



***ADOPTED WEDNESDAY, JANUARY 6, 2016 DURING
COUNCIL'S REGULAR MONTHLY MEETING**

STANDARD OPERATING PROCEDURES

- APPROPRIATED FUNDS
- NON-APPROPRIATED FUNDS

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MAYORS' COUNCIL OF GUAM

STANDARD OPERATING PROCEDURES

APPROPRIATED FUNDS

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Article 1
Procurement

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§0100. **General Purpose.** The Mayors of Guam are entrusted with handling public resources, and have the responsibility for applying those resources efficiently, economically, and effectively to achieve the purpose for which the resources were furnished. It is of the utmost importance that the Mayors' Council of Guam ensures compliance with applicable laws and regulations. Furthermore, while ensuring compliance, it is the Council's responsibility to establish and maintain effective controls to ensure that appropriate goals and objectives are met, resources are safeguarded; laws and regulations are followed.

§0101. **Procurement Laws and Regulations Applicable to Mayors.** Due to time sensitive nature of the office of the Mayor to respond to the immediate needs of the community, *I Libeslaturan Guåhan* passed several pieces of legislation, which were subsequently signed in to law as P.L. 24-184, Section 2; P.L. 25-118, Section 2, 2(b), and 4(c) specifically exempting the Mayors' Council of Guam (*the Council*) from certain procurement procedures of the Government of Guam.

a. **Direct Purchase.** A Mayor may procure equipment, supplies or services below Five Hundred Dollars (\$500.00) using the "Direct Payment Method" without the necessity of going through the normal government procurement procedures.

1. Mayor's Operations Funds (MO). A Mayor shall ensure that the procurement of equipment, supplies or services is specifically related to the day-to-day operations of the Mayor's Office.

2. Special Funds. A Mayor shall ensure that the procurement of equipment, supplies or services is specifically related to the intent of the Special Funds (*i.e.: Village Streets Fund, Healthy Futures Fund, Tourist Attraction Fund, etc.*) appropriated to the Mayors' Council of Guam.

3. Mayors shall ensure that none of the purchases under this Section shall be artificially divided to meet the requirements of this Section. A violation by any Mayor shall cause that Mayor to lose the right to purchase under this authority. The Chief Procurement Officer of the General Services Administration (GSA), Department of Administration, shall determine a violation of this Section.

b. **Purchases other than Direct Purchase Method.** Under the Mayor's Operations Fund (MO) or any Special Fund account, a Mayor shall procure equipment, supplies or services in the following manner:

1. A Mayor may purchase equipment, supplies and/or services not to exceed One Thousand Dollars (\$1,000.00) per purchase, provided that the Mayor solicits a minimum of three (3) informal written or telephonic quotations from licensed vendors able to supply the equipment, supplies and services being sought.

2. A Mayor may procure equipment, supplies or services of less than Fifteen Thousand Dollars (\$15,000.00) without the approval of the General Services Administration, provided however, that the Council solicits a minimum of three (3) formal written quotations from licensed vendors able to supply the equipment, supplies and services being sought.

c. **Capital Improvement Projects.** A Mayor is authorized to directly solicit and administer contracts for construction, road repair and beautification projects in accordance with procurement laws, and procurement rules and regulations, and availability of funds *not* to exceed a cost of Fifty Thousand Dollars (\$50,000.00) per contract. Such projects are to be reviewed by the Department of Public Works for compliance assurance within five (5) working days. The issuance and administration of purchase orders for items approved by the Department of Public Works for procurement shall be the responsibility of the Mayors' Council Administrative Office.

d. In all other cases where an exemption is not authorized by law, the Council, in the normal procurement of equipment, supplies and services under the Mayor's Operations Fund or any Special Fund, shall ensure compliance with the government procurement procedures.

§0102. Review and Processing of Mayors' Procurement. It is the sole responsibility of the Administrative Office of the Mayors' Council of Guam to review, certify and process all procurement via Direct Payments or Requisitions (Purchase Orders). This process is as follows:

a. Ensure the complete and correct submission of all pertinent documents;

b. Certify the availability of funds and the correctness of the process for procuring such equipment, supplies or services; *and*

c. Upon satisfying (a) and (b) of this Section, the Council administrative office shall process all documents to the Department of Administration.

§0103. Contracts with Vendors. If and when a Mayor must enter into a contract with a vendor for the purposes of procuring equipment, supplies and/or services, the Mayor shall at all times, ensure compliance of the Guam Procurement Law, and all other procurement laws applicable to the Mayors'

Council of Guam. Before entering into a contract with a vendor, the Mayor must:

a. Ensure that the vendor who is able to provide the equipment, supplies and/or services being sought:

1. Is licensed by the Department of Revenue and Taxation to Conduct business with the Government of Guam; *and*

2. Has been assigned a Vendor Number by the Department of Administration.

b. Contract for Equipment, Supplies or Services. Upon the verification of §0103.a. 1 and 2, a Mayor may enter into a contract with a vendor, provided that the Request for Price Quotation has identified the following:

1. Equipment. When soliciting a Price Quotation for equipment, a Mayor shall include the following:

i. The description of the equipment item being sought (i.e.: make and model of the office equipment, maintenance equipment, etc.);

ii. The specifications for the item being sought (i.e.: make, model and capabilities of office equipment such as computers, typewriters, etc.; make, model, horsepower, engine size, blade size, etc.) of maintenance equipment such as bushcutters, lawn mowers, riding mowers, tractor mowers, manual/power tools, etc.

2. Services. When soliciting a Price Quotation for services, a Mayor shall include the following:

i. The type of services being sought (i.e.: grounds maintenance, heavy equipment, office equipment, vehicle repair serviced, etc.)

ii. The scope of work to be performed (i.e.: bushcutting services for Road “A”; clearing debris at location “A”; transporting coral from Point “A” to Point “B”, to include spreading/grading; overhaul transmission for 1995 Toyota Hilux 4x4, etc.)

§0104. Conducting Business with an Unlicensed Vendor; Prohibited.

At no time shall a Mayor enter into a contract for equipment, supplies or services with a vendor who is not licensed by the Department of Revenue and Taxation to conduct business with the Government of Guam.

§0105. Procurement Laws and Regulations; Enforcement of. The enforcement of all procurement laws and regulations shall be performed by the government entity (*the Chief Procurement Officer or the Attorney General's Office*) charged with the enforcement of said laws, rules and regulations. It is the responsibility of the Mayors' Council Administration to advise the Mayors of all procurement laws, regulations, and the amendments thereto, applicable to the Mayors' Council of Guam.

