



# PURCHASING COMPLIANCE – BY DEPARTMENTS

EMPOWERING EVERYONE TO PLAY BY THE RULES



# AGENDA

- INTRODUCTIONS
- PURCHASING COMPLIANCE
- EMPOWERING DEPARTMENTS
- PROCUREMENT
- INTERNATIONAL TRANSACTIONS
- AUDIENCE PARTICIPATION
- QUIZ
  - *DISCLAIMER - THIS PRESENTATION IS NOT LEGAL ADVICE*



# INTRODUCTIONS



## ■ Our Panel

- Ryan Kuehne - Senior Manager, Julian & Grube, LLC
- Thomas Patterson - Procurement Manager, City of Westerville
- Amie Lynn - Finance & Administration Officer, Massillon Public Library
- Liz Fruchey - County Auditor, Henry County



# POLLING TEST QUESTION

**WHICH ACTOR WAS THE BEST BATMAN (MOVIES NOT TV)?**

- A. Michael Keaton
- B. Val Kilmer
- C. George Clooney
- D. Christian Bale
- E. Robert Pattinson



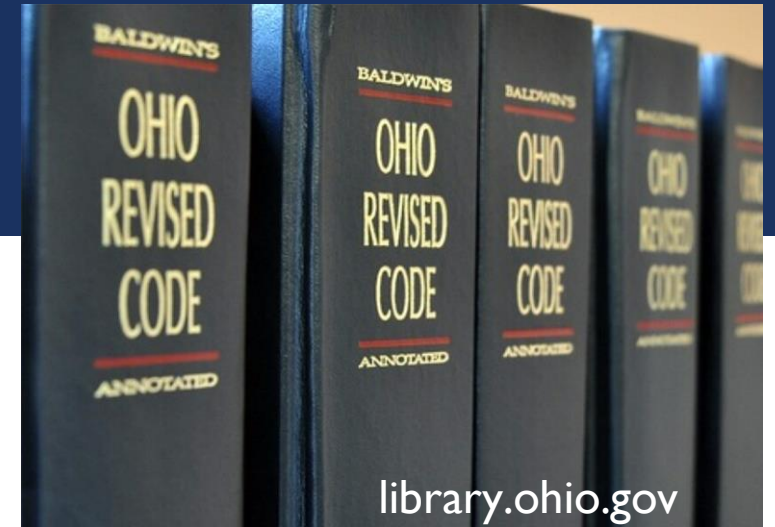
[batman.fandom.com](http://batman.fandom.com)

# POLLING

What type of Entity do you represent?



# PURCHASING COMPLIANCE



## ■ The Statute

- Ohio Revised Code section 5705.41 (D) and 5705.42 – Restriction upon appropriation and expenditure of money – certificate of fiscal officer
- No orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of the appropriate fund free from any previous encumbrances. [Ohio Rev. Code section 5705.41 (D)(1)] - *2025 Ohio Compliance Supplement 1-2*

# COOPERATION

## Getting full cooperation from the rest of the Organization

- Policies & Procedures
  - Federal requirements and procurement
- Timely purchase requests
- No invoice without an executed purchase order
- Efficient and timely approvals
- Appropriation is sufficient



# PURCHASING - FREQUENTLY ASKED QUESTIONS

- Does this statute ORC 5705.41(D) and 5705.42 apply to my Entity?
- Blanket and Super Blanket PO's
  - What's the difference?
  - Which type of Blanket PO should my entity be using?
- Then & Now's
  - When are they appropriate to use?
  - Can I use this for every purchase?
  - Is budgeting for expenses important, if I can use a Then & Now?
- Pcards
  - Do Pcards require a purchase order or requisition?



# POLLING

How many years have you been working as a fiscal officer or auditor?



