

# **PURCHASING MANUAL**

Updated 2020

## **INTRODUCTION AND PURPOSE**

The purpose of this Purchasing Manual is to assist all school district employees with the proper purchasing practices to be in full compliance with:

- New Jersey Public School Contracts Law--N.J.S.A. 18A:18A-1 et seq.;
- New Jersey Administrative Code--N.J.A.C. 5:34-1 et seq.;
- Board of Education Purchasing Policies;
- Federal Procurement Code--2 CFR 200.317 et seq., when applicable;
- NJQSAC Fiscal DPR Indicator #15;
- Local Finance Notices – NJ Division of Local Government Services; and
- Other laws and administrative code when applicable.

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

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

### **Proper Planning**

We ask you, the user of the purchasing system, to help achieve these goals through proper planning. Please allow yourself enough leeway between generating a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services do you need on an annual basis? Through proper planning, we can eliminate much of the frustration that is encountered with all public school purchasing procedures.

### **Who Should Review this Manual?**

This manual should be reviewed with all administrators, department heads, teachers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adhere to all purchasing laws and guidelines.

### **Deliberative Process**

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

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

- **Limit Fraud**

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



### **Recommending Purchases; Educational/Operational Rationale**

Administrators who recommend purchases should be able to explain and defend the need of the purchase and why the purchase is essential to the school district. Administrators who sign off on requisitions/purchase orders should always consider an educational or operational rationale for the purchase based on the following:

- How students will learn or benefit from the purchase?
- What educational achievement or program may be linked to the purchase?
- How is the purchase of operational value to your school/office?
- Are the goods/services purchased useful for the long term rather than immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?

Administrators may have to justify the need for the purchase.

### **QPA Certification**

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

School officials and employees who are authorized to sign off on purchase orders and/or to recommend purchases or business transactions by virtue of their signature on the purchase order certify that their actions are consistent with this policy and all applicable statutes.

## **PUBLIC SCHOOL PURCHASING—LEGAL AUTHORITY**

### **Authority to Purchase—School Business Administrator/Board Secretary**

The purchase of goods and/or services by a board of education is governed by state statutes, administrative code and board policy. New Jersey State Law 18A:18A-2 (b) assigns the legal authority to the Purchasing Agent (School Business Administrator) to make purchases for the board of education.

The Purchasing Agent is the only individual in the school district that has the authority to make purchases for the board of education. The terms “Purchasing Agent” and “School Business Administrator” will be used interchangeably throughout the manual.

### **Authorized Purchases**

All requests for purchases of goods and/or services must be made through an approved purchase order signed by the Purchasing Agent, prior to the goods or services to be received.

### **Purchase Order--Defined**

A purchase order, pursuant to N.J.S.A. 18A:18A-2 (v), is a document issued by the Purchasing Agent, authorizing goods or materials to be ordered for the school district or work/service to begin. No goods or materials may be ordered or work/service be authorized to begin by any other individual in the school district other than the Purchasing Agent.



## **Unauthorized Purchases**

Any school district employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

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

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

## **District Sanctions and Violations**

All district employees are reminded the school district may receive sanctions because of unauthorized (confirming) purchases. Employees are to note the following consequences of such actions:

### **1. Withholding of State Aid—N.J.A.C. 6A:23A-5.4**

The Commissioner of Education may withhold State funds from any school district that fails to obey the provisions of the Public School Contracts Law—N.J.S.A. 18A:18A-1 et seq.

### **2. NJQSAC Fiscal DPR Indicator #15**

The school district is subject to a penalty of four (4) NJQSAC points by not being in compliance with the Fiscal District Performance Review Item #15, which prohibits confirming or unauthorized orders.

### **3. Audit Finding and Recommendations**

All financial transactions are subject to audit review. The district may receive an audit finding and recommendation for unauthorized (confirming) purchases. Repeat audit findings may lead to sanctions against the school district.

### **4. Employee Sanctions**

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

## **Purchasing Prohibitions**

### **1. Employees Prohibited from Signing Contracts--Prohibition**

Board of Education employees are prohibited from signing any contract offered by a vendor. The power to sign and execute vendor contracts after Board of Education approval lies with the Board President and the Board Secretary. Contracts signed by an employee shall be considered non-binding by the Board of Education with the employee accepting full responsibility for the costs of the contract.



