

**STATE OF VERMONT**  
**DEPARTMENT OF ENVIRONMENTAL CONSERVATION**  
**DRINKING WATER AND GROUNDWATER PROTECTION DIVISION**

Financial Process:	DWGWP Purchasing Procedure	Issue Date:	6/23/2020
Topic:	Internal Control	Effective Date:	6/23/2020
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Prepared / Revised by:	Beth Bannar, Sharon Bissell	Revision Date:	6/10/2020

**PROCEDURE OBJECTIVE**

This policy is to ensure the rules and regulations governing purchasing of goods and services as well as invoice payments are adhered to. All purchasing must be approved in advance according to Department and Division procedures. All invoices must be according to the vendor’s terms and conditions to prevent suspension of accounts for non-payment. The objective of this procedure is to provide clear written guidance to the purchasing for the Drinking Water and Groundwater Protection (DWGWP) Division, Department of Environmental Conservation (DEC), Agency of Natural Resources (ANR), State of Vermont.

**IMPACTED PROGRAMS and TYPES OF PURCHASES**

This procedure applies to all programs within the Drinking Water and Groundwater Protection Division. There are many different types of purchases, each with their own processes.

**The types of purchases are:**

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| IT Purchases                         | Purchases Over \$500              |
| Cell Phones & Accessories            | Goods or Commodities Under \$3500 |
| “Rush” Orders                        | Goods or Commodities Over \$3500  |
| Food and Beverages                   | Services                          |
| Natural Disaster Related Emergencies | Travel                            |
| Purchases Under \$500                | Advertising & Marketing           |

**RISKS**

- If not able to be returned, unauthorized purchases will be at the expense of the staff placing the order
- Invoices are not paid in a timely manner preventing future purchases



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## GUIDELINES

### Authorized Signers

Only approved Authorized Signers may approve purchase requisitions and invoice submittals for payment. The delegation of this authority for various transactions is accomplished through the completion of the Authorized Signer form which must include the employee's name, the effective date of the authority, the transactions that are being authorized to approve and the signatures of both the employee and the Division Director. This form must be submitted and approved by DEC Financial Operations Office before it is considered effective. This procedure and form can be found on the [Financial Operations Staff Page](#).

### Purchases on Federal Grant

The DWGWP Division is responsible for the efficient and effective administration of a Federal Award through the application of sound financial management practices. Eligible costs under a Federal Award are those costs considered necessary and reasonable for the performance of the Federal Award and allocable under [Uniform Guidance Cost Principles \(2 CFR Part 200 Subpart E\)](#). Terms and conditions related to the award may have more detailed cost eligibility requirements and should be reviewed in advance of developing a proposal budget.

Federally funded purchase requests **must** go through the appropriate Grants Management Specialist (GMS) assigned to that federal grant prior to purchase. Only GMS's in the Administration and Innovation Division (AID) or the Water Infrastructure Division (WID) can process a purchase requisition coded to this fund.

### Purchase of Goods and Commodities

One default coding string will be used for most purchases. This code will be determined by management and can be found on the [Department Coding Sheet](#).

### For items on State Contract:

Regardless of dollar amount, a purchase requisition form must be completed and submitted. Purchase Requisitions can be found in ANR Online, see separate instructions in appendix.

*If a state contract exists for the item being purchased the state contract must be utilized. If an item is available through WB Mason, it must be ordered through WB Mason.*

All **office supplies** including those for Regional Offices, will be ordered through the Department approved office supply vendor (currently WB Mason) by the Division's Environmental Technician II with secondary approval through the Compliance and Support

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Services Section Chief. Office supply orders through the Department approved office supply vendor will NOT require secondary authorization from the Division Director/Deputy Director nor the staff member's direct supervisor. Orders through this vendor currently have a \$80.00 minimum purchase.

