# Strauss Esmay Series 6000 Finances

# DISTRICT REGULATIONS

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## 6160 - GRANTS FROM PRIVATE SOURCES (Regulation)

The Board of Education encourages and will accept funding from private sources, in accordance with Policy No. 6160. The following regulations govern the development and processing of private funding proposals.

#### A. Sources

- 1. The concerned individual shall research sources of private funding through individuals and foundations. He or she shall prepare a list of appropriate funding sources in the community and state.
- 2. All school district employees are encouraged to be alert to possibilities for private resources for school aid, financial and in-kind, from community members and organizations. Any such possibility should be reported to the Superintendent or his/her designee, who will explore the potential for aid with the employee and, as appropriate, the private resource.
- 3. The Superintendent or his/her designee will visit the directors of foundations interested in educational progress and research to explore areas of mutual interest. He or she will determine whether the foundation will support specific program grants, graduate work for teaching staff members, the construction and/or improvement of school facilities, professional growth activities, arts education, community education, community and school liaison activities, and so forth.
- 4. The concerned individual, in consultation with the Superintendent, will identify specific district needs and formulate proposals for funding that meet those needs.

#### B. Approval

Any proposal for private funding must be submitted to the Superintendent before it is formally submitted to the Board of Education for approval. The rationale for the proposal must set forth the objectives for the funding, the proposed program statement, and the means by which the objectives will be evaluated.

## **6220 - BUDGET PREPARATION (Regulation)**

The annual school district budget will be prepared in accordance with the following procedure.

## A. Responsibility

- 1. The Board Secretary/School Business Administrator is responsible for the administration and coordination of all budget preparation activities and will be guided by the budget planning forecasts prepared in accordance with Policy No. 6210.
- 2. Each principal will assess the educational needs of the pupils, collect and evaluate the requests for funds submitted by the teaching and support staff members in his or her building, and compile an estimate of the total building needs for the next budget year. The estimate will be submitted to the Board Secretary/School Business Administrator
- 3. Each central office administrator will assess the needs of the program operation for which he or she is responsible (such as staff recruiting, facilities maintenance, transportation, capital improvements) and will prepare an estimate of the program needs for the next budget year. The estimate will be submitted to the Board Secretary/School Business Administrator.

#### B. Priorities

- 1. All estimates submitted to the Board Secretary/School Business Administrator ir accordance with A2 and A3 will be reasonably detailed and supported by appropriate documentation to justify the expenditures requested. The administrators charged with estimating budgetary needs will be guided by these cost priorities, listed in order of descending importance.
  - a. Staffing adequate to sustain the current instructional program
  - b. Supplies and equipment adequate to sustain the current instructional program,
  - Maintenance of current facilities and programs.
  - d. New staff members to improve or expand the current program.
  - e. New supplies and equipment to improve or expand the current instructional program, and
  - f. New instructional programs

- 2. The Superintendent and the Board Secretary/School Business Administrator will review all estimates for budget allocations and, as necessary, discuss justifications and possible alternatives with the originating administrator. The Superintendent and the Board Secretary/School Business Administrator will
  - a. Compare budget requests with inventory to determine whether requested resources are presently available;
  - b. Analyze budget requests on a district-wide basis to determine whether requested resources can be shared; and
  - Analyze budget requests for staffing requirements and convert those requirements to dollar equivalents.

#### C. Form

The tentative budget shall contain

In tabular form there shall be set forth the following:

- 1. The total expenditure for each item for the preceding school year, the amount appropriate for the current school year adjusted for transfers as of February 1 of the current school year, and the amount estimated to be necessary to be appropriate for the ensuing school year, indicated separately for each item as determined by the Commissioner;
- 2. The amount of the surplus account available at the beginning of the preceding school year, at the beginning of the current school year and the amount anticipated to be available for the ensuing school year;
- 3. The amount of revenue available for budget purposes for the preceding school year, the amount available for the current school year as of February 1 of the current school year and the amount anticipated to be available for the ensuing school year in the following categories as applicable:
  - a. Total to be raised by local property taxes
  - b Total State aid
    - (1) Foundation aid
    - (2) Special education aid
    - (3) At-risk aid
    - (4) Bilingual aid
    - (5) Other (detailed at the discretion of the Commissioner)
    - (6) Transition aid

