

Atlantic City Board of Education



Purchasing Manual

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Introduction and Purpose

The purpose of this Purchasing Manual is to assist all Atlantic City Board of Education employees in the appropriate purchasing practices to be in full compliance with:

- New Jersey Public School Contracts Law N.J.S.A. Title 18A:18A
- New Jersey Administrative Code N.J.A.C. 5:34-1
- Board of Education Policy
- Other federal and state laws and codes
- NJQSAC SOA Fiscal Management Items #10
- Local Finance Notices issued by the New Jersey Department of Local Government Services

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

1. Follow the law 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 requisition 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 in all public school purchasing procedures.

Who Should Review this Manual?

This manual should be reviewed by department heads, principals, 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

Public school purchasing is a deliberative process designed to ensure compliance with the Public School Contracts Law (18A), appropriate New Jersey Administrative code, board of education policy and when applicable, federal procurement code.

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

Public school purchasing is a time consuming effort; please be patient.

Mandatory Training

All school personnel involved in the requisition and purchasing process shall attend training sessions offered by the district concerning proper purchasing procedures. All administrators, supervisors, and principals, pursuant to N.J.A.C. 5:34-1.1(b), shall attend mandatory training on purchasing procedures.

If you have any questions concerning the following guidelines, please call the district's Purchasing Department at extensions 5158, 5044, and 5070.

Ethics and Conduct in Purchasing; Vendor Relations

All district employees are to practice exemplary ethical behavior in the purchasing process. Employees are to avoid any action that may be considered a conflict with their position with the district and with vendors who provide goods and services to the district. All district employees are to adhere to the board's policy on Ethics and Conduct in Purchasing: Vendor Relations as follows:

Federal Conduct of Standards of Conduct

The Atlantic City Board of Education, pursuant to **Federal Regulation 2 CFR 200.318 (c) (1)**, hereby acknowledges the Ethics and Conduct in Purchasing section to be applicable to the selection, award and administration of contracts using federal funds. The code of conduct also applies to all purchases, notwithstanding the source of funding.

A. Financial Interest in any Contract with the Board of Education—Prohibited

No employee or board member may have a direct interest in any contract or agreement for the sale of goods and services to the Board of Education, nor receive any benefit, compensation or reward from any contract for the sale of goods and services to the Board of Education. Reference—N.J.S.A. 18A:6-8.

B. Solicitation/Receipt of Gifts from Vendors – Prohibited

School board members, school officials and employees, or members of their immediate family are prohibited from soliciting, receiving or agreeing to receive any compensation, reward, employment, gift, meal, honorarium, travel, reimbursement, favor, loan, service, or **other thing of value** from any person, firm, corporation, partnership, or business that is a recipient of a purchase order from the district, or a potential bidder, or an applicant for any contract with the district, based upon an understanding that what is solicited or offered was for the purpose of influencing the board member or school employee in the discharge of their official duties. This policy shall be consistent with the School Ethics Act—N.J.S.A. 18A:12-21 et seq.

C. School District Responsibility – Favoritism; Family Members; Businesses

School officials and employees who recommend purchases shall not extend any favoritism to any vendor. Each recommended purchase should be based upon quality of the items, service, price, delivery, and other applicable factors in full compliance with N.J.S.A.18A:18A-1 et seq.

School officials and employees are to avoid recommending purchases from members of their families, businesses that employ members of their families and from businesses in which the official, employee or members of their immediate family have a direct financial interest.

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.

D. Vendor Responsibility – Doing Business with the Board of Education

Any vendor doing business or proposing to do business with the Atlantic City Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other thing of value of any kind to any official or employee of the Atlantic City Board of Education or to any member of the official's or employee's immediate family.

No vendor shall cause to influence or attempt to cause to influence, any official or employee of the Atlantic City Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

E. Vendor Certification

Vendors will be asked to certify that no official or employee of the board of education or immediate family members are directly or indirectly interested in this request or have any interest

in any portions of profits thereof. The vendor participating in this request must be an independent vendor and not an official or employee of the board of education.

F. Violations of the Policy – Sanctions

In accordance with N.J.S.A. 18A:6-8, any school district employee who violates the terms of this policy may be subject to withholding of annual increments, suspension, demotion, school ethics complaint, termination and/or revocation of license to teach or to administer.

G. Conflict of Interest Certification

No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of any contract, if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Ref. 2 CFR 200.318 (c) (1)

School district employees who are part of an evaluation committee to review responses to Request for Proposals (RFP) and/or to Competitive Contracting proposals will be required to complete a Conflict of Interest certification in accordance with N.J.A.C. 5:34-4.3 (e) (f).

H. Possible Conflict of Interest

Any school employee, who feels there may be a potential conflict of interest with a recommendation of award with any vendor doing business with the district, is encouraged to contact the school business administrator for guidance.

