

PURCHASING MANUAL



SADDLE BROOK SCHOOL DISTRICT

INDEX

| | Page # |
|--|---------------|
| Introduction and Purpose | 3 |
| Ethics and Conduct In Purchasing; Vendor Relations..... | 3 |
| Public School Purchasing – Legal Authority..... | 5 |
| Purchase Order Process..... | 7 |
| Methods of Procurement..... | 11 |
| Other Purchasing Procedures..... | 14 |
| Select Purchasing Topics..... | 15 |
| Requisition/Purchase Order Process – Receipt of Goods/Services..... | 18 |

Appendices A, B & C (Pages 21, 22 & 23)

❧ **INTRODUCTION AND PURPOSE** ❧

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 Contracts Law N.J.S.A. 18A:18A-1 et seq.;
- New Jersey Administrative Code N.J.A.C. 5:34-1 et seq.;
- Board of Education Policy;
- Other federal, state law and code;
- NJQSAC SOA Fiscal Management
- Local Finance Notices – NJ Division of Local Government Services

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 time 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 2303

❧ **ETHICS AND CONDUCT IN PURCHASING; VENDOR RELATIONS** ❧

All district employees are to practice exemplary ethical behavior in the purchasing process. Employees are to avoid any action that may be considered a conflict with their position with the district and those dealings with vendors who provide goods and services to the district. All district employees should adhere to the following terms and conditions of the board's policy on Ethics and Conduct in Purchasing; Vendor Relations.

A. Financial Interest in any Contract with the Board of Education--Prohibited

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.

B. 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.

C. School District Responsibility – Favoritism; Family Members; Businesses

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.

D. Vendor Responsibility – Doing Business with the Board of Education

Any vendor doing business or proposing to do business with the Saddle Brook 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 Saddle Brook 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 Saddle Brook Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

E. Violations of the Policy--Sanctions

In accordance with 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.

CRIMINAL CODE CITATIONS

All school employees are reminded of the following New Jersey 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 on another person, to influence the performance of an official duty or to commit a violation of an official duty.” (N.J.S.A. 2C:27-10)

❧ PUBLIC SCHOOL PURCHASING—LEGAL AUTHORITY ❧

Authority to Purchase—School Business Administrator/Board Secretary

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 legal authority to the Purchasing Agent (School Business Administrator) to make purchases for the board of education.

The Purchasing Agent is the only individual in the school district that has the authority to make purchases for the board of education.

The Saddle Brook Board of Education by board resolution has authorized Raymond G. Karaty, School Business Administrator/Board Secretary 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, prior to the goods or services to be received.

Purchase Order

A purchase order, pursuant to N.J.S.A. 18A:18A-2 (v), 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 school district 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.

Saddle Brook School District

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

Unauthorized purchases can result in disciplinary action against the offender.

District Sanctions to Violations

All district employees are reminded that the school district may receive sanctions because of unauthorized (confirming) purchases. Employees are to note the following consequences to the school district of such actions:

1. Withholding of State Aid—N.J.A.C. 6A:23A-5.4
The Commissioner of Education may withhold State funds from any school district that fails to obey the provisions of the Public School Contracts Law—N.J.S.A. 18A:18A-1 et seq.
2. NJQSAC Fiscal Management SOA #10
The school district is subject to losing NJQSAC points by not being in compliance with the Fiscal Management SOA Item #10.
3. Audit Finding and Recommendations
All financial transactions are subject to audit review. The district may receive an audit finding and recommendation for unauthorized (confirming) purchases. Repeat audit findings may lead to sanctions against the school district.

Purchasing Prohibitions

1. Employees Prohibited from Signing Contracts--Prohibition
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 Saddle Brook Board of Education with the employee accepting full responsibility for the costs of the contract.
2. Reimbursements; Employee--Prohibition
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 unless prior authorization was received by the Business Administrator.
3. Student Activity Accounts--Prohibition
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.
4. Private Purchases -- Prohibited
Goods and services procured by the Saddle Brook Board of Education are exclusively for the use of the board and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

Saddle Brook School District

Employees of the Saddle Brook 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 board of education.

