

MONTCLAIR PUBLIC SCHOOLS
Montclair, New Jersey

PURCHASING MANUAL



Superintendent of Schools

Jonathan C. Ponds, Ed.D.

Business Administrator/Board Secretary

Nicholas Cipriano

Revised 10/21

Purchasing Manual

Table of Contents

I. PURCHASE ORDER PROCEDURES	1
A. Authorized Purchases	1
B. Unauthorized Purchases	1
C. Preview of Materials	1
D. Reimbursements.....	1
E. School Activity Accounts	2
F. Preparing a Requisition	2
1. Responsibilities of Originator of Requisitions	2
2. Responsibilities of Administrator or Principal	4
3. Responsibilities of the Administrator Authorizing Purchase.....	4
4. Responsibilities of Business Office	4
5. Employees Prohibited from Signing Contracts.....	4
6. Contracts: Requisition Required.....	5
II. BIDS AND PURCHASING.....	5
A. Bid Limits.....	5
B. Annual Bids	5
C. Bidding: Time Frame	6
D. Exceptions to the Bid Limit	6
E. State Contract Purchasing.....	6
F. Professional Services/Professional Consultants.....	6
1. Professional Service Contracts	7
2. Consultants.....	7
G. Emergency Contracts.....	7
H. Cooperative Purchasing.....	8
I. Purchases, Contracts Exceeding the Bid Threshold	8
J. Student Activity Account Purchases	8
1. Purpose of Student Activities Account.....	8
2. Purchasing Laws Apply	9
III. QUOTATIONS AND QUOTATION PROCEDURES	9
A. Quotations	9
B. Quotation Process.....	9
C. Receipt of Two Quotations	10
IV. PURCHASE ORDER PROCESS	10
A. Processing the Purchase Order - Design of Purchase Order.....	10

- B. Receipt of Goods and Services 10
 - 1. Receipt of Items Ordered 10
 - 2. Problems Encountered with Receipt of Goods 11
- C. Requisition Cut Off Date 12
- D. Increasing a Purchase Order Amount 12
- E. Purchase Order Requirements 12
- F. Renewal of Contracts - Services 12
- G. Field Trip Transportation 13
- H. Meals, Refreshments, Catering 13
 - 1. Permitted Activities for Meals, Refreshments, Catering 13
 - 2. Prohibited Activities - Meals and Refreshments 14
 - 3. Purchase of Food Supplies - Supermarkets 14
 - 4. Food Supplies 14
- I. Miscellaneous Permitted and Non-Permitted Purchases 15
 - 1. Permitted Purchases 15
 - 2. Non-Essential and Prohibited Purchases 15
- J. Textbooks - Approval and Purchase 15
 - 1. Approval of Textbooks 15
 - 2. Textbook Approval - Board of Education Resolution 15
 - 3. Price Quotations 16
 - 4. Purchase Order Review 16
- K. Travel Reimbursement - Purchase Order - Conferences and Workshops 16
 - 1. Written Approval of the Superintendent - **prior** to travel event 16
 - 2. Board of Education Approval - **prior** to travel event 16
 - 3. Reimbursement Procedures 16
- V. ETHICS IN PURCHASE 17
 - A. Family Members 17
 - B. Favoritism 17
 - C. Funds, Solicitation of Gifts 17
- VI. CRIMINAL CODE CITATIONS 17
- APPENDIX 18
 - A. Formal Bid Process 19
 - B. Emergency Purchases/Contracts 20
 - C. Chart of Accounts 21
 - D. Quotation Sheet 24
 - E. Purchase Order Requirements 25



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

22 VALLEY ROAD ~ MONTCLAIR, NEW JERSEY 07042

WWW.MONTCLAIR.K12.NJ.US

NICHOLAS CIPRIANO

Business Administrator / Board Secretary

October, 2021

All District Employees:

This Purchasing Manual is designed to guide all Board of Education employees in the correct purchasing procedures so they will be in full compliance with both the New Jersey Public School Contract Law Title 18A:18A and Board of Education Policy.

The manual is designed to achieve three goals:

1. Follow the law and Board policy on purchasing;
2. Promote efficiency and accountability in purchasing practices;
3. Achieve savings through responsible purchasing practices.

With good planning, we can achieve these goals and eliminate much of the frustration that is encountered in all public school purchasing procedures. Part of that planning should include a review of those items you need on an annual and/or recurring basis. Please allow sufficient time between generating a requisition and the actual date the materials or services are needed.