Criminal Code Citations (Title 2C)

All school employees are reminded of the following New Jersey Criminal Code citations:

2C:27-9 Unlawful Official Business Transaction

“A public servant commits a crime of the fourth degree if, while performing his official functions on behalf of the government 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.” (N.J.S.A. 2C:27-9)

2C:27-10 -- Acceptance or Receipt of Unlawful Benefit by Public Servant for Official Behavior

“A public servant commits a crime in the fourth degree...if the public servant directly or indirectly, knowingly solicits, accepts or agrees to accept any benefit, whether the benefit inures to the public servant on another person, to influence the performance of an official duty or to commit a violation of an official duty.” (N.J.S.A. 2C:27-10)

Legal Authority for Public School Purchasing

Authority to Purchase

The purchase of goods and/or services by a board of education is governed by state statutes (N.J.S.A.), administrative codes (N.J.A.C.) and board policy. New Jersey State Law (18A:18A-2(b)) assigns the 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 the authority to make purchases for the board of education.

Authorized Purchases

All purchases of materials, supplies, and services must be made through purchase orders signed by the school business administrator and superintendent of schools prior to the receipt of any goods or services.

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 a purchase transaction with a vendor to provide or perform goods or services to the board of education, which, when fulfilled in accordance with the terms and conditions of a request of a purchasing agent and other provisions and procedures that may be established by the board of education, will result in payment by the board education.

The award of a contract to a vendor approved by the Atlantic City Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials/supplies from the vendor; a purchase order must be issued. Once the vendor has been approved by the Board of Education, it is the responsibility of the department or school designee to prepare a requisition and submit the requisition, along with any supporting documentation, to the district's business office for processing.

The purchase order is the only document that authorizes a vendor to provide any services, materials, and/or supplies to our school district. Unless a purchase order is issued, there is no contract between the vendor and the school district. Vendors shall bear all liability for payment of the invoice by collecting payment from the individual to whom the merchandise was sold or services rendered.

Unauthorized Purchases

Any board of education employee who orders and 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 for Unauthorized Purchases

First Offense	Letter to the Employee	Pay for Purchase
Second Offense	Letter in Personnel File	Pay for Purchase
Third Offense	Consultation with Superintendent	Pay for Purchase
Fourth Offense	To be determined by Superintendent	Pay for Purchase

Corrective Action for Non-compliance

If the purchasing administrator has determined that an unauthorized purchase has been made, a memo will be sent to the responsible employee and the employee's supervisor advising them of the violation and the proper purchasing procedure; a copy will also be sent to the superintendent of schools.

Notice will also be sent to the vendor informing the vendor of the board of education's policy and advising the vendor that payment will not be made by the board of education should the vendor continue to provide goods or services in absence of a purchase order.

Any board of education employee who orders and receives goods/services without going through the proper purchase order process will be held responsible for these purchases. Documentation will be filed and pay increment may be recommended for withholding.

The Atlantic City Board of Education will no longer pay for unauthorized purchases.

District Sanctions to Violations

All district employees are reminded that 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 Recommendation
All financial transactions are subject to audit review. The district may receive an audit finding and recommendation for unauthorized (confirming) purchases. Repeat audit findings of the same infraction 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, suspension or tenure charges.

Purchasing Prohibitions

1. Employees Prohibited from Signing Contracts
Atlantic City Board of Education employees are prohibited from signing any contract offered by a vendor. The power to execute contracts after board of education approval lies with the board president, school business administrator, or board secretary.

Contracts signed by an employee shall be considered non-binding by the Atlantic City Board of Education with the employee accepting full responsibility for the costs of the contract.
2. Reimbursements; Employee
The Board only recognizes an employee reimbursement purchase order when it pertains to tuition and pre-approved travel; the board will not reimburse employees for items and goods personally purchased by the employee.

Types of travel are categorized as follows:

- Staff Training and Seminars – Includes all regularly scheduled, formal residential or non-residential training functions, conducted at a hotel, motel, convention center, residential facility, or at any educational institution or facility;
- Conventions and Conferences – General programs, sponsored by professional associations on a regular basis, which address subjects of particular interest to a school district or are convened to conduct association business. The primary purpose of employee attendance at conferences and conventions is the development of new skills and knowledge in a particular field related to the school district's operations. These are

distinct from formal staff training and seminar, although some training may take place at such events;

- School District Sponsored Events - Includes conferences, conventions, receptions, or special meetings, where the school district plans, develops, implements, and coordinates the event. The school district is the financial backer of the event and school district employees are actively involved in working at the event;
- Regular School District Business – This includes all regular official business travel, including attendance at meetings, conferences, and any other gatherings that are not covered by the definitions above; and
- Retreats – Retreats are meetings with school district employees and school board members, at which organizational goals and objectives are discussed. If available, district facilities must be used.

