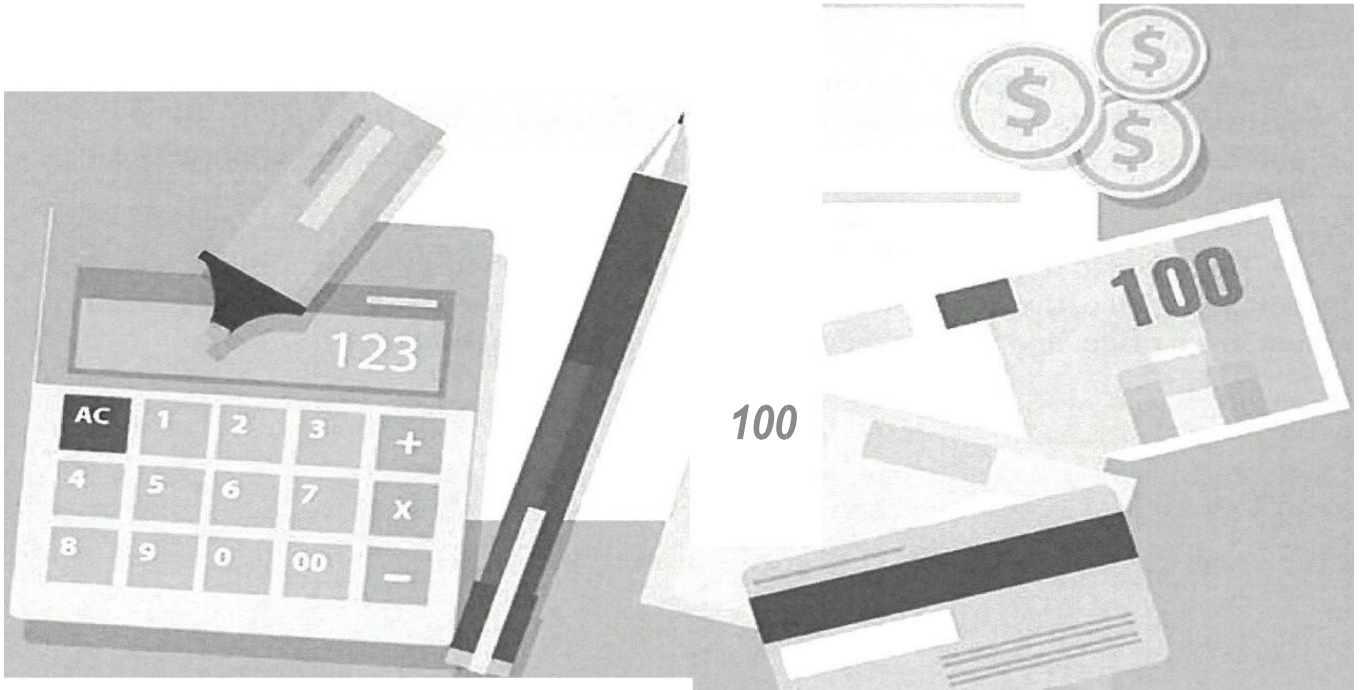


PURCHASING AND PROCUREMENT MANUAL



The purpose of these guidelines is to ensure that district purchasing is in accordance with GASB (Governmental Accounting Standards Board). In addition, by following these guidelines, district staff will procure the goods and services needed, at the lowest available price.

The function of purchasing is to serve and assist the educational program by providing the necessary supplies, equipment, and services.

The school board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.

The acquisition of supplies, equipment, and services will be centralized in the Finance Office, through which all purchasing transactions are conducted.

The prime guidelines governing the responsibility for all purchases are that all will fall within the framework of budgetary limitations and that they are consistent with the approved educational goals and programs of the school district.

This guide was developed to ensure the best possible price and quality for the desired products and services are received. This guide will require that all purchases be made with proper documentation, approvals, and appropriate forms.

This guide also details the level of authorization needed for expenditures based on the purchase price, the need for comparative pricing or competitive bidding based on the purchase price, and the procedures for accomplishing both.

SECTION 1-FINANCE OFFICE DUTIES

In order to implement District Board Policy Section D: Fiscal Management, the duties and functions of the Finance Office are as follows:

- To provide fiscal control to ensure there are adequate funds available for purchases and to ensure purchasing guidelines are followed. Internal audits will be conducted on a random basis.
- To check and verify all purchase requisitions to ensure that purchases are charged to the proper accounts.
- To verify the availability of funds and the department's budget status budget transfers are required to be processed prior to purchase orders being approved. Refer to Section 7 for budget transfer requirements.
- To consolidate the purchases of similar supplies and services used district-wide in such a manner that maximum value will be obtained for the money expended ➤ To issue purchase orders weekly or as otherwise required.
- To issue checks to vendors in a timely manner and maintain all electronic accounts payable records.
- To maintain encumbrance and expenditure records.
- To review the preparation of bid specifications. Upon receipt of all bids, assist with the evaluation and comparison of all entries. Vendor reputation, quality, and the ability to manage and service the account are critical in awarding the bid. The final award is subject to School Board and/or SAU 7 Administration's approval as directed by the school board.
- To prescribe and maintain such forms as the Finance Office shall find reasonable and necessary to implement and support the purchasing procedures contained within this manual.
- To maintain mutual confidence and satisfaction between vendors and the school district.
- Maintain financial management systems that separately account for the receipt, obligation, and expenditure of each individual federal grant.
- Meet Federal financial reporting procedures in accordance with the applicable state.
- Any request for expenditure that is not budgeted, including staffing, shall not be approved without notification of where the funds will be transferred from. Written documentation shall be given to the Business Administrator prior to the obligation/contract to verify funds are available.
- Report to the Superintendent or Business Administrator any suspicions of fraud, impropriety, or irregularity. If the report involves the Superintendent, the employee will also report his/her suspicions to the Board Chair.

SECTION 2-ADMINISTRATION OFFICE AND DEPARTMENTAL DUTIES

In order to implement District Board Policy Section D: Fiscal Management, the duties and functions of the administrators, managers, and their designees of each operating department are as follows:

GENERAL FUND OR STUDENT ACTIVITIES

- Provide budgetary control for his/her department or school ensuring that adequate funds are available for purchases.
- Make sure all cash collected is receipted, accounted for, and deposited within 48 hours but no less than weekly.
- Be knowledgeable that the term "General Fund" in this manual includes all funds in care and custody of the district with the exception of Federal Funds. Federal Funds have their own procedure and are outlined separately in Section 2.

