

## **Business/Non-Instructional Operations**

### **Ordering Goods and Services (Purchase Orders)**

The Superintendent or his/her designee is authorized to initiate purchases within the approved limitations of the budget. The following procedures govern the purchasing process:

- Purchase requisitions may be initiated by authorized members of the staff and, are subject to review to determine the propriety of the request and to assure that funds are available. Administrative Regulations on purchasing must be followed.
- The Director of Business determines whether or not the necessary funds are available in order to cover the cost of the item or services requested and if such be the case, the purchase order is referred to the Accounts Payable Department for further recording and mailing.
- In cases where the necessary funds are not available in an account, the matter shall follow policy 3160, “Budget Procedures and Line Item Transfers.”

(cf. 3160 – Budget Procedures and Line Item Transfers)

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#### **Purchase Order Processing Procedure**

##### **1. Phase 1 - Distribution of Purchase Orders and Record Keeping**

- A. Each location Principal will be allotted a reasonable amount of purchase orders as often as necessary.
- B. Purchase orders should be utilized in the numerical sequence in which they are distributed.
- C. Purchase orders filled out in error, or canceled by an administrator, shall be voided at the location, with this indicated on the voided P.O. Voided purchase orders must be submitted to the Business Office for the void record which will be filed in the closed P.O. file.

##### **2. Phase 2 - Purchase Requisitions shall be completely filled out, including all required Budget Coding Information.**

- A. The requesting agent, (teacher, clerk, custodian, nurse, etc), shall present such request upon the purchase requisition form to the building Principal for his/her approval.
- B. The purchase requisition must include the following:
  - (1) Item and number requested.
  - (2) Unit item (i.e. per dozen, per 100, etc.)
  - (3) Description of item.
  - (4) Catalog or list cost of the item.
  - (5) Appropriate vendor with address.
  - (6) Appropriate budget code number.
- C. The location Principal, if he/she approves the order, shall verify the code number and also verify that there is ample funding for orders via budget printout. He/she also must verify its being budgeted or its necessity. His/her approval is indicated by his/her signature on the requisition.

## **Business/Non-Instructional Operations**

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#### **Purchase Order Processing Procedure (continued)**

- 3. Phase 3 - Purchase Orders are to completely filled out at the school after Phase 2 has been completed.**
  - A. The purchase order must be typed and include all the information categorized in Phase 2, item B.
  - B. The Principal must approve of the purchase order (this is a re-approval of the requisition).
    - (1) The Principal's approval signature must appear in the box marked "checked by" located on the lower right hand portion of the purchase order.
    - (2) In special areas, the authorized administrative person in charge could perform this function.
    - (3) The location Principal or administrator is responsible for seeing to it that orders do not exceed budget allocation for his/her school by line item.
  - C. Principal/administrator must maintain record of the order (this may be done with the requisition.)
  - D. The order should be complete with four copies and carbons left intact. The fifth copy (yellow) is retained by the school.
  
- 4. Phase 4 - Purchase Orders Received at the Business Office**
  - A. Purchase order is scrutinized to insure the form is properly completed with appropriate signature (if it is in error, it will be returned to the requester.)
  - B. Funding verification is made via computer system. If insufficient funds are present, the purchase order will be returned to the requester.
  - C. Purchase order is then forwarded to the Director of Business or Superintendent for review and final approval.
  - D. If there are any significant adjustments to be made in price, or change in product specifications, the Director of Business or his/her designee will notify the appropriate administrator on how to proceed.

## **Business/Non-Instructional Operations**

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#### **Purchase Order Processing Procedure (continued)**

#### **4. Phase 4 - Purchase Orders Received at the Business Office (continued)**

- E. If no beneficial adjustments are necessary, the Director of Business approves the purchase order by affixing his/her signature to the document.
- F. Purchase order is logged into the computer system.
- G. Distribution of the five (5) part purchase order is as follows:
  - (1) Page 1 is given to the vendor.
  - (2) Page 2 (yellow) is retained by the school.
  - (3) Page 3 (pink) shall be placed in a numerical file.
  - (4) Page 4 (gold) shall be filed alphabetically with all pertinent correspondence.
  - (5) Page 5 (green) shall be sent to the requesting Principal or administrator who shall, upon receipt of goods and/or service sign it, certifying acceptance of the goods and/or service sign it, certifying acceptance of the goods and/or service.

