SOPP # 105 (Requisitioning)	**Prepared By:** **Audit Assurance Division**
Effective Date: 12/17/2009	**Approved By:** **Commissioner of Finance**
Title	**REQUISITIONING**
Purpose	To ensure uniformity and compliance with regulations for purchases made throughout the Government of the Virgin Islands.
Policy	

- Requisitions are initiated by the end user department/agency.
- Departments/agencies must assign the appropriate vendor code and general ledger account number.
- Department and agencies must ensure that the correct Org/Object/Project is being applied to requisitions to avoid rejections by Department of Finance
- Capital asset purchases that meet the Department of Property & Procurement's criteria (i.e., $5,000 or greater per asset) must be flagged within the requisition as a fixed asset transaction by the respective department/agency using the following object codes:

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

- Avoid complications in the Accounts Payable Invoice (API) process, by initiating requisitions with the appropriate Org code and corresponding bank account as depicted below:
  - ➢ Org codes within the specific ranges noted below that **do not** use federal project codes, should be assigned to the following bank accounts:

Org Code Range(s)	ERP Account	Fund
0100 – 0999	TREA - 010010	General
2000 – 2124	TREA - 010020	Special & Other
2126 – 8999	TREA - 010020	Special & Other

Policy (Cont'd)

- Org codes within the specific ranges noted below that use federal project codes, should be assigned to the following bank accounts:

Org Code Range(s)	ERP Account	Fund
2000 – 2124	TREA - 111090	Federal
2126 – 8999	TREA - 111090	Federal
2125	TREA - 011315	Federal

- **NOTE:** Requisitions with an Org that cannot be applied to the appropriate bank account will result in an API transaction that is rejected by the Department of Finance.

- Requisitions will follow the department/agency's duly authorized embedded workflow approval process.

- In accordance with 31 V.I.C. § 239 (a)(3), requisitions must have supporting documentation attached:
  - Procurements exceeding $50,000
    - Letter of justification approved by the Commissioner of Property & Procurement
    - At least three quotations be sought from the several vendors and the purchase be made from the best value
  - Contract and Lease Renewals in Progress
    - Letter of justification approved by the Commissioner of Property & Procurement

- Requisitions are released from the agency/department to be reviewed, approved, converted to purchase orders and subsequently distributed to the agency/department by Property & Procurement (P&P).

- Requisitions applied to payroll objects codes will be rejected by Department of Finance.

- All transactions require a Purchase Order to process a payment, except for the following transactions:
  - Petty Cash/Imprest funds
  - Sub-Grants
  - Inter-fund and inter-governmental transfers
  - Stipends
  - Uniform Allowance
  - Judgments & Claims
  - Workmen's Compensation
  - Refunds

Policy (Cont'd)	• Requisitions for year-end encumbrances, **<u>must</u>** be related to goods and services that have been incurred for the existing fiscal year (i.e., obligation to charge the Government of the Virgin Islands has been satisfied by the vendor). ➢ 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." ▪ **<u>Note:</u>** With the exception of goods and services that require a binding contract with the Government of the Virgin Islands (e.g. RFP) that is not completed by year-end; requisitions processed at year-end for the purpose of encumbering funds for the future purchase of goods and services for a subsequent fiscal year (i.e., obligation to charge the Government of the Virgin Islands has **<u>not</u>** been satisfied by the vendor), shall be subject to rejection by the Department of Property & Procurement. • With the exception of encumbrance balances that are tied to contracts, all other encumbrance balances (i.e., goods and services) reflected on the ERP System for at least (3) months will be subject to cancellation/deletion without proper written justification by the respective department/agency to the Department of Finance. • Requisitions created in the existing fiscal for the sole purpose of paying expenses related to a previous fiscal year(s) must be accompanied by an authorization letter from the Office of Management & Budget and/or Legislative Act. • The department or agency should indicate the shipping address on the requisition. ➢ **<u>Note:</u>** The shipping address enables vendors to deliver items purchased to the appropriate location. This should include the name of the receiving agent, the contact number, and the address. ➢ **<u>Contact:</u>** The Department of Property & Procurement o make changes to shipping address.

Policy (Cont'd)	• Department of Finance will monitor payments and report to the Department Property and Procurement instances of circumvention of the contractual process.
Responsibilities	Departments/agencies are responsible to do the following: • Enter requisitions within regulatory guidelines • Verify that requisitions have been released and sent to approvers • Forwarding the purchase order to the vendor • Attach supporting documentation to requisitions, when appropriate Property & Procurement are responsible for the following: • Reviewing requisitions to ensure compliance with regulations. • Approving requisitions and converting them to purchase orders. • Forwarding purchase orders to the departments and agencies
Procedures	For detailed procedures see MUNIS GVI Manual – Requisitioning at http://www.usvifinance.info/html/ERP-Manuals.html

Revision History

Revision #	Date	Description of changes	Requested By
0	3/2/2009	Initial Release	JL
1	3/25/09	Revise to show new legislation	LM
2	7/30/09	Add Act # and Bill No.	JL
3	8/11/09	Additional revisions.	JL
4	12/9/09	Final review.	JL,CB,DJ,MF,CME,RT,VC