3. Student Activity Accounts

Student activity funds are for the administration of various student activities that are not part of the district's regular instructional program. These funds are used to support the purchase of student oriented items, materials, or activities such as student publications, yearbooks, class trips, student clubs, etc.

The student activity account must be self-sustaining, and any request for the disbursement of funds must be in accordance to district policy and guidelines. Purchases made through student activity accounts may not be reimbursed with district funds. Purchase orders made payable to the student activity account for the aforementioned purpose will not be signed by the school business administrator.

For information regarding the disbursement process for student activity funds, please contact the district's business office at extension 5042.

4. Private Purchases

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

1. Contracts; Purchase Order Required

The award of a 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 goods 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. Contracts over the district's bid threshold require an executed contract prepared by the board solicitor in addition to a purchase order.

2. Preview of Materials

All staff members must receive permission from administrators, department heads, or principals to preview materials. After the preview process has been completed, it is that individual's responsibility to ensure that the items are returned to the vendor. If there is a desire to purchase the previewed item, then a purchase order must be originated for a new item.

3. Petty Cash Accounts

The Atlantic City Board of Education does not authorize the use of petty cash.

4. 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 go through the purchase order process in compliance with the Public School Contracts Law (18A).

5. Travel Reimbursements

The School Accountability Act (A-5), signed into law March 15, 2007 and revisions effective November 21, 2007 require the following, but not limited to, for school travel:

- The payment of travel and travel related expenses shall be made personally by a school district employee, board of education member and reimbursed at the conclusion of the travel event. This applies to travel-related purchases for which a purchase order is not applicable. This does not preclude the district from paying the vendor directly with the proper use of a purchase order (for example, for registration, airline tickets, hotel).
- Registration fees in excess of \$150.00 per person must be board approved prior to the employee attending the event.
- In addition to approval from the board of education, written approval is required from the executive county superintendent for all out of state travel events that exceed \$5,000 in total cost regardless of the number of attendees. Written approval is also required from the executive county superintendent for all out of state events when 6 or more individuals from the district will be attending the same travel event;
- Employees shall not receive an amount for travel or travel-related expenses in advance of the travel;
- Travel (transportation, meals, lodging) will be reimbursed upon return and submission of the proper receipts. Original vendor receipts must be submitted for personal credit card charges and attached to reimbursement request. Credit card statements will not be accepted as documentation of expenses (N.J.A.C. 6A:23A-7.13);
- The school district shall not bear the costs for car rentals, limousine services and chauffeuring costs to or during the event;
- One-day trips that do not involve over-night lodging are not eligible for subsistence (meal) payments;
- Reimbursement for lodging, meals and incidental expenses shall be for actual reasonable costs, not to exceed the federal per diem rates as established in the federal register. Lodging expenses may exceed federal per diem rates if the hotel is the site of the travel event and the hotel rate is in excess of the federal per diem rates;
- Actual subsistence expenses shall not be reimbursable if paid by the traveler to a member of his family, to another school district employee or to a member of the family of another district employee;
- There is no reimbursement of lodging and meals costs for overnight travel within the state;
- There is no reimbursement of meals for in-state travel;
- There is no reimbursement for charges for laundry, valet service, entertainment;
- The use of travel agents is forbidden;
- Meal allowance for special conditions and one-day, out-of-state trips required for school business purposes may be authorized for amounts not to exceed as follows:

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

- Lodging may only be provided for out-of-state travel if the event occurs on two or more consecutive days and where home to event commute exceeds fifty (50) miles; and
- All reimbursements must be submitted within 30-days of occurrence. Do not hold receipts/mileage for over 30-days—they cannot be paid.

6. New Vendors

New vendors can be added by the district's purchasing department by providing a Form W9 completed by the vendor and additional vendor information not included on the Form (phone number, fax number email address, etc.). **No vendor will be added to the district's finance system unless a Form W9 has been submitted to the district's purchasing department.**

The business office will request a NJ Business Registration Certificate and Political Contribution Disclosure form, if applicable.

7. Debarred Contractors/Vendors

Pursuant to N.J.S.A. 34:11.56.37, contracts/purchase orders will not be awarded to any contractors, vendors, bidders, named subcontractors, individuals, etc., listed on the New Jersey Department of Labor and Workforce Development Debarred Contractor's list.

Purchase Order Process

Responsibilities of the Originator of the Requisition

The person who generates the requisition for a purchase has certain responsibilities before the requisition is approved by school district officials. The owner of the requisition must ensure the following:

1. **Availability of Funds.** Confirm adequate funds are available to process the purchase before beginning the requisition process. The business office processes purchase orders only if sufficient funds exist to cover the purchase. If sufficient funds are not available in an account to make a necessary purchase, a budget transfer must be requested. This transfer must be approved by the assistant superintendent of schools and school business administrator; and presented to the board of education for ratification at the next board meeting.

All requests for the transfer of funds should be completed and processed through the district's finance software system. For information regarding the transfer of funds, please contact the business office at extension 5065.

