




MEMORANDUM

TO: Members of the Audit Committee

FROM: Cathleen Baumann 

SUBJECT: Approval of HDC's Purchasing Guidelines

DATE: November 18, 2024

Pursuant to Sections 2824 (e) and 2879 of the Public Authorities Law, HDC is required to have its Members annually review and approve the procurement guidelines of the Corporation. After approval, the guidelines are submitted to the Office of the State Comptroller, through its Public Authorities Reporting Information System ("PARIS"). The guidelines are also published on the Corporation's website.

Updates to the guidelines this year are related to two organizational changes. Earlier in 2024 we hired a new Director of Budget & Financial Planning, and one of the responsibilities of this position is to monitor the Corporation's operating budget. Monitoring the operating budget includes reviewing and approving purchase orders ("POs"). The updated change to the workflow allows the Budget Director to review and approve all POs regardless of the dollar amount and assures that the procurement is charged to the proper budgeted expense lines. The other organizational change is related to the retirement of the Senior Vice President & Controller earlier in the year.

There are no other changes to the guidelines.

Attached are clean and blacklined versions of HDC's purchasing guidelines.

Recommendation and Action by Members

Staff recommends that the Members approve the attached purchasing guidelines.



PURCHASING PROCEDURES

Updated as of November 1, 2024

I. ORDERING ITEMS

All requests for purchases are to be coordinated through the Department of Office Services. The employee who requests goods to be purchased must contact the Purchasing Specialist by e-mail. All requests for purchases must have a prior approval from the employee's Department or Division Head. The Purchasing Specialist and the IT Systems Administrator are the only employees who have the ability to purchase items. However, the IT Systems Administrator does not have authority to purchase items for any department other than the MIS Department. In the event such individuals are unavailable, the Chief of Office & Facilities Management is deemed to have authority to purchase items.

No item can be purchased without a valid contract except as described in the second succeeding paragraph. After a Contract Officer from the Legal Department has determined that a contract is valid and all appropriate approvals have been confirmed, the Legal Department is responsible for entering details of the contract into the Oracle Contract Management Module.

For each contract, the following fields are maintained: Contract Number, Contract Description, Begin Date, Department, Contract Expiration Date, Automatic Renewal and Comments. The Legal Department is responsible for generating a contract number.

A Purchase Order cannot be created until a contract number is generated. A contract number can also be generated for vendors used where a contract is not needed or for an item that cannot be competitively bid (hotel, conferences, meals). In such instances a memo from the department requesting the contract number will provide the Legal Department with a written explanation of the vendor chosen and what kind of goods and/or services are being purchased. The Legal Department will add the vendor to its spreadsheet and assign the vendor a contract number. Where possible, categories of vendors (such as books, publications, training and development) will be maintained under one category by subject. In cases where categorization is not possible such vendor will receive its own number.

If the amount of goods or services exceeds our competitive bid threshold, then proper bidding procedures must be adhered to in order to generate a purchase order. (see Section I.A)

The Legal Department and the Purchasing Specialist should monitor the expiration date on a contract before a renewal order can be placed. The Purchasing Specialist shall ensure that a product received is in accordance with the contract, but if there is a service provided, that service should be monitored by the department or employee that has engaged such service.

Each purchase will go through an electronic email-based hierarchy approval process except for those purchases that are required to flow through a manual signature process through an Executive Vice President or a Senior Vice President (such as sign off on time sheets for interns and part-time employees). For purchases that flow through the email-based hierarchy system, the following procedures must be completed before a final payment can be generated:

Procedures for Corporate Related Purchases:

After receiving the e-mail request, the Purchasing Specialist will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Chief of Office and Facilities Management and Director of Budget for final review and approval.

After the final approval, the Purchasing Specialist will be notified electronically and will generate the Purchase Order.

In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: Executive Vice President or Senior Vice President. In the event the Purchasing Specialist is unavailable to generate the Purchase Order, the Chief of Office and Facilities Management will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Director of Budget for final review and approval.

If a Purchase Order has goods and/or services valued over \$1,000,000 the Purchase Order requires an additional level of review and will be electronically routed to two Executive Vice Presidents for the final review and approval after the Director of Budget has reviewed and approved it.

