Egg Harbor Township School District Purchasing Manual

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INTRODUCTION AND PURPOSE

The purpose of this Purchasing Manual is to assist all school district employees with 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 Purchasing Policies;
- Federal Procurement Code--2 CFR 200.317 et seq., when applicable;
- NJQSAC Fiscal Indicator #15;
- Local Finance Notices – NJ Division of Local Government Services; and
- Other laws and administrative codes when applicable.

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

1. Compliance with the law, code, and board policy on purchasing;
2. Promote efficiency in purchasing practices; and
3. Achieve savings of money through proper purchasing practices.

Proper Planning
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 with all public school purchasing procedures.

Who Should Review this Manual?
This manual should be reviewed with all administrators, directors, 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.

Deliberative Process—Purchases of Goods and Services Take Time!

- **Compliance with Law; Code; Board Policy**

Public school purchasing is a deliberative process, designed to ensure compliance with the Public School Contracts Law, appropriate New Jersey Administrative Code, board of education policy, and when applicable, Federal Procurement Code.

- **Limit Fraud**

The deliberative process also encompasses checks and balances and internal controls designed to limit fraudulent activities.

Public school purchasing is indeed a time-consuming effort; please be patient!

Mandatory Training
All school personnel involved in the requisition and purchasing process shall attend mandatory training sessions concerning proper purchasing procedures. The training will be presented in two (2) sessions:

- **Session I—Purchasing Procedures**

All administrators, directors, supervisors, and principals, pursuant to N.J.A.C. 5:34-1.1 (b), shall attend this mandatory training session on purchasing procedures.

- **Session II—Requisition and Purchase Order Process**

All school personnel involved in the preparation of requisitions and purchase orders shall attend this mandatory training session.

Recommending Purchases; Educational/Operational Rationale
Administrators, directors, supervisors, and principals who recommend purchases should be able to explain and defend the need for the purchase and why the purchase is essential to the school district. School officials who sign off on requisitions/purchase orders may have to provide an educational or operational rationale for the purchase based on the following:

- How will students 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 for immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?

Administrators, directors, supervisors, and principals may have to justify the need for the purchase and if so required, explain the need at a Board of Education meeting.

QPA Certification—Current Bid Threshold--$44,000
Any thresholds listed are based upon the assumption the School Business Administrator/Board Secretary possesses a Qualified Purchasing Agent (QPA) Certificate and the board of education has set the bid threshold at the current maximum of $44,000.

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.

Federal Code of Standards of Conduct
The Board of Education, pursuant to **Federal Regulation 2 CFR 200.318 (c) (1),** hereby acknowledges the Ethics and Conduct in Purchasing section to be applicable to the selection, award, and administration of contracts using federal funds. The code of conduct also applies to all purchases, notwithstanding the source of funding.

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 things 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 the 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 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 things of value of any kind to any official or employee of the Board of Education or any member of the official's or employee's immediate family.

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

E. Vendor Certification

Vendors will be asked to certify that no official or employee of the 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 Board of Education.

F. Disciplinary Actions for 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.

Disclosure of Fraudulent Activities

The Board of Education will disclose all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award pursuant to UGG, 2 C.F.R. § 200.113. Such disclosures must occur in a timely manner and be submitted in writing to the United States Department of Education or New Jersey Department of Education.

Conflict of Interests

No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of any contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Ref. 2 CFR 200.318 (c) (1)

School district employees who are part of an evaluation committee to review responses to Request for Proposals (RFP) and/or to Competitive Contracting proposals will be required to complete a Conflict of Interest certification in accordance with N.J.A.C. 5:34-4.3 (e) (f).

Possible Conflict of Interest—Contact the School Business Administrator

Any school employee who feels there may be a potential conflict of interest with a recommendation of the award with any vendor doing business with the district is encouraged to contact the School Business Administrator for guidance.

CRIMINAL CODE CITATIONS

All school employees are reminded of the following New Jersey Criminal Code citations:

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

Authority to Purchase—School Business Administrator/Board Secretary

The purchases of goods and/or services by a board of education are governed by state statutes, administrative codes, 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 terms "Purchasing Agent" and "School Business Administrator" will be used interchangeably throughout the manual.

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 being received.

Purchase Order--Defined

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.

Purchase Orders—Electronic Submission

The school district prepares and submits purchase orders via an electronic process. This method of sending purchase orders has been reviewed and approved by the Board of Education and the Board Auditor.

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.

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

Penalties and sanctions for unauthorized purchases may be assigned by the Superintendent of Schools, which may include for the employee to pay for the unauthorized purchase.

Corrective Action for Non-compliance

1. Memo to Administrator
   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.

2. Memo to Superintendent
   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.

3. Letter to Vendor
   The Purchasing Agent will also send a letter to the vendor who provided either unauthorized services or goods. The letter will advise the vendor that payment may not be made for the unauthorized purchase. The Board Attorney will be copied on the letter.

District Sanctions and Violations

All district employees are reminded the school district may receive sanctions because of unauthorized (confirming) purchases. Employees are to note the following consequences 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 Indicator #15
   The school district is subject to a penalty of four (4) NJQSAC points for not being in compliance with Fiscal Indicator Item #15, which prohibits confirming or unauthorized orders.

3. Audit Findings 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.

4. Employee Sanctions
   The Superintendent of Schools may recommend to the Board of Education the filing of sanctions against any employee who does not comply with federal and state purchasing laws and code, board policy, and district purchasing procedures. The sanctions may include but are not limited to, paying for any unauthorized purchase, withholding of increment, employee suspension, or tenure charges.

Purchasing Prohibitions

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 vendor contracts after Board of Education approval lies with the Board President and the Board Secretary.

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

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

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.

Private Purchases -- Prohibited
Goods and services procured by the 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.

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

Purchasing Guidance

Cancellation of Purchase Orders--Guidance
All requests to cancel purchase orders must be made in writing to the Purchasing Agent. Reasons explaining the need to cancel the purchase order must be outlined. The Purchasing Agent maintains the sole right to cancel purchase orders.