2. Reimbursements; Employee--Prohibition

The Board of Education only recognizes an employee reimbursement purchase order when it pertains to tuition reimbursement, pre-approved travel, meals, and conferences.

Reimbursements for the emergency purchase of items that have been pre-approved with the direct consent of the Business Administrator will be allowed on a case by case basis. The Board will not reimburse employees for any other items and goods personally purchased by the employee.

3. Student Activity Accounts--Prohibition

Purchases made through Student Activity Accounts not supported by student funds will not be reimbursed with Board funds without prior consent of the Business Administrator.

4. Private Purchases -- Prohibited

Goods and services procured by the Board of Education are exclusively for the use of the board and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

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

### **Purchasing Guidance**

#### Cancellation of Purchase Orders

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

#### Credit Cards Prohibited

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

#### Contracts; Purchase Order Required

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. N.J.S.A. 18A:18A-2 (v).



## METHODS OF PROCUREMENT

### A. Advertise for Bids (Purchases that exceed the bid threshold--\$44,000)

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

#### *Examples*

##### Building Services; Facilities

Plumbing, Electrical, HVACR work  
Custodial Supplies  
Public Works Projects

##### Technology

Computer Supplies  
Printers / Computers  
Interactive White Boards

##### Food Services

Groceries and Canned Goods  
Kitchen Equipment

##### Athletics

Footwear  
Athletic Supplies/Equipment

##### District

Furniture  
AV Equipment

#### Award of Contract--Lowest Responsible Bidder

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

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

#### Bids and Purchasing:

##### **1. Bid Limit -- \$44,000**

The Board of Education is restricted by New Jersey state law on how much money can be spent by the district for the entire year on materials, supplies, and services.

This restriction is called the **bid threshold** or **bid limit**. The bid limit is \$44,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling in the aggregate more than \$44,000 for the entire year, must be competitively and advertised for bid. This restriction is for the entire district and not by location or schools.

School officials cannot circumvent the law by splitting purchases to be under the \$44,000 bid limit. Administrators that have purchases that may exceed the \$44,000 bid limit, are to contact the Purchasing Office to begin planning the bid process.



## **2. Annual Bids—N.J.S.A. 18A:18A-9**

The Board of Education, to be in compliance with N.J.S.A. 18A:18A-9, requests administrators/supervisors and school principals start to plan and prepare for Annual Bids. The proposed time lines are as follows:

<b>December-January</b>	Administrators/Supervisors prepare technical specifications to be reviewed by the Purchasing Agent.
<b>February-March</b>	Purchasing Agent prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding. Bids are advertised pursuant to the Public School Contracts Law.
<b>April/May</b>	Annual bids are received, opened and tabulated by the Purchasing Agent.
<b>May/June</b>	Award of contract resolutions are prepared by the Purchasing Agent for Board of Education review and approval.
<b>June</b>	Purchase orders are generated by Administrators/Supervisors and presented to the Purchasing Agent for services to begin on July 1 <sup>st</sup> .
<b>June/July</b>	Purchase orders are generated for goods and materials to be delivered to the schools for August delivery.

## **3. Bidding: Time Frame**

As stated before, the formal bidding process usually takes about 6-8 weeks from start to finish. Please plan appropriately. An outline of the bidding process is located in the Appendix.

## **4. Exceptions to the Bid Limit**

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

- a. Purchasing through New Jersey State Contract;
- b. Professional services as outlined by New Jersey law;
- c. Textbooks, kindergarten supplies, student produced publications, library and educational goods;
- d. Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences; and
- e. Contracts with other government entities; county and state colleges.

These purchases may be subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a) if practicable.

The Purchasing Agent should be contacted concerning exceptions to bidding.



**B. Quotations (Purchases that fall between \$6,600 and \$43,999)**

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

***Examples:***

- |                           |                       |
|---------------------------|-----------------------|
| Athletic Trainer Supplies | Athletic Wear         |
| Instrument Reeds          | Fitness Equipment     |
| Payroll Checks            | Dry Cleaning Services |

**Award of Contract—Price and Other Factors**

The board of education, is obligated to solicit at least two (2) competitive quotations and award the contract pursuant to N.J.S.A. 18A:18A-37 (a), to the vendor whose response is most advantageous, price and other factors included.