**Standard office supplies include but are not limited to:**

- Plain paper
- Staples
- Pens, pencils, highlighters
- Notebooks
- Post-it notes

Requisitions for purchases on State Contract **totaling up to \$499** that are not ordered through the Department approved office supply vendor will NOT require secondary authorization by the Division Director/Deputy Director. In order to create a purchase requisition, staff must receive written approval (i.e. email) for the purchase from their direct supervisor (or higher if the direct supervisor is not available). Then, the staff member will send the request along with documentation of approval to the Environmental Technician II. The Environmental Technician II will code using default coding and create the purchase requisition on ANR Online and will forward the requisition with documentation of approval to the appropriate Authorized Signer (Administrative Services Coordinator for Drinking Water purchases and Environmental Technician IV for Indirect Discharge purchases). The Authorized Signer will review the coding for the purchase requisition. If the requisition is approved, the Authorized Signer will send the requisition to Financial Operations to place the order with the vendor. The Authorized Signers will attend quarterly budget meetings with the Administration and Innovation Division to monitor the Division's budget.

All purchase requisitions **totaling \$500 or more** will require secondary approval from the Division Director/Deputy Director after being uploaded to ANR Online by the Environmental Technician II.

*How to know if something is on State Contract:*

For each purchase, staff must check the Building and General Services (BGS) website that lists all state contracts. This list is updated and maintained by BGS Purchasing and can be found at this link, [State-wide Contracts List](#).

**For items NOT on State Contract, totaling up to \$499:**

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Requisitions for purchases NOT on State Contract **totaling up to \$499** will NOT require secondary authorization by the Division Director/Deputy Director, 3 quotes, nor be required to be directed to DEC Financial Operations for approval. In order to create a purchase requisition, staff must receive written approval (i.e. email) for the purchase from their direct supervisor (or higher if the direct supervisor is not available). Then, the staff member will send the request along with documentation of approval to the Program's Authorized Signer (Administrative Services Coordinator for Drinking Water purchases and Environmental Technician IV for Indirect Discharge purchases). The Authorized Signer will provide the coding for the purchase requisition and return the information to the staff member. If the requisition is approved, the staff member requesting the purchase will place the order with the vendor. The authorized signers will attend quarterly budget meetings with the Administration and Innovation Division to monitor the Division's budget.

All purchase requisitions **totaling \$500 or more** will require secondary approval from the Division Director/Deputy Director before being sent to the Authorized Signer for coding and must include three quotes as outlined below when appropriate.

Up to \$3,499 per item:

The purchase of these items *does not* need to flow through the Financial Operations Office for approval but must follow the Division's purchasing procedure. This requires obtaining and maintaining written proof of 3 quotes for the item being purchased. When the invoice is received, these 3 quotes must be attached prior to payment being made.

*Allowed quotes:*

- email quote
- catalogue
- internet search

Over \$3,500 per item:

If staff anticipate that the total purchases of *an item* will exceed \$3,500, prior to the purchase, a Purchase Requisition form must be submitted via ANR Online following the Division's procedure for purchases **totaling \$500 or more** and must include a minimum of 3 quotes. This Purchase Requisition must be submitted to DEC Financial Operations by an approved Authorized Signer.

Financial Operations will submit this request to Building and General Services (BGS) via the ANR Central Office. BGS may post this request for competitive bid or approve the purchase from one of the vendor's quotes that staff included. BGS Purchasing staff will then select a

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vendor and will either create a contract or create a purchase order to be used for staff purchase. Do not make this purchase until a contract or Purchase Order has been provided by BGS and a vendor has been selected.

## Invoices

One default coding string will be used for most purchases. This code will be determined by management and can be found on the [Department Coding Sheet](#). This code should match the purchase requisition coding, if available. An Authorized Signer will upload invoice packets into [SharePoint AP System](#). An Invoice in electronic format, including scanned invoices, meets the criteria of an original invoice. The electronic invoice becomes the official record for the transaction.

