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# Standard Operating Procedures Manual

STUDENTS FIRST

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# **SECTION 1: INTRODUCTION, GOAL STATEMENT, AND PURPOSE**

## **1.1 INTRODUCTION**

The Public School System Office of Procurement of Supply (P&S) has established uniform policies and procedures for all school-level, programs, and central office.

## **1.2 GOAL STATEMENT**

- 1.2.1.** To build public confidence in the procedures followed in public procurement.
- 1.2.2.** To insure the fair and equitable treatment of all persons who deal with the procurement system of the Public School System.
- 1.2.3.** To provide increased economy in the Public School System procurement and to maximize to the fullest extent practicable the purchasing value of public funds.
- 1.2.4.** To foster effective broad based competition within the free enterprise system.
- 1.2.5.** To provide safeguards for the maintenance of a procurement system of quality and integrity.

## **1.3 PURPOSE OF THIS MANUAL**

The purpose of this manual is to provide information and a set of guidelines to PSS employees charged with handling procurement matters and to ensure strict compliance with procurement rules and regulations. The P&S manual is intended to be applied in conformity with orders and guidelines of the Public School System. All statutory provisions, rules, regulations, orders, and guidelines are subject to practices for procurement through transparency, competition, fairness, equity, and elimination of arbitration public buying should be conducted in a transparent manner. This manual contains information aligned with the Commonwealth of the Northern Mariana Islands' Department of Finance-Division of Procurement and Supply.

# **SECTION 2: ORGANIZATION**

## **2.1 ORGANIZATIONAL STRUCTURE**

- 2.1.1.** The P&S, a component of the PSS Finance Department, operates with nine (9) employees:
  - (a)** Procurement and Supply Officer;
  - (b)** Fixed Assets/Inventory Manager;
  - (c)** Administrative Officer;
  - (d)** Procurement and Supply Specialist IV; and
  - (e)** Procurement and Supply Specialist I – II.

## SECTION 3: PROFESSIONAL CONDUCT

### 3.1 GENERAL

All P&S employees are responsible to be physically, mentally, and emotionally prepared for duty, and will use the following guiding principles:

- 3.1.1. Help each other become successful.
- 3.1.2. Look for ways to make new ideas successful.
- 3.1.3. When in doubt, ASK!
- 3.1.4. Help each other win and take pride in one another's success.
- 3.1.5. Always speak positively about each other and the department.
- 3.1.6. Maintain a positive mental/emotional attitude.
- 3.1.7. Act with initiative and courage and trust in yourself!
- 3.1.8. Do everything with enthusiasm - it's contagious!
- 3.1.9. Keep faith, PERSEVERE! - Persistence pays off.
- 3.1.10. Always have fun and smile!!

**3.2 DRESS CODE:** Refer to PSS Employee Handbook

### 3.3 BETELNUT & TOBACCO PRODUCTS

The use of betelnut and/or tobacco products (includes chewing tobacco and snuff) is prohibited while in or on any PSS property or premises. This includes school buses, vans, and other PSS vehicles and facilities. (*See* Subsection 60-30-301, respectively, PSS BOE Policy)

## SECTION 4: STAFF TIME AND ATTENDANCE

### 4.1 GENERAL

- 4.1.1. All P&S employees are required to report for duty by 7:30 a.m. and leave the office at 4:30 p.m. with an hour lunch in between this period.
- 4.1.2. All P&S personnel are required to time-in and time-out on a daily basis. Failure to do so will result in employee being charged AWOL or LWOP (**NOTE:** LWOP is subject to COE's approval).

**Note:** *Employees are responsible to time-in prior to duty, and time-out when leaving from duty. The timekeeper prepares the timesheet according to the information on an employee's time card. No one, other than the employee, is allowed to time themselves in. Any personnel caught timing-in another employee will automatically result in adverse action. Failure to time-in/out properly will result in shortage of hours on your part and could result in appropriate disciplinary actions.*

- 4.1.3. Anyone authorized to leave prior to the end of official duty is required to timeout

and obtain the P&S officer's or designee's signature and submit the proper leave form to the timekeeper.