**Quotations and Purchasing**

**1. Quotation Limits--\$6,600 through \$43,999**

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

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

**2. Quotation Process**

All quotations shall be in writing. When a quotation is deemed necessary, the administrator/supervisor or school principal shall provide all the required quotes to the Purchasing Agent with a requisition for the required vendor with the lowest quote. All vendor quotes must be for the exact items and quantities to maintain an appropriate comparison.

**3. Receipt of Two (2) Quotations**

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall solicit two (2) quotations, if practicable. Evidence of the quotation process shall be kept on file. A copy of the quotation shall be attached to the purchase order.

**C. Request for Proposal—RFP -- This method can be used for the following contracts:**

**Professional Services**

- Medical
- Auditing; Accounting
- Legal
- Engineering, Architectural
- Special Education Related Services

**Academic/Operational Services**

- Instructional Improvement
- Educational Consultants
- Professional Development



### Award of Contract—Evaluative Criteria

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

- **Technical**
  - ☐ Submission of narrative how firm will provide services; planned approach; measurable results
  - ☐ Understanding how services will be provided
- **Management**
  - ☐ Business organization; staffing
  - ☐ Experience; and
  - ☐ Knowledge of district
- **Cost**
  - ☐ Fee proposal submission; cost analysis

The contract for an RFP contract *does not* have to be given to the respondent who submits the lowest price. The evaluative criteria process is designed to award the contract to the respondent whose response will provide the highest quality services at fair and competitive prices.

### **D. Competitive Contracting (Certain Contracts over \$44,000)**

This procurement method can be used for certain contracts over \$44,000.00.

The district can only use this method for contacts that are outlined in NJ State Law 18A:18A-4.1. **Some** of the examples that are permitted are

- Proprietary Computer Software for Board Use
  1. Student Data Warehousing
  2. Student Information System
  3. Business Office; Human Resources Software
- Professional Development Services
- Educational Consultant Services
- Instructional Improvement Services

The award of contract is similar to the RFP award of contract. It is based upon the same evaluative criteria which is designed to award the contract to the respondent whose response will provide the highest quality services at fair and competitive prices.

The administrative process of Competitive Contracting as outlined in N.J.S.A. 18A:18A-4.1 et seq. and N.J.A.C. 5:34-4.1 et seq. is a rather lengthy process and may take 6-8 weeks to complete.

### **E. State Contract--Purchasing**

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



The following equipment and supplies are examples of items available for procurement from New Jersey State contract vendors:

- ① **Office Supplies and School Supplies**
- ② **Computers/Technology**
- ③ **Copiers**

**Other State Contract NJ State Purchasing**

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

Purchase Order Requirements--State Contract

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

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

**OTHER PURCHASING PROCEDURES**

**A. Cooperative Purchasing**

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

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

**Cooperative Purchasing System Identifiers—Include on Purchase Orders**

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

<b>1NJCP</b>	New Jersey State Contract vendors
<b>26EDCPS</b>	Educational Data Services, Inc., vendors
<b>65MCESCCPS</b>	Educational Services Commission of New Jersey vendors
<b>34HUNCCP</b>	Hunterdon County Educational Services vendors



## **B. Emergency Contracts**

Emergency contracts are strictly regulated by N.J.S.A. 18A:18A-7. A situation must exist affecting the health or safety of the occupants of school property that requires the immediate delivery of articles or the performance of a service to alleviate the emergency.

Please note that the Superintendent of Schools must be notified **first** of all emergency purchase requests. Only the Purchasing Agent may award an emergency contract.

## **C. EUS—Extraordinary Unspecifiable Services**

The EUS procurement method is used for the procurement of insurance and insurance consultant services. The Purchasing Agent will coordinate all EUS activities pursuant to N.J.S.A. 18A:18A-5 (a) (10) and N.J.A.C. 5:34-2.1 et seq.