Authorized signers can be found here: [Authorized Signers](#)

*What is NOT acceptable as an invoice:*

- Statements
- Packing slips
- Delivery tickets
- No invoice (e.g., employee or vendor requests Financial Operations to issue a payment with no documentation)
- Copy stamp
- Quote or estimate

### For Invoices Using Default Coding:

The Authorized Signer will submit invoices directly to the ANR Central Office Sharepoint for payment processing (invoice does not need to go through Financial Operations for coding review). The Authorized Signer will attach the packing slip and the purchase requisition (if available) as one PDF to the invoice document labeled as INV\_DivAcronym\_Invoice Number (if no invoice number use the date in the format MMDDYY) and containing the proper default coding. Contract Numbers must be entered for any invoice that is related to a State Contract.

### For Invoices NOT Using Default Coding:

The Authorized Signer will put the invoice “on hold” and enter in the comment field the specific coding for proper approval.

*Invoices requiring special coding:*

- **Federal Funding:** Any invoices coded to federal funds (22005) will be returned if submitted by anyone other than a Grant Management Specialist (GMS). Only

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GMS's in AID or Water Infrastructure Division (WID) can process an invoice coded to this fund. Find the list of GMS's on the coding sheet.

- **Settlements**
- **Other Special Fund Purchases**

**When approving an invoice, use the following guidelines:**

- Valid vendor invoice for which the Division is legally responsible is verified
- Vendor name and address is on invoice
- Vendor (addressed to) is the State of Vermont or DEC, or Drinking Water and Groundwater Protection Division (DWGWP)
- Invoice number and invoice date are identified on invoice, if there is no invoice number then the invoice date can be used as the invoice number
- The billed goods/services have been satisfactorily received
- All documentation is attached (e.g. packing slip, purchase requisition if applicable)
- Invoice is fully itemized—a description of services performed with a date or date range of when performed, items purchased, quantity, price per unit, total amount of each item (32 VSA§463)
- Sales Tax has not been charged. If it does appear on the invoice, make sure to contact the company and tell them the Division is tax exempt. If a new invoice cannot be obtained, then process the invoice as normal and subtract the tax from the total to be paid. The tax-exempt form can be found the Financial Operations Website
- If a grant/contract invoice—it meets the criteria as outlined in “Attachment B— Payment Provision” of agreement
- Proper financial coding ([link to coding sheet](#)) is applied to the invoice including contract and PO number if applicable
- An Authorized Signer has approved the invoice

*If a vendor discount is available, please add comment when uploaded to SharePoint to change payment terms to net 0 in order to obtain discount.*

**IT Purchases**

All IT purchases *must* be done through the Agency of Natural Resources IT/ADS. This includes anything that plugs into a computer, wirelessly connects to a computer, or transfers and/or stores data, **including the below list (but not limited to this list):**

- Computers – desktop & laptop
- Tablets
- Docking stations

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- Printers, scanners (including desktop scanners)
- Projectors
- Software
- Computer batteries
- Cable adapters
- Monitors
- Anything else that is computer related that is not listed above or excluded below

*Items that do not need to go through IT:*

- Specialty mice (ergonomic, wireless, etc.)
- Specialty keyboards (ergonomic, wireless, etc.)
- Thumb Drives
- Cameras

### **Cell Phone & Accessories**

All cell phone and cell related purchases must be done through ANR Central Office to be ordered on State contract; Verizon/AT&T. To order a cell phone for a staff member, the staff member's direct supervisor (or higher if the direct supervisor is not available) will email the Administrative Services Coordinator from the Central Office the desired items and phone number associated with the request, and copy the program manager. The Administrative Services Coordinator will place the order. If the required accessories are not available, staff may receive approval to purchase through other means (Amazon, etc.); use the email as justification as to why purchasing. **Cell phone purchases include but are not limited to:**

- Cell phones
- Cell phone charging cables
- Cell phone screen protectors

Phone cases can be ordered through DWGWP's normal purchasing procedures.