- 4.1.4. The P&S personnel attendance log-out folder will be used within working hours for work related matters, which are outside the office. For personal matters, the P&S officer's or the employee's immediate supervisor must be informed in advance, and the employee must time-out if necessary.

## 4.2 ABSENCE AND TARDINESS

- 4.2.1. Being absent or tardy without informing the office will be charged as AWOL
- 4.2.2. Tardiness beyond the identified working hours shall be charged as AWOL
- 4.2.3. By the end of the pay period, all tardiness will be added. If the sum is fifteen (15) minutes or more, it will be rounded up to 30 minutes or .5 of AWOL. If it is less, there is no pay deduction. Please note, however, that habitual tardiness will be charged AWOL even though tardiness may be less than 15 minutes. **Habitual tardiness is being tardy three (3) times during the pay period regardless of number of minutes.**
- 4.2.4. Upon returning from an absence from work, all employees are to submit a completed leave form on the day of your return to work. The timekeeper is not responsible to remind the personnel of such requirement. Failure to submit a completed leave form may result to being charged with AWOL.
- 4.2.5. The timekeeper records every employee's attendance on the *Employee's Daily Attendance Record* that is extracted from the employee's timecard.

## 4.3 LEAVE

### 4.3.1. ANNUAL LEAVE

Anyone who needs to take **annual leave** must **submit a request three (3) days** in advance to the P&S officer or the Time keeper and submit the completed leave form before the leave can be granted (§60.30.3-615, Non-Certified Personnel Regulations, respectively, PSS Regulations).

### 4.3.2. SICK LEAVE

A doctor's slip must be submitted to the timekeeper when using 3 or more consecutive days of sick leave. **Additionally, personnel with 3 or more absence per quarter must submit a doctor's slip.** Regular users of sick leave must provide a doctor's slip for each day they are on such status. Any used portion may be carried over and used as set forth in §60-30.3-620 of the PSS Non-Certified Personnel Regulations.

#### **4.3.3. COMPASSIONATE LEAVE**

Compassionate leave with pay for up to forty (40) hours may be granted by the Commissioner of Education in case of death in the immediate family - immediate family is defined as an employee's father, mother, spouse, grandfather/mother, child, brother, sister, mother/father-in-law (§60-30.3-625, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.4. FAMILY AND MEDICAL LEAVE**

Family and Medical leave may be granted by the Commissioner of Education for a total of twelve (12) weeks of unpaid family and medical leave, and paid sick and annual leave combined during any 12 month period (§60-30.3-660, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.5. MATERNITY/PATERNITY LEAVE**

Maternity/Paternity leave may be granted by the Commissioner of Education for a maximum of eighty (80) hours encompassing the date of a newborn child or a newly adopted child (§60-30.3-650, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.6. MILITARY TRAINING LEAVE**

Military leave with pay may be granted by the Commissioner of Education for a total of not more than 120 hours in a year, to personnel who are members of the National Guard or any other military branch of the United States Armed Forces. Administrative leave may not be used in place of any time in excess of 120 hours. (§60-30.3-630, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.7. ABSENT WITHOUT LEAVE (AWOL)**

Any personnel who fail to report to work, and does so without being given prior appropriate authorization, are considered absent and shall not be paid. Serious bona fide emergencies are the only exception. Personnel who are charged with AWOL may be subjected to discipline and possible employment termination. Tardiness may be charged as AWOL. (§60-30.3-675, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.8. LEAVE WITHOUT PAY (LWOP)**

LWOP may be granted by the Commissioner of Education for personnel who have exhausted their annual and any applicable leave, when the personnel still needs more time away from work. LWOP must be approved in writing prior to the personnel taking leave, otherwise it will be AWOL. (§60-30.3-670, Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.9 . ADVANCE ANNUAL LEAVE**

Advance annual leave may be granted by the Commissioner of Education for personnel who has been employed by PSS for over three years, and has exhausted their annual leave. (§60-30.3-680 Non-Certified Personnel Regulations, respectively, PSS Regulations).