Article 2
Road Construction, Repair, and Maintenance;
Procurement Process

- §0200. **General Purpose.**
- §0201. **Procurement Laws and Regulations Applicable to Mayors.**
- §0202. **Review and Processing of Mayors' Procurement.**
- §0203. **Contracts with Vendors.**
- §0204. **Conducting Business with an Unlicensed Vendor; Prohibited.**

§0200. **General Purpose.** A Mayor is authorized to purchase equipment, supplies, and/or contract services in accordance with applicable procurement laws and regulations to perform construction, repair, and maintenance of secondary and tertiary roads under his municipal jurisdiction. The intent and purpose of this Article is to provide the necessary guidelines required to protect the Mayors of Guam from any violation of the procurement process. Furthermore, this Article will establish the procedures and guidelines covering the expenditure and payment process relative to the construction, repair, and maintenance of secondary and tertiary roads.

§0201. **Definitions.** For the purposes of this Article, the following words and terms are defined as follows:

a. **Road Construction** means a major undertaking of a new, modified, or damaged public access (legal easement) road requiring the use of DPW services, rentals of heavy equipment, procurement of materials and supplies, and/or contractual services.

b. **Road Repair** means a major resurfacing, patching, and other road work on an existing secondary or tertiary road as a result of natural or man-made damages.

c. **Road Maintenance** means a minor resurfacing, patching, repair, debris/vegetation clearing, grass cutting, trash/litter removal and other minor road work on an existing secondary or tertiary road as a result of natural or man-made causes.

d. **Direct Payment** means the payment process for the procurement of materials, equipment, and/or services from a license vendor for amounts below \$500 in total value without having to go through the Requisition and Purchase Order process.

e. **Request For Proposal (RFP)** means a formal solicitation, invitation, or announcement to the general public for specialize (*skilled*) labor, major program or project undertaking, and/or other services required. All proposals or offers must respond to the requirements of the RFP packet published by the requesting agency.

f. **Normal Work** means a non-emergency work or tasks, which are assigned, scheduled, planned, and/or routinely performed at known periods.

g. **Emergency Work** means undertaking immediate action as a result of unforeseen conditions or circumstances so as to protect life and property.

h. **Contractual Services** means the recruitment of services from a licensed private contractor/vendor to provide equipment, supplies, materials and labor to undertake a specific task.

i. **Bid** means a process that assures the most competitive bidder provides for the required services, materials, and equipment in accordance to establish guidelines, proposals, specifications, and/or procedures for road construction, repair, or maintenance work.

j. **Procurement** means the process of obtaining the needed services, materials, and equipment towards the construction, repair, and maintenance of secondary and tertiary roads in accordance with procurement laws, and procurement rules and regulations, and the certification of the availability of funds.

§0202. Mayor's Jurisdiction. §40112 and §40113, Chapter 40, of Title 5 of the Guam Code Annotated, provides the Mayor with a myriad of powers, duties and responsibilities within his municipal jurisdiction. A Mayor is responsible for the

“general minor repair and maintenance” of public streets, roads, streetlights, Mayor’s office and any other community facilities within his municipality.

§0203. Procurement of Supplies, Materials, and Services; the Process for. For the purposes of this Article, the following paragraphs stipulate the process by which the Mayors’ Council of Guam is authorized to procure equipment, supplies and services.

a. In accordance with §2 of P.L. 24-184 and §8 of P.L. 22-50, the Mayor’s Council is authorized to purchase equipment, supplies, or services under the *Direct Payment* method “without going through normal government procurement procedures; provided that the purchases do not exceed Five Hundred Dollars (\$500) per purchase”. Furthermore, for purchases over Five Hundred Dollars (\$500), but less than One Thousand Dollars (\$1,000), a minimum of three (3) informal written or telephonic quotations are required from vendors. The law further stipulates, “none of the purchases under this section shall be artificially divided to meet the requirements of the Section”.

b. §4 of P.L. 25-118, adding Section 40119(c) to Title 5 of the Guam Code Annotated authorizes the Mayors’ Council to procure supplies and services having a value of less than Fifteen Thousand Dollars (\$15,000) without obtaining the approval of the General Services Agency (GSA). A Mayor must formally obtain a minimum of three (3) price quotations from the potential vendor and processes a Requisition for the responding vendor with the lowest responsible bid.

c. § of P.L. 25-118, provides that each Mayor is authorized to directly solicit and administer contracts for construction, road repair and beautification projects in accordance with procurement laws, rules and regulation, and availability of funds not to exceed a cost of Fifty Thousand Dollars (\$50,000.00) per contract. Such projects are to be reviewed by the Department of Public Works for compliance assurance within five (5) working days. The issuance and administration of the purchase orders for items approved by the Department of Public Works for procurement shall be the responsibility of the Mayors’ Council.

§0204. Guidelines and Procedures. For the purposes of this Section, the following paragraphs shall serve as the guidelines and procedures in undertaking projects within this Article.

a. Each district Mayor should have accurate knowledge of his secondary and tertiary road jurisdiction, boundaries, distances, and point within his municipality;

b. In reference to Road projects such as, construction, repair, and/or maintenance, the Mayor must take into full consideration the overall cost of work to be performed; the equipment and materials needed; professional technical assistance required; length of project, etc. in determining the proper procurement process to follow as outlined in §0203. Of this Article.

c. Under no circumstances shall the procurement for the overall requirement of a project, equipment, materials and supplies, etc. be divided so as to meet conditions of the “Direct Payment” method.

Article 3
Property Management;
Control of Inventory Items and the
Establishment of a Mayors' Council Master Inventory List.

- §0300. General Purpose.**
- §0301. Control and Inventory Procedures; Fixed Assets Under \$500.**
- §0302. Control and Inventory Procedures; Fixed Assets Over \$500.**
- §0303. Mayors' Council Master Inventory List; Establishment of.**
- §0304. Transfer and Disposal of Assets; Policy Authorizing Such Action.**

§0300. General Purpose. The intent and purpose of this Article is to establish the procedures and guidelines relative to the control, inventory, transfer and disposal of any fixed assets of the Mayors' Council of Guam. Additionally, this Article establishes the guidelines for a semi-annual inventory to be conducted of all fixed assets of the Mayors' Council of Guam.

It is of the utmost importance that the Mayors' Council of Guam ensures accountability for all public assets. Furthermore, while ensuring accountability, it will be the Council's responsibility to establish and maintain thorough records of all assets to ensure that appropriate objectives are met and that all pertinent regulations are followed. For the purposes of this Article, the term "*fixed assets*" shall mean all office furniture and equipment of the Mayor's office, and *does not* apply to real estate, buildings, community and recreational facilities.

