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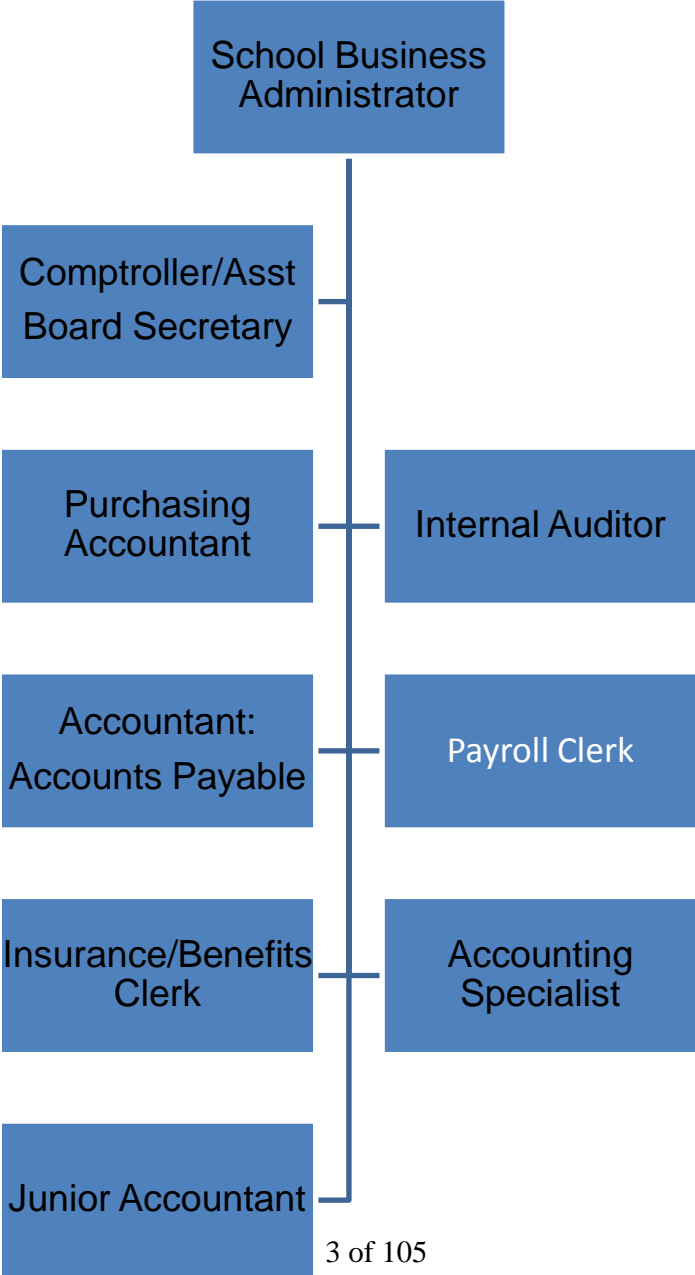
PREFACE

The Guide for Standard Operating Procedures and Internal Controls is a document that outlines the business practices that are approved by the Pleasantville Board of Education and administered by the Business Office. In general, the manual follows pronouncements of Governmental accounting as adopted by the Governmental Accounting Standards Board (GASB) and the pronouncement of the Financial Accounting Standards Board (FASB).

The manual provides for a basic double entry modified accrual system of accounting with general ledger controls over budgetary accounts, expenditures, fund balances, inventories, liabilities, receivables and revenues. The accounting principles and procedures included in the manual represent basic minimums necessary for the achievement of school district reporting objectives. The school district maintains detailed revenue and expenditure accounts as well as required periodic reports.

The use of these systems will (1) promote uniformity in the presentation and comparison of financial data; (2) make available to the local school superintendents and school boards complete and up-to-date; (3) furnish the means for effective budgetary control; (4) provide a method for school districts to present their fiscal operating results and financial needs to the state legislature and public.

BUSINESS OFFICE



Internal Control Document

OVERVIEW

Internal controls are not separate systems of the Pleasantville School District. Controls are not an isolated activity but integral part of each activity used to guide the district. Establishment, maintenance and evaluation of the internal controls are the responsibility of administration. The evaluation of internal controls includes identifying the framework used by the administration to determine the effectiveness of the internal controls. Controls are in place to detect or prevent errors and fraud. An error is an unintentional mistake that has the potential to affect the financial statements and fraud is the intentional misuse or misappropriation of district's assets.

OBJECTIVE OF INTERNAL CONTROL

The three objectives of internal control are to ensure the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The safeguarding of assets is a subset of all these objectives. Continuous monitoring and testing is needed to help to identify poorly designed or ineffective controls. The administration is also responsible for communicating the objectives of internal control and ensuring the organization is committed to the sustaining and effective internal control environment.

CONTROL ENVIRONMENT

The control environment includes the organizational structure, the control framework, the District's policy and procedures and the internal and external influences. The tone set by the school district's board and administration determines the attitude toward the controls of the District.

Organizational Structure

The organizational structure determines the administration's responsibilities and the sets the relationship with the board, which sets the policies.

Control Framework

Segregation of duties is a method used to help ensure the reliability of the organization's internal controls; one person should not have access to all stages of a process. If there is not proper segregation situations could arise when errors or irregularities occur and go undetected. Integrity and competence of the personnel performing the duties are paramount to achieving the desired controls. This includes hiring the proper people and continually training personnel. It is important to ensure that employees who perform financial tasks have the knowledge and skill to perform their duties.

Communication by the administration of the controls and the employee's responsibilities are as important as ensuring that employees know how to communicate irregularities that may arise. Proper supervision of employees is needed to ensure control activities are properly executed.

ADMINISTRATION'S RISK ASSESSMENT

The administration has to conduct an assessment of risks relevant to the financial statements. This includes the identification of potential risks, the analysis of the potential impact of those risks on the ability to properly report the financial statements and the overall management of risks. Items to consider in the risk assessment of the district include, but not limited to:

1. New personnel or new duties for existing personnel.
2. Changes in the regulations and laws that may affect the control environment.
3. How change in accounting information system impacts controls and how effectively the training of personnel on the new system was conducted.
4. Segregation of duties
5. Transactions are recorded timely
6. Cash is deposited timely
7. Transactions are performed by only authorized personnel.
8. Reconciliations are properly and promptly completed.
9. Occurrences of management override.

CONTROL ACTIVITIES

Control Activities include the policies and procedures that are in place to achieve the controls desired. Documentation of the control activities is vital to the overall control environment. These activities include but are not limited to:

1. Segregation of duties
2. Transactions are recorded timely
3. Cash is deposited timely
4. Assets are physically safeguarded
5. Transactions are performed by only authorized personnel.
6. Reconciliations are properly and promptly completed.

CONTROL ASSERTIONS

Control activities can be categorized into one or more assertions. All assertions should be addressed for each process (payroll, cash disbursements, etc).

1. Existence/Occurrence – Existence is whether the assets or liabilities of the district exist at any given point in time (cash, state aid receivable). Occurrence is whether the transaction took place (goods were received before the PO was moved to accounts payable from encumbrances).
2. Valuation or Allocation – Valuation is whether the asset or liability is included on the board secretary's report at the proper value (the amount of cash or state aid receivable). Allocation is whether the revenue and expenditures were recorded in the proper amounts
3. Accuracy/Classification – transactions are recorded accurately and the classification of the transactions is proper.
4. Completeness – is whether all transactions are included (unrecorded purchase orders).
5. Cutoff – transactions are recorded at the proper time (purchase orders written in the proper year).

MONITORING

The administration is charged with reviewing internal controls on an ongoing basis. Monitoring can include responding to the recommendation of the auditor in changes in the controls. Reviewing correspondences from outside sources such as banks and vendors for unusual items is part of monitoring.

CONTROL DEFICIENCIES

A control deficiency exists when the design or operation of a control does not allow the administration to prevent or detect misstatements on a timely basis. A design deficiency exists when a necessary control is missing or is not designed to enable the control objective to be met. An operational deficiency exists when control is designed properly, but does not operate as designed or the person performing the control is not qualified to perform the control.

REASONABLE ASSURANCE AND LIMITATIONS ON CONTROLS

Reasonable assurance is a high level of assurance, but is not absolute. The district should understand that potential fraud could exist and not be detected timely in the following circumstances: when the district has poorly designed or operated internal controls or when there are too many overrides of controls; when there is collusion between employees or between an employee and a third party.

Title: Accounting Department

Subtitle: General Ledger, Accounts Receivable and Accounts Payable

Purpose: To maintain computerized accounting records for the general ledger to provide accurate and timely financial records to the administration and board of education.

- Maintains all records, lists and reporting as required and establishes budgets for all external funds.
- Performs month end and year end closing and opening journal entries.
- Reviews and reconciles all financial information, including payroll encumbrances, receipts and disbursement, capital project funds, debt service and fiduciary funds.
- Review, prepare and process documents to ensure payment is valid, accurate, timely and appropriate.

General Ledger Bookkeeper Procedures:

I. Daily

- Reconcile deposit slips received to bank statements.
 - Daily deposits for food services are tracked on excel spreadsheet by school, month and week. Amounts are reconciled on a monthly basis to the Vendor's profit and loss statement.
 - **Vending Only**: Each school receives 20% of profits from vending that is deposited into the Student Activity Account.
- A spreadsheet is maintained for all deposits received within Edu-met for various scholarship fund and music accounts.
- Summary of receipts are received from the Accounts Receivable Clerk and posted by the bookkeeper to the specific account.
- Review posting to ensure encumbrances are charged to the proper accounts.
- Run and review operating bank statements. Post wired funds to receipts.
- Process purchase orders and make payment on any invoices received.
- Process any necessary paperwork that helps assist the Treasurer in monthly cash settlement.
- Process any transfer requests.
 - Review 10% Transfer Report before processing transfer to ensure the advertised budget does not exceed 10% of the account balance.

II. Monthly

- Payroll Purchase Orders are initiated at the beginning of the year. Monthly payroll amounts are posted within the Edu-Met system once a month.
 - If errors occur they must be researched to determine which account was unable to post.
 - If no errors occur the Post Payroll Report generates; three copies are printed and given to the Payroll Agency Clerk, Treasurer and one copy is retained for the bookkeeper.
- Review account balances to ensure monies are available.
- Each month the Payroll clerk provides the monthly Disbursement Detail and Salary Balance Report. The bookkeeper matches the detailed budget report to the salary balance report.
 - If differences are noted, the detailed budget report is reviewed by the bookkeeper to determine which accounts are affected.
 - A monthly payroll checklist is completed by the bookkeeper indicating any differences between the salary balance report and month end budget report.
 - Once all differences are resolved the bookkeeper will process the monthly salary transfer.
 - Payroll salary balances are tracked for all funds.
- Post interest received from each bank account within Edu-Met.
 - Interest related to payroll agency, payroll and capital projects is transferred to the board.
 - Interest received from investment accounts are posted to the investments held.
 - An excel spreadsheet is maintained for all interest received from each bank statement.
- Monthly FICA amounts are posted for Fund 10 and 20. Each month the Payroll Agency Clerk sends an excel spreadsheet with FICA data.
 - FICA information is provided to the Special Revenue Bookkeeper and the Treasurer.
 - FICA amounts which are utilized for monthly reporting are allocated by the Special Revenue Bookkeeper for each grant.
 -
- Monthly transfers must be approved by the School Business Administrator.
 - Transfers must be accompanied by a transfer request form.
 - Each form must include: account numbers, reason for transfer and signature from requestor and supervisor.
 - The Bookkeeper will verify that monies are available in order to fulfill the transfer request.
 - A monthly transfer spreadsheet is maintained and sent to the Board Secretary for board approval.
- At the end of each month the Bookkeeper will run a 10% Transfer Report to ensure that advertised budget accounts have not changed by 10% or more of the account balance.

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- If a 10% change occurs, a letter explaining the reason is required to be sent to the County Superintendent for approval.
- At the beginning of each year the annual State aid payment schedule is received outlining all monthly state aid payments less any State deductions.
 - The General Ledger Bookkeeper utilizes an excel spreadsheet to track all State Aid received and deductions made by the State.
 - State Aid payments are posted twice a month.
 - Deductions are referred to as “in lieu” which are withheld from the State Aid payments. The State will make payment to other Board approved programs on the District’s behalf.
 - Purchase orders are set up by the General Ledger Bookkeeper in order to accurately account for the deductions withheld by State since State Aid Payments are recorded at gross.
- Record receivable for food service reimbursement due from the State of New Jersey.
- Record debt service payments

III. Board Secretary Report (BSR)

N.J.S.A 18A:17-9 requires that the board secretary present financial statements to the Board of Education. The Secretary’s Report is an interim financial report that provides the board of education and district administrators with a snapshot of the financial status of the district. The BSR provides the following:

- Ensures that estimated revenues are being sufficiently realized to the support current operations.
- Actual expenditures do not exceed approved appropriations.
- Provides information on the financial position of the district.

On a monthly basis the Bookkeeper will execute the BSR for the various types of funds after the Treasurer has settled all cash for the month. The BSR is also reconciled to the Month end Budget report for each fund and the Treasurer’s report to ensure accuracy. The BSR reconciliation forms are submitted to the Business Administrator or designee for review.

The Secretary’s report is prepared for the following:

- General Fund (10)
- Special Revenue Funds (20)
- Capital Projects Funds (30)
- Debt Service Funds (40)
- Food Services (50)
- Trust Funds

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There are four components of the Board Secretary Report:

1. Interim Balance Sheet

- a. Shows assets, liabilities and fund balance by comparing cash and investments on the balance sheet by funds showing the amount of cash available to meet current account payables within that fund.
- b. Estimated revenues for school districts (taxes, state aid and other revenues that are measurable and available) should be recorded on July 1st as actual revenues.
- c. Balances in the control account must agree with the totals in the Schedule of Revenues and Statement of Appropriations.
 - i. Control Accounts:
 - o 301 – Estimated Revenues
 - o 302 – Revenues
 - o 601- Appropriations
 - o 602 – Expenditures
 - o 603 – Encumbrances
- d. Recapitulation of Budgeted Fund Balance provides the following information:
 - i. Tracks the budget to actual fund balance
 - ii. Shows the status of the budget if operation were shut down as of date of report.
 - iii. When revenues exceed expenditures and encumbrances (positive variance) and actual surplus is calculated, shown as a negative.
 - iv. When expenditures and encumbrances exceed revenues (negative variance) an actual deficit is calculated, shown as a positive.
- e. The adjustment for prior year encumbrances required in both the budgeted and actual columns to adjust the budgeted fund balance to agree with the number shown in balance sheet account.

2. Interim Statements Comparing Budgeted Revenue with Actual and to Date and Appropriations with Expenditures and Encumbrances to Date

- a. Equals the advertised budget
- b. Illustrates the detail for the amounts in the control accounts on the interim balance sheet
- c. Presents summarized information which is detailed in the Schedule of Revenues
- d. Revenues/Sources of Funds is summarized at the Source level

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- e. Expenditures are summarized at the Function level.

3. Schedule of Revenues

- a. Detailed information from the revenue subsidiary ledger.
 - i. Estimated – budgeted including revisions to date
 - ii. Actual – revenues recognized to date.
 - iii. Unrealized – amounts yet to be recognized

Note: These totals should agree with the Balance Sheet and Summary reports.

4. Statement of Appropriations Compared with Expenditures and Encumbrances

This report provides the following information:

- a. Detailed information from the expenditure subsidiary ledger. The four columns are the same as the summary report.
- b. This is the section that can be used to analyze the spending pattern of the district.

Note: These totals must agree with the Balance Sheet and Summary reports.

IV. Year End Procedures

The District operates on a fiscal year end basis which is July 1st through June 30th. A checklist is followed which outlines all the steps necessary to close out the general ledger each year.

- **Check Control File**
Before running the outstanding purchase order program the control file should be checked. All outstanding purchase orders from the fiscal year will rollover as liabilities in the current year if they are flagged. Liabilities are services that have been rendered but not invoiced. If outstanding purchase orders are not flagged, they will roll into the current year as encumbrances; encumbrances are contracted services that have not started.
- **Outstanding Purchase Order Report**
The first step in closing the year is to prepare outstanding purchase order for rollover. An outstanding purchase order listing should be reviewed to determine which purchase orders will not rollover. Purchase order not rolling over into the next year will automatically close within the system.
- **Mark Liability Purchase Orders**
After reviewing the outstanding purchase order report, mark all POS that will rollover as liabilities "Y". Any PO's not marked with a "Y" will rollover as encumbrances.
- **Print the Outstanding Liability Report**
- **Backup Accounting Files**
- **Rollover Outstanding PO's**
- **Close Receipt Budget**
An established revenue account creates a receivable for the amount anticipated when it is first posted to the general ledger. As receipts are added to an established revenue account the receivable is reduced. At year end, the balance remaining is the amount of the receivable.