- Approve purchases with appropriate documentation within the following guidelines. Whenever possible, purchase orders shall be issued for all purchases but are recommended according to the following guidelines:
- Amount of Total Purchase Procedure
- All purchases - Purchase Requests must be entered into the system prior to purchasing.

PETTY CASH

- A petty cash fund will be established for all school buildings within the district. Such funds shall be for the purchase of minor items and/or provide immediate payment for minor services.
- The accounting for petty cash funds shall be monthly.
- The accounting report shall be provided to the District Business Administrator.
- No single purchase /reimbursement shall exceed \$50.00. Purchases/reimbursements in excess of \$50.00 shall require a purchase order.
- In cases of emergencies, the Building Principal, with prior approval of the Business Administrator, may exceed the established single purchase/reimbursement limit.
- Additional administrative regulations/procedures governing petty cash funds are established.

LOCAL PURCHASES – SPECIALTY CLASSES

- Consumer Science/Technology Education (Building Trades) Use of local vendors for supplies ➤ \$.01 to \$250.00 needed for cooking and woodworking.
- Charge accounts have been established locally. Receipts must be turned into the SAU office, Accounts Payable within 48 hours.
- Purchase order must accompany the purchase.

PROCUREMENT PROCEDURES

- All Requests for Proposals shall be reviewed by the Business Administrator to ensure Terms and Conditions have been included based on the item(s) requested, funding is available, and federal and state guidelines have been met.
- When bidding procedures are used, bids shall be advertised appropriately. Suppliers shall be invited to have their names placed on a mailing list to receive invitations to bid. When specifications are prepared, they will be mailed to all merchants and firms who have indicated an interest in quoting/bidding.
- Requests for Proposals shall be opened after the closing date of the proposal, by the Business Office and the Department head. Information will be compiled and forwarded to the school board for review and approval. All formal sealed bids exceeding \$ 100,000 or greater shall be opened at a public meeting of the school board. The data will be compiled and brought before the school board at the next meeting or special meeting.
- All Requests for Proposals over \$10,000 or unique services shall be reviewed by legal counsel prior to publishing.

For all purchases from \$5,000.00 to \$10,000.00

The buyer must obtain three (3) price comparisons/quotes by other source, but the buyer may elect to seek a price from a single vendor (see #12, Sole Source Vendors). Requests for Proposals shall be advertised on the school district website. If the Quote requests contain local items an ad will be placed in the newspaper. Quote requests will be sent to potential vendors.

For all purchases from \$10,000.01 to \$14,999.99

Buyer is suggested to obtain three (3) price comparisons/quotes, in writing, but the buyer may elect to seek a price from a single vendor (see #12, Sole Source Vendors) for those services that are highly specialized, or to support continuity of service over the years and highly specialized. Requests for Proposals shall be advertised on the school district website. If the Quote requests contain local items and add will be placed in the newspaper. Quote requests will be sent to potential vendors.

For all purchases \$15,000.00 but not exceeding \$99,999.99

Obtain and document at least three written Requests for Proposals (RFP), evaluate the quotations, and award the bid. If items or services are highly specialized, sole sourcing purchasing may be allowed, see guidelines listed under Sole Sourcing Purchasing. (See #12, Sole Source Vendors). RFP's will be sent to known vendors and posted on the school website. If service is of local nature, it will be advertised in the local newspapers.

For all purchases \$100,000.00 or above

Written, sealed bids are required for the provision of goods and services at this threshold. In order to facilitate competitive bidding, notices for solicitation are required to be posted on the District's website. See section 9 for procedures. All capital projects will be advertised via a statewide newspaper as well as RFPs submitted to potential bidders.

BEST PRACTICE FOR ALL PURCHASES

- Consolidate the purchases of similar supplies and services used by the various departments in such a manner that maximum value will be obtained for the money expended.
- To ensure compatibility with school district systems and long-range plans, all technology purchases must be approved by the building technology coordinator in conjunction with the building principal, prior to placing the order. These purchases include, but are not limited to, desktop computers, notebook computers, networks, telecom, peripherals, media technology (i.e., projectors, cameras, smart boards, etc.), and application software.
- All purchases related to facilities and maintenance (i.e., trade services, electrical, plumbing, items requiring installation) must be approved by the Business Administrator prior to placing the order to ensure system compatibility and code compliance.
- Sole source vendors must be approved by the business administrator or his/her designee. Please use the Sole Source Purchasing - Documentation Form in the appendix.
- Verify all ordered goods and/or services are inspected to ensure completion and materials and/or services have been delivered in good condition. Packing slips do not need to be scanned and attached to the purchase order. It is recommended that you keep them on file for one year.
- Shall not fragment large orders into multiple small orders as a means of avoiding the financial parameters established by this manual.
- Assume full responsibility that all employees involved in the procurement process are familiarized with the policies and procedures of this manual.
- Maintain mutual confidence and satisfaction between vendors and the school district.
- The school board will vote to enter into a multi-year contract if they deem it to be in the best interest of the school district and the contract meets the NH legal requirements such as an escape clause language in the contract.
- The Superintendent shall approve and sign all contracts after financial review for annual contracts.
- Report to the Superintendent or Business Administrator any suspicions of fraud, impropriety, or irregularity. If the report involves the Superintendent, the employee will also report his/her suspicions to the Board Chair.

- When creating a requisition be mindful of putting identifiable information for students. Use initials or IEP number if the information is needed. As a general rule type of service and hours required should be sufficient for the purchase request. Any questions on what is allowable, please contact the Business Administrator or the Superintendent's Office.

CONTRACTS

- Once a proposal has been approved by the school board for any new, unique contracts or multiyear contracts legal review shall be conducted before they are executed.
- Contracts requiring district indemnification must be reviewed and approved by legal and the district's insurance carrier prior to execution.

