

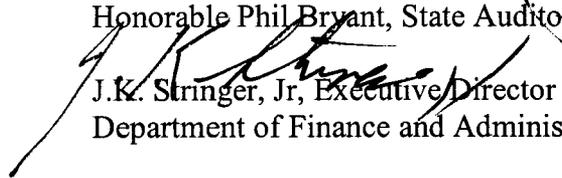


STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION
J. K. STRINGER, JR.
EXECUTIVE DIRECTOR

May 18, 2005

To: State and Local Government Purchasing Officials
State Finance Officers

From: Honorable Phil Bryant, State Auditor 

J.K. Stringer, Jr, Executive Director
Department of Finance and Administrator

Subject: Purchases Using Federal Homeland Security Grants

The Office of the State Auditor (OSA) and the Department of Finance and Administration (DFA) jointly developed the attached "Information Sheet" to provide guidance to State Agencies and local governing entities using Federal Homeland Security Grants for purchases.

Please be advised that all governing entities who have access to Homeland Security Grants are still required to follow the State's purchasing laws in acquiring goods and services with these funds. We realize that some vendors have offerings that would facilitate the purchase of goods and services that are not available through the State Contracts issued by DFA's Office of Purchasing and Travel. It is the governing entity's, not the vendor's, responsibility to ensure that all applicable laws and existing policies are followed.

Should there be questions regarding these matters, please direct them to Gina Davis at (601) 359-2007 or marting@dfa.state.ms.us or Rhuel Dickinson at (601) 576-2658 or rhuel@osa.state.ms.us.

Attachment

State of Mississippi Information Sheet Concerning Purchases Made by State Agencies and Governing Authorities Using Homeland Security Grants

Prepared and distributed by the Office of the State Auditor and
The Department of Finance and Administration – May 18, 2005

The State of Mississippi strongly supports the efforts of Homeland Security. There have been many questions concerning certain purchases by state agencies (state) and governing authorities (local) using the Homeland Security grants. This document is written to assist purchasing officials of the various state agencies and governing authorities in a better understanding of their potential use of these grants. For the purposes of this document, the following definitions may be helpful:

- State agency is defined as any state board, commission, committee, council, university, department or unit thereof created by the Constitution or statutes.
- Governing authority is defined as a city, county, school district, or political subdivision of the state supported wholly or in part by public funds of the state or political subdivision thereof, including commissions, boards and agencies created or operated under the authority of any county or municipality of this state.

The Office of the State Auditor (OSA), the Department of Finance and Administration, Office of Purchasing and Travel (OPT) and the Department of Finance and Administration, Office of Fiscal Management (OFM) have had discussions concerning the procedures for purchasing goods and services using the Homeland Security grants. The various state agencies and governing authorities are required to follow state purchasing laws for goods or services acquired using these funds.

It is the responsibility of the purchasing entity to verify if the products they are purchasing are available on a State Contract established by the OPT or the Department of Information Technology Services (ITS), and if so that the prices and terms are in full compliance with the State Contracts established by the OPT and ITS. State agencies using the Statewide Automated Accounting System (SAAS) or governing authorities using their own centralized accounting systems may use the procurement card to order state contract items. These procurement card purchases are limited to \$3,500 or the amount set by the entity, whichever is less. State agencies and institutions should remember, except in the case of the procurement card purchases, most purchases require the issuance of a purchase order. Purchases made without the issuance of a purchase order would be considered to be an illegal use of government funds.

In general, Counties are required to issue purchase orders for all purchases in excess of \$100. Counties may order state contract items or county contract items using a procurement card. Purchases are limited to \$3,500 when using a procurement card. For governing authorities, payments for goods and services must be made upon approval of the governing body through the statutory claims process, unless a legally adopted procurement credit card system is used.

Cities are not required to issue purchase orders. Cities may order state contract items or city contract items using a procurement card. These purchases are limited to \$3,500. Cities must be in compliance with their own city requirements concerning approvals for encumbrance of funds. For governing authorities, payments for goods and services purchased must be made upon approval of the governing body through the statutory claims process, unless a legally adopted procurement credit card system is used.

K-12 schools are required to issue purchase orders in compliance with the regulations adopted by the State Auditor's office. If they have established a procurement card system, they may order state contract items or school contract items, when using a procurement card. These purchases are limited to \$3,500 or the amount set by their board, whichever is less. For governing authorities, payments for goods and services purchased must be made upon approval of the governing body through the statutory claims process, unless a legally adopted procurement credit card system is used.

All entities should remember that there is limited authority for cities or counties to purchase from contracts established by other cities or counties. Certified Purchasing Offices, as defined in the Mississippi Code, Section 31-7-1 (i) and 31-7-9 (3), may purchase from authorized purchasing cooperatives as defined in Section 31-7-13 (m)(xxix) and in accordance with procedures established by OPT and ITS. There is also some authority for school districts to create cooperative contracts as well as some authority for hospitals to purchase from cooperative contracts. There is also authority for school districts to purchase from contracts established by their taxing authority.

It should be noted that the laws of the State of Mississippi and the terms of the State of Mississippi Contracts indicate the prices are strictly for the use of state agencies, governing authorities, Institutions of Higher Learning (IHL) and other public education entities. OPT and OSA will provide additional information if needed on the guidelines of applicable state statutes and requirements for public entities in the state. Any questions concerning these matters can be directed to Gina Davis at 601-359-2007 or marting@dfa.state.ms.us or Rhuel Dickinson at 601-576-2658 or rhuel@osa.state.ms.us.