§0301. Control and Inventory Procedures; Fixed Assets Under \$500. This Section shall apply to all fixed assets of the Mayors' Council of Guam valued below Five Hundred Dollars (\$500.00) at the time of purchase. Fixed assets applicable to this Section may include, but not be limited to computer systems and their components, typewriters, office furniture, air conditioning units, power and handheld tools, and

maintenance equipment, etc. In an effort to ensure accountability, status and control of all fixed assets applicable to this Section it shall be the responsibility of the Mayor to:

- a. Establish and maintain an inventory list of office and maintenance equipment that are deemed applicable to this Section;
- b. Conduct an inventory of all fixed assets applicable to this Section during the first month of the 2nd and 4th Quarters (January and July) of each Fiscal year;
- c. Update the inventory list as assets are acquired;
- d. Officially transmit a copy of quarterly inventory list to the Mayors' Council of Guam Administrative Office; *and*
- e. Advise the MCOG Administrative Office in writing, of the intent to transfer or dispose any assets identified under this Section prior to implementing such transaction.

§0302. Control and Inventory Procedures; Fixed Assets Over \$500.

This Section shall apply to all fixed assets of the Mayors' Council of Guam valued over Five Hundred Dollars (\$500.00). Fixed assets applicable to this Section may include, but not be limited to computer systems and their components, office furniture, air conditioning units, power and handheld tools, and grounds maintenance equipment (Bushcutters, chainsaws, etc.) passenger/cargo vehicles; riding and tractor mowers (to include implements), if applicable, heavy equipment such as Dump Trucks, Back Hoes, Front End Loaders, etc. In an effort to ensure accountability and control all fixed assets applicable to this Section, it shall be the responsibility of the Mayor to:

- a. Establish and maintain an inventory list of office and maintenance equipment that are deemed applicable to this Section;
- b. Conduct an inventory of all fixed assets applicable to this Section during the first month of the 2nd and 4th Quarters (January and July) of each Fiscal Year;

- c. Update the inventory list as assets are acquired;
- d. Officially transmit a copy of quarterly inventory list to the Mayors' Council of Guam Administrative Office; *and*
- e. Advise the MCOG Administrative Office in writing, of the intent to transfer or dispose any equipment identified under this Section prior to implementing such transaction.

§0303. Mayors' Council Master Inventory List; Establishment of. It shall be the responsibility of the Mayors' Council of Guam Administrative Office to create a Master Inventory List comprising of the inventory lists as submitted by the nineteen (19) District Mayors. The Council shall also serve as the custodian of the Master Inventory List coordinating with the District Mayors, the performance of the specified quarterly reviews of the inventory list making periodic adjustments as the status of assets at the district level change. In the creation of said Master List, the MCOG Administrative Office shall ensure that all pertinent categories are incorporated in the form to maintain a certain degree of integrity of all assets within the Mayors' Council of Guam. Upon the completion of the specified quarterly updates, the Council shall forward a copy of said list to each respective Mayor. Prior to the first month of the 2nd and 4th Quarter, the Council administrative office shall send out reminder notices to all Mayors to update their respective inventory list for submission to the Council.

Within thirty (30) days following a Mayoral General Election, the MCOG Administrative Office shall schedule a joint review of the district assets inventor list with the district Mayor. Upon the completion of the review process, the Mayor shall sign the inventory list verifying the accuracy of the inventory. This process shall be completed prior to a Mayor leaving office following such Mayoral General Election.

§0304. Transfer and Disposal of Assets; Policy Authorizing Such Action. In the absence of any laws, rules or regulations, at any time a Mayor determines that he or she no longer wishes to maintain in his or her possession certain assets of the Mayor's Office, the Mayor shall advise the MCOG Administrative Office in writing of the intent to dispose or transfer of said assets. Upon receiving official notice from

a Mayor of the intent to transfer or dispose of certain assets, the MCOG Administrative Office shall advise the Mayor of the process as established by the General Services Administration of the Department of Administration to effectuate such transaction. At the request of the Mayor, the MCOG Administrative Office shall provide the Mayor with the necessary documentation to effectuate either a transfer or disposal process.

Article 4
Humanitarian Assistance;
Eligibility and Documentation Requirements for the Processing.

- §0400. General Purpose.**
- §0401. Eligibility Requirements.**
- §0402. Documentation Requirements.**
- §0403. Request for Assistance; Processing of.**

§0400. General Purpose. As authorized in §40118(c) of Chapter 40, of Title 5, of the Guam Code Annotated, a Mayor may provide financial assistance to help defray the cost of providing immediate humanitarian services in case of emergency or unforeseen circumstances. The purpose of this Article is to establish the requirements and processing procedures by which a Mayor can provide this assistance to his/her constituents.

§0401. Eligibility Requirements. Upon requesting for Humanitarian Assistance, the applicant must:

- a. Either be a U.S. Citizen, a Naturalized Citizen (*Naturalization documents required*), or a Temporary Resident (by law);
- b. Be a registered resident in that village; if not registered, the applicant must show proof of residency of not less than three (3) months (ninety (90) days);
- c. Be able to substantiate (orally or in writing) the need to seek financial, material or in-kind assistance from the government.

§0402. Documentation Requirements. Majority of the request for Humanitarian Assistance being processed are for those village residents, or their family members who are in need of off-island medical treatment, or who have suffered personal and/or property loss resulting from fire. Mayors may also provide humanitarian assistance to residents or their family members who are facing difficulty

as a result of an unforeseen circumstance. Depending on the situation, the applicant must provide the necessary documentation for either of the following categories:

a. **Off-Island Medical Treatment.** The applicant on behalf of his or her minor child, or the authorized representative (*through a written authorization from the applicant*) must apply and provide the following documentation:

1. A referral letter signed by the applicant's local or off-island physician, or applicant's child's local or off-island physician indicating the need for medical treatment off-island.
2. Applicant's picture identification or other identification (i.e. Drivers License, Guam I.D., Social Security Card, Birth Certificate, etc.).
3. In the case of a minor child, the child's Guam I.D., Social Security Card, Birth Certificate, etc.

b. **Fire Victim.** The applicant or the authorized representative (*through a written authorization from the applicant*) must apply and provide the following documentation:

1. A certified true copy of the incident report from the Guam Fire Department.

c. **Unforeseen Circumstance.** The law is silent in providing a definition to the Mayors' Council as to what is to be recognized as an "unforeseen circumstance". In this regard, the Mayor, through his/her discretionary authority, may resort to the "test of reasonableness" to determine what constitutes an "unforeseen circumstance". In processing a Humanitarian Request for unforeseen circumstances, the applicant must complete the documentation as required by the Mayor and as well as provide the necessary identification (i.e. Drivers License, Guam I.D., Social Security Card, Birth Certificate, etc.).

§0403. Request for Assistance; Processing of. Upon satisfactorily meeting the eligibility and documentation/identification requirements as stipulated in the previous sections, the Mayor shall prepare the “Direct Payment” document and forward the request for Humanitarian Assistance to the Mayors’ Council Administrative Office for review, certification and processing. *(See Appendix II for Processing Procedures)*

Article 5

Official Vehicles; For Official Business Only;

Fueling, Repair and Preventive Maintenance of Such Vehicles.