FEDERAL FUNDS

Purpose

- The purpose of this procedure is to ensure that all expenditures from federal grants other than salaries and benefits are made in an open and competitive manner and be in compliance with federal regulations. Local District Policy as listed above will be followed unless the limits do not meet the federal guidelines.
- General Standards Include (2 CFR 200.318)
- Avoid the acquisition of unnecessary or duplicative items
- Consider consolidation or breaking out procurements to obtain a more economical purchase
Consider lease vs purchase
- Consider state and local intergovernmental purchasing agreements Consider the use of excess and surplus property
- Situations that restrict competition
- Specify a brand name only, instead of allowing "an equal"
- State or local preference except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference
- Conflicts of interest
- Unreasonable requirements on vendors to qualify to do business Requiring unnecessary experience or excessive bonding Noncompetitive pricing practices
- Noncompetitive awards to consultants on retainer Any arbitrary action in the procurement process

Procurements Steps

- Step 1: Identify a need for a non-salary and benefit purchase. The requester should notify the grants manager of the need via an email or purchase requisition.
- The grants manager will determine if the cost is necessary, reasonable, and /or allocable.
- The Allowability of Cost Procedure Form, see appendix, should be issued by the Grants Manager, and follow the purchase.
- Step 2: Determine the method of procurement. There are 5 allowable methods of procurement:
 - Micro-purchase - The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold as set by the Federal Acquisition at 48 CFR Subpart 2.1 currently \$10,000 (\$2,000 if DavisBacon Act applies).
 - To the extent practicable, purchase must be distributed among qualified suppliers Purchases exceeding the threshold cannot be divided solely to meet this threshold

- Small Purchases - The acquisition of services, supplies, or other property, the aggregate dollar amount of which does not exceed the Simplified Acquisition Threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 currently \$250,000.
- Must obtain two or more prices and document the reason vendor was selected
- Vendor/costs may be identified through an internet search, telephone calls, advertisement, email, or written requests for information.
- Sealed Bids - Formal advertising when a complete, adequate, and realistic specification or purchase description is available.
- Bids must be solicited from an adequate number of sources. Sufficient time must be allowed for potential vendors to submit bids.
- Invitation for bids will be publicly advertised and include any specifications for the bidder to properly respond
- All bids will be publicly opened at the time and place determined by the invitation to bid A firm fixed price contract will be awarded to the lowest responsive bidder per statutes and federal standards
- Competitive Proposals - Formal advertising when a sealed bid is not appropriate.

Proposals must be solicited from an adequate number of sources

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance
- A written method of conducting technical evaluations must be established
- A contract will be awarded to the vendor whose proposal is most advantageous to the program, with price and other factors considered
- Non-Competitive Proposals - Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 - The item is available only from a single source A public emergency
 - The Federal awarding agency or pass-through entity expressly authorizes the noncompetitive proposals in response to a written request. Naming a vendor in a grant application, strategy, investment, or award does not constitute a sole source approval. A separate written request and approval are both still required.
 - After solicitation of a number of sources, competition is determined.
 - Step 3: Use the method selected in Step 2 to select a vendor
 - Step 4: Check for vendor suspension or debarment at www.sam.gov Suspended or Debarred vendors may not be selected.
 - Retain a copy of search results for Step 5
 - Step 5: Document procurement process, see appendix for Procurement

Documentation Form

- Documentation must include the Method of procurement
- Solicitation method (advertisement, invitation, internet research, etc.)*
- All vendor proposals (printouts of internet research, phone conversation notes, bids, etc.) * Suspension/Debarment results from Step 4
- This does not apply when using the Micro-purchase method
- Step 6: Prepare for a purchase order and or contract
- A purchase order or contract, see Appendix, must include the following:
- An accurate and detailed description of goods or services as approved in grant investment Clear definition of unit cost or rate of pay

- Invoice requirements, clear billing information and break down of charges (Note for contracted services only, payment cannot be made until after services have been provided). Signature by an authorized individual as per procedure
- Contracts must be signed dated by both parties prior to the start of work
- Contracts in excess of \$10,000 must address termination for cause and convenience. See Finance Manager for further clarification if needed.
- Allowable cost only (sales tax, alcohol, donations, entertainment, lobbying, gift cards.... are NOT allowable)
- Step 7: You have now completed the additional steps necessary for federal procurement.
- Step 8: Prepare to pay the invoice
- Do not pay an invoice for contracted services in advance of the work being completed
- Verify work billed on the invoice for contracted services was not completed satisfactorily and per contracted terms and matches the deliverables in the contract (i.e., invoice signed and dated by grant manager) *
- Verification of receipt of goods and manage equipment (see appendix, Management of Equipment Purchased with Federal Funds) *
- Verify proof of attendance where applicable (i.e., sign-in sheet and agenda) *
- Unit on the invoice is consistent with the contract (i.e., if the contract is based on a daily rate, then billing is based on a daily rate)
- If an invoice contains charges for non-federal work or multiple federal programs, the invoice must be clearly written to be able to separate the charges allocated to each source
- Verify the expenditure is within the grant period
- Verify the expenditure is allowable (sales tax, alcohol, donations, entertainment, lobbying, gift cards.... are not allowable) ➤ *Maintain documentation with expenditure packet

STATE PURCHASING

- Purchases made through existing State of New Hampshire or other state contracts shall be deemed to meet the competitive pricing requirements of the preceding purchasing procedures.
- Nothing herein shall be construed to prevent joint bidding and contracting by the school district and other public jurisdictions, and in fact, such joint procurement programs are encouraged. Likewise, where reasonable and practical, joint purchasing among administrators/managers is encouraged.

FOODSERVICE PROCUREMENT

- The proposed items below are requirements associated with the Food Service Program that is supported with Federal USDA funds.
- The following information and policy are in reference to State and Federal requirements following
2 CFR Part 200.318 General Procurement Standards and applicable USDA Child Nutrition Program regulation and policies.
- Large Purchase Procedure
- The formal purchase threshold shall be purchases greater than \$ 150,000, or as outlined by the Federal threshold.

- If the amount exceeds \$150,000 it is considered a **formal purchase**, and a contract will be awarded through a formal bid process.
- The formal bid process includes a call for bids or proposals being published at least once in a local newspaper of general circulation in the district, as well as published in a newspaper generally circulated state-wide and posted on the district's website.
- The call for bids or proposals may also be published in a regional newspaper.
- No contract shall be divided for the purpose of avoiding this paragraph. ➤ Evaluation Criteria must be established.
- Small Purchase Procedure
- The informal purchase threshold shall be purchases less than \$3,500.00
- A small purchase does not require a bid process; however, the small purchase shall be made on a competitive basis.
- Shall obtain three quotes via email and/or written from the vendor.
- General bid documentation must be provided as to the specifications of the product requested, price, and availability for delivery.
- Micro-Purchase Threshold
- The threshold shall be purchases under \$3,500.00 unless it meets the Federal definition for a Micro-Purchase.
- Micro-purchases may be awarded without soliciting competitive quotes if the price is considered reasonable. To the extent feasible, however, a School Food Authority (SFA) must distribute micro-purchases equitably among qualified suppliers.
- Contracts cannot be awarded to potential vendors that prepared any of the bid specifications, the solicitation documents, or the contract language. Potential bidders may provide information for the specifications but cannot prepare documents. Identical bid specifications or requests for proposals must be provided to all potential vendors. This must include all important information such as delivery schedules, quantities, product specifications, and purchase conditions.
- No Geographic Preference (advantage based on location) is allowed with federal funds except for documented Farm to School (Farm to Plate) efforts. Therefore, as part of Farm to School, the district may choose to apply a geographic preference only when procuring unprocessed locally grown or locally raised agricultural products.
- The district will adhere to "Buy American" for the foodservice program. Therefore, Food Service is required to purchase, to the maximum extent possible, domestic products for use in meals served in our Child Nutrition Program.
- However, exceptions are allowed when:
 - Food preferences can only be met with foreign goods Insufficient quantity and/or quality is available in the USA
 - Domestic cost is **significantly higher**
- The School Food Authority (SFA) will retain all Food Program records for three years after final payments and/or three years after any pending matters have been closed and completed.