- c Total Federal aid
  - (1) Elementary and Secondary Education Act of 1965
  - (2) Handicapped
  - (3) Impact Aid
  - (4) Vocational
  - (5) Other
- d. Other sources (detailed at the discretion of the Commissioner);
- 4. Transfers between current expense and capital outlay for the preceding school year, the current school year as of February 1 of that year and transfers anticipated for the ensuing school year;
- 5. In the event that the total expenditure for any item of appropriation is equal to \$0.00 for: (1) the preceding school year, (2) the current school year, and (3) the amount estimated to be necessary to be appropriated for the ensuing school year, that item shall not be required to be published pursuant to N.J.S.A. 18A:22-11;
- 6. A presentation of the pupil population for the current school year and immediate past school year as reported in the application for State School Aid, and an estimate of the anticipated pupil population for the next school year; and
- 7. An estimate of staff composition by numbers in each administrative, instructional, and educational services area for the next school year.

#### D Timeline

The Board Secretary/School Business Administrator will submit the tentative budget recommendations to the Superintendent in accordance with the budget timeline. The proposed expenditures and anticipated revenues in the tentative budget will be supported by sufficient explanatory information to enable the Superintendent and Board to determine their validity.

## E. Adjustments

Any change in budget allocation made to the proposed budget prior to its adoption by the Board of Education shall be reported to the Board Secretary/School Business Administrator, who shall notify the administrator who submitted the affected estimate. That administrator shall notify the staff members who submitted the affected budget request.

## 6320 - PURCHASES SUBJECT TO BID (Regulation)

#### A. Solicitation of bids

- Bids will be solicited by advertisements placed by the Board Secretary/School Business Administrator and/or the Purchasing Agent in strict compliance with law and Policy No. 6320.
- 2. Each specification will offer a clearly stated, common standard of competition and will assert the Board's right to accept reasonable equivalents and to reject all bids and to readvertise.
- 3. The Purchasing Agent will maintain a copy of each bid advertisement and will record the newspaper in which it ran and the dates on which it was published.

## B. Bid requirements

- 1. Bids must be prepared on forms supplied by the school district and must be fully completed, in ink or typewritten, and signed by the bidder. Oral revisions will not be accepted.
- 2. Bid prices must include delivery to the point of use, unpacking, when required, and installation, when required. As necessary, bidders may be required to provide instruction in the use and care of equipment delivered both by demonstration and in written form.
- 3. Bids must include unit prices as well as the total price. In any error in extension, the unit price shall be considered the accurate figure.
- 4. Because the school district is exempt from the payment of sales and use taxes, all charges for taxes must be borne by the bidder.
- 5. The bid must note in detail any deviations from specifications. When the specifications indicate a product of a particular manufacturer, model, or brand, the bidder shall bid that particular manufacturer, model, or brand name or equivalent, or a substitute proven to be of equal or better grade. If a substitute is bid, the bid must include documentation of its equivalency. Bidders may be required to submit samples of materials or products, to be retained by the Board.

The Board shall determine the equivalency or acceptability of any substitute.

6. The manufacturer's written warrantees and guarantees must accompany each bid. Bidders should state in writing any additional guarantees that will become a part of the bid and considered in making the award.

- 7. The successful bidder must comply with the delivery date and/or when services are to commence as specified in the bid specification.
- 8. Where applicable, service facilities and convenience of service will be considered as part of the bid and should be included by the bidder. When necessary, a bidder shall submit evidence of his or her ability to provide proper installation, service and supplies and/or indicate that the provision of the services and supplies is a regular and continuous part of the bidder's business.
- 9. Where necessary, the bidder shall certify that all applicable federal and state laws, municipal ordinances, and Board policies have been obeyed in the manufacture, processing, packaging, delivery, and sale of goods and services to the school district. The bidder must declare compliance with
  - a. Affirmative action requirements, pursuant to N.J.S.A. 18A:18A-15; and P.L. 1975 C.127 N.J.A.C. 17:27.
  - b. Stockholders' disclosure statement, pursuant to N.J.S.A. 18A:12-2; and
  - c. Non-collusion certification, pursuant to N.J.S.A. 18A:6-8.
  - d. And all other documents so requested by law and the bid specification
- 10. The bidder must declare that no member of the Board of Education or any officer or employee of the school district is directly or indirectly interested in the contract or purchase bid on.