### **"RUSH" Purchases**

The term "RUSH" should only be used due to unforeseeable circumstances. *Lack of planning is not an unforeseeable circumstance.*

"RUSH" purchases still require that all applicable purchasing processes be followed. When an item is required "RUSH" send an email, in addition to normal processes, to DEC Financial Operations, [ANR.DECAP@vermont.gov](mailto:ANR.DECAP@vermont.gov). This must include the reason for a "RUSH" order.

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### **Food & Beverage Purchases**

Any decision to provide food and refreshments must be approved in advance by the DWGWP Division Director/Deputy Director and the DEC Commissioner prior to the obligation of funds. For the complete policy refer to The Department Provided Food & Beverages Policy which can be found at this [link](#).

The providing of food and refreshments must serve the objectives of the Division, promote the efficient conduct of business, and be for the convenience of the Division. Division heads are accountable for their decisions to provide food and refreshments.

This policy does not apply to meals or expenses incurred by individual employees while in a travel status; travel-related expenses are addressed under the Agency of Administration's [Bulletin #3.4: Travel-Related Expenses](#).

The objective of this procedure is to ensure that all Division provided food and beverages are properly approved in accordance with the [Department of Finance & Management's Policy # 4.0](#).

When submitting invoices for food, according to Policy #4.0, a list of all attendees and a written approval from the appointing authority must be included with invoice.

### **Natural Disasters or Other Disrupting Events**

During a natural disaster, or other disrupting event, all regular purchasing guidelines shall be followed, unless otherwise authorized by the Division Director/Deputy Director. Special purchases that fall outside the usual guidelines shall only be made with the written approval of the DWGWP Division Director/Deputy Director or an appointing authority. In the event of a natural disaster or disrupting event, staff will be notified using the ANR Emergency Alert Notification system and any special purchasing instructions will be provided to staff.

#### **Examples:**

- Tropical Storm Irene – natural disaster
- National Life fire – disrupting event



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## Travel

Travel Authorizations must be fully approved prior to any purchase relating to the travel.

### Allowable Travel purchases:

- Airfare
- Lodging
- Registration
- Car rental
- Tolls
- Car fares (example: taxi)
- Internet charges
- Meals (according to state meal allowances)

### Unallowable Travel Purchases:

- Movies
- Gift shop purchases
- Other hotel services (ex. hotel spa)
- Hotel bar (ex. mini bar)
- Alcohol
- Snacks (unless within daily meal allowance)

When overnight travel is related to training, the travel must have been approved on either an Instate Travel Request form or an Out of State Travel Request form. These forms can be found on the [DEC Financial Operations Staff Page](#). It is mandatory that the correct coding must be used for any training related purchases including class code 51712.

Whenever possible, all travel arrangements should be made using the DEC Purchasing Card. Contact Financial Operations for assistance utilizing the DEC Purchasing Card.

All expenses require all receipts to be submitted when returning from the travel or a lost receipt form will need to be completed for each item that does not have a receipt.

For purchases relating to travel that were not made utilizing a Purchasing Card, an Employee Expense Reimbursement Request must be submitted in VISION. All receipts, agenda, approved travel authorization form, and any additional required documentation must be attached to the expense report in order to receive reimbursement.

## Service Contracts

Generally, State of Vermont employees should be used to perform essential governmental functions. However, there are circumstances which justify the use of Contractors to complete certain tasks, rather than employees, which may be determined at the discretion of the Appointing Authority.

“Services” is a term that is broadly interpreted and includes Personal and Professional Services such as, but not limited to, construction, consulting, design and engineering, investment

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management, Information Technology activities, real estate services, and the maintenance of equipment.

All Contracts regardless of amount are administered by a Grant Management Specialist in Financial Operations or Water Investment Division and are governed by the applicable state law, policies, and procedures as set forth in [Agency of Administration Bulletin 3.5](#) and the Department of Environmental Conservation’s Contracting Plan will apply, regardless of amount.