Procedures for MIS Related Purchases:

The IT System Administrator or the Purchasing Specialist will create a Purchase Order with a specific contract number which will be input into the Oracle database for the Senior Project Manager, MIS review and approval. The Senior Project Manager, MIS will review and approve the Purchase Order and forward it to the Chief Information Officer . The Chief Information Officer will review and approve the Purchase Order and forward it to the Director of Budget for final review and approval.

After the final approval the Purchasing Specialist will be notified electronically and will then generate the Purchase Order.

If there is a change on an MIS related Purchase Order after it has gone through all necessary approvals, the IT System Administrator will notify the Purchasing Specialist of the change by e-mail. The Purchasing Specialist will in turn make the change within the Oracle system and resubmit the Purchase Order for approval.

In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: an Executive Vice President or a Senior Vice President. In the event the IT System Administrator is unavailable to generate the Purchase Order, the Manager, MIS can begin the Purchase Order process within the IT System.

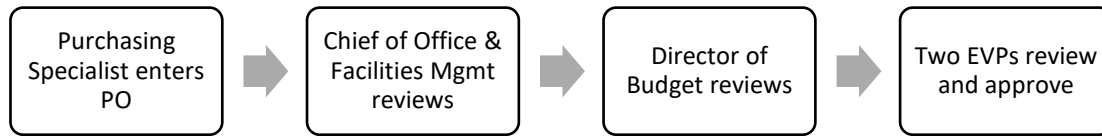
CORPORATE PURCHASES (NON-MIS)



MIS PURCHASES



CORPORATE PURCHASES (NON-MIS) OVER \$1,000,000



A. PURCHASES REQUIRING COMPETITIVE BIDDING

If the aggregate total of goods and services in the IT and Office Services departments, which have more routine, high volume purchases, is over \$10,000, then a competitive bidding process must be performed prior to the purchase of such goods and services. All other purchases in departments not regularly involved in procurement will require a competitive bidding process over \$5,000. A Purchase Order will not be generated until such process has been successfully completed. Upon successful completion, the Purchase Order will be generated and forwarded to the Cash Management Department, Accounts Payable Administrator. The following procedures shall be followed:

1. The Purchasing Specialist, after receiving the e-mail request for goods will contact at least three vendors for price quotes, including at least one vendor (if available) on a list of approved vendors maintained by the New York State Office of General Services. This solicitation can be done either verbally or in writing. However, written solicitations are required for all purchases that are expected to equal or exceed \$10,000. The written solicitation must contain a description of the item; the date the bid must be received by HDC and the name and telephone number of the Purchasing Specialist. Responsive bids must be obtained from at least two vendors.

For office, computer and pantry supplies, printing services, and other similar items ordered frequently, bids should be obtained annually or in some cases every two or three years (such determination shall be made by either the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related supplies). A summary of received bids should be completed by the Purchasing Specialist and/or IT Systems Administrator and submitted to the Chief Information Officer, Chief of Office and Facilities Management, and/or Executive Vice President for approval.

All other items totaling over \$10,000 must be bid at the time of request, unless an emergency purchase must be made. The order is to be awarded based on the most favorable bid or advantageous offer.

If the lowest bidder or the bidder with the most advantageous offer is found to be non-responsive or not responsible, the Purchasing Specialist will provide a written determination describing the specific reasons for such findings. This written determination is to be reviewed and approved by the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items and retained in the vendor file.

Price quotes for technical items can be obtained by the applicable department. For example: the MIS Department can obtain bids for computer equipment and software purchases. The procedures set forth in the preceding paragraph must be followed and all documentation must be forwarded to the Office Services Department before a purchase order can be generated.

If there is only one source for the required item, the determination and the basis must be in writing and submitted to the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items for review and approval. This documentation is to be retained in the vendor file.

If an emergency purchase has to be made, a written determination of the basis for the emergency procurement is to be made as soon as possible. This is to be approved by the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items and filed in the vendor file.

All goods must be purchased through a valid contract. In instances where common purchases are done and a contract will not be obtained, a memo is written and stored with the Legal Department detailing the purchase and reason for using a specific vendor. This memo will be used as a reference in creating a contract number for use within the Purchase Order system. When contracts are done, the contract must be reviewed and approved by the Legal Department and signed by the President, Executive Vice President or Senior Vice President. All approved contracts must be sent for scanning.