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If the balance due is expected, the receivable will become a part of the next year's opening balance. If some or all of the balance due is not expected, an adjustment to the anticipated revenue account must be made. It is important to remember if you adjust the anticipated revenue account the budget must remain in balance.

- **End of Period Posting**
Post through June 30 in the fiscal year you are closing.
- **Print Trial Balance**
- **Reverse 300 and 600 Accounts**
After rolling outstanding purchase orders and closing the receipt budget, the reversal of budget groups is required. The reversing entries are made in the general ledger in the closing entry section.
- **Entry to Show Total of Re-enters**
After the rollover of outstanding purchase orders, balance sheet accounts 753 and 754 should have a zero balance.
- **Book fixed Assets**
Make journal entries to book fixed asset for the year in which you're closing.
- **Print Final Trial Balance**
After making all closing entries print a final trial balance. Final balances will automatically post as opening entries in the New Year.

V. Accounts Receivable Procedures

Review, prepare and process documents to ensure payments are valid, accurate, timely and appropriate.

- Users of facilities have been billed for usage and recorded appropriately. Submit vouchers for payment for building use to payroll.
- Initiate purchase orders for consultants, home instructions, legal, transportation (Atlantic County Special Services) and travel (i.e. conferences, field trips).
- Initiate payment of travel reimbursements, tuition and insurance premiums.
- Post all outgoing mail and process for delivery.
- Preparer tuition contracts, monthly invoices and vouchers to be sent to sending districts.
- Prepare bank deposit and Summary Receipt Report for General Ledger Bookkeeper.
- Record tuition receivable for tuition students

VI. Accounts Payable Procedures

- All tuition contracts must be board approved prior to payments being rendered.
 - State of New Jersey sends a projection of all the students enrolled with Atlantic County Special Services District (ACSSD) and the amount of state aid.
- Initiate payment and account for disbursement of external funds.
- Process all invoices funded by external sources.

Accounts payable needs to have the following documents before they can process a purchase order for payment:

- *V* – Voucher with the vendor’s certification/declaration stating that the bill is correct, that all goods/services have been furnished and that no bonus has been given or received as part of the claim.
- *I* – An invoice stating the vendor’s name and address as well as all of the items/services purchased and the cost for each purchase along with the total cost.
- *P* – An approved purchase order along with the receiving portion of the purchase order showing that all goods/services purchased were received.

Without any one of these required documents a payment cannot be processed.

1. Invoices

Once accounts payable has the required documents they can process a purchase order for payment. When doing this, accounts payable should do the following:

- Verify the vendors invoice with the purchase order and investigate any differences.
- Do a quick recalculation of the vendor’s invoice to be sure that it is mathematically correct.
- Be sure that the vendor is not billing for New Jersey state sales tax since the Board of Education is exempt.
- Make sure that if the purchase is being made from a state contract vendor there is no charge for shipping.

The accounts payable clerk must initial the voucher to document that the above steps have been performed.

2. Payment Processing

- Once the above steps have been completed a calculator tape is generated on the voucher package and they are entered into the finance system as ready for payment.

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- A “Report of Payment” is generated and reconciled to the calculator tape. If in balance, the report is run alphabetically (for the accounting office) and by account number (for the board).
- Prior to distribution to the Board of Education, the Business Administrator will review the bill list to ensure the information is reasonable.
 - Vouchers are not submitted to the Board of Education but should be available in the Business office for reference.
- Provided the bill list has been approved by the Board of Education, checks are generated the next day.
- Checks are not to be printed until an edit report is generated that shows the total payments to be processed. This balance must agree with the Report of Payment report. The edit report must be printed and maintained on file.
- A check register will be generated for all funds.
- Generate a detail disbursement report for all funds.
- Through the “end of period procedure”, checks will be printed. This portion of the finance program is password protected to eliminate unauthorized access. The following steps are to be followed in order to generate the checks:
 - End of period procedure
 - Enter password
 - Procedures for board or capital account
 - Logoff all users
 - Backup files
 - Total payments (edit)
 - Pre check report
 - Print check (enter check date)
 - Check registers
 - Disbursement journal

The system will automatically assign the check numbers. Blank stock is kept secured, with some kept in the clerk’s desk for emergencies. If any checks are voided, they must be maintained on file until the annual audit has been completed.

- Two of the three signatures are required on all checks: Board President, Treasurer and Business Administrator. The Business Administrator will manually review and sign all checks.
- Prior to mailing the checks, the bottom part of the remittance copy is to be attached to the voucher. This will document the payment date, check number and amount.

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- All checks are to be mailed by the accounts payable department; allowing vendors to come into the office to pick up the check should be avoided.
- The voucher package is to be filed by vendor, in check number order.

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Title: Accounting Department
Subtitle: Insurance and Benefits

Purpose: To coordinate and maintain all employee benefits efficiently and expeditiously.

- Prepare benefits packages and distribute to new employees including mailing of initial COBRA notification.
- Distribute identification cards to employees.
- Review monthly premium invoices for accuracy of enrollment and termination.
- Review monthly payroll register and compare names against the monthly insurance invoices to verify all employees invoiced are on payroll.
- Provide assistance to employees with various situations, including benefit questions, claims, coverage, etc.
- Actively track all new hires, leave of absences and terminations.

I. New Hire Enrollment

When a new employee is hired by the District, the Health Benefits Clerk will receive a Board approval letter from Human Resources for that specific individual indicating their anticipated start date. The Health Benefits Clerk sends out a new enrollment package which includes: a standard welcome letter (outlining benefits and eligibility date), an enrollment form, a waiver form (Opt-Out), summary of benefits and information regarding voluntary disability benefits.

In addition the new enrollment package, an initial COBRA letter is required to be sent within 90 days of the employees start date. The notice contains important information about the employee's right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan and is sent certified mail. This notice generally explains COBRA continuation coverage, when it may become available to the employee and their family, and what they need to do to protect their rights to receive it.

Employees become eligible for benefits on the 1st day of the month following a sixty (60) day waiting period. Dependents will also become eligible for benefits on the day the employee becomes eligible. If an employee is employed on an annual contract and paid on a ten month basis and they begin work at the beginning of the contract year, their coverage will begin immediately. Employees will be covered for Non-Contributory benefits on the day they become eligible.

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All new enrollment information is entered online by the Health Benefits Clerk once the forms are completed and returned by the employee. Membership cards are processed by the insurance company and sent to the Health Benefits Clerk for distribution to the new employees.

Note: Open enrollment occurs on an annual basis every July 1st.

II. Leave of Absences

Based on the Federal Family and Medical Leave Act, covered employers must grant an eligible employee up to a total of 12 work week of unpaid leave during any 12 month period for one or more of the following reasons for the birth and care of the newborn child of the employee;

- For placement with the employee of a son or daughter for adoption or foster care;
- To care for an immediate family member (spouse, child, or parent) with a serious health condition; or
- To take medical leave when the employee is unable to work because of a serious health condition.

In addition, employees may elect to participate in the New Jersey Family Leave for up to 12 weeks unpaid, job-protected leave for certain family and medical related reasons. Unpaid leave must be granted for any of the following reasons:

- To care for the employee's child after birth, or placement with the employee of a son or daughter for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has serious health condition, or
- For a serious health conditions that make the employee unable to perform his or her job.

The Health Benefits Clerk is notified of an employee's leave of absence through receipt of the Board approval letter from Human Resources. The District is required to maintain health benefits for each employee for the duration of their approved leave including individuals who received opt-out payments. For any extended leave of absences, benefits will terminate on the 1st of the month following the exhaustion of either the Federal FMLA or NJ Family Leave Act. When an employee returns from an approved extended leave of absence their benefits will be reinstated the first of the month of which they return to work. Leave of absences are actively monitored to ensure that the employee's insurance coverage is terminated or reinstated accordingly.

III. Termination of Insurance

The Plan provides that an employee's benefits will terminate up the earliest of: (a) the Plan terminates (b) the date on which the District terminates the employee's benefits or (c) the date an employee elects Medicare as primary health coverage payer. Dependent's benefits will terminate automatically upon the earliest of:

- Termination of the employee's coverage.

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- Dependent ceases to be an eligible dependent.
- The date the Plan terminates or is modified to terminate Dependent's coverage.

The Health Benefits Clerk will receive notification of the employee's termination from the Human Resources Department or through Board agenda approval. The Health Benefits Clerk will process the termination of benefits online. Benefits will cancel 30 days after the employee's effective termination date.

Note: Instances may occur when an employee has terminated employment but remained on benefits due to the timing difference related to invoice generation by the insurance company. If and when this occurs, the insurance company is notified regarding the cancellation and any previously paid premiums will be refunded back to the District.

IV. COBRA

An employee may continue health coverage for themselves and their dependents for up to 18 months as long as the termination of their employment was not for any reason other than gross misconduct or reduction in work hours. Coverage may also continue for the employee and their dependents for up to 29 months if the termination of employment was due to Social Security Administration approval of disability.

Dependents may continue their health coverage for up to 36 months due to:

- The employees death
- Divorce or legal separation
- Employee becoming eligible for Medicare or
- The dependent child no longer being eligible under the terms of the Plan.

COBRA coverage must be elected by the employee or the dependent within 60 days of the termination date of the insurance. The coverage continuance will become effective from the date benefits would have terminated and the first monthly billing, in advance, shall be due on the effective date. The employee is required to notify the Plan Administrator within 30 days after the dependent's coverage would end due to divorce or legal separation or due to the a dependent child not longer being eligible.

If any employee elects to COBRA continuation, payment must be remitted within 45 days after the election form has been completed. COBRA payments are due the 1st of each month and 30 days grace period is given for payments not made by the 1st. COBRA payments must be sent to the Health Benefits Clerk for processing. Note: The Health Benefits Clerk is not required to send monthly invoices to an employee who elects COBRA coverage.

V. Monthly Review

On a monthly basis, the health insurance bill is compared to the payroll register by the Payroll Clerk to ensure the employee name appears on both the insurance bill and payroll register for that specific month. The health insurance bill is then compared to the dental and prescription bills for existence and accuracy of the employee's information. The monthly Opt-Out listing is also reviewed to ensure the employee

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remained on payroll. Terminated employees are also reviewed to ensure the coverage was cancelled on the effective termination date.

Title: Special Revenue
Sub-Title: Grants Management

Overview and Background

Grants Management is responsible for identifying grant sources that match those needs of the District. Sources of funding include Federal, State and private grants. There are currently 2 discretionary grants overseen. The District has one Special Revenue Bookkeeper that is responsible for managing the financial records and reporting of the grant awards such as: No Child Left Behind (NCLB), Individual with Disabilities Act (IDEA), Preschool Education Aid, Non Public Aid: Textbook and Nursing Services Aid, Reading First and the Carl D. Perkins Vocational and Technical Education Act.

I. Identifying Grants

- **State Grants**

- Preschool Education Aid*

- Aid distributed to all districts with high concentrations of low-income students for the purpose of providing preschool, full day kindergarten and other early childhood programs and services.

- Chapter 192, 193*

- New Jersey's Chapter 192 and 193 programs are provided to eligible students enrolled full-time in nonpublic and secondary schools in New Jersey. Chapter 192 programs provided nonpublic school students with auxiliary services such as compensatory education, English as a second language, and home instruction. Chapter 193 programs provide nonpublic school students with remedial services such as evaluation and determination of eligibility for special education and related services, supplementary instruction, and speech-language services. Presently, the Board of Education does not have any 192, 193 students. However, the district adheres to the statute by sending the surrounding communities information as required by state guidelines.

- **Federal Grants (*Entitlement Grants*)**

- NCLB*

- The purpose of this grant is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging State academic achievement standards and state academic assessments.

- IDEA*

- The Individuals with Disabilities Education Act (IDEA) is a law ensuring services to children with disabilities intervention, special education and related services to more than 6.5 million eligible infants throughout the nation. IDEA governs how states and public agencies provide early, toddlers, children and youth with disabilities

Perkins

To develop more fully the academic, vocational, and technical skills of secondary and post-secondary students who elect to enroll in vocational technical education programs.

- **Discretionary Grants**

Discretionary grant awards are funded on the basis of a competitive process. The department reviews applications, in part through a formal review process, in light of the legislative and regulatory requirements and published selection criteria established for a program. The review process gives the department discretion to determine which applications best address the program requirements and are, therefore, most worthy of funding.

II. Applying for Grants

All grants are applied by the Administrators within the Curriculum and Instruction department. The Notice of Grant Opportunity (NGO) is a program-specific document containing three sections that detail (1) the state's purpose, goal(s), assessment, eligibility and general guidelines in offering the grant program, (2) the eligible agency's guidelines for constructing a project consistent with the state's purpose and goals, and (3) general application guidance that links the applicant to the Discretionary Grant Application (DGA) available on the Department of Education's website.

- **Section One - Grant Program Information** presents the state's overall goal(s) for the grant program, its purpose, anticipated outcomes, and assessment.
- **Section Two - Project Guidelines** gives guidance about the design of a local agency's project. It contains considerations and suggestions an applicant may want to include in creating their local project and budget. This section also describes the specific project and budget requirements that must be included in a grant application.
- **Section Three - Completing the Application**, outlines the general application instructions, application evaluation, and the Application Component Checklist. Applicants should use the Checklist to ensure they complete all the application

The DGA contains information applicable to all discretionary grant programs, provides advice to facilitate the preparation of a well-considered, complete application, and includes directions for completing the standard application forms.

- **Part I – General Information and Guidance**, contains information about eligibility, technical assistance, the award process and selection criteria to be used to evaluate your application.
- **Part II – Constructing the Grant Application Narrative**, is written to provide guidance to prepare the project narrative section of a successful application.
- **Part III – Constructing the Grant Application Budget**, like Part II, this part focuses on the completion of the standard budget detail and summary forms. Directions and examples help with the accurate and complete preparation of the grant budget. The Special Revenue Bookkeeper assists the Curriculum and Instruction department in constructing the grant appropriation budget.
- **Part IV – Standard Application Forms**, contains all the standard program and budget forms required to submit a discretionary application.

III. Accepting Grants

All grants must first be approved by the Board of Education and signed by the Business Administrator. Various guidelines must be followed by the District when accepting Federal and State grants.

IV. Accounting for Grants

Each year the School Business Administrator will budget for each type of grant funding anticipated to be received during the fiscal year. As funds are awarded, adjustments are made to the applicable accounts within Edu-Met

The New Jersey Department of Education has implemented a reimbursement request system of payment. Reimbursement requests for entitlement grant awards under Title I, II-A, II-D, III, III Immigrant, IV and V of the NCLB, IDEA and Perkins grants must use the Department's Electronic Web Enabled Grant (EWEG) system.

A. Functionality

Sub grantees will submit reimbursement requests using the payment functionality of the EWEG system.

B. Submission of Reimbursement Requests

- A sub grantee will make reimbursements requests for individual titles and awards.
- A sub grantee may request reimbursement only (a) expenditure that have already occurred or (b) will occur by the last calendar day of the month in which is request is made.
- The submission of a reimbursement request by a sub grantee constitutes a certification by the sub grantee that is has previously made the appropriate expenditures and/or will make the expenditures by the last calendar day of the month in which the request is made.
- Reimbursement requests must be in accordance with approved grant applications:
 - Subgrantes are responsible for submitting an amendment application to the NJDOE for approval if a new budget category for no funds were previously budgeted or approved has been created.
 - Subgrantes are responsible for submitting an amendment application to be the NJDOE for approval if cumulative transfers among expenditure categories exceed 10% of the total award or \$50,000 for IDEA, Perkins and NCLB (per title) whichever is less.

C. Processing Timeline

Reimbursement requests are no later than the 15th of the month will be reviewed and, if approved, processed for payment the first business day of the following month.

D. Content of Reimbursement Requests

Reimbursement requests must contain a brief description of the expenditures for which reimbursement is being requested.

V. Grant Monitoring and Reporting

All grant agreements are subject to desk monitoring. Desk monitoring is accomplished through the submission and review of interim and final program and fiscal reports. In most cases, interim reports are due quarterly and final reports are due to the DOE within sixty days (60) after the end date of the grant agreement.

Each type of grant has different reporting dates such as:

- Quarterly for Discretionary and ARRA grants
- Final reports for Discretionary, Entitlement and State grants.

If reports are delinquent, the DOE will notify the District one time of delinquent reports. Since reports are a part of desk monitoring, the DOE can withhold payments, suspend grant agreement activities or terminate the grant agreement if reports are not submitted as required.