This manual must be reviewed and used as a guideline by all employees involved in the purchasing process, including administrators, supervisors, teachers, secretaries, and others who are involved in purchasing for the district. It is imperative that everyone adhere to all purchasing laws and guidelines as strict penalties may result to employees not following proper procedures.

If you have any questions about the guidelines in this manual or any other purchasing issues, please do not hesitate to call the Business Office.

Thank you,

Nicholas Cipriano
Business Administrator/Board Secretary

PURCHASING MANUAL

This manual was prepared to assist all employees in the correct purchasing procedures so that they will be in full compliance with both New Jersey Public Contract Law and Board of Education Policy. It is the responsibility of all employees to adhere to Board Policy, laws and this manual and supervisors have an obligation to discover and utilize proper purchasing procedures.

I. PURCHASE ORDER PROCEDURES

A. Authorized Purchases

All requests for purchases of materials, supplies, and services must be made with a requisition generated in the Edu-met accounting system. Requisitions for the purchase of materials or supplies are approved by the purchasing agent and through procedures that adhere to this manual. The Board of Education has authorized the Chief Operations Officer the only Purchasing Agent for the District. Once the purchasing agent has approved the requisition a purchase order is generated.

A purchase order pursuant to State Law N.J.S.A.18A:18A-2(v) is a binding contract issued by the Purchasing Agents authorizing the work or service to be done, and/or the materials, and supplies to be delivered to our school district. No work or service may be performed or materials/supplies ordered by any individual other than the Purchasing Agent. (P3320)

B. Unauthorized Purchases

Any Board of Education 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. Employees may be required to pay for unauthorized purchases and will be subject to penalties assigned by the Superintendent of Schools or Board of Education such as a verbal warning, letter of reprimand, loss of increment and/or termination.

C. Preview of Materials

All staff members must receive permission from administrators, supervisors, or principals to preview materials. After the preview process has been completed, the item must be returned. If there is a desire to purchase the previewed item, then a purchase order must be originated for a new item prior to any order being placed with the vendor.

D. Reimbursements

The Board of Education only recognizes a reimbursement purchase order when it pertains to prior approved travel, meals, conferences, and on occasions will reimburse for goods such as camp supplies or items to be purchased with MFEE Grants. All original receipts must be attached to the purchase order. The Board will not reimburse employees for items and goods personally purchased by the employee.

E. School Activity Accounts

Purchases made through School Activity Accounts may not be reimbursed with Board funds. Requisitions made payable to School Activity Accounts for the aforementioned purpose will not be approved by the Purchasing Agent and are not an obligation of the Board of Education.

F. Preparing a Requisition

1. Responsibilities of Originator of Requisitions

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

- **Requisitions generated on Edu-met** - All requisitions are to be electronically generated in the Edu-met accounting system in the proper year.
- **Vendor's Name** - All Board checks are made payable to the vendor name (top line) listed on the requisition. Please ensure the correct vendor name is chosen from the drop down menu on Edu-met. Also verify that Edu-met has the correct address. If a new vendor needs to be added to Edu-met or changes made to an existing vendor, please email the request to the Business Office for assistance.
- **Description of Items, Services, Costs and Catalogue Numbers** - Items and/or services requested are to be described clearly with correct and up-to-date catalogue numbers and costs. Please use latest catalogues available.
- **Shipping Costs** - Shipping and handling costs are to be added to all requisitions. Please read the catalogue or contact the vendor to determine the actual shipping and handling costs.

If you are unable to ascertain the actual charges, type on purchase order:

"10% Estimated Shipping and Handling"

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

"Shipping and Handling Included"

- **Ship to Address - Attention of:** The ship to address is selected from a drop down menu in Edu-met. Please ensure that the correct ship to address is selected.
- **Delivery, Identify types of delivery** - for Equipment and Furniture

The Montclair Board of Education recognizes three (3) types of delivery for equipment and furniture:

a. PLATFORM DELIVERY

Items are delivered to a platform or loading dock area and are taken off the truck by transportation carrier personnel and placed on a platform or loading dock area. Board of Education personnel will bring items in the school or office building storage area.

b. INSIDE DELIVERY TO A SPECIFIC LOCATION

Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building.

c. SPOTTED DELIVERY TO A SPECIFIC LOCATION

Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building. Transportation carrier personnel or specialized individuals are responsible to then uncrate, setup, assemble items to determine good working order and remove all debris to the satisfaction of the Montclair Board of Education within five (5) working days.