Procedure:

- The SAU shall also include the **contract administration system** which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- These written "standards of conduct" must also provide for penalties, sanctions, or other disciplinary actions for any violations of those standards.
- Please make sure that written **protest procedures** are also included. These procedures must be in place to handle and resolve disputes to include contractual and administrative issues arising out of

procurements Please make sure that written protest procedures are also included. These procedures must be in place to handle and resolve disputes to include contractual and administrative issues arising out of procurements

SECTION 3-VENDORS TIMING AND PROCESS FOR NEW VENDOR SET UP

- Before securing the new vendor, it is important to be mindful of timelines and processes. Prior to any work beginning, the following information must be completed and on file in the Finance Office.
- When entering a Purchase Request in the Infinite Vision System select from the Vendor drop-down menu: Add a new vendor.
- Enter the vendor information
- Under Internal notes state the reason for adding a new vendor (what is the service they are providing).
- Often the reason for adding a new vendor prompts more steps. If a vendor is providing a service on-site, additional documentation is required. These steps must be taken during the planning process as they must be in place prior to the vendor being on-site.
- New vendors will not be added to the system until such time as all documents are on file in the Finance Office.
- The Finance Department deals with the vendor to make sure the necessary documentation for insurance is on-file, except if the new vendor is for an offsite function (field trip, March Intensive). When selecting a host/destination it is necessary to obtain a certificate of insurance, see section 9 for Insurance Documentation.
- Once the vendor is set up, a Purchase Order can be completed.

RELATIONS WITH VENDORS

- It is the responsibility of the Finance Office and administrators/managers to establish a relationship of mutual confidence and satisfaction between the school district and its suppliers.
- When choosing a vendor to solicit or hiring a current employee in a "vendor" capacity please be aware of policy GBEA: Conflict of interest.
- The vendor shall be considered a supplier of goods and services as well as a source of expertise.
- The Finance Office shall be aware of all transactions that are conducted between the school district and its vendors through the regular issuance of purchase orders and invoice payment process.
- Failure of vendors to meet specified delivery dates or to supply satisfactory goods should be communicated directly to the Finance Office. Poor performance from the vendor could result in the vendor being inactivated and removed from future bidding opportunities.
- To ensure compatibility with school district systems and long-range planning, all information technology purchases (i.e., desktop computers, notebook computers, peripherals, networks, telecom, media technology, application software) need prior approval from the building technology coordinator. In instances where facilities are impacted further approval must be obtained by the facilities manager.
- All purchases related to facilities and maintenance (i.e., trade services, electrical, plumbing, items requiring installation) must be approved by the Business Administrator prior to placing the order to ensure system compatibility and code compliance.
- In instances where technology is installed, further approval must be obtained by the building technology coordinator.

- An employee will not solicit or accept any favor, gratuity, or anything of monetary value except as listed in policy GBEC (Employee Gifts and Solicitations) and GBEC-R (Employee Gifts and Solicitations - Regulation and Guidance).

SECTION 4-RECEIPT AND INVOICE DOCUMENTATION

- Receipts and/or invoices are required for reimbursement and/or payment and must detail the item(s) purchased.
- For example, credit card slips must itemize the purchase, or the detailed invoice must also be included. If you are using a copy of a personal check as proof of payment, the invoice and/or detailed receipt must also be included. The check must show that it cleared your financial institution. It is recommended that personal account numbers be removed and/or blackened out. In order to facilitate processing and storage of financial records, cash register and other small receipts should be taped to an 8.5 x 11 sheets of paper.
- The school district requires itemized receipts for all expenditures. Any requests for reimbursement without proper documentation must be approved by the Superintendent or Business Administrator. This is a one-time exception.
- Timely submission of invoices and receipts is expected within 30 days of incurring an individual expense, reimbursement for travel, supplies purchased, etc. an approved request for payment form must be completed and accompany original receipts or invoices.
- Request for payment forms must be authorized by your principal or designee.
- At fiscal year-end (June 30), all receipts and invoices need to be submitted by July 15 of the new fiscal year for reimbursement.
- Gift cards or certificates are never to be purchased as a way of circumventing the purchasing guidelines.
- The purchase of software applications "apps" must be facilitated by your building technology coordinator.

SECTION 5-EXCEPTIONS, WAIVERS, STANDARDIZATION, AND EMERGENCIES EXCEPTIONS

➤ The following are not subject to bidding requirements: utility purchases medical, health, and social services for school district employees, maintenance contracts with manufacturers of equipment purchased or with suppliers of data processing, software contracts with non-profit organizations for the provision of health, welfare, social, or recreational services for the school district and/or to the general public, contracts with governmental agencies for the provision of governmental services, the acquisition of unique professional services (such as architects, engineers, and other whose services are unique and not well suited to competitive bidding due to the nature of the service provided unless required by state and federal law.

DEFAULT

- Sealed, publicly invited competitive bids will not be required for purchases in any situation where a contractor or supplier has defaulted upon his or her obligations to the school district and there is present security guaranteeing to the school district the performance of said obligation at no additional cost to the school district, over and above the original obligation.
- In such a case, the superintendent, with the approval of the school board, may renegotiate and award the contract to whomsoever he/she sees fit providing that said renegotiation and award do not exceed the amount contracted for in the original obligation.

EMERGENCIES

- An emergency purchase will not be made without first contacting and receiving verbal approval from the Business Office.
- Every effort will be made to place emergency purchases during working hours. Only a minimum quantity of an item is to be ordered and a note is placed explaining the emergency in the notes section of the requisition.