VI. Other Roles and Responsibilities

The Special Revenue Bookkeeper is responsible for the following:

- Preparing all financial reports to satisfy funding requirements for grants.
- Processing all invoices funded under Special Revenue.
- Processing all revenue and receipts for Special Revenue funds on a monthly basis.
- Reconciling and maintaining payroll records monthly for employees funded under the Special Revenue fund.
- Recording all payments pertaining to grants for the year-end audit.
- Reconciling and preparing all Special Revenue financial statements for the year-end audit.
- Reconciles and closes our accounts at year end for the fiscal period.

Pleasantville Public Schools Business Office Manual

Title: Food Services
Subtitle: Food Service Bookkeeping

Purpose: The Board of Education recognizes that Food Service is required for promotion of education. The Board has the responsibility to provide food services to all students.

Overview and Background

Food Service is responsible for 7 schools that produce breakfast and lunch on a daily basis. It is also responsible for the summer and after school snack program. The Mealtime system is used to track participation, determine eligibility for free or reduced meals, record daily sales revenue, order food and record inventory. The Food Service Bookkeeper (FSB) within the Business office is responsible for processing and verifying applications, submitting monthly claims for reimbursement, maintaining all invoices and processing purchase orders associated with the food services operation.

There are multiple key sub-processes included in Food Services:

- Free and Reduced Lunch Application
- Direct Certifications
- Verifications
- Claims Review Process
- Daily Deposits
- Profit/Loss Statements

I. FREE AND REDUCED PRICE LUNCH APPLICATION PROCESS

All schools participating in the National School Lunch and/or Breakfast Programs are required to serve free and reduced price meals to students who are eligible as determined by the current income poverty guidelines.

The school food authorities agree to:

- Serve meals free to children from families whose income is at or below the current eligibility income scale for free meals
- Serve meals at a reduced price to children from families whose income is at or below the current eligibility income scale for reduced price meals
- Provide these benefits to children from families experiencing strikes, layoffs and to notify the public of availability of the program prior to the beginning of school. A television broadcast is presented on Channel 2 as well as schools within the District send letters and applications to all the parents and/or guardians along with the reduced price income eligibility guidelines.

Free and reduced price applications are collected at the schools and sent over to the FSB in the Business Office. The FSB is responsible for entering parent and student

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information into the Mealtimes system. The Mealtimes program will determine if the student is eligible based on income information entered into the system. **Note: Only one application needs to be completed per household.**

During the month of September, meal benefits may be provided to children based on the prior year's status. For a student to receive meals free or reduced price they have to have:

- An approved application on file from the previous school year; or
- A brother or sister with an approved application on file from the previous school year; or
- Automatic eligibility from a Head Start program the previous school year.
- Direct certification eligibility.

There are certain requirements to be met for free and reduced price meal applications to be complete. Each application must provide all the required information on the application for the application to be considered completed. If any required information is missing, the information must be obtained before an eligibility determination can be made. Each application and a record of the eligibility determination must be kept on file.

Other information necessary for application approval:

- Reviewing approver's signature
- Date of approval or denial
- Correct indication of approval or denial

Household application must be determined, managed and filed centrally.

Application Categories

1. Categorical Applications

a. Applications for children receiving Food Stamps or TANF benefits **MUST CONTAIN:**

- Part 1: Name of each child enrolled in school, school name, grade and Food Stamp or TANF case number. A number must be listed for each child.
- Part 5: Adult household member's signature. *A printed name is an acceptable signature.*
- Part 6: Children's racial & ethnic identities are optional

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b. Applications for homeless, migrant and runaway children **MUST CONTAIN**:

- Part 1: Name of each child enrolled in school, school name and grade
- Part 2: The appropriate box checked

2. Direct Certification

Children who are directly certified (DC) are automatically approved for free meals or free milk based on information received from the Food Stamp or TANF office, without further application. Benefits cannot be extended to other household members who do not appear on the DC list. Directly certified students must be identified on the Master Eligibility List (MEL), but are not assigned an application number.

3. Income Applications

Household Size and Income Applications

Households can apply for benefits by providing information on their household size and income. Income applications **MUST CONTAIN**:

- Part 1: Name of each child enrolled in school, school name and grade
- Part 4 (Column 1): The first and last name of each person living in the household, related or not (such as grandparents, other relatives or friends)
- Part 4 (Column 2): Gross income and how often it was received.
- Part 4 (Column 3): If the person does not have any income, the “No Income” box must be checked.
- Part 5: An adult household member must sign the form and list his/her Social Security Number.

4. Temporary Approval

When a household reports zero income, the application must be given temporary approval for 45 calendar days. Zero income is acceptable for a foster child or an institutionalized child and is not considered temporary.

II. DIRECT CERTIFICATIONS

The USDA has developed an easier method of establishing the eligibility of school children automatically entitled to free meals or milk because of their participation in the Food Stamp Program and Temporary Assistance to Needy Families (TANF), called “direct certifications”.

The Food Services department obtains documentation from the State of New Jersey that enables the FSB to determine if the children are members of households currently certified to receive food stamps or TANF.

Direct certification can be accomplished through three methods:

- The school food service department student database will be merged with food stamp/TANF eligibility at the local or state level and down loaded through computers to local districts.
- The FSB will manually match the direct certification listing to the school’s student information listing.
- The household receives a letter from the food stamp office (or TANF) notifying them of their eligibility to receive free meals at school. The household takes the provided letter to the school to establish eligibility for free meals.

Following the initial start-up efforts, direct certification will reduce time, effort and paperwork involved in determining eligibility of children from households currently certified to receive food stamps or TANF benefits. **No application for free and reduced price meals is needed.**

Documentation for direct certification must include one of the following matches of data:

- Student name and Social Security number
- Student name, student birth date and parent name
- Student name, parent name and address
- Student name, parent name and case number

Household Notification

The school food services department must notify the household that:

- A child is eligible for free benefits
- No further application is necessary
- The household must notify school officials when they are no longer certified to receive food stamps or TANF
- The household must notify school officials if they do not want free benefits for their children.

This information may be included in the notice the food stamp or TANF office provides the household to take to the school.

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Schools must continue to distribute a letter about the availability of benefits and an application to all households. The current Mealtime system will generate letters that are sent to food stamp and TANF households informing them of their eligibility for benefits; hence the school food services department does not have to send applications to households already certified as eligible under direct certifications.

III. VERIFICATION PROCESS

A. Verification of Eligibility of School Meals

Verification is the confirmation of eligibility for free and reduced price meals under the National School Lunch (NSLP) and School Breakfast Programs (SBP). Verification must include either confirmation of all income eligibility or confirmation that a child is currently certified to receive Food Stamps or TANF benefits.

Exceptions from Verification

- Children who have been directly certified
- Homeless, Runaway and Migrant Children
- Children in Residential Child Care Institutions (Group Homes)
- Special Milk or Split Session Kindergarten Milk Applications
- Denied Applications
- Schools that participate in Provision 1 or 2, except in the base year

B. Determining Sample Size

The standard sample size is 3 percent (3%) of the total approved free and reduced price paper applications on file as of October 1st, selected from error prone applications. The FSB may begin verification prior to October 1st by projecting the number of approved free and reduced priced applications they anticipate will be on file on October 1st. The FSB must compare this estimate with the actual free and reduced price applications on file October 1st, and make the necessary adjustments if more applications need to be verified.

Note: Verify no less or no more than the established **3%**. One hundred percent (100%) verification is **not** permissible. In addition, verification cannot be requested at the time of application.

REMEMBER: The sample size must be selected from error prone applications.

Error prone applications would be those defined as:

- within \$25 weekly
- within \$50 every two weeks
- within \$50 twice a month
- within \$100 monthly, and
- within \$1200 annually

Insufficient number of error prone applications:

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When an insufficient number of error prone applications are identified, randomly select from the remaining applications to meet the required sample size. Random sampling is any method, which gives each application an equal chance of being selected as long as the selection does not involve discrimination.

Excessive number of error prone applications:

When more error prone applications are identified, select randomly from the error prone pool. Random sampling is any method, which gives each application an equal chance of being selected as long as the selection does not involve discrimination.

Example to determine sample size:

340 free and reduced applications approved on file on October 1st

X 3%

10.2 applications (11 applications must be verified)

ANY FRACTIONS OR DECIMALS MUST BE ROUNDED UP. At a minimum, at least one application must be verified.

C. Verification Process

- The selected household(s) must be sent a “We Must Check Your Application” letter (Form 236, required) to inform them of their selection, unless verification confirmation has been obtained through agency records.
- The “Verification Worksheet” (Form 242, required) must be completed for each application verified. Attach all documentation to the verified application and file in a verification folder.
- The FSB must complete the verification process for all households that have been notified of their selection.
- If all students withdraw from a selected household another application must be verified.
- The FSB may verify all questionable applications for cause. Document applications chosen using the “Verification for Cause Log” (Form 303, optional). Any verification done for cause prior to November 15th is in addition to the sample required. NOTE: Do *not* include applications verified for cause on the “Verification Summary Report” (Form 122, required).
- The entire verification process must be completed by November 15th.

D. Verification Facts

All income listed on the application must be verified:

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- Households that indicate zero income must provide a written explanation of how living expenses are being met.
- FSB must accept income information anytime from the month prior to the application up until the current time. (Example: August thru November)
- FSB must provide a no charge telephone number for households to call for assistance with verification. A local number for which there is no charge will serve this purpose.
- A second attempt to obtain verification information must be made by the FSB using “Second Notice We Must Check Your Application” (Form 21, required) when the household fails to cooperate with the verification process. The second attempt to obtain information may be made through mail, phone or email.
- If the household submits insufficient or obsolete written evidence, the FSB may contact the household using “Letter to Notify Household of Incomplete Verification” (Form 237, optional) to request the missing information and to advise the household that failure to comply may result in termination of benefits.
- It is the responsibility of the verifying official to notify the appropriate personnel that a change in meal status has occurred. Meal tickets, meal rosters, and/or computer database must be updated to reflect verification changes.
- FSB must send the “We Have Checked Your Application” (Form 244, required) to advise the households of the reason for the change in benefits, instructions on how to appeal, and how to reapply, if desired.

E. Acceptable/Unacceptable Verification Documents

Acceptable documents as proof of income are listed below, but are not limited to:

- A dated paycheck stub or pay envelope that shows the gross amount and how often pay is received
- Social Security retirement benefit letter
- Letter from Worker’s Compensation
- Benefit letter from welfare agency
- Child Support or Alimony court decree
- Information that shows the amount of income received, how often it is received, and the date received
- Letter or rental contract showing that their housing is part of the Military Housing Privatization Initiative

For categorical applications:

- Food Stamp or TANF Certification Notice that shows dates of certification
- Letter from Food Stamp or Welfare Office indicating Food Stamps or TANF benefits

No income:

- A brief note explaining how the household provides food, clothing and housing for their household and when they expect an income

Unacceptable Proof:

- W-2 forms
- Family First Card/EBT
- Food Stamp Photo Identification Card
- Medicaid Identification Card
- WIC Identification Card
- NJ Family Care Card

F. Verification Results (Post Verification)

No change in benefit level: The household's current documentation supports the level of benefits for which the household has been approved and the household submits the required Social Security numbers. The FSB must complete "We Have Checked Your Application" (Form 244, required) if notifying the household.

Reduction in Benefits: The household's current documentation identifies income too high for the level of benefits for which the child had been originally approved. The household must be sent a "We Have Checked Your Application" (Form 244, required) stating that benefits will be reduced or terminated in 10 calendar days.

Increase in benefit level: The household's current documentation qualifies the household for free meals rather than reduced price meals. Example: reduced price changed to free. The household must be sent a "We Have Checked Your Application" (Form 244, required) stating that benefits will be increased immediately.

Termination of benefits: Households who do not respond to verification efforts or whose current documentation does not support eligibility will be denied benefits. The household must be sent "We Have Checked Your Application" (Form 244, required) stating that benefits will be terminated in 10 calendar days. If the household responds within 10 calendar days, benefits continue provided the required documents are submitted, thus, qualifying the household for benefits.

G. Post Verification Further Facts

When the household appeals the verification results, the FSB must continue the benefits for which the child was originally approved until final determination is made.

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Households affected by a termination of benefits may reapply within the same school year, but must submit a new meal application. Social Security numbers for all adult household members and proof of income or Food Stamp/TANF eligibility must be received before being approved.

If verification results in a change in benefit level or termination, the change must apply to all children in the household. Document changes on “Notification of Status Change” (Form 318, optional).

H. Reporting Results

All verification efforts from the FSB must be consolidated using “Verification Consolidation” (Form 243, required). Transfer the “Verification Consolidation” data to the “Verification Summary Report” (Form 122, required). Households who have reapplied and were re-approved prior to February 15th must be recorded on Part 10 of the “Verification Summary Report” (Form 122). By March 1st of each year, the FSB must electronically report the information through SNEARS.

IV. CLAIMS REVIEW PROCESS

A. Claims Review Process (Edit Checks)

Prior to the submission of a monthly claim for reimbursement, the District shall compare each school’s daily claim against data that will assist in the identification and correction of claims for reimbursement in excess of the number of reimbursable free, reduced and full paid lunches actually served that day to students eligible for such lunches. Such data shall, at a minimum, include the number of student’s currently approved for free and reduced price lunches in that school. School districts shall also compare claims against any other data available to the school district, such as a school’s average daily attendance, enrollment or membership data.

By the 5th of each month, the food services vendor sends over a monthly Claim Edit Checks from the Point of Sale system for each school within the District. A breakdown of each student who ate breakfast and lunch for free, reduced or paid is provided each day of the month that a meal was served. A cover sheet is compiled by the FSB, identifying participation data and meals claimed for the month. The number of days meals were served during the month is recorded, along with the average daily attendance (ADA) and enrollment. Enrollment numbers are provided from the Star Student database which is used to capture the student’s daily attendance. Enrollment numbers provided are multiplied by the ADA factor in order to calculate the ADA. The total meals claimed each day should not be greater than the calculated ADA.

The FSB will input edit claims into the School Nutrition Electronic Application and Reimbursement System (SNEARS) by the 10th of each month. Free, reduced and paid meal counts are manually entered for each school and upon completion the FSB will submit the form for certification by the School Business Administrator.

B. Over Claimed Edit Checks

It is possible to serve meals in excess of the adjusted eligible and still have the correct meal count. There are several possible areas to review for documentation if potential excessive meals have been identified.

- Number of approved eligible free and/or reduced price meal children. Check the number of free meals served against the number of approved free applications. If the participation is greater than the approved applications, the meals counts should be verified.
- The attendance factor from the school's monthly report for the period may be greater than the Food Services assigned factor. If so, use most current factor and document.
- The absentee report for each day should be compared to the roster of approved children. Determine the number of approved children present each day in each category. This day's attendance may be greater than the attendance factor, which needs to be documented.

V. DAILY DEPOSITS

The Food Services Program shall be operated on a nonprofit basis. All monies derived from the operation, maintenance or sponsorship of the food service facilities shall be deposited in the Food Service Account. On a daily basis, a bank courier retrieves daily cash receipts from each school within the District which are required to be deposited. Each month the Business Office Bookkeeper will reconcile daily cash receipts to month end bank statements. Daily vending amounts are also tracked and reconciled to daily deposits made.

VI. MONTHLY PROFIT AND LOSS RECONCILIATION

Each month the Business Office Bookkeeper will receive monthly Profit & Loss (P/L) statements from the Food Services vendor. P&L amounts are checked against voucher for accuracy. Also, the State of New Jersey requires labor amounts charged to be compared against payroll records to ensure labor hours and amounts are accurate.

The bookkeeper will track all invoice amounts, payments and State reimbursable amounts on an excel spreadsheet and compare those amounts to the vendor's P&L. Differences in the P/L amounts may vary from month to month due to the timing of recording reimbursable amounts and other factors. It is the responsibility of the vendor to correct these differences. After all P/L amounts have been verified, the bookkeeper will have the voucher processed for payment by the Accounts Payable Clerk.

VII. HUMANITARIAN MEALS

Humanitarian meals are meals served to students who have been unable to produce monies to purchase a lunch. The Board has adopted a policy that addresses the procedures related to charged lunches. At the end of week, the food service vendor will generate a Negative Balance Report which tracks the amount of lunches charged to the student's account. If a student balance reaches \$10.00, a letter informing the parents of

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the charges will be delivered to the school office and sent home. If there is no response from the letter within three business days, the student will only be eligible to receive a peanut butter and jelly or cheese sandwich lunch. A student will automatically receive this lunch after the three days pass with no response from the parent.

