# Vocational Rehabilitation Services Manual D-200: Purchasing Goods and Services

Revised July 1, 2021

## D-203: Purchasing Decisions

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### D-203-3: Comparable Services and Benefits

Comparable services and benefits, including accommodations and auxiliary aids and services, are resources that are provided or paid for, in whole or in part, by other Federal, State, or local public agencies, by health insurance, or by employee benefits. These resources must be available to VR customer at the time needed and they must be commensurate to the services that the customer would otherwise receive from the TWC-VR. (Based on 34 CFR §361.5(c)(8).)

Comparable services and benefits do not include:

* scholarships or other awards of merit;
* student loans;
* personal loans; or
* customer contributions to the cost of services.

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#### Federal Financial Aid

If the customer needs postsecondary training to reach the IPE goal, the customer must be informed that he or she is required to apply for and use, if granted, support from the Federal Financial Student Aid Program that does not include a payback requirement. When applicable, include this requirement on the IPE. Refer to C-405: Financial Aid and Comparable Benefits for additional information.

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### D-203-4: Customer Participation in the Cost of Services

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#### Payments

When feasible, except for MAPS and contract services, a customer who is participating in the cost of goods and/or services pays the service provider directly. When direct payment to the provider is not feasible, the VR counselor arranges for the customer to submit the required amount to TWC-VR by check or money order.

However, if the customer exceeds BLR and the amount they are required to pay towards the cost of services is in excess of the contracted cost for hearing aids and accessories, the customer must submit the required amount to TWC-VR by check or money order.

When paying TWC-VR, the total amount that the customer is required to pay must be received prior to any service authorizations being issued.

When receiving a payment from a customer to meet BLR requirements, the VR counselor or RA:

* documents the receipt of the check or money order in a case note in RHW;
* files copies of the check or money order in the customer's case file; and
* follows the process documented in D-505-1: Refunds.

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## D-204: The Purchasing Process

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### D-204-4: Replacement Service Authorizations

The specifications in a service authorization (SA) may change during the delivery of services. When this is necessary, it is an after-the-fact replacement service authorization, which is referred to as a replacement SA. Replacement SAs must be issued within five calendar days of the day on which the original SA was canceled or closed, and it is preferred that the new SA is issued before the one being replaced is canceled or closed. If the replacement SA is not issued within five calendar days of the day on which the original SA is canceled or closed, then the new SA must be approved and processed as a backdated SA per the requirements found in [D-204-2: Backdated Service Authorizations](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d204-2). Example: An SA was issued to a vendor for a psychological evaluation. After the billing was received, it was discovered that the SA should have been issued for a neuropsychological evaluation.

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For documentation requirements for replacement SAs, refer to [VRSM E-300: Case Notes Requirements – After-the-Fact Replacement SA (Word)](https://twc.texas.gov/files/partners/vrsm-e-300.docx).

If a change is needed to services that are delivered by the same vendor (for example, if a change is needed to the MAPS codes), and approval by the VR Manager or state medical director was required on the initial SA, the same approvals must be in place and linked to the replacement service record before issuing the replacement SA. For more information about RHW purchase approvals, refer to [RUG E-100: Purchase Approval Requests](https://twcgov.sharepoint.com/sites/ws/vr/co/RHWUserGuide/RUG%20E-100%20Purchase%20Approval%20Requests%200701019.docx).

If a change is needed to services that are delivered by the same vendor (for example, if a change is needed to the MAPS codes), and approval was not required for the original SA or the new SA, then no additional approval is required.

If a change is needed to a vendor, contact the Unit Purchasing Specialist to update the vendor on the original SA.

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## D-205: Purchasing Threshold Requirements

Purchasing thresholds are established to ensure that management oversees purchases in accordance with the VR Grant award (2 CFR 200) regarding the use of internal controls and compliance with state procurement requirements. VR counselors must review associated chapters in the VRSM and VR-SFP in addition to reviewing VRSM E-200: Summary Table of Approvals, Consultations, and Notifications prior to including the service on an IPE and authorizing the purchase of any good or service.

Purchasing threshold requirements are in addition to any other published policies and procedures for the purchase of specific goods and services.

Purchases must not be split (separated into multiple purchases) to avoid purchasing threshold requirements in this section and throughout the VRSM. For more information, refer to [D-203-6: Ethics of Purchasing](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d203-6).

### D-205-1: Approval Requirements by Threshold

All purchases of goods or services must be authorized by the VR counselor and documented clearly in a case note or the customer's IPE and a service authorization must be issued. For more information, refer to [E-300: Case Note Requirements, Service Justification](https://twc.texas.gov/files/partners/vrsm-e-300.docx) and [B-500: Individualized Plan for Employment](https://twc.texas.gov/vr-services-manual/vrsm-b-500) for more details.

The following approvals must be documented using an approval case note for the proposed purchase prior to issuing a service authorization for the purchase of a good or service:

* Greater than $5,000 to $15,000 – VR Manager approval required.
* Greater than $15,000 to $25,000 – Regional director or deputy regional director approval required.
* Greater than $25,000 – Regional director or deputy regional director, and VR Division Director approval required.

Refer to [D-205-4: Exceptions to Purchasing Threshold Requirements](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d205-4) for a specific list of goods or services that are exempt from these threshold requirements.

For more information, including additional approval, consultation, and notification requirements, refer to [E-200: Summary Table of Approvals, Consultations, and Notifications](https://www.twc.texas.gov/files/partners/vrsm-e-200.docx).

