



ENGLEWOOD PUBLIC SCHOOLS 2013-2014 PURCHASING MANUAL

INTRODUCTION

The purpose of this document is to outline proper purchasing practices for the Englewood Public School District. It is imperative these practices be followed as they are driven by the respective laws and guidelines governing purchasing. These include:

- New Jersey Public School Contract Laws - Title 18A:18A
- New Jersey Administrative Code - N.J.A.C. 5:34 et. seq.
- New Jersey Local Government Contracting Laws
- EDGAR, PART 80
- Englewood Board of Education policy

The document is designed to help those involved in the district's purchasing process achieve four primary goals:

- 1) become familiar with purchasing practices and procedures;
- 2) follow the law and Englewood Board of Education policy concerning purchasing;
- 3) promote efficiency in purchasing practices; and
- 4) effect savings through the use of appropriate purchasing practices.

This document should be reviewed with, and distributed to, school administrators, teachers, secretaries, and any others involved in the purchasing process. If you have any questions or concerns about purchasing practices in the district, please contact either of the following individuals:

- Maria Engeleit, Business Admin. (ext. 6271) mengeleit@epsd.org
- Robert Sims, Account Manager (ext. 6240) rsims@epsd.org
- Christina Johnson, Accounts Payable (ext. 6210) cjohnson@epsd.org
- Colleen McCallum, Office Manager (ext. 6252) cmccallum@epsd.org
- Lisa Finn-Bruce, Grants Management (ext. 6254) lfinnbruce@epsd.org

Your full cooperation in adhering to the purchasing procedures referenced herein will contribute greatly to the integrity of the financial operations of the district.

A copy of this document, and all pertinent forms referenced in this document will be placed on the District website under the Faculty/Staff tab in a menu item labeled Purchasing.

PURCHASING DOLLARS

Purchases can be thought of in terms of single item dollar amounts, and total dollar amounts collectively across the District. Each dollar level has specific requirements associated with it:

\$1.00 - \$5399: When a single desired item falls into this dollar range, and it will not be aggregated to a total District amount, any qualified New Jersey vendor may be used, and a requisition created with a quote for the purchase price, and/ or other detailing information regarding the purchase attached.

\$5400 - \$35,999: When a single desired item falls into this dollar range, three quotes for the item is required to move forward with the purchase. It is the responsibility of the individual wishing to purchase the item to obtain the quotes. In almost all cases, the lowest quote will be awarded the purchase. The quotes will need to be attached to the requisition form sent to the Business Office.

\$36,000 and higher: When a desired good, service, or construction project falls into this dollar range, a formal competitive process must take place. These "competitive processes" are bidding, requests for proposals, and/or competitive contracting. This category of purchases will need the involvement of the Business Office directly for compliance with all legal requirements. Please contact Maria Engeleit should the desired purchase fall into this category.

The dollar thresholds above cover the price of a single item in the order, not the total dollar amount of the purchase order. If a clarinet costs \$350, but 10 of them are being purchased, for a total purchase of \$3500, this does not require quotes be obtained and attached to the requisition. If a new weight bench is being purchased for \$7800, that purchase would require 3 quotes. And, please be advised, a purchase may not be split into separate orders to attempt to circumvent the law.

These purchasing thresholds are defined by New Jersey Public School Contract Laws – Title 18A:18A, and Local Public Contracting laws also defined by the State of New Jersey. There are ways to assist the District in obtaining the required quotes, and in complying with the competitive process of purchases. These are by using New Jersey State Contract vendors, or by participating in Cooperative Purchasing Agreements. Any school district in New Jersey may use state contract vendors. Englewood also participates in the following Co-Ops:

Hunterdon County Education Services Commission	http://purchasing.hcesc.com/index1.cfm
Middlesex Regional Education Services Commission	http://www.mresc.k12.nj.us/business/mresc_cooperative.htm
Morris County Co-Op	http://www.mccpc.org/
New Jersey State of NJ	http://www.state.nj.us/treasury/purchase/coop_agency.shtml

You may use any vendor that has been awarded contracts with any of the above 4 entities. When creating the requisition please be sure to reference what co-op was used, and indicate the corresponding contract number for the vendor and good/service being purchased.

