



Chapter 17

PUBLIC PURCHASES, PURCHASE OF LAND OR STRUCTURES AND INVENTORY OF FIXED ASSETS

This content is found on the Indiana State Board of Accounts website. The website for Libraries is found here <https://www.in.gov/sboa/political-subdivisions/libraries/>. Choose the drop down menu under **Indiana Codes**, then **Public Purchasing Law**. There you will find the definitions and corresponding Indiana Codes.

Libraries are subject to the Public Purchasing Law IC 5-22.

General Rules

The Public Purchasing Law, [IC 5-22](#), applies to every expenditure of public funds by a governmental body to purchase equipment, goods, or materials, unless specifically exempted by law, [IC 5-22-1-1](#).

If the item to be purchased (equipment, goods, or materials, a “supply”, [IC 5-22-2-38](#)) has a cost equal to or above \$150,000, then the purchasing agent must follow the competitive bidding procedures of [IC 5-22-7](#).

If the item to be purchased costs less than \$50,000, then the purchasing agent may purchase in accordance with the small purchase policies established by the purchasing agency or under rules adopted by the governmental body, [IC 5-22-8-2](#).

If the item to be purchased costs between \$50,000 and \$150,000, the purchasing agent may purchase supplies by inviting quotes from at least three (3) persons known to deal in the supplies to be purchased, [IC 5-22-8-3](#).

Purchases and purchase requirements may not be artificially divided so as to constitute a small purchase under [IC 5-22-8](#), [IC 5-22-8-1\(b\)](#).

A governmental body may adopt rules to regulate purchases of the governmental body. [IC 5-22-3-3](#)

Small Purchase Policy

For example of small purchasing policy, governing those items costing less than \$50,000, see the Public Library Policies page at <https://www.in.gov/library/services-for-libraries/ldoresources/public-library-policies/>. Purchasing has sample policies.

Special Purchasing Methods

The website for Libraries is found here <https://www.in.gov/sboa/political-subdivisions/libraries/>. Choose the drop down menu under **Indiana Codes** then **Public Purchasing Law** and locate **Special Purchasing Methods**. Of particular interest to public libraries are auctions, IC 5-22-10-6. Under the heading **Other Special Purchasing Situations** are online reverse auctions, IC 5-22-7.5 (e.g. eBay etc.).

Public purchases less than \$50,000 may be made in accordance with the local purchase policy. Also, special purchasing methods are contained in IC 5-22-10. Specifically IC 5-22-10-4 deals with emergency conditions; and IC 5-22-10-9 is entitled “purchasing method impairs functioning of the agency.”

Special Savings to Governmental Body IC 5-22-10-5

A purchasing agent may make a special purchase when there exists a unique opportunity to obtain supplies or services at a substantial savings to the governmental body.

Emergency Purchases

IC 5-22-10-4 Emergency conditions

Sec. 4. (a) A purchasing agent may make a special purchase when there exists, under emergency conditions, a threat to public health, welfare, or safety.

(b) The governor’s security council established by IC 10-19-8.1-2 may make a purchase under this section to preserve security or act in an emergency as determined by the governor.

Purchase of Land or Structures

For information on purchase of land or structures go to <https://www.in.gov/sboa/political-subdivisions/libraries/>. Choose the drop down menu under **Indiana Codes** then **Purchase of Land or Structures**. Here you will find the Indiana Code governing these purchases.

Capital Assets Ledger – General Form No. 369

This form is an account for all capital assets owned by the library. It is used to record additions and deletions in capital assets owned by the library. A complete inventory should be taken at least once every two (2) years for good internal control and for verifying account balances carried in the accounting records.

The Capital Assets Ledger, General Form No. 369, can be found in the State Board of Accounts manual that is now on the web; it can be viewed at: <https://www.in.gov/sboa/political-subdivisions/libraries/>. Under **Uniform Compliance Guidelines** select Manuals from drop down menu and see Uniform Compliance Guidelines Manual. To find the ledger select “Appendix.”

Public libraries set (by resolution) the threshold amount in determining which items are recorded.