Please ensure that all requisitions have one of the correct delivery designations outlined above. Note: In some cases this may impact the price.

- **Total Cost** - The number of items should be included on the requisition along with the per unit price. The computer will automatically calculate the total cost per item and the total cost for the requisition.
- **Budget Account Number** - Please be sure to select the proper GAAP Budget Account Number from the drop down menu. If the account number does not have enough funds to cover the total cost of the requisition you will not be able to complete the requisition.
- **State Contract Orders** - When ordering through State Contract vendors in addition to the above, please include:
 - a. State Contract Number
 - b. Shipping and Handling Included
 - c. Appropriate documentation as required. Current award letter and detail/price list of items awarded from the state contract website
- **Quotations** - If quotations are obtained, please attach to the requisition a copy of each written quotation received. Written quotations are required as we need documentation to support the pricing. Every effort should be made to obtain three (3) quotes.
- **Bids** - If bids are obtained, please type the date of the contract award in the body of the requisition.
- **Tax Exempt** - Please note that the Board of Education is exempt from paying NJ sales tax and this should be indicated on the purchase order.

2. Responsibilities of Administrator or Principal

Administrators or principals must ensure that requisition is accurate and complete before they electronically approve it and forward it to the appropriate Administrator.

3. Responsibilities of the Administrator Authorizing Purchase

An administrator reviews and determines the educational value of each purchase order. The purchase order is then electronically approved and sent to the Business Office.

4. Responsibilities of Business Office

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

- a. Account numbers-- Purchase orders are checked to determine if the cost is charged to the appropriate account number.
- b. What is being ordered and the cost -- The Purchasing Agent reviews the technical aspects of the purchase order to ensure compliance with State Law and Board Policy.
- c. Review of Purchase Order

The purchase order is also reviewed for technical aspects such as:

- Whether the purchase order exceeds the quotation limit of **\$4,800** or the bid limit of **\$32,000**
- Shipping charges added
- Appropriate approvals obtained
- State contract numbers incorrect/missing

d. Transfer of Funds

The Business Office processes requisitions only if there are appropriate funds to cover the purchase.

All letters or e-mails requesting a transfer of funds are to be sent to the Business Office and must be approved by the Board of Education at a public meeting.

- If the Purchasing Agent is satisfied, he approves the requisition and a purchase order is generated. The green and pink copies of the purchase order are forwarded to the originator of the requisition.

The requisition/purchase order process as explained may take 5 - 7 days to complete. Please plan accordingly.

5. Employees Prohibited from Signing Contracts

The power to sign and execute contracts after Board of Education approval lies with the Board President and the Board Secretary. All other Board of Education employees are prohibited to

sign any contract offered by a vendor. **Contracts signed by an employee shall be considered non-binding with the employee accepting full responsibility for the costs of the contract.**

6. Contracts: Requisition 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 requisition authorizing the purchase of services and/or goods and materials from the vendor.

II. BIDS AND PURCHASING

A. Bid Limits

The Montclair 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 currently set at \$32,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling more than \$32,000 for the entire year must be competitively bid.

You cannot circumvent the law by splitting purchases to be under the \$32,000 bid limit.

If you find that your purchases may exceed the \$32,000 bid limit, please contact the Business Office at once. **The formal bidding process takes about 6-8 weeks to complete.**

B. Annual Bids

The Board of Education requests that Central Services Department Administrators and Supervisors and school principals start to plan and prepare for Annual Bids. The proposed time lines are as follows:

- | | |
|--------------------|---|
| <i>January</i> | • Administrators/Supervisors prepare technical specifications to be reviewed by Purchasing Agent. |
| <i>February</i> | • Purchasing Agent prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding |
| <i>March/April</i> | • Annual bids are received, opened and tabulated by Purchasing Agent. |
| <i>May/June</i> | • Bid Resolutions are prepared by Purchasing Agent for Board approval. |
| <i>July</i> | • Requisitions are generated by Administrators/Supervisors for August/September delivery. |

Please note: The delivery of furniture usually takes place about 8-12 weeks after receipt of purchase order.