Credit Cards Prohibited
Pursuant to the New Jersey Department of Education Audit Program page I-5.9, a school district is not permitted to use a credit card for the purchase of goods and services. All purchases are to be made through the purchase order process in compliance with the Public School Contracts Law.

Contracts; Purchase Order Required--Guidance
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. N.J.S.A. 18A:18A-2 (v).

Preview of Materials--Guidance
All staff members must receive permission from administrators, directors, 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.

METHODS OF PROCUREMENT

A. ADVERTISE FOR BIDS (Purchases in the aggregate that exceed the bid threshold--$44,000)

This method is used for procuring goods, materials, services, and public work projects that exceed the **aggregate** of the Board of Education approved bid threshold of $44,000.

Bid Limit -- $44,000

The 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 $44,000. 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 $44,000 for the entire year, must be competitively advertised for bid. School officials cannot circumvent the law by splitting purchases to be under the $44,000 bid limit. Administrators, directors, supervisors, and principals that have purchases that may exceed the $44,000 bid limit, are to contact the Purchasing Office to begin planning the bid process.

Annual Bids—N.J.S.A. 18A:18A-9

The Board of Education, to be in compliance with N.J.S.A. 18A:18A-9, requests Administrators, directors, supervisors, and principals to plan and prepare for Annual Bids. The proposed timelines are as follows:

February-March	Administrators, directors, supervisors, and principals prepare technical specifications to be reviewed by the School Business Administrator/Board Secretary.
April	The SBA prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding. Bids are advertised pursuant to the Public School Contracts Law.
May/June	Annual bids are received, opened, and tabulated by the School Business Administrator/Board Secretary.
June	Bid resolutions are prepared by the School Business Administrator/Board Secretary for Board approval.
June	Purchase orders are generated by administrators, directors, supervisors, and principals for services to begin on July 1st.
June/July	Purchase orders are generated for goods and materials to be delivered to the schools for August/September delivery.

N.J.S.A. 18A:18A-2 (l). "**Aggregate**" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.

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.

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

- Purchasing through New Jersey State Contract; Other State Approved Co-ops.
- Professional services as outlined by New Jersey law;
- Textbooks, student-produced publications, library, and educational goods;
- Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences; and
- 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.

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

B. QUOTATIONS (Purchases that fall between $6,600 and $43,999)

This method of procurement is used for contracts for goods, materials, services, and public works projects that in the **aggregate** are between $6,600 and $43,999.

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--$6,600 through $43,999
   The quotation limit (threshold) presently is $6,600. This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than $6,600 and less than $44,000 for the entire year, must be competitively quoted or advertised for bid at the discretion of the Purchasing Agent.

   School officials cannot circumvent the law by splitting purchases to be under the quotation threshold.

2. Quotation Process
   All quotations shall be in writing and will be coordinated by the Office of the Purchasing Agent. When a quotation is deemed necessary, the administrator/supervisor or school 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. It is the responsibility of the Purchasing Agent to solicit formal quotations.

C. REQUEST FOR PROPOSAL—RFP -- This method is preferred for the following contracts:

Professional Services	**Academic/Operational Services**
Medical	(Contracts less than $44,000)
Auditing; Accounting	Instructional Improvement
Legal	Educational Consultants
Engineering, Architectural	Professional Development
Special Education Related Services	

Award of Contract—Evaluative Criteria
The RFP method is designed to award the contract to the vendor based upon a list of criteria which include as recommended by the New Jersey State Comptroller's Office with the

Best Practices in Awarding Service Contracts (2010)

Technical

- Submission of a narrative of how the 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; I repeat *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 $44,000)

This procurement method is used for certain contracts over $44,000.00.

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 Competitive Contracting award of a contract is similar to the RFP award of contract. It is based upon the same evaluative criteria which are 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 may take 6-8 weeks to complete.

E. STATE CONTRACT—NJ START--PURCHASING

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

It is the recommendation of the Purchasing Agent to procure the following equipment and supplies from New Jersey START contract vendors.

❶ ***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 the State Contract vendor, please follow the instructions in the memo.

❷ ***Computers***

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

- *Contact the Director of Technology*

Please contact the **Director of Technology.** The director will be able to assist you with the technical aspects and the State Contract requirements for purchasing computers.

❸ ***Copiers—Approvals Needed—Superintendent, SBA, and Board of Education***

If you plan to purchase a copier, please contact the Purchasing Agent. All purchases of copiers must be pre-approved by the Purchasing Agent and the Superintendent of Schools. All purchases of copiers through the State Contract GSA pricing require a board of education approval pursuant to the requirements of N.J.A.C. 5:34-9.7.

Other State Contract NJ START Purchasing

The School Business Administrator is required to have a board of education approval for all NJ START contract purchases that exceed the bid threshold. All NJ START contract purchases will be verified by the Purchasing Agent prior to processing.

Purchase Order Requirements--State Contract

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

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

OTHER PURCHASING PROCEDURES

A. COOPERATIVE PURCHASING

The school district may use the services of an authorized cooperative purchasing entity to purchase goods and services. Recognized cooperative purchasing groups are, but are not limited to:

- Boards of Education
- Educational Services Commissions
- Regional Services Commissions
- County Special Services Districts
- NJ Division of Purchase and Property (NJ START State Contract)
- National Cooperative Vendors

Cooperative Purchasing System Identifiers—Include on Purchase Orders
School districts are required by administrative code to identify the cooperative group and include the identification number on the purchase order. The following Cooperative Purchasing System Identifiers are provided for your use. This is not an all-inclusive list. The Business Office shall inform all school officials of other cooperative purchasing system entities during the year.

1NJCP	New Jersey START Contract vendors
26EDCPS	Educational Data Services, Inc., vendors
65MCESCCPS	Educational Services Commission of New Jersey vendors
34HUNCCP	Hunterdon County Educational Services vendors

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.

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.

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 SERVICES 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 200.317 et seq. are in conflict or more restrictive.

School districts, when procuring goods and services using federal funds, are to comply with the Federal Procurement Code 2 CFR 200.317 et seq. A more detailed explanation of procuring goods and services when using federal funds is found in the Appendix Section of this manual.

E. INCREASING A PURCHASE ORDER AMOUNT

There may be times when 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. An appropriate form to request an increase has been prepared and is available from the Business Office.