Definition of Terms:

Single Item dollar amount: one specific item, ie. one musical instrument, one computer

Aggregated to District Total: items that may be categorized as similar in nature, used across the District. Examples are classroom supplies, office supplies, school nurse supplies, copy machine paper, bathroom tissue and paper towels.

Qualified New Jersey Vendor: a vendor who has obtained a Business Registration Certificate from the State of NJ, and one who will also submit a Political Disclosure statement.

PURCHASING PROCESS

Goods and/or services may only be obtained with a written, duly signed Purchase Order **issued in advance of** the ordering and/or receipt of the merchandise. The District's Business Administrator is the only person authorized to sign purchase orders.

Unauthorized purchases are ones for which no valid purchase order has been issued. These types of purchases are illegal in the State of New Jersey, and require that the offending requestor of the goods and/or service pay for those respective items, personally. The school district is legally precluded from paying for unauthorized purchases.

The following steps are used to generate a Purchase Order:

1. A District employee decides what merchandise is needed and researches purchase price and allowable vendors.
2. A building level employee will enter the request into Systems 3000 creating a Requisition. A copy of the Requisition and any supporting documents (quotes, shopping carts, etc) is sent to the Business Office. Please make sure a copy of these documents is also maintained at the school site.
3. There is an online approval process for these requisitions that requires the School Principal to approve the requisition, sending it on to the Business Office for purchasing law, and budget account code validation.
4. The online process moves the requisition to the Superintendent's queue for review and approval.
5. Once approved, it returns to the Business Office for final approval, conversion from a requisition to a purchase order, and is printed.
6. The Business Administrator, reviews and signs the final purchase order
7. **ALL** Purchase Orders are mailed to their respective vendors.

The following steps are used once a Purchase Order has been issued:

1. The white and yellow copies are mailed to the vendor. The vendor must sign the yellow copy and return it to the District before any payment can be made
2. The goldenrod, and 2nd white copy are maintained in the Business Office
3. The pink and green copies are sent to the originating school.
4. Once the merchandise has been received, the PINK copy must be signed and returned to the Business Office
5. No payment may be made to any vendor without the signed pink copy from the school, the signed yellow copy from the vendor, and a vendor invoice being received by Accounts Payable.
6. Once a check is created, it must be put on a vendor bills list that will be approved by the Board of Education prior to the mailing of the payment to the vendor.

On average, it should take no more than two (2) weeks to process a standard purchase order to obtain goods or services for the District.

13 – 14 STANDARD VENDORS for basic school and office supplies will be SCHOOL SPECIALTY, and their related companies, STAPLES. The online processing purchase procedures set up for last year will still be in effect, and will be attached to this document. You may review the four sources listed on p. 1 of this document should there be a desire to seek other vendors for similar items.

ADDITIONAL INFORMATION

A purchase order issued after the receipt of goods and/or services is called a **Confirming Order**. Confirming orders are similar to unauthorized purchases, and are prohibited by New Jersey State statute. Vendors will attempt to indicate they can fill orders without a purchase order – do not follow suit as doing so also violates Board Policy. The Business Office will monitor confirming orders, and issue letters of reprimand with the following penalties:

First Offense: a letter from the Business Office will be issued to the offending employee, with a copy to his/her personnel file, a copy to the Superintendent, Assistant Superintendent, and the respective Building Principal.

Second Offense: a formal conference with the Superintendent, Assistant Superintendent, Business Administrator, and a written letter in the employee's personnel file. The offending employee must pay for the purchase from personal funds.

Third Offense: a recommendation will be made for the loss of increment for the following school year, and employee must pay for purchase from personal funds.