## **D. Federal Funds—Procuring Goods and Service When Using Federal Funds**

All non-federal entities (school districts) are to follow NJ Public School Contracts Law when procuring goods and services using federal funds except where the federal standards detailed in 2 CFR Part 200.317 et seq. are in conflict or more restrictive.

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

## **E. Increasing a Purchase Order Amount**

There may be times where a purchase order amount has to be increased to meet the needs of the district. The School Business Administrator, in accordance with N.J.A.C. 6A:23A-6.10 will identify and investigate the reason(s) for any increase to a purchase order.

## **F. Vendors Doing Business with the District**

### **New Vendors**

The Purchasing Agent must enter new vendor information in the Business Office financial system prior to using the services or goods of that new vendor. The Purchasing Agent also has to receive from vendors certain legal documents prior to issuing a purchase order. Depending on the amount of the purchase order in the aggregate the following documents must be in the possession of the Purchasing Agent:

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

### **Vendor Performance--Unsatisfactory**

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



### **Vendor/Contractor Evaluation & Recommendation**

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

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

The Board of Education will not enter into a contract for work with any person, company or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report <https://www.state.nj.us/treasury/revenue/debarment/debarsearch.shtml> or the Federal System for Award—SAM.gov.

### **G. Renewal of Contracts—Services**

Any vendor contract for services other than professional services, may be extended or renewed by the board of education pursuant to the terms and conditions of N.J.S.A. 18A:18A-42 (o). The major conditions are as follows:

1. Renewal contract is awarded by board resolution;
2. No contract shall be extended so that it exceeds five (5) consecutive years;
3. Any price increase shall not exceed the quarterly Index Rate; and
4. Terms and conditions of the contract remain substantially the same.

The Purchasing Agent will notify all administrators in March of the preceding fiscal year of any vendor contracts that are eligible for renewals.

### **H. Student Activity Account Purchases**

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

- **Signing of Contracts with Vendors--Prohibited**

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

- **Purchases—Bids May Be Required—Discretion of School Business Administrator**

The School Business Administrator is aware of the following exception to bidding

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



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

- **Purchases—Quotations Required**

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

- **Purchases—Board Resolution Required Exceeding the Bid Threshold**

All purchases exceeding the bid threshold, currently \$44,000, require prior board of education approval at a regularly scheduled meeting.

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

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

## **SELECT PURCHASING TOPICS**

### **A. Field Trip Transportation**

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

1. Purchase order must be prepared and processed prior to the date of the field trip.
2. All field trip transportation requires board of education approval prior to the field trip.
3. All field trips using board of education funds (purchase order) shall be part of the instructional program, have an educational value and shall be reasonable in cost. Field trips solely for student entertainment are prohibited when using public funds
4. The cost of field trips may be borne by the pupils' parents with the exception of pupils in special education classes and pupils with financial hardship. Reference—N.J.S.A. 18A:36-21

### **B. Meals; Refreshments and Catering**

The State of New Jersey Department of Education has provided guidance to school districts through Administrative Code N.J.A.C. 6A:23A-5.8 on board expenditures for meals and refreshments.

The expenditure of public funds for meals and refreshments may be used for the following:



## Permitted Activities for Meals; Refreshments; Catering

- **Student Activities**

Reasonable costs for light meals and refreshments directly related to activities that benefit students and are part of the **instructional program** are permissible. These activities must be part of the instructional program and not solely for student entertainment.

- **Parent Activities**

Reasonable costs\* for light meals and refreshments for parent activities are permissible. It is expected that expenditures for this purpose will be minimal and infrequent.

- **Dignitaries**

Reasonable costs\* for light meals and refreshments for dignitaries as defined in State code, are permissible.

- **Board Member Meetings -- N.J.A.C. 6A:23A-7.12(f)**

Light meals and refreshments\* are permitted for all board members and for employees who are required to attend a board of education meeting.

\*Please note that costs for light meals and refreshments are limited as follows:

Breakfast	\$ 7.00 per person
Lunch	\$ 10.00 per person
Dinner	\$ 15.00 per person

(NJ OMB Circular 16-11-OMB Section XI—Letter J)

### Documentation Required—Light Meals and Refreshments

Documentation must be provided to support expenditures for light meals and refreshments. A food approval form must be completed containing the following information:

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

## Prohibited Activities for Meals; Refreshments; Catering

- **Athletic Activities—Feeding Guests**

Light meals and refreshments served to **guests** at any athletic event, game or contest are not permitted.

