

September 4, 2009

TO:

FROM: Laurence I. Snell, C.P.I.M.
Associate Vice President of Purchasing and
Business Services

RE: Splitting of Purchase(s), Prohibited

The State Auditor General Office has made the College aware that pursuant to Florida Statute, Board Rule/APM, employees are to not split a larger/anticipated purchase into smaller or distributed purchases. The intent of this memo is to provide a written clarification of eight type transactions that auditors have interpreted as "splitting" as defined in the table below.

Example #	Description of a Purchase Type (D.R. = Disbursement Request)	Would their purchases be considered "splitting" if using		
		PCard if Total \$ > \$2,499.99	DR if Total \$ > \$3,499.99	Reason
1	<u>An Employee</u> makes multiple purchase transaction(s) from the <u>same vendor</u> on the same day.	Yes	Yes	A
2	<u>An Employee</u> makes multiple purchase transaction(s) from a vendor on the same day that has won a state / college contract.	Yes	Yes	A, B
3	<u>An Employee</u> over a 30 day period makes <u>multiple purchases</u> from a vendor.	Yes	Yes	A, C
4	An Employee <u>and another employee(s)</u> (in their area) both make purchase(s) from the same vendor over a 3 day period	Yes	Yes	A, D, E
5	An Employee <u>and other employees</u> (in their area) both make purchases of the same exact item from one or more vendors over a short period of time.	Yes	Yes	A, E, F
6	An Employee <u>reasonably knows throughout the year</u> their total purchases of the same item(s) from a vendor(s) will exceed the P-Card \$2,499.99 and DR \$3,500 limit	Yes	Yes	A, E, G

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		PCard if Total \$ > \$2,499.99	DR if Total \$ > \$3,499.99	Reason
7	An Employee purchases from a vendor items to be shipped to multiple campuses/centers where collectively all shipments total cost (P-Card > \$2,499.99) (DR > \$3,500)	Yes	Yes	A, H
8	An Employee makes multiple unpredictable/varied smaller purchases from the same vendor of different items/services over a two month period (i.e. office supplies where each order would be for different varied items & purchases are not repetitive in nature.	No, if purchase transactions over a 30 day period are < \$2,499.99	No, if purchase transactions over a 30 day period are < \$3,500	I

Code #	Reason Code Table Explanation
A	Board Rule defines (with a P-Card) the maximum non travel purchase (with a P-Card) as \$2,499.99 (or DR) as \$3,499.99 breaking a purchase into multiple transactions to be below these limits is prohibited. A PO is to be issued if purchase is > \$3,499.99.
B	Use of a vendor who has won a contract with the state or college <u>does not exempt</u> the requirements noted in A above.
C	If your total anticipated purchases from a vendor over a 30 day periods is anticipated to exceed \$2,499.99 (P-Card) and \$3,499.99 (DR) enter an online ORION department requisition so PO can be issued (quotes obtained if necessary)
D	Having <u>multiple employees</u> in an area process purchase transactions from the <u>same vendor</u> over a 30 day period where the total dollars spent of both employees exceeds the \$2,499.99 (P-Card) and \$3,499.99 (DR) limit is prohibited.
E	Enter an online ORION department requisition so a PO can be issued/quotes obtained, if necessary.
F	<u>Example:</u> Purchasing two I Pod Touches from 10 different suppliers in a 30 day period by one or more employees in an area is prohibited if the total cost of all these purchases exceeds \$2,499.99 (P-Card) and \$3,499.99 (DR)
G	<u>Example:</u> A department plans to make every "x" weeks a purchase of the same item(s)/ services where the cumulative value of those purchases will exceed \$2,499.99 (P-Card) and \$3,499.99 (DR). Enter an ORION Blanket Purchase Order, department requisition so a Blanket PO can be issued/quotes obtained if necessary)
H	Shipping your order to multiple campuses will not be considered a separate purchase.
I	The College P-Card is issued upon request to employees who have completed training to help manage their " <u>smaller</u> " dollar purchases but not intended to be a person or departments sole method to accomplish purchases. Example #8 is typical use of a P-Card/DR for unpredictable/varied purchases from a vendor of different varied items/services where the total dollars to be spent over 30 day period are < \$2,499.99 (P-Card) and \$3,499.99 (DR) and are not anticipated to be needed month to month. If ongoing purchases are reasonably anticipated enter an ORION department requisition