Purchasing Guidance

1. **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.

2. **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.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. N.J.S.A. 18A:18A-2 (v).

3. **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.

PURCHASE ORDER PROCESS

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

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

| <u>Copy</u> | <u>Color</u> | <u>Disposition</u> |
|----------------------|---------------------|--|
| Vendor copy | White (top) | Sent to vendor to order items |
| Voucher copy | White | Sent to vendor for signature |
| Business office copy | Pink | Remains on file in business office |
| Receiving copy | Yellow | Sent to school/office; returned to business office upon receipt of goods |

B. Entering a Requisition (for staff members that have access to the computerized system).

Responsibilities of the Originator of the Requisition – Electronic Purchasing

To enter a requisition:

1. Click either the PO icon on the toolbar or Payables/Purchase Orders. Click the New icon on the toolbar.
2. Press Tab to move cursor to “Date” field. By default, the system date appears in this field. If this is acceptable, you can leave this field unedited; otherwise, enter the current date.
3. Press Tab to move cursor to “Vend” field. In “Vend”, enter the vendor number. You can use the Search button (binoculars) to select a vendor record. When you make a selection, the system automatically fills in the vendor name. If the vendor is not found, contact Purchasing in the business office at ext. 2303.
4. For “type” of purchase order, please select one of the following:
 - A. Open market – default if purchase does not meet item B, C, D, or E.
 - B. State contract – if a State contract vendor.
 - C. Bid – either an Ed Data bid or if order falls under the section of manual bidding.
 - D. Quote – for orders over \$6,000 and quotes obtained.
 - E. Other – for special education tuition, textbooks, dues and professional services.
5. “S. Pad” and “Misc.” Buttons

S. Pad – opens scratch pad for internal communication between our departments. This information does not print on the purchase order.
(Note: Message will only appear after the requisition is marked as completed.)

Misc. – click to enter additional purchase order data such as state contract number, control number, or any information to print on the purchase order for the vendor.
6. In the field to the right of the “Ship to” button, use drop-down menu to enter the location in your school district where goods are to be shipped.
7. In “Attn.”, enter the name of the person to whose attention the goods are to be delivered.
8. Click the Print Details tab. It is not necessary to start with the Print Details tab, but if you fill in your print details first, the system automatically will fill in your total transaction amount for the purchase order.
9. In “Qty” column, enter the number of items you are ordering and press Tab.

Saddle Brook School District

10. In “Unit” column, use the drop-down menu to enter the type of units and press Tab.
11. In “Unit Price” column, enter the unit price and press Tab.
12. In “Item Description” column, enter a description of the item you are ordering. Items and/or services requested are to be described clearly. If you are unable to ascertain the actual shipping charges, estimate 10 percent.
13. If you wish to add more items to the purchase order, click the New Detail button and repeat steps 9-12. When you have finished adding items, click the Transactions tab.
14. Enter an expense account.

There are three ways to indicate which expense account you wish to use. You can enter the account number directly in the “Acct #” field. Alternatively, you can also enter the extension number for the account in the “Extn” field. Finally, you can click the Search button (binoculars) to open the Search form, select an expense account, and click OK. Whichever method you use, the system automatically fills in the account and extension numbers, as well as the expense account description and balance. It also fills this information in the first transaction line with the grid. In addition, because the “Guess Trans Amt” box is checked by default, the system automatically fills in the total from the Print Detail tab as the transaction amount.

15. Click the Save button.

Completing a Requisition

1. When you have finished entering a requisition and you are ready to submit it for approval, click the “Complete Requisition” button. This sends it to a file that your requisition approver can view and approve or deny.

If you are not ready to submit a requisition for approval, you can still save it without completing it. This causes the requisition to remain in your files rather than sending it to your approver.

2. **Editing a Completed but Unapproved Requisition**

The system permits you to make changes to a requisition while it is in the process of being approved. Please be aware, however, that if you make any changes to a requisition during this process, the system will cancel any approvals that have already been granted to the requisition.