Vendors Doing Business with the District

New Vendors

The Purchasing Agent must enter new vendor information in the Business Office financial system prior to using the services or goods of that new vendor. The Purchasing Agent also has to 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:

- Affirmative Action Evidence—Certificate of Employee Information Report
- Business Registration Certificate from the State of New Jersey
- Chapter 271 Political Contribution Disclosure form
- Iran Financial Disclosure Form
- IRS W-9 Form
- Russia Belarus Disclosure Form
- Other documents required by Federal Procurement Code

Vendor Performance--Unsatisfactory

It is hoped that vendors used by the school district provide goods and services in accordance with the terms and conditions of the contract. If any school official does not receive goods or services in a satisfactory manner, the Purchasing Agent must be informed.

Vendor/Contractor Evaluation & Recommendation

The Public School Contracts Law permits the school district to renew the contract of a vendor or contractor who provides services to the district. School officials administering the contract for those vendors shall, pursuant to N.J.S.A. 18A:18A-42, complete the Vendor/Contractor Evaluation and Recommendation form to determine if the vendor has provided services to the district in an "effective and efficient manner.

Debarment, Suspension or Disqualification– (N.J.A.C. 17:19-1.1 et seq.)

The Board of Education will not enter into a contract for work with any person, company, or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report or the Federal System for Award—SAM.gov.

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, directors, supervisors, and principals in March of the preceding fiscal year of any vendor contracts that are eligible for renewals.

Student Activity Account Purchases

The purpose of having student activity funds should be to finance the normal legitimate co-curricular activities of the student body organization. Only expenditures relating to student group activities, which benefit students, may be made from student activity accounts. Student activity funds are monies generated by students' participation, authorized to be spent by students, and expended on behalf of the students.

Signing of Contracts with Vendors--Prohibited
School officials are strictly prohibited from signing any contracts with vendors unless expressly authorized by board resolution. All contracts with vendors shall be reviewed by the School Business Administrator, who if satisfied, will affix his signature to the vendor contract

Purchases—Bids May Be Required—Discretion of School Business Administrator
The School Business Administrator is aware of the following exception to bidding

Goods and services paid with funds that: are raised by or collected from students to support the purchase of student-oriented items or materials, such as yearbooks, class rings, and a class gift; and are deposited in school or student activity accounts; and require no budget appropriation from the board of education; N.J.S.A. 18A:18A-5 (a) (21)

It will be the determination of the School Business Administrator, whether an advertisement for bid will be required for a Student Activities purchase, which in the aggregate exceeds the bid threshold of $44,000.

Purchases—Quotations Required
Goods and services paid with student activity funds and require no budget appropriation from the Board of Education are considered an exception to bidding under the New Jersey Public School Contracts Law. It is important to note, however, that purchases less than the bid threshold may be subject to official quotations solicited by the School Business Administrator. Please alert the Business Office for any upcoming purchases that are more than $6,600.

Purchases—Board Resolution Required Exceeding the Bid Threshold
All purchases exceeding the bid threshold, currently $44,000, require prior Board approval at a regularly scheduled meeting.

Board Resolution -- Pursuant to N.J.S.A. 18A:18A-5 (a) (21) all purchases from the student activity account that exceed the bid threshold must be approved by board resolution prior to the purchase being made.

Purchases of yearbooks, school rings; catering hall for proms, may fall in this category. Fund-raising contracts that exceed the bid threshold in the aggregate require a board resolution.

SELECT PURCHASING TOPICS

A. Field Trip Transportation

The district has secured through the competitive bid process, prices for various types of transportation vehicles needed for approved field trips. A special bulletin has been issued to all administrators, directors, supervisors, and principals. All employees are reminded of the following guidance as it pertains to field trip transportation:

1. Purchase orders must be prepared and processed prior to the date of the field trip.
2. Attached to the field trip transportation purchase order is a copy of the Board of Education resolution approving the destination of the field trip.
3. The approved list of bus companies and corresponding prices are to be used whether the field trip is paid through Board of Education funds (PO) or student activity funds.
4. All field trips using Board funds (purchase order) shall be part of the instructional program, have an educational value, and shall be reasonable in cost. Field trips solely for student entertainment are prohibited when using public funds. A board resolution approving the field trip must be attached to the purchase order.
5. The cost of field trips may be borne by the pupils' parents with the exception of pupils in special education classes and pupils with financial hardship. Reference—N.J.S.A. 18A:36-21

B. Meals; Refreshments and Catering

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:

Permitted Activities for Meals; Refreshments; Catering

- **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.

- **Dignitaries**
  Reasonable costs* for light meals and refreshments for dignitaries as defined in the 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	$ 7.00 per person
Lunch	$ 10.00 per person
Dinner	$ 15.00 per person

(NJ OMB Circular 20-04-OMB Section XI—Letter I)

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 Purchase Order:

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

Prohibited Activities for Meals; Refreshments; Catering

- **Athletic Activities—Feeding Guests**
  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. N.J.A.C. 6A:23A-7.12 (d); 6A:23A-5.8 (b) (4)

- **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.
  Please note: the use of public funds (purchase order) for the purchase of employee recognition awards is permitted. For example—Retirement Plaques!

Textbooks; Approval and Purchase

Approval of Textbooks
In accordance with state law (N.J.S.A. 18A:34-1), all textbooks must be approved by the Board of Education prior to their use in the educational program. Purchasing textbooks that have not been approved by the Board of Education is a violation of state law. The District has set up procedures to have textbooks approved by the Board of Education.

Purchase of Textbooks and District Review
New Jersey Administrative Code 6A:23A-9.3 (c) (12) requires the purchase of textbooks to meet one of the following conditions:

- The purchase is in accordance with a textbook replacement plan;
- Textbooks have been identified as stolen or destroyed; or
- A change in curriculum or new edition requires a new textbook.

It is important that all purchase orders for textbooks withstand any state or district audit review. The following documentation shall be attached to each purchase order for textbooks:

Textbook Order Rationale Form (See Appendix)
This form which must be completed and attached to the front of the purchase order requires the administrator or supervisor to explain the reason for the purchase and provide documentation that the textbook was pre-approved.