#### C. Receipt of bids

- 1. Bids will be received at the time and place announced and will be opened by the Board Secretary/School Business Administrator in accordance with law. All bids will be submitted in sealed envelopes clearly marked with the words "BID OPENING," the date and time of the opening, and the nature of the contract bid on.
- 2. Each bid will be accompanied by a bid guarantee as prescribed by law for bid security. All bid guarantees will be returned to unsuccessful bidders as prescribed by law.
- 3. A written request for the withdrawal of a bid will be granted if the request is received by the Board Secretary/School Business Administrator and/or the Purchasing Agent before the scheduled time for opening bids.
- 4. A bidder who claims, before bids are opened, that a mistake has been made in its preparation will be allowed to withdraw the bid but will lose the right to bid.

5. A bidder who discovers a mistake or omission after bids have been opened may withdraw the erroneous bid provided the bidder gives immediate written notice of the mistake or omission and certification supported by clear evidence, that he or she exercised reasonable care in the examination of the specifications and preparation of the bid. Any bidder who withdraws an opened bid shall forfeit any bid guarantee.

#### D. Award of contract

- Bids will be opened by the Board Secretary/School Business Administrator and the Purchasing Agent, in the presence of one or more witnesses, at the time and place advertised.
- 2. The Board will award the contract to the lowest responsible bidder or will reject all bids. If all bids are rejected, the Board will readvertise. The Board may also purchase under a state contract.
- 3. The Board reserves the right to reject any bid and may waive technical deficiencies in an otherwise acceptable bid when such waiver is in the public interest.
- 4. No contract or order awarded by the Board shall be sublet or assigned without the written consent of the Board Secretary/School Business Administrator.
- 5. The successful bidder, upon award of the contract, when required shall furnish a surety or performance bond issued by a responsible surety company authorized to transact business in New Jersey, for 100% of the total contract price, insuring faithful performance of the contract. The bond shall be payable to the Board of Education. The cost of the bond is to be included in the bid.
- 6. The bidder's failure to perform his or her contract with the Board in accordance with the bid accepted by the Board or failure to meet performance bond requirements may result in forfeiture of the bidder's deposit as liquidated damages and not as a penalty.
- 7. Every bidder is assumed to be acquainted with all the information necessary for the submission of an informed and responsible bid. A successful bidder will be responsible for any errors in his or her proposal resulting from the bidder's failure or neglect to obtain information and forecast costs. The Board will not be responsible for any change in anticipated profits resulting from such failure or neglect.
- 8. When a contractor fails to perform the terms of the contract promptly, the Board shall give written notice of default. If the contractor fails to cure the default within the time permitted by the notice, the Board may terminate the contract and, at the expense of the contractor or the surety, complete the contract or cause the contract to be completed.

#### E. Bid schedule

The Board Secretary/School Business Administrator and/or Purchasing Agent will prepare an annual schedule of bids to meet the needs of the district.

## F. Solicitation of Ouotations

Solicitation of quotations is regulated by 18A:18A-37. The Purchasing Agent will assist in the solicitation of quotations.

## G. Purchasing Manual

The Purchasing Agent will prepare annually for Board approval a Purchasing Manual which will assist the various employees in the purchasing practices of the Board of Education.

## 6340 - MULTIPLE YEAR CONTRACTS (Regulation)

The following goods and services may be supplied to the district under a contract exceeding the fiscal year:

- 1. Fuel for heating, for up to three years, N.J.S.A. 18A:18A-42a(1):
- 2. Fuel and oil for vehicles and equipment, for up to three years, N.J.S.A. 18A:18A-42a(2):
- \*3. Thermal energy for heating and/or cooling, for up to twenty years, N.J.S.A. 18A:18A-42a(3):
- 4. Snow and ice removal, for up to three years, N.J.S.A. 18A:18A-42b:
- 5. Garbage and refuse collection and disposal, for up to three years, N.J.S.A. 18A:18A-42c:
- 6. Data processing service, for up to five years, N.I.S.A. 18A-18A-42d:
- \*7. Insurance coverage, for up to three years, N.J.S.A. 18A:18A-42e;
- 8. Leasing or servicing of vehicles or equipment, for up to five years, N.J.S.A. 18A:18A-42f;
- \*9. Telephone service, for up to five years, N.J.S.A. 18A:18A-42g;
- 10. Materials, supplies, or services required on a recurring basis, for up to two years, N.J.S.A. 18A:18A-42h;
- 11. Private driver education services, for up to three years N.J.S.A. 18A:18A-42i;
- 12. Transportation services, for up to four years, N.J.S.A. 18A:39-2;
- 13. Food management services, for up to two years, N.J.S.A. 18A:18A-42.1.

