

SECTION VI – PURCHASING

Title: PURCHASING PROCEDURES

Sub-Title: Authority to Purchase, Bidding and Quotations Authority to Purchase:

According to New Jersey State statute 18A:18A-2(b), the Purchasing Agent/School Business Administrator is the only individual in the school district that has the authority to make purchases for the Board of Education.

Authorized Purchases

All requests for the purchase of goods and /or services must be made through an approved purchase order signed by the School Business Administrator. No goods or materials may be ordered or work/service be authorized to begin by any other individual in the school district other than the School Business Administrator.

Unauthorized Purchases

Any Board of Education employee who orders and/or receives any materials, supplies or services without going through the approved purchase order process has made an unauthorized purchase that may be subject to disciplinary action.

Procedure:

1. **QUOTATIONS:** When a single item or service, or group of like items cost between \$500 and \$40,000, three quotations are required. The quote threshold for the Facilities Maintenance Department and Information Technology is from \$2,000 to \$40,000. A Quotation Record Form is used for

this procedure and is to be attached to the Purchase Order for submission to the Business Office.

2. **BIDDING PROCESS:** When a single item or service of a group of like items are at **\$40,000** or greater, the formal bidding process through the Business Office is required (July 1, the threshold amount will be sent to the offices). Building Principals or Program Supervisors are responsible for providing the Business Office with detailed specifications and a list of vendors (if requested) for each item or service being purchased. The legal process takes approximately four to eight weeks from the date of the Business Office receives the request and specifications. After award of the bid the Business Administrator will notify the appropriate party of the award and the person requesting will submit a purchase order.
3. If the vendor has a State Contract Number or is a member of a District approved co-op, no quotes or bids are necessary, however the State Contract Number or co-op member must appear on the purchase order.
4. **OTHER ITEMS:** The purchase of any single item or service not falling into one of the above categories must be processed on a purchase order which will be approved by the School Business Administrator prior to the purchase. This means **there will be no purchase orders authorized by a telephone call by a Principal, Supervisor, Teacher or other staff member.** Board members/staff members attending conventions or workshops are not to make purchases in the name of the school district without following the purchasing process. All purchases of goods and services require a purchase order to be generated with approval from the Superintendent and Business Administrator.
5. **Preview of Materials:** All staff members must receive permission from Principals or Supervisors **to preview materials.** After the preview process has been completed, the item must be returned. If there is a desire to purchase the previewed item, then a purchase order must be originated for a new item.. All purchases must go through the Business Office.
6. **Reimbursements of employees:** The Board of Education recognizes an employee reimbursement purchase order when it pertains to pre-approved travel, meal and conferences. The Board **will not reimburse** employees for items and goods personally purchased by the employee as these items are required to be purchased through a vendor through the purchase order system, unless previously authorized.

7. **Student Activity Accounts:** Purchases made through Student Activity Accounts may not be reimbursed with Board funds. Purchase orders made payable to the Student Activity Accounts for the aforementioned purpose will not be signed by the Purchasing Agent.

8. **Disbarred Vendors:** In accordance with **EDGAR, Part 80 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Section 36, Procurement, and e-CFR, Part 200 – Uniform Administrative requirements, cost principles, and audit requirements for Federal Awards and District Policy 6311**, purchasing will check annually for disbarred vendors with the **US Department of Labor** and the **NJ Department of the Treasury**.

9. **Federal Grants:** In accordance with **EDGAR, Part 80 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Section 36, Procurement**, purchasing will use open and competitive procedures where at all possible and analyze cost, including documentation in its files that demonstrates the district ensured the costs were reasonable.

10. **Federal Awards:** In accordance with **e-CFR, Part 200 – Uniform Administrative requirements, cost principles, and audit requirements for Federal Awards**, purchasing will use open and competitive procedures and analyze cost, including documentation in its files that demonstrates the district ensured the costs were reasonable.

LEGAL REFERENCE: Bidding requirements N.J.S.A. 18A:18A 3 and 4, quotation requirements N.J.S.A. 18A:18A-37.