3. If one of the following conditions exist, a copy of the requisition must be printed and submitted with the following information to the purchasing department:

Saddle Brook School District

- A. Quotes were obtained - submit quotes.
- B. For dues, subscriptions, and other similar items - attach the original form and one (1) copy.
- C. Attached order list – original list and one (1) copy.
- D. State contract purchases - state contract award sheet and price sheet are to be attached.

C. **Responsibilities of Business Office**

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

1. **Available Funds**—The Requisition system will not permit a requisition to be finalized if there are insufficient funds in the account. If preparing PO, be sure to check for funds availability.
2. **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 | \$ 6,000.00 |
| The Bid Limit | \$40,000.00 |

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 \$40,000.00 and over (cumulative)
- Business Registration Certificate (BRC) – Purchases \$6,000.00 and over
- Chapter 271 – Political Contribution Disclosure Form (PCD)
Purchases over \$17,500.00 (cumulative)
- Iran Financial Disclosure Form
- IRS W-9 Form

4. **Review of Purchase Order**

Incomplete or improper purchase orders/requisitions will be returned with a memo explaining deficiencies. See copy of memo in Appendix.

If the Purchasing Agent is satisfied, the requisition will be approved. The Business Office will then print the purchase order and mail.

The purchase order process, as explained, may take 5 – 10 days to complete. Please plan accordingly.

Saddle Brook School District

5. **Transfer of Funds**--The Business Office processes purchase orders only if there are appropriate funds to cover the purchase. All requests to transfer funds are to be sent to the Business Administrator.

In certain cases some transfer of funds requests must be sent to the State Department of Education for review. Substantive transfers of money (more than 10% of the budget line item) must be approved by the State. Purchase orders that require a transfer of funds will be mailed to the vendors the day after the State Department of Education approves the transfers.

D. Responsibility of the Vendor

The Business Office sends to the vendor the purchase order and the voucher. 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
- All Packing Slips
- Receiving Copy (Yellow) Signed

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.

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

METHODS OF PROCUREMENT

A. Bids (Purchases that exceed the bid threshold--\$40,000)

This method is used for procuring goods, materials, services and public work projects that exceed the board of education approved bid threshold of \$40,000.

Award of Contract--Lowest Responsible Bidder

The common thread of all these bids is that the district has to award the contract pursuant to N.J.S.A. 18A:18A-4 (a) to the lowest responsible bidder.

*Subject to Federal Guidelines 7 CFR 210.21 and 2 CFR Part 200.

Bids and Purchasing:

1. Bid Limit -- \$40,000

The Saddle Brook 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 \$40,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling in the aggregate more than \$40,000 for the entire year, must be competitively and advertised for bid. This restriction is for the entire district and not by location or schools.

Saddle Brook School District

You cannot circumvent the law by splitting purchases to be under the \$40,000 bid limit.

Administrators that have purchases that may exceed the \$40,000 bid limit, are to contact the Purchasing Office to begin planning the bid process.

The formal bidding process takes about 6-8 weeks to complete as explained the Appendix under Bid Process.

2. Exceptions to the Bid Limit

New Jersey State Law allows for some exceptions to the bid requirements. There are approximately twenty (20) exceptions where a Board of Education does not have to go for bid for goods and services. Some of them are:

- a. Purchasing through New Jersey State Contract;
- b. Professional services as outlined by New Jersey law;
- c. Textbooks, kindergarten supplies, student produced publications, library and educational goods;
- d. Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences; and
- e. Contracts with other government entities; county and state colleges.

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

The Purchasing Agent should be contacted concerning exceptions to bidding.

B. Quotations (Purchases that fall between \$6,000 and \$39,999)

This method of procurement is used for contracts for goods, materials, services and public works projects that in the aggregate are between \$6,000 and \$39,999.

Award of Contract—Price and Other Factors

The board of education, is obligated to solicit at least two (2) competitive quotations and award the contract pursuant to N.J.S.A. 18A:18A-37 (a), to the vendor whose response is most advantageous, price and other factors included.

Quotations and Purchasing

1. Quotation Limits--\$6,000 through \$39,999

The quotation limit (threshold) is \$6,000. This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$6,000 and less than \$40,000 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.