C. 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.

D. Exceptions to the Bid Limit

New Jersey State Law allows for some exceptions to the bid and quotation limits. There are approximately 20 exceptions where a Board of Education does not have to go for bid. Some of them are:

1. Purchasing through State Contract;
2. Professional services as outlined by New Jersey law;
- *3. Textbooks, kindergarten supplies, student produced publications, library and educational goods;
- *4. Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conference.

* These purchases are subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a) if practicable. Please contact the Purchasing Agent for further explanation

E. State Contract Purchasing

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

All requisitions for purchases made through State Contract vendors shall include the following:

1. State Contract Number
2. Notification of Award
3. Approved Price List
4. Shipping and Handling Included

F. Professional Services/Professional Consultants

Although Professional Services, as defined in Title 18A:18A-5, do not require competitive bids or quotations, it is in the best interests of the Board of Education to obtain at least three (3) proposals for any professional service, when appropriate. The law defines a professional service as a service that is rendered by a person authorized by law to practice a recognized profession and whose practice is regulated by law (i.e. lawyers, accountants, architects, doctors, therapists).

1. Professional Service Contracts

All professional service (as defined above) contracts must be approved by the Montclair Board of Education. If you plan to recommend a contract for a professional service, please be advised of the following:

- a) An appropriate resolution must be written for placement on the Board of Education meeting agenda.
- b) With the resolution should be a written proposal from the professional outlining the following:
 - I. Name, address of vendor (No P.O. Box #'s) and tax or federal id number
 - II. A description of services to be provided
 - III. Starting date of service; projected ending date of service
 - IV. The cost of the services/terms of payment(s)
- c) Legal Advertisement -- Prepare Form

Contract for professional services that exceed the bid threshold must be advertised in an official newspaper. Please contact the Business Office for further information.

All resolutions are to be sent to the Business Office with the written proposal attached. A written contract that conforms to Board of Education policies and procedures will be prepared by the Business Office. No service is to be performed without a properly executed contract.

2. Consultants

All services rendered by a person who is not authorized by law to practice a recognized profession are considered consulting services rather than professional services. **Consultants are not exempt from the bidding requirement. All work to be done by a consultant must follow the purchasing and bidding procedures detailed above. No employee can authorize a consultant to begin work until a requisition has been prepared and approved by the purchasing agent.**

G. 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. An "emergency" is not created as a result of inadequate planning, delay or administrative convenience.

The Emergency Contract process is reviewed in the Appendix. Please note the Superintendent of Schools must be **first** notified of all emergency purchase requests.

Only the Business Administrator may award an Emergency Contract.

H. Cooperative Purchasing

The Montclair Board of Education has contracted with Educational Data Services of Saddle Brook, NJ, to bid on supplies and equipment in the following categories on an as needed basis:

- General and Office Supplies
- Art
- Health
- Athletic
- Physical Education
- Science
- Technology
- Copy Duplicator
- Classroom Supplies

The above categories are represented in the Educational Data Services on line requisition system. All of the supplies needed in these categories should be purchased through this bid process. Information regarding the on-line system is sent to all schools and central office departments in the preceding school year.

The District also has a contract with the Educational Services Commission of New Jersey (ESCNJ) Cooperative Pricing System and Hunterdon County Educational Services Commission (HCESC) Cooperative Purchasing System and various other agencies for categories other than the ones listed above. Please contact the Business Office if you are looking to purchase items from a category not listed.

I. Purchases, Contracts Exceeding the Bid Threshold

Pursuant to State Law N.J.S.A. 18A:18A-5 all purchases and contracts exceeding the bid threshold of \$32,000, shall be awarded by board resolution at a public meeting of the Board of Education. This includes all items exempted from bidding and all State Contract purchases that exceed \$32,000. Only the purchase of textbooks is exempt from this law.

Administrators and Supervisors must allow more time for these types of purchases as certain purchases not subject to bidding requirements were once allowed just by purchase order and now they must be approved by the Board of Education before a purchase order can be signed and mailed.

J. Student Activity Account Purchases

1. Purpose of Student Activities Account

By definition, student activity funds are: 'Funds, which are owned, operated and managed by the student body under guidance and direction of adults or a staff member for educational, recreational or cultural purposes. Although the Board of Education has ultimate responsibility for student activity funds, in most cases they are not school district funds.

The student activity funds are accounted for in the student activities account and are held in "trust" for the students. The account is intended to be used primarily for activities such as field trips, yearbook, student clubs, class years which occur during the school year. The balance at

year end should be minimal. School management is responsible for establishing and maintaining an internal control structure to ensure student assets are protected from loss, theft, or misuse. The student activities account is audited by an independent auditing agency annually. These funds are not to be used to supplement the school district budget. See separate Student Activities Manual for further guidance.

