

**PAYMENT FOR GOODS AND SERVICES**

Before warrants signed by the Long Hill Township Board President, Board Secretary and Chief School Administrator (CSA) may be issued in payment of bills or claims, the bill or claim must be properly audited and approved according to law.

In general, bills or claims shall be audited by the board secretary and approved by resolution of the Long Hill Township Board of Education (BOE). However, in order to provide for the prompt payment which vendors are entitled, and which leads to more effective competitive bidding and provision of services to the district, claims duly audited by the Board Secretary for items previously approved by the BOE or provided for in the budget may be approved by the School Business Administrator. Such payments shall be reported to the BOE at the next regular meeting.

Items not previously approved by the BOE or provided for in the budget must be audited by the Board Secretary and presented for Board approval.

Purchase orders

The district will carefully monitor payments for invoice amounts that are greater than the approved purchase order (PO), in order to avoid over-payments. All PO's will be reviewed by the Business Administrator and individually reviewed by the Board. Any adjustments made to PO's (where the invoice is greater than the PO), will be analyzed by the Business Administrator and then approved or rejected. Upon approval by the Business Administrator, they will then be presented to the Board for approval. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or the bid award price.

Finance Systems to Avoid Over-Payments

Pursuant to law, the district will program its financial systems to avoid overpayments by:

- A. Limit system access so that only appropriate staff may make purchase order adjustments;
- B. Reject adjustments in excess of any established approved thresholds;
- C. Prevent unauthorized changes to be processed;
- D. Reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceed the sum of the original purchase order;
- E. Reject duplicate purchase order numbers;
- F. Reject duplicate invoice numbers;

G. Prepare an edit/change report listing all payments made in excess of the approved purchase order amount.

The business administrator shall review on a monthly basis edit/change reports listing all payments made in excess of the originally approved purchase order amount to ensure that all payments are properly authorized.

Replaces all previously adopted policies.

Reviewed and readopted: December 15, 2014

First Reading: January 11, 2010

Second Reading: January 25, 2010

**Legal References:**

N.J.S.A. 18A:19-1	Expenditure of funds on warrant only; requisites
N.J.S.A. 18A:19-2	Requirements for payment of claims; audit of claims in general
N.J.S.A. 18A:19-3	Verification of claims
N.J.S.A. 18A:19-4	Audit of claims, etc., by secretary; warrants for payment
N.J.S.A. 18A:19-4.1	Account or demand; audit; approval
N.J.S.A. 18A:19-9	Compensation of teachers, etc., payrolls
N.J.S.A. 18A:22-8.1	Transfer of amounts among line items and program categories
<u>N.J.A.C.</u> 6A:23A-6.10	Financial system and payment approval process
<u>N.J.A.C.</u> 6A:23A-16.8	Petty cash funds

**Possible Cross References:**

*3320	Purchasing procedures policy for purchasing and payment of bills
*3451	Petty cash funds
*3453	School activity fund
9126	Board Attorney

\*Indicates policy is included in the Critical Policy Reference Manual.