2. **Ed Data Orders. All Ed Data vendors are approved for use.** For all Ed Data vendors, an online requisition must be generated at www.ed-data.com to ensure the school district receives the proper discount on supplies from the awarded vendors. After which, a requisition must then be entered into the district's finance software system for approval and processing. Try to consolidate orders to cut down the number of district purchase orders as they are costly to process.
3. **Non Ed-Data Requisitions are processed through the district's finance software system.** – Requisitions entered into this system will go through an electronic process consisting of multiple approvers as follows: school principal, director, assistant superintendent, purchasing, state monitor, school business administrator, and superintendent of schools. The special revenue bookkeeper is included for purchases where the funding source is restricted (Fund 20). All supporting documentation (quotes, proposals, receipts, invoices, board resolutions, etc.) must be scanned and then attached to the corresponding requisition file. If a requisition reaches the business office for review and pertinent information is not provided, the requisition will be disapproved and electronically returned to the appropriate individual for corrections, thus delaying the creation of a purchase order and the provision of goods and/or services by the vendor.
4. **Supporting Documentation** – All supporting documentation must accompany the requisition in the form of an attached file. All quotes/proposals/estimates must list the correct billing and delivery information. The billing information must always read as follows:

**Atlantic City Board of Education
1300 Atlantic Avenue, 5th Floor
Atlantic City, NJ 08401
Attn: Accounts Payable**

The vendor's complete address must appear on the supporting documentation. Post office box addresses by themselves are not acceptable unless they are major, well-known companies.

5. **Current Budget Year Included** – All requisitions must indicate the current budget year.
6. **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/ISBN and costs. Also, be sure to include colors and sizes. Please use the latest catalogues

available from approved bid vendors or state contract vendors. Any supporting documentation must be attached to the requisition.

The "See Attached" notation is forbidden and may only be used if the list of items on the quote is substantial, resulting in three or more purchase order pages.

If the goods/services were approved at a board of education meeting, please make certain the date of the meeting and resolution number are typed in the body of the requisition; also attach a copy of the board resolution to the requisition.

7. **Travel** - Travel arrangements (flights, hotels, etc.) and registrations must be completed by the employee traveling/attending a conference. More on this later.
8. **Shipping Costs** – Estimated shipping costs are to be added to all requisitions if not from a bid vendor; 10% for school supplies, materials and textbooks, or read the catalogue carefully to determine the actual shipping costs. Most items purchased from bid vendors or under the New Jersey State Contract include shipping and delivery.
9. **Delivery Address** – The delivery address should include the name of a person or a specific department. Personal addresses or addresses other than properties of the Atlantic City Public Schools District are forbidden.
10. **Total Cost** – The minimum dollar amount for each vendor will be \$50.00. Please try to combine orders for the same vendor to exceed the \$50.00 amount.
11. **Budget Account Number** – When generating requisitions, it is important to use the correct budget account number as directed by The Uniform Minimum Chart of Accounts for New Jersey Public Schools. To assist all employees who complete requisitions, the following explanation of use for the Object Code numbers is provided.

GAAP Code The Atlantic City Board of Education GAAP account codes consist of 22 digits. This section pertains only to the 4th set of digits: The Object Code

Example 11-000-240-**600**- xxx-xx-xxx-xx 600 is the object code.

The following descriptions of the basic Object Codes are provided for your use:

<u>Object Code</u>	<u>Description</u>
320	<u>Purchased Professional Services - Educational</u> Consultants (includes travel and expenses) to improve instructional programs; counseling/guidance services, speech/occupational/physical therapy services
340	<u>Purchased Professional Services – Technical</u> Consultants (includes travel and expenses) not regarded as professional but require basic scientific knowledge or manual skills.
420	<u>Cleaning, Repair and Maintenance Services</u> Maintenance contracts for equipment service, repair of equipment and furniture, cleaning services and lawn care
440	<u>Rentals</u> - Leasing of equipment (copiers), vehicles, etc.
512	<u>Contracted Services – School Activities</u> Transportation expenses for student field trips (admission fees are recorded in 800 account).
530	<u>Communications</u> Postage machine rentals, postage costs and cable TV charges.
580	<u>Travel – Staff Conferences</u>

	Travel expenses (including meals, hotel) and registration fees for staff conferences
592	<u>Miscellaneous Purchased Services</u> - Printing costs, legal/classified ads, radio/television broadcasts
600/610	<u>General Supplies</u> Supplies and materials for instructional and non-instructional items that are consumed, worn out, or deteriorated through use. These include: office supplies and equipment, library books, periodicals, magazines and newspapers, workbooks and other teaching supplies, computers and computer software and uniforms. (Includes items with a unit value of LESS THAN \$2,000).
640	<u>Textbooks</u> - Workbooks are not recorded here (use 610).
731	<u>Equipment – Instructional</u> Expenditures for the initial, additional and replacement costs of equipment such as machinery, furniture and fixtures, and vehicles. The item purchased must exceed a unit value of \$2,000.
732	<u>Equipment – Non-instructional</u> Includes the cost of equipment and furniture for non-instructional purposes. The item purchased must exceed a unit value of \$2,000
800/890	<u>Other Objects/Miscellaneous Expenditures</u> Expenditures for goods or services not classified above including, dues and fees for membership in professional or other organizations, awards, food expenses, conference registration fees and athletic entry fees and graduation expenses.