#### **4.3.10. ADVANCE SICK LEAVE**

Advance sick leave may be granted by the Commissioner of Education for personnel who have exhausted their annual leave and sick leave. (§60-30.3-685 PSS Regulations for Non-Certified Personnel Regulations).

### **SECTION 5: PROCEDURES**

#### **5.1: SMALL PURCHASES [§ 60-40-210]**

##### **5.1.1. SMALL EMERGENCY PURCHASE ORDER (For purchases \$2,500 and below)**

- (a) Prepare a small purchase through SEPO form. Attach three (3) quotes solicited from suppliers.
- (b) The small emergency purchase order shall contain:
  - (1) Name of requesting department/school/office;
  - (2) Date requesting department/school/office prepared the form;
  - (3) Vendor address (mailing or physical address);
  - (4) Description of articles (contains a field to indicate all articles);
  - (5) Quantity (No. of units required);
  - (6) Unit (Type of measure);
  - (7) Unit price (estimated price per unit); and
  - (8) Amount (Quantity multiplied by unit price).
- (c) Review SEPO by verifying all information for accuracy and correctness.
- (d) Date and time stamp all properly completed SEPO for record keeping purposes. Log information in P&S Google Drive log sheet. Initial and date near column titled "Total."
- (e) Route to P&S officer for further review and approval. Once approved, log out to next routing destination.
- (f) Route SEPO to Commissioner of Education's Office for her review and approval. Log out information of SEPO for next routing destination.

(g) Upon distinguishing routing destination through funding certification from SEPO route based on information from justification or SEPO from either the following details:

- (1) **Local Funds** – Fiscal and Budget Office
- (2) **Federal Funds** – Federal Programs Office
- (3) **Education Tax Credit (ETC)** – Fiscal and Budget Office

### **5.1.2. SMALL EMERGENCY PURCHASE ORDER (For purchases under \$250)**

- (a) Complete SEPO form
- (b) Attach justification memorandum
- (c) Attach PSS Request for Quotation form (with price quotations obtained)
- (d) One (1) price quotation by each supplier/vendor
- (e) For single-quote SEPOs:
  - (1) Must indicate why quotes were not sought
  - (2) Utility of purchase
  - (3) Written explanation of why the price is reasonable under the circumstances

### **5.1.3. PURCHASE REQUISITION (Purchases ranging from \$2,501 - \$10,000)**

- (a) Complete purchase requisition (PR) form. Attach three (3) quotes solicited from suppliers.
- (b) The PR shall contain:
  - (1) Name of requesting department/school/office;
  - (2) Date requesting department/school/office prepared the form;
  - (3) Vendor address (mailing or physical address);
  - (4) Description of articles (contains a field to indicate all articles);
  - (5) Quantity (No. of units required);
  - (6) Unit (Type of measure);
  - (7) Unit price (estimated price per unit); and
  - (8) Amount (Quantity multiplied by unit price).
- (c) Review PR by verifying all information for accuracy and correctness.
- (d) Date and time stamp all properly completed PR for record keeping purposes. Log information in P&S Google Drive log sheet. Initial and date near column titled “Total.”
- (e) Route to P&S officer for further review and approval. Once approved, log out to next routing destination.
- (f) Route PR to Commissioner of Education’s Office for her review and approval. Log out information of PR for next routing destination.