§0500. General Purpose.

§0501. Use of Vehicles; Restricted to Official Business Only.

§0502. Fueling of Vehicles; Procedures for.

**§0503. Repair and/or Preventive Maintenance of Vehicles;
Procedures for.**

§0500. General Purpose. The purpose of this Article is to establish the authorized use of all MCOG vehicles, as well as establish the procedures relative to the fueling, repairing and maintaining of all official vehicles. The Mayors of Guam are entrusted with handling public resources, and are held responsible in the efficient, economic and effective application of those resources. It is further the responsibility of the Mayor to achieve the main objective for which those resources were provided. It is of the utmost importance that the Mayors' Council of Guam ensures compliance with applicable rules and regulations relative to the use, fueling, repair and maintenance of official vehicles. Furthermore, in the establishment of this Article, it is the Council's responsibility to maintain effective controls to ensure that resources are safeguarded, and that existing laws and regulations relative to official vehicles are followed.

§0501. Use of Vehicles; Restricted to Official Business Only. Taking into consideration all existing laws, rules and regulations relative to the use of official vehicles, it shall be the established policy of the Mayors' Council of Guam that all vehicles (passenger, cargo, utility, tractor mowers or other classifications of heavy equipment) purchased by a Mayor using public funds shall be used specifically for official business only. The use of any vehicle of the Mayor, Vice Mayor or office personnel, shall be restricted to activities in line with the performance of their official day-to-day duties and responsibilities. At no time shall a Mayor, Vice Mayor or office

personnel use any official vehicle for the purposes of personal gain or for any purpose not related to their official duties and responsibilities.

§0502. Fueling of Vehicles; Procedures for. For the purposes of this Section, it shall be noted that it is the sole responsibility of the Department of Administration to determine the “authorized” fuel provider for the departments and agencies of the Government of Guam. Upon receiving such information, the Mayor’s Council administrative office shall ensure the distribution of that information, as well as coordinate and implement the process to enable the Mayor, Vice Mayor and/or their designees to procure fuel for their vehicles and equipment. Understanding the conditions noted above, a Mayor is authorized to fuel all official vehicles utilizing public funds provided that:

- a. The vehicle has been properly registered with the Division of Motor Vehicles, Department of Revenue and Taxation and the Department of Public Works.
- b. The Mayor has allocated funding from his or her budget to the appropriate account for the purposes of purchasing fuel for such vehicle(s);
- c. The vehicle is indicated on the Mayor’s vehicle inventory list.

§0503. Repair and/or Preventive Maintenance of Vehicles; Procedures for. The repair and preventive maintenance of all MCOG Official Vehicles would require a Mayor to either procure the necessary parts and/or supplies for the vehicle, or procure the services of an automotive mechanic to undertake such repair and/or preventive maintenance. In the processing of documentation to provide for the repair and/or preventive maintenance of MCOG Official Vehicles, the procedures to effectuate such activity have been previously incorporated in §0101. (a), (b) and §0103. (b1) of Article 1 of this Act. In addition to the aforementioned Sections, the Guam Procurement Rules and Regulations shall also serve as the procedure in the application of this Section.

Article 6

MCOG Standard Operating Procedures; Amendments to

§0600. General Purpose.

§0601. Amending Standard Operating Procedures; Process for.

§0600. General Purpose. The intent of this Article is to establish the procedures and guidelines by which the members of the Mayors' Council of Guam may from time to time on an as needed basis, propose and adopt amendments to the various Articles within the MCOG Standard Operating Procedures (SOP's). Furthermore, this regulation applicable to the Mayors' Council of Guam with respect to the procurement process unless said law, rule or regulation has been amended or repealed by a succeeding law, rule or regulation.

§0601. Amending Standard Operating Procedures; Process for. The Mayors' Council of Guam Standard Operating Procedures (SOP) may be amended at any Regular or Special Meeting by a Two-Thirds (2/3) vote of the entire membership, provided that the proposed amendment is submitted in writing to the President and all Council members one (1) week prior to such Regular or Special Meeting.

Appendix I

Payment Procedures; Mayor's Operations Fund and Special Funds Direct Payments, and Requisitions.

Section 1. General Purpose and Intent. The purpose of this Appendix is to provide the Mayors, Vice Mayors and administrative support staff with a reference guide that can be used when preparing, submitting and processing documents pertaining to procurement below Five Hundred Dollars (\$500.00), procurement below One Thousand Dollars (\$1,000.00). These procedures are applicable to the Mayors' Operations Fund and any other Special Funds (*i.e.: Village Streets Fund, Healthy Futures Fund and Tourist Attraction Fund, etc.*) appropriated to the Mayors' Council of Guam. It is the intent of the Mayors' Council of Guam to ensure compliance of the Guam procurement laws, rules and regulations and procurement laws applicable to the Mayors' Council. The following paragraphs specifically outline the procurement and payment process currently being implemented by the Mayors' Council Administrative Office. It shall be noted that the following process and documentation is based on the Guam Procurement Law and the administrative process of the Department of Administration, and shall remain in effect until such time that this process has been declared null and void or no longer in effect.

a. **Purchases Below Five Hundred Dollars (\$500.00).** P.L. 24-184 authorizes Mayors/Vice Mayors to make Direct Purchases for equipment, supplies or services without the necessity of going through the normal government procurement procedures for purchases below Five Hundred Dollars (\$500.00). Respective Mayors/Vice Mayors shall cause for the preparation and submission of Direct Payment documents to the Mayors' Council for processing no later than three (3) days following each purchase.

1. Direct Purchases below \$500 from a licensed vendor is authorized by law; Price quotations are not required under this category; Direct Payment Requests are completed and submitted to the Mayors'

Council Administrative Office; the Mayors' Council verifies the completeness, accuracy, and conformity; Upon verification, the Direct Payment Request is assigned a document number and verified as to the availability of funds;

2. The Direct Payment Request is forwarded to the Department of Administration for payment process; *and*

3. The Mayors' Council then retrieves follow-up of payment status to vendor, and respective Mayor/Vice Mayor will be provided a printout of the vendor's payment status. The respective Mayor's authorized personnel will then reconcile the Office's budget ledger, and advises the Mayors' Council if there are any discrepancies.

b. **Purchases Below One Thousand Dollars (\$1,000.00).** Direct Purchases to procure equipment, supplies or services not to exceed One Thousand Dollars (\$1,000.00) is authorized by P.L. 24-184. Respective Mayors/Vice Mayors shall cause for the preparation and submission of Direct Payment documents to the Mayors' Council for processing no later than three (3) days following each purchase.