2. The Purchase Order will then be routed to the Purchasing Specialist, who will then place the order with the vendor. Under HDC's systems of internal controls, an open Purchase Order file can be accessed only by the following people:

- Purchasing Specialist
- Accounts Payable Administrator
- Chief of Office and Facilities Management
- IT System Administrator

3. All purchases must be made with the prior approval of the Chief of Office and Facilities Management, Director of Budget, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related purchases. The Corporation will not be responsible for purchases made without an authorized Purchase Order.

4. The Office Services Department is to perform an as needed review of the City's Vendex and the New York State Office of General Services list to obtain or review vendors. This list will also serve as the determination of whether the vendor is classified as a minority or women-owned enterprise. Efforts are to be made to include minority and women-owned enterprises.

B. PURCHASES NOT REQUIRING COMPETITIVE BIDDING

Certain items cannot be competitively bid due to their nature. The following is a list of categories to date that cannot be competitively bid:

Books & Publications: A check request form is to be prepared in lieu of a purchase order. The check request shall be approved by the employee's Division Head, Department Head and the Executive Vice President & CFO and then retained in the vendor file.

Local Transportation: A list of car services utilized by the Corporation and comparison of charges shall be maintained by the Chief of Office and Facilities Management.

Training & Conference: Literature pertaining to the class or conference shall be retained in the vendor file. All requests must be approved by the Division Head, the Department Head and the Executive Vice President & CFO.

Memberships: Renewal notices and/or literature pertaining to the organization is to be retained in the vendor file. The employee's Division Head, Department Head and the Executive Vice President & CFO must approve all memberships; and

Employment Agencies: All agencies must agree in writing to HDC's fee policy before applicants can be interviewed. A copy of this agreement is to be retained in the vendor file.

Contract numbers must be received for all items even if such items cannot be bid. The contract number will be used as a reference in creating a contract number for use within the Purchase Order system.

The following procedures shall be followed for those items that cannot be competitively bid:

1. The department requesting the contract number will provide the Legal Department with a written explanation of the vendor chosen and what kind of goods and/or services are being purchased.
2. The Legal Department will add the vendor to its spreadsheet and assign the vendor a contract number. Where possible categories of vendors (such as books, publications, training and development), will be maintained under one category by subject. In cases where categorization is not possible such vendor will receive its own number.

C. PURCHASES ON THE INTERNET

All requests for purchases on the Internet are to be coordinated through the Office Services Department. In this case employees shall also send an e-mail to the Purchasing Specialist describing the items requested, and follow the procedures previously set forth in either Section IA or IB, whichever is applicable.

D. PURCHASING VERSUS LEASING

In certain circumstances the Corporation may determine to lease products rather than purchasing them. For these items the procedures set forth in the previous paragraphs should also be followed. In addition, an analysis should be performed to compare the costs and benefits of buying versus leasing such item. The terms of the lease should be compared to the terms of purchasing the item outright to determine the best option. The buy versus lease analysis should be submitted to the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items for review and approval and filed in the vendor file.

E. COMPETITIVE PROPOSAL PROCESS

A request for proposal process must be conducted for the selection of:

- Legal Counsel
- Underwriters
- Annual Report Design
- Auditing and Accounting Services: The Corporation must follow the City Comptroller's Directive No.22, "Guidelines for Component Unit Audit & Financial Reporting" when selecting a Certified Public Accounting firm:
 - Requests for proposals should be sent to at least five firms selected from those on the Comptroller's approved list.
 - Contracts should not be awarded for more than four years.
 - Firms performing the audit for more than four consecutive years should be required to assign a different senior manager and partner in charge.
 - The audit selection process should be completed no later than 60 days after the beginning of the Corporation's fiscal year.

A request for proposals may also be required for the selection of other professional services; such determination shall be made by the Legal Department.

II. RECEIVING ITEMS

Upon receipt of the goods by the Receiving Clerk or designee, the following process shall be followed:

1. The Receiving Clerk or designee who receives the goods shall date and initial the packing slips, and then check them in Oracle as received.
2. The Purchase Order is compared to the packing slip and the items received to ensure that the order is complete. The Receiving Clerk shall maintain a file for all packing slips.
3. Any discrepancy must be noted on the Purchase Order and Packing Slip and brought to the attention of the Purchasing Specialist.