- (g) Upon distinguishing routing destination through funding certification from PR route based on information from justification or PR from either the following details:
  - (1) **Local Funds** – Fiscal and Budget Office
  - (2) **Federal Funds** – Federal Programs Office
  - (3) **Education Tax Credit (ETC)** – Fiscal and Budget Office
- (h) Input PR through JD System and generate PR No. Write the PR No. on the top right hand corner titled “Requisition No.” on the PR form.
- (i) Log PR information through P&S Google Drive log sheet and route to Fiscal and Budget, Director of Finance, for approval and release of PR.
- (j) Once PR is received from Fiscal and Budget Office, go through JD System input and print PR form and P&S officer sign off for release.
- (k) Scan to P&S File and Paste to JD Edwards System for P&S file.
- (l) Provide a copy to the program, school or office. One (1) original PR copy and one (1) acknowledgement copy and/or attached rider is provided to the school, program, or office.

#### **5.1.4. REQUEST FOR QUOTATIONS**

- (a) **OPERATIONS** – Use PSS RFQ forms (completed by school, program, or office)
  - (1) Date when request was sent
  - (2) Vendor full address, fax number, and phone number
  - (3) Description of all items and/or services
  - (4) Quantity/Unit (Type of measure), Unit Price, and Subtotal
- (b) **DISPOSITION** – Send Request for Quotation form to selected suppliers in the following form:
  - (1) Fax transmittal
  - (2) Email transmittal
  - (3) Mail
  - (4) Messenger
  - (5) Indicate deadline of request by at least three (3) days. If urgent request, then by one (1) day.

### **5.2: SOLE SOURCE PROCUREMENT [§ 60-40-215]**

- 5.2.1.** A contract may be awarded for a supply, service, instructional materials, and or

construction item without competition when the P&S officer determines in writing that there is only one sole source for the required supply, service, or construction item. Written determination justifying sole source procurement shall be provided by the requesting school program, or office and through the expenditure authority.

**5.2.2.** All sole source procurement requests must be approved by the Commissioner of Education and the P&S officer.

**5.2.3.** Required documentation include:

- (a) SEPO or PR (where applicable);
- (b) Justification memo (Must indicate “Sole Source Procurement”)
- (c) Price quotation from sole supplier;
- (d) Sole source documentation from supplier (Must contain unique capabilities of products or services)
- (e) Documentation showing that other alternative sources were sought

### **5.3: EMERGENCY PROCUREMENT [§ 60-40-220]**

**5.3.1.** The P&S officer shall determine that an unusual and compelling urgency that precludes full and open competition exists after reviewing written information provided by a requesting school, program, or office.

**5.3.2.** The P&S officer shall determine that a delay in award would result in serious injury, financial or other to the Public School System. An emergency procurement must be competitive as practicable under the circumstances.

**5.3.3.** Justification memoranda must contain the following items:

- (a) Description of action being approved;
- (b) Description of the supplies or services required to meet the needs, including estimated value;
- (c) A description of efforts made to ensure that offers are solicited from as many sources as is practicable;
- (d) A determination that the anticipated cost to PSS will be fair and reasonable; and,
- (e) Data, estimated cost, or other rationale as to the extent and nature of the harm to PSS.

**5.3.4.** The justification memorandum must be approved by the P&S officer and Commissioner of Education.

### **5.4: COMPETITIVE SEALED BIDDING [§ 60-40-205]**

**5.4.1.** Invitation for Bid (IFB) must be accompanied by complete supporting documents and forwarded to the Office of the Commissioner for review and consideration before it is processed by the Office of Procurement and Supply.

(a) Supporting documents shall include:

- (1) Justification memorandum
- (2) Scope of Work
- (3) Specifications
- (4) Source of funds chargeable

(b) Requesting school/program/office is responsible for routing SEPO for paid Advertisement

**5.4.2.** An IFB announcement and package shall contain, at a minimum, the following information:

(a) An IFB No.

(b) Name, address, and location of issuing office:

Office of Procurement and Supply  
P.O. Box 501370 CK  
Capitol Building No. 1206  
Saipan, MP 96950

(c) Specific location where bids must be submitted:

Office of Procurement and Supply  
Capitol Hill Building No. 1206

(d) Date, hour and place of bid opening

(e) A detailed purchase description

(f) Quantity to be furnished

(g) Essential contractual terms and conditions; and

(h) Any bonding requirements.