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## D-206: Purchasing Restrictions

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### D-206-3: Out-of-State Purchases

The code of federal regulations (CFR) §361.50 (b)(1) allows TWC-VR "to establish a preference for in-state services, provided that the preference does not effectively deny an individual a necessary service. In compliance with CFR §361.50 (b)(2) TWC-VR does not prohibit the provision of out-of-state services." However, "if the individual chooses an out-of-state service at a higher cost than an in-state service, if either service would meet the individual's rehabilitation needs, TWC-VR is not responsible for those costs in excess of the cost of the in-state service."

The term "out-of-state" is defined as a provider whose point-of-service address or place of doing business is located outside Texas. This term is not intended to describe, define or include providers whose brick and mortar business operations are within Texas but for whom the payment (remit) address of record is outside Texas.

#### Out-of-State Training Services

The purchase of any training services or related support services from out-of-state providers requires VR Manager approval. This includes online or correspondence training purchased from providers that are not physically located in Texas. For additional information about policies, procedures, and requirements, refer to C-400 Training Services.

Purchasing an out-of-state training service that is ordinarily regulated in Texas, but is not regulated in the state where the service is provided, requires consultation with the state office program specialist assigned to the specific type of training and VR Manager approval. Note: This includes out-of-state proprietary and vocational training. For specific information about licensing requirements, refer to C-411: Training from Career and Technical or Certified Schools (Proprietary Institutions) and C-413: Training by Paid Instructor or Exempt Schools.

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## D-210: Exceptions to Contracted Fees and MAPS Fees

Fees are not authorized if they are greater than:

* the contracted fee for a specific service; or
* the MAPS fee.

VR staff are not permitted to authorize exceptions to fees that exceed the contracted fee or MAPS fee.

**D-210-1: Exceptions to Contracts**

Contracts are required for the purchase of most goods and services. Before creating a service record, Vocational Rehabilitation (VR) staff checks ReHabWorks (RHW) to verify whether a contract is required.

If a contract is required, case-by-case exceptions to a contract requirement may be approved only in situations where the exception is:

* in the best interest of VR;
* in the best interest of the VR customer;
* necessary and appropriate;
* in accordance with the customer's individualized plan for employment; and
* in accordance with state or federal laws.

Exceptions are:

* reviewed by the VR Manager and regional director or deputy regional director; and
* approved by the VR Services division director.

### D-210-2: Process for Exceptions to Non-Hospital Contracts

The following process applies to all contracts except for hospital contracts. For information about exceptions to hospital contracts, refer to D-210-3: Exceptions to Hospital Contracts.

1. The VR counselor documents a contract exception request in RHW using the workflow drop-down selection of Non-Hospital Contract Exceptions.
2. The VR Manager reviews and agrees to or denies the request in RHW.
3. The regional director or deputy regional director reviews and agrees to or denies the request in RHW.
4. The VR Services division director:
* reviews the request; and
* approves or denies the request.

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## D-212: Creating the Service Authorization

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### D-212-2: Crossing State Fiscal Years

The federal fiscal year starts October 1 and ends September 30.

The state fiscal year starts September 1 and ends August 31.

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#### Prorating Tuition and Fees Only

To pay the fall tuition and fees at a college or university, the staff member can either:

* use funds for the fiscal year in which the semester begins; or
* prorate the cost with VR Manager approval.

Unless otherwise directed, Management Units that still have funds available for the current fiscal year should encumber the tuition and fees portion of an SA for the fall semester at an institution of higher learning using only the basic budget for the current fiscal year.

When taking this approach, staff members must keep the following critical points in mind:

* Does the office or caseload have sufficient funding to charge the full tuition to the current fiscal year budget or has the VR Manager authorized prorating tuition and fees?
* Charge only the tuition and fees portion to the current budget. Costs for dorm rooms, meal plans, parking, and all other non-tuition/fees service expenses must still be prorated, as required by the state comptroller's office; and
* For RHW to allow the use of only current state fiscal year funds on the tuition line in an SA, the start and end dates must be in August; for example, 08/14/2018 to 08/31/2018 (use the SA comments to document the actual full dates of service).

For additional information about the policies and procedures for paying tuition and fees, including service record specifications levels to use for training, refer to [C-400: Training Services](https://twc.texas.gov/vr-services-manual/vrsm-c-400).

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## D-213: Other Types of Payments and Purchases

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### D-213-2: Advance Payments

Advance payment or prepayment occurs when payment for a customer service is issued before the service is delivered. Payment usually is not made until a service is received.

Customer services for which advance payment may be authorized are described in the Advance Payment Table below. When advance payment is authorized, payment authorization must be delegated in accordance with RHW procedures.

#### Advance Payment Table

The table below lists the only circumstances under which an advance payment may be issued. Advance payments may be received and authorized anytime from the "pay as early as" date to the actual completion date of the service. The date entered in the receipt acknowledgment field in RHW is the receive date. Use the billing statement as the invoice for receiving and paying.

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| **Advanced Pay Situations** | **Pay as early as** |
| Maintenance | Seven days before the start date |
| Transportation | Seven days before the start date |
| Child Care | Seven days before the start date |
| Academic and vocational training and training-related services (when provided by an accredited college or university over a semester or quarter) | Time of enrollment |
| Vocational or technical training (when provided by an accredited training institution) | Time of enrollment |
| \*Room and board to support planned training activities | 14 days before the start date |
| State board licenses the registration for an exam | 14 days before the start date |
| Medical Records – **only** in circumstances in which advanced payment is required by the provider  | Same day the SA is issued |

\*For example, if a customer's room and board had a start date of 8/16/2020 and an end date of 12/17/2020, the payment could be received any day between 8/2/2020 and 12/17/2020. If the bill or receipt is entered on 8/7/2020, the receive date entered in RHW is 8/7/2020.

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