- **Staff and Employees of the School District**

Light meals and refreshments are not permitted for employees and staff of a school district, unless the staff member or employee is essential to **a student activity** where light meals or refreshments are being served. N.J.A.C. 6A:23A-7.12 (d); 6A:23A-5.8 (b) (4)

- **Honoring Employees**

Receptions, dinners or other social functions held for or honoring any employee or group of employees are not permitted when public funds are being used.



Please note: the use of public funds (purchase order) for the purchase of employee recognition awards is permitted.

### **C. Textbooks; Approval and Purchase**

#### **1. Approval of Textbooks**

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

#### **2. Purchase of Textbooks and Curriculum Department Review**

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

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

#### **3. Budget Accounts**

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

### **D. Travel Reimbursement--Purchase Order—Conferences and Workshops**

The State of New Jersey, pursuant to N.J.S.A. 18A:11-12, has adopted strict travel guidelines for school districts to follow. All school officials and employees seeking travel reimbursement must adhere to the law and travel administrative code—N.J.A.C. 6A:23A-7.1 et seq. **At a minimum**, reimbursement purchase orders for travel must meet the following requirements:

#### **a. Written Approval of the Superintendent—prior to travel event**

The travel shall be approved in writing by the Superintendent prior to the travel event. Documentation shall be provided with the purchase order for reimbursement.

#### **b. Board of Education Approval—prior to travel event**

The travel shall be approved by resolution at a public board of education meeting, again, prior to the travel event.

#### **c. Reimbursement Procedures**

Prior to being reimbursed for approved costs for the travel event, the following must be presented with the purchase order when applicable:

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



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

Employees are reminded to review the guidelines to understand the process before committing to any travel.

### **Purchase Order Deadline—Annual Notification**

The deadline for submitting purchase orders for the current operating budget is on or about **May 1, 2025**, unless on an earlier date set by the Superintendent. (Purchasing Freeze)  
Exceptions to the deadline date may be for purchases of the following:

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

## **The Requisition and Purchase Order Process**

### **Roles and Responsibilities**

#### **A. Preparing a Requisition**

The person who prepares the requisition has certain responsibilities before the order is sent to the administrator, supervisor, or principal for approval. He/she is to ensure the following:

1. **Requisitions are typed**
2. **Vendor's Name**--All Board checks are made payable to the vendor name (top line) listed on the purchase order/requisition. Please ensure the proper vendor name is typed on the requisition.
3. **Vendor's Complete Address** -- The purchase order must include the vendor's complete address and phone number. Post Office Box addresses by themselves are not acceptable unless they are of major well-known companies.
4. **Quotation**—All purchases require a quotation from the vendor attached to the requisition.
5. **Description of Items, Services, Costs and Catalog Numbers** -- Items and/or services requested are to be described clearly.
6. **Shipping Costs**--Shipping and handling costs are to be added to all purchase orders. Please get the cost directly from the vendor and include it on the quotation.

If there are no shipping and handling charges, type on requisition/purchase order:

**“Shipping and Handling Included”**



7. **Delivery Address--Attention of** -- The delivery address should include a name of a person or a specific department.
8. **Budget Account Number** -- Please be sure the correct Budget Account Number is typed on the requisition.
9. **State Contract Orders** -- When ordering through NJ State Contract vendors please note the following:
  - a. State Contract Number must be included on the requisition;
  - c. Shipping and Handling Included; and
  - d. Appropriate documentation when required.
10. **Cooperative Purchase** – When ordering through an approved Co Op the associated cooperative number and bid number must be included on the requisition.

**B. Responsibilities of Administrator/Supervisor or Principal**

The person authorized to approve requisitions must ensure the following is reviewed before the requisition is sent to the Business Office:

**1. Funds Available**

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

**2. Requisition Completion**

They must check to determine that items 1-10 previously noted have been *properly completed*.