1. A minimum of three (3) informal written or telephonic quotations must be solicited from a licensed vendor: state the name of the vendor; name of the person giving the price quotation; date, the name and signature of the Mayor's authorized personnel soliciting price quotations Attach said price quotations to the Direct Payment Request form. The Direct Payment Request form is then fully completed and submitted to the Mayors' Council; the Mayors' Council verifies the completeness, accuracy, and conformity; upon verification, the Direct Payment Request is assigned a document number and certified as to the availability of funds.

2. The Direct Payment Request is forwarded to the Department of Administration for payment process; *and*

3. Follow-up procedure is the same process as indicated above in subparagraph 3 of Section 1.

c. **Purchases Over One Thousand Dollars (\$1,000.00).** For processing Payment Requests to vendors for purchases over One Thousand Dollars (\$1,000.00), respective Mayors/Vice Mayors shall cause for the preparation and submission of invoices to the Mayors' Council for processing no later than three (3) days following each purchase.

1. Prepare the Scope of Work or Type of Equipment being requested;

2. Identify the work to be performed and provide specific location of the project site:

3. Identify the equipment to be purchased or contracted, state and provide specific location of the project site where the equipment is to be used;

4. Request for Quotation (RFQ) from three (3) licensed vendors, and provide all supporting documents (Photostat copies of facsimile transmittals to vendors and all related response from the vendors); and state the deadline for response. The RFQ must be fully completed;

5. The Summary of Price Quote form must accompany the RFQ: State the project to be undertaken or equipment to be purchased/contracted, and the list of vendors being solicited to include their price quotes or responses if no quotes were given;

6. Requisition is then prepared and signed by the respective Mayor/Vice Mayor. All required and supporting documents must be attached to requisition with signatures/dates where required;

7. Requisition is submitted to the Mayors' Council for verification of completeness, accuracy, conformity and assigns document numbers and verifies the availability of Funding;

8. Requisition is then routed to DOA's Quality Control Division for the encumbrance of amount indicated on requisition, or to Public Works for conformity of building codes and construction procedures and requirements;

9. The Mayors' Council then prepares Purchase Order after meeting and completing all the processes indicated above. The Mayors' Council Executive Director signs Purchase Order. The Mayor (*or his designee*) delivers the Purchase Order to the vendor, and oversees the accountability and completeness as stated on the Purchase Order;

10. No later than three (3) days following the receipt of goods and/or services, the Mayor's Office is responsible to submit to the Mayors' Council the Original invoice, or a "Certified True Copy of the Original" invoice signed/dated. The Mayors' Council will then transmit to DOA for payment; *and*

11. All documents are hand-carried to DOA by the Mayors' Council, and are acknowledged by DOA. Said copies are provided to the respective Mayor's Office. Follow-up procedure is the same process as mentioned above (Subparagraph a(3) of Section1).

Appendix II

Processing Procedures; Humanitarian Assistance.

Section 1. General Purpose and Intent. The purpose of this Appendix II is to provide the Mayors, Vice Mayors and administrative support staff with a reference guide to be used when preparing, submitting and processing documents pertaining to Humanitarian Assistance. As promulgated in §40118 (*The Municipal Fund*) Chapter 40, Division 4 of Title 5 of the Guam Code Annotated, the Mayors of Guam are authorized to defray the cost of providing immediate Humanitarian Services in case of emergency or unforeseen circumstances to their constituents. In no case shall such assistance exceed Five Hundred Dollars (\$500.00) in cash, materials or in-kind services.

Section 2. Processing Procedures. In order to properly process a request for Humanitarian Assistance, a Mayor/Vice Mayor shall comply with, or cause the compliance of the following procedures for the purposes of accountability:

a. Upon receiving a request for Humanitarian Assistance, the Mayor/Vice Mayor shall determine (1) if the recipient has a Government of Guam Vendor Number, or (2) if the recipient needs to obtain a Vendor Number from the Division of Accounts, Department of Administration (DOA). The Office of the Mayor may assist in this process by completing DOA's "Establishing Vendor File" form, or the requestor may directly apply for a Vendor Identification Number from DOA.

b. Prepare Humanitarian Request Form with the amount not to exceed Five Hundred Dollars (\$500.00). Information on the Humanitarian Request Form, and pertinent documentation attached to said form shall include:

1. Requestor's full name, Social Security Number, Physical and/or Mailing Address, Contact Number(s) and Signature.

2. Requestor must provide photo identification card (*to include a photo identification of individuals authorized to pick-up check*). In the case where the recipient is a minor, the Requestor, in the absence of a photo identification shall provide a copy of a minor's Birth Certificate.

3. Documentation to be attached to the aforementioned form may include medical referral documents; documentation relative to fire victims; documentation relative to sports programs; and non-profit organizations.

4. Upon completion of the Request Form, The Mayor/Vice Mayor shall submit completed Direct Payment to the Mayors' Council Administrative Office for review, certification and processing.

Appendix III

Internal Control Checklist

Please note that answering “yes” indicates that a desired control is in place; answering “no” indicates that a control weakness may be present, and corrective action may be necessary. Keep in mind that some questions may not be applicable to all operations.

General Controls	Yes	No	N/A	Comments
Does the Mayor’s Office have an accounting system such as QuickBooks, Peachtree, MAS 90, etc.?				
Does the Mayor’s Office have adequate written statements and explanations of its account policies and procedures?				
Are accounting policies and procedure manuals updated as necessary?				
Are manuals distributed to appropriate personnel?				
Is there a periodic review of accounting procedures with all staff?				
Cash Receipts	Yes	No	N/A	Comments
Are responsibilities for collecting, depositing and recording cash receipts performed by different individuals?				
Are cash receipts recorded on pre-numbered duplicate receipt forms with the original copy given to the payer?				
Are deposits compared on a daily basis to pre-numbered receipt forms by someone other than the employee initially receiving cash?				
Is “For Deposit Only” stamped on incoming checks as soon as received?				
Are all checks received made payable to the Mayor’s Office?				
Are adequate physical facilities provided for safeguarding cash until it can be deposited (locked away)?				
Does adequate accountability exist to identify who is responsible for cash at any given time (Is responsibility for cash receipts fixed from the time they are received until sent to the bank)?				
Are cash receipts deposited on a daily basis?				