**5.4.3.** The **Public Notice** for IFB shall be given a reasonable time prior to the date set forth for the opening bid. Publication of notice in a newspaper of general circulation in the Commonwealth once in each week over a period of thirty (30) days shall be deemed to be adequate. [Unless shortened for valid reasons and as authorized by the P&S officer]

**5.4.4.** The **IFB Announcement** is printed on a PSS letterhead and is routed to the P&S officer for:

(a) An IFB No. The number is issued from the IFB log book

(b) Review to ensure compliance with procurement regulations

- (c) Signature/approval
- (d) Route to Commissioner's office for review/approval

**5.4.5. Bidding Time.** A bidding time of at least four (4) weeks shall be provided, unless the P&S officer determines in writing that a shorter period is necessary.

**5.4.6. Bidding receipt.** Refer to **60-40-205 (d)**

**5.4.7. Bid Opening.** A bidding time of at least thirty (30) calendar days shall be provided, unless the P&S officer determines a shorter period is reasonable and necessary.

(a) All bids must be submitted to the Office of Procurement and Supply. Bids shall be received prior to the time set for opening and shall be maintained sealed in a locked receptacle at this office. If a bid is opened by mistake, it shall be resealed and the person who opened the bid shall affix his/her signature and print position title on the envelope and deliver it to the Office of Procurement and Supply. No information contained in the bid shall be disclosed prior to bid opening. The P&S officer shall cause the opened bid to be placed into the receptacle.

(b) The bid opening shall be conducted by the P&S officer and a P&S staff. Bids shall be open and made public as required in the IFB. The amount of each bid, together with the name of each bidder shall be recorded, the record and each bid shall be opened to public inspection. The P&S officer shall prepare a written summary of the bid opening.

**5.4.8. Bid Acceptance and Evaluation.** All bids shall be unconditionally accepted without alteration or correction, except as authorized by regulations. Bids shall be evaluated based on the requirements set forth in the published IFB, which may include criteria as is necessary and reasonably permit a determination as to the acceptability of the bid for the particular purpose intended.

## **5.5: COMPETITIVE SEALED PROPOSALS [§ 60-40-225]**

**5.5.1. Condition for Use.** When the Commissioner of Education determines in writing upon advise of the legal counsel that the use of competitive sealed bidding is either not practical or advantageous to the Public School System, a contract may be entered into by competitive sealed proposal.

**5.5.2. A Request for Proposal (RFP)** must be accompanied by complete supporting documents and forwarded to the Office of the Commissioner for review and consideration before it is processed by the Office of Procurement and Supply.

(a) Supporting documents shall include:

- (1) Justification memorandum
- (2) Scope of Work
- (3) Specifications

(4) Source of funds chargeable

(b) Requesting school/program/office is responsible for routing SEPO for paid Advertisement

**5.5.3.** An RFP announcement and package shall contain, at a minimum, the following information:

(a) An RFP No.

(b) Name, address, and location of issuing office:

Office of Procurement and Supply

P.O. Box 501370 CK

Capitol Building No. 1206

Saipan, MP 96950

(c) Specific location where offers must be submitted:

Office of Procurement and Supply

Capitol Hill Building No. 1206

(d) A detailed purchase description

(e) Quantity to be furnished

(f) Essential contractual terms and conditions; and

(g) Any bonding requirements.

**5.5.4.** The **Public Notice** for RFP shall be given a reasonable time prior to the date set forth for the opening bid. Publication of notice in a newspaper of general circulation in the Commonwealth once in each week over a period of thirty (30) days shall be deemed to be adequate. [Unless shortened for valid reasons and as authorized by the P&S officer]

**5.5.5.** The **RFP Announcement** is printed on a PSS letterhead and is routed to the P&S officer for:

(a) An RFP No. The number is issued from the RFP log book

(b) Review to ensure compliance with procurement regulations

(c) Signature/approval

(d) Route to Commissioner's office for review/approval

**5.5.6. Receipt of Proposals.** Proposals shall be opened so as to avoid disclosure of the contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and opened for public inspection after contract award.