2. Purchasing Laws Apply

Student activity funds are subject to State Purchasing Laws, including but not limited to:

- a) For every check written, there must be on file a voucher signed by the vendor and an invoice.
- b) Three quotes must be obtained to purchase products or services when the total cost exceeds \$4,800.
- c) If any public funds are used, competitive bidding is required to purchase products or services when the total cost exceeds the bid threshold of \$32,000.

Pursuant to State Law N.J.S.A. 18A:18A-5a(21), purchases made through Student Activity Accounts that exceed the bid threshold shall be awarded by the Board of Education at a public meeting.

Examples of items purchased through the Student Activity Accounts that may exceed the bid threshold are:

- Class Gift
- Class Rings
- Field Trips
- Proms
- Yearbooks

There is a temptation to use the student activities account to circumvent the Board's purchasing process (i.e. budget, purchase order, board approval, etc.). This is illegal and the Administrator responsible for these accounts should take steps to implement internal accounting controls similar to the Board's to provide reasonable assurances this does not occur.

III. QUOTATIONS AND QUOTATION PROCEDURES

A. Quotations

The quotation limit (threshold) is now \$4,800. This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$4,800 and less than \$32,000 for the entire year, must be *competitively quoted or advertised for bid at the discretion of the Purchasing Agent*.

You cannot circumvent the law by splitting purchases to be under the quote threshold.

B. Quotation Process

The employee initiating the purchase order is responsible for obtaining quotes, when needed. Quotes must be in writing. A tabulation of the quotes received must be kept on file and attached to the purchase order.

C. Receipt of Two Quotations

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall receive two (2) quotations if practicable, but the district requires three (3) quotations. Evidence of the quotation process shall be kept on file. A copy of the quotation shall be attached to the purchase order.

IV. PURCHASE ORDER PROCESS

A. Processing the Purchase Order - Design of Purchase Order

The purchase order is made of six sheets each color-coded for a certain purpose. Listed below are the names of each sheet, the appropriate color, and the purpose of each sheet.

<u>Copy</u>	<u>Color</u>	<u>Disposition</u>
Vendor Copy	Blue	Sent to vendor to order items
Voucher Copy	Gold	Sent to vendor for signature. Returned to Business Office with invoice
Receiving Copy	Pink	Sent to school/office; returned to Business Office upon receipt of goods
Authorization Copy	Brown	Signatures authorizing purchase - remains on file in Business Office
Originator Copy	Green	Sent to school/office when purchase order is processed by Business Office

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 (pink) 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 the receiving copy of the purchase order
- d. The school principal/office supervisor should sign the receiving copy (pink) and send it with the packing slip to the Business Office

All receiving copies (pink) of purchase orders and packing slips should be sent immediately to the Business Office.

2. Problems Encountered with Receipt of Goods

a) **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.

Procedure 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 (pink) of the purchase order those items you did not receive
- Make and send a copy of your receiving copy (pink) and the packing slip to the Business Office
- Keep the original receiving copy (pink) in your files
- Upon receipt of the back order in the next shipment, check off the original of the receiving copy (pink) and the packing slip, sign the receiving copy and send both to the Business Office

b) **Problem: Items Missing from Order**

Sometimes items are marked on the packing slip that 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 (pink) and the packing slip.
- Send the copy of the receiving copy (pink) and packing slip to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your original of the receiving copy (pink) and the packing slip, sign the receiving copy and send both copies to the Business Office.

c) **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 (pink) 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.

d) Problem: Discontinued Item

Sometimes the items you requested have been discontinued.
Process to Follow - Discontinued Item

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

C. Requisition Cut-Off Date

Administrators and Supervisors are to be alerted to the fact that requisitions for the school year will not be accepted after February 1 unless they pertain to end of year or school closing events.

D. 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.

E. Purchase Order Requirements

The Purchasing Agent must 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:

1. Affirmative Action Evidence—Certificate of Employee Information Report
2. Business Registration Certificate from the State of New Jersey
3. Chapter 271 Political Contribution Disclosure form
4. Iran Financial Disclosure Form
5. IRS W-9 Form
6. Other documents required by Federal Procurement Code

F. Renewal of Contract - 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
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.