Budget Accounts
As always, only textbooks may be purchased from the "640" object code. All other books and reading material must be purchased from the "600" or "610" series accounts.

Ordering Books; Recommended Purchasing Procedures

Purchase Orders Processed—Once a Month
The Purchasing Office, to ensure compliance with Public School Contracts Law and board policy, will now process all purchase orders for books and workbooks that require a board of education approval, once a month.

The Purchasing Office will hold all purchase orders for books and workbooks to determine whether the total cost of the purchase orders exceeds the bid threshold. If the total cost of the purchase orders exceeds the bid threshold then the Purchasing Office will prepare the appropriate board resolution. After the board of education adopts the resolution to purchase the books/workbooks, the purchase orders will be signed and processed if all the documents required are on file.

Purchases must be Planned
All schools/offices buying books and workbooks must now plan appropriately. Administrators, directors, supervisors, and principals are to direct teachers and staff members to have all purchase orders ready before the deadline otherwise they will have to wait for the next board of education meeting.

Online Pricing or Price Quotations
School principals are to ensure that purchase orders for books and workbooks be prepared with pricing that was obtained through the book company representative or by using online pricing.

Purchase Order Review – Online Pricing or Price Quotations
Each purchase order for the purchase of books and workbooks will be reviewed by the Purchasing office. It is expected that attached to the purchase order will be either:

- Copies of the price quotation received from the sales representative; or
- Copies of the online pricing were obtained from the company's website.
- Shipping and handling costs must be confirmed by the sales representative or the customer service number.

Any book purchase order that does not have either the price quotation from the sales representative or copies of online pricing will be returned.

Travel Reimbursement--Purchase Order—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:

- **Written Approval of the Superintendent—prior to a travel event**
  The travel shall be approved in writing by the Superintendent prior to the travel event. Documentation shall be provided with the purchase order for reimbursement.
- **Board of Education Approval—prior to a travel event**
  The travel shall be approved by resolution at a public board of education meeting, again, prior to the travel event. A copy of the board resolution shall be attached to the purchase order.
- **Reimbursement Procedures**
  Prior to being reimbursed for approved costs for the travel event, the following must be presented with the purchase order when applicable

  1. Approvals in writing;
  2. Travel Report;
  3. Receipts for hotel and meals (when applicable);
  4. Mileage Travel Form;
  5. Driver's License; Vehicle Registration; Insurance Card; and
  6. Other documents when requested.

All public school employees are to review all board policy and school administrative procedures with the School Business Administrator prior to planning for the travel event.

Additional Rules and Procedures
Additional rules and procedures on travel are available by contacting the School Business Administrator.

Fixed Assets

Generally Accepted Accounting Principles (GAAP) reporting, requires the district to maintain physical accountability over district-owned assets. Fixed assets are property, plant or equipment, assets that are long-term and continued use, such as land, buildings, machinery, and equipment.

Cost Determination of Fixed Asset
For the purpose of this purchasing manual and to be in compliance with law and code, a fixed asset is a single item cost of $2,000 or more.

Recording of Fixed Assets
School officials ordering and receiving a fixed asset item, shall properly record the item on the purchase order in accordance with Business Office procedures. The fixed asset item shall also be identified with the district's barcoding system.

Disposal of Fixed Assets
All school district property must be disposed of in a manner prescribed by law as per the Records Retention Schedule prepared by the New Jersey Bureau of Records Management. The Business Office will assist all school officials in the disposal of all school property, especially those identified as fixed assets.

Purchase of Food Supplies Guidance

1. **Purchase of Food Supplies – Supermarkets**
   New Jersey state law and code exclude the purchase of food supplies from the bidding process if the food supplies are for the school cafeteria or home economics classes. Many schools and offices have prepared purchase orders to:

   ShopRite

   Food supplies purchased from the supermarkets shall be in compliance with state law and code and only for the approved list of situations. All purchase orders, including student activity account purchases, are subject to review by Department of Education (DOE) officials and auditors.

2. **Food Supplies**
   New Jersey Administrative Code 6A:23A-16.5(b) clearly notes that food supplies include those supplies that are "eaten or drunk." Administrators, directors, supervisors, and principals are to ensure that purchases from the supermarkets have only items listed that follow the code. The Business Office will review the register receipts and highlight those items that do not follow the code.

Purchase Order Deadline—Annual Notification

The deadline for submitting purchase orders for the current operating budget is on or about **April 1st,** unless on an earlier date set by the Superintendent. Exceptions to the deadline date may be for purchases of the following:

- End of the year activities—field trips, graduation, assemblies;
- Employee contractual obligations—tuition reimbursement;
- Emergency contracts;
- State and/or federal-funded program grant programs;
- Travel reimbursements; and
- Other goods, materials, or services approved by the Superintendent

Contracted Service Providers—Protecting Our Children

Regular Contact with Students
There will be times during the performance of a vendor contract, when a contracted service provider may come in contact with students of the school district. The district fully understands its obligation to provide all students and staff members, with a safe educational environment. To this end, the district will be requiring all contracted service vendors who come in **regular contact with students** to comply with the following requirements.

Anti-Bullying Reporting--Requirement
When applicable, the contracted service provider shall comply with all applicable provisions of the New Jersey Anti-Bullying Bill of Rights Act—N.J.S.A. 18A:37-13.1 et seq., all applicable code and regulations, and the Anti-Bullying Policy of the Board of Education. In accordance with N.J.A.C. 6A:16-7.7 (c), a contracted service provider, who has witnessed, or has reliable information that a student has been subject to harassment, intimidation, or bullying shall immediately report the incident to any school administrator or safe schools resource officer, or the School Business Administrator/Board Secretary.

Criminal History Background Checks—N.J.S.A. 18A:6-7.1--Requirement
When applicable, the contracted service provider shall provide to the school district prior to commencement of the contract, evidence or proof that each employee assigned to provide services and that comes in **regular contact with students** has had a criminal history background check, and furthermore, that said background check indicates that no criminal history record information exists on file for that worker. Failure to provide proof of criminal history background check for any employee coming in regular contact with students, prior to commencement of contact, may be cause for breach of contract. No employee of a contracted service provider shall commence work at a school facility without having first obtained approval for employment from the Office of Student Protection. New Jersey DOE Broadcast 9/9/2019.