### **Advertising/Marketing**

The term “marketing” includes but is not limited to advertising (print, radio, television (TV), and web/internet, but not to include employee recruiting); collaterals (brochures, fact sheets, folders, etc.); website design (not to include technical components); trade shows and events; direct mail campaigns; and sponsorships.

If staff are planning a marketing or outreach project and staff need outside help, the [State of Vermont Chief Marketing Office](#) (CMO) can help staff decide if a Master Marketing Contractor or a Pre-Qualified Marketing Vendor might be the best fit. The CMO has master contracts in place for Creative Services, Media Buying and Photography available to all state entities and can provide some guidance on navigating the RFP and contracting process.

Involving the CMO from the beginning of any project ensures that all are on the same page and that staff don’t have to revise creative materials or contracts down the road. If a marketing or outreach project cost exceeds \$25,000, the CMO is required to approve by [Agency of Administration Bulletin 3.5](#).

Advertising purchases such as movie theater advertising, radio advertising, bus advertising, etc. are considered “services.” If not purchasing these services through the Media Placement State-wide Contractor, a competitive procurement must take place and a contract on a State-template signed by both parties. For methods of procurement, refer to the Department of Environmental Conservation’s Contracting Plan.

### **Receipt of Goods/Materials/Equipment/Printing/Supplies**

Once items have been received, they need to be checked against the actual order. Was everything ordered received? Are things on backorder or coming separately? If prices are listed, they must match the original order.

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If there is a packing slip included, this must be signed by the Division's Environmental Technician II, indicating that the item(s) listed were received. This is then uploaded into SharePoint Accounts Payable. The Environmental Technician II will sign and code the packing slip then upload into SharePoint Accounts Payable.

If there is no packing slip, send an email to the Authorized Signer who will be signing the invoice that the items were received. The Authorized Signer can include the in email that items were received, or the Authorized Signer can indicate on the invoice the items were received. The Authorized Signer will need to sign and code this invoice before loading into SharePoint Accounts Payable.

### **Returns/Vendor Credit Memos**

When items received are not the items that were ordered, or items were damaged, the receiver will contact the vendor directly. Receiver will send items back to the vendor as per the vendors policy and procedure. The Receiver will make a copy of the packing slip and give to authorized signer detailing the reason for return. This will then be loaded into SharePoint Accounts Payable for matching with the credit memo when received.

### **Exclusion List**

The Drinking Water and Groundwater Protection Division shall ensure that the Division does not contract, directly or indirectly, with entities or individuals that are suspended by the Department, by the State or by the Federal government.

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## APPENDIX

### GUIDING DOCUMENTS

[DEC Financial Operations Website](#)

[DEC Financial Operations Staff Page](#)

[Bulletin 3.5. Procurement and Contracting Procedures](#)

[Purchasing Card Cardholder User Guide](#)

[Uniform Guidance Cost Principles \(2 CFR Part 200 Subpart E\).](#)

[Bulletin #3.4: Travel-Related Expenses](#)

[Department of Finance & Management's Policy # 4.0](#)

[State-Wide Contracts List](#)

[State of Vermont Chief Marketing Office](#)

[ANR Online](#)

[Authorized Signers](#)

[Coding Sheet](#)

### REPORTING SUSPECTED FRAUD OR THEFT

Upon suspicion of fraud or theft, the appropriate personnel will be notified immediately:

- Administration & Innovation Division (AID)
  - Tracy LaFrance, Department Financial Director: 802-498-7074
- Vermont State Auditor's Office
  - Fraud Hot Line: 1-877-290-1400
  - [Reporting Website](#) - Whistleblower can be anonymous.
- Vermont State Police: 802-241-5000

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## NOTICES

This policy is intended to support the Agency of Natural Resources internal control environment.

In consideration of this policy, the objective should be on adherence and not on rationalizing ways and means for circumvention.

Nothing in this document shall limit or supersede any applicable Federal or State laws, statutes, bulletins, or regulations

Signed by:

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Bryan R. Redmond, Division Director  
Drinking Water and Groundwater Protection Division

June 23, 2020

Date