

ORDINANCE NO. 11/22/22

**AN ORDINANCE
AMENDING THE HANOVER TOWNSHIP PURCHASING POLICY**

WHEREAS, on August 18, 2009, the Supervisor and Board of Trustees of Hanover Township (collectively, the "Township Board") adopted Hanover Township Ordinance No. 081809 (the "Ordinance") to provide guidelines and directions for the acquisition of goods and services by Township employees in an efficient and economical manner; and

WHEREAS, the Township Board has reviewed the Ordinance and deems it necessary and appropriate to amend the same, *inter alia*, to increase the purchasing authority of the Township Administrator and Department Heads and streamline pricing requirements to conform with changes in applicable statutes, technology, and preferred practices; and

NOW, THEREFORE, BE IT ORDAINED by the Supervisor and Board of Trustees of Hanover Township, Cook County, Illinois, as follows:

SECTION ONE: INCORPORATION OF RECITALS. The recitals are hereby incorporated into the body of this Ordinance as though fully set forth herein.

SECTION TWO: ADOPTION. The amended Purchasing Policy, a copy of which is attached hereto and incorporated into the body of this Resolution as though fully set forth herein, is hereby adopted and approved.

SECTION THREE: SEVERABILITY. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

CERTIFICATION

I, the undersigned, do hereby certify that I am the Township Clerk of Hanover Township, Cook County, Illinois, and that the foregoing is a true, complete, and exact copy of Ordinance No. 112222, enacted on November 22, 2022, and approved on November 22, 2022, as the same appears from the official records of Hanover Township.



Katy Doran Baumer, Township Clerk





PURCHASING POLICY

This Policy Regarding Purchasing of Goods & Services (the "Policy") is to provide Hanover Township (the "Township") with guidelines and directions for the acquisition of goods and services. When used with good judgment and common sense, the policies and procedures conveyed herein will allow the Township to obtain required supplies and services efficiently and economically.

I. Statement of Policy

- A. All Township employees and officials engaged in purchasing and related activities on behalf of the Township shall conduct themselves in a manner above reproach in every respect. Township employees and officials shall strive to ensure that public money is spent efficiently and effectively and in accordance with all applicable statutes, regulations, and Township policies.
- B. This Policy is designed to be a document for reference and is intended as a general guideline. Township employees should contact the Township Administrator or Accounting with any further detailed questions about purchasing activities. This Policy may be modified from time-to-time to conform to changes in any applicable law, technology, or preferred practices.

II. General Procedures and Responsibilities

- A. The Township Board of Trustees (the "Township Board") adopts an annual Budget and Appropriations Ordinance for each Fiscal Year beginning on the 1st day of April and ending on the 31st day of March.
- B. All purchases of goods and services must correspond with a specific line-item in the Township's approved Budget and Appropriations Ordinance for the then-current Fiscal Year. Such purchases generally should not be made unless sufficient funds remain in the appropriate line-item for that Fiscal Year.
- C. Upon receipt, staff shall distribute vendor invoices to the appropriate Department Head for coding and approval, and the Department Head shall, in turn, send the invoices to Accounting for completion.
- D. Accounting typically prepares a Board Audit Report listing all checks to be approved in advance of each Township Board Meeting. Check Requests are due to Accounting by the end of the day on the Thursday before each Township Board Meeting.
- E. After the Township Board authorizes expenditures, Administration shall mail out the checks to vendors unless the appropriate Department Head requests that the checks be returned directly to the Department Head.

III. Purchasing Authority

- A. Township employees may enter into agreements, make purchases, and otherwise commit to the expenditure of Township funds for goods and services on behalf of the Township; provided, however, that such agreements, purchases, and expenditures must be approved in advance by the appropriate Department Head, the Township Administrator, or the Township Board within the guidelines below.

Dollar Limits	Required Approval
\$1 to \$4,000	Department Head
\$4,001 to \$30,000	Township Administrator
\$30,001 and Above	Township Board

IV. Pricing Requirements

- A. For purchases of goods and services in an amount up to \$30,000.00, Township employees normally must obtain a minimum number of verbal and/or written price quotations within the guidelines below.

Dollar Limits	Requirements
\$2,500 or less	1 or more verbal quotes
\$2,501 to \$20,000	3 or more written quotes
\$20,001 to \$30,000	4 or more written quotes

- B. A formal competitive bidding process shall be undertaken for all purchases of goods and services where required under applicable law. All formal competitive bidding processes shall be coordinated with Administration and the Township Clerk, in consultation with the Township Attorney. The respective Departments are responsible for assisting in the preparation of specifications and bid documents.
- C. Exceptions to the pricing requirements set forth herein may include single source vendors, repetitive purchases, emergency purchases, state or local legal requirements, contractual obligations, professional associations, cooperative purchasing programs, and other circumstances authorized by applicable law.
- D. Township purchases are not subject to sales tax; therefore, employees must inform vendors of the Townships tax exempt status and ensure that sales tax is not paid for purchases made with petty cash or purchasing cards. Employees shall provide vendors with a sales tax exemption form upon request. The sales tax exemption form is uploaded to BambooHR under the "File" tab for staff use.

V. Purchasing Cards

- A. It is the responsibility of holder of a Township purchasing card to be acquainted with this Policy and to make card purchases in accordance with this Policy and the guidelines set forth herein. Administration shall maintain a list of all purchasing cards issued to employees in their personnel files. Employees must return all purchasing cards upon separation of employment with the Township.
- B. **Central Purchasing Card:** The Township Administrator approves all transactions with the Township Purchasing Card. To use the Township Purchasing Card, an employee must follow the procedure below:
1. Contact the Assistant Township Administrator to obtain the Purchasing Card.
 2. Sign-out the Purchasing Card for period of no more than 24 hours, unless under special circumstances as approved by the Township Administrator.

3. Return the Purchasing Card to the Assistant Township Administrator with signed receipts and internal account number to be billed.
- C. **Assigned Purchasing Cards:** Purchasing cards are issued at the discretion of the Township Administrator or his/her designee to current employees who are granted a formal delegation of Township purchasing authority.
1. Each cardholder shall be responsible for the security of the card and should not permit the card to be used for means other than those permitted by this Policy.
 2. Upon receipt of each monthly statement, the cardholder must attach signed receipts and indicate an internal account code for each purchase and forward the information to the Administrative Specialist for processing.
- D. **Retail Store Purchasing Cards:** The Township possesses retail purchasing cards to specific stores where materials are purchased frequently. Only Department Heads or approved employees are allowed to be users of Township-related retail cards.
1. In order to become an authorized user, an employee must fill out Retail Card User Authorization Form and return it to the Township Administrator for approval. If approved, the user will be placed on the list and the updated information will be sent to the appropriate store.
 2. A signed receipt must be provided for accounting with an internal account code and Department Head signature within two business days.

VI. **Petty Cash**

- A. Petty cash is used to reimburse employees for Township expenses which such employees incur up front and for small purchases which are handled most efficiently by utilizing petty cash. Individual petty cash purchases are limited to \$100.00 or less.
- B. To receive reimbursement for petty cash purchases, employees must prepare a petty cash voucher and submit it to the appropriate Department Head for approval. Receipts documenting the expense must be attached to the petty cash voucher. If an employee cannot provide a receipt, alternative verification approved by the appropriate Department Head must be attached.
- C. Each Department is responsible for balancing and reconciling its own petty cash fund. Departments may replenish petty cash funds by submitting a request to Accounting, which is then processed through the Accounts Payable process. Requests for replenishment must be supported by petty cash vouchers and receipts or other alternative verification approved by the appropriate Department Head.