New Vendors: if the desired vendor is new to the District, please contact Christina Johnson and/or Robert Sims to have a new vendor created in Systems 3000. There is specific information needed in order to process payments, and all vendors must be registered to conduct business in the State of New Jersey.

Expedited Orders: At times, it may be necessary to expedite an order through the purchasing process. Should there be an urgent situation that requires an order to be expedited, please contact Colleen McCallum at ext. 6252, or Robert Sims at ext. 6240. Please keep in mind the normal purchasing process takes approximately 2 weeks to internally process a purchase order, and then time must be allotted for the vendor to fill and ship the order. EXPEDITED ORDERS should be the exception, not the rule, and the Business Office reserves the right to deny a request to expedite an order.

Technology Purchases: any purchases of computers, iPads, laptops, projectors and associated accessories must go through the Technology Department. Please contact Mike Hunken for these types of purchases

Out of pocket purchases: If there becomes a need to purchase supply type items, at a total cost of \$30.00 or less, an employee may, with proper building level approval, make this purchase out of pocket, and request reimbursement from the District. Again, this should be an exception to the regular purchasing process, and should only be done with **PRIOR** Principal approval. The employee would complete the applicable expense reimbursement form, attach the original sales receipts, obtain supervisory and/or Principal approval, and submit it to the Business Office. Please be advised that school districts are tax exempt. If sales tax was paid on the purchase, it can not be reimbursed to the employee.

Business Travel and/or Professional Development Opportunities: Attending conferences and/or professional development classes requires 3 sets of documentation to be completed. The first set is the applicable request for travel approval forms completed by the employee, approved by the respective Building Principal, the Superintendent, and the Business Administrator. This first set will also need Board of Education and/or County Office approval for attendance, and therefore must be submitted with enough advance notice to comply with those requirements, and be presented on a public board meeting agenda. The second set is the purchase order to the vendor to cover the cost of the training (this is the one most forgotten in looking for approval for PD, but causes the most problem when the vendor is looking for payment). The third set is completed once the employee has returned, and is requesting reimbursement for out of pocket expenses. The third set of documents will be submitted to the business office for payment to the employee. The request for travel approval forms (set one) must be completed and presented on a board agenda irregardless of any cost to the District for the employee's attendance. Please be sure to include the cost of substitute teachers as a cost on these forms as well.

Contracts for Goods and Services

If a formal contract is required for the purchase of goods or services, the contract is between the Board of Education and the vendor. This contract must be approved at a regular public meeting of the Board, and then can only be signed by either the President of the Board of Education and/or the Board Secretary. Employees do not have statutory authority to commit the District to the terms and conditions of a vendor contract, and therefore can not sign them. Should a vendor require a contract be signed, please contact either Maria Engeleit at ext. 6271; or Robert Sims at ext. 6240.

ETHICS IN PURCHASING

It is in the best interest of the employee, District, and Board of Education to have all individuals involved in the purchasing process practice exemplary behavior with respect to the purchase of goods, materials, supplies and services. Within this context, the Board would like to emphasize the following:

- **Funds, Solicitation of Gifts** – District officials and employees are prohibited from soliciting funds, materials, goods, supplies, favors and other items of value from vendors engaged in business with the Englewood Board of Education. This includes goods or services that would be of a personal nature to the employee, ie work done on a private home, or gifts that would be of use outside of the school environment.
- **Receipt of Gifts/Favors** – District officials and employees are prohibited from receiving unsolicited gifts and/or favors from vendors. This may give the impression among the general public and potential contractors of favoritism in the award of contracts. This includes any “holiday cheer”.
- **Favoritism** – District officials and employees who recommend purchases should not extend favoritism to any vendors. Each requested purchase should be based upon quality, price, service delivery and other relevant factors and in full compliance with N.J.S.A. 18A:18A.
- **Family Members** – District officials and employees should avoid recommending purchases from members of their family or businesses that employ members of their family.