A charge will be added to the student's balance for the alternate lunch. If the parent does not respond within five days from the letter being sent home, then the student will not be eligible to receive any lunch until the entire bill is cleared. This practice will be implemented at the High School level. In the pre-K through 8th grade, the student will receive a peanut butter and jelly sandwich until the balance is cleared in its entirety.

Debit reports from each school will be submitted to the director at the end of each month. Outstanding accounts will generate a letter from the solicitor's office to the student's home as one last attempt to collect an individual account. Parents who do not respond will be added to a list and sent to the school principal on a monthly basis. Students will be prohibited from joining in school functions, field trips or events until the balance is satisfied.

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Title: Payroll & Agency
Subtitle: Payroll & Agency Controls

Purpose: To identify the controls which exists over payroll and agency related items.

Procedure: The Business Administrator and school district auditor will establish controls that help ensure that the errors and fraud in payroll would be detected in a timely manner.

Overview and Background

The Payroll department of the Business Office consists of one payroll accountant and one payroll clerk. The Payroll department processes check runs, utilizing the Edu-Met system on a bi-weekly basis. Each payroll check run is processed for approximately 719 employees within the District.

There are multiple key sub-processes as part of the Payroll department:

- New Hire Process
- Payroll Processing
- Payroll Distribution
- Agency Payroll

I. New Hire Process

When a new employee is hired by the District, the Human Resource department provides all new employees with an initial benefits package. Within the package the employee is required to complete various forms that provide demographic data and tax status (W-4) information. Key information such as: employee name, address, phone numbers, social security numbers, emergency contact, salary or hourly wages, etc. are entered within the Edu-Met system by the Human Resources department.

The federal withholding W4 form, employment letter and direct deposit form (if employee elects) are submitted to the Payroll department for processing. For any employee that selects to have monies direct deposited, the first payroll check will be issued as a live check and every check thereafter will be submitted with the direct deposit batch. All confidential payroll employee files are maintained in a locked file cabinet within the Payroll department's office.

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Full time employees are also required to participate in the State of New Jersey mandated pension plan. Currently there are two pension plans: PERS (Public Employees Retirement System) which is for any support staff such as aides, custodians, secretaries, and safety officers and TPAF (Teachers Pension Annuity Fund) for teachers, principals, supervisors and superintendents. Employment information will be provided to the State of New Jersey for pension enrollment. Once certifications are received from the State, deduction information will be entered into the Edu-Met system by the Payroll Clerk.

II. Payroll Processing

This section will discuss various steps of the payroll process that lead up to the bi-weekly payroll distribution:

- Deductions
- Time & Attendance
- Overtime/Extra Pay
- Salary Adjustments
- Opt Out
- Leave of Absence, Sick and Vacation Time

Deductions

There are various deductions that are processed each pay cycle that affect many district employees. Examples of types of deductions are as follows:

- Pension PERS/TPAF
- Pension Loans PERS/TPAF
- Pension Arrears PERS/TPAF
- Contributory Pension Life Insurance PERS/TPAF
- Union Dues
- Court Garnishments
- 403B Tax Shelters
- Disability

All deductions are tracked within the Edu-Met system. On a daily basis the Payroll Clerk will log into the Edu-met system and input various deductions based on the employee's request. When new garnishments are entered, a letter is sent to the employee notifying them of the effective date.

Time & Attendance

The District employs both salary and hourly employees in addition to substitutes. Depending on the type of substitute there are different pay scales based on the certifications received. Teacher, secretary and security substitutes are paid a flat rate per day; custodian substitutes are paid an hourly rate.

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Sign-In sheets from each department for all salaried employees are provided to Human Resources on a daily basis. Time sheets for substitute teachers are processed by the Human Resources department within the Edu-met system. The HR department will submit a listing of all individuals that worked for the current pay period. The payroll clerk will review the listing of individuals to ensure a valid substitute was called in by the school on the day of an absent teacher. Substitutes are required to sign the daily log maintained at the school indicating the individual whom they are substituting. Time sheets for substitute support staff are processed within the Edu-Met system by the Payroll department.

Note: It is Board policy that a teacher or support staff must be absent in order for a valid substitute to be called in to work for the day. Any breach of the Board policy will result in the substitute not being paid for that specific day.

Overtime Procedures

Employees shall not work any overtime hours without prior express written approval of the Superintendent or his/her approved designee. Overtime hours worked without the proper approval shall not be compensated. All requests for overtime must be submitted in writing using the appropriate form, which is available in the Human Resources office. **Overtime request forms should be maintained by the approving Administrator for audit purposes.**

Timesheets must be accompanied by a certification statement from the approved Administrator indicating that the overtime policy has been followed when submitted to the Payroll Department for payment. In an emergency situation, verbal approval may be granted; however, a written request must be submitted within 24 hours following verbal approval along with certification statement from the Administrator as required.

Pleasantville School District

*801 Mill Road, 3rd Floor, Pleasantville, NJ 08232
(609) 383-6800*

Overtime Certification Statement

I certify, pursuant to the Pleasantville Board of Education Overtime Procedures Policies 3212 & 4213, the following timesheet(s) have been properly approved and complies with the overtime provisions of the Fair Labor Standards Act, regulations of the U.S. Department of Labor, Wage and Hour Division and all applicable state statutes and regulations to the compensation of full-time and part-time employees.

Name: _____
Administrator

Date: _____

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Weekly timesheets submitted to the Payroll Clerk will be reviewed along with certification statement to ensure the proper approval exists. Failure to comply with the overtime policy will result in the rejection of timesheets and returned to the supervisor for proper approval. Payment of overtime hours worked will not be rendered until the proper approval has been granted.

In order to process overtime hours worked with the current payroll run, timesheets must be received **NO LATER THAN THE FRIDAY BEFORE PAY DAY**. Timesheets provided by the facilities secretary are checked to ensure the appropriate overtime rate and hours were applied. In order to receive overtime, the employee must work more than 40 hours per week (straight time). Vacation, sick days, personal days and holidays are not considered in calculating the hours of straight time work.

The calculation is as follows:

10 month employee

Salary/200(days)/8(hours) = Straight Time Rate

Straight Time Rate *1.5(Overtime rate) * hours work = Overtime Pay

12 month employee

Salary/240(days)/8(hours) = Straight Time Rate

Straight Time Rate *1.5(Overtime rate) * additional hours work = Overtime Pay

Extra Pay Procedures

District faculty such as teachers, supervisors and principals are eligible to receive extra pay for special programs worked that have been approved by the Board. There is a negotiated rate that is applied per hour for the total number of hours work for that specific program. Teachers accepting assignment for extra pay shall be paid in accordance with Collective Negotiations Agreement.

For teachers only, evening school and home instruction pay shall be paid by check separate from base pay. The learning disability specialist, psychologist, speech therapist and social workers shall receive compensation of five hundred twenty two dollars and 50 cents (\$522.50) in addition to their salary as established by the appropriate salary scale.

Extra duty stipends for principals and supervisors shall be paid only after being Board approved in accordance with the Principals and Supervisors Agreement. Timesheets for extra pay must also be received **NO LATER THAN THE FRIDAY BEFORE PAY DAY**.

Separate checks will be provided for all yearlong extra-curricular compensation with one-half of the total compensation being paid on February 1 of each year, the remaining being paid with the last pay in June of each year.

The Payroll Clerk is responsible for processing all extra pay timesheets. The Payroll Clerk will key all information into the Edu-Met system under Pay Rate; account number, number hours worked and earnings code is entered for each employee. Once all

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information is keyed into the Edu-Met system all batches are tallied up to ensure all time has been accurately processed.

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After all information is entered the Payroll clerk will select Extra Summary report under the Reports screen. The clerk will select report by account and then the system will prompt the clerk to include or exclude certain batches. The Payroll Clerk will select the batch and run the report. A tape is run and stapled to each batch to ensure of amounts process. All batches are kept in a payroll folder for the date of the payroll run.

Salary Adjustments

Salary Adjustments occur on the first pay period of the month after board approval. There are various salary adjustment scales for the District employees. All salary adjustments must be verified by Human Resource and approved by the Board of Education. Salary adjustments are input by Human Resources into the Edu-Met system. Based on the collective negotiations agreement non-teaching employees of the bargaining unit shall receive salary adjustments as established by the appropriate salary scale for each year after completion of additional college credits. Payment for degrees or graduate credits beyond the last earned degree for principals and supervisors are earned as well. All degrees must be job related and within the field of education. All credits and degrees must have prior approval from the Superintendent and must be earned from an approved and accredited college or university.

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Opt-Out

The Board of Education will assume the full premium cost for all current employees and their dependents for health insurance coverage. The Board agrees to establish a Section 125 (IRS Code) Plan for the purpose of making a cash option. If an employee selects the cash option, it shall be included in the employee's gross income as compensation.

An employee otherwise entitled to health insurance coverage shall have the option to voluntarily not participate in all insurance coverage and withdraw from any such coverage. In the event the employee makes such election, the Board shall compensate such employee fifty percent of the yearly premium cost for the plan under which the employee would have been covered. Such cash payment shall be in the form of a stipend and shall be paid ONCE A YEAR during the month of April, of the school year in which the non participation occurs. During the month of March the Health Benefits Clerk will submit a spreadsheet outlining all employees who have opted out of the health benefit plan and the amounts of payment.

Leave of Absences, Sick and Vacation Time

Employees are entitled to ten (10) days sick leave per year as ten month employees and twelve (12) days sick leave per year as twelve month employees which shall be credited on the first day of the new school year (September 1 for ten month employees, July 1 for twelve month employees). Sick leave is allowed to be accumulated and be used as needed in the subsequent years.

In computing salary deduction for an employee's sick leave benefit, $1/200^{\text{th}}$ of the contract salary shall be deducted for each day's absence for ten (10) month employees. For employees working twelve (12) months, $1/240^{\text{th}}$ of contract salary shall be deducted with the exception of the Superintendent's; his or her computing salary deduction shall be $1/260^{\text{th}}$ of the contract salary.

For all twelve (12) month employees, vacation shall be as follows:

- Upon completion of the first year of contractual employment, 1 day per month to a maximum of 10 working days.
- From completion of 1 year of continuous employment to the completion of the sixth 10th year, 10 working days.
- From the beginning of the 10th year of continuous employment to the completion of the 10th year, 15 working days.
- After the beginning of the 15th year of continuous employment, 20 working days.

For custodial employees, the schedule time for vacations shall be mutually agreed upon between the employee and the Assistant Superintendent of Human Resources or his/her designee.

An employee may receive up to a maximum of 3 days of personal leave with reason given and sufficient notice to the administration, except in the event of an emergency. An employee may be granted an extended leave of absence by the Board of Education at its

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sole discretion for study or travel. In addition, in the event of a death of an immediate family member, an employee shall be granted up to 5 consecutive calendar days.

III. Payroll Distribution

At the beginning of the payroll run, the Payroll Clerk completes an Edu-Met payroll procedures checklist that is filed away each pay period at the completion of the payroll run. The checklist provides guidance to completing a successful payroll run.

Note: Payroll runs should occur on the Friday or Monday before the scheduled pay date.

The Payroll Clerk will enter the main payroll screen within Edu-Met and select the Stimulation Screen which will begin the process of the payroll run. Payroll Clerk selects the run payroll icon, enters payroll dates and then runs a simulation which will kick out any errors processed during the simulation. If no errors are noted, this screen is printed and then the clerk selects to back up data files. Once the backup is completed, confirm payroll run is processed and then the building of direct deposit files is compiled. All screen shots are printed and retained as part of payroll checklist.

The next step of the payroll run is to print payroll checks. The first and last check numbers are recorded along with the first and last direct deposit numbers. Following the printing of checks, various reports are processed and maintained such as: Payroll Summary, Payroll Register, Check Register, Deduction Report, Disbursement Report, FICA/Medicare Report and State Tax Report. **Note: the Payroll Register must be signed by the Board President, Superintendent and Business Administrator.** The final step of the payroll run is to login into the Sun Bank and transmit the direct deposits (cut off is at 1pm on the day before pay day). All numbers are agreed to the payroll summary, if no errors are noted, then a confirmation page is printed and retained.

Printed checks and direct deposit statements are sorted by school and picked up by the school courier at 8am on payday and delivered to each school. For employees who selected to receive direct deposit statements electronically will receive them via email. Any undelivered checks are either returned to the Payroll department. Reasons for undelivered checks are investigated by the Payroll Clerk; payroll checks are mailed either by the payroll clerk or by the school directly.

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If an employee has a problem with a check, the following procedures are followed:

For a lost check:

It is first determined through the online bank whether the check has been cashed. If the check has not been cashed, a stop payment is put on the check and once the stop payment has been confirmed by the bank, the check is voided in the employee record and reissued with another number.

For a damaged check:

The employee can bring in a damaged check to the payroll office and we can reprint the check with the same number through Edu-Met.

Each employee is required to fill out a form indicating whether the check was lost/stolen/washed so that if they subsequently find the lost check, that it will be returned to the payroll department. A copy of the form follows.

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CHECK REPLACEMENT/STOP
PAYMENT REQUEST FORM

REPLACEMENT OF PAYROLL CHECK

1. I, _____ am an employee of the Pleasantville Board of Education (PBOE).
2. My work location is _____ School.
3. On or about _____, my check with the check # _____ representing the pay period _____ in the amount of \$ _____ was **LOST/STOLEN/WASHED.** (Circle one.)
4. I am, therefore, requesting that a stop payment be made, and a replacement check issued. I understand that a replacement check will not be granted until a confirmation has been received from the Bank confirming the check has not been cashed.
5. In the event that the original check is found, I will immediately inform and forward the said check to the Payroll Department.
6. If still employed by the PBOE, I hereby grant authorization to the Business/Payroll Department to withhold any amount from my future earnings if I cashed the said check.

EMPLOYEE SIGNATURE AND DATE

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IV. Agency Payroll

The Payroll Accountant is responsible for processing all Federal and State tax deposits, payment of general wage deductions, payment of garnishments to the appropriate collection agencies and processing of pension enrollment and payments. The Payroll Accountant follows the following procedures:

Daily

- Pension enrollment or transfers for new hires as needed
- Process withdrawal, purchase requests, retirement certification, beneficiary and other pension forms as needed.
- Complete tasks as related to bi-weekly, monthly or yearly duties.

Bi-Weekly

- Prepare and make transfer of funds for Payroll and Agency Accounts
- Deposit federal and state tax payments
- Pay bi-weekly wage deductions
- Pay bi-weekly wage garnishments

Monthly

- Pay monthly wage deductions
- Pay monthly wage garnishments
- Reconcile agency account records to bank statements.
- Transfer funds into appropriate bank accounts
- Monitor substitute employee pension eligibility

Quarterly

- Reconcile Pension Report of Contributions
- Reconcile Federal, State and Unemployment taxes

Yearly

- Reconcile Federal, State and Unemployment taxes
- Prepare and transmit year end W-2 information to Federal and State Agencies

V. Pension Processing

The Payroll Accountant will receive a confirmation letter of employment from Human Resources which notifies her of new hires. After receiving the confirmation of employment, the Payroll Accountant will get the new hire set up on the EPIC system (New Jersey Pension Website). The EPIC system is utilized to track employees with existing pension accounts. The employee's social security number is used to identify if an account exists. If no account exists, a message indicating "No Record" will appear and an enrollment form will need to be completed by the Payroll Accountant.

Once an employee's pension enrollment is processed by the State of New Jersey, the Payroll Accountant will receive a certification letter. A letter is then sent to the employee

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notifying them of enrollment and the scheduled pay deduction. Any back deductions (difference between hire and actual certification date) will need to be withheld from the employees check. Each employee is required to enroll in the State mandated Contributory Insurance (life insurance) for the first year of employment and ever year there after the insurance is voluntary. If an employee had a pre existing pension account, the payroll Accountant will fill out a transfer form and follow the same steps after receiving the certification from the State. When an employee applies for retirement a letter is sent to the Board of Education from the Division of Pension to certify the employee's salary this information is entered into pension system for processing.

VI. Pension Reporting

Pension contributions are sent monthly to the State of New Jersey by the 7th day of each month and processed by an ACH wire. Deduction information is entered into the system in order for the State of New Jersey to properly withdraw monies from the agency bank account; payment confirmation is printed and retained. Each month the Agency Account Clerk will run a report within Edu-Met that shows any pension contributions, arrears and loans, contributory insurance, back contributory insurance and buying back time (leave of absence without pay).

For employees who wish to buy back time, they must submit a form to the State of New Jersey. The State will then notify the Board of Education that the employee is requesting to buy back time. The Board has to certify and determine the number of days that the employee was out of work and their salary at the time and send this information to the State. The State will then provide the employee with a quote; the employee has the option of making a lump sum payment or making multiple payments.