# EMPOWERING THE ORGANIZATION

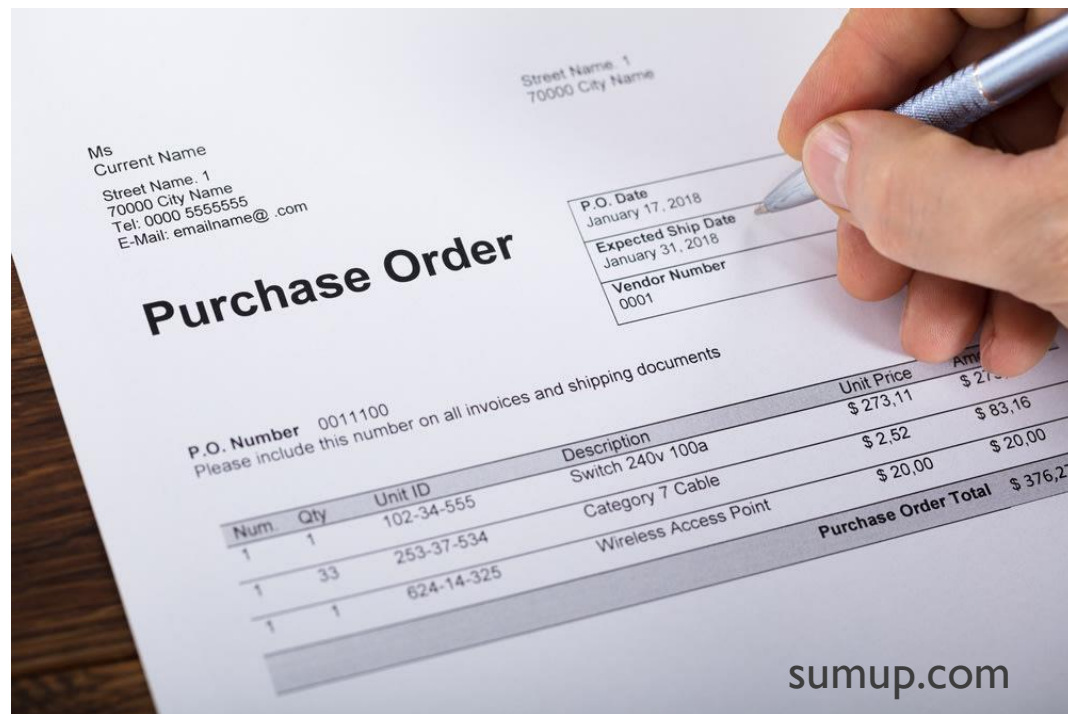
## ■ **County**

- Compliance with ORC 5705.41
- PO required for all purchases
- Carryforward POs to next year
- Workflow approvals
- Link PO to Invoice
- Training employees



# POLLING

Do you require POs?



Ms  
Current Name  
Street Name: 1  
70000 City Name  
Tel: 0000 5555555  
E-Mail: emailname@.com

Street Name: 1  
70000 City Name

**Purchase Order**

P.O. Number 0011100  
Please include this number on all invoices and shipping documents

Num.	Qty	Unit ID	Description	Unit Price	Amount
1	1	102-34-555	Switch 240v 100a	\$ 273,11	\$ 273,11
1	33	253-37-534	Category 7 Cable	\$ 2,52	\$ 83,16
1	1	624-14-325	Wireless Access Point	\$ 20,00	\$ 20,00
<b>Purchase Order Total</b>					<b>\$ 376,27</b>

sumup.com

# EMPOWERING THE ORGANIZATION

## ■ Library

- Comply with ORC 5705.41
- Education
- Workflow approvals
- Accountability
- Access to information
- Follow up



# POLLING

Does your workflow include electronic approval?



# EMPOWERING THE ORGANIZATION

- **School District**
  - ORC rules and procedures
  - Flowchart WHOLE Purchasing process
  - Start the Requisition process at the beginning of school year
  - Review before processing to a PO
  - Review invoices
  - Review budgets quarterly



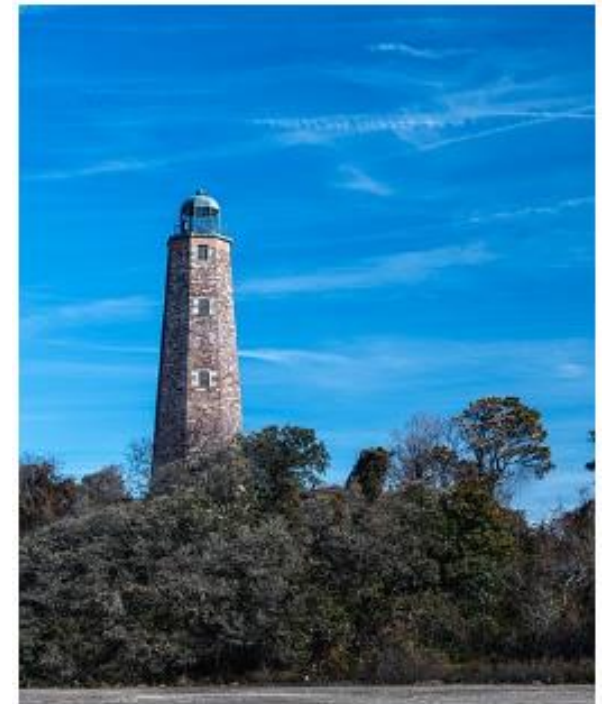
Groveport Madison High School  
[smbhinc.com](http://smbhinc.com)



# EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

## ■ Municipality

- In Westerville and across the country, public procurement is a primary function of government
- Founded on the near-universal statutory requirement in the U.S. for open and fair competitive access to public contracts



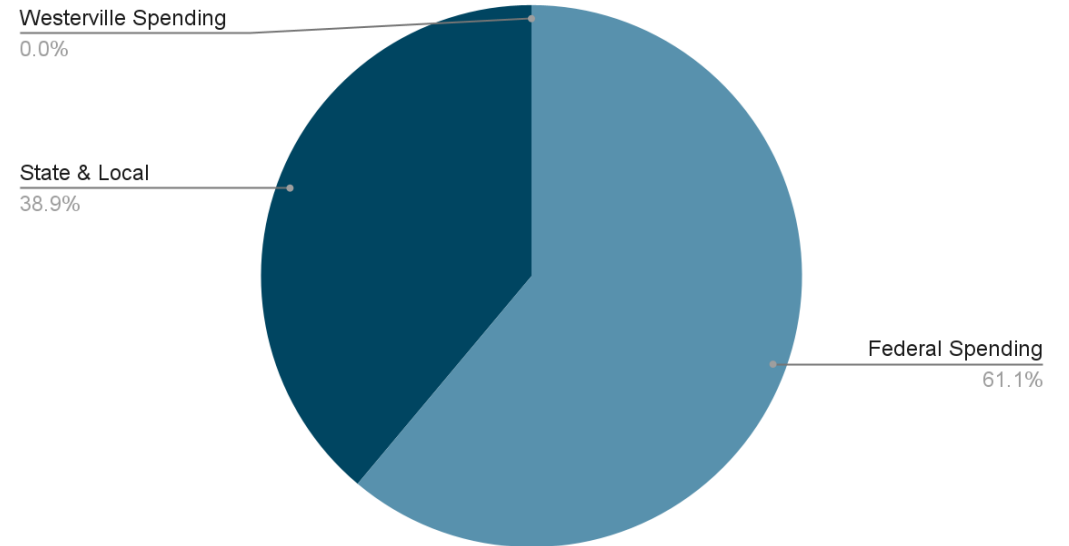
The first Cape Henry Lighthouse,  
erected 1792, in 2017

# EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

## ■ Fast Forward 230 Years

- Westerville is one of several thousand public agencies that administer the U.S. Government's \$10 trillion annual spend.

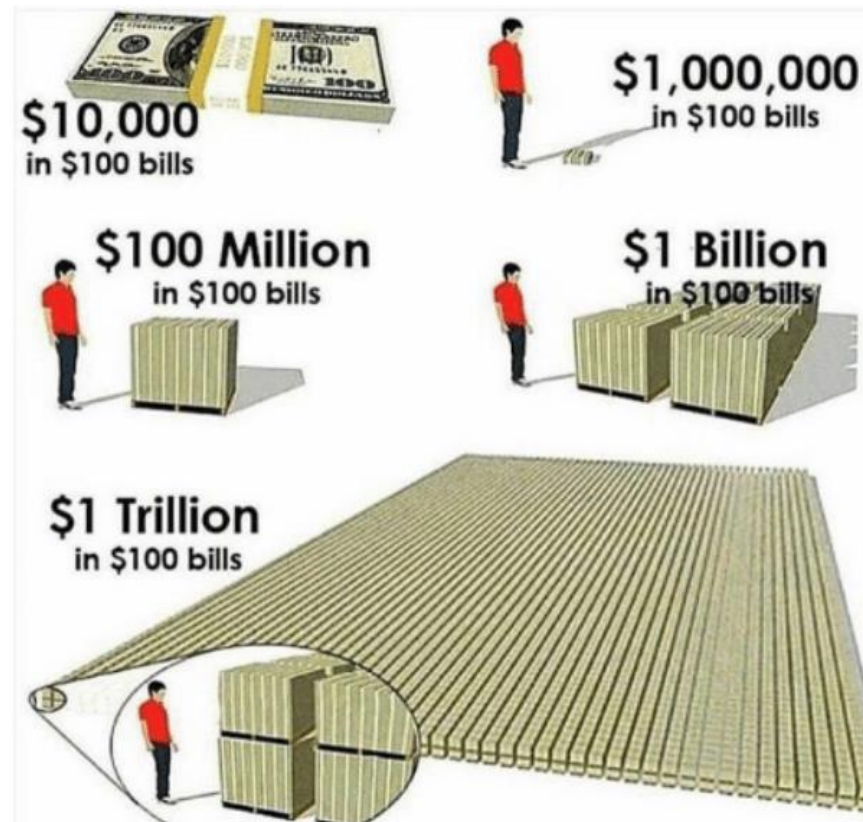
2023 U.S. Government Spending





# EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

## ■ What One Trillion Dollars Looks Like



## EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

- **Contrary to Popular Belief, the Government Cannot Spend Trillions of Public Dollars without Restraint**
  - Purchasing authority is defined by federal, state, and local laws & administrative rules
  - Providing Transparency & Accountability for Public Dollars
  - Enabling Fair/Open Competitive Access to Public Dollars

## EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

### ■ **Three Fair, Simple, and Transparent Levels of Public Competition**

- Small Dollar/No Competition Purchases
- Informal/Simplified Acquisitions – “3-Quotes” Competition
- Formal Procurement Methods – Sealed Bids & Proposals

# EMPOWERING THE ORGANIZATION: PROCUREMENT PRIORITIES

## ■ Municipality

### ■ Tone at the Top

- Collaboration with CMO, Law Director, Department Heads

### ■ Written Policies and Procedures (Home Rule) for Centralized and Decentralized Purchases

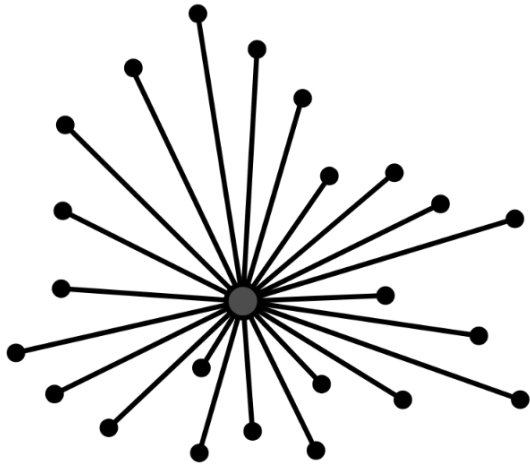
### ■ Budgeting & Capital Planning

### ■ Regular Communication

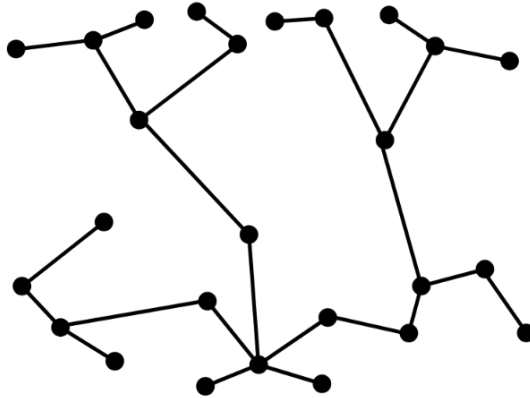
- Annual Purchasing Report, Quarterly WeSave Report, Project Check-ins

# POLLING

Are purchase requests decentralized or centralized in your organization?



CENTRALIZED



DECENTRALIZED

## THE BIGGER PICTURE: GLOBAL PROCUREMENT CONSIDERATIONS

- **Acknowledge and Manage High Complexity & Risk**
  - International procurements involve **diverse challenges** (social, business, legal) and **significantly higher risks** than domestic transactions
  - They require **greater focus, deep research, thorough planning, and building a team of appropriate stakeholders and subject matter experts**

# THE BIGGER PICTURE: GLOBAL PROCUREMENT CONSIDERATIONS

## ■ NIGP Best Practice Suggestions

- Address Cultural Nuances and Logistics
  - Be prepared for differences in communication, including language, gestures, humor, time zone constraints; considering engaging a cultural expert
  - Consider utilizing specialized suppliers like customs and transportation brokers to navigate international procedures and arrange carriers
  - Develop detailed specifications and contracts to clearly establish deliverables and industrial standards and units of measure across countries

QUIZ

QUIZ TIME!



## QUIZ #1



**All local governments are subject to ORC 5705.41**

## QUIZ #2



**Workflow approvals are mandatory**

## QUIZ #3



**Decentralized payment requests must be entered by the end user**

## QUIZ #4

### What Accounting System are you utilizing?

*(this is not an endorsement)*



## QUIZ #5

**Did this presentation bring to mind a new concept you can implement?**



# TAKEAWAYS

**Our Goal was to provide you with some key takeaways**

- Policies & Procedures
- Training
- Lessons learned
- This presentation is available on the app

DID WE MISS ANYTHING?



# THANK YOU

## ■ **Contact Information**

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