All such contracts, except those marked \*, must contain an annual cancellation clause or a clause conditioning annual extension on the appropriation of sufficient funds to meet the Board's obligation.

## 6421 - PURCHASES BUDGETED (Regulation)

All purchasing for the school district shall be conducted under the authority of the Board Secretary/School Business Administrator who has been designated as Purchasing Agent by the Board of Education in Policy No. 6421.

## A. Contracts exempt from bidding

A purchase, contract, or agreement may be made or awarded by the Board of Education at a public meeting without public advertising for bids and recourse to the Board's bidding procedures under the following circumstances:

- 1. If the subject matter of the purchase, contract, or agreement consists of:
  - a. Professional services, N.J.S.A. 18A:18A-5a(1);
  - b. Extraordinary unspecifiable services, which are specialized and qualitative services requiring expertise, extensive training and proven reputation in the field of endeavor, under conditions established by the State Board of Education, N.J.A.C. 6:20-8.1, N.J.S.A. 18A:18A-5a(2);
  - c. The doing of any work by employees of the Board, N.J.S.A. 18A:18A-5a(3);
  - d. The printing of all legal notices and legal briefs, records, and appendices to be used in any legal proceeding in which the Board may be a party, N.J.S.A. 18A:18A-5a(4);
  - e. Textbooks, copyrighted materials, kindergarten supplies, and pupil produced publications and services incidental thereto, N.J.S.A. 18A:18A-5a(5);
  - f. Food supplies, including food supplies for home economic classes, when purchased pursuant to N.J.S.A. 18A:18A-5a(6);
  - g. The supplying of any product or the rendering of any service by a public utility subject to the jurisdiction of the Board of Public Utility Commissioners and supplied in accordance with the tariffs and schedule of charges of that Board, N.J.S.A. 18A:18A-5a(7);
  - h. The printing of bonds and documents necessary to the issuance and sale thereof, N.J.S.A. 18A:18A-5a(8);
  - Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with such service, N.J.S.A. 18A:18A-5a(9);

- j. Insurance, including the purchase of insurance coverage and consultant services, N.J.S.A. 18A:18A-5a(10);
- k. Publishing of legal notice in newspapers as required by law, N.J.S.A 18A:18A-5a(11);
- 1. The acquisition of artifacts or other items of unique intrinsic, artistic, or historic character, N.J.S.A. 18A:18A-5a(12);
- m. Election expenses, including advertising expenses incidental thereto N.J.S.A. 18A:18A-5a(13);
- n. Electronic data processing service obtained from another board of education, N.J.S.A. 18A:18A-5a(14); and
- o. Driver education courses provided by licensed driver education schools. N.J.S.A. 18A:18A-5a(15).
- 2. If the contract is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any board, body, officer, agency, or authority or any other state or subdivision thereof, N.J.S.A. 18A:18A-5b.
- 3. After two unsuccessful advertisements of a nonexempt contract in excess of the bid threshold and a determination that no government entity can perform the work or furnish the goods, on the two-thirds vote of the full Board, and under the conditions set forth at N.J.S.A. 18A:18A-5c.
- 4. After the Board has on two occasions rejected unreasonable bids on a nonexempt contract in excess of the bid threshold and has negotiated a price lower than any bid price in accordance with law, on the two-thirds vote of the full Board and under the conditions set forth at N.J.S.A. 18A:18A-5e.
- 5. When the Board has solicited and received at least three quotations on materials, supplies, or equipment for which a State contract has been issued and the lowest responsible quotation is at least ten percent less than the price the Board would be charged for the identical materials, supplies, or equipment, in the same quantities, under the State contract, and on the two-thirds vote of the full Board, N.J.S.A. 18A:18A-5e.
- 6. When law permits the annual renewal without bid of:
  - a. A contract for recurring materials, supplies, or services, which may be renewed yearly for a period not exceeding three additional years provided

- (1) The Board finds that the services are satisfactory or the goods meet original specifications,
- (2) The terms of the original contract are substantially unchanged, and
- (3) Any increase in the contract cost over the three year period is no greater than a total of twenty percent over the original. N.J.S.A 18A:18A-42h;
- A contract for food management services, which may be renewed yearly for not more than two additional years provided
  - (1) The Board finds that the services are performed effective and efficiently,
  - (2) The terms of the original contract are substantially unchanged, and
  - (3) Any increase in the contract cost over the two year period is no greater than a total of twenty percent over the original. N.J.S.A. 18A:18A-42.1:

#### B. Quotations

- 1. Quotations will be sought whenever the estimated value of a purchase or contract for goods or services, other than professional services, is 20% or more of the bid threshold established by law and is not made under state contract.
- 2. Whenever practicable, quotations shall be sought from at least three independent vendors. A "Request for Quotation" form shall be prepared and distributed to each of the vendors from which quotation is sought. Specifications and delivery requirements shall be uniform to insure the comparability of the quotations received.
- 3. All quotations must be received in written form. Copies of all quotations received shall be retained and attached to the purchase order issued for those goods or services for which quotations were sought.