4. Orders shall not be accepted if a material discrepancy exists or if goods delivered are damaged.
5. The Receiving Clerk shall make an entry in Oracle that the item has been received; and
6. The Purchasing Specialist is responsible for all follows-up with respect to discrepancies and damaged items including if an item has not been received in a reasonable amount of time.

III. PROCESSING INVOICES - ACCOUNTS PAYABLE

In order to process an invoice received, the following procedures shall be followed:

1. The Accounts Payable Administrator shall receive and review all Invoices received and such invoices shall be compared to the Purchase Order. If a Purchase Order has not been created, the Accounts Payable Administrator will forward the invoice, along with the appropriate documentation (e.g., accounts payable voucher, personal reimbursement form, or travel expense form, depending upon which is applicable) to the Purchasing Specialist who will then create a Purchase Order. The Purchasing Specialist will then forward the Purchase Order through Oracle to the Chief of Office and Facilities Management and Director of Budget for review and approval. The Purchasing Specialist will return the invoice and attached documentation to the Accounts Payable Administrator who will then create an invoice batch. Any discrepancies are to be brought to the attention of the Purchasing Specialist, and the invoice should not be paid until all discrepancies have been resolved. Invoices that do not require a Purchase Order (e.g. payments for bond programs) are to be referred to the individual who initiated the order for proper authorization;
2. The Accounts Payable Administrator will then prepare the Payment Batch. During this stage, the Preliminary Payment Register, Checks, and Final Payment Register are created.
3. Upon receipt of written authorization from the Director of the Cash Management division or Assistant Vice President, the Accounts Payable Administrator will forward the checks, invoices, and Final Payment Register to the Executive Vice President & CFO for review. In the Executive Vice President & CFO's absence, such documentation shall be sent to an Executive Vice President.
4. The Final Payment Register must be signed by the President for all checks greater than \$20,000. The President shall not approve any invoices unless and until approval has been obtained by the

Executive Vice President & CFO. Once approved, all documentation shall be returned to the Executive Vice President & CFO. Once complete, all checks and supporting documents will be forwarded to the Vice President & Controller for the second signature.

5. In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to sign checks: President, Executive Vice President of Capital Markets & Investments, Senior Vice President of Capital Markets, and Senior Vice President of Asset Management . The Final Payment Register may be signed by the First Executive Vice President in the absence of the President. During this process, the Accounts Payable Administrator will keep track of the payment registers signed by these authorized individuals.

6. The Accounts Payable Administrator shall prepare and submit a disbursement along with the Preliminary Payment Report to Cash Management, who will fund the OTPS bank account.

7. Invoices in the Imaging system will be stamped "paid". In terms of the paper vendor files, invoices received from vendors must be stamped "paid" when payment is made. In cases where there are multiple pages of invoices such as telephone bills, the page with the remittance stub should be stamped "paid". If there is no remittance stub page, then all pages of the invoice must be stamped. Documents such as check requests and personal reimbursement forms should have all supporting documentation such as receipts, memos and emails attached to it. The check request and the personal reimbursement forms should be stamped "paid".

8. The Accounts Payable Administrator shall make the necessary copies and mail the payment and remittance copy to the vendor.

9. All voided checks automatically voided by the computer will be sent to the Accounting Department for reference; and

10. The Accounts Payable Administrator will file the invoices and the check stubs in the vendor's file and shall maintain a register of such transactions.



PURCHASING PROCEDURES

Updated as of ~~November 1~~ September 30, 2024

I. ORDERING ITEMS

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No item can be purchased without a valid contract except as described in the second succeeding paragraph. After a Contract Officer from the Legal Department has determined that a contract is valid and all appropriate approvals have been confirmed, the Legal Department is responsible for entering details of the contract into the Oracle Contract Management Module.

For each contract, the following fields are maintained: Contract Number, Contract Description, Begin Date, Department, Contract Expiration Date, Automatic Renewal and Comments. The Legal Department is responsible for generating a contract number.

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Procedures for Corporate Related Purchases:

After receiving the e-mail request, the Purchasing Specialist will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Chief of Office and Facilities Management and Director of Budget for final review and approval.