On a monthly basis, the Payroll Accountant will reconcile contribution amounts by payment. Edu-Met reports are reconciled to quarterly reports received from the State. Balances from the Edu-Met and State reports must agree, however, immaterial differences may occur and are acceptable.

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VII. Agency Payroll Processing

Each pay period the Payroll Accountant will receive the deductions summary, payroll register and FICA report (teachers only) from the Payroll Clerk. The Agency Account Clerk will compile information from the various documents in order to determine what amount of money needs to be transferred. Funds are transferred from Fund 10 Operating Account into the Payroll and Agency accounts for payments to be made.

Tax payments must be made 24 hours within the pay date or penalties may be assessed. A lead sheet is maintained to calculate the total tax payment to be made. All Federal and State tax payments are called in and once the call is completed a confirmation number is noted on the lead sheet and payments are entered in the Edu-Met system. A payroll transfer sheet is completed by the Payroll Accountant and approved by the Business Administrator. Once the transfer is completed the confirmation is printed and retained.

In addition to tax payments made, 403b payments occur each pay period as well. 403b amounts are entered into TD Bank system and must be approved by the Business Administrator or designated approver. Once payments are approved a wire transfer will occur to the various elected tax shelters. 403b payments are a part of the monthly deduction transfer that occurs between the Operating and Payroll and Agency accounts.

Internal wire transfers are processed by the Payroll Agency Control in the on-line banking program and do not require authorization to complete. The Payroll Agency Control records all internal bank transfers and submits a report to General Ledger Bookkeeper which is use by the treasurer to reconcile cash accounts. The internal transfer report is also submitted to the Business Administrator for review and approval. All outside transfers processed by the Payroll Agency Control must be authorized by the Business Administrator or designee in the on-line banking program before the bank will process.

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

Overview

The purpose of this Purchasing Manual is to assist all Board of Education employees in the appropriate purchasing practices and be in full compliance with:

- New Jersey Public School Contract Law Title 18A:18A
- Board of Education Policy

The Purchasing Manual is designed to achieve four (4) goals:

1. Follow the law on purchasing
2. Promote efficiency in the purchasing practices
3. Achieve savings of money through proper purchasing practices
4. Document educational justification for purchases

I. Authority to Purchase

According to New Jersey State statute 18A:18A-29, the Purchasing Accountant and/or School Business Administrator is the only individual in the school district that has the authority to make purchases for the Board of Education.

- *New Jersey Business Registration Certificate*

Pursuant to NJSA 52:32-44, vendors providing goods or services to the State of New Jersey must be registered with the NJ Dept of Treasury, Division of Revenue. Effective September 1, 2004, pursuant to an amendment to NJSA 52:32-44, State and local entities (including the Division of Purchase and Property) are prohibited from entering into a contract with an entity unless the contractor has provided a copy of its business registration certificate (or interim registration) as part of its bid submission and for purchases at or exceeding the quote threshold of \$4,350.

- *Pay to Play Law, Political Contribution Disclosure Form (PDF)*

Effective January 5, 2006, all businesses receiving non-fair and open contracts with a value in excess of \$17,500 must submit a "Chapter 271 Political Contribution Disclosure Form" to the local unit no later than 10 days prior to the contract being awarded. The contract cannot be awarded unless the Disclosure is on file for 10 (calendar) days.

Contractor/vendor is advised of the responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the contractor/vendor receives contract in excess of \$50,000 from public entities in a calendar year. It is the contractor/vendor responsibility to determine if filing is necessary.

Authorized Purchases

All purchases of materials, supplies, and services must be made through purchase orders, which are signed by the Business Administrator and Superintendent and approved by the Board of Education. The purchase order authorizes the work or service to be done, and/or the materials, and supplies to be delivered to our school district.

Unauthorized Purchases

Any Board of Education employee who orders and receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase. Unauthorized Purchases are a violation of State Law and Board Policy.

Corrective Action for Non-compliance

If an unauthorized purchase has been made, a memo will be sent to the responsible administrator advising them of the violation; a copy will be sent to the Superintendent of Schools. The responsible administrator will submit a memo to the Business Administrator explaining the reasons why proper purchasing procedures were not followed and the proper procedures were discussed with the employee making the unauthorized purchase.

Any Board of Education employee who orders and receives goods/services without going through the proper purchase order process will be held responsible for these purchases. Documentation will be filed and pay increment may be recommended for withholding.

Preview of Materials

All staff members must receive permission from administrators, supervisors, or principals to preview materials. After the preview process has been completed, it is that individual's responsibility to insure that the items are returned to the vendor. If there is a desire to purchase the previewed item, then a purchase order must be originated for a new item.

Reimbursements

The Board of Education only recognizes a reimbursement purchase order when it pertains to approved travel, meals, and conferences. The Board will not reimburse individuals for goods/services personally purchased by the employee or individual. **Exceptions or extreme emergencies must have prior written approval by the Superintendent, Business Administrator or Principal.**

Travel Reimbursements

The School Accountability Act (A-5), signed into law March 15, 2007 and revisions effective November 21, 2007 require the following, but not limited to, for school travel:

- Only registrations can be paid in advance
- Employees shall not receive an amount for travel or travel-related expenses in advance of the travel
- Travel (transportation, meals, lodging) will be reimbursed upon return and submission of proper receipts
- The school district shall not bear the costs for car rentals, limousine services and chauffeuring costs to or during the event
- One-day trips that do not involve over-night lodging are not eligible for subsistence (meal) payments
- There is no reimbursement of lodging and meals costs for overnight travel within the state
- There is no reimbursement of meals for in-state travel
- All reimbursements must be submitted within 30-days of occurrence. Do not hold receipts/mileage for over 30-days; they cannot be paid.

School Activity Accounts

Purchases made through School Activity Accounts may not be reimbursed with Board funds. Purchase orders made payable to School Activity Accounts for the aforementioned purpose will not be signed by the Business Administrator.

II. BIDS AND BIDDING

Bid Limits

The Pleasantville Board of Education is restricted by New Jersey State Law on how much money can be spent by the district over the course of the year for materials, supplies and services without soliciting bids. This is called the *bid threshold* or *bid limit*.

This level above which public advertising and competitive bids are required is determined every FIVE years by the Governor, in consultation with the Department of Treasury (18A:18A-3 and 18A:18A-4). Most expenditure not subject to formal bidding is subject to solicitation of quotations if the expenditures are 15% or over the bid limit.

The bid limit for 2009-2010 School year is \$24,000; however since the District has a Qualified Purchasing Administrator the bid limit may go to \$29,000 as approved by the Board. This means that any specific item, class of items and/or services of a similar nature, purchased by the school district totaling \$29,000 for the entire year MUST be competitively bid. **Note: You cannot circumvent the law by splitting purchases to be under the \$29,000 bid limit.**

If you find that your purchases may exceed the \$29,000 bid limit, please contact the Purchasing Department at once. The formal bidding process takes about 6-8 weeks to complete.

EXCEPTIONS TO THE BID LIMIT

New Jersey State law (NJSA 18A:18A-5) allows for exceptions to the Bid and Quotation limits. There are 23 exceptions where the Board of Education does not have to go out on bid or quote. Some of them are:

1. Purchasing through New Jersey State Contract
2. Professional services as outlined by New Jersey Law
3. Library and educational goods and services
4. Legal notices, food supplies, milk, utilities, insurance, election expenses, energy saving devices and/or services.
5. Extraordinary un-specifiable services which cannot reasonably be described by written specifications.

STATE CONTRACT PURCHASES

The Board of Education must adopt a resolution prior to the purchase of goods or services through a contract(s) entered into on behalf of the State by the Division of Purchased and Property.

III. QUOTATIONS AND QUOTATION PROCEDURES

Quotations

The current quotation limit (threshold) is now up to \$4,350 because the board approved the bid threshold at \$29,000. This means that any specific item, group of items, and/or of a similar nature purchased by the school district totaling at least \$4,350 and less than \$29,000 for the entire year must be competitively quoted. **Note: An individual cannot circumvent the law by splitting purchases to be under the quote threshold.**

Quotation Process

All quotations will go through the Purchasing Department except those for the Food Services Department. **Please note:** the quotation process could take about 2-4 weeks from start to finish.

**THREE PRICE QUOTATIONS ARE NECESSARY ON ALL ITEMS
(PLEASE ATTACH ALL WRITTEN QUOTES)**

School/Dept _____ Filled Out By _____ Date
Completed _____

General Description of Item(s)

QUOTATIONS:

#1

Vendor _____ Tel: _____ Will Confirm
NO ___ In Writing: YES ___

Address _____ Person Giving
Tel. Quotation: _____

_____ Date of
Quote _____

_____ Zip _____ Attachment: YES ___ NO

_____ Price _____

#2

Vendor _____ Tel: _____ Will Confirm
NO ___ In Writing: YES ___

Address _____ Person Giving
Tel. Quotation: _____

_____ Date of
Quote _____

_____ Zip _____ Attachment: YES ___ NO

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_____ Price _____
—

#3

Vendor _____ Tel: _____ Will Confirm
NO _____ In Writing: YES _____

Address _____ Person Giving
_____ Tel. Quotation:

_____ Date of Quote

_____ Zip _____ Attachment: YES _____ NO _____

_____ Price _____

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Title: Purchasing Procedures
Sub-Title: Emergency Orders and Extraordinary Conditions

Definition of Emergency

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

Emergency Purchases are strictly regulated by N.J.A.C. 18A:18A-7. A situation must exist affecting the health or safety of the occupants at school property that requires the immediate delivery of articles or performance of service to alleviate the emergency.

Please note the Superintendent of Schools **MUST** be first notified of all emergency purchase requests. The following emergency purchasing process must be followed in all cases:

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.

Process in Declaring an Emergency

Superintendent of Schools Notified -The Superintendent of Schools is notified by the employee/supervisor/administrator requesting an emergency.

Written Requisition Filed with Board Secretary - A written requisition for the performance of work or the furnishing of materials is filed with the Board Secretary/Business Administrator describing the following:

- Nature of emergency
- Time of occurrence
- 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.

Filing of Documents with State, County - by Board 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 awarding the contract or agreement:

- A copy of the contract or agreement
- A copy of the written requisition.

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

Title: Purchasing Procedures
Sub-Title: Purchase Order Form

Responsibilities of the Business Office/ Purchasing Administrator

The Business Administrator and/or the Purchasing Accountant must review each requisition. Special attention is given to the following:

- Requisitions are divided by account and are checked to determine if funds are available in the account. If not, the requisition is returned to the originator with a memo of explanation.
- The Superintendent/Assistant Superintendent determines the educational need for each requisition; the Business Administrator and/or the Purchasing Accountant review the technical aspects of the requisition to ensure compliance with State Law and Board Policy.

The Purchasing Department checks the cost of each item and determines if it can be purchased from another source at a savings to the Board of Education. The Purchasing Department also determines whether the items requested must be formally bid or quoted.

The Requisition is also reviewed for technical aspects such as:

- a. Missing or incorrect account number
- b. Shipping charges added
- c. Missing Signatures
- d. Incorrect or missing State Contract (approved by the Board) numbers
- e. Incomplete or missing vendor address
- f. Other items as listed in Section A

Incomplete or improper requisitions will be returned to the originator to correct deficiencies. This will prolong the approval process and delay the receipt of the goods/services.

If the Purchasing Accountant or is satisfied that all requirements have been met, a Purchase Order will be issued. At this time, the funds are encumbered.

1. A copy of the requisition is attached to the purchase order. If quotes were obtained, a copy of the quote sheet should also be attached.
2. The purchase order must be approved by both the business administrator and superintendent. These individuals will ensure that the funds are available.
3. The purchase order will be distributed as follows:
 - a. White – Vendor Copy
 - b. Green – Vendor Voucher to be returned
 - c. Pink – Purchasing
 - d. Blue – School/Department

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The goods or services are ordered via the mailing of the white/green copy of the purchase orders. Under no circumstances should any item be ordered prior to this point. Included with the white copy of the purchase order is a two part voucher. In order to be paid, the vendor is required to sign the declaration, if the total cost is in excess of the Board approved quote threshold and return the voucher to the business office with their invoice.

Once the Purchase Order has been generated and properly signed by the Business Administrator and the Superintendent of Schools, the Blue copies are sent back to the school/department. If partial orders are received, send signed packing slip (make sure PO # is noted on the slip) to purchasing. Once the remainder of the shipment comes in, check in items, sign blue copy of PO and forward to purchasing. Mark the blue copy with the date sent to Purchasing and keeps that copy for your records.

When supplies or materials have been received and services have been completed, administrators/supervisors are to sign the pink copy of the purchase order and return it with all packing slips as soon as possible to the Purchasing Department. Please check orders carefully. Orders cannot be paid unless the blue copy of the Purchase Order is returned to the Purchasing Department.

See also Receipt of Material Goods and Services

Employees Prohibited from Signing Contracts

Board of Education employees are prohibited from signing any contract offered by a vendor. The power to sign and execute contracts after Board of Education approval lies with the Board President and the Business Administrator. Contracts signed by an employee shall be considered non-binding with the employee accepting full responsibility for the costs of the contract.

The award of a contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from the vendor. All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. Contracts over \$29,000 require an executed contract prepared by the solicitor in addition to a Purchase Order.

See also Authority to Purchase, Bidding and Quotations

Vendor

To receive payment, the vendor must sign the voucher received with the Purchase Order and return it to the Business Office when the order has been filled. The purchase order process as explained may take 5 – 7 days to complete. Please plan accordingly.

Purchase Order Increases

The School Business Administrator/Board Secretary shall identify and investigate, if necessary, the reason for any increase to a purchase order. If it is found by the School Business Administrator/Board Secretary that an increase to a purchase order is warranted, the School Business Administrator/Board Secretary shall either approve a revision to the original purchase order with the reason noted, approve the issuance of a supplemental purchase order for the difference, or cancel the original purchase order and issue a new purchase order. If it is found an increase is not warranted, the purchase order shall be cancelled and the goods returned. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or a bid award price.

The following will apply for increase in all Purchase Orders:

- If a PO increases in excess of 10% of the total amount of the original purchase order, it requires a signature.
- If a PO increases in excess of \$200 over the total amount of the original purchase order amount, it will require a signature.

Closing Open Purchase Orders

Pursuant to N.J.S.A 18A:19-3, all missing documentation (such as bills of lading, packing slips and vendor affidavits) must be obtained to determine why the purchase order remains open in excess of 60 days. On a monthly basis an open purchase order report by batch is ran within Edu-met. All purchase orders older than 60 days are reviewed.

No new requisitions are processed during December 1st – January 31st with the exception to emergencies, operations and Fund 20. This black out period allows for the Purchasing Department to close outstanding purchase order and address problematic ones. Ordering re-opens from February 1st – March 31st. Purchase orders for the present fiscal year will not be accepted after March 31st unless prior arrangements have been made.

At the end of each fiscal year an open Purchase Order Report is given to the Comptroller. An outstanding purchase order listing should be reviewed to determine which purchase orders will not rollover. Purchase order not rolling over into the next year will automatically close within the system. *Refer to General Ledger – Year End Procedures.*

Title: Purchasing Procedures
Sub-Title: Receipt of Material Goods and Services

I. Receiving of Items Ordered

It is extremely important that all items received be checked **IMMEDIATELY**. Please adhere to the following procedures:

- Obtain blue copy of the Purchase Order and packing slip for that order.
- Open up ALL boxes and check off items received on the Blue Purchase Order and Packing slip. **Do not discard any of the boxes or packing material** until all items in that shipment are checked in and in good condition.

A. Back Orders

Sometimes items ordered will not be received in the first shipment. They will be sent at a later date. This is known as a *back order*. The packing slip will have written back order (BO) on those particular items.

Items marked back order (BO) on the packing slip should be marked back order on the Blue copy of the Purchase Order.

B. Missing Items

Sometimes items may be missing from your shipment. Call the company immediately. Please note on the Blue Purchase Order copy and packing slip what items were missing from your shipment. Do not confuse this with a back order. When you call, you will have to supply the customer service representative with our Purchase Order number and their Invoice number.

C. Signatures

1. The person checking the order should sign the **packing slip**. The packing slip is then attached to Blue copy of the Purchase Order.
2. The administrator/supervisor or principal then signs in the designated area on the Blue copy of the Purchase Order.

II. Notifying the Business Office

D. Complete Orders

If the order is complete the signed Blue copy of the Purchase Order and the packing slip should be sent immediately to the Purchasing Department.