#### C Purchase Orders

All requests for purchases of materials, supplies and services must be made through a signed and approved purchase order.

Any Board of Education who orders and receives goods without going through the proper purchase order process will be held responsible for payment of the order. There to be no confirming orders. Exceptions or extreme urgencies are to receive prior approval by the

Superintendent of Schools, the Assistant Superintendent, Business Administrator and/or the Purchasing Agent.

Responsibilities of Originator of Purchase Order

The person who fills out the Purchase Order has certain responsibilities before the order is sent to the administrator, supervisor, or principal for approval. They are to ensure the following:

- a. Purchase Orders are Typed All Purchase Orders are to be typed. Note to secretaries: Please type the date or requisition and your initials next to the date.
- b. Vendor's Address Complete The Purchase order must include a complete vendor's address. Post Office Box Addresses by themselves are not acceptable unless they are major, well-known companies.
- Current Budget Year Included The current budget year must be included on space provided.
- d. Description of Items, Services, Costs and Catalogue Numbers-Up to Date -Items and/or services requested are to be described clearly with correct and up-to-date, catalogue numbers and costs. Please use latest catalogues available.
- e. Shipping Costs Estimated shipping costs are to be added toll P.O.'s

5% for school supplies, materials 10% for textbooks or

- f. Please read catalogue carefully to determine actual shipping costs. If there are no shipping and handling charges, type on P.O. "Shipping and Handling included."
- g. New Jersey Contract purchases include shipping and delivery. Do not include shipping and delivery changes in State Contract purchases.
- Delivery Address Attention To: The delivery address should include a name of a person or a specific department.
- Total Costs Please include the words Total Cost on the P.O. with the actual amount of the order.
- j. Budget Account Number Please be sure the GAAP Budget Account Number and GAAP Budget Line typed on the P.O. are correct.

- k. State Contract Orders When ordering through State Contract Vendors please include:
  - (1) State Contract Number
  - (2) Shipping and Handling Included
- 1. Quotations If quotations are obtained, please attach a copy of each written quotation received to the Purchase Order. Please type the work "Quote" above the "Date of Requisition" on the Purchase Order.
- m. Bids If bids are obtained, please type the following above the "Date of Requisition" on the Purchase Order:
  - (1) Bid Number
  - (2) Bid Date
- Staple Purchase Orders Purchase Orders are to be stapled if two or more Purchase Order forms are used for the same order.
- 2. Responsibilities of Administrator/Supervisor or Principal

The Administrator/Supervisor, Principals must insure the following before the Purchase Order is sent to the Superintendent:

- a. They must check to determine if funds are available in their budget to cover the Purchase Order.
- b. They must check to determine that items 1-12 previously noted (Responsibilities of Originator) have been properly completed.
- c. If satisfied with the above two items, the Purchase Order must be signed (no rubber stamps please) and sent to the Superintendent's Office.
- d. Signature of Principal Central office administrators and supervisors have been notified that whenever they order materials, textbooks and equipment for the instructional staff of the various schools, the purchase order for these items must be cleared by the school principal. The principal must co-sign the purchase order.
- e. The administrator/supervisor or principal who is responsible for the budged account must ensure that purchase orders from their accounts are properly typed and signed.
- f. The green copy of the Purchase Order remains with the originator and/or his/her Administrator/Supervisor/Principal.

## 3. Responsibilities of Superintendent of Schools

Upon receipt of the Purchase Order, the Superintendent's Office has the Purchase Order date and time stamped. The Superintendent or his/her designee reviews and determines the educational value of each. The Superintendent or his/her designee signs all purchase orders. The Purchase Order is then to be sent to the Business Office.