#### **5. Phase 5 - Receipt of Order by Requesting School**

- A. When shipment arrives, the Principal will check and verify contents against the original copy of the purchase order.
  - (1) When the order is complete, he/she will write complete, with signature, and attach the packing slip(s) to the copy of the P.O. and send it to the Business Office for payment.
  - (2) When the order is incomplete the Principal will check off and initial those items that have arrived. He/she should hold this purchase order and packing slip until the balance of the order is shipped, and then forward the information to the Business Office, a recommendation for payment.
  - (3) If the remaining portion of the order is not filled within ninety (90) days then the remaining portion of the unfilled order should be canceled with a letter from the Principal to the vendor. A copy of such cancellation notice shall be maintained by the Principal and a copy forwarded to the Business Office with the purchase order and packing slip to indicate recommendation of payment for items received. (The Principal may re-order these items if he/she wishes.)
  - (4) If anything is received damaged it should be noted on the purchase order and packing slip sent to the Business Office. The Principal should contact the trucking company when damage occurs and receive the proper credits or adjustments.

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#### **Purchase Order Processing Procedure** (continued)

#### **5. Phase 5 - Receipt of Order by Requesting School** (continued)

- B. The green copy should be returned to the Business Office as soon as possible after receiving the order.

#### **6. Phase 6 - Receipt of Invoice and Purchase Order, Copy with Packing Slip from Principal**

- A. Upon receipt of the invoice from the vendor and certification receipt of goods and/or services from the building Principal, the purchase order copies shall be matched and made ready for payment.

- (1) When paid the encumbrance record is credited and the expenditure record is debited by the amount.

- B. Upon acceptance for payment, checks will be produced by computer and signed by check signer.

- (1) Upon payment to the vendor, page 5 (green), shall be refiled alphabetically with the invoice and all other pertinent information.
- (2) Page 3 (pink) is already filed numerically - nothing happens.
- (3) Page 4 (gold) shall be forwarded to the requesting Principal with an indication of amount of payment and as confirmation to payment.
- (4) In the case of items eligible for reimbursement from federal funds, page 5 (green) shall be forwarded to the appropriate authority as evidence of purchase.

#### **7. Phase 7 - Bills**

- A. Regular monthly bills shall be included on purchase orders at the

- (1) The appropriate account numbers will be included for such items as utilities, insurance, services, etc.
- (2) Installment payments on services shall be made out on one purchase order with the monthly payments listed of the entire year. this way the entire amount will be encumbered and such encumbrance will be reduced by each payment that is made. Each payment will be made against this one purchase order indicating payment against the appropriate installment. (Expenditure is debited and encumbrance is credited.)

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#### **Purchase Order Processing Procedure (continued)**

#### **8. Phase 8 - Maintenance, Repairs & Petty Cash**

- A. When an emergency situation arises whereby a purchase of materials or services is required immediately, the Principal shall authorize such purchase to remedy the situation.
  - (1) The Superintendent or Director of Business should be notified as soon as possible of such situation, preferably prior to such authorization if possible.
  - (2) The building Principal shall then complete the required purchase order with costs as soon as possible in conformance with Phase 2 of these regulations and submit it immediately to the Business Office indicating on the purchase order that it was an emergency purchase.
  
- B. The Petty Cash fund for each school shall be \$75.00.
  - (1) Petty cash shall be utilized for small items which are purchased on a day to day basis which do not warrant the use of the involved purchase procedure.
  - (2) It shall be used primarily for unexpected purchases which become necessary for day to day operations including maintenance items.
  - (3) The Principal shall have authority over this fund and distribute the funds as necessary and request appropriate receipts for purchases made.
  - (4) When the fund is nearly depleted, the Principal shall request reimbursement by completing a purchase order with all receipts attached and appropriate account numbers for all such purchases followed by the dollar amounts charged to each account. (Phase 3 through Phase 6 of these regulations shall apply to requests for such reimbursement).

#### **9. Phase 9 - Requisition usage shall be limited to goods or services which are to be bid or quoted.**

- A. Requisitions shall be forwarded to the Business Office in the same fashion as purchase orders in Phase 3. (Substitute "requisitions" for the word "order" in this phase).
- B. Requisitions shall be utilized if the nature of the commodity or service permits effective competitive pricing, and if possible, feasible and to the advantage of Newtown.