SECTION 6-TRAVEL EXPENSES GUIDELINES

Staff Development and Business Travel Expense Procedures for Policy GCIA (available on the SAU website - <https://www.sau7.org/staffonly/procedures>). All Travel Expenses must receive prior approval based on the funds available through the General Fund or Grant Funds.

Purpose and Scope

The purpose of Policy GCIA is to:

- Provide guidelines and requirements for reimbursement to employees for Staff development-related travel and meal expenses.
- Business-related travel and meal expenses.
- Provide Staff Development and Travel Expense forms that employees will use to receive reimbursement for approved expenses that meet IRS requirements.
- The primary responsibility for compliance with this policy rests with the individual employees requesting funds or reimbursements for travel activities.
- In addition, supervisors who authorize funds and/or reimbursements for staff development and/or business-related travel expenses need to provide active oversight in this area.
- Employees requesting reimbursement should keep in mind that government agencies and other observers may perceive certain expenditures as being either excessive or inappropriate.
- Policy GCIA and its accompanying procedures cover all employees of the school districts within SAU #7 and School Administrative Unit 7.
- It is the intent that Policy GCIA also complies with all relevant regulatory requirements.
- This policy applies to expenses incurred away from home, as well as other necessary and essential travel and business expense incurred locally.
- The School District will reimburse only those expenses incurred in connection with School District business that is appropriately documented by the employee and properly approved in advance in accordance with this policy.
- Assuming a reasonable level of comfort and convenience for the employee, every effort should be made to keep District expenses to a minimum. Employees should use standard accommodations in reasonably priced hotels. Reimbursement will be on the basis of actual and reasonable expenses incurred for transportation, meals, lodging, and other necessary and reasonable business expenses. Procedures at individual school sites may modify how authorization for travel is granted but the minimum requirements included in this policy procedure shall govern. Schools may elect to impose additional controls over travel expenditures beyond those required by this policy procedure. The GSA costs will be the determining reimbursement rate. <https://www.gsa.gov/perd/item>
- Following travel, the Request for Payment form showing actual travel expenses with all supporting documentation will accompany the final Receiving Copy of the PO and include the principal's approval.
- The district will not reimburse employees for expenses that are inherently personal in nature such as childcare, clothing, personal recreation, or entertainment.

- Reimbursable expenses must have a business purpose. The District will not provide travel advances nor make reimbursements for the travel expenses of spouses or others who accompany faculty or other employees on District business.

POLICY OVERVIEW

- During the normal course of business activity, an employee may incur expenses that should be reimbursed. The employee may pay for these expenses with personal funds and request reimbursement, or, although not encouraged, may request a travel advance.
- When incurring a reimbursable expense on behalf of the district the employee is responsible for requesting the reimbursement, which is properly documented, authorized by management, and submitted timely. This policy procedure explains what type of expense is reimbursable and the reimbursement process.
- It is the intent of Policy GCIA that employees who incur business expenses while conducting district business should neither gain nor lose personal funds as a result.

DEFINITIONS

Reasonable Expenses: Expenses that are neither lavish nor extravagant and are directly related to staff development or conducting district business. Lodging and meal expenses must be reported on an actual cost basis using the per diem limits set by the US General Service Administration (GSA).

The GSA - Federal Travel Regulation meals guidance.

- **Reimbursable/Direct Paid Expenses:** The District will pay for business travel, and meal expenses if they are reasonable, appropriately documented, and properly authorized, and may include:
 - Registration fees for event/conference
 - Tuition for College Credit or Non-Credit Courses Airfare
 - Ground transportation Lodging
 - Meals - as part of travel Meals - local business meals Personal mileage
 - Parking/tolls
- **Non-reimbursable Expenses:** The following items are considered non-reimbursable expenses (additional restrictions may apply depending on funding source):
 - Airline seating upgrades above coach Travel insurance
 - Airline calls
 - Airline change fees, unless with the prior approval of the Superintendent Alcohol
 - Hotel recreational activities Hotel room video rentals
 - Expenses related to vacation or personal days taken before, during, or after a business trip
 - Commuting (employee travel to/from work on a daily basis)
 - Expenditures of a personal nature Expenditures for family members
 - Any expense that has been or will be reimbursed from any outside sources
 - Employees are responsible for all non-reimbursable expenses incurred while traveling on behalf of the District.

PROCEDURE FOR APPROVAL AND PAYMENT

- Before incurring any staff development, travel, or business-related expenses an employee must receive prior approval by requesting Professional time off through the district's time off request software. The proposal forms should be retained in the school office for a period of six years from the date of travel. Requests for funds from the SDC should be handled in a manner consistent with current approval processes.

- If not self-evident, justification of how the expenditure will enhance the employee's professional knowledge should be documented in the Notes section of the proposal form.
- Unanticipated travel in-state (unusual educational events/award ceremonies, sporting events/playoffs, etc.) not requiring lodging does not require prior permission or a formal proposal form but needs to be entered into the time off request software system. This formally notifies the Supervisor of the employee's time away from the building during normal business hours. All other procedural requirements for reimbursable expenses related to this travel should be followed.
- Advance Payment of Staff Development and Business Travel Expense Travel Advance payments are discouraged and used ONLY when the employee needs expense monies prior to traveling. This should be requested by filling out either the Advance or Forward funding sections of the proposal form and obtaining approval from the Principal and Superintendent. Advance payment directly to an employee will not be issued more than one week prior to the date of travel.
- Payment for conference registration fees should be paid directly to the vendor by the district and not processed as a reimbursement to the employee.
- Payments for airfare or hotel prepayments may be made in advance as reimbursements to the employee or paid directly to the vendor(s).
- Payment for tuition for college credit or non-credit courses will only be made as a reimbursement after completion of the course, and only if the employee demonstrates the passage of the course with a grade of "B" or better.
- Other requests for prepayments to vendors prior to the time of travel should be rare and approved on a case- by-case basis.
- All such requests should be submitted to the business office, signed by the Principal, along with a receiving copy of the Purchase Order issued for the activity, and include all required supporting documentation.
- The business office will forward the check along with any forms needed by the vendor that the employee has provided (e.g., course registration forms). Prepayments will be issued within a reasonable timeframe to ensure availability deadlines are met and the best rates are attained.
- Prepaid expenditures will be accounted for in the final reconciliation of the trip expenses by noting the prepayment on the final Receiving Copy of the Purchase Order and reducing the remaining expenses accordingly. Any monies owed to the District at the conclusion of the travel must accompany the form and be returned within five (5) days. If the advance is not used or justified appropriately, the employee may be subject to disciplinary action and/or a repayment plan. If not repaid, advanced monies in excess of documented expenses may be taxable income to the employee.
- **Actual Receipts Required:**
- Actual expenses must be used for all business travel and entertainment reimbursements.
- Lodging and meal expenses must be reported on an actual cost basis substantiated with itemized, original receipts for all expenditures using the per diem limits set by the US General Service Administration (GSA).
- Acceptable meal and lodging limits should be researched for the location being visited and can be found at: <http://www.gsa.gov/portal/content/104877>.
- **How to Process Credits**
 - Occasionally a vendor may issue a credit or a refund to an employee, (e.g., a change in travel plans or switching to a less expensive hotel room). If the District paid the original expense, the employee should write a check to reimburse the district for the amount of the credit/refund. Failure to do so may result in disciplinary action. For such issues as frequent flier miles, cash rewards, or other credit card inducements the Business Administrator only will maintain all such credits to be used for future business ventures as deemed appropriate by the Business Administrator or Superintendent.