## 4. Responsibilities of Business Office

The Business Administrator and the Purchasing Agent review each Purchase Order. Special attention is given to the following:

- a. Available Funds Purchase Orders are divided by account and are checked to determine if funds are available in the account. If not, the Purchase Order is returned to the originator with a memo of explanation.
- b. What is being ordered and cost Although the Superintendent determines the educational need for each Purchase Order, the Business Office services as another check in the process.
- c. The Business Office checks the costs of each item and determines if it can be purchased from another vendor at a savings. Also, does the P.O. exceed:

The Quote Limit \$2,320 The Bid Limit \$11,600

- d. The P.O. is also reviewed for technical aspects such as
  - (1.) Account number missing or incorrect
  - (2.) Shipping charged added
  - (3.) Signatures missing
  - (4.) State contract numbers Incorrect/Missing
  - (5.) Vendor address incomplete
  - (6.) Other items as listed in Section A
- e. Incomplete or improper Purchase Orders will be returned with a memo explaining deficiencies. See Exhibit C.
- f. If the Purchasing Agent is satisfied, he/she sign Purchase Order. The Business office will then:
  - (1.) Issue a Purchase Order Number
  - (2.) Issue a Vendor Number
  - (3.) Enter the Purchase Order in the computer

It is in the Business Office where a double check is made to determine if funds are available for the purchase. If not, the Purchase Order is sent back to the originator and a request for transfer for funds is made. Once a transfer of funds has been approved by the Board of Education, the Purchasing Agent will approve the order. If there are sufficient funds, the pink copy of the Purchase Order is sent back to the originator and the top copy and the voucher are sent to the vendor. This completes the order process for materials and services

g. Pink coy of Purchase Order - Once the Purchase Order has been processed by the Business Office, the pink copy is sent back to the school or central administration office.

When supplies or materials have been received and services have been completed, please sign the pink skip and return the pink slip to the Business Office with all packing slips as soon as possible. Please check your order carefully. Orders cannot be paid without the signed pink slip.

The Passaic Board of Education has an excellent reputation of paying its bills in a timely fashion; we ask all Board employees assist us in maintaining our reputation.

#### Vendor

To receive payment, the vendor signs the voucher and returns it to the Business Office when the order has been filled.

#### 6 Purchase Order Cut-Off Date

Administrators and Supervisors are to be alerted to the fact that Purchase Orders for the present school year will no longer be accepted by the third Friday of May.

#### 7. Training Sessions

All school personnel involved in the purchasing process will have to attend an annual training session concerning the proper purchasing procedure. The Superintendent will set the appropriate date.

## **6422 - BUDGET TRANSFERS (Regulation)**

## A. Background

An actual emergency must exist. An "emergency" is not to be created as a result of inadequate planning, delay, failure to take into account construction season or administrative convenience.

## B. Definition of Emergency

An emergency is a situation affecting the health or safety of occupants of school property that require the immediate delivery of articles of performance of service to alleviate the emergency.

## C. Process in Declaring an Emergency

## 1. Superintendent of Schools Notified

The Superintendent of Schools is notified by the employee requesting are emergency.

## 2. Written Requisition Filed With Board Secretary

A written requisition (purchase order) for the performance of work or the furnishing of materials is filed with the Board Secretary/Business Administrator describing the following

- a. Nature of the emergency.
- b. Time of occurrence
- c. The need for invoking the emergency statute

This written requisition must be certified by the employee in charge of the building, facility or the employee in charge of the equipment wherein the emergency occurred.

#### Awarding of Contract by Board Secretary/Business Administrator

If the Board Secretary/Business Administrator is satisfied the emergency exists, the Board Secretary/Business Administrator is, by State Law, authorized to award the contract.

4. Filing of Documents with State, County byBoard/Secretary/School Business Administrator

In accordance with N.J.A.C. 6:20-8.5 the following documents must be filed with the Bureau of Facility Planning and the County Superintendent within three (3) days after the contract or agreement:

- a. A copy of the contract or agreement
- b. A copy of the written requisition
- 5. If conditions permit, the Board Secretary/School Business Administrator shall seek quotations from more than one source. If the expenditures are expected to be in excess of the bid threshold, the Board Secretary/School Business Administrator shall attempt to obtain no fewer than three quotations.
- 6. When emergency conditions have eased, the Board Secretary/School Business Administrator shall utilize the regular purchasing system to obtain estimates from suppliers, vendors, and contractors for materials and/or services that will eliminate the circumstances that created the emergency.
- Approval by Board of Education

The Board of Education at its next regular Public Meeting shall review and approve said emergency purchase.

All purchasing done by the Board of Education shall be done with strict adherence to New Jersey School Contract Law Title 18A:18A.