~~If a Purchase Order has goods and/or services valued over \$3,000, the Purchase Order requires an additional level of review and will be electronically routed to the Director of Budget for the final review and approval after the Chief of Office and Facilities Management has reviewed and approved it.~~ After the final approval, the Purchasing Specialist will be notified electronically and will generate the Purchase Order.

In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: Executive Vice President or Senior Vice President. In the event the Purchasing Specialist is unavailable to generate the Purchase Order, the Chief of Office and Facilities Management will create a Purchase Order with the specific contract number that was assigned by the Legal Department, which will be forwarded electronically in Oracle to the Director of Budget for final review and approval.

If a Purchase Order has goods and/or services valued over \$1,000,000 the Purchase Order requires an additional level of review and will be electronically routed to two Executive Vice Presidents for the final review and approval after the Director of Budget has reviewed and approved it.

Procedures for MIS Related Purchases:

The IT System Administrator or the Purchasing Specialist will create a Purchase Order with a specific contract number which will be input into the Oracle database for the Senior Project Manager, MIS review and approval. The Senior Project Manager, MIS will review and approve the Purchase Order and forward it to the ~~Chief Information Officer~~ ~~Chief of Office and Facilities Management~~. The ~~Chief Information Officer~~ ~~Chief of Office and Facilities Management~~ will review and approve the Purchase Order and forward it to the ~~Director of Budget~~ ~~Chief Information Officer~~ for final review and approval.

~~If a Purchase Order has goods and/or services valued over \$10,000, the Purchase Order requires an additional level of review and will be electronically routed to the Director of Budget for final review and approval after the Chief Information Officer has reviewed and approved it. After the final approval the Purchasing Specialist will be notified electronically and will then generate the Purchase Order.~~

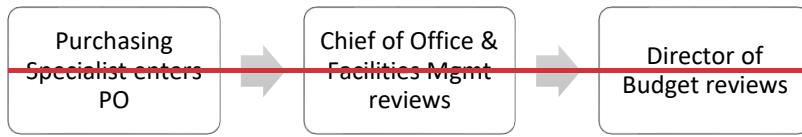
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In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to review and approve Purchase Orders: an Executive Vice President or a Senior Vice President. In the event the IT System Administrator is unavailable to generate the Purchase Order, the Manager, MIS can begin the Purchase Order process within the IT System.

CORPORATE PURCHASES (NON-MIS) UNDER \$3,000



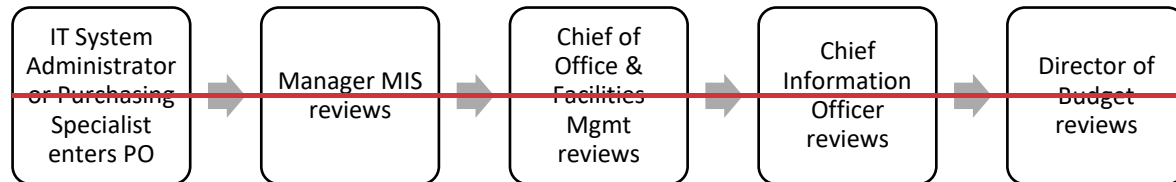
CORPORATE PURCHASES (NON-MIS) OVER \$3,000



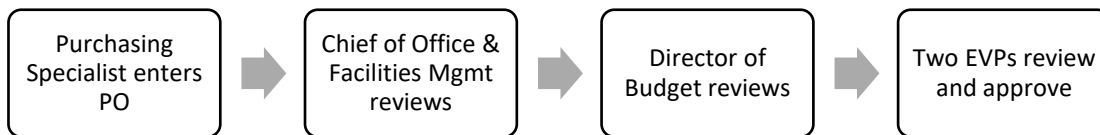
MIS PURCHASES UNDER \$10,000



MIS PURCHASES OVER \$10,000



CORPORATE PURCHASES (NON-MIS) OVER \$1,000,000



A. PURCHASES REQUIRING COMPETITIVE BIDDING

If the aggregate total of goods and services in the IT and Office Services departments, which have more routine, high volume purchases, is over \$10,000, then a competitive bidding process must be performed prior to the purchase of such goods and services. All other purchases in departments not regularly involved in procurement will require a competitive bidding process over \$5,000. A Purchase Order will not be generated until such process has been successfully completed. Upon successful completion, the Purchase Order will be generated and forwarded to the Cash Management Department, Accounts Payable Administrator. The following procedures shall be followed:

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For office, computer and pantry supplies, printing services, and other similar items ordered frequently, bids should be obtained annually or in some cases every two or three years (such determination shall be made by either the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related supplies). A summary of received bids should be completed by the Purchasing Specialist and/or IT Systems Administrator and submitted to the Chief Information Officer, Chief of Office and Facilities Management, and/or Executive Vice President for approval.

