

**ADMINISTRATIVE REGULATION: PURCHASING PROCEDURES**

Payment of Bills

The Business Administrator shall examine and audit all accounts and claims and demands against the Board, and present the same to the Board of Education (BOE) for its approval in a public meeting.

Processing of Orders

The Business Administrator shall keep and maintain such accounts of the financial transactions of the district, as shall be prescribed by the State Board and the BOE, including a correct, detailed and timely account of all the expenditures of school moneys in the district.

Purchase Orders

1. The Principals shall be responsible for assigning the proper account to be charged for each requisition. The Business Office shall verify that the account has a positive balance. If a negative balance exists or is anticipated, the Business Administrator shall prepare the appropriate transfer forms for approval and submission to the Board. All requisitions/purchase orders are date stamped upon receipt in the Board Office.
2. Upon authorization, the signed original copy of the order and a Long Hill Township BOE invoice form shall be forwarded from the office of the Business Administrator to the vendor.
  - a. The yellow copy shall remain in the Board Office for accounting purposes
  - b. The pink receipt copy is sent to the person who initiated the request
  - c. The green copy is retained by the person who initiated the request for his/her file.
3. The Business Administrator shall also process requisitions/purchase orders categorized as an emergency need pursuant to the policy of the BOE governing purchasing and payment of bills.
4. All purchase orders must be signed in the appropriate area by the Board Secretary and Superintendent.

Receipt of Orders

1. All materials and services shall be checked in promptly by an authorized staff member responsible for the items being received.

2. Upon satisfactory receipt of materials or services, the person receiving the order shall sign the pink certification copy and send it promptly to the Business Office.
3. Receipt of partial orders shall be acknowledged promptly with reasons for non-shipment (i.e. out-of-stock, backorders) noted, if known. Partial payments, especially on large orders, will be made.
4. Incomplete orders, or unsatisfactory materials, or services, shall be reported promptly by the receiver to the Business Office for follow-up action. Shortages must be paid for unless promptly reported to the vendor.

#### Invoices

1. Vendors must submit their bills on an official Long Hill Township voucher form for payment.
2. Vendors must execute the declaration on all bills exceeding \$150.00.
3. Invoices must be received by the first of the month to ensure payment that month. Invoices received between the second and fifth of the month will be processed for payment if possible.

#### Public Work

Contractors and sub-contractors on public work (construction and alteration) over \$2,000 shall include certification, as required by the New Jersey Prevailing Wage Act, on their final voucher.

#### Advance Payment

All advance payments must have the prior approval of the Business Administrator and the Superintendent.

Signed, completed invoices must accompany the purchase order if advance payment is requested. (Entrance fees, reservation deposits, etc.) These will be processed and paid as any other bill.

#### Audit Requirements

No bill (voucher or invoice) shall be paid unless the Business Administrator has:

1. Attached the receiving copy of the order, indicating that the order has been properly filled;
2. Verified all extensions and additions;
3. Verified that the declaration has been executed if the amount of the bill exceeds \$150.00;
4. Compared prices and cost with the original order;

5. Verified that no taxes are included from which Boards of Education are exempt;
6. Deducted all applicable discounts; and
7. All pertinent receipts or itemized documents are attached.

#### Long Term Contracts

Where contract payments are pro-rated over a long-term (yearly transportation contracts), verification of the fact that the contract is being satisfactorily performed shall be made monthly to the Business Administrator by the person in charge of the activity. Written certification will be received before final payment is made.

#### Revolving and Petty Cash Funds

Purchases under revolving and petty cash funds may be made up to the authorized amount each month.

1. Invoices for revolving fund reimbursement should include a detailed accounting of monthly expenditures by activity (i.e. monthly publications, etc.)
2. Invoices for petty cash reimbursement should include a complete listing for all such purchases made that month.
3. A vendor ticket or receipt should be secured for each cash purchase. Individual items should be limited to a maximum of \$25.00 each. Each receipt must be countersigned by the administrator or principal involved and attached to the invoice for reimbursement.

#### Monthly Bill List

The Business Administrator shall submit a list of bills monthly for approval by the Board for payment. A grand total amount to be approved shall be specified in the motion to the Board for approval.

#### Payment for Emergency Orders

Only authorized emergency orders placed without prior Board approval (pursuant to authority conferred in the purchasing policy) may appear in the bills to be paid at the same Board meeting at which they are being ratified, if all the audit requirements listed above are met.

#### Conflict with Board Policy

In the event of conflict between any provision of these Administrative Regulations for the implementation of Board Policy 3320 – Purchasing Procedures, governing purchasing and payment of bills, and a provision forming a part of such policy, the provision of the Board policy shall control.

Replaces all previously adopted policies.

First Reading: January 23, 2012

Second Reading: February 13, 2012