Pre-Employment Requirements
When applicable, all contracted service providers, whose employees have **regular contact with students**, shall comply with the Pre-Employment Requirements in accordance with New Jersey P.L. 2018 c.5, N.J.S.A. 18A:6-7.6 et seq. Contracted service providers are to review the following New Jersey Department of Education—Pre-Employment Resource P.L. 2018 c.5 link below for guidance and compliance procedures.

https://www.nj.gov/education/crimhist/preemployment/

The Requisition and Purchase Order Process

Roles and Responsibilities

To All School Business Administrators:

I am providing as a placeholder, the following section which you can include in your Purchasing Manual, an explanation of the requisition and purchase order process for your particular Business Office financial system.

What is written by me on the following pages may be amended/included/excluded as you see fit.

A. Responsibilities When 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 typed** -- All requisitions are entered in the district requisition system.
2. **Vendor's Name**--All Board checks are made payable to the vendor name (top line) listed on the purchase order/requisition. Please ensure the proper vendor name is printed on the requisition.
3. **Vendor's Complete Address** -- The purchase order must include the vendor's complete address and phone number. Post Office Box addresses by themselves are not acceptable unless they are of major well-known companies.
4. **Current Budget Year Included** -- The current budget year must be included in the body of the Purchase Order/Requisition.
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 catalog numbers/ISBN and costs. Brand name, model numbers, colors, sizes, and other descriptive items are required.
6. **Shipping Costs**--Shipping and handling costs are to be added to all purchase orders. Please read the catalog or contact the vendor to determine the actual shipping and handling costs.

   If you are unable to ascertain the actual charges, type:

   "10% Estimated Shipping and Handling"

   If there are no shipping and handling charges, type on requisition/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 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 for then uncrate, setting up, and assembling items to determine good working order and remove all debris to the satisfaction of the Board of Education within five (5) working days. Please ensure that all purchase orders have the correct delivery designation.

9. **Total Cost** -- Please include the words "Total Cost" on the purchase order with the actual amount of the order. *Minimum Order* -- the minimum order amount for all purchase orders is $50.00. Please try to plan and combine orders to exceed the $50.00 limit.

10. **Budget Account Number** -- Please be sure the correct Budget Account Number is typed on the requisition.

11. **State Contract Orders** -- When ordering through NJ START State Contract vendors (minimum order $100.00), please note the following:

    a. State Contract Number must be included on the requisition;
    b. **1NJCP** must be included on all State Contract requisitions and purchase orders;
    c. Shipping and Handling Included; and
    d. Appropriate documentation when required.

    Special guidance will be issued as it pertains to State Contract purchases.
    As a reminder, the minimum order amount for a State Contract purchase is $100.00

12. **Quotations** -- If quotations are obtained, please attach to the purchase order a copy of each written quotation received. Please type the quotation date and the quotation number.

13. **Bids** -- If bids are obtained, please include the following on the requisition:

    a. Bid Date; and
    b. Bid Number.

14. **New Jersey State Sales Tax—School Districts Exempt**
    The Board of Education is exempt from paying New Jersey Sales Tax.
    New Jersey local school districts are political subdivisions of the State of New Jersey. Their purchases are exempt from New Jersey sales and use taxes. The board is not exempt from paying out-of-state sales and use taxes.

    ST-5 Form Not Required
    An exempt organization ST-5 certificate or number is not required for the local school district, public school, or board of education to make tax-exempt purchases. ST-5 Exempt Organization Certificates are never issued to New Jersey government entities, including public schools. Their official letterhead or official purchase order, signed by a school official, is sufficient proof to the vendor that they are exempt from paying sales taxes. Payment must be made by a school check, including a student activity fund check, or a school voucher.
    Reference—NJ Division of Taxation Tax Bulletin TB-49

B. Responsibilities of Administrator/Supervisor or Principal

The person authorized to approve requisitions must ensure the following is reviewed before the requisition is sent to the Assistant Superintendent/Superintendent:

1. **Funds Available**
   They must check to determine if *funds are available* in their budget to cover the amount of the purchase order.

2. **Requisition Completion**
   They must check to determine that items 1-14 previously noted (Responsibilities of the Originator) have been *properly completed*.

3. **Operational or Educational Need for Purchase**
   Administrators, directors, supervisors, and principals who approve requisitions should be able to explain why the purchase is essential to the school district. They should be able to support the purchase as an educational or operational need for the district. Of most importance they should be able to answer the following:

   a. How will students learn or benefit from the purchase?
   b. What educational achievement or program may be linked to the purchase?
   c. How is the purchase of operational value to your school/office?

4. **Requisitions** are to be approved online by the appropriate administrator.

5. **Approval of Principal**
   Central office administrators, directors, and supervisors have been notified that whenever they order equipment for the instructional staff of the various schools, the purchase order must be approved by the school principal. The principal must co-sign the purchase order for equipment purchases.

   It is the responsibility of the central office administrator/supervisor to obtain the signature of the principal.

6. **Originator Copy**
   The originator copy of the purchase order remains in the office of the administrator/ supervisor/principal. When preparing a requisition, please retain a copy for your files.

7. **Receiving Copy**
   Once the purchase order has been posted and mailed to the vendor, the Business Office will send the Receiving Copy of the purchase order back to the school or office. If you do not receive the Receiving Copy within two (2) weeks of signing the purchase order, please contact the Business Office.

C. Responsibilities of the Assistant Superintendent/Superintendent of Schools

The Superintendent or the Assistant Superintendent reviews and determines the educational or operational value of each purchase order. If satisfied, the requisition is approved and forwarded to the Purchasing Agent.

D. 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 a 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 Federal and State Law and Board Policy.

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

The Quotation Limit	**$ 6,600.00**
The Bid Limit	**$44,000.00**

   A determination will be made by the Purchasing Agent whether the district has to solicit quotations or advertise for a bid.