Cash Receipts (cont'd.)	Yes	No	N/A	Comments
Are Deposit/Receipt Forms and supporting documentation reviewed by an employee not involved with the cash collection process?				
Are cash overages or shortages reported?				
Are employees prohibited from using cash receipts to make cash disbursements?				
Is a comparison of daily reported receipts conducted on a test basis to bank statements to verify timeliness of deposits?				
Cash Disbursements	Yes	No	N/A	Comments
Are responsibilities for disbursement preparation and disbursement approval functions segregated from those recording or entering cash disbursements information?				
Are all cash disbursements made by check?				
Are pre-numbered triplicate checks used where the original check is given to the Payee, the duplicate filed in the vendor file and triplicate saved as the check register copy?				
Are dual signatures required on all checks?				
Are disbursements made only when approved by authorized person?				
Are all bills or disbursement vouchers presented together with the checks for signature?				
Are all supporting documents properly marked "Paid" at time of signature to prevent duplicate payment?				
Are all bills or disbursement vouchers approved by someone other than the check signer?				
Are voided checks preserved and filed after appropriate mutilation?				
Is there a written prohibition against drawing checks payable to cash?				
Financial Records	Yes	No	N/A	Comments
Is a monthly review and reconciliation of all bank statements and correspondence performed (preferable within 15 days after the statement date)?				

Financial Records (cont'd.)	Yes	No	N/A	Comments
Is a monthly review and reconciliation of all bank statements and correspondence performed by someone unrelated to the cash receipts or disbursement functions?				
Does a responsible official, other than the preparer, review completed bank reconciliations?				
Is the completed bank reconciliation initialed and dated by both the preparer and the reviewer?				
Does the entity's accounting system allow management to record financial transactions, view the data by category, and create timely reports to maintain accountability for the government's assets?				
Is computerized data backed up daily and source documents retained?				
Are all financial recording documents sequentially pre-numbered, retained, and accounted for, including spoiled or voided forms?				
Are records properly guarded from fire, theft and manipulation?				
Are monthly financial statements (e.g. Trial Balance, Balance Sheet, Income Statement, etc.) prepared?				
Are monthly financial statements reviewed and approved by the Executive Director?				



STANDARD OPERATING PROCEDURES

- NON-APPROPRIATED FUNDS (NAF)

MAYORS' COUNCIL OF GUAM

STANDARD OPERATING PROCEDURES

NON-APPROPRIATED FUNDS

- §0100. Purpose of Internal Control.
- §0101. Principles of Internal Control.
- §0102. NAF and Types of NAF.
- §0103. Mayor's Responsibilities.
- §0104. Administrative Assistant or Duly Appointed Treasurer Responsibilities.
- §0105. Municipal Planning Council Responsibilities.
- §0106. Procedures for NAF Revenue/Expenditure.
- §0107. Procedures for After Hour Bingo and Gaming Activities.

§0100. Purpose of Internal Control. (*Note: In reviewing the MCOG Standard Operating Procedures, the Public Auditor found this Article to be "too general". Therefore, the "OPA Internal Controls Procedure & Checklist" have been incorporated in this Article, as recommended by the Public Auditor.*)

It is the Mayors' Council of Guam's responsibility to set up policies and procedures to safeguard its assets, especially cash. To do so, Mayors and their employees must understand and apply basic principles of internal controls. Mayors often control their entire operation. They supervise employees, participate in all activities, and make major decisions. At some point, Mayors must delegate responsibilities and rely on formal procedures rather than personal contact in controlling and knowing all operations of their office. Mayors use an internal control

system to monitor and control their operations. An internal control system is all the policies and procedures Mayors use to:

- a. Protect assets;
- b. Ensure reliable accounting;
- c. Promote efficient operation;

§0101. Principles of Internal Control.

§0102. NAF and Types of NAF. Enabled by law, are not appropriated by the Legislature, and do not require legislative action to be spent. Types of NAF:

- a. Fundraising Activity Funds – cash raised, with the Mayors’ Council of Guam or village Mayors approval.
- b. Bingo or Gaming Funds (related to Festivals, After Hour Bingo or Fiestas) – Cash proceeds from activities during festivals, fiestas, bingo or village approved gaming.
- c. Donations Funds – Cash raised from the donations of individuals, groups, non-profit organizations for the use of equipment or facilities under the jurisdiction of the village Mayor.

§0103. Mayor’s Responsibilities. Held responsible and accountable for all NAF funds and ensures that NAF SOP is implemented and followed.

§0104. Administrative Assistant or Duly Appointed Treasurer Responsibilities.

- a. Ensures that the NAF Funds monthly and annual financial reports are submitted timely.
- b. Ensures that the deposits are made daily or assign a designate to perform responsibility during absence.
- c. Approves all vouchers and payments and ensure that it is properly documented.
- d. Verifies all money being deposited to the bank with the Cash Count Sheet and receipts.

- e. Ensures that deposits are made to the bank on a daily basis.
- f. Records and maintains all NAF accounts (General Ledger and Subsidiary Ledgers).
- g. Reviews all vouchers to ensure that all supporting documents such as receipts, required signatures, meeting minutes, and voucher are complete.
- h. Prepares monthly statements of accounts as mandated or necessary.
- i. Provide Department of Revenue Tax Form 1099 after every calendar year (by January 31) for all payments to individuals, vendors, contractors, businesses for payments from the NAF of Six Hundred Dollars (\$600.00) and above.

§0105. Municipal Planning Council (MPC) Responsibilities. The Mayor, as Chairman, and Municipal Planning Council (MPC) members:

- a. Oversee the receipts and expenditures
- b. Final approval of all expenditures over Five Hundred Dollars (\$500.00) from NAF.
- c. Opens a bank account for NAF.
- d. Appoints secondary check signatory and alternate signatories.

§0106. Procedures for NAF Revenue/Expenditure.

- a. All fundraising revenues must be fully accounted for before, during, and after the event.
- b. Administrative Assistant and additional office staff completes Cash Count Sheet.
- c. Administrative Assistant submits cash collections and Cash Count Sheet to the Mayor.

- d. Mayor verifies cash collections and Administrative Assistant prepares deposit slip and deposits cash collections to the bank daily or if not possible, at the soonest time after.
- e. All Mayors offices must have a sequenced number receipt book (triplicate) for use with all revenue transactions.
- f. Administrative Assistant enters Cash Count Sheet information into proper file or computer accounts file.
- g. Administrative Assistant acquires bank receipt/deposit slips from bank and properly files in proper designations.
- h. Administrative Assistant provides completed Cash Count Sheet, receipts, and deposit slips to the Mayor weekly/monthly.

1. **Disbursements for Non-Appropriated Funds (NAF).**

- a. If expenditure of funds is required, a payment request form must be completed and submitted to the Mayor for approval.
- b. If buying goods or paying for services, Administrative Assistant acquires one (1) price quote (if expenditure is less than \$500) or three (3) price quotes (if more than \$500).
- c. Administrative Assistant ensures the club has enough money to spend.
- d. No check shall be payable to “CASH” or left blank as to the payee.
- e. The Mayor must be a signatory on every disbursement unless incapacitated or “off-island” wherein the Vice Mayor or a duly submitted alternate signatory may sign.
- f. If expenditure is less than One Hundred Dollars (\$100.00), the Mayor approves and instructs Administrative Assistant to prepare check with corresponding invoice or Request for Payment form.