## 6470 - PAYMENT OF CLAIMS (Regulation)

## Receipt of goods and services

- 1. The administrator who receives goods or services shall check them against the purchase order issued and determine whether the goods or services delivered meet the specifications and quantities set forth in the purchase order.
- 2. The receiving administrator will record his or her approval of the received goods or services on the yellow copy of the purchase order and return it to the business office. The green copy of the purchase order will be retained by the receiving administrator
- 3. Any over supply, shortage, substitution, or other discrepancy must be reported immediately to the Purchasing Agent.

## B. Approval of invoice

- 1. The accounts payable staff shall verify the vendor's invoice for the correct billing price and check the invoice for accurate extensions and omission of tax.
- 2. The accounts payable staff shall attach the vendor's invoice and voucher to the yellow copy received from the requisitioner and certifying satisfactory completion.
- 3. If an invoice exceeding \$150 in amount does not include a voucher, a voucher will be promptly sent for the vendor's verification.
- 4. If the invoice price exceeds the purchase order price, less than \$50.00 the accounts payable staff may approve of the new price. If more than \$50.00 the Purchase Order is to be returned to originator.
- 5. If extensions are incorrectly calculated, the invoice will be returned to the vendor for correction or corrected by Accounts Payable Staff.
- 6. If tax has been charged, the invoice will be corrected by the Accounts Pavable Staff.
- 7. If goods or services received were not satisfactory, the receiving officer and the vendor will be consulted in order to reach a resolution satisfactory to all parties.
- 8. The verified invoice, voucher (if necessary), verified receipt, and all accompanying papers will be forwarded to the Board Secretary/School Business Administrator.

#### C Issuance of warrants

- 1. The Board Secretary/School Business Administrator may prepare warrants for expenditures for which the Board has waived approval and which are listed in Policy No. 6470:
  - a. Interest on bonds as it becomes due.
  - b. Payments to redeem bonds as they become due.
  - Progress payments to contractors in accordance with a contract approved by the Board, and
  - d. Warrants to cover payroll and approved agency account deposits, and
  - e. All others deemed necessary by the Board Secretary/School Business Administrator in full accordance with N.J.A.C. 18A:19-2 and 18A:19-4.1.
- 2. Expenditures made without prior Board approval must be reported to the Board at its next meeting after the warrant is drawn.
- 3. All other demands for payment will be submitted to the Board for approval.
- 4. In order to be submitted for approval at the Board's regular monthly meeting, demands for payment must be received by the business office no later than the 15th day of the month.
- 5. In accordance with Policy No. 6470, claims must be submitted to the Board in the form of a list that includes the
  - a. Number, amount, and date of the warrant:
  - b. Pavee
  - c. Reason for the expenditure: and
  - d. Account charged.
- 6. When the expenditure has been approved, the Board Secretary/School Business Administrator will debit the correct account and credit the encumbrance.
- 7. A warrant will be prepared in payment of goods or services received no later than the 5th work day after the claim has been approved by the Board. The warrant number will be recorded on the file copy of the vendor's invoice.
- 8. All warrants shall be signed by the Board President, the Board Secretary/School Business Administrator, and the Treasurer of School Moneys.

9. Each warrant will be run through the checkwriter for imprint, by signature plates, of the signatures of the Board President, Board Secretary/School Business Administrator, and Treasurer of School Moneys. When not in use, the check writer will be kept secured under two separate locks, each requiring a different key. Keys to the check writer locks will be removed from the check writer when it is not in use and will be separately secured. One key will be under the control of the Treasurer, and the other under the control of the Secretary.

## \*6620 - PETTY CASH (Regulation)

Section: Finances

Date Created: December, 1995 Date Edited: December, 1995

Each petty cash fund established by Policy No. 6620 shall be administered in accordance with the following rules:

## A. Authority

- 1. The custodian of the fund shall assume direct control of the fund or assign direct control to a responsible school employee under his or her direct supervision. (Hereinafter, "custodian" includes the custodian's designee.)
- 2. Each deposit and expenditure shall be promptly and accurately recorded.