E. Back Order

If the order is incomplete and it is a back order, do not wait for the second shipment. Please send the signed packing slip (make sure PO # is written on the slip) immediately to the Purchasing Department. ***Please do the following if there is a back order:***

1. Make and **keep** a copy of the Blue Purchase Order and the packing slip.
2. Upon receipt of the back order, check off **your** on copy of the Blue Purchase Order and packing slip the items received and send both to the Purchasing Department immediately.

F. Returning of Damaged or Wrong Items

There may be occasions when items have to be returned to the vendor. Please follow these procedures:

1. Call the vendor - Ask the vendor what their procedure is for returning items. Make a copy of the packing slip.
2. Notify the Purchasing Department - On the Blue copy of the Purchase Order and the packing slip mark the item(s) returned and the reason(s) for the return. Also note on the slips how and when the items were returned. (UPS receipt OK)(P.O. receipt OK)

Notify the Purchasing Department as soon as possible.

G. Damaged Shipments

Apparent visible damage

At times shipments are received in cartons which appear damaged. Before accepting the delivery, have the freight driver make a note on both his and your copy of the Freight Bill that the cartons show signs of visible damage. Open and check this shipment immediately to be sure the contents are not damaged. If contents are intact continue the process as outlined in F above.

Concealed Damage

If a shipment is received with no visible signs of damage to the carton but the contents are broken or damaged, a damage claim must be filed with the delivery company. Do not discard any of the cartons or packing materials that contained the damaged items. Replace the damaged items in their carton and store in a safe place.

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Please note: Interstate Commerce Commission regulations state all claims for damages **MUST BE FILED WITH THE CARRIER NOT LATER THAN 10 DAYS** of receipt of the damaged shipment. Claims after 10 days will not be honored and you will be obligated to pay in full for the damaged items.

H. Discontinued /Out of Print Items

If an item is marked discontinued or out of print, do not call the company for a replacement. If you want a replacement, you must submit a new Requisition. **DO NOT** add or change items listed on the purchase order since it affects the dollar amount encumbered.

Title: Student Activities
Subtitle: Student Activity Funds

Purpose: To establish financial controls for the administration of the various student activities operated for the benefit of the students, managed by adults, not part of regular instructional program with the Board indirectly responsible:

- The general organization of the fund to include student government, student clubs, student publications, school classes and class trips.
- The Board authorizes the maintenance of student activity funds to be located at and known as the High School Student Account and Elementary Student Accounts.
- All funds must be self-sustaining, the responsibility of a designated person and administered by the Business Administrator.

Student Activity Account Procedures

The Student Activity Accountant maintains a separate spreadsheet/ledger for all fundraising activities that tracks all payments and deposits by school and month. Payment and deposit amounts are reconciled on daily basis. Monthly reconciliations are sent out to each principal to certify amounts. As deposits are received, amounts are entered daily into Microsoft Money and reconciled to the student activity spreadsheets.

- I. Receipt of Funds
 - No fundraising monies shall leave the building.
 - All money must be turned over to the designated treasurer and counted on site.
 - All monies must be deposited within 24hrs of receipt. If unable to deposit, monies must be safeguarded in a locked safe.
 - Teacher/Club Advisor will receive a receipt for all monies turned over to the designated treasurer.
 - All deposit slips must be sent to the Business Office.
- B. Disbursement of Funds
 - All check requests must be accompanied by an invoice/order form.
 - All check requests must be signed by the Principal or Vice Principal.
 - Reimbursements for approved student body activities account must be approved in advance and accompanied by original receipt.
 - Borrowing from student activity account is prohibited.
 - Reimbursements for approved student body activities must be approved in advance and accompanied by original receipts.
- C. Items Prohibited for payment from the Student Activity account:
 - Equipment, supplies, etc. for classroom use

Pleasantville Public Schools Business Office Manual

- Repairs or maintenance of district equipment
- Salaries or supplies which are the responsibility for the district
- Gifts, loans or purchases or accommodation for employees
- Meals of any sort of district employees
- Individual items for student use, including but not limited to :
 1. Eye Glasses
 2. Clothing
 3. Flowers
 4. Reimbursement for lost/stolen items
 5. Gifts or loans

Check requests require two signatures; one from the Comptroller and the other from the School Business Administrator.

A. Co-Curricular Activities

The purpose of such co-curricular activities shall be to develop leadership capacities and good organizational skills, to aid in the socialization of pupils and to enable pupils to explore a wider range of individual interests that might be available in the regular curricular program.

No co-curricular activity shall be considered to be under the sponsorship of this Board unless it has been approved by the Superintendent.

- All co-curricular activities must be approved by the Board.
- The Board will approve annually and maintain a list of approved co-curricular activities.
- Any new co-curricular activities must have a written proposal for the new activity and approved by the Principal or designee.

B. Field Trips

The Board of Education recognizes that field trips properly planned and integrated with the curriculum are an educationally sound and important part of the program of the schools that can supplement and enrich classroom instruction by providing learning experiences in an environment outside the schools.

- A teacher shall request approval of a specific field trip by submitting a written application to the Principal.
- The teacher will be given written approval or denial of the teacher's request for a field trip. A denial of approval will include the reason(s) for the denial.

The Student Activity Clerk will initiate purchase orders once all field trip information is entered into field trip tracking system. All field trips are tracked by school, account number, amount and vendor. The Board of Education shall approve all proposed field trips.

PURCHASING MANUAL

2010 - 2011



Pleasantville Board of Education

Administration

Dr. Gloria Grantham, Superintendent of Schools
Mr. Dennis Mulvihill Board Secretary/Business Administrator
Mr. Elisha Thompkins, Comptroller
Mr. Jim Riehman, State Monitor
Ms. Daile White-Accountant/Purchasing

I. PLEASANTVILLE PUBLIC SCHOOLS

*Business Office
801 Mill Road 3rd Floor
Pleasantville, New Jersey 08232*

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Pleasantville Public Schools Business Office Manual

II.
III. PLEASANTVILLE PUBLIC SCHOOLS
Business Office
 801 Mill Road 3rd Floor
 Pleasantville, New Jersey 08232

July, 2010

TO: All District Employees

The purpose of this Purchasing Manual is to assist all Board of Education employees in the proper purchasing practices to be in full compliance with:

- New Jersey Public School Contract Laws Title 18A:18A, et. seq.;
- New Jersey Administrative Code N.J.A.C. 5:34 et. seq.;
- Board of Education Policy; and
- Other federal, state law and code.

The Purchasing Manual is designed to achieve three (3) goals:

1. Follow the law and Board policy on purchasing;
2. Promote efficiency in the purchasing practices; and
3. Achieve savings of money through proper purchasing practices.

We ask you, the user of the purchasing system, to help achieve these goals through proper planning. Please allow yourself enough leeway between generating a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services do you need on an annual basis?

Through proper planning, we can eliminate much of the frustration that is encountered in all public school purchasing procedures.

This manual should be reviewed with department heads, teachers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adhere to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call the Purchasing Office, Extension 2509.

Thank you,

Dennis Mulvihill
 Business Administrator/Board Secretary

PURCHASE ORDER PROCEDURES

Authority to Purchase

The purchase of goods and/or services by a board of education is governed by state statutes, administrative code and board policy. New Jersey State Law (18A:18A-2(b)) assigns the authority to the Business Administrator/Board Secretary to make purchases for the board of education.

The Business Administrator/Board Secretary is the only individual in the school district that has the authority to make purchases for the board of education.

The Pleasantville Board of Education by board resolution has authorized Mr. Dennis Mulvihill to be the Purchasing Agent for the school district.

Authorized Purchases

All requests for purchases of goods and/or services must be made through an approved purchase order signed by the Purchasing Agent.

A purchase order, pursuant to State Law, is a document issued by the Purchasing Agent authorizing goods or materials to be ordered for the school district or work/service to begin. 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 Purchasing Agent.

Unauthorized Purchases

Any Board of Education employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

Unauthorized purchases are a violation of State Law and Board Policy.

Penalties for Unauthorized Purchases

| | | |
|----------------|-----------------------------------|------------------|
| First Offense | Letter in Personnel File | Pay for Purchase |
| Second Offense | Suspension | Pay for Purchase |
| Third Offense | Loss of Increment | Pay for Purchase |
| Fourth Offense | Loss of Employment Tenure Charges | Pay for Purchase |

Corrective Action for Non-compliance

If the Purchasing Agent has determined that an unauthorized purchase has been made, a memo will be sent to the responsible administrator advising the administrator of the unauthorized purchase. The Superintendent of Schools shall receive a copy of the memo.

The responsible administrator shall prepare a memo explaining the reasons why proper purchasing procedures were not followed. The memo will be attached to the purchase order and a copy of the memo will be sent to the Superintendent of Schools.

Corrective Action for Non-compliance (continued)

At any time, during the Corrective Action Process, the Superintendent may invoke the penalties for non-compliance.

A repeat offense of an unauthorized purchase by the same administrator within a school year will mandate that administrator to attend a special in-service workshop on proper purchasing procedures and any sanction that may be invoked by the Superintendent.

Miscellaneous:

Preview of Materials

All staff members must receive permission from administrators, supervisors, or principals 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 prepared for a new item.

Reimbursements; Employee

The Board of Education only recognizes an employee reimbursement purchase order when it pertains to pre-approved travel, meals, and conferences. The Board will not reimburse employees for items and goods personally purchased by the employee.

Student Activity Accounts

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

A. Responsibilities of Originator of Requisition - Preparing a Requisition

The person who prepares the requisition has certain responsibilities before the order is sent to the administrator, supervisor, or principal for approval. He/She is to ensure the following:

1. **Requisitions are entered into Edumet**- All requisitions are entered into Edumet.
2. **Vendor's Name**--All Board checks are made payable to the vendor name (top line) listed on the requisition. Please ensure the proper vendor name is selected.
3. **Vendor's Complete Address**--The requisition must include the vendor's complete address.
4. **Current Budget Year** --Edumet defaults to current budget year.
5. **Description of Items, Services, Costs and Catalogue Numbers**--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.**
6. **Shipping Costs**--Shipping and handling costs are to be added to all requisitions. Please read the catalogue or contact the vendor to determine the actual shipping and handling costs.

If you are unable to ascertain the actual charges, type

“15% Estimated Shipping and Handling”

If there are no shipping and handling charges, type on purchase order

“Shipping and Handling Included.”

7. **Delivery Address--Attention Of**--The delivery address should include a name of a person or a specific department.
8. **Delivery, Types of**

The Pleasantville Board of Education

recognizes two (2) types of delivery.

a. INSIDE

DELIVERY

Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building.

b. SPOTTED DELIVERY

Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building. Transportation carrier personnel or specialized individuals are responsible to then uncrate, setup, assemble items to determine good working order and remove all debris to the satisfaction of the Pleasantville Board of Education within five (5) working days. Please ensure that all purchase orders have the correct delivery designation.

Pleasantville Public Schools Business Office Manual

9. **Total Cost-- Minimum Order--** The minimum order amount for all purchase orders is \$25.00. Please try to plan and combine orders to exceed the \$25.00 limit. Please verify your figures for accuracy. Please note: The Board of Education is exempt from paying New Jersey Sales Tax.
10. **Budget Account Number--**Please be sure the correct Budget Account Number is typed on the requisition. Please refer to your Chart of Accounts.
11. **State Contract Orders--**When ordering through State Contract vendors (minimum order \$100.00) please include:
- a. State Contract Number;
 - b. Shipping and Handling Included; and
 - c. Appropriate documentation when required.

Quotations--If quotations are obtained, please attach to the requisition a copy of each written quotation received.

12. **Purchase Order Rationale Information.**

B. Purchase Order Rationale Information

Purchase Order Rationale information shall be submitted with each requisition order (exceptions noted) to the Director of Curriculum. This section is located under vendor information and listed under PO rationale.

Administrators who submit requisitions will now have to put in writing why the purchase is essential to the school district. Administrators who sign off on requisitions will now have to provide explanations on the following:

- How students will learn or benefit from the purchase?
- What educational achievement or program may be linked to the purchase?
- How is the purchase of operational value to your school/office?
- Are the goods/services purchased useful for the long term rather than immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?

Administrators will now have to justify the need for the purchase and if so required, explain the need at a Board of Education meeting.

The Director of Curriculum will review each requisition to ensure what is requested is essential to the school district. It has been determined that the following items are considered *non-essential*. The list is not all inclusive and may be amended throughout the school year. The Director of Curriculum will not approve purchase orders for the *non-essential items*.

Non-Essential Items

- Carnival activities in schools;
- Catering – except for back-to-school nights (coffee, cookies, etc.);
- Celebration or Decorative Items – including but not limited to:
 - *Balloons*
 - *Flowers; floral arrangements*
 - *Gift Baskets*
 - *Gifts for employees; teacher appreciation*
 - *Greeting cards; and*
 - *T-Shirts*

**Pleasantville Board of Education
Office of the Superintendent**

**Non-Essential Purchases
Permitted Purchases**

| <u>MEALS; REFRESHMENTS; CATERING</u> | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Prohibitions</u> | <u>Permitted Purchases – Case by Case</u> |
| Board of Education funds may not be used for meals; refreshments; catering; food for the following: <ul style="list-style-type: none"> • Staff Meetings; Functions • Honoring Employees; Retirement Functions • Athletic Events – Guests and Participants (other students) | The Director of Curriculum of Schools will consider, on a case by case basis, requests for the following: <ul style="list-style-type: none"> • Student Functions; Activities; Events – Reasonable Costs – Instructional Only!! • Functions; Activities; Events for Dignities and other “Non-district employees e.g., Parents – light meals/refreshments – minimal and infrequent • Back to School Nights – Light refreshments • Board of Education Meetings—Light meals refreshments |
| <u>CELEBRATION; DECORATIVE ITEMS; ACKNOWLEDGEMENTS</u> | |
| <u>Prohibitions</u> | <u>Permitted Purchases – Case by Case</u> |
| Board of Education funds may not be used for Celebration; decorative or acknowledgement items as follows: <ul style="list-style-type: none"> • Carnivals • Gifts for employees; teacher appreciation • Gift baskets; greeting cards • Retirement Plaques • Bereavement flowers; fruit basket acknowledgements • Student Entertainment | The Director of Curriculum of Schools will consider, on a case by case basis, requests for the following: <ul style="list-style-type: none"> • All reasonable costs for commencement; convocation activities • Yearbooks – Elementary Schools |

Purchase of T-Shirts

The Director of Curriculum of Schools will consider, on a case by case basis, requests for the purchase of T-shirts – T-shirts for field days or field trips.

Extracurricular Activities/Field Trips

All expenses using public funds for extracurricular activities and field trips shall be part of the instructional program and have educational value and shall be reasonable in cost. A full detailed explanation of the activity must be provided on the Purchase Order Rationale Form. Field Trip destinations must be pre-approved by the Board of Education.

Exceptions for Purchase Order Rationale Information

Purchase orders for the following items do not require Purchase Order Rationale Information:

- **After School Supplementary Service Providers**

This program coordinated through the Office of Title I Research and Testing, is regulated by federal and state law and no further justification is needed.

- **Emergency Purchases (N.J.S.A. 18A:18-7)**

Emergency purchases are regulated by state law. In order to approve an emergency purchase, rationale must be first provided thus negating the need for a purchase order rationale form.

- **Field Trip Transportation**

Purchase orders for field trip transportation do not need a rationale form as long as there is a rationale form for the purchase order for the admissions fee. If the Assistant Superintendent approves the field trip admissions fee purchase order, then by default the purchase order for the transportation will be approved.

- **Pupil Transportation; Athletic Transportation**

Transportation of students to and from school is regulated by state law, administrative code and the student's IEP. Transportation of athletes to and from events does not require a rationale form.

- **Travel Reimbursement for Employees**

Travel reimbursement costs are regulated by state law, state administrative code and board policy. All conditions and approvals for this reimbursement have been met in order for the purchase order to have been prepared.

- **Tuition Contracts—Special Education Schools**

As with pupil transportation purchase orders, tuition to special education schools are regulated by federal and state law and no further justification is needed.

- **Tuition Reimbursement for Employees**

This employee contractual benefit needs no further explanation. All conditions and approvals for tuition reimbursement have been met in order for the purchase order to have been prepared.

C. Responsibilities of Administrator/Supervisor or Principal

Administrators/supervisors and principals must ensure the following before the purchase order is sent to the Assistant Superintendent:

1. **Funds Available**

They must check to determine if *funds are available* in their budget to cover the requisition.

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2. Requisition Order Completion

They must check to determine that items 1-12 previously noted (Responsibilities of the Originator) have been *properly completed*.

3. **Approval of Requisition** -The requisition must be approved in Edumet by Principal/Administrator/Supervisor) and *sent to the Director of Curriculum Office via Edumet*. By approving the requisition, the administrator/supervisor or principal is certifying that funds are available in the budget account line to cover the cost of the purchase.