Saddle Brook School District

2. Quotation Process

All quotations shall be in writing and will be coordinated by the Purchasing Agent. When a quotation is deemed necessary, the Administrator or Principal is asked to contact the Purchasing Office. The Purchasing Agent will review these quotation specifications to determine whether they are set up to provide open and competitive quotations.

Please note: The formal quotation process could take about 2-4 weeks from start to finish.

There will be no telephone quotations except in a case of extreme urgency.

3. Receipt of Two (2) Quotations

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall solicit two (2) quotations, if practicable. Evidence of the quotation process shall be kept on file. A copy of the quotation shall be attached to the purchase order.

C. Request for Proposal—RFP -- This method is preferred for the following contracts:

Professional Services

Medical
Auditing; Accounting
Legal
Engineering, Architectural

Academic/Operational Services

(Contracts less than \$40,000)
Instructional Improvement
Educational Consultants
Professional Development

Award of Contract—Evaluative Criteria

The RFP method is designed to award the contract to the vendor based upon the following list of criteria which include as recommended by the New Jersey State Comptroller's Office:

- Technical
 - Submission of narrative how firm will provide services; planned approach; measurable results
 - Understanding how services will be provided
- Management
 - Business organization; staffing
 - Experience; and
 - Knowledge of district
- Cost
 - Fee proposal submission; cost analysis

The contract for an RFP contract does not have to be given to the respondent who submits the lowest price. The evaluative criteria process is designed to award the contract to the respondent whose response will provide the highest quality services at fair and competitive prices.

D. Competitive Contracting (Certain Contracts over \$40,000)

This procurement method is used for certain contracts over \$40,000.00.

The district can only use this method for contacts that are outlined in NJ State Law 18A:18A-4.1. Some of the examples that are permitted are

- Proprietary Computer Software for Board Use
 1. Student Data Warehousing
 2. Student Information System
 3. Business Office; Human Resources Software
- Professional Development Services
- Educational Consultant Services
- Instructional Improvement Services

The award of contract is similar to the RFP award of contract. It is based upon the same evaluative criteria which is designed to award the contract to the respondent whose response will provide the highest quality services at fair and competitive prices.

The administrative process of Competitive Contracting as outlined in N.J.S.A. 18A:18A-4.1 et seq. and N.J.A.C. 5:34-4.1 et seq. is a rather lengthy process and make take 6-8 weeks to complete.

E. State Contract Purchasing

Pursuant to N.J.S.A. 18A:18A-10 (a), a Board of Education may purchase goods and services through New Jersey State Contract vendors. All NJ State Contract purchases will be verified by the Purchasing Agent prior to processing. If the purchase exceeds the bid threshold, the Board of Education must adopt a resolution awarding the contract.

Purchase Order Requirements--State Contract

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

1. State Contract Number;
2. Notification of Award attached to the purchase order
3. Approved State Contract price list
4. Shipping and Handling included

❧ OTHER PURCHASING PROCEDURES ❧

A. Cooperative Purchasing

The Saddle Brook Board of Education contracts with Educational Data Services of Saddle Brook, NJ, and other cooperative purchasing agencies, to purchase items such as:

- | | | |
|--------------------------|-----------------------------|-------------------------|
| 1. Office Supplies | 4. School Supplies | 7. Trades - Maintenance |
| 2. Copy Duplicator Paper | 5. Art Supplies | 8. Technology |
| 3. Science Supplies | 6. Industrial Arts Supplies | |

B. 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.

Only the Purchasing Agent may award an emergency contract.

C. EUS—Extraordinary Unspecifiable Services

The EUS procurement method is used for the procurement of insurance and insurance consultant services. The Purchasing Agent will coordinate all EUS activities pursuant to N.J.S.A. 18A:18A-5 (a) (10) and N.J.A.C. 5:34-2.1 et seq.

D. Federal Funds—Procuring Goods and Service When Using Federal Funds

All non-federal entities (school districts) are to follow NJ Public School Contracts Law when procuring goods and services using federal funds except where the federal standards detailed in 2 CFR Part 200 are in conflict or **more restrictive**.