3. **Document Check**
   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 $44,000.00 and over (cumulative)
   - Business Registration Certificate (BRC) – Purchases $6,600.00 and over
   - Chapter 271 – Political Contribution Disclosure Form (PCD)
     Purchases over $17,500.00 (cumulative)
   - Iran Financial Disclosure Form
   - IRS W-9 Form
   - Russia Belarus Iran Form
   - Other Federal Procurement Documents.

4. **Technical Review of Purchase Order --** The purchase order is also reviewed for technical aspects such as:

   a. Account number missing or incorrect;
   b. Shipping charges added;
   c. Signatures missing;
   d. State contract numbers incorrect/missing;
   e. Vendor address is incomplete; and
   f. Other items as listed in Section A.

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

   If the Purchasing Agent is satisfied, he signs the purchase order and/or approves the requisition. The Business Office will then:

   - Issue a purchase order number;
   - Enter the purchase order in the computer; and
   - Mail the purchase order to the vendor.

   Purchase Order Process--Deliberative Process—Five to Ten Days
   The purchase order process, as explained, may take 5 – 10 days to complete. Public school purchasing takes time, as it is a deliberative process, designed to be in compliance with the law and also to limit fraudulent activities. Please plan accordingly.

5. **Transfer of Funds**--The Business Office processes purchase orders only if there are appropriate funds to cover the purchase. Purchase orders lacking sufficient funds are sent back to the originator for a request to transfer funds. All letters requesting a transfer of funds are to be sent to the **School Business Administrator/Board Secretary.**

   All transfers of funds have to be approved by the Board of Education at a public meeting.

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.

E. 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
- All Packing Slips
- Invoice
- Receiving Copy (Pink) Signed

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.

ACCOUNTS PAYABLE SECTION

Receipt of Goods/Services

A. Processing the Requisition/Purchase Order--Design of Purchase Order

The purchase order is made of six (6) sheets. Listed below are the names and the purpose of each sheet. (A Requisition becomes a purchase order after all required administrators have approved the requisition in the Business Office Software System).

Copy	Disposition
Vendor Copy	Sent to vendor to order items/provide services
Voucher Copy	Sent to vendor for signature
Receiving Copy	Sent to school/office; returned to Business Office upon receipt of goods/services
File Copy	Remains on file in Business Office
Authorization Copy	Signatures authorizing purchase remains on file in the Business Office
Originator Copy	Remains with the office of administrator or supervisor.

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**

   All items must receive be immediately checked. Please note the following:

   a. Obtain receiving a copy of the purchase order and packing slip of the 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 slips to the receiving copy of the purchase order.
   d. The school principal/office supervisor should sign the receiving copy and send it with the packing slip to the

Accounts Payable Manager, c/o Business Office

Receipt of Goods and Services—Responsibilities of Administrators; Directors, Supervisors

Administrators, directors, supervisors, and principals 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 (pink 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.

Accounts Payable Procedures—Notification Process—Unreturned Paperwork

There will be instances where the Business Office Accounts Payable Office 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 Office 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 no paperwork is received from the school or office

- **Superintendent's Office Contacted—Three (3) Days**
  The School Business Administrator will contact the Superintendent of Schools after three (3) days if the paperwork is not received from the school or office.

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

The 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. **Paying Bills in a Timely Fashion—within 30-60 days** and **Paying Bills Pursuant to State Law—within 90 days N.J.S.A. 18A:18A-10.1**

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 backorder. The packing slip will have backorder 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 as 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 them 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.

VENDOR PAYMENT PROCESS

Contracted Services

Role of School District

Purchase Order Contract Amount—Not To Be Exceeded!
The contracted services vendor/provider (vendor) receives a purchase order from the Purchasing Agent notifying the vendor that services may begin.

The purchase order has a total contract amount. This contract amount may not be exceeded unless authorized by the Board of Education in writing.

Monitoring Contract Amount—District Administrator Responsibility!
The School Business Administrator asks all district administrators, directors, supervisors, and principals to monitor all vendor bills and invoices to ensure they do not exceed the total contract amount. They are asked to contact the Purchasing Agent, forty-five (45) days in advance if the total contract amount is close to being exceeded. The Purchasing Agent then can begin a process to exceed the purchase order amount pursuant to administrative code.

Exceeding Contract Amount—Unauthorized Service!
If any administrator permits a vendor to exceed the contract amount, the administrator has permitted an unauthorized service, which is similar to an unauthorized purchase. Administrators, directors, supervisors, and principals are asked to monitor the dollar amount of services being provided to the district.

Monitoring Contract Amount—Vendor Responsibility!
The district asks all vendors to also monitor all bills and invoices to ensure they do not exceed the total contract amount. Vendors are asked to contact the respective administrator, forty-five (45) days in advance if the total contract amount is close to being exceeded.

Exceeding Contract Amount –- Written Authorization!
Contracted vendors may only exceed the amount on the purchase order when authorized by the School Business Administrator in writing. The authorization will be in the form of a new purchase order being issued to the contractor and signed by the Purchasing Agent.

Submission Deadlines -- Fifth (5th) of Each Month
The Board of Education traditionally meets on the last Monday of each month. The Business Office asks that all bills and invoices for payment be submitted *prior* to the 5th of each month.

All bills and invoices submitted to the Business Office by the vendor will be sent to the appropriate school district administrator/supervisor for review and approval. The Business Office cannot begin the payment process until it receives the invoices signed and approved by the appropriate administrator.

End-of-Year Billing/Cancellation of Purchase Orders

Administrators, directors, supervisors, and principals are to work with contracted services vendors so that end-of-the-year invoices are submitted to the Business Office in a timely fashion. This is imperative. In order to comply with the State of New Jersey Department of Education requirements, the district has adopted a policy of canceling open purchase orders at the end of the fiscal year. All invoices must be billed within thirty (30) days of services to meet the State Department of Education deadline. If we are not in receipt of your invoice within the thirty (30) day deadline, we will not be able to process payment in a timely fashion and the corresponding purchase order may be canceled, thereby causing a delay in payment.