12. **NJ State Contract Orders** – When using New Jersey State Contract vendors please note the following:
 - a. Confirm the vendor has a contract for the particular item(s) being ordered.
 - b. Current State Contract Number and expiration date must be included on the requisition
 - c. Bid price list must be attached to requisition
 - d. Shipping and Handling is included; however, freight charges may apply to furniture orders and must be included on the requisition
13. **Quotations**—Required if order meets or exceeds 15% of the district's bid threshold (currently \$6,000) for the year. If quotations are obtained, a copy of each quotation must be attached to the requisition. It is prudent to solicit at least two competitive quotes to ensure cost-effectiveness. This quotation is the responsibility of the person generating the requisition. If you have questions, the district's purchasing department will assist you at extensions 5158, 5044, or 5070.
14. **Bids and RFPs**—If awarded bids or RFPs are used, please type the bid or RFP number, board approval date, and expiration date of the award on the requisition.
15. **Tax Exempt**— The Atlantic City Public Schools District is a political subdivision of the state of New Jersey and is therefore exempt from New Jersey sales and use taxes, pursuant to Section 9 (a)(1) Chapter 30, Laws of 1966, as amended, and therefore, a tax exempt permit and number are not required. All purchases MUST be done through official purchase orders to be tax exempt. An exempt organization certificate or number is not necessary. ST-5 Exempt Organization Certificates are never issued to New Jersey public schools (TB-49).
16. **Facilities Usage**—If the requisition is for use of a facility (building, park, etc.) outside the school district properties, the originator must request a Certificate of Insurance naming the outside facility as an additional insured. You must request the Certificate of Insurance at least 2 weeks prior to the scheduled event. The Request for Certificate of Insurance form is located in the appendix. Copy, complete and forward to the purchasing department at least 2 weeks prior to the scheduled event.

Responsibilities of the School Principal, Director, or Department Head

After the originator completes 1-16, the requisition will enter the approval channel for review by the school principal, director, or department head. Once the requisition enters the approval channel, the appropriate district official approving the requisition must ensure the following:

1. Confirm that items 1 – 16 (Responsibilities of Originator) noted above have been properly completed.
2. After satisfying the above, the school principal, director, or department head will approve the requisition and the requisition will continue to move through the district's finance system's electronic approval channel until it reaches the office of the assistant superintendent for review.

Responsibilities of the Assistant Superintendent

The assistant superintendent will review and determine the educational value of the goods or services listed on the requisition. If satisfied, the assistant superintendent will then approve the requisition and the requisition will continue to move through the electronic approval channel until it reaches the business office, fiscal monitor, and superintendent of schools for review.

Responsibilities of the Business Office, Fiscal Monitor, and Superintendent of Schools

The purchasing administrator, school business administrator, fiscal monitor and superintendent of schools will review each requisition and its supporting documentation. Special attention is given to the following:

1. Budget Account Number- Requisitions are checked to determine if the correct account number is being used for the goods or services requested. If the account number is not correct, the requisition will be disapproved and returned to the appropriate person for correction.
2. What is being ordered and cost - The assistant superintendent determines the educational need for each requisition. The business office will review the technical aspects of the requisition to ensure compliance with state and federal laws and board policy.

The Purchasing Department reviews the cost of each item and determines if the items can be purchased from another source (co-op vendor) at a savings to the Board of Education. The Purchasing Department also determines whether the items requested must be formally bid or quoted.

The Quotation Limit	\$ 6,000
The Bid Limit	\$40,000

3. Document Check – Pursuant to various state laws, the business office must ensure the following documents are on file in the business office before a purchase order is processed:
 - Affirmative Action Evidence – Contracts \$40,000 or more
 - NJ Business Registration Certificate - Purchases that meet or exceed 15% of the district's bid threshold
 - C.271 Political Contribution Disclosure Form - Purchases in excess of \$17,500
 - Iran Financial Disclosure Form
 - IRS Form W9

4. The requisition is also reviewed for technical aspects such as:
 - a. Shipping charges (if applicable)
 - b. Incorrect or missing NJ State Contract, NJ Cooperative, or Bid numbers
 - c. Incorrect or missing expiration dates for NJ State Contracts or NJ Cooperatives
 - d. Vendor information
 - e. Other items as listed in Section A

Incomplete or improper requisitions will be returned to the originator to correct any deficiencies. This will prolong the approval process and delay the receipt of the goods/services.