Title: PURCHASING PROCEDURES

**Subtitle: Definition of Purchase Order
Emergency Orders and Extraordinary Conditions**

Purchase Order:

According to 18A:18A-2(v), a purchase order is a legal document issued by the Purchasing Agent (School Business Administrator) authorizing a purchasing transaction with a vendor to perform or provide goods or services to the Board of Education. **ONLY THE PURCHASING AGENT IS AUTHORIZED BY LAW TO PURCHASE GOODS AND SERVICES FOR THE SCHOOL DISTRICT.**

Emergency Orders or Extraordinary Conditions:

Procedure:

1. **EMERGENCY SITUATIONS** will be defined as situations in which the operation of a school or program would be seriously hampered.
2. **EXTRAORDINARY CONDITIONS** will be defined as conditions which are not known until after an operation has begun, which required unanticipated parts, equipment or materials to be obtained in order for the operation to be completed.
3. Under the conditions defined as emergency or Extraordinary in nature, the appropriate Central Office Administrator may request an emergency purchase order by contacting the Business Office immediately with all correct information and provided there is enough unencumbered balance in the account to cover the amount of the purchase order. The Business Office will make all necessary contacts with vendors. This type of purchase order will be immediately processed.
4. **Confirming purchase orders**, orders where the vendor is given the PO number prior to the PO being processed or Board of Education, **are not allowed and are a violation of state law.**

References: 18A:18A-3(A) 40a:11-9(b)

Title: PURCHASING PROCEDURES

Subtitle: Purchase Order and Purchase Requisition Form

Procedure:

1. The Purchase Order Form is a four part carbonized form.
 - a. (original) - Vendor's Copy
 - b. Voucher
 - c. (third copy) - Business Office copy
 - d. Receiving verification
2. This Purchase Requisition form is used to complete the Purchase Order form.
3. The initiator completes the following information on the Purchase Requisition form.
 - a. Vendor's Name, address and zip code, phone and fax number, and any other contact information such as email address.
 - b. Ship to: School address and zip code with person's name who placed the order.
 - c. Quantity, description, unit price and total should be clearly stated. It is essential that current prices are used and shipping costs are included in the total.
 - d. Incomplete or improper Purchase Orders will be returned with a memo explaining the deficiencies.
 - e. Account Number to be charged - this information can be found in your copy of the budget allocation notices.
4. All orders from \$500 to \$40,000, unless purchased under a state contract or District approved co-op, require a **Quotation Record Form**. The quote threshold for the Facilities Maintenance Department and Information Technology is from \$2,000 to \$40,000.
5. Purchase order requisitions are forwarded to the Principal's/Supervisor's Office for approval.
6. After approval by the Principal/Supervisor, the requisition will be printed in the Business Office. The Printed Purchase Orders will be sent to the Business Administrator for approval and signature.
7. All purchase orders will be approved and dated by the Business Office.
8. The Business Administrator or his designee reviews the technical aspects to ensure compliance with State Law and Board Policy. The purchase order is then forwarded to the vendor.

9. Upon receipt of the goods/ services the school copy, of the Purchase Order will be returned to the Business Office noting the receipt of all materials. If the order is incomplete, damaged materials, wrong materials or an incorrect amount, the **Business Office must be notified**. When the Order is complete, the school copy must be sent to the Business Office. The Business Office will not authorize the payment to the vendor until the school copy is received.
10. **Partial Payments-** In order to pay a vendor for the material received the Principal/ Supervisor must send a **copy** of the school copy, denoting the items received. As stated above final payment will not be made until the school copy is received.
11. **Approval of amounts paid in excess of approved purchase:** As per 6A:23A-6.10 the Board will permit the Business Administrator to approve adjustments to purchase orders in accordance with Board policy
12. **Copiers-** The copiers are rented on a three year replacement cycle. All purchases or replacements must be pre-approved by the Business Administrator.

Title: PURCHASING PROCEDURE

Subtitle: Ordering of Materials

Purpose: To establish a uniform method of purchasing goods, materials and services.

Procedure:

1. All persons responsible for the ordering of goods, materials and services will use the Purchase Requisition form as described in this Business Procedure Handbook.
2. It will be the responsibility of the Building Principals and Supervisors, to notify all staff members under their supervision that orders for goods, services or materials will be made by strictly following the procedure for issuing a purchase order.
3. Emergency Orders: Should it be necessary that goods, services or materials are needed quickly, an order must be placed in the prescribed way. The Building Principal/Supervisor and all others responsible for approving orders will call the Business Office for approval and will submit immediately all necessary information needed for the Business Office to process. The following procedure must be followed:
4. By following the above procedure for all purchase orders, the obligations of the Board of Education will be more accurately maintained.

Title: PURCHASING PROCEDURE

Subtitle: Emergency Contracts

Purpose: To be able to deal with emergency situations involving the health and safety of occupants of school buildings by forgoing the bidding process.