➤ **Mileage Rate Reimbursement**

- When the use of a personal automobile is necessary, reimbursement for its use will be made using the IRS government mileage rate per mile and within IRS guidelines. The reimbursement rate is announced annually (generally in January) and covers the employee's use of their vehicle and gasoline. It is the responsibility of the employee to carry adequate insurance.
- Professional travel (with documentation) outside of school hours or beyond regular commuting during a normal workday is reimbursable.
- Professional travel in lieu of commuting to work on a regular day is reimbursable for expenses beyond the normal commute. I.e., Miles traveled in excess of the employee's normal commute. Employees are required to provide documentation (e.g., data from Google Maps, MapQuest, or the like).
- If the miles traveled from your home to the event are less than your ordinary commute, you are not eligible for any reimbursement. If the miles were greater than your normal commute, reimbursement for the excess amount may be requested.
- In addition to the mileage rate reimbursement, an employee may be reimbursed for tolls and parking, receipts are required.
- It is the employee's responsibility to report mileage accurately. Any mileage reported incorrectly and/or reimbursed must be paid back and may result in further disciplinary action.
- Rental Cars - Public Transportation is encouraged for travel. However, if a car rental is needed, prior approval from the business office must be obtained. Reasonable and customary use of rental cars is reimbursable when included in the approved staff development proposal form.
- Rental car use is limited to standard automobiles. Mileage reimbursement is not made on rental car use, but receipted gasoline expense is. While the district's insurance will respond if an employee is involved in an accident with a rental car, the district recommends employees opt for the loss damage waiver insurance and liability coverage offered by most rental car companies.
- An employee will not be reimbursed for the following, even if these costs are incurred during business travel:
 - Car repair
 - Rental car costs during repair of personal car
 - Towing charges
 - Tickets, fines, or traffic violations
 - Vehicle maintenance

➤ **Receipts and Documentation**

- Receipts must be original and include the vendor's name, location, date, and detail of the actual item or items purchased. Any foreign currency expense amounts should be converted to US Dollars. If using cash, you'll need to provide the daily rate paperwork effective on the date of the expense. (Best practice would be to utilize a credit card that does US conversion on your statement or any currency conversion calculator which can be found online via a search engine.)
- It is the employee's responsibility to retain and submit original receipts for all expenditures regardless of amount, and under no circumstances should the employee be reimbursed more than once for the same expense.
- In the event that multiple District employees are involved in the same business travel, meal, or entertainment expense, the highest-ranking staff member should incur and submit the expense.

- **Acceptable documentation includes:**
- Original Receipt
- Photocopies of credit card charge slips, or billing statements are not sufficient documentation, nor are tear-off stubs, for expenses. In the case of airfare employees must submit detailed travel itineraries.
- All attempts should be made to obtain original receipts. If multiple original receipts are missing for the same trip, expenses will not be reimbursed.
- **How to Be Reimbursed**
 - Complete and attach the Request for Payment form, available from your school office to the Receiving Copy of the Purchase Order. Also attach any Certifications of Completion, CEU statements, and/or transcripts for credit or non-credit college courses.
 - To fill out the Request for Payment form accurately the following must be completed:
 - Employee /Vendor Name Complete Mailing Address
 - Dollar Amounts /Original Receipts
 - Deduct any Prepayments and Travel Advances Amount Due Employee/Employer
 - Employee (Reimbursee) Signature/Date Principal's Approval Signature/Date
 - It is the employee's responsibility to process all expense reimbursements within five (5) days in order to receive reimbursement for district-related expenses. Employees, who by late submission of expense documentation cause the district to incur late fees, will pay those late fees unless otherwise waived by the Business Administrator. Expenses should be entered on the applicable lines of the Request for Payment form which best describe the type of expenses incurred. Expenses that have been directly paid to a vendor (e.g., conference registration fees, tuition, hotel, or airfare prepaids, etc.), or travel advances to employees should be reported on the Request for Payment form to reduce the amount due accordingly. Although these amounts are not eligible for additional reimbursement, documenting them on the travel voucher provides a comprehensive report of all costs associated with a particular activity. Submit this final documentation to your school secretary. The school secretary will obtain the principal's approval and forward the documentation to the business office for reimbursement. The school secretary will also update the employee's staff development record for any recertification credit hours earned and retain completion documentation for recertification purposes.
 - In the event of activities associated with recertification credit for Principals or other administrators, this information will be forwarded to the Assistant to the Superintendent, who will process this documentation in the same manner - shown above as the school secretary would for teaching or other building level staff.

ENFORCEMENT

- Violations of this policy may result in expenditures not being reimbursed by the district.
- Violations of this policy may result in disciplinary action, up to and including termination of employment.
- References: See Appendix for forms
- SOC Proposal Form, for staff other than administrators Administrator Proposal Form Request for Payment Form
- Receiving Copy of Purchase Order Form

SECTION 7-TRANSFER OF APPROPRIATIONS

Administrators and other managers shall be responsible for ensuring that expenditures are within the total funds allocated for their respective department(s).

TRANSFER OF APPROPRIATIONS

It is the school board's intent to limit spending to the amount specified in each line item for the budget. The administrator/manager of a department may transfer any unspent balance or any portion thereof within his/her department budget lines subject to the following procedures:

- The administrator/manager of a department may transfer any unspent balance or any portion thereof to another department subject to approval by the receiving department's administrator/manager and the procedures outlined above.
- Excess funds cannot be transferred from any payroll or benefits lines.