- g. If over One Hundred Dollars (\$100.00), Municipal Planning Council (MPC) approves and returns the approval with corresponding meeting minutes to the Mayor for processing with the Administrative Assistant.
- h. Administrative Assistant prepares check for Mayor's signature and additional authorized signatory with corresponding invoice or Payment Request form.
- i. Administrative Assistant pays and acquires original receipt from vendor, individual, contractor, or business.
- j. Administrative Assistant submits receipt to Mayor for acknowledgement.
- k. Administrative Assistant compiles receipt with the paid invoice, approved Request for Payment form, price quotes, and meeting minutes.
- l. Disbursements are for office benefit or village improvements.
- m. If buying goods or paying for services, individual acquires one (1) price quote (if expenditure is less than \$500) or three (3) price quotes (if more than \$500).
- n. Individual completes voucher and submits it (and the price quotes) to the Administrative Assistant.
- o. Administrative Assistant will advise Mayor of expenditure request.
- p. Administrative Assistant ensures all records are accurate and complete; and signs voucher.
- q. Municipal Planning Council (MPC) approves disbursements over \$1,000. Otherwise, Mayor approves.
- r. Administrative Assistant prepares check for Mayor's signature and additional authorized signatory.

- s. Administrative Assistant provides check to authorized staff.
- t. Authorized staff pays vendor with the check and obtains original receipt from the vendor.
- u. Authorized staff submits original receipt from vendor to Administrative Assistant.

2. Contracts.

- a. Contracts refer to written agreements between the Mayor's office and an outside organization or vendor.
- b. Commonly used for use of hotel venues and purchase of t-shirts, food catering, small engine repairs, etc.
- c. Administrative Assistant and authorized staff should remember to carefully read over and understand a contract before submitting for approval to the Mayor or Municipal Planning Council (MPC). The obligations agreed to must be carried out.
- d. The Mayor or his/her designee is the only authorized person to enter into contracts/agreements with outside organizations/vendors. The Mayor must approve and sign contracts/agreements before the Administrative Assistant submits it to the vendor.
- e. A copy of the proposed contract must be attached to the Request for Payment form for approval.

3. Correction Entry – Voids and Negative Balances.

- a. No Disbursements will be made if the NAF account has a negative balance or the disbursement will cause a negative balance.
- b. The Mayor shall be aware of any negative balance.
- c. The Mayor shall investigate and take timely corrective action to eliminate the cause of the negative balance.

4. **Reporting.**
 - a. **Ledger.**
 - i. General Ledger – Main accounting record that shows all transactions, including reversals and voids, for all accounts for one year.
 - ii. Subsidiary Ledger – Accounting record of all transactions for one sub-account. For example, all festival/fiesta transactions will be shown in its subsidiary ledger.
 - b. **Bank Statement and Bank Reconciliation.**
 - i. Bank Statement – Provided monthly by the bank, shows the receipts and disbursements that went through the bank.
 - ii. Bank Reconciliation – Document that shows accounting for the difference between bank statement balance and Administrative Assistant’s report for the month. It lists the amount of deposits in transit, outstanding checks, bank charges, interest earned, and errors.
 - iii. Monthly – Recommended to be submitted to the Mayor and Municipal Planning Council (MPC) monthly. The monthly report consists of general and subsidiary ledgers, bank statement, bank reconciliation, monthly, and activity reports from the first to the last day of each month.
 - iv. Quarterly – Recommended to be submitted to the OPA, Guam Legislature, and MCOG Executive Director.
 - v. Annual – Submitted to the Mayor by July 15 of each year. The annual report consists of general and subsidiary ledgers, bank statement, bank reconciliation, monthly, and activity reports from October 1 to September 30 of each year.

- vi. Mayor and Administrative Assistant receives monthly bank statement.
- vii. Administrative Assistant prepares bank reconciliation to match balances in financial statements, bank statement, and General Ledger.
- viii. Administrative Assistant provides monthly bank statement, bank reconciliation, financial report, and General Ledger to Mayor.

§0107. Procedures for After Hour Bingo and Gaming Activities.

All Non-Appropriated Fund (NAF) procedures outlined in the foregoing pages must be followed for all revenue and expenditures with these funds.

Adopted on Wednesday, January 6, 2016 during the Regular Monthly Meeting of the Mayors' Council of Guam.

APPROVED:



MAYOR PAUL M. MCDONALD
President



MAYOR LOUISE C. RIVERA
Vice President

MAYORS' COUNCIL OF GUAM

GENERAL INFORMATION ON APPROPRIATED AND NON-APPROPRIATED FUNDS

❖ Common Deficiencies

FREQUENTLY ASKED QUESTIONS

- Reimbursement - When vendors do not accept checks, can a person be reimbursed if the person uses his/her personal funds to cover for the purchase? This is frequently encountered for travel.
 - For Appropriated Funds, it is not allowed. For NAF, it is highly discouraged. Seek guidance from MCOG Administrative Office.
- Debit Cards – Is it possible to obtain a debit card to use for offices/village purchases?
 - Offices are not allowed to obtain a debit card, even if it is intended to be used to purchase goods immediately or cheaper goods on-line. This is to prevent abuse.

- Purchases - Although we obtained three quotes, the Mayor wanted to go with the more expensive vendor; OR only one vendor can provide the goods or services. Can we purchase from that vendor?
 - For Non-Appropriated Funds (NAF), the Municipal Planning Council (MPC) meeting minutes must show that majority of the members voted to go with the most expensive vendor. Written justification and supporting documentation must also be provided in the voucher. For example, if the vendor was the only one flexible to accept orders last minute, show evidence of such.
 - For Appropriated Funds (AF), written justification and supporting documentation must be on file. For example, if the vendor is the only one who could provide the service, show evidence of such.

❖ Requisition Procedures

FOR SUPPLIES OR SERVICES NEEDING 3 RFP's

- Like Direct Payments, all the information on requisitions must be complete. DO NOT leave anything blank, assuming the MCOG clerk will take care of it for you.
- Make sure the mailing address is correct. DONOT leave the zip code out assuming the MCOG clerk will write it in for you.
- Make sure to indicate the vendor number.
- Make sure to indicate the public law that allow the Mayors' Council to prepare our own purchase orders, which is: **“Legal Authority: P.L. 25-118, Section 4(c)”**.
- Before preparing a requisition, you must first call the vendor you would like to do business with, to find out if they accept Government of Guam purchase orders.
- Indicate the district's name and telephone number on top right corner.
- SEE ATTACHED for proper instructions on how to prepare a requisition.
- You need to prepare a blank “PRICE QUOTE FORM” and be as general as possible on the project or purpose. DO NOT use brand names. If you are requesting for a particular type of service or equipment, you indicate on your ‘SCOPE OF WORK’ form the justification as to why you are requesting that type of equipment or service.
- You could use one price quote form if you are requesting for different types of equipment. The lowest bidder will be highlighted and selected.
- If you are going to purchase a computer or laptop, you need to get the specifications from the Bureau of Information Technology (BIT) department website. You may request for this website from the MCOG clerk.