G. 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. Attached to the field trip transportation purchase order is a copy of the board of education resolution approving the destination of the field trip.
3. The approved list of bus companies and corresponding prices are to be used whether the field trip is paid through board of education funds (PO) or student activity funds.
4. 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. A board resolution approving the field trip must be attached to the purchase order.
5. 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

H. Meals, Refreshments, 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:

1. 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—State code.
- ***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. The following information is to be provided on the Purchase Order Form:

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

2. Prohibited Activities - Meals and Refreshments

- **Athletic Activities**

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.

- **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.

3. Purchase of Food Supplies - Supermarkets

New Jersey state law and code excludes the purchase of food supplies from the bidding process if the food supplies are for the school cafeteria or home economics classes. The Montclair School District has prepared a purchase order to:

ShopRite, Acme

Food supplies purchased from the supermarkets shall be in compliance with state law and code and only for the approved list of situations. All purchase orders, including student activity account purchases, are subject to review by Department of Education (DOE) officials and auditors.

4. Food Supplies

New Jersey Administrative Code 6A:23A-16.5(b) clearly notes that food supplies include those supplies that are “eaten or drunk.” Administrators are to ensure that purchases from the supermarkets have only items listed that follow the code. The Business Office will review the register receipts and highlight those items that do not follow the code.

I. Miscellaneous Permitted and Non-Permitted Purchases

1. Permitted Purchases

- ***Commencement; Convocation Activities***
All reasonable costs for commencement; convocation activities are permitted.
- ***Field Trips / Extracurricular Activities***
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. A board resolution approving the field trip must be attached to the purchase order.
- ***Library Books; Magazines, Videos/DVD's/CD's***
All library books; magazines and multi-media presentation materials shall be for educational or operational purposes.
- ***T-Shirts***
The Superintendent will consider, on a case by case basis, requests for the purchase of T-Shirts. It is strongly encouraged that purchases of T-Shirts be made through the appropriate student activity account.

2. Non-Essential and Prohibited Purchases

- Carnivals
- Gifts for Employees
- Teacher appreciation gifts/activities
- Plaques-Local Determination
- Bereavement flowers; baskets
- Student entertainment

The list is not all inclusive and items may be deemed non-essential by the Superintendent during the course of the school year.

J. 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 Assistant Superintendent of Equity, Curriculum and Instruction has set up procedures to have textbooks approved by the Board of Education.

2. Textbook Approval – Board of Education Resolution

The procedure for obtaining Board approval is:

- a) Complete the District Textbook Evaluation and Approval form
- b) Submit textbook and form to the office of the Assistant Superintendent of Equity, Curriculum and Instruction, who will prepare the Board resolution.

3. Price Quotations

School principals are to ensure that purchase orders for books and workbooks be presented to the Assistant Superintendent of Equity, Curriculum and Instruction with pricing that was obtained through the book company representative or by using online pricing.

4. Purchase Order Review

Each purchase order for the purchase of books and workbooks will be reviewed by the Purchasing office. It is expected that attached to the purchase order will be either:

- Copies of the price quotation received from the sales representative, or
- Copies of the online pricing obtained from the company's website

Shipping and handling costs must be confirmed by the sales representative or the customer service number.

Any book purchase order that does not have either the price quotation from the sales representative or copies of online pricing will be returned.

Use of Catalog Pricing – PROHIBITED

Using written paper catalogue pricing is prohibited. All book prices must be obtained by contacting the sales representative or by obtaining the prices online.

K. 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:

1. 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.

2. 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. A copy of the board resolution shall be attached to the purchase order.

3. Reimbursement Procedures

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

- a) Approvals in writing
- b) Post Conference Travel Report
- c) Receipts for hotel and meals (when applicable)
- d) Mileage Travel Form

- e) 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.

V. ETHICS IN PURCHASING

It is the desire of the Montclair Board of Education to have all Board employees practice exemplary ethical behavior in the purchasing of goods, materials, supplies and services. With this in mind the Board reminds all employees of the following:

A. Family Members

District officials and employees should avoid recommending purchases from members of their family or businesses that employ members of their family.

B. Favoritism

District officials and employees who recommend purchases should not extend favoritism to any vendors. Each recommended purchase should be based upon quality, price, service, delivery and other applicable factors and in full compliance with N.J.S.A. 18A:18A.