Effective July 1, 2015, school districts when procuring goods and services using federal funds, are to comply with the **Uniform Administrative Requirements—2 CFR Part 200**.

Federal Funds Procurement Thresholds—More Restrictive

| More Restrictive Threshold | Procurement Activity | Citation |
|---------------------------------------|---|--------------------------------------|
| Less than \$3500 | Micro-purchase; sound business practices | 200.320 (a); 200.67 |
| \$3500-\$39,999 | Use of Quotations; Use of RFP’s | 18A:18A-37 (a) |
| \$40,000 or more | Use of Bids; Use of Competitive Contracting Formal advertising | 18A:18A-4 (a) 18A:18A-4.1 et seq. |

A more comprehensive Threshold Chart will be distributed by the Purchasing Agent.

E. Increasing a Purchase Order Amount

There may be times where a purchase order amount has to be increased to meet the needs of the district. The School Business Administrator, in accordance with N.J.A.C. 6A:23A-6.10 will identify and investigate the reason(s) for any increase to a purchase order. Complete a “Request to Increase an Existing Purchase Order” form available on the district website and submit to the Business Office.

F. Purchase Order Requirements

The Purchasing Agent must receive from vendors certain legal documents prior to issuing a purchase order. Depending on the amount of the purchase order in the aggregate the following documents must be in the possession of the Purchasing Agent:

1. Affirmative Action Evidence—Certificate of Employee Information Report
2. Business Registration Certificate from the State of New Jersey
3. Chapter 271 Political Contribution Disclosure form
4. Iran Financial Disclosure Form
5. IRS W-9 Form

See the Appendix for the Purchase Order Requirements Chart

F. Renewal of Contracts—Services

Any vendor contract for services other than professional services, may be extended or renewed by the board of education pursuant to the terms and conditions of N.J.S.A. 18A:18A-42 (o). The major conditions are as follows:

1. Renewal contract is awarded by board resolution;
2. No contract shall be extended so that it exceeds five (5) consecutive years;
3. Any price increase shall not exceed the quarterly Index Rate; and
4. Terms and conditions of the contract remain substantially the same.

The Purchasing Agent will notify all administrators in March of the preceding fiscal year of any vendor contracts that are eligible for renewals.

❧ SELECT PURCHASING TOPICS ❧

A. Meals and Refreshments

The State of New Jersey Department of Education has provided guidance to school districts through Administrative Code N.J.A.C. 6A:23A-5.8 on board expenditures for meals and refreshments.

The expenditure of public funds for meals and refreshments may be used for the following:

1. Permitted Activities for Meals and Refreshments

- ***Student Activities***
Reasonable costs for light meals and refreshments directly related to activities that benefit students and are part of the instructional program are permissible. These activities must be part of the instructional program and not solely for student entertainment.
- ***Parent Activities***
Reasonable costs* for light meals and refreshments for parent activities are permissible. It is expected that expenditures for this purpose will be minimal and infrequent—State code.
- ***Dignitaries***
Reasonable costs* for light meals and refreshments for dignitaries as defined in State code, are permissible.
- ***Board Member Meetings -- N.J.A.C. 6A:23A-7.12(f)***
Light meals and refreshments* are permitted for all board members and for employees who are required to attend a board of education meeting.

*Please note that costs for light meals and refreshments are limited as follows:

| | |
|-----------|--------------------|
| Breakfast | \$ 5.00 per person |
| Lunch | \$ 7.00 per person |
| Dinner | \$10.00 per person |

Saddle Brook School District

(NJ OMB Circular 12-14OMB Section XI—Letter J)

Documentation Required—Light Meals and Refreshments

Documentation must be provided to support expenditures for light meals and refreshments. The following information is to be provided on the Form:

- Description of the activity;
- Purpose/justification of the activity; goal; objectives;
- Make-up of the group receiving the meals; and
- Names of employees and board members included in the group.

2. Prohibited Activities—Meals and Refreshments

- **Athletic Activities**

Light meals and refreshments served to *guests* at any athletic event, game or contest are not permitted.