Procedure:

1. Any contract may be negotiated or awarded for the Board without public advertising for bids even if the price exceeds the bid threshold when an emergency affecting the health or safety of occupants of school buildings, provided that the contracts are awarded in the following manner:
 - A. The principal or other designee in charge of the building, facility or equipment where the emergency occurs notifies the Business Administrator of the need for the performance of the contract, the nature of the emergency, the time of the occurrence and the need to utilize the emergency provision.
2. This notification must be put in writing to the Business Administrator.
3. If the Business Administrator is satisfied that an emergency exists, he/she shall be authorized to award a contract or contracts for such purposes as may be necessary to respond to the emergent needs.

4. If conditions permit, the Business Administrator will seek at least two quotes if the bid is below the bid threshold. If the expenditures are expected to be in excess of the bid threshold, the Business Administrator shall attempt to obtain at least three quotes.
5. Upon furnishing the goods or services under the terms of this emergency contract provision, the contractor shall be entitled to be paid and the Board shall be obligated to take action needed to authorize the payment of the bill.
6. This procedure will only be enacted in an emergency situation. All other contracts for goods and services will proceed using the regular purchasing process.
7. At the conclusion of the contract the Business Administrator shall submit a final report to the Board for any contract under the provisions of an emergency contract in accordance with N.J.S.A. 18A:18A-7. The report shall describe:
 - A. The nature of the emergency
 - B. The time of the occurrence
 - C. The need for invoking this regulation
 - D. The action taken
 - E. The costs of the action
 - F. The accounts to be charged
 - G. The plan for preventing a similar situation in the future

Reference N.J.S.A. 18A:18A-7

Title: PURCHASING PROCEDURE

Subtitle: Receipt of Goods

Purpose: To facilitate the receipt of goods and to make prompt payment to vendors.

Procedure:

1. Check the packing slips very carefully without delay, as soon as the shipment is received. If the items are on back-order, wait a reasonable time for work orders to be received (four weeks should be enough time unless the vendor gave you a receiving date). If by that time the back order has not been received, please forward the packing slips with a notation, to this bill and hold the school copy, for the additional back orders. Sometimes the packing slip is marked "out of stock" or "cancel" then send the whole thing to the Business Office for payment.
2. If there is a problem with an order, notify the Business Office immediately with the packing slip attached. Most companies will allow a shortage claim within thirty (30) days.
3. Check with the Business Office for any back order cancellation notices.
4. Should it be necessary to cancel the back order items, send back the school copy, of the Purchase Order to the Business Office, so marked.
5. The Receiving Record of the Purchase Order must be given to the Business Office within 30 days after returning to school for all items delivered during the summer months.

Workshop/ Trip Reimbursement:

1. A request for travel must be submitted to the Superintendent of Schools which includes a Professional Development Request Form, prior to the travel date(s), and at least seven (7) days before a Board meeting. The request shall include supporting documentation to include a statement outlining the primary purpose for the travel and key issues that will be addressed and their relevance to improving instruction or the operation of the district. Additionally, the documentation must include the type of travel; location, date(s) of travel; and all related costs including transportation expenses, parking, tolls, lodging, meals, and other expenses. A purchase order with the registration and/ or lodging request must be submitted at the same time. Lodging will only be paid at the Federal GSA(General Service Administration) rate. Any amount that exceeds that rate the individual must reimburse the Board the difference.

2. The Superintendent of Schools shall review and may approve or deny each request for travel expense. The Superintendent's signature designating approval is required on the request for travel reimbursement.
3. All requests for travel approved by the Superintendent of Schools shall be forwarded to the Business Administrator, or designee, to determine if the expenses as outlined in the request are in compliance with the New Jersey travel reimbursement guidelines as established by the Department of Treasury (Circular 16-11-OMB Travel Regulations and Circular 11-09-OMB – Entertainment, Meals and Refreshments) and with guidelines established by the Federal Office of Management and Budget (car rentals and/or limousine services are ineligible expense for reimbursement).
4. Expenses for travel and related expenses must meet two sets of tests in order to be reimbursable. First, there is the requirement that the expenses be incurred for matters affecting the Township Schools, and they be ordinary and necessary. Secondly, there is the requirement that travel and related expenses not be reimbursed unless adequately substantiated.
5. Lodging and meals must comply with the federal per diem rate. Lodging expense may exceed the federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting and the going rate of the hotel is in excess of the federal per diem rate.
 - a. If any expenses are not in compliance with the guidelines, the Business Administrator, or designee, will return the request to the Superintendent of Schools.
 - b. The Superintendent will notify the professional staff member or Board member of any expenses not in compliance with the guidelines. To receive final approval the staff member or Board member must agree to assume financial responsibility for the non-compliant expenses.
6. Approval of the travel request requires a majority of the full voting membership of the Board of Education at a Board meeting.
7. All fees or expenses not covered by the purchase order, shall be made personally by the school district employee and reimbursed at the conclusion of the travel event. Reasonable tips for meals are included in the per diem meal allowance. It is an employee's obligation to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business. If employees would like to leave a tip above 15% or if it would cause them to be over the per diem rate, they are welcome to do that out of their own pocket. Employees can leave a tip for the housekeeper at a hotel, however, the school will not reimburse them for it. Also, if employees are paying for meals by credit card, the district requires that they provide the credit card receipt AND the itemized receipt for the meal. Employees will not be reimbursed without the itemized receipt.