C. Funds, Solicitation of Gifts

District officials and employees are prohibited from soliciting funds, materials, goods, supplies, favors and other items of value from vendors doing business with the Montclair Board of Education.

All district officials should be guided by the tenets of the New Jersey School Ethics Law.

VI. CRIMINAL CODE CITATIONS

All district employees must understand the seriousness of the section on Ethics in Purchasing. Pursuant to N.J.S.A. 2C:27-4 a person commits a crime if the person as a public servant:

“... directly or indirectly, knowingly solicits, accepts or agrees to accept any benefit from another for or because of any official act performed or to be performed by the person or for or because of a violation of official duty.”

A public servant commits a crime of the fourth degree if, while performing his official functions on behalf of a governmental entity, the public servant knowingly transacts any business with himself, a member of his immediate family, or a business organization in which the public servant or an immediate family member has an interest. Employees found guilty of criminal activities automatically forfeit their position and face loss of license and pension along with civil penalties.

If you have any questions concerning recommendations of purchasing goods and services, please contact the Business Office.

APPENDIX

- A. Formal Bid Process
- B. Emergency Purchases/Contracts
- C. Chart of Accounts
- D. Quotation Sheet
- E. Purchase Order Requirements

FORMAL BID PROCESS

<u>Process</u>	<u>Time Line</u>
Initial request to bid made by Administrator/Supervisor. Certification that funds exist	One Day
Review of specifications, fully outlining items, materials or services to be bid by Purchasing Agent	One Week
Return of reviewed specifications to Administrator/Supervisor for final approval. Administrator/Supervisor signs off final approval	One Week
Bid package prepared by Purchasing Agent	One Week
Copies of bids run	One Day
Legal advertisement sent to newspaper	Three Day Advance Notice
Bid Date/Time-- must be at least 10 days after Legal Ad appears in newspaper. Bids are opened and read publicly Bid results are reviewed by: a. Administrator/Supervisor b. Purchasing Agent	10-20 Days
Administrator/Supervisor prepares spreadsheet showing lowest bidders and recommends award of bid. Purchasing Agent reviews bids. Resolution is written	One-Two Weeks
Contract is approved at Board meeting	One Week
Purchase orders are prepared by Administrator/Supervisor	One Week

The formal bidding process takes about 6-8 weeks from start to finish.

Please note: Bids for Public Works/Construction Projects take longer as a request for wage determination must be formally made to the State of New Jersey.

APPENDIX A

EMERGENCY CONTRACTS (18A:18A-7)

A. Background

An actual emergency must exist. An “emergency” is not to be created as a result of inadequate planning, delay, failure to take into account construction season or administrative convenience.

B. Definition of Emergency

An emergency is a situation affecting the health or safety of occupants of school property that requires the immediate delivery of the articles or performance of a service to alleviate the emergency.

C. Process in Declaring an Emergency

1. Superintendent of Schools Notified

The Superintendent of Schools is notified by the employee/supervisor/administrator requesting a declaration of emergency.

2. Business Administrator Notified

The official in charge of the building, facility, wherein the emergency occurred shall notify the Business Administrator of the following:

- a. Nature of the emergency
- b. Time of the occurrence
- c. The need for the performance of a contract

Such notification shall be reduced to writing and filed with the Purchasing Agent as soon as practicable.

3. Awarding of Contract by Business Administrator/Purchasing Agent

If the Business Administrator/Purchasing Agent is satisfied the emergency exists, the Business Administrator/Purchasing Agent is, by State Law, authorized to award the contract.

4. Filing of Documents with State, County by Board Secretary/School Business Administrator

In accordance with N.J.A.C. 6:20-8.5, the following documents must be filed with the Bureau of Facility Planning and the County Superintendent within three (3) days after awarding the contract or agreement:

- a. A copy of the contract or agreement
- b. A copy of the written requisition

5. Approval by Board of Education

The Board of Education, at its next regular Board of Education Public Meeting, shall review and approve said emergency purchase.