#### B. Withdrawal

- 1. Each person who seeks petty cash funds shall prepare and sign a written request stating the amount requested and the purpose of the funds. The requestor will supply receipts or invoices as appropriate to support the request, and all such documents will be attached to the request.
- 2. The custodian will prepare a disbursement slip for each expenditure that records the date, amount of the expenditure, purpose of the expenditure briefly stated, and the name of the requestor.
- 3. The person who receives the funds will acknowledge receipt by signing the disbursement slip. The disbursement slip will be attached to the request for expenditure.
- 4. Any check drawn on a petty cash fund shall be in the exact amount of the request submitted for reimbursement.
- 5. No cash shall be released from the petty cash box to any person as a loan or in change for a personal check, but change may be made from the petty cash box on a direct exchange of funds in equal amounts.
- 6. No single petty cash expenditure may exceed the amount established by Policy No. 6620. No request for funds or supporting receipts will be divided so as to circumvent this rule.
- 7. At the end of each school day, the custodian will lock the petty cash box and place it in a secure and locked place, preferably fireproof and stationary.

8. The custodian will retain and file each request for funds, with the disbursement slip and supporting documents attached.

#### C. Reimbursement

- 1. At the end of each month, the custodian will complete and file with the Board Secretary/School Business Administrator a report on the amounts disbursed from the fund during that period.
- 2. The Board Secretary/School Business Administrator will prepare a voucher for Board approval in an amount equal to that which was disbursed. All requests for disbursement, supporting documentation, and disbursement slips will be submitted with the request for replenishment.
- 3. The Board Secretary/School Business Administrator will allocate petty cash expenditures to the various accounts.
- 4. At the end of each school year, the custodian of the fund will return the petty cash box and checkbook to the Board Secretary/School Business Administrator and complete a final report of the fund for audit.

N.J.S.A. 18A:17-34; 18A:19-14

## \*6660 - GENERAL ORGANIZATION (Regulation)

Section: Finances

Date Created: December, 1995 Date Edited: December, 1995

All school activity funds must be handled with good and prudent business procedures. The Principal of each school has the ultimate responsibility for the collection, record keeping, and disbursement of all school activity funds.

Responsibilities of Principal, School Activity Fund Account Manager/Treasurer and Staff Members

- 1. Receipts must be issued for all money received from any source for school activities.
- 2. All activity funds are to be deposited in a bank on the same day such funds are collected. Only school funds can be deposited in activity accounts.
- 3. In a building where a safe is available, funds under \$100 may be kept in the safe overnight, notwithstanding that which is No. 2 above.
- 4. Students must be closely supervised when they are handling activity funds.
- 5. All activity funds must be closely guarded.
- 6. All disbursements will be made by check; and request for disbursements must be signed by the persons requesting checks. All requests for disbursements must have invoices and/or statements from the provider attached thereto.
- 7. All signature cards filed with banks must require the signature of two persons or each check. The Principal will signify the persons authorized to sign checks.
- 8. The Principal is ultimately responsible for seeing to it that all activities are carried out as outlined.

#### Responsibility of Principal

- 1. All forms used for receipts and disbursements, all records, and periodic reports must be in accordance with recommendations made by the School Auditor.
- 2. Provisions must be made for a final bank reconciliation and a final report of all funds held as of July 15th each year. Such records, reconciliations, and reports must be packed and made available to the Board Secretary/School Business Administrator no later than July 15th of each year so that records can be audited and returned in time for the following school year.

- 3. Any questions concerning the propriety of such records will be directed to the School Auditor through the Board Secretary/School Business Administrator.
- 4. Class funds shall remain as active accounts for one year following graduation of the class in order to meet any bills which were outstanding at the close of the school year. At the end of the school year following graduation, the funds of such class accounts shall revert to the general fund of the school and may not be held for the class.

All student fund-raising activities must be done only with the permission of the Superintendent of Schools. For the purposes of this policy, any solicitation and collection of money by pupils is included in the term "fund-raising".

N.J.S.A. 18A:17-34; 18A:19-14

**6810 - FINANCIAL OBJECTIVES (Regulation)** 

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The Board of Education recognizes its responsibility to the taxpayers of the district to be sure that public moneys expended by the school district are utilized for the furtherance of pupil education

n a manner that will insure full value to the taxpayers, and that adequate constraints and records

are established to insure that end.

The Board by law holds the authority to fix the budget, approve bids and pass upon each

expenditure of the district.

To meet the goals of this policy, the Board requires the Board Secretary/School Business

Administrator to:

a. Establish sound accounting procedures

b. Institute effective business practices

c. Recommend suitable office equipment where necessary.

d. Review the financial operations annually and report to the Board on effectiveness

and recommended improvements.

N.J.S.A. 18A:18A-1 et seq.; 18A:19-1 et seq.; 18A:22-

Adopted:

21 December 1995