8. The purchase order for expenses should not be submitted until the staff member has the canceled check or a receipt from a credit card. The cancelled check or the receipt from a credit card should be attached to the purchase order.
9. A duly executed purchase order should be submitted early enough to have it included for payment at the next regular Board meeting.
10. At the time of submission of all expense reimbursements, the staff member must submit a Post Professional Development (PD) Report that will state the purpose of the travel, key issues addressed at the event and their relevance to improving instruction or the operation of the school district.
11. Board members, officers and designated employees of the School District who register for conferences, workshops, or other professional growth and development activities but fail to attend without proper notification shall be responsible for reimbursing the Board for all incurred expenses. Exceptions caused by extenuating circumstances may be granted at the Board's discretion.

School district travel expenditures **shall not include** costs for the following:

1. Subsistence reimbursement for one day –trips, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12.
2. Subsistence reimbursement for overnight travel within the State, except where authorized by the Commissioner in accordance with the procedure set forth in N.J.A.C. 6A:23A-7.11.
3. Attendance by the appropriate people at NJSA, NJADA or NJASBO shall only be permitted for reimbursement for lodging when the convention has received a waiver pursuant to N.J.A.C. 6A:23A-7.11 and where home to convention commutation exceeds 50 miles and the event occurs in two or more consecutive days.
4. Lunch or refreshments for training sessions and retreats held within the school district including in-service days and for employee participants traveling from other locations within the district.
5. Car rentals, limousine services, reverse telephone charges or entertainment costs.
6. Air fare without documentation of quotes from at least 3 airlines and/or travel agencies and/or on –line services.

Out of State Travel

Pursuant to N.J.S.A.18A:11-12, out of state travel shall be limited to the fewest number of board members or affected employees needed to acquire and present the content

offered to all board members or staff, as applicable, at the conclusion of the event. Lodging may only be provided if the event occurs on two or more consecutive days and where home to event commute exceeds 50 miles. **No out of state travel shall be reimbursed as per board policy unless directed by the School District.**

Where a travel event has a total cost that exceeds \$5,000, regardless of the number of attendees, or where more than three individuals from the district are to attend, the school district shall obtain the prior written approval of the Executive County Superintendent.

References

N.J.S.18A:19-1et seq

N.J.S.A. 18A:11-12

N.J.A.C. 6A:23A-7.12

N.J.A.C. 6A:23A-7.11

N.J.S.A. 18A:11-12

Reimbursement for Mileage only:

1. All staff members must use the Expense Voucher to be reimbursed for all appropriate travel.
2. This form is available in the Business Office.
3. The Expense Voucher form must be maintained on a monthly basis for reimbursable mileage.
4. For one day trips involving tolls and parking, all receipts must be attached to the Expense Voucher form.
5. Final travel and mileage forms for June will be turned into the Business Office no later than the last day of the school year.

Title: PURCHASING PROCEDURE
Subtitle: Contributions to Board Members and Contract Awards

Purpose: To ensure the school district maintains honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance and corruption in its contracting processes and practices.

Procedure:

1. The Board will not vote upon or award any contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c.83 (N.J.S.A. 19:44-1 et seq.) to a member of the Board during the

- preceding one-year period.
2. Contributions reportable by the recipient under P.L. 1973, c.83 (N.J.S.A. 19:44-1 et seq.) to any Board member from any business entity doing business with the school district are prohibitive during the term of the contract.
 3. When a business entity referred to in 2. above is a natural person, a contribution by that person's spouse or child that resides in the same household, shall be deemed to be a contribution by the business entity. Where a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity.
 4. The disclosure requirement set forth in section 2 of P.L. 2005, c. 271 (N.J.S.A. 19:44A-20.26) also shall apply when the contract is required by law to be publicly advertised for bids.
 5. The requirements of N.J.A.C. 6A:23A-6.3 shall not apply to a contract when a district emergency requires the immediate delivery of goods or services.

References

N.J.A.C. 6A:23A-6.3

N.J.S.A. 19 :44-1 et seq.

P.L. 1973, c.83

Title: EXPENDITURE CONTROL
Subtitle: End of Year Procedure

Purpose: To assure delivery and acceptance prior to June 30 for budgeted goods and services.