Definitions:

Over-budget Expenditures are defined as expenditures that have exceeded the amount budgeted in an individual account number.

Unbudgeted Expenditures are defined as expenditures for which no funds have been budgeted. Based on policy DBJ- Transfer of Appropriation References: See Appendix for form: *Budget Transfer Request*

SECTION 8-FORMAL BIDDING REQUIREMENTS GENERAL FUND, STATE AND FEDERAL GRANTS

Every school district purchase or contract, see section 5, shall be made only after the receipt of publicly invited (posted on the district website), sealed competitive bids on uniform specifications.

The requesting administrator /manager, in consultation with the business administrator, is responsible for the following:

- Developing specifications which shall contain the following information:
- Where the bidder can obtain bid documents; any costs of bid documents; bid submittal deadline to include the date, time, and location of bid opening; any special requirements, such as bid performance or payment bonds; approved letter of credit and/or insurance and retainage statement; that the school district reserves the right to reject any and all bids; to accept the bid deemed to be the lowest reliable and responsible bidder; the ability to service the account; general conditions; minimum specifications bid proposal form; delivery or project completion date, including any fees to be charged to the bidder if the project is not completed on time; if applicable school district retainage requirements; and if applicable school district insurance requirements (refer to section 9) period of bid validity.
- Specifications should be developed with attention to the following guidelines: should be concise, free of ambiguities, and provide a sound basis for competitive bidding should not require features or quality levels unnecessary to the function or required operation performance specifications are

preferable as they promote innovation and cost reduction acceptable brand names should be considered when preparing specifications.

- Except as noted in section 5 of this manual, bid documents shall be mailed or electronically provided to all qualified vendors, or the vendors will be notified where the bid documents can be accessed.
- Post the invitation to bid on the school district's website.
- If changes to specifications are required after the bids have been advertised and mailed, such changes shall be accomplished through the use of an addendum. The addendum will be mailed to all bidders and on the school district's website.
- Receive the sealed bids prior to the designated bid opening date and time and record the arrival date and time of each bid. Any bids received following the specified date and time will be returned to the bidder unopened.
- Unless otherwise noted, hold a public bid opening on the date and time specified. All bid documents become public information upon completion of the bid opening.
- Tabulate all bids received and evaluate the bid results for conformance to the bid documents.
- Factors to be considered in evaluating the bids include the following: bidder's ability, capacity, and skills to perform within the specified time limits bidder's experience, reputation, efficiency, judgment, and integrity quality, availability, and adaptability of the supplies or materials; bidder's past performance; reference checks; sufficiency of bidder's financial resources to fulfill the contract bidder's ability to provide future maintenance and/or service other applicable factors the school district determines necessary or appropriate (such as compatibility with existing equipment or hardware)
- Tabulate the bid results and submit them to the superintendent and/or business administrator. If the recommended vendor is not the low bidder, provide justification for the award to the higher bidder.
- After school board approval, prepare a purchase requisition and notify all bidders of the results.
- Ensure any bonds, insurance, and contracts have been received from the successful vendor. Obtain superintendent and/or business administrator signature on all contracts.
- All original contracts and documentation should be maintained at the Finance Office. Administrators /managers should maintain a separate file for each project to include copies of all documents related to the bid process and goods or services received.
- Administrators/managers must submit a screenshot of the System for Award Management (SAM) clearance from exclusion/debarment from the www.sam.gov website with the contract prior to requisition approval. A user account is not required to search public records.
- ‘The school district reserves the right to reject any or all bids and to accept a bid which the district deems to be in the best interest of the district. Specifically, while the price/cost of a bid will be a significant factor in awarding a bid, the district reserves the right to accept a bid that is not the lowest cost bid submitted based on what it determines in its sole discretion is the best interest of the District.’ In addition, it is frequently helpful when requesting bids to include or refer to a copy of the contract that the district will expect to enter with the bidder once bids have been accepted and evaluated by district personnel.

SECTION 9-INSURANCE AND BOND REQUIREMENTS

The following are the minimum insurance requirements of the District unless specifically waived by the school board.

Any insurance policy required for projects shall name the appropriate District as Additional Insured with respect to liability arising out of work performed by the Certificate Holder.

Worker's Compensation (Limits subject to State Law)

- Part One: Worker's Compensation
- Statutory Part Two: Employers Liability
- Bodily Injury by Accident \$100,000 for each accident
- Bodily Injury by Disease \$500,000 policy limit
- Bodily Injury by Disease \$100,000 each employee
- Sole proprietors are not required to carry worker's compensation. Once they have one (1) employee, then worker's compensation must be acquired.
- Worker's compensation will not name the school district as additional insured.
- General Liability \$1,000,000 per occurrence / \$2,000,000 policy aggregate
- Auto Liability Combined Single Limit for owned, hired, and non-owned vehicles
- Combined Single Limit \$1,000,000 per accident ➤ Uninsured Motorists \$1,000,00 per accident
- Limits are subject to change per the school district's insurance carrier.
- Performance bonds for the total project cost may be required depending upon the type of project.
- Performance bond for 100% of the contract price will be required for public works contracts. A letter of credit may be substituted for the performance bond requirement upon approval by the requesting department head and the superintendent and/or business administrator. Requirement of RSA 447:16 regarding Labor and Material Bonds
- Competitive bidding involves situations where the district is entering a contract with or selling to or buying from a public official. See RSA 95:1.
- There are strict limits on the amount of such a purchase or sale and requirements for open competitive bidding if a dollar value is exceeded – currently \$200. In addition, grant-funded projects may require competitive bidding.

RSA 447:16 Bond Required. – Officers, public boards, agents or other persons who contract in behalf of the state or any political subdivision thereof for the construction, repair or rebuilding of public buildings, public highways, bridges or other public works shall if said contract involves an expenditure of \$75,000 in behalf of the state or \$125,000 in behalf of a political subdivision, and may if it involves an expenditure of less amount, obtain as a condition precedent to the execution of the contract, sufficient security, by bond or otherwise, in an amount equal to at least 100 percent of the contract price, or of the estimated cost of the work if no aggregate price is agreed upon, conditioned upon the payment by the contractors and subcontractors for all labor performed or furnished, for all equipment hired, including trucks, for all material used and for fuels, lubricants, power, tools, hardware and supplies purchased by said principal and used in carrying out said contract, and for labor and parts furnished upon the order of said contractor for the repair of equipment used in carrying out said contract.