**5.5.7. Evaluation Factors.** The request for proposals shall state the relative importance of price and other evaluation factors.

**5.5.8. Discussion with Responsible Offerors and Revisions to Proposals.** As provided in the RFPs, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification and to insure full understanding of, and responsiveness to, solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission and prior to award for the purpose of obtaining the best and offers. In conducting discussions there shall be no disclosure of any information derived by competing offerors.

**5.5.9. Award.** Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Public School System taking into consideration price and the evaluation factors set forth in the RFPs. No other factors or criteria shall be used in the evaluation and the contract file shall contain the basis on which the award is made.

## **5.6: SURVEY**

**5.6.1.** This SOP prescribes the general requirements regarding **PSS Survey and/or Disposal**. All affected individuals or schools/programs/offices shall follow this set of procedures step-by-step.

**5.6.2.** A request for survey shall be initiated by the accountable person immediately upon discovery of theft, lost, missing, damaged, or destroyed and or when it is determined that property is unserviceable and no longer required for PSS operations or programs.

**5.6.3.** The steps in this process include:

**(a) Step 1: Required Documentation.**

- (1) Request for Survey memorandum addressed to the Commissioner of Education and cc:'d to P&S officer [Forward to P&S officer for review and prior to submitting to the Commissioner]
- (2) A completed RFS "Form 100"
- (3) Photos/images (copies of) for the listed property item(s) to be surveyed
- (4) If survey report involves theft or burglary (police and/or incident report is required)
- (5) Prior inventory listing (indicating last inventory report on property item(s))

**(b) Step 2: P&S inspection/review of above documentation**

**(c) Step 3:** When the above is completed, P&S shall arrange to visit the site where listed property item(s) are located. This is performed to ensure only property item(s) listed

are those that will be surveyed for sale, disposal, or removal, and to authenticate the accuracy of the listing provided.

- (d) **Step 4:** The P&S Survey Officer shall complete the 2<sup>nd</sup> page of the survey report/form and check all applicable boxes as well as complete the “Findings and Recommendations” section of said form. The P&S Survey Officer shall sign below the Survey Officer Recommendation line and forward survey to the P&S officer for review and signature.
- (e) **Step 5:** Upon approval by the P&S officer, the survey report shall be forwarded to the Commissioner of Education for final approval.
- (f) **Step 6:** Upon COE’s approval, the report shall be returned to the P&S Survey Officer for final disposition.
- (g) **Step 7:** The requesting school/program/office is responsible for the removal, or disposal of surveyed property items. These entities must notify the P&S Survey Officer where the property items are to be disposed of and the P&S official shall be present at the disposal site to confirm/verify property items that are to be disposed.
- (h) **Step 8:** When disposal is completed, the Survey Officer shall complete the “Certificate of Disposition” and the Director of Finance and Survey Officer shall sign off on this section thereby completing the survey process.
- (i) **Step 9: [FOR P&S ONLY]:** Open *JDE Fixed Asset Master Information* and mark “Surveyed” on all property items surveyed and disposed. Survey report must be scanned into the system and filed.

## **5.7: INVENTORY**

**5.7.1.** PSS shall require a physical count of all stock supply and equipment items at least once a year. This inventory shall follow the fixed asset policy.

### **5.7.2. Purpose.**

- (a) To complete local property information for ready reference
- (b) Provide information for insurance purposes
- (c) Audit needs to determine capital worth
- (d) Accountability of the physical property of the PSS

**5.7.3.** Department/Division/Office heads, principals, program managers, and other supervisors assigned as custodians of PSS physical properties are accountable for control assets inventory. Persons responsible for locations these items are located in are responsible for performing the inventory.