All other items totaling over \$10,000 must be bid at the time of request, unless an emergency purchase must be made. The order is to be awarded based on the most favorable bid or advantageous offer.

If the lowest bidder or the bidder with the most advantageous offer is found to be non-responsive or not responsible, the Purchasing Specialist will provide a written determination describing the specific reasons for such findings. This written determination is to be reviewed and approved by the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items and retained in the vendor file.

Price quotes for technical items can be obtained by the applicable department. For example: the MIS Department can obtain bids for computer equipment and software purchases. The procedures set forth in the preceding paragraph must be followed and all documentation must be forwarded to the Office Services Department before a purchase order can be generated.

If there is only one source for the required item, the determination and the basis must be in writing and submitted to the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items for review and approval. This documentation is to be retained in the vendor file.

If an emergency purchase has to be made, a written determination of the basis for the emergency procurement is to be made as soon as possible. This is to be approved by the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items and filed in the vendor file.

All goods must be purchased through a valid contract. In instances where common purchases are done and a contract will not be obtained, a memo is written and stored with the Legal Department detailing the purchase and reason for using a specific vendor. This memo will be used as a reference in creating a contract number for use within the Purchase Order system. When contracts are done, the contract must be reviewed and approved by the Legal Department and signed by the President, Executive Vice President or Senior Vice President. All approved contracts must be sent for scanning.

2. The Purchase Order will then be routed to the Purchasing Specialist, who will then place the order with the vendor. Under HDC's systems of internal controls, an open Purchase Order file can be accessed only by the following people:

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- Accounts Payable Administrator
- Chief of Office and Facilities Management
- IT System Administrator

3. All purchases must be made with the prior approval of the Chief of Office and Facilities Management, Director of Budget, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related purchases. The Corporation will not be responsible for purchases made without an authorized Purchase Order.

4. The Office Services Department is to perform an as needed review of the City's Vendex and the New York State Office of General Services list to obtain or review vendors. This list will also serve as the determination of whether the vendor is classified as a minority or women-owned enterprise. Efforts are to be made to include minority and women-owned enterprises.

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Memberships: Renewal notices and/or literature pertaining to the organization is to be retained in the vendor file. The employee's Division Head, Department Head and the Executive Vice President & CFO must approve all memberships; and

Employment Agencies: All agencies must agree in writing to HDC's fee policy before applicants can be interviewed. A copy of this agreement is to be retained in the vendor file.

Contract numbers must be received for all items even if such items cannot be bid. The contract number will be used as a reference in creating a contract number for use within the Purchase Order system.

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2. The Legal Department will add the vendor to its spreadsheet and assign the vendor a contract number. Where possible categories of vendors (such as books, publications, training and development), will be maintained under one category by subject. In cases where categorization is not possible such vendor will receive its own number.

C. PURCHASES ON THE INTERNET

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D. PURCHASING VERSUS LEASING

In certain circumstances the Corporation may determine to lease products rather than purchasing them. For these items the procedures set forth in the previous paragraphs should also be followed. In addition, an analysis should be performed to compare the costs and benefits of buying versus leasing such item. The terms of the lease should be compared to the terms of purchasing the item outright to determine the best option. The buy versus lease analysis should be submitted to the Chief of Office and Facilities Management, Executive Vice President or Senior Vice President or Chief Information Officer for MIS related items for review and approval and filed in the vendor file.

E. COMPETITIVE PROPOSAL PROCESS

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- Legal Counsel
- Underwriters
- Annual Report Design
- Auditing and Accounting Services: The Corporation must follow the City Comptroller's Directive No.22, "Guidelines for Component Unit Audit & Financial Reporting" when selecting a Certified Public Accounting firm:
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 - Contracts should not be awarded for more than four years.
 - Firms performing the audit for more than four consecutive years should be required to assign a different senior manager and partner in charge.