5. After the requisition is reviewed *and* approved by the purchasing department, fiscal monitor, school business administrator, and superintendent of schools, a purchase order will be created and a purchase order number assigned during the print process.

The purchase order process, as explained, may take a minimum of three weeks to complete. Please plan accordingly.

6. **Notification**—Once the purchase order has been created during the print process, the originator of the requisition will receive an email notification generated by the district's finance software system.
7. The purchase order is made of four (4) parts and will be distributed as follows:
 - a. White - vendor
 - b. Blue – vendor
 - c. Yellow – accounts payable
 - d. Gold – purchasing

The goods or services are ordered by mailing, faxing, or emailing the white copy of the purchase order to the vendor. Under no circumstances should any item be ordered and received prior to this point. Under no circumstances should services be scheduled or rendered prior to this point.

CONFIRMING (UNAUTHORIZED) ORDERS ARE NOT PERMITTED.

8. Included with the white copy of the purchase order is the blue voucher copy. Pursuant to N.J.S.A. 18A:19-3, all claims and demands for payments (invoices) that equal or exceed 15% of the district's bid threshold must be accompanied by a declaration (voucher), in writing, signed by the vendor. The vendor is required to sign the blue voucher copy and return it, along with their invoice, to the district's business office for payment.

Receipt of Materials, Goods and Services

Receiving Orders

When supplies or materials have been received and services have been completed, the recipient of the goods or services must “receive” the order electronically in the district’s finance software system. Goods will be “received” by verifying the items delivered against the packing slip and confirming receipt of the items in the receiving module of the district’s finance software system. Services will be “received” by verifying the services invoiced and confirming receipt of the services in the receiving module of the district’s finance software system. **Invoices cannot be paid unless receiving process is completed by the recipient of the goods or services.**

When receiving goods, it is extremely important that all delivered goods be checked IMMEDIATELY.

Please adhere to the following procedures:

1. Retrieve the packing slip for that order and compare to your copy of the requisition.
2. Open up ALL boxes and check off items received on the requisition and packing slip. **Do not discard any of the boxes or packing material** until all items in that shipment are checked and in good condition. Make sure that any furniture and equipment received is not broken or damaged. We cannot make a claim for damages unless all the packing materials and cartons are available for the freight inspectors.
3. If the order is complete then items will be “received” in the district’s software system and the packing slip should be sent immediately to the district’s accounts payable department. This is an important part of the payment process, as a vendor cannot be issued payment unless our accounts payable department has confirmed all items are received.

Back Orders

Sometimes items ordered will not be received in the first shipment. They will be sent at a later date. This is known as a **back order**. The packing slip will have a back order (BO) notation on those particular items. Items marked back order (BO) on the packing slip should be marked back order on the requisition.

If the order is incomplete and it is due to a back order, do not wait for the second shipment. Please send the signed packing slip (make sure PO # is written on the slip) immediately to the accounts payable department. Please do the following if there is a back order:

- a) Make and keep a copy the packing slip with your requisition
- b) Upon receipt of the back order, check off the items on the packing slip and “receive” the items in the receiving module of the district’s finance software system. Send packing slip with the received items to our Accounts Payable Department immediately.

Missing Items

Sometimes items may be missing from your shipment. Call the company immediately. Please note on the requisition and packing slip what items were missing from your shipment. Do not confuse this with a back order. When you contact the company, you will have to provide the customer service representative with our purchase order number and/or their invoice number (if available).

Returning of Damaged or Wrong Items

There may be occasions when items have to be returned to the vendor. Please follow these procedures:

- a) Call the vendor – Ask the vendor what their procedure is for returning items. Make a copy of the packing slip.

- b) Notify Accounts Payable – On the packing slip, mark the item(s) and the reason(s) for the return. Also note on the slips how and when the items were returned. Attaching a UPS or US Post Office receipt will suffice. Notify the Accounts Payable department as soon as possible.

Damaged Shipments

1. Apparent Visible Damage—At times shipments are received in cartons which appear damaged. Before accepting the delivery, have the freight driver make a note on both his and your copy of the Freight Bill that the cartons show signs of visible damage. Open the shipment immediately and check to make sure the contents are not damaged. If contents are intact, continue the receiving process as outlined above.
2. Concealed Damage—If a shipment is received with no visible signs of damage to the carton but the contents are broken or damaged, a damage claim must be filed with the delivery company. Do not discard any of the cartons or packing materials that contained the damaged items. Replace the damaged items in their carton and store in a safe place and do the following:
 - a) Call the trucking company - Tell the dispatcher that you received a shipment with concealed damage. They will either send you a claim form or send a freight inspector to check your shipment.
 - b) Attach a copy of the freight damage claim to the packing slip and requisition. When the damage claim is satisfied proceed as outlined above

Please note: Interstate Commerce Commission regulations state all claims for damages MUST BE FILED WITH THE CARRIER NOT LATER THAN 10 DAYS of receipt of the damaged shipment. Claims after 10 days will not be honored and you will be obligated to pay in full for the damaged items.