- **Staff and Employees of the School District**

Light meals and refreshments are not permitted for employees and staff of a school district, unless the staff member or employee is essential to *a student activity* where light meals or refreshments are being served.

- **Honoring Employees**

Receptions, dinners or other social functions held for or honoring any employee or group of employees are not permitted when public funds are being used.

3. Meals

Reimbursements for meals will only be approved for the following:

- ◆ For overnight travel at workshops, conferences, etc. not to exceed the federal per diem rate. If the meal is an integral part of the workshop or conference proceedings it will be reimbursed. If the meal is included in the registration fee the meal is not eligible for reimbursement.
- ◆ Refer to the website <http://www.gsa.gov> for the maximum per diem rate for the area that you will be traveling to. The first and last day of travel is only 75% of the maximum per diem rate.

B. Travel Reimbursement--Conferences and Workshops

The State of New Jersey, pursuant to N.J.S.A. 18A:11-12, has adopted strict travel guidelines for school districts to follow. All school officials and employees seeking travel reimbursement must adhere to the law and travel administrative code—N.J.A.C. 6A:23A-7.1 et seq. **At a minimum**, reimbursement purchase orders for travel must meet the following requirements:

- For workshops that are \$149 or less (a)
 - For workshops that cost \$150 or more (a & b)
- a. Written Approval of the Superintendent—prior to travel event
The travel shall be approved in writing by the Superintendent prior to the travel event.

Saddle Brook School District

- b. Board of Education Approval—prior to travel event the request shall be approved by resolution at a public board of education meeting.
- c. Items to note when completing the Workshop/Conference Request Form:
 1. The Federal per diem rates for lodging, meal allowance and incidental expenses can be found at <http://www.gsa.gov>.
 2. Mileage reimbursement will be at the State of New Jersey established rate per the OMB Circular (currently at \$.31 per mile).
 3. The most economical air travel must be used
 4. The hotel cost can exceed the federal per diem rate if the hotel is the site of the convention, conference, etc.
 5. In any case in which the total per diem reimbursement is greater than the federal per diem rate, the excess costs will be considered to be excessive and will not be reimbursed.
 6. Car rentals, limousine services and chauffeuring costs will not be reimbursed.
 7. Taxes and tips are included in the federal per diem rates.
 - 8. Reimbursements cannot be made unless the costs are listed on the Workshop/Conference Request form and prior approval was granted.**
 - 9. When submitting for reimbursement do not type a purchase order; use voucher and check sheet (all forms can be found on district website).**

After attending a conference/workshop, to receive reimbursement, please submit the following:

- ◆ Completed conference/workshop reimbursement check sheet.
- ◆ Properly completed conference/workshop voucher.
- ◆ Copy of approved “Conference/Workshop Request” form.
- ◆ Copy of registration form indicating cost of workshop.
- ◆ Copy of certificate from completed conference/workshop.
- ◆ Copy of canceled check/charge receipt showing payment for workshop.
- ◆ Receipt of all out-of-pocket receipts related to conference/workshop (i.e., meals) for consideration for reimbursement. Note: One day conferences/workshops do not qualify for a meal allowance.
- ◆ If mileage is to be reimbursed, a mileage form must be completed.
- ◆ Voucher must be signed by individual (in claimant certification area).
- ◆ Principal must sign in approval area that conference/workshop was properly completed.
- ◆ Completed Conference/Workshop Report form - **This report describing the primary purpose of the travel, the key issues that were addressed at the event and their relevance to improving district instruction or operations must be received prior to reimbursement being paid.**

▪ Notes:

- Individual must register and pay for himself/herself if cost of workshop/conference is \$149 or less.
- For overnight travel, use expense summary form.
- Original receipts must be submitted for meals, hotel, tolls, etc.
- Reimbursement will be subject to all provisions enacted under Assembly Bill No. 5; N.J.S.A. 18A:11-12, 18A:19-1 and 18A:53-3.