APPENDIX

A. Formal Bid Process

B. Emergency Purchases/Contracts

C. Memorandum--Return of Purchase Order

D. Chart—Purchase Order Requirements

E. Vendor Letter—Unauthorized Purchases

F. Copy of Purchase Order

G. Copy of Requisition

H. Federal Contracts

1. Federal Programs for School Districts
2. Compliance with 2 CFR 200.317 et seq.
3. Federal Funds Procurement Methods
4. Debarment and Suspension for Federal Contacts
5. Stevens Amendment

I. Federal Procurement Chart of Thresholds

J. Textbook Rationale Form

FORMAL BID PROCESS

Process	**Time Line**
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 the Purchasing Agent.	One Week
Return reviewed specifications to Administrator/Supervisor for final approval. Administrator/Supervisor signs off final approval.	One Week
Bid package is prepared by the Purchasing Agent.	One Week
Copies of bids run off by Print Shop.	One Day
Legal advertisement sent to the newspaper.	Three Day Advance Notice
Bid Date/Time -- must be at least 10 days after the Legal Ad appears in the newspaper. Bids are opened and read publicly.	10-20 Days
Bid results are reviewed by: a. Administrator/Supervisor b. Purchasing Agent	One Week
Administrator/Supervisor prepares spreadsheet showing lowest bidders and recommends award of bid. Purchasing Agent reviews bids. Resolution is prepared.	One-Two Weeks
Bids are reviewed at Board Agenda, Committee of the Whole, and Regular Public Meetings.	One Week
Purchase orders are prepared by the 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.

(Appendix A)

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. Federal and State of New Jersey *Declarations of Emergencies* may also apply. The school business administrator will contact the board attorney for guidance on such declarations.

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. **School 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 School Business Administrator/Purchasing Agent**
   If the School 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. **Acknowledgment by Board of Education**
   The Board of Education, at its next regular Board of Education Public Meeting, shall review and acknowledge said emergency purchase. This may be done by board resolution.

(Appendix B)

M E M O R A N D U M

To: _____

From: _____, School Business Administrator/Board Secretary

Date: _____

Re: ***Return of Purchase Order(s)***

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

____ Account Number Incorrect; Missing--Please use Account Code # _____

____ Bid Number, Quotation Number--Not Included

____ Board Resolution Needed--Attach to Requisition/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 $50.00 Minimum State Contract Order $100.00

____ Proposal/Contract Missing -- Attach to Purchase Order

____ Quotation Needed--Please contact me to discuss the 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 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 requisition/purchase order with this form to my office.

(Appendix C)

PURCHASE ORDER REQUIREMENTS

CONTRACT/PURCHASE ORDER THRESHOLDS (AGGREGATE)	*AFFIRMATIVE ACTION EVIDENCE (AA)*	*BUSINESS REGISTRATION CERTIFICATE (BRC)*	*CHAPTER 271 PCD (PAY TO PLAY) (271)*	*RUSSIA BELARUS FORM Goods and Services Only*
$1,000 or more	(a)	No	No	**YES**
Up to $ 6,600	(a)	No	No	**YES**
$ 6,600 - $17,499	(a)	**YES**	No	**YES**
$17,500 - $43,999	(a)	**YES**	**YES**	**YES**
$44,000 – and over	**YES**	**YES**	**YES**	**YES**

Affirmative Action Evidence Exemptions	**Business Registration Certificate Exemptions**	**Chapter 271 (PCD) Exemptions**
• 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.	• 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 ***Exempt Situations*** • 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.	• 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 ***Exempt Situations*** • Emergency purchases; • Litigation payments to parties through a court order.

(a) It is suggested that Affirmative Action evidence is on file from vendors and contractors.

(Appendix D)

Sample

ANYTOWN PUBLIC SCHOOLS
Office of the Superintendent
Address
City, State, Zip

Sample

TO: All Vendors **Date: _____**

UNAUTHORIZED ORDERS

Official Notification

Authorized Purchases

The Board of Education only recognizes purchases made through the approved purchase order process. All purchases made by the Board of Education require:

- ***Written Purchase Order;***
- ***Purchase Order Number; and an***
- ***Authorized Signature (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.

Vendors' Responsibility

- **Do NOT Honor Requests!**

  Vendors are not to honor or accept any requests for goods or services unless the vendor receives a written purchase order with an authorized signature and a purchase order number.

- **Contact the Business Office!**

  Please alert _____at _____ if any Board employee attempts to place an order without an authorized purchase order.

- **You will NOT Get Paid!**

  The Board of Education will not be held responsible for any unauthorized orders or unauthorized purchases.

Authorized Signatures

The Board of Education will only recognize purchase orders signed by:

_____
School Business Administrator/Board Secretary

(Appendix E)

COPY OF BLANK PURCHASE ORDER

(Appendix F)

COPY OF BLANK REQUISITION

(Appendix G)

FEDERAL CONTRACTS

Examples of Federal Funding Sources—Every Student Succeeds Act (ESSA)

- Title I, Part A – Improving Basic Programs Operated by LEA's
- Title II, Part A – Teacher and Principal Training and Recruiting
- Title III– English Language Acquisition and Language Enhancement
- Title III—Immigrant Education Program
- Title IV, Part A – Student Support and Academic Enrichment Program

Other Examples of Federal Funding Sources

- I.D.E.A. Part B Handicapped
- Perkins Vocational Education
- National School Lunch Program
- National School Breakfast Program
- ESSER Act I, II **ESSER ARP**—Elementary and Secondary School Emergency Relief Act
- CARES Act—Coronavirus Aid, Relief and Economic Security Act 2020

Federal Procurement Guidelines—Federal Regulations 2 CFR Part 200.318 et seq.

School districts, when procuring goods and services using federal funds, shall comply with Federal Regulations Procurement Standards 2 CFR 200.318 et seq., and the New Jersey Public School Contracts Law.