APPENDIX B

CHART OF ACCOUNTS

Our budget coding system, based on the State's Chart of Accounts, is constructed as follows:

<u>Fund</u>	<u>Program</u> <u>(State)</u>	<u>Function</u>	<u>Object</u>	<u>Acct.</u> <u>Divider</u>	<u>Location</u>	<u>Program</u>
XX	XXX	XXX	XXX	XXX	XX	XX

The funds generally used by building principals and instructional personnel are:

Fund 11	Current Expense
Fund 12	Capital Outlay
Fund 13	Adult School
Fund 20	State/Federal Grants

The broad state program categories most often used by principals are:

100	Regular Programs - Elementary/Secondary
200	Special Programs - Special Ed/Basic Skills/IDEA
300	Vocational
400	Other Instructional
500	Non-Public
600	Adult Education
000	Undistributed Expenditures - Not readily assigned to another program

Function describes the activity for which a service or object is acquired in the areas of:

100	Instruction
200	Support
300	Non-instructional Services

Object describes the service or commodity obtained:

100	Salaries
200	Employee Benefits
300	Purchased Professional/Technical Services
400	Purchased Property Services
500	Other Purchased Services
600	Supplies and Materials
700	Equipment

APPENDIX C

The location and local program codes are assigned by the district.

An illustration of the coding system is provided below in which Glenfield Middle School has purchased instructional art supplies. We would utilize 18 digits to record the transaction as follows:

<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Acct. Divider</u>	<u>Location</u>	<u>Local Program</u>
11	190	100	610	000	05	03
Current Expense	Regular Program	Instruction	Gen'l. Supplies	First Acct.	Glenfield School	Art

If Glenfield School purchased textbooks for science, the following codes are used:

<u>Fund</u>	<u>Program</u>	<u>Function</u>	<u>Object</u>	<u>Acct. Divider</u>	<u>Location</u>	<u>Local Program</u>
11	190	100	640	000	05	60
Current Expense	Regular Program	Instruction	Text- Books	First Acct.	Glenfield School	Science

In the pages that follow, the summarized list of codes is provided for the Chart of Accounts. In addition, the accounting codes used for Montclair's Instructional Programs and Support Programs are displayed along with the Program Structures.

APPENDIX C

MONTCLAIR PROGRAM STRUCTURE

<u>BUDGET CODE</u>	<u>INSTRUCTIONAL PROGRAMS (26)</u>	<u>BUDGET CODE</u>	<u>SUPPORT PROGRAMS (11)</u>
01	Adult Education	04	Attendance & Medical Services
02	Alternative Programs	05	Board of Education
03	Art	06	Building Administration
07	Business Education	08	Central Administration
11	Computer Instruction	10	Community Service
14	Driver Education	12	Data Processing
18	ESL/Bilingual	19	Food Service
20	Foreign Language	37	Insurance/Fixed Charges
22	General Support	57	Maintenance
24	Guidance	58	Plant Operations
28	Home Economics	80	Transportation
36	Industrial Arts		
40	Language Arts		
43	Library, Media, A/V		
44	Mathematics		
46	Music		
52	Performing Arts		
54	Physical Education		
55	Planning & Evaluation		
59	Primary Unit		
60	Science		
62	Social Studies		
63	Special Education		
65	Student Activities		
66	Summer School		
92	Vocational Education/Career Education		

APPENDIX C

MONTCLAIR PUBLIC SCHOOLS
MONTCLAIR, NEW JERSEY

QUOTATIONS

Pursuant to 18A:18A-37

(Either this form or the one entitled Order Authorization Sheet is to be included with the Purchase Order sent to Business Office)

CONTRACTOR	PERSONAL CONTACT	METHOD OF SOLICITATION				DATE	AMOUNT	AWARD GIVEN TO
		LETTER	PHONE CALL	NEWS-PAPER AD	OTHER (Specify)			
1.								
2.								
3.								
4.								
5.								

If the award is not given to the contractor with the lowest quote, please state the reasons why not:

SCHOOL _____ BUDGET ACCT # _____ DATE OF PO _____

ADMINISTRATOR'S INITIALS _____ ACCOUNT NAME _____

APPENDIX D

PURCHASE ORDER REQUIREMENTS

CONTRACT/PURCHASE ORDER THRESHOLDS (AGGREGATE)	AFFIRMATIVE ACTION EVIDENCE (AA)	BUSINESS REGISTRATION CERTIFICATE (BRC)	CHAPTER 271 PCD (PAY TO PLAY) (271)
Up to \$ 4,800	(a)	No	No
\$ 4,800 - \$17,499	(a)	YES	No
\$17,500 - \$43,999	(a)	YES	YES
*\$44,000 – and over	YES	YES	YES

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

*Based upon a QPA \$44,000 Bid Threshold

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

It is suggested that school districts request from all vendors the Iran Disclosure Form!

APPENDIX E