Mileage Reimbursement:

Reimbursements for intra-district mileage will be endorsed by and charged to the budget accounts of the administrator responsible for evaluations of that district employee and are to be submitted on the approved form (Appendix C) each quarter.

Note: Reimbursements for out-of-district mileage shall be calculated from the employee's school location to the destination.

All mileage will be reimbursed at the State of New Jersey established rate per the OMB Circular (currently at \$.31 per mile).

❧ REQUISITION/PURCHASE ORDER PROCESS ❧
❧ Receipt of Goods/Services ❧

A. 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 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 and attach packing slip to the receiving copy of the purchase order.
- d. The school principal/designee should sign the receiving copy and send it with the packing slip to the 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 (yellow) of the purchase order;
- Sign any invoices that may have been submitted with the order; and

Send all items to the Business Office as soon as possible.

The Saddle Brook Board of Education has an excellent reputation for paying its bills in a timely fashion. We ask that all employees assist in maintaining this fine reputation.

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

Problem: Discontinued Item

Sometimes the items you requested have been discontinued.

Process to Follow: Discontinued Item

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

Saddle Brook School District

SADDLE BROOK BOARD OF EDUCATION
BUSINESS OFFICE

MEMORANDUM

To: _____
From: _____, Business Administrator/Board Secretary
Date: _____
Re: **Return of 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
- _____ Conference Request Form--Not Attached; Not Approved
- _____ Description of Item(s), Service Needed
- _____ Funds; Federal/State – Title of Grant Program – Type on Purchase Order/Requisition
- _____ Minimum Order \$25.00 Minimum State Contract Order \$100.00
- _____ Proposal/Contract Missing -- Attach to Purchase Order
- _____ Quotation Needed--Please contact me Ext. _____ 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 Ext. _____ to discuss procedures
- _____ Vendor Address Incomplete--Post Office Box Number Only
- _____ Vendor Check Needed?
- _____ As Per Attached Memo
- _____ Other _____

Please make the adjustments needed and return the purchase order with this form to my office.

(Appendix A)

PURCHASE ORDER REQUIREMENTS

| CONTRACT/PURCHASE ORDER THRESHOLDS (AGGREGATE) | AFFIRMATIVE ACTION EVIDENCE (AA) | BUSINESS REGISTRATION CERTIFICATE (BRC) | CHAPTER 271 PCD (PAY TO PLAY) (271) |
|---|---|--|--|
| Up to \$ 6,000 | No | No | No |
| \$ 6,000 - \$17,499 | No | YES | No |
| \$17,500 - \$39,999 | No | YES | YES |
| *\$40,000 – and over | YES | YES | YES |

| Affirmative Action Evidence Exemptions | Business Registration Certificate Exemptions | Chapter 271 (PCD) Exemptions |
|--|--|--|
| <ul style="list-style-type: none"> Contracting Units Subject to Title 40A:11 State of New Jersey Contract Purchases Boards of Education including Educational Services Commissions Other contracting units, e.g. County and State Colleges and local authorities, boards, etc. | <ul style="list-style-type: none"> Contracting Units Subject to Title 40A:11 State of New Jersey Contract Purchases Boards of Education including Educational Services Commissions Other contracting units, e.g. County and State Colleges and local authorities, boards, etc. Non-profit Organizations <p><u>Exempt Situations</u></p> <ul style="list-style-type: none"> Emergency Purchases – No payment unless BRC is on file. Employee settlements paid to attorneys; Establishments that are out of state & business being conducted takes place out of state, e.g. hotels, band camps, seminars, theatres, etc. Purchase made entirely through School Student Activity Funds. | <ul style="list-style-type: none"> Contracting Units Subject to Title 40A:11 State of New Jersey Contract Purchases Boards of Education including Educational Services Commissions Other contracting units, e.g. County and State Colleges and local authorities, boards, etc. Non-profit Organizations New Jersey School Boards Association Contract Renewals Public Utilities, e.g. PSE&G <p><u>Exempt Situations</u></p> <ul style="list-style-type: none"> Emergency purchases; Litigation payments to parties through court order. |

*Based upon a QPA \$40,000 Bid Threshold