Procedure:

The deadline for ordering items from the current operating budget shall be set by the Superintendent, **Exceptions** to this will be as follows:

- A. Miscellaneous Principals/ Supervisors Account
- B. Emergency end of the year supplies
- C. End of year activities such as field days, graduation, after school programs, assemblies and workshop / in services
- D. Contractual responsibilities
- E. Special State and Federally Funded Programs

Title: EXPENDITURE CONTROL
Subtitle: Professional Affiliations/Expense Reimbursement

Procedure: Professional Affiliations:

Payment for approved professional affiliations require all original bills to be attached to the Purchase Order Requests for verification with the account to be charged.

Workshop/ Trip Reimbursement:

1. A request for travel must be submitted to the Superintendent of Schools which includes a Professional Development Request Form, prior to the travel date(s), and at least seven (7) days before a Board meeting. The request shall include supporting documentation to include a statement outlining the primary purpose for the travel and key issues that will be addressed and their relevance to improving instruction or the operation of the district. Additionally, the documentation must include the type of travel; location, date(s) of travel; and all related costs including transportation expenses, parking, tolls, lodging, meals, and other expenses. A purchase order with the registration and/ or lodging request must be submitted at the same time. Lodging will only be paid at the Federal GSA(General Service Administration) rate. Any amount that exceeds that rate the individual must reimburse the Board the difference.
2. The Superintendent of Schools shall review and may approve or deny each request for travel expense. The Superintendent's signature designating approval is required on the request for travel reimbursement.
3. All requests for travel approved by the Superintendent of Schools shall be forwarded to the Business Administrator, or designee, to determine if the expenses as outlined in the request are in compliance with the New Jersey travel reimbursement guidelines as established by the Department of Treasury and with guidelines established by the Federal Office of Management and Budget (car rentals and/or limousine services are ineligible expense for reimbursement).
4. Expenses for travel and related expenses must meet two sets of tests in order to be reimbursable. First, there is the requirement that the expenses be incurred for matters affecting the Township Schools, and they be ordinary and necessary. Secondly, there is the requirement that travel and related expenses not be reimbursed unless adequately substantiated.
5. Lodging and meals must comply with the federal per diem rate. Lodging expense may exceed the federal per diem rates if the hotel is the site of the convention, conference, seminar or meeting and the going rate of the hotel is in excess of the federal per diem rate.

- a. If any expenses are not in compliance with the guidelines, the Business Administrator, or designee, will return the request to the Superintendent of Schools.
 - b. The Superintendent will notify the professional staff member or Board member of any expenses not in compliance with the guidelines. To receive final approval the staff member or Board member must agree to assume financial responsibility for the non-compliant expenses.
6. Approval of the travel request requires a majority of the full voting membership of the Board of Education at a Board meeting.
 7. All fees or expenses not covered by the purchase order, shall be made personally by the school district employee and reimbursed at the conclusion of the travel event.
 - a. The purchase order for expenses should not be submitted until the staff member has the canceled check or a receipt from a credit card. The cancelled check or the receipt from a credit card should be attached to the purchase order.
 8. A duly executed purchase order should be submitted early enough to have it included for payment at the next regular Board meeting.
 9. At the time of submission of all expense reimbursements, the staff member must submit a Post Professional Development (PD) Report that will state the purpose of the travel, key issues addressed at the event and their relevance to improving instruction or the operation of the school district.
 4. Board members, officers and designated employees of the Township School District who register for conferences, workshops, or other professional growth and development activities but fail to attend without proper notification shall be responsible for reimbursing the Board for all incurred expenses. Exceptions caused by extenuating circumstances may be granted at the Board's discretion.

School district travel expenditures **shall not include** costs for the following:

- a. Subsistence reimbursement for one day –trips, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:20-8.20
- b. Subsistence reimbursement for overnight travel within the State, except where authorized by the Commissioner in accordance with the procedure set forth in N.J.A.C. 6A:XX-8.19(b).

- c. Attendance by the appropriate people at NJSA, NJADA or NJASBO shall only be permitted for reimbursement for lodging when the convention has received a waiver pursuant to N.J.A.C. 6A:XX-8.19(b) and where home to convention commutation exceeds 50 miles and the event occurs in two or more consecutive days.
- d. Lunch or refreshments for training sessions and retreats held within the school district including in-service days and for employee participants traveling from other locations within the district.
- e. Car rentals, limousine services, reverse telephone charges or entertainment costs.
- f. Air fare without documentation of quotes from at least 3 airlines and/or travel agencies and/or on-line services.