Discontinued /Out of Print Items

If an item is marked discontinued or out of print, do not call the company for a replacement. If you want a replacement, you must submit a new requisition. DO NOT add or change items listed on the purchase order since it affects the dollar amount encumbered.

Methods of Procurement

A. Advertise for Bids (Purchases that exceed the bid threshold of \$40,000)

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 \$40,000.

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.

*Subject to Federal Procurement Code 7 CFR 210.21 and 2 CFR Part 200.318 et seq.

Bids and Purchasing:

1. **Bid Limit.** The Atlantic City Board of Education is restricted by New Jersey State Law on how much money can be spent by the district over the course of the year for materials, supplies, services, and public works projects without soliciting bids.

This restriction is called the **bid threshold** or **bid limit**. The bid limit currently is \$40,000. 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 \$40,000 for the entire year, must be competitively and advertised for bid. This restriction is for the entire district and not by location or schools.

You cannot circumvent the law by splitting purchases to be under the \$40,000 bid limit.

For purchases that may exceed the \$40,000 bid limit, please contact the Purchasing Office to begin planning the bid process.

The formal bidding process takes about 6-8 weeks to complete as explained the Appendix under Bid Process.

2. **Annual Bids.** The Board of Education, to be in compliance with N.J.S.A. 18A:18A-9, requests that central office department administrators and school principals start to plan and prepare for annual bids.

The proposed time lines are as follows:

January	Bid specifications are developed by the department requiring the goods/services in cooperation with the business office.
March/April	Purchasing Administrator compiles requests and prepares final bid specifications drafted in a manner to encourage free, open and competitive bidding.
May/June	Annual Bids are received, opened and tabulated by the Purchasing Administrator.
June	Bid Resolutions are prepared by the Purchasing Administrator for Board approval.
July	Requisitions submitted by the applicable department; purchase orders are generated by the Purchasing Department for delivery in August and September.

3. Bidding: Time Frame

As stated above, the formal bidding process usually takes approximately 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 Threshold and Public Advertisement

New Jersey State law allows for exceptions to the bid requirements. Some of the exceptions are:

- a) Purchasing through New Jersey State Contract
- b) Purchasing through a New Jersey Cooperative (Ed-Data, ESNJ/MRESC, County Co-op, etc.)
- c) Professional services as outlined by New Jersey Law
- d) Textbooks, library and educational goods
- e) Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences
- f) Contracts with other government entities; county and state colleges.

Purchases under the exemptions permitted by N.J.S.A. 18A:18A-5 may be subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a) if practicable.

Other requirements may still apply: NJ Business Registration Certificate, Political Contribution Disclosure Form, Certificate of Insurance, and EEO Requirements.

Please contact the purchasing administrator concerning the exemptions to bidding.

B. Quotations (Purchases that fall between \$6,000 and \$40,000)

This method of procurement is used for contracts for goods, materials, services and projects that in the aggregate are between \$6,000 and \$40,000.

Award of Contract—Price and Other Factors

The Atlantic City Board of Education is obligated to solicit at least two 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 considered.

Quotations and Purchasing

1. Quote Limits—The current quotation limit (threshold) is \$6,000. This means that any specific item, group of items, and/or of a similar nature purchased by the school district totaling \$6,000 or more, but less than \$40,000, for the entire year must be competitively quoted.

YOU CANNOT CIRCUMVENT THE LAW BY SPLITTING PURCHASES TO BE UNDER THE QUOTE THRESHOLD.

2. Quotation Process—Each department will obtain quotes for goods and/or services that exceed the quote threshold. All quotes must be recorded on the district's quote sheet and submitted, along with any additional supporting documentation, to the Purchasing Department as an attachment to the requisition. Specifications are to be drafted to provide open and competitive quotations. Once a vendor has been selected, a formal cost proposal or estimate from the vendor must accompany the requisition.

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

C. Request for Proposal—RFP

This method of procurement is preferred for professional services, instructional improvement services, educational consultants and professional development. Although professional services, as defined in Title 18A:18A, do not require competitive bids or quotations, it is in the best interest of the Board of Education to obtain proposals.

The RFP method is designed to award a contract to a vendor based upon the following criteria as recommended by the New Jersey State Comptroller's Office: Management, Technical, and Cost.

The award of an RFP contract does not have to be given to the respondent who submits the lowest price. The evaluative criterion process is designed to award the contract to the respondent whose response will provide the highest quality services at a fair and competitive price. The evaluation of each respondent using the criteria listed above is the basis for the award.