4. Purchase Order Rationale Section (Exceptions Noted)

The Purchase Order Rationale section shall be completed and submitted with the requisition.

5. Receiving Copy (Blue)

Once the purchase order has been approved and mailed to the vendor, the Business Office will send the Receiving Copy (Blue) of the purchase order back to the school or office. If you do not receive the Receiving Copy (Blue) within three (3) weeks of submitting the requisition, please contact the Business Office.

D. Responsibilities of the Director of Curriculum

The Director of Curriculum reviews and determines the educational or operational value of each requisition. The Director of Curriculum reviews the Purchase Order Rationale information and if satisfied approves the requisition.

The requisition is then approved by the Director of Curriculum or Superintendent and sent to the Purchasing Department via Edumet.

E. Responsibilities of Business Office

The Purchasing Agent reviews each purchase order. Special attention is given to the following:

Account Number-- Requisitions are reviewed for correct account disbursement number.

1. **What is being ordered and the cost**--The Purchasing Agent reviews the technical aspects of the purchase order to ensure compliance with State Law and Board Policy.

The Business Office checks the cost of each item and determines if it can be purchased from another vendor at a savings. The Business Office also reviews whether the purchase order exceeds:

The Quotation Limit **\$4,350.00**

The Bid Limit **\$29,000.00**

3. Document Check – State Law

Pursuant to various State Laws, the Purchasing Agent must ensure the following documents are on file in the Business Office before the purchase order is signed and processed:

- Affirmative Action Evidence – Contracts \$29,000.00 and over (cumulative).
- Business Registration Certificate (BRC) – Purchases \$4,350.00 and over.
- Chapter 271 – Political Contribution Disclosure Form (PCD) * Purchases over \$17,500.00 (cumulative).

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*Administrators recommending contracts for professional/educational services are to secure the Chapter 271 PCD from the vendor when the vendor submits his/her proposal. The PCD must be forwarded to the Business Office.

A copy of the PCD is in the Appendix.

4. **Review of requisition**--The requisition is also reviewed for technical aspects such as:
- a. Account number is correct;
 - b. Shipping charges added;
 - c. State contract numbers incorrect/missing; Vendor Bid#'s
 - d. Vendor address incomplete; and
 - e. Other items as listed in Section A.

Incomplete or improper requisitions will be returned with a memo explaining deficiencies.

If the Purchasing Agent is satisfied, he will approve the requisition. The Business Office will then:

- Approve the requisition into a purchase order ;
- Obtain board approval of purchase order at the next scheduled board meeting;
- Mail the purchase order to the vendor.

The purchase order process, as explained, may take 2 – 3 weeks to complete. Please plan accordingly.

5. **Transfer of Funds**--The Business Office processes requisitions only if there are appropriate funds to cover the purchase. Please plan purchases in accordance to your budget to eliminate excessive transfers.

F. Responsibility of the Vendor

The Business Office sends to the vendor the purchase order . The vendor is to sign the voucher and return it to the Business Office with an invoice. If you receive a signed voucher, return it to the Business Office. A check is prepared for the vendor once the Business Office has a

- Signed Voucher
- Invoice
- Receiving Copy (Blue) Signed

G. Employees Prohibited from Signing Contracts

Board of Education employees are prohibited from signing any contract offered by a vendor.

The power to sign and execute contracts after Board of Education approval lies with the Board President and the Board Secretary.

Contracts signed by an employee shall be considered non-binding by the Pleasantville Board of Education with the employee accepting full responsibility for the costs of the contract.

H. Contracts; Purchase Order Required

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

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All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor.

I. Cancellation of Purchase Orders

All requests to cancel purchase orders must be made in writing to the Business Office. Reasons explaining the need to cancel the purchase order must be outlined. The Purchasing Agent maintains the sole right to cancel purchase orders.

J. Private Purchases -- Prohibited

Goods and services procured by the Pleasantville Board of Education are exclusively for the use of the Pleasantville Board of Education and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

Employees of the Pleasantville Board of Education are prohibited from purchasing privately goods and/or services off the bid prices and quotation prices offered by the vendors to the Pleasantville Board of Education.

BIDS AND PURCHASING

A. Bid Limit -- \$29,000

The Pleasantville Board of Education is restricted by New Jersey State Law on how much money can be spent by the district for the entire year on materials, supplies, and services.

This restriction is called the **bid threshold** or **bid limit**. The bid limit is \$29,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling more than \$29,000 for the entire year must be competitively bid. This restriction is for the entire district and not by location or schools.

You cannot circumvent the law by splitting purchases to be under the \$29,000 bid limit.

If you find that your purchases may exceed the \$29,000 bid limit, please contact the Purchasing Office at once.

The formal bidding process takes about 6-8 weeks to complete.

B. Annual Bids

The Board of Education requests that central office department administrators and supervisors and school principals start to plan and prepare for Annual Bids. The proposed time lines are as follows:

- March* • Administrators/Supervisors prepare technical specifications to be reviewed by Purchasing Agent.
- April* • Purchasing Agent prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding.
- May/June* • Annual bids are received, opened and tabulated by Purchasing Agent.
- June* • Bid resolutions are prepared by Purchasing Agent for Board approval.
- July* • Purchase orders are generated by Administrators/Supervisors for August/September delivery.

Please note: The delivery of furniture usually takes place about 8-12 weeks after receipt of purchase order.

C. Bidding: Time Frame

As stated before, the formal bidding process usually takes about 6-8 weeks from start to finish. Please plan appropriately. An outline of the bidding process is located in the Appendix.

D. Exceptions to the Bid Limit

New Jersey State Law allows for some exceptions to the bid and quotation limits. There are approximately 20 exceptions where a Board of Education does not have to go for bid. Some of them are:

D. **Exceptions to the Bid Limit (continued)**

1. Purchasing through State Contract;
2. Professional services as outlined by New Jersey law;
- *3. Textbooks, kindergarten supplies, student produced publications, library and educational goods;
- *4. Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences.

* These purchases may be subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a) if practicable.

Please contact the Purchasing Agent for further explanation.

E. **State Contract Purchasing**

Pursuant to N.J.S.A. 18A:18A-10(a) a Board of Education may purchase goods and services through State Contract vendors. If the purchase exceeds the bid threshold, the Board of Education must adopt a resolution awarding the contract.

① **Office Supplies and School Supplies**

The Purchasing Agent will distribute separate memos highlighting State Contract vendors who sell Office Supplies and School Supplies. Please review these memos with your staff.

If you plan to purchase Office Supplies and School Supplies from a State Contract vendor, please follow the instructions on the memo.

② **Computers**

If you plan to purchase computers, please adhere to the following process prior to completing requisitions for computers.

- **Contact the Technology Department**

Please contact the **Technology Department**. They will be able to assist you with the technical aspects and the State Contract requirements of purchasing computers.

E. **State Contract Purchasing (continued)**③ **Copiers-- Pre-Approval Needed**

If you plan to purchase a copier, please contact my office at Ext. 2527. All purchases of copiers must be pre-approved by the Purchasing Agent and the Superintendent of Schools.

Purchase Orders--State Contract

All purchase orders made through State Contract vendors shall include the following:

1. State Contract Number;
2. Notification of Award;
3. Approved Price List; and
4. Shipping and Handling Included.

F. Professional Services/Professional Consultants

Although Professional Services, as defined in Title 18A:18A-5, do not require competitive bids or quotations, it is in the best interest of the Board of Education to obtain at least three (3) proposals for any professional service.

If proposals are to be obtained, they are to be sealed proposals and may be scheduled to be opened publicly. This scheduling, together with the text of the solicitation for proposals, is to be reviewed with the Purchasing Agent.

Professional Contracts/Educational – Board Approval Needed

All Professional Services and Consultant Contracts must be approved by the Pleasantville Board of Education if the contract exceeds \$4,350.00. If you plan to recommend a contract for a professional consultant, please be advised of the following:

1. An appropriate resolution must be written for placement on the Board of Education meeting agenda.
2. With the resolution should be a written proposal from the consultant and/or vendor outlining the following:
 - a. Name, address of consultant/vendor (No P.O. Box #'s);
 - b. A description of services to be provided;
 - c. Starting date of service; ending date of service; and
 - d. The cost of the services/terms of payment(s).

3. Chapter 271 Political Contribution Disclosure Form (PCD)

It is the responsibility of the administrator/supervisor recommending the contract to provide to the Business Office a copy of the vendor's Chapter 271 Political Contribution Disclosure Form.

4. Legal Advertisement -- Prepare Form

Contract for professional services that exceed the bid threshold must be advertised in an official newspaper. A form has been developed to complete this requirement.

All resolutions are to be sent to the Superintendent's Office with a copy of the written proposal attached. A copy of the resolution and proposal should be sent to the Board Attorney. A written contract will be prepared by the Board Attorney.

G. Emergency Contracts

Emergency Contracts are strictly regulated by N.J.S.A. 18A: 18A-7. A situation must exist affecting the health or safety of the occupants of school property that requires the immediate delivery of articles or the performance of a service to alleviate the emergency.

The Emergency Contract process is reviewed in the Appendix. Please note that the Superintendent of Schools must be notified **first** of all emergency purchase requests.

Only the Purchasing Agent may award an Emergency Contract.

H. Cooperative Purchasing

The Pleasantville Board of Education has contracted with Educational Data Services of Saddle Brook, NJ, to bid on items in the following categories on an as needed basis.

- | | |
|--------------------|--------------------|
| 1. Office Supplies | 4. School Supplies |
|--------------------|--------------------|

Pleasantville Public Schools Business Office Manual

- | | |
|--------------------------|-----------------------------|
| 2. Copy Duplicator Paper | 5. Art Supplies |
| 3. Science Supplies | 6. Industrial Arts Supplies |

The above categories are represented in the blue, pink, etc. books that are sent to all schools and central office departments early in the school year.

I. Purchases, Contracts Exceeding the Bid Threshold

Pursuant to State Law N.J.S.A. 18A:18A-5 all purchases and contracts exceeding the bid threshold of \$29,000, shall be awarded by board resolution at a public meeting of the Board of Education. This includes all items exempted from bidding and all State Contract purchases that exceed \$29,000. Only the purchase of textbooks and emergency contracts are exempt from this law.

Administrators and Supervisors must anticipate their needs as certain purchases once allowed just by purchase order now must be approved by the Board of Education first, then a purchase order can be signed and mailed.

J. Student Activity Account Purchases

Pursuant to State Law N.J.S.A. 18A:18A-5a(21), purchases made through Student Activity Accounts that exceed the bid threshold shall be awarded by the Board of Education at a public meeting.

Examples of items purchased through the Student Activity Accounts that may exceed the bid threshold are

- Class Gift
- Class Rings
- Field Trips
- Proms
- Yearbooks

QUOTATIONS AND QUOTATION PROCEDURES

A. Quotations

The quotation limit (threshold) is now \$4,350.00. This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$4,350 and less than \$29,000 for the entire year, must be *competitively quoted or advertised for bid at the discretion of the Purchasing Agent*.

You cannot circumvent the law by splitting purchases to be under the quote threshold.

B. Quotation Process

*All quotations should be attached to the requisition and forwarded to the Business Office.
Please note: The formal quotation process could take about 2-4 weeks from start to finish.*

C. Receipt of Two Quotations

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall receive two quotations if practicable. Evidence of the quotation process shall be kept on file. A copy of the quotation shall be attached to the requisition.

PURCHASE ORDER PROCESS

A. **Processing the Purchase Order--Design of Purchase Order**

The purchase order is made of four sheets, each color-coded for a certain purpose. Listed below are the names of the appropriate color and the purpose of each sheet.

| <u>Copy</u> | <u>Color</u> | <u>Disposition</u> |
|--------------------|---------------------|-----------------------------------------------------------------------------------|
| Vendor Copy | White | Sent to vendor to order items/provide services |
| Voucher Copy | Green | Sent to vendor for signature |
| Receiving Copy | Blue | Sent to school/office; returned to Business Office upon receipt of goods/services |
| File Copy | Pink | Remains on file in Business Office |

B. **Receipt of Goods and Services**

The originator of the purchase order should follow the following process when receiving materials, goods, and services.

1. **Receipt of Items Ordered**

It is important that all items received be immediately checked. Please note the following:

- a. Obtain receiving copy (blue) of purchase order and packing slip of items ordered.
- b. Open boxes and check off items received on the receiving copy and the packing slip.
- c. If all items are enclosed, then sign the receiving copy of the purchase order.
- d. The school principal/office supervisor should sign the receiving copy (blue) and send it to

Cathy Manning Accounts Payable, c/o Business Office

Receipt of Goods and Services—Responsibilities of Administrators; Supervisors

Administrators and supervisors are to ensure that all goods received have been checked in for accuracy. If the goods received match the purchase order and the packing slip then the administrator should do the following:

Sign the packing slip to confirm receipt of delivery of goods;
Sign the Receiving Copy (blue slip) of the purchase order;
Sign any invoices that may have been submitted with the order; and

Send all items to the Business Office c/o Accounts Payable within seven (7) days of the receipt of goods.

B. *Receipt of Goods and Services (continued)**Accounts Payable Procedures—Notification Process*

There will be instances where the Business Office Accounts Payable will send a courtesy reminder to any school or office that has not returned the paperwork in a timely fashion. The following procedures have been approved by my office:

- **Thirty (30) Day Notice—Original**

The Accounts Payable Office will send a reminder notice to all schools and offices that have not submitted their paperwork after 30 days of receipt of the invoice.

- **Second Notice—Seven (7) Days**

The Accounts Payable Officer will send a second reminder notice seven (7) days later if no paperwork is received from the school or office.

- **Final Notice—Seven (7) Days**

The Accounts Payable Office will send a Final Notice reminder seven (7) days later if not paperwork is received from the school or office

- **Superintendent's Office Contacted—Three (3) Days**

The Controller will contact the Superintendent of Schools after three (3) days if the paperwork is not received from the school or office.

All receiving copies (blue) of purchase orders should be signed and sent to the Business Office within seven (7) days of receipt of items.

2. *Problems Encountered with Receipt of Goods*

- ✚ **Problem: Back Orders**

Sometimes items ordered will not be received in the first shipment. This is known as a back order. The packing slip will have back order written on those particular items.

Process to Follow: Back Orders

If the order is incomplete because there is a back order, do not wait for the next shipment. Please do the following:

- Mark on your receiving copy (blue) of the purchase order those items you did not receive.
- Make and keep a copy of your receiving copy (blue).
- Send the original receiving copy (blue) to the Business Office.
- Upon receipt of the back order in the next shipment, check off your copies of the receiving copy (blue) and the packing slip and send both copies to the Business Office.

- ✚ **Problem: Items Missing from Order**

Sometimes items are marked on the packing slip that they were delivered but are missing from your shipment.

Process to Follow: Items Missing

- Call the company and tell them what was missing.

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- Mark on the receiving copy what items were missing.
- Make and keep a copy of your receiving copy (blue).
- Send the original receiving copy (blue) to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy (blue) send to the Business Office.

 **Problem: Items Damaged; Wrong Item**

Sometimes you will receive items that are damaged or the wrong item.

Process to Follow: Items Damaged; Wrong Item

- Call the company and ask them what the procedure is for returning damaged or wrong items.
- Return the item(s) to the company.
- On the receiving copy (blue) and the packing slip, mark what items were returned and the reasons for being returned. Please note how the items were returned (UPS/PO/Vendor Pick Up).
- Send the receiving copy to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy (blue) and send to the Business Office.

 **Problem: Discontinued Item**

Sometimes the items you requested have been discontinued.

Process to Follow: Discontinued Item

- Mark on the receiving copy (blue) of the purchase order “discontinued.”
- Do not call the company for a replacement item. You must complete a new purchase order.

C. Purchase Order Cut Off Date

Administrators and Supervisors are to be alerted to the fact that purchase orders for the present school year will not be accepted after the third Friday of January.

ETHICS IN PURCHASING

Financial Interest in any Contract; Direct or Indirect

No employee or board member may have a direct interest in any contract or agreement for the sale of goods and services to the Board of Education, nor receive any benefit, compensation or reward from any contract for the sale of goods and services to the Board of Education.

Reference—N.J.S.A. 18A:6-8.

Solicitation/Receipt of Gifts from Vendors -- Prohibited

School board members, school officials and employees, or members of their immediate family are prohibited from soliciting, receiving or agreeing to receive any compensation, reward, employment, gift, meal, honorarium, travel, reimbursement, favor, loan, service, or other thing of value from any person, firm, corporation, partnership, or business that is a recipient of a purchase order from the district, or a potential bidder, or an applicant for any contract with the district, based upon an understanding that what is solicited or offered was for the purpose of influencing the board member or school employee in the discharge of their official duties. This policy shall be consistent with the School Ethics Act—N.J.S.A. 18A:12-21 et. seq.