- The audit selection process should be completed no later than 60 days after the beginning of the Corporation's fiscal year.

A request for proposals may also be required for the selection of other professional services; such determination shall be made by the Legal Department.

II. RECEIVING ITEMS

Upon receipt of the goods by the Receiving Clerk or designee, the following process shall be followed:

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2. The Purchase Order is compared to the packing slip and the items received to ensure that the order is complete. The Receiving Clerk shall maintain a file for all packing slips.
3. Any discrepancy must be noted on the Purchase Order and Packing Slip and brought to the attention of the Purchasing Specialist.
4. Orders shall not be accepted if a material discrepancy exists or if goods delivered are damaged.
5. The Receiving Clerk shall make an entry in Oracle that the item has been received; and
6. The Purchasing Specialist is responsible for all follows-up with respect to discrepancies and damaged items including if an item has not been received in a reasonable amount of time.

III. PROCESSING INVOICES - ACCOUNTS PAYABLE

In order to process an invoice received, the following procedures shall be followed:

1. The Accounts Payable Administrator shall receive and review all Invoices received and such invoices shall be compared to the Purchase Order. If a Purchase Order has not been created, the Accounts Payable Administrator will forward the invoice, along with the appropriate documentation (e.g., accounts payable voucher, personal reimbursement form, or travel expense form, depending upon which is applicable) to the Purchasing Specialist who will then create a Purchase Order. The Purchasing Specialist will then forward the Purchase Order through Oracle to the Chief of Office and Facilities Management and Director of Budget for review and approval. The Purchasing Specialist will return the invoice and attached documentation to the Accounts Payable Administrator who will then create an invoice batch. Any discrepancies are to be brought to the attention of the Purchasing Specialist, and the invoice should not be paid until all discrepancies have been resolved. Invoices that do not require a Purchase Order (e.g. payments for bond programs) are to be referred to the individual who initiated the order for proper authorization;

2. The Accounts Payable Administrator will then prepare the Payment Batch. During this stage, the Preliminary Payment Register, Checks, and Final Payment Register are created.

3. Upon receipt of written authorization from the Director of the Cash Management division or Assistant Vice President, the Accounts Payable Administrator will forward the checks, invoices, and Final Payment Register to the Executive Vice President & CFO for review. In the Executive Vice President & CFO's absence, such documentation shall be sent to an Executive Vice President.

4. The Final Payment Register must be signed by the President for all checks greater than \$20,000. The President shall not approve any invoices unless and until approval has been obtained by the Executive Vice President & CFO. Once approved, all documentation shall be returned to the Executive Vice President & CFO. Once complete, all checks and supporting documents will be forwarded to the ~~Senior~~-Vice President & Controller for the second signature.

5. In the event the aforementioned individuals are unavailable for signatures, the following individuals are authorized to sign checks: President, Executive Vice President of Capital Markets & Investments, Senior Vice President of Capital Markets, and Senior Vice President of Asset Management Administration and Chief of Staff. The Final Payment Register may be signed by the First Executive Vice President in the absence of the President. During this process, the Accounts Payable Administrator will keep track of the payment registers signed by these authorized individuals.

6. The Accounts Payable Administrator shall prepare and submit a disbursement along with the Preliminary Payment Report to Cash Management, who will fund the OTPS bank account.

7. Invoices in the Imaging system will be stamped "paid". In terms of the paper vendor files, invoices received from vendors must be stamped "paid" when payment is made. In cases where there are multiple pages of invoices such as telephone bills, the page with the remittance stub should be stamped "paid". If there is no remittance stub page, then all pages of the invoice must be stamped. Documents such as check requests and personal reimbursement forms should have all supporting documentation such as receipts, memos and emails attached to it. The check request and the personal reimbursement forms should be stamped "paid".

8. The Accounts Payable Administrator shall make the necessary copies and mail the payment and remittance copy to the vendor.

9. All voided checks automatically voided by the computer will be sent to the Accounting Department for reference; and

10. The Accounts Payable Administrator will file the invoices and the check stubs in the vendor's file and shall maintain a register of such transactions.