style-type: none">✓ Once a requisition is converted to a purchase order, the purchase order will generally remain active for ninety (90) days from the date of conversion (i.e., purchase order date);✓ Purchase Orders encumbered with the Government of the Virgin Islands to support contracts, MOA, MOU or to accompany a solicitation document, such as bid or proposal, in support of a forthcoming contract, are exempt in accordance with SOPP# 305.✓ Contract and Lease Renewals must be addressed directly with the Commissioner of Property & Procurement;✓ With the exception of goods and/or services that require a binding contract with the Government of the Virgin Islands (e.g., RFP), requisitions processed at year-end for the sole purpose of encumbering funds to charge future years' expenditures against current year budgets shall be subject to rejection by the Department of Property & Procurement;✓ With the exception of encumbrance balances that are exempt as delineated in SOPP# 305; all other encumbrance balances (i.e., goods and services) reflected on the VISION ERP System in excess of ninety (90) days shall be subject to cancellation/deletion. Department of Finance may grant special permission to maintain encumbrances beyond ninety (90) days, with proper written justification from the respective department's agency head;✓ Departments/agencies must assign an appropriate vendor code for each requisition;✓ Departments/agencies must include the appropriate commodity code that best describes the desired goods or services. Commodity codes are used to facilitate inventory and fixed assets management;✓ Departments/agencies shall not edit the default description of any commodity code;✓ Use <i>General Notes</i> to enter specific details of the commodities or services;✓ Requisitions shall only be initiated using a vendor with an <i>Active</i> status;
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	<p>✓ Use <i>Vendor/Sourcing Notes</i> to enter vendor-specific details for the requested goods or services;</p>
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- ✓ Departments/agencies must confirm/verify that the vendor's preferred and accurate purchase order remit address is applied to the requisition. Assigning the preferred remit address will expedite delivery of the purchase order to the vendor;
- ✓ Departments/agencies must confirm/verify the receiving (*Ship to*) address for all goods and services. The shipping address enables vendors to deliver items purchased to the appropriate location. This should include the physical address of the office location, telephone number, and e-mail contact;
- ✓ Items being purchased must be clearly identified at the unit level (i.e., there must be a separate line item that includes, quantity and cost per unit, and description for each piece of merchandise). Accompanying items may be combined (e.g., monitor, keyboard and cables/cords for a personal computer), however, supplementary items (e.g., printer, scanner, external drive for a personal computer) must be itemized separately;
- ✓ For services, related services may be clustered singularly; non-related services must be itemized separately; all services must be sufficiently described on the requisition;
- ✓ Department and agencies must ensure that the correct Org/Object/Project is being applied to requisitions for proper transaction recording in the Government's General Ledger;
- ✓ Requisitions shall not be assigned to payroll object codes;
- ✓ Purchases that are assigned to capital accounts objects, are considered fixed assets. Items that satisfy the capitalization threshold cost of \$5,000 or greater, must be flagged as *fixed assets* transactions. Valid fixed assets object codes are as follows:

Object Code	Object Code Description
570000	Capital Outlay
571000	Building and Improvements
571110	Land & Land Improvements
571300	Infrastructure
575000	Machine, Equipment & Misc.

	<ul style="list-style-type: none">✓ Requisitions will follow the department/agency's duly authorized embedded business rules/workflow of the approval process. All requisitions must be assigned both department/agency workflow, as well as Department of Property and Procurement (DPP) business rules. Any requisition that has been released into the workflow, but yet not assigned to any approver at the department/agency/DPP level, must be immediately communicated to the user agency head and subsequently, to the Department of Finance MIS Division;✓ Requisitions are subject to capture and cancellation if not released and thoroughly approved at the department level, on or before the DPP's deadline for end-of-fiscal-year requisitioning. Any requisition that is not approved at the end of the fiscal year, shall be cancelled from the ERP System;✓ Purchases that obligate the Government of the Virgin Islands by any department or agency without a written approved purchase order by Property and Procurement Commissioner or his designee is deemed a confirming order. Confirming orders are illegal. There is no provision in the Virgin Islands code or in the Virgin Islands rules and regulations authorizing the issuance and approval of confirming orders.✓ Specifically, 33 V.I.C. § 3111 states, "Except as otherwise provided by law, all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year. (As used in this section, the phrase "expenses properly incurred" shall not include general encumbrance documents executed without obligation to specific vendors or for services by a specific person.);"✓ The requisitioning process ends when the requisition is converted to a purchase order. At the outset, a requisition is in a 'Created' state; after it is released into workflow, the requisition moved to the 'Released' state. Subsequent to approval(s) at the department/agency level, the requisition is automatically forwarded to DPP, for further review, and final approval, providing its acceptability. The approved requisition is then converted to a purchase order, bearing authorizing signature(s);
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- ✓ Requisition processing status are as follows:

Status code	Definition
2	Created
4	Allocated
6	Released
7	Approved
0	Converted

- ✓ The Department of Property & Procurement is the primary agency responsible for addressing issues relating to the vendor's record (e.g., new vendors, revisions to vendor address, vendor status and standings);
- ✓ The DPP is the authorizing agency to address all matters involving commodity codes;
- ✓ The Department of Property and Procurement is responsible for adjusting department/agency shipping addresses;
- ✓ Department of Finance will monitor all payment transactions and report to DPP those instances where the requisitioning process should be followed.

Responsibilities	<p>Departments/agencies are responsible for the following:</p> <ul style="list-style-type: none"> ✓ Enter requisitions within regulatory guidelines; ✓ Attach appropriate supporting documentation to requisitions; ✓ Verify that requisitions have been released and sent to approvers; ✓ Follow-up on the status of requisitions; ✓ Ensure requisitions that have been converted to purchase orders are forwarded to vendors in a timely manner; ✓ Ensure purchase orders are liquidated within the ninety (90) day limit. <p>Department of Property and Procurement is responsible for the following:</p> <p>Reviewing requisitions to ensure compliance with regulations;</p> <ul style="list-style-type: none"> ✓ Approving requisitions that comply with procurement rules and regulations; ✓ Converting fully approved requisitions into purchase orders; ✓ Forwarding purchase orders to the departments/agencies and/or to vendors in a timely manner.
Procedures	<p>For detailed procedures see MUNIS GVI Manual – Requisitioning at http://www.usvifinance.info/html/ERP-Manuals.html.</p>

Revision History

Revision Number	Date	Description of Changes	Requested By
1	3/25/2009	Revise to show new legislation	LM
2	7/30/2009	Added Act Number and Bill Number	JL
3	8/11/2009	Additional Revisions	JL
4	12/09/2009	Final Review	JL, CB, DJ, MF, CME, RT, VC
5	3/13/2015	Revised and Updated	AEW
6	4/7/2015	Revised and Updated	VC
7	4/09/2015	Final Review	AEW
8	4/10/2015	Final Review	VC
9	6/11/2015	Revised and Updated	VC
9	7/31/2015	Revised and Updated	VC
9	11/18/2015	Revised and Updated	VC, AEW, CME, MF
9	3/29/2016	Revised and Updated	CF
10	7/1/2016	Revised and Updated	CB
11	7/12/2016	Reviewed and Updated	ES, CME, VC
12	7/22/2019	Revised and Updated	ES, CME, KC