Reference—N.J.A.C. 6A:10-2.1 (7f);

School District Responsibility – Recommendation of Purchases

School officials and employees who recommend purchases shall not extend any favoritism to any vendor. Each recommended purchase should be based upon quality of the items, service, price, delivery, and other applicable factors in full compliance with N.J.S.A. 18A:18A-1 et. seq.

School officials and employees are to avoid recommending purchases from members of their families, businesses that employ members of their families and from businesses in which the official, employee or members of their immediate family have a direct financial interest.

School officials and employees who are authorized to sign off on purchase orders and/or to recommend purchases or business transactions by virtue of their signature on the purchase order certify that their actions are consistent with this policy and all applicable statutes.

Reference Board Policy—N.J.A.C. 6A:10-2.1 (7f);

Vendor Responsibility – Doing Business with the Board of Education

Any vendor doing business or proposing to do business with the Pleasantville Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other thing of value of any kind to any official or employee of the Pleasantville Board of Education or to any member of the official's or employee's immediate family.

No vendor shall cause to influence or attempt to cause to influence, any official or employee of the Pleasantville Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

Ethics in Purchasing (Continued)Vendor Certification

Vendors will be asked to certify that no official or employee of the Pleasantville Board of Education or immediate family members are directly or indirectly interested in this request or have any interest in any portions of profits thereof. The vendor participating in this request must be an independent vendor and not an official or employee of the Pleasantville Board of Education.

Violations of the Policy

In accordance with N.J.A.C. 6A:10A-4.1(f)iii, and N.J.S.A. 18A:6-8, any school district employee who violates the terms of this policy may be subject to withholding of annual increments, suspension, demotion, school ethics complaint, termination and/or revocation of license to teach or to administer.

Reference Board Policy—N.J.A.C. 6A:10-2.1 (7f);

CRIMINAL CODE CITATIONS

Title 2C -- Criminal Code

2C:27-9 Unlawful Official Business Transaction

“A public servant commits a crime of the fourth degree if, while performing his official functions on behalf of the government entity, the public servant knowingly transacts any business with himself, a member of his immediate family, or a business organization in which the public servant or an immediate family member has an interest. (N.J.S.A. 2C:27-9)

2C:27-10 -- Acceptance or Receipt of Unlawful Benefit by Public Servant for Official Behavior

“A public servant commits a crime in the fourth degree...if the public servant directly or indirectly, knowingly solicits, accepts or agrees to accept any benefit, whether the benefit inures to the public servant or another person, to influence the performance of an official duty or to commit a violation of an official duty.

APPENDIX

- A. Formal Bid Process
- B. Emergency Purchases/Contracts
- C. Memorandum--Return of Purchase Order

FORMAL BID PROCESS

| <u>Process</u> | <u>Time Line</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Initial request to bid made by Administrator/Supervisor. Certification that funds exist. | One Day |
| Review of specifications, fully outlining items, materials or services to be bid by Purchasing Agent. | One Week |
| Return of reviewed specifications to Administrator/Supervisor for final approval. Administrator/Supervisor signs off final approval. | One Week |
| Bid package prepared by Purchasing Agent. | One Week |
| Copies of bids run off by Purchasing Agent. | One Day |
| Legal advertisement sent to newspaper. | Three Day Advance Notice |
| Bid Date/Time-- must be at least 10 days after Legal Ad appears in newspaper. Bids are opened and read publicly. | 10-20 Days |
| Bid results are reviewed by: a. Administrator/Supervisor b. Purchasing Agent | One Week |
| Purchasing Agent prepares spreadsheet showing lowest bidders and recommends award of bid. Purchasing Agent reviews bids. Resolution is prepared. | One-Two Weeks |
| Bids are reviewed at Regular Public Meetings. | One Week |
| Purchase orders are prepared by Administrator/Supervisor. | One Week |

The formal bidding process takes about 6-8 weeks from start to finish.

Please note: Bids for Public Works/Construction Projects take longer as a request for wage determination must be formally made to the State of New Jersey.

EMERGENCY CONTRACTS (18A:18A-7)**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 requires the immediate delivery of the articles or performance of a 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/supervisor/ administrator requesting a declaration of emergency.

2. Business Administrator/Purchasing Agent Notified

The official in charge of the building or facility, wherein the emergency occurred shall notify the Business Administrator/Purchasing Agent of the following:

- a. Nature of the emergency;
- b. Time of the occurrence; and
- c. The need for the performance of a contract.

Such notification shall be prepared in writing and filed with the Purchasing Agent as soon as possible.

3. Awarding of Contract by Business Administrator/Purchasing Agent

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

4. Filing of Documents with State and County by Board Secretary/School Business Administrator

In accordance with N.J.A.C. 5:34-6.1, the following documents must be filed with the County Superintendent within three (3) days after awarding the contract or agreement:

- a. A copy of the contract or agreement; and
- b. A copy of the written requisition.

5. Approval by Board of Education

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

B

PLEASANTVILLE BOARD OF EDUCATION

BUSINESS OFFICE
801 Mill Road 3rd Floor

Pleasantville, New Jersey 08232

M E M O R A N D U M

To: _____
From: _____
Date: _____
Re: ***Return of Requisition/ Purchase Order(s)***

I am returning the attached purchase order(s) for the reason(s) checked below:

- Account Number Incorrect; Missing--Please use Account Code # _____
- Bid Number, Quotation Number--Not Included on Purchase Order
- Board Resolution Needed--Attach to Purchase Order
- Chapter 271--Political Contribution Disclosure Form Required
- Conference Request Form--Not Attached; Not Approved
- Description of Item(s), Service Needed
- Date of Requisition Missing--Secretary's Initials Missing
- Minimum Order \$25.00 Minimum State Contract Order \$100.00
- Proposal/Contract Missing -- Attach to Purchase Order
- Quotation Needed--Please contact me X 2509 to discuss process
- Rationale Form Missing; Unsigned
- Shipping Charges Not Added
- Shipping Charges Not Needed. Type on P.O. "Shipping and Handling Included"
- Signature Missing--Administrator, Supervisor, Principal
- State Contract Number Incorrect, Missing--State Contract Documentation Missing

- _____ Textbook Documentation Missing
 - _____ Website Documentation / Board Resolution
 - _____ Unauthorized Order--Please contact me X 2509 to discuss procedures
 - _____ Vendor Address Incomplete--Post Office Box Number Only
 - _____ Vendor Check Needed?
 - _____ As Per Attached Memo
 - _____ Other _____
-

C

February, 2008

Reimbursements

The Board of Education only recognizes a reimbursement purchase order when it pertains to approved travel, meals, and conferences. The Board will not reimburse individuals for goods/services personally purchased by the employee or individual. ***Exceptions or extreme emergencies must have prior written approval by the Superintendent, Business Administrator or Principal.***

Travel Reimbursements

The School Accountability Act (A-5), signed into law March 15, 2007 and revisions effective November 21, 2007 require the following, but not limited to, for school travel:

- Only registrations can be paid in advance
- Employees shall not receive an amount for travel or travel-related expenses in advance of the travel
- Travel (transportation, meals, lodging) will be reimbursed upon return and submission of proper receipts
- The school district shall not bear the costs for car rentals, limousine services and chauffeuring costs to or during the event
- One-day trips that do not involve over-night lodging are not eligible for subsistence (meal) payments
- Reimbursement for lodging, meals and incidental expenses shall be for actual reasonable costs, not to exceed the *federal per diem* rates as established in the federal register. The first and last days of travel are reimbursed at 75% of the federal per diem rate
- Lodging expenses may exceed *federal per diem* rates if the hotel is the site of the travel event and the hotel rate is in excess of the *federal per diem* rates
- There is no reimbursement of lodging and meals costs for overnight travel within the state
- There is no reimbursement of meals for in-state travel
- One-day, out-of-state trips required for school business purposes may be authorized for amounts not to exceed as follows: Breakfast - \$5.00, Lunch - \$7.00 , Dinner - \$10.00
- Lodging may only be provided for out-of-state travel if the event occurs on two or more consecutive days and where home to event commute exceeds fifty (50) miles.
- All reimbursements must be submitted within 30-days of occurrence. Do not hold receipts/mileage for over 30-days; they cannot be paid.

School Activity Accounts (if applicable)

Purchases made through School Activity Accounts may not be reimbursed with Board funds. Purchase orders made payable to School Activity Accounts for the aforementioned purpose will not be signed by the Business Administrator.

Petty Cash Accounts (if applicable)

The Board of Education does not authorize the use of petty cash OTHER THAN THE BUSINESS OFFICE, FACILITIES AND LIFE SKILLS. The amount is not to exceed \$300.00.

The Superintendent/Asst. Superintendent reviews and determines the educational value of each requisition. The requisition is then signed/approved by the Superintendent/Asst. Superintendent and forwarded to the Business Office.

E. Employees Prohibited from Signing Contracts

Board of Education employees are prohibited from signing any contract offered by a vendor. The power to sign and execute contracts after Board of Education approval lies with the Board President and the Business Administrator.

Contracts signed by an employee shall be considered non-binding with the employee accepting full responsibility for the costs of the contract.

The award of a contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from the vendor. All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. Contracts over \$29,000 require an executed contract prepared by the solicitor in addition to a Purchase Order.

POOR PLANNING IS NO EXCUSE FOR AN EMERGENCY**EXEMPTION FROM TAXES**

The Pleasantville Public School District is a TAX EXEMPT organization coming under the provisions of Section 9 (a) (1) Chapter 30, Laws of 1966, as amended, and therefore a tax exempt permit and number are not required. All purchases MUST be done through official purchase orders to be tax exempt. The Tax Exempt Form is available by contacting the Purchasing department.

- b. Upon receipt of the back order, check off your copy of the PINK Purchase Order and packing slip and send both to the Purchasing Department immediately.

BUDGET ACCOUNT NUMBER CODING

When completing requisitions for materials, supplies, books, equipment and/or services, it is important to use the correct Budget account number as directed by the New Jersey Chart of Accounts. To assist administrators, supervisors and staff members who complete requisitions the following explanation of use for the Object Code numbers is provided.

GAAP Code The City of Pleasantville Board of Education GAAP account codes consist of 14 digits. This section pertains only to the 4th set of digits: The Object Code

Example 11-000-240-610- 00-010-610 610 is the object code.

The following descriptions of the basic Object Codes are provided for your use:

| <u>Object Code</u> | <u>Description</u> |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 320 | <u>Purchased Professional Services - Educational</u> Consultants (includes travel and expenses) to improve instructional programs. |
| 340 | <u>Purchased Professional Services – Technical</u> Consultants (includes travel and expenses) not regarded as professional but require basic scientific knowledge or manual skills. |
| 420 | <u>Cleaning, Repair and Maintenance Services</u> Maintenance contracts for equipment service, repair of equipment and furniture, cleaning services and lawn care |
| 440 | <u>Rentals</u> Leasing of equipment (copiers) or vehicles. |
| 512 | <u>Contracted Services – School Activities</u> Transportation expenses for student field trips (admission fees are recorded in 890 accounts). |
| 530 | <u>Communications</u> - Postage machine rentals, postage costs and cable TV charges. |
| 580 | <u>Travel – Staff Conferences</u> |

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Travel expenses (including meals, hotel) for staff conferences (registration fees are recorded in 890 accounts).

590 Miscellaneous Purchased Services - Printing costs for student publications.

610 General Supplies

The 600 line items are used for supplies and materials for instructional and non-instructional items that are consumed, worn out or deteriorated through use. These include; office supplies and equipment, library books, periodicals, magazines and newspapers, workbooks and other teaching supplies, computers and computer software and uniforms (includes items with a unit value of LESS THAN \$2,000).

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- 640 Textbooks Workbooks are not recorded here (use 610 account).
- 730 Equipment – Instructional
Expenditures for the initial, additional and replacement costs of equipment such as machinery, furniture and fixtures, and vehicles. The item purchased must exceed a unit value of \$2,000.
- 732 Equipment – Non-instructional
Includes the cost of equipment and furniture for non-instructional purposes. The item purchased must exceed a unit value of \$2,000
- 890 Miscellaneous Expenditures
Expenditures for goods or services not classified above including, dues and fees for membership in professional or other organizations, awards, food expenses, conference registration fees and athletic entry fees and graduation expenses.

C. HELPFUL HINTS WHEN PREPARING REQUISITIONS**1. *GIVE AS MUCH INFORMATION AS POSSIBLE.*****Example:**

Muller Co.
Any Highway 106
P.O. Box 800
Land of the Lost, NJ 53538-0800
(800) 383-6800

1 each Hon File Cabinet 3 drawer lateral
Size: 36"W x 12"D x 40"H Color: Putty
Model #310 series (the manufacturer's model number)
Highsmith Stock #L61-60933 (catalog number)
Price \$199.00

2. Whenever possible, please use the standard "Tried & True" vendors. Trying to save money by using a small company that offers "Specials" often causes an item not to be purchased. Small companies may not like to submit bids because they frequently cannot supply the required documents such as an approved Affirmative Action Certificate. In some cases, they cannot get a bid bond, or they want payment prior to delivery. Our Accounting Department is only permitted to issue checks for payment AFTER the items have been received and the proper invoice has been submitted and approved by the Board of Education.

CRITERIA FOR CLASSIFICATION AS EQUIPMENT**ALL of the following MUST be met:**

1. Retains original shape, appearance and character with use.
2. Item does not lose identity through fabrication or incorporation into a different or more complex unit.

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3. It is non-expendable--more feasible to repair if damaged than to replace.
4. Under normal conditions and proper care, it is expected to serve its purpose for more than 1 year.
5. Costs \$2,000 or more.

NOTE: An item should be classified as a supply if all of the above criteria are not met.

E. QUOTE SHEET

**THREE PRICE QUOTATIONS ARE NECESSARY ON ALL ITEMS
(PLEASE ATTACH ALL WRITTEN QUOTES)**

School/Dept _____ Filled Out By _____ Date Completed _____

General Description of Item(s) _____

QUOTATIONS:

#1

Vendor _____ Tel: _____ Will Confirm In Writing: YES ___ NO ___
 Person Giving
 Address _____ Tel. Quotation: _____
 _____ Date of Quote _____
 _____ Zip _____ Attachment: YES ___ NO ___
 _____ Price _____

#2

Vendor _____ Tel: _____ Will Confirm In Writing: YES ___ NO ___
 Person Giving
 Address _____ Tel. Quotation: _____
 _____ Date of Quote _____
 _____ Zip _____ Attachment: YES ___ NO ___
 _____ Price _____

#3

Vendor _____ Tel: _____ Will Confirm In Writing: YES ___ NO ___
 Person Giving
 Address _____ Tel. Quotation: _____
 _____ Date of Quote _____
 _____ Zip _____ Attachment: YES ___ NO ___
 _____ Price _____

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County Name: Atlantic

State: Governor, and Legislative Leadership Committees

Legislative District #s: 1, 2, & 9

State Senator and two members of the General Assembly per district.

County:

Freeholders

County Clerk

Sheriff

County Executive

Surrogate

Municipalities (Mayor and members of governing body, regardless of title):

Boards of Education (Members of the Board):

Absecon City

Atlantic City

Buena Regional

Egg Harbor City

Egg Harbor Township

Estelle Manor City

Folsom Borough

Galloway Township

Greater Egg Harbor Regional

Hamilton Township

Hammonton Town

Longport

Mainland Regional

Mullica Township

Northfield City

Pleasantville City

Somers Point City

Weymouth Township

Fire Districts (Board of Fire Commissioners):

Buena Borough Fire District No. 1

Buena Borough Fire District No. 2

Buena Vista Township Fire District No.

1

Buena Vista Township Fire District No.

2

Buena Vista Township Fire District No.

3

Buena Vista Township Fire District No.

4

Buena Vista Township Fire District No.

5

WEBSITE:<http://www.nj.gov/dca/lgs/p2p/>

H. REQUEST FOR CERTIFICATE OF INSURANCE

Requestor's Name - _____

School/Department - _____

Event - _____

Location - _____

Date - _____

Time- _____

Company Name and Address to be Named Additional Insured-

COMPLETE AND SUBMIT TO PURCHASING AT LEAST 2 WEEKS PRIOR TO THE SCHEUDLED EVENT.

CONTACT Daile Dixon-White PURCHASING ACCOUNTANT, X2509, IF YOU HAVE ANY QUESTIONS.

Signature

Date