Methods of Procurement—When Using Federal Funds

All procurement transactions must be conducted in a manner providing full and open competition. (2 CFR 200.319). Examples of procurement methods to be used:

- **Micro-purchases—Purchases less than $6,600.00**

The Purchasing Agent shall use sound business practices for purchases in the aggregate that do not exceed $6,600.00. Reference--2 CFR 200.320 (a) (1) and 2 CFR 200.67

- **Small Purchase Procedures—$6,600 through $43,999**

The Purchasing Agent shall use the competitive quotation process as outlined in N.J.S.A. 18A:18A-37 (a) or the Request for Proposal process, when applicable, in procuring goods and services in the aggregate of more than $6,600.00 and less than $43,999. Reference--2 CFR 200.320 (a) (2) and 2 CFR 200.88

- **Sealed Bids—$44,000 or more**

The Purchasing Agent shall use the competitive bid process to procure those contracts which in the aggregate exceed the $44,000 bid threshold. The contract shall be awarded to the vendor who submits the lowest responsible bid for a firm-fixed contract price—lump sum or unit cost. Reference--2 CFR 200.320 (b) (1),

(Appendix (H)

- **Competitive Proposals—$44,000 or more**

The Purchasing Agent shall use the Request for Proposal (RFP) or competitive contracting process when procuring certain contracts which in the aggregate exceed the $44,000 bid threshold, which are to be awarded by an evaluative process, rather than a firm-fixed contract price. Reference--2 CFR 200.320 (b) (2) and N.J.S.A. 18A:18A-4.1 et seq.

- **Non-competitive Proposals (Sole Source)**

Although the Federal government recognizes contracts may be awarded to sole-source vendors through non-competitive proposals, the Purchasing Agent shall use the competitive proprietary bid process or the competitive contracting process for sole or single-source contracts.
Reference 2 CFR 200.320 (c) and N.J.S.A. 18A:18A-15. The amounts listed are subject to change.

New Jersey Department of Education Guidance on Federal Spending
All grant administrators of the school district are to comply with federal regulations and the Public School Contracts Law and should adhere to the guidance as provided by the New Jersey Department of Education in the publication entitled ***Navigating the Uniform Grant Guidance.***

Debarment and Suspension for Federal Contracts; Confirmation of Vendor on SAM.gov/Exclusions--Excluded Parties List System (EPLS); *Debarment and Suspension (E.O. 12549 and E.O. 12689)*.
A contract award (see 2 CFR 180.220) will not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM.gov.) Prior to contracting with a vendor, the Purchasing Agent shall use the System for Award Management (SAM) (SAM.gov/Exclusions) to search for the vendor by name, tax identification number, or another characteristic to verify the vendor has not been suspended or debarred from performing federally funded work. This is part of the Federal Excluded Parties List System (EPLS) which is an electronic directory of individuals and organizations that are not permitted to receive federal contracts or assistance from the United States government.

It is recommended evidence of verification (printout from SAM.gov/content/Exclusions) be maintained in procurement files for each contract awarded.

Federal Programs--Include on Requisitions/Purchase Orders
Purchase orders using Federal Funds shall include on the document:

- Name of Federal Program
- Quotation, bid number, if applicable
- Name of Cooperative Purchasing Entity; if applicable
- Board approval date; if applicable
- Location(s) of equipment
- Federal funding account numbers easily be identified if split funding
- Approved CIP Code; if required

Stevens Amendment—Statement on Bid Advertisement
The Board of Education recognizes its obligation as it pertains to the Stevens Amendment, Section 8136 of the Department of Defense Appropriations Act (P.L. 104-134, Sec.507) which requires the board of education to state clearly the percent (%) of the total cost of this project will be financed through Name of Federal Grant. Appendix (H-2)

Federal Contracts—Chart of Thresholds

Description of Goods/Services	Amount	Procurement Method
Goods and Services	Less than $6,600	Sound Business Practice
Goods and Services	$6,600-$43,999	Quotation or Bid
Goods and Services	$44,000 or more	Bid
Professional Services	Less than $6,600	Simple Proposal
Professional Services	$6,600-$43,999	Request for Proposals (RFP)*
Professional Services	$44,000 or more	Competitive Contracting
Educational Consultant Services	Less than $6,600	Simple Proposal
Educational Consultant Services	$6,600 - $43,999	Request for Proposals (RFP)*
Educational Consultant Services	$44,000 or more	Competitive Contracting
Instructional Improvement Services	Less than $6,600	Simple Proposal
Instructional Improvement Services	$6,600 - $43,999	Request for Proposals (RFP)*
Instructional Improvement Services	$44,000 or more	Competitive Contracting
Professional Development Services	Less than $6,600	Simple Proposal
Professional Development Services	$6,600 - $43,999	Request for Proposals (RFP)*
Professional Development Services	$44,000 or more	Competitive Contracting
Sole Source (Proprietary)	Less than $6,600	Simple Proposal
Sole Source (Proprietary)	$6,600 - $43,999	Proprietary Quotation
Sole Source (Proprietary)	$44,000 or more	Proprietary Bid
Services Provided by Government Units/Schools	Less than $6,600	Simple Proposal
Services Provided by Government Units/Schools	$6,600 - $43,999	Request for Proposals (RFP)*
Services Provided by Government Units/Schools	$44,000 or more	Competitive Contracting
Construction; Public Works	Less than $6,600	Written Proposal; PW Documents
Construction; Public Works	$6,600-$43,999	Quotation or Bid
Construction; Public Works	$44,000 or more	Bid

***RFPs must be publicized when federal funds are being used.**

(Appendix I)

Textbook Purchases

ANYTOWN PUBLIC SCHOOLS

Office of the School Business Administrator

Textbook Purchases

Textbook Order Rationale Form

A. Conditions of Purchase – New Jersey Administrative Code 6A:23A-9.3 (c)(12)

Please check the appropriate box(es) that apply to the purchase.

- ☐ Purchase is in accordance with the textbook replacement plan;
- ☐ Purchase is to replace lost, stolen, or destroyed textbooks.
- ☐ Purchase of textbooks reflects a change in curriculum.
- ☐ Purchase reflects a new edition of the textbook.

B. Documentation Requirement

The textbook named on this purchase order was approved by the board of education pursuant to N.J.S.A. 18A:34-1, on the following date:

Meeting Date:

Name of School/Office _____

Administrator/Supervisor _____

Signature _____ Date _____

Title of Textbook _____

_____

Curriculum Department Review and Approval

Approved _____ Denied _____

_____ _____

Curriculum Director Signature Date

Please attach the Textbook Order Rationale Form to the front of the requisition or purchase order.

(Appendix J)