#### **5.7.4. Fixed Assets Policy**

(a) To be classified as a fixed asset, property must possess the following attributes:

- (1) Tangible in nature;
- (2) A useful life of two or more years; and
- (3) A value of \$5,000 or more.

(b) An inventory of furniture and equipment shall be maintained

**5.7.5.** All fixed asset expenditures shall be recorded initially as a fixed asset. These assets shall be tagged and identified as CNMI PSS property and include all costs generally accepted as part of the specific fixed asset. A separate fixed assets ledger (master list) shall be maintained with the related accumulated depreciation.

**5.7.6.** All depreciation shall be recorded on a straight line basis.

**5.7.7.** All fixed assets purchased with federal funds shall be identified as such on the property itself, and the property if purchased for an agency shall be also identified accordingly. The fixed assets ledger shall include proper identification as to federal or local.

#### **5.7.8. Custody and Internal Control of Fixed Assets**

(a) A fixed asset shall be assigned to an individual, who shall be responsible for the care and maintenance of the specified fixed asset. The employee, who is in direct control of the fixed asset (not the supervisor of the employee), and who is using the fixed asset, shall sign as the custodian of a fixed asset. The asset shall not be transferred to another location or individual until a transfer form is completed and forwarded to P&S.

(b) All assets shall be depreciated in accordance with Internal Revenue Guidelines. All fully depreciated assets that are still in use will remain on the PSS balance sheet as per generally accepted accounting principles.

(c) The custodian of the fixed assets shall be responsible for those fixed assets. The fixed assets or cash for the market value of lost fixed assets shall be tendered to the appropriate PSS staff at the date of separation. Except in exigent circumstances, the market value of the lost fixed asset shall be set at the net book value of fixed asset. Net book value is the historical cost less the accumulated depreciation at the date of separation of the affected employee.

(d) Policy of reimbursement shall not include motor vehicles.

(e) The Offices of Procurement and Supply and Finance along with the responsible of school principals, program managers, department/division heads, and supervisors shall be responsible for taking an inventory of all fixed assets. During that inventory, all custodians must be matched with the appropriate records of assigned fixed assets



maintained at the Central Office. All discrepancies between custodians and their respective fixed assets must be cleared in 90 calendar days following the closing of the fiscal year.

(f) Annual inventory shall be conducted at the end of every school year.

### **5.7.9 Policy for Controlled Fixed Assets**

(a) A controlled fixed asset is defined as a lasting asset with an original cost of less than \$5,000. Examples include: text books, calculators, desktop computers, laptops, iPads, cameras, etc. These assets are the direct responsibility of the school, program, or office principal, program manager, or head/supervisor. The department head, principal, program manager, or supervisor is not responsible for controlled assets at the same level of care as fixed assets.

(b) The care of controlled assets shall be part of the employee's annual evaluation. The principal, program manager, or department head shall account for controlled assets and conduct yearly inventory of controlled assets for internal control purposes at the end of every school year. The missing controlled assets listed shall be accounted for through police reports or proper reporting submitted to the person charged with these items.

(c) The custodian of consumable fixed assets shall be responsible for these types of property items.

(d) The Central Office of the PSS shall not take direct responsibility for the maintenance and control of these assets. Controlled assets are not reflected in the balance sheet of the PSS or its other central offices and not part of the annual inventory of fixed assets.

(e) Upon separation from the PSS, the department/office/school head or principal/program manager is not financially responsible for controlled assets as is the case under the fixed asset policy. However, these officials shall be accountable for all fixed assets in the amounts of \$5,000 or greater in the same manner as any other PSS employee.

