

Policy

PAYMENT FOR GOODS AND SERVICES

Before warrants signed by the president, board secretary and treasurer of school moneys may be issued in payment of bills or claims, the bill or claim must be properly audited and approved according to law.

In order to provide for the prompt payment to which vendors are entitled, and which leads to more effective competitive bidding and provision of services to the district, the superintendent/principal/school business administrator shall audit all bills and claims, and may approve for payment without prior Haworth Board of Education approval, amounts necessary for the efficient operation of the district. Such actions shall be presented for board ratification at the next regular meeting.

Items not previously approved by the board or provided for in the budget must be audited by the board secretary and presented for board approval.

Purchase Orders

The district will carefully monitor payments for invoice amounts that are greater than the approved purchase order, in order to avoid over-payments. A new purchase order will be issued (and the original purchase order voided) when the adjusted amount unreasonably exceeds the original purchase order amount. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or the bid award price, and adjustments may not exceed 10% of the original purchase order amount.

Financial Systems to Avoid Over-Payments

Pursuant to N.J.A.C. 6A:23A-6.10, the district will program its financial systems to avoid over-payments by:

- A. Limiting system access so that only appropriate staff may make purchase order adjustments;
- B. Reject adjustments in excess of any established approved thresholds;
- C. Prevent unauthorized changes to be processed;
- D. Reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order;
- E. Reject duplicate invoice numbers;
- F. Prepare an edit/change report listing all payments made in excess of the approved purchase order amount.

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

Adopted: January 29, 2002
NJSBA Review/Update: September 2009
Readopted:

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

PAYMENT FOR GOODS AND SERVICES (continued)

N.J.A.C. 6A:23-2.9 Petty cash funds

N.J.A.C. 6A:23A-6.10 Financial system and payment approval process

Possible

Cross References: *3320 Purchasing procedures
*3451 Petty cash funds
*3453 School activity funds
4142 Salary checks and deductions
4242 Salary checks and deductions

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