- All computer and laptop requests will be sent to Bureau of Information Technology (BIT) department.
- Fax your blank price quote request to three (3) different vendors, relating to the need of your price quote. Attach a copy of the transmittal report with your blank price quote to show that the price quote form was in fact faxed to the respective vendors. If the price quote request was a walk-thru, you need to indicate that it was and have the vendor sign the blank price quote form.
- When your office receives a response from a vendor, attach the response in the front of the blank price quote request, and transmittal report.
- If you have one (1) quote and the other vendors do not want to give you a quote, that is okay, it is still considered a quote. However, make sure to indicate who you spoke to and their title. Also, if possible, try to get another quote from another vendor, just make sure you have tried all avenues in acquiring a quotation.
- Prepare a "SCOPE OF WORK" form. REMEMBER: What you do on price quote form, you do on a scope of work form. Only difference is now you are able to identify the type of equipment or services you are requesting for. List below from the lowest proposal to highest, their vendor name, and the amount of proposal. If the lowest vendor does not have the item or service available, you may go the next lowest vendor. However, make sure to justify why you are going with the next lowest vendor.
- Prepare a Requisition. REMEMBER: What you do to a scope of work, you do on a requisition.
- Make sure the Mayor signs the requisition.
- Once the MCOG clerk and the certifying officer reviews the documents, and a document number is given, it is then forwarded to DOA Quality Control for funds to be encumbered.

- When the funds for the requisition has been encumbered, DOA will return the requisition back to MCOG and clerk will then prepare a Purchase Order for that vendor.
- Instructions on distributing Purchase Orders are always given by the MCOG clerk.
- Receiving Reports from the Purchase Orders must be signed by the Mayor, Vice Mayor, or authorized personnel. If this is NOT done, or submitted to the MCOG Administrative Office, the invoices will not be able to be sent to DOA for payment.
- Acknowledgement Copies from the Purchase Orders must be signed by the vendor and dated then submitted to MCOG Administrative Office for further processing. If this is NOT done or submitted to the MCOG, invoices will not be able to be sent to DOA for payment.
- If you are purchasing supplies or having services done to your official vehicles, PLEASE make sure that the license plate number of that official is indicated on the invoice. If this is not done, and it was inadvertently missed by the MCOG Administrative Office, DOA will definitely recognize the missing information and return the invoice(s) back to the MCOG Administrative Office.
- If you are purchasing food or having a function catered, make sure to indicate the type of function on the invoice.
- If your invoice is not letter sized (8½" x 11"), please tape (transparent or double-sided) the invoice to a recycled paper on each corner. **DO NOT STAPLE IT!**
- When you use recycled paper, **DO NOT** use documents that show an individual's SSN or private information.
- All invoices must be accompanied with a copy of the Receiving Report (RR) attached to the back. If you do not have one, please inform the MCOG clerk, to provide one for you.

- Make sure to make a copy of your Requisition for your records before submitting to MCOG Administrative Office. Do not depend on the MCOG clerk to make them for you that is **YOUR** responsibility as the Administrative Assistant.
- A copy of the Requisition will be provided for your office once a document number has been given and has been routed to DOA Accounting Office for Processing.
- Attach the processed document to your document on file showing that a document number had been given.
- REMINDER – the following is how the Requisition should be submitted:
 1. Requisition
 2. Scope of Work
 3. Three (3) Price Quotes that contain the vendor's quote and the blank Price Quote that was sent to them.



Procurement Process Summary

I. Direct Payment - P.L. 24-184, Section 2

- Purchases for under \$500, the Mayors' Council is authorized to procure equipment, supplies or services without the necessity of going through the normal government procedures; and with the exception of the Sports Entrance Fee.
- And for purchases for equipment, supplies and services from \$500 to \$1,000, the Mayors' Council is required to solicit a minimum of three (3) informal written or telephonic quotations from Vendors.
- Invoices - Purpose (verbiage)/Inv. Number/Date and Object Class)
- Receipts for Reimbursements (signed by authorized person)
- None of the purchases under this authority shall be "artificially" divided to meet the requirements of this process.

II. Requisition - Public Law 25-118, Section 2(b)

- Mayors are authorized to directly solicit and administer contracts for construction, road repair and beautification projects in accordance with procurement laws, rules and regulations with an amount not to exceed \$50,000.00 per contract.
- Subject projects are to be "reviewed" by the Department of Public Works (DPW) for compliance assurance within five (5) working days. MCOG - Adm. Office will then transmit Requisition to DPW for review.
- Upon DPW's approval, the Mayors' Council shall be responsible in executing the Purchase Order after encumbrance has been made with the Quality Control Div., Dept. of Administration.

*Building permit must be included in the Price Quote Request in which the Vendor is responsible for the permit cost.

III. Requisition - Public Law 25-118, Section 4(c)

- Purchase of Up to \$250
... One (1) written or one (1) telephonic positive (with an amount) quotation will be obtained.
- Purchase of \$250 to \$500
... Three (3) written or three (3) telephonic positive (with an amount) quotations must be obtained.
- Purchase of \$500 to Less than \$15,000
... Must complete the price quote request form and fax to three (3) Vendors or more that carries the type of commodity or service your Office is requesting. Indicate the respond date which is four (4) calendar days from the date the request for price quotation is faxed out.
... Must have no less than three (3) positive (with an amount) price quotations.
- Purchase of 15,000 and Over (Requires Bid Process by GSA/DOA)
... For vehicles, equipment and heavy equipment, the Vehicle Specifications from the Department of Public Works must be attached to the Requisition; and attach any required documents, if any.

IV. Purchase Order – Public Law 25-118, Section 4(c)

- Articles or Services
... “Strictly” the commodity and/or services indicated, and nothing else.

... Indicate three (3) Authorized Personnel along with the respective Mayor and Vice Mayor inclusive of their MCOG I.D. Nos.

V. Object Class – Definition

- 220 ~ Travel
- 230 ~ Contractual Service
- 233 ~ Rental (Office Space)
- 240 ~ Supplies/Materials
- 250 ~ Equipment ~ \$5,000 or Less
- 271 ~ Drug Testing
- 290 ~ Miscellaneous
- 361 ~ Power
- 362 ~ Water
- 363 ~ Telephone
- 450 ~ Capital Outlay ~ Over \$5,000