## **5.8: Disposal of Federal and Personal Property**

**5.8.1. Applicability and Use of Section 5.6.** [PSS utilizes SOP that covers survey and disposal of State or locally-owned property items for its Federal and personal properties]

**CNMI Government Standards [For information purposes only]:**

### ***Subsection IV. 3.: Disposal of Federal Property***

*When the Survey Authority finds that Federal property is no longer required for CNMI Government operations or programs, such property shall be transferred by the Accountable Person to the Division of Procurement and Supply by means of CNMI Request for Transfer form.*

*Such property will be disposed of based on instructions received from the GSA, or other Federal Agency which owns or controls the property.*

[Source: CNMI Revised Property Management Policies and Procedures Manual, 2003]

## **5.9: RECEIVING PURCHASED GOODS AND REPORTING**

**5.9.1** This SOP prescribes the general requirements regarding “Receiving Report” for all property items purchased by PSS. When vendors make deliveries to the warehouse (P&S’s “Receiving Section”) and/or school, program, or office, the following steps shall be followed:

- (a) Upon delivery to the P&S warehouse, the delivery person must show a copy of purchase order along with the original invoice. The P&S official (receiving person) receiving the goods must ensure that the PO number appears on the invoice and delivery receipt in order to accept the items. [NOTE: Same rule applies to deliveries made schools/programs. School administrators and program managers become the designated and responsible receiving persons]
- (b) Goods delivered at other locations require:
  - (1) P&S officer’s approval; and
  - (2) Notification to P&S receiving section (warehouse).
- (c) PSS shall neither be held accountable nor responsible for payment of damaged, missing incomplete, or any procured items not properly received or requirements provided under (a) and (b) under this Section.
- (d) The delivery person shall sort out the goods by description and quantity and call-out the goods by description and quantity while the receiver authenticates and cross-checks with delivery invoice and by circling the quantity received. Any discrepancy in description or quantity shall require the P&S specialist to notify the delivery person to take the products back and return when discrepancies are addressed/resolved. P&S specialist shall contact P&S office to inform latter of finding and seek guidance and advice and before refusing to accept delivered items.
- (e) It is the responsibility of the receiving person to ensure that items listed on the PO are the same items being delivered and listed on the PO. This will ensure description and quantity of goods delivered meet PO rider.
- (f) When delivery person inadvertently or intentionally delivers more goods or items than what are requested or ordered, the receiving person shall stop and reconcile the delivery invoice with the PO rider; excess items unaccounted for shall be returned to vendor upon discovery.

(1) PSS is not responsible for payment on items not listed on PO. The vendor shall either absorb the costs or the responsible receiving person shall pay for any unauthorized procurement of goods.

(g) When vendor delivers less quantity of items originally ordered, the receiver shall accept the quantity delivered and write down next to the line item the quantity received and circle the item.

(h) When steps (a) to (g) are completed, the P&S specialist shall print and sign and date the delivery receipt/invoice. The same employee shall have with him/her a copy of the PO and delivery invoice/receipt. If items are received at the warehouse, P&S specialist shall proceed with preparing the receiving report. Otherwise, school administrators shall send or hand deliver original invoice to copy of PO to Mr. Jesus Santos at the PSS warehouse located in Lower Base, Saipan or email these documents to him at [jesus.santos@cnmipss.org](mailto:jesus.santos@cnmipss.org) or via fax at 322-4056.

(1) PSS shall not be responsible for payments on any goods that are inconsistent with (h) of this section.

(i) **Receiving Report Procedures[For P&S Office Use Only]**. When all items/goods are delivered and properly received, the P&S specialist shall prepare the formal receiving report by instituting the following actions:

- (1) Verify to ensure all delivered items are properly received and circled
- (2) PO number appears on invoice and packages
- (3) Ensure this not an unauthorized purchase
- (4) Make three (3) file copies, one (1) for file, one (1) for Finance, and one (1) for consignee
- (5) Prepare receiving report by using receiving stamp and complete the fields
- (6) Consignee must sign and date all three (3) copies
- (7) Forward Finance copy to P&S main office
- (8) End of receiving report