**3. Operational or Educational Need of Purchase**

Administrators who approve requisitions should be able to explain why the purchase is essential to the school district. They should be able to support the purchase as an educational or operational need for the district. Of most importance they should be able to answer the following:

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

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

**5. Approval of Principal**

Central office administrators and supervisors have been notified that whenever they order items for the instructional staff of the various schools, the requisition must also be approved by the school principal. The principal must co-sign the requisition for all purchases. It is the responsibility of the central office administrator/supervisor to obtain the signature of the principal.

**6. Originator Copy**



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

7. **Receiving Copy**

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

**C. Responsibilities of Business Office**

The Purchasing Agent reviews each purchase order. Special attention is given to the following:

1. **Available Funds**—The Requisition system will not permit a requisition to be finalized if there are insufficient funds in the account. If preparing a PO, be sure to check for funds availability.
2. **What is being ordered and the cost**--The Purchasing Agent reviews the technical aspects of the purchase order to ensure compliance with Federal and State Law and Board Policy.

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

The Quotation Limit	<b>\$ 6,600.00</b>
The Bid Limit	<b>\$44,000.00</b>

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

**3. Document Check**

Pursuant to various State Laws, the Purchasing Agent must ensure the following documents are on file in the Business Office before the purchase order is signed and processed:

- Affirmative Action Evidence – Contracts \$44,000.00 and over (cumulative)
- Business Registration Certificate (BRC) – Purchases \$6,600.00 and over
- Chapter 271 – Political Contribution Disclosure Form (PCD)  
Purchases over \$17,500.00 (cumulative)
- IRS W-9 Form
- Other Federal Procurement Documents.

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

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



Incomplete or improper purchase orders/requisitions will be returned with a memo explaining deficiencies.

If the Purchasing Agent is satisfied, they will approve the requisition. The Business Office will then:

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

**Purchase Order Process--Deliberative Process—Five to Ten Days**

The purchase order process, as explained, may take 5 – 10 days to complete. Public school purchasing takes time, as it is a deliberative process, designed to be in compliance with law and also to limit fraudulent activities. Please plan accordingly.

**D. Responsibility of the Vendor**

The Business Office sends to the vendor the purchase order and the voucher. The vendor is to sign the voucher and return it to the Business Office with an invoice. If you receive a signed voucher, return it to the Business Office. A check is prepared for the vendor once the Business Office has a

- Signed Voucher
- Invoice
- All Packing Slips
- Receiving Copy (Pink) Signed

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor.

**ACCOUNTS PAYABLE SECTION**  
**Receipt of Goods/Services**

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

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

<b><u>Copy</u></b>	<b><u>Disposition</u></b>
Vendor Copy (white)	Sent to vendor to order items/provide services
Voucher Copy (green)	Sent to vendor for signature
Receiving Copy (yellow)	Sent to school/office; returned to Business Office upon receipt of goods/services
File Copy (pink)	Remains on file in Business Office
Authorization Copy (gold)	Signatures authorizing purchase remains on file in the Business Office
Originator Copy (blue)	Remains with office of administrator or supervisor.



## **B. Receipt of Goods and Services**

The originator of the purchase order should follow the following process when receiving materials, goods, and services.

### **1. Receipt of Items Ordered**

It is important that all items received be immediately checked. Please note the following:

- a. Obtain receiving copy of purchase order and packing slip of items ordered.
- b. Open boxes and check off items received on the receiving copy and the packing slip.
- c. If all items are enclosed, then sign and attach packing slip to the receiving copy of the purchase order.
- d. The school principal/office supervisor should sign the receiving copy and send it with the packing slip to the

**Accounts Payable Manager, c/o Business Office**

### **Receipt of Goods and Services—Responsibilities of Administrators; Supervisors**

Administrators and supervisors are to ensure that all goods received have been checked in for accuracy. If the goods received match the purchase order and the packing slip then the administrator should do the following:

- Sign the packing slip to confirm receipt of delivery of goods;
- Sign the Receiving Copy (yellow slip) of the purchase order;
- Sign any invoices that may have been submitted with the order; and

Send all items to the Business Office c/o Accounts Payable within seven (7) days of the receipt of goods.

### **2. Problems Encountered with Receipt of Goods**

#### **● Problem: Back Orders**

Sometimes items ordered will not be received in the first shipment. This is known as a back order. The packing slip will have back order written on those particular items.

#### **Process to Follow: Back Orders**

If the order is incomplete because there is a back order, do not wait for the next shipment. Please do the following:

- Mark on your receiving copy of the purchase order those items you did not receive.
- Make and keep a copy of your receiving copy and the packing slip.
- Send the original receiving copy and packing slip to the Business Office.
- Upon receipt of the back order in the next shipment, check off your copies of the receiving copy and the packing slip and send both copies to the Business Office.

#### **● Problem: Items Missing from Order**

Sometimes items are marked on the packing slip they were delivered but are missing from your shipment.



**Process to Follow: Items Missing**

- Call the company and tell them what was missing.
  - Mark on the receiving copy and packing slip what items were missing.
  - Make and keep a copy of your receiving copy and the packing slip.
  - Send the original receiving copy and packing slip to the Business Office.
  - Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy and the packing slip and send both copies to the Business Office.
- **Problem: Items Damaged; Wrong Item**  
Sometimes you will receive items that are damaged or the wrong item.

**Process to Follow: Items Damaged; Wrong Item**

- Call the company and ask them what the procedure is for returning damaged or wrong items.
  - Return the item(s) to the company.
  - On the receiving copy and the packing slip, mark what items were returned and the reasons for being returned. Please note how the items were returned (UPS/PO/Vendor Pick Up).
  - Send the receiving copy and packing slip to the Business Office.
  - Upon receipt of the missing/wrong item in the next shipment, check off your copies of the receiving copy and return to the Business Office.
- **Problem: Discontinued Item**  
Sometimes the items you requested have been discontinued.

**Process to Follow: Discontinued Item**

- Mark on the receiving copy (yellow) of the purchase order "discontinued."
- Do not call the company for a replacement item. You must complete a new purchase order.



# VENDOR PAYMENT PROCESS

## Contracted Services

### Role of School District

#### **Purchase Order Contract Amount—Not To Be Exceeded**

The contracted services vendor/provider (vendor) receives a purchase order from the Purchasing Agent notifying the vendor that services may begin.

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

#### **Monitoring Contract Amount—District Administrator Responsibility**

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

#### **Exceeding Contract Amount—Unauthorized Service**

If any administrator permits a vendor to exceed the contract amount, the administrator has permitted an unauthorized service, which is similar to an unauthorized purchase. Administrators are asked to monitor the dollar amount of services being provided to the district.

#### **Monitoring Contract Amount—Vendor Responsibility**

The district asks all vendors to also monitor all bills and invoices to ensure they do not exceed the total contract amount. Vendors are asked to contact the respective administrator, if the total contract amount is close to being exceeded.

#### **Exceeding Contract Amount -- Written Authorization**

Contracted vendors may only exceed the amount on the purchase order when authorized by the School Business Administrator in writing. The authorization will be in the form of a new purchase order being issued to the contractor signed by the Purchasing Agent.

#### **Submission Deadlines -- Fifth (5<sup>th</sup>) of Each Month**

The Board of Education traditionally meets on the second Wednesday of each month. The Business Office asks that all bills and invoices for payment be submitted *prior* to the 5<sup>th</sup> of each month.

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

#### **End of Year Billing/Cancellation of Purchase Orders**

Administrators are to work with contracted services vendors so that end of the year invoices are submitted to the Business Office in a timely fashion. This is imperative. In order to comply with State



of New Jersey, Department of Education requirements, the district has adopted a policy of canceling open purchase orders at the end of the fiscal year. All invoices must be billed within thirty (30) days of services to meet the State Department of Education deadline. If we are not in receipt of your invoice within the thirty (30) day deadline, we will not be able to process payment in a timely fashion and the corresponding purchase order may be cancelled, thereby causing a delay in payment.

## **APPENDIX**

- A. Chart – Purchase Order Requirements
- B. Federal Contracts
- C. Copy of Purchase Order
- D. Copy of Requisition



**FORMAL BID PROCESS**

<b>Process</b>	<b>Time Line</b>
Initial request to bid made by Administrator/Supervisor. Certification that funds exist.	One Day

(Appendix A)

**PURCHASE ORDER REQUIREMENTS**

<b>CONTRACT/PURCHASE ORDER THRESHOLDS (AGGREGATE)</b>	<b>AFFIRMATIVE ACTION EVIDENCE (AA)</b>	<b>BUSINESS REGISTRATION CERTIFICATE (BRC)</b>	<b>CHAPTER 271 PCD (PAY TO PLAY) (271)</b>
Up to \$ 6,600	(a)	No	No
\$ 6,600 - \$17,499	(a)	<b>YES</b>	No
\$17,500 - \$43,999	(a)	<b>YES</b>	<b>YES</b>
\$44,000 – and over	<b>YES</b>	<b>YES</b>	<b>YES</b>

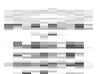
<b>Affirmative Action Evidence Exemptions</b>	<b>Business Registration Certificate Exemptions</b>	<b>Chapter 271 (PCD) Exemptions</b>
<ul style="list-style-type: none"> <li>Contracting Units Subject to Title 40A:11</li> <li>State of New Jersey Contract Purchases</li> <li>Boards of Education including Educational Services Commissions</li> <li>Other contracting units, e.g. County and State Colleges and local authorities, boards, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Contracting Units Subject to Title 40A:11</li> <li>State of New Jersey Contract Purchases</li> <li>Boards of Education including Educational Services Commissions</li> <li>Other contracting units, e.g. County and State Colleges and local authorities, boards, etc.</li> <li>Non-profit Organizations</li> </ul> <p><b><u>Exempt Situations</u></b></p> <ul style="list-style-type: none"> <li>Emergency Purchases – No payment unless BRC is on file.</li> <li>Employee settlements paid to attorneys;</li> <li>Establishments that are out of state &amp; business being conducted takes place out of state, e.g. hotels, band camps, seminars, theatres, etc.</li> <li>Purchase made entirely through School Student Activity Funds.</li> </ul>	<ul style="list-style-type: none"> <li>Contracting Units Subject to Title 40A:11</li> <li>State of New Jersey Contract Purchases</li> <li>Boards of Education including Educational Services Commissions</li> <li>Other contracting units, e.g. County and State Colleges and local authorities, boards, etc.</li> <li>Non-profit Organizations</li> <li>New Jersey School Boards Association</li> <li>Contract Renewals</li> <li>Public Utilities, e.g. PSE&amp;G</li> </ul> <p><b><u>Exempt Situations</u></b></p> <ul style="list-style-type: none"> <li>Emergency purchases;</li> <li>Litigation payments to parties through court order.</li> </ul>

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



# ***COPY OF BLANK PURCHASE ORDER***

(Appendix C)



# ***COPY OF BLANK REQUISITION***

(Appendix D)



## **FEDERAL CONTRACTS**

(Appendix B)

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

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

### **Other Examples of Federal Funding Sources**

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

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

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

## **Methods of Procurement—When Using Federal Funds**

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

- **Micro-purchases—Purchases less than \$3,500.00**

The Purchasing Agent shall use sound business practices for purchases in the aggregate that do not exceed \$3,500.00. Reference--2 CFR 200.320 (a) and 2 CFR 200.67

- **Small Purchase Procedures—\$3,500 through \$43,999**

The Purchasing Agent shall use the competitive quotation process as outlined in N.J.S.A. 18A:18A-37 (a) or the Request for Proposal process, when applicable, in procuring goods and services in the aggregate of more than \$3,500.00 and less than \$43,999. Reference--2 CFR 200.320 (b) and 2 CFR 200.88

- **Sealed Bids—\$44,000 or more**

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



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

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

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

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

### **New Jersey Department of Education Guidance on Federal Spending**

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

### **Debarment and Suspension for Federal Contracts**

*Debarment and Suspension (E.O. 12549 and E.O. 12689)* – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p 235). Debarment and Suspension. SAM Exclusions contains the names of parties debarred, suspended or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. (Ref. 2 CFR 200.212)

### **Federal Programs/Targeted Students—Include on Requisitions/Purchase Orders**

Purchase orders using Federal Funds shall include on the document:

- Name of Federal Program
- Targeted Group of Students

### **Stevens Amendment—Statement on Bid Advertisement**

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