If proposals are to be obtained, they are to be sealed proposals, opened publicly at a prevailing date and time, and received by the purchasing administrator. This scheduling, together with the text of the solicitation for proposals are to be reviewed with the purchasing administrator and school business administrator.

Please be advised that the time frame for the RFP process is similar to the bid process, therefore, proper planning is essential to having services commence at the start of the new fiscal year.

The RFP process takes approximately 4-6 weeks to complete.

D. Competitive Contracting

This procurement method is used for certain contracts that exceed \$40,000 and can only be used for contracts that are outlined in N.J.S.A. 18A:18A-4.1 and Local Finance Notice 2010-3. Some examples are listed as follows:

- Proprietary Computer Software for board use
 1. Student Data Warehousing
 2. Student Information System
 3. Business Office and Human Resource
- Professional Development Services
- Educational Consultant Services
- Instructional Improvement Services

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

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 up to **6-8 weeks to complete.**

E. State Contract Purchases

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.

All purchase orders issued to NJ State Contract vendors must include the State Contract Number and the contract's expiration date; this information will be confirmed by the district's Purchasing Department.

District staff may check online at: www.state.nj.us/treasury/purchase/contracts.htm or check with the Purchasing Department to be sure the vendor you select is authorized to sell the products you want under a specific NJ State Contract.

Please note, shipping and handling costs are included on many items purchased through State Contract. However, non-bid vendors may have a minimum order requirement. Please try to combine orders to meet or exceed this minimum.

In addition to educational goods and services, other items may be purchased through State Contract such as computers, copiers, custodial goods/services, vehicles, etc.

The following equipment and supplies are to be purchased from a New Jersey State Contract vendor:

Computers - If you plan to purchase computers and/or peripherals, please contact the district's data center at extension 5059. The data center will be able to assist you in designing your system to assure compatibility with those currently in use throughout the district. When you have decided on the system you want, submit your requisition as outlined in this manual. The Purchasing Department will arrange for purchase under the proper NJ State Contract or solicit bids if necessary.

If bids must be solicited, please be advised that the formal bid process takes 6-8 weeks from start to finish—please review Appendix A for a complete outline of the formal bid process.

Copiers - If you plan to purchase or lease a copier, please contact the Purchasing Department. All copier purchases must be pre-approved by the superintendent of schools and school business administrator.

Purchase Order Requirements for State Contract Orders

All purchase issued to State Contract vendors shall include the following:

1. State Contract Number
2. State Contract System Identifier **1NJCP**
3. State Contract Expiration Date
4. State Contract Price List
5. *"Shipping and Handling Included"*

Exception for Not Purchasing on State Contract *(Read carefully)*

N.J.S.A. 18A:18A-5(e) provides that in the event a board of education has solicited and received at least three quotations on materials, supplies or equipment for which a state contract has been issued and the lowest responsible quotation is at least 10% less than the price the board of education would be charged for the identical materials, supplies or equipment in the same quantities under the state contract, the board of education may award a contract upon adoption of a resolution by the affirmative vote of two-thirds of the full membership of the board.

Documentation related to the contract, including the state contract number, is to be filed with the Director of the Division of Local Government Services within five (5) working days of the award.

F. Cooperative Purchasing

The Atlantic City Board of Education may contract with and use the services of a state authorized cooperative purchasing entity to purchase goods and services that may benefit the district. Recognized cooperative purchasing groups are, but not limited to:

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

Cooperative Purchasing System Identifiers

School districts are required by administrative code to identify the cooperative group from which purchases are being made and include the identification number on the purchase order. The following identification numbers are provided for your use:

- 1NJCP New Jersey State Contract vendors
- 26EDCPS Educational Data Services, Inc. vendors (ED-DATA)
- 65MCESCCPS Educational Services Commission of New Jersey vendors
- 34HUNCCP Hunterdon County Educational Services vendors

For information regarding the goods and/or services available through the above cooperatives, please contact the district's purchasing department at extensions 5158, 5044, and 5070.

Other Purchasing Procedures

A. Contracts for Professional Services and Consultants

All professional service and consultant contracts must be approved by the Atlantic City Board of Education. If you plan to recommend contracting the services of a professional consultant, please be advised of the following:

1. A Political Contribution Disclosure Form must be on file at least 10 calendar days **prior** to the award of all contracts of \$17,500 or greater.
2. All vendors must provide proof of a valid NJ Business Registration certificate for contracts greater than or equal to \$6,000.
3. A proposal for action by the board of education must be drafted so the item may be placed on the board of education meeting agenda. Please complete a Request for Board Action form and submit said form to the Office of the Superintendent of Schools.
4. Accompanied with the Request for Board Action form should be a written proposal from the vendor outlining the following:
 - a. Vendor's contact information (name, address, phone, fax, email address, etc.)
 - b. A thorough description of services to be provided
 - c. Starting date of service; ending date of service
 - d. The