

**PAYMENT FOR GOODS AND SERVICES**

Before warrants signed by the President, Business Administrator/Board Secretary and Treasurer of School Monies may be issued in payment of bills or claims, the bill or claim must be properly reviewed and approved according to law.

It shall be the responsibility of the Business Administrator/Board Secretary upon receipt of an invoice to verify that the voucher is in order and includes the necessary approvals, the goods were received in acceptable condition or the services were satisfactorily rendered, funds are available to cover the payment, the item is one for which the Board budgeted, and the invoice is for the amount contracted.

In general, bills or claims shall be reviewed by the Business Administrator/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 reviewed by the Business Administrator/Board Secretary for items previously approved by the Board or provided for in the budget may be approved by Superintendent. 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 reviewed by the Business Administrator/Board Secretary and presented for Board approval.

**Approval of Amounts in Excess of Approved Purchase Orders**

- A. Financial systems shall be programmed to:
  - 1. Limit system access to appropriate staff, allowed to make purchase order adjustments;
  - 2. Reject adjustments over allowed thresholds;
  - 3. Prevent the processing of unauthorized changes;
  - 4. Reject payments in excess of the authorized payment plus allowable adjustments;
  - 5. Reject duplicate purchase orders;
  - 6. Reject duplicate invoice numbers;
  - 7. Prepare and edit/change report which shall be reviewed monthly to ensure that all payments were properly authorized.
  
- B. No adjustments to a purchase order shall:
  - 1. Change the purpose,
  - 2. Change the vendor,
  - 3. Change a bid award price.
  
- C. An adjustment to a purchase order may not exceed 10 percent of the original purchase order dollar amount. If an adjustment is in excess of 10 percent of the original purchase price, the purchase order shall be voided and a new purchase order shall be issued.
  
- D. The board shall allow the business administrator/board secretary to approve excess payments under 10 percent of the total cost without issuing a new purchase order.

**PAYMENT FOR GOODS AND SERVICES (continued)**

<b><u>Legal References:</u></b>	<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	Account or demand; audit; approval
	<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 amounts among line items and program categories
	<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

<b><u>Cross References:</u></b>	*3320	Purchasing procedures
	*3451	Petty cash funds
	*3453	School activity funds
	4142	Salary checks and deductions
	4242	Salary checks and deductions

\*Indicates policy is included in the Critical Policy Reference Manual.

**Key Words**

Payment for Goods and Services, Bills

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