
PAYMENT FOR GOODS AND SERVICES

Before warrants signed by the Board President, Board Secretary and Treasurer of school moneys may be issued in payment of bills or claims, the bill or claim must be properly audited and approved according to law.

In general, bills or claims shall be audited by the Board secretary and approved by resolution of the Board. However, in order to provide for the prompt payment to which vendors are entitled, and which leads to more effective competitive bidding and provision of services to the district, claims duly audited by the Board Secretary for items previously approved by the Board or provided for in the budget may be approved by the Superintendent or his/her designee or the Board President. Such payments shall be reported to the board at the next regular meeting.

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

Purchase Orders

The District will carefully monitor payments for invoice amounts that are greater than the approved purchase order, in order to avoid over-payments. A new purchase order will be issued (and the original purchase order voided) when the adjusted amount unreasonably exceeds the original purchase order amount. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or the bid award.

Financial Systems to Avoid Over-Payments

Pursuant to N.J.A.C. 6A:23A-6.10, the District will program its financial systems to avoid over-payments by: (1) limiting system access so that only appropriate staff may make purchase order adjustments; (2) reject adjustments in excess of any established approved thresholds; (3) prevent unauthorized changes to be processed; (4) reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order; (5) reject duplicate invoice numbers; and (6) prepare an edit/change report listing all payments made in excess of the approved purchase order amount.

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

Date: March 11, 1997

Reviewed/Revised: April 27, 2009

Legal References:

<u>N.J.S.A.</u> 18A:19-1	Expenditure of funds on warrant only; requisites
<u>N.J.S.A.</u> 18A:19-2	Requirements for payment of claims; audit of claims in general
<u>N.J.S.A.</u> 18A:19-3	Verification of claims
<u>N.J.S.A.</u> 18A:19-4	Audit of claims, etc., by secretary; warrants for payment
<u>N.J.S.A.</u> 18A:19-4.1	Additional auditors; authorization
<u>N.J.S.A.</u> 18A:19-9	Compensation of teachers, etc., payrolls
<u>N.J.S.A.</u> 18A:22-8.1	Transfer of funds, conditions
<u>N.J.A.C.</u> 6A:23A-1.1 <i>et seq.</i>	Fiscal Accountability, Efficiency and Budgeting Procedures
<u>N.J.A.C.</u> 6A:23-2.9	Petty cash funds
<u>N.J.A.C.</u> 6A:23A-6.10	Approval of amounts paid in excess of approved purchase orders; board policy

Possible Cross References:

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