RSA 95:1 Public Officials Barred From Certain Private Dealings. – No person holding a public office, as such, in-state or any political subdivision governmental service shall, by contract or otherwise, except by open competitive bidding, buy real estate, sell or buy goods, commodities, or other personal property of a value in excess of \$200 at any one sale to or from the state or political subdivision under which he holds his public office.

SECTION 10-CONTRACT CHANGE ORDERS

Contract change orders are authorized to be made where necessary by the superintendent and/or business administrator upon verification of available funds.

Subsequent payment requests shall show the change order and the amount thereof as an increase or decrease to the basic contract and are subject to approval as stated in section 4.

SECTION 11-DISPOSAL OF DISTRICT PROPERTY

School District property in the form of instructional materials, furniture, equipment, and supplies other than capital holdings such as land, buildings, and major installations may be disposed of when declared surplus or obsolete on any one of the following criteria:

- The material in question exists in quantities exceeding the possibility of effective use by the District.
- The material is unsound, out-of-date, inaccurate, or in an unusable condition.
- The material is occupying space that could be otherwise be used for educational programs and the material is not in current demand or is not anticipated to be in demand in the foreseeable future.
- If the materials were originally purchased with federal grant money, their disposal must follow the procedures that were mandated by the federal grant.
- Contracts with and the disposal of district property to government officials is regulated by the provisions of RSA 95:1
- A determination as to whether any of these criteria apply to the above-mentioned asset classes currently possessed by the district shall be made by the Superintendent.
- The School Board authorizes the Superintendent or his/her designee to dispose of the items according to the following priority actions:
 - By selling to the highest bidder or whatever other business arrangements are in the best interest of the School District.
 - When practicable, the district shall donate such items to charitable organizations and schools.
 - By giving such items to local citizens.
 - By disposal to the appropriate waste/recycling stream.
- All such disposals should be disclosed to the School Board at a regular School Board meeting.
- Any monies received as a result of disposal shall be accounted for and be placed in the district funds as miscellaneous income for the current fiscal year to defray the costs of the current year or to roll into surplus.
- Capital asset inventories, if affected, will be amended to reflect changes in value through disposal.
- The Superintendent shall see to it that the method of disposal shall be in the best interest of children and patrons of the School District.
- References: See Appendix for form Policy DN-R Disposal of District Property - Notification Form Revise to match section II

SECTION 12-PETTY CASH ACCOUNTS

Administrators/managers will administer petty cash funds established for his/her department or school as follows:

- Petty cash may be used to purchase items costing up to \$25.00 if no other means to procure the product are available.
- Incremental purchases will not be made for the purpose of circumventing this regulation.
- No single purchase/reimbursement shall exceed \$25.00. Purchases/reimbursements in excess of \$25.00 shall require a purchase order. In cases, the maximum petty cash allowable for each school and/or special program is \$50.00. Funds will be in the form of cash on hand.
- The Building Principal is responsible for all expenditures/reimbursements made from the petty cash fund.
- No purchase will be reimbursed through a petty cash account unless accompanied by an original itemized receipt, proof of payment, and a properly completed request for a petty cash reimbursement voucher.
- A purchase order must be completed to replenish your petty cash. Please expense each receipt to the proper budget account and attach the receipts electronically to the PO. This process should be done periodically so there is funding available at all times.
- Additional revenue received may not be put directly into petty cash. All funds must be turned in to the Finance Office, and the appropriate account will be credited. Petty Cash reimbursement checks are the only funds that may be added/deposited into the petty cash accounts.
- Petty cash accounts should be reconciled monthly and subject to internal audits quarterly. As petty cash remains in the school year-round, please be mindful that you must replenish your cash and submit all receipts prior to June 30th. All receipts after that day are expensed against the next year.

SECTION 13-DISTRICT CREDIT CARD

See Manual under Appendix A

- As with all expenditures, an approved purchase order should be in place prior to a purchase occurring.
- When a request for purchase occurs, e.g., an order, a conference, etc., a purchase order is created, in the reference field in the accounting software please use the date of the charge, the vendor, and the Principal's initials.
- Example: 08.17.2018 - Home Depot - JT
- The date of the transaction is the actual date the card was charged. The SAU office files by charge date. When the statement comes in, we go down the line to match to purchase order. If you are encumbering for a trip, hotel, car rental, etc. if they are not charging the card on that particular day, your date is the last day of the person's stay or use.
- Process your order, book your conference, etc. using the district credit card (will be made by the SAU office).
- Please attach the confirmation email or confirmation order to the purchase order once it is received via email. You will also need to attach the final billing documentation if overnight accommodations were charged when the staff member returns. Kindly remember all backup needs to be itemized.
- If the price differs from the encumbrance the purchase order should be revised as soon as possible so the charge in the accounting system matches. This helps in the reconciling process.
- The purchase order needs to have a receiving date that matches the transaction date.

- It is important to receive the purchase order (PO) the same day of the transaction so the SAU can reconcile in a timely manner.
- When the statement is received, the Finance Manager authorizes payment to avoid late fees.
- Your timeliness is appreciated.

Appendix

ALL FUNDS

Accounts Payable and Payroll Voucher Approval Information (understanding account numbers and classification)

GENERAL FUND - STUDENT ACTIVITIES:

Journal Entry Form

Policy DN-R Disposal of District Property - Notification Form Sole Source Purchasing - Documentation Form

FEDERAL FUNDS:

Federal Procurement Procedures Allowability of Cost Procedure Procurement Documentation Form

Independent Contractor Agreement - Grant Funds Management of Equipment Purchased with Federal Funds

SECTION 14-STUDENT ACTIVITY FUNDS

See Student Activity Fund Manual for procedures

- Purchases must have prior approval from the Building Principal.
- Purchase requests must be submitted.
- All purchases must have proper approval prior to placing orders with vendors.
- Administrators/managers and designees assume full responsibility for compliance with the policies established herein and for all purchases made in violation of said policies.
- Any employee who fails to comply with the purchasing policies and procedures will be subject to disciplinary action as provided for by the school district's personnel policies and procedures for other administrative regulations passed by the school district.
- Due to the fact that some vendors do not accept purchase orders, we have coordinated district credit cards in order to facilitate the need for unique purchases.
- Contact the Principal or his/her designee in your building for use of the district credit card.
- Submit a purchase requisition in order to generate a purchase order.
- After the purchase order has been generated, the district credit card may be used to facilitate that order.

SAU #7 Policy Committee Reviewed/Revised: April 6, 2023

SAU #7 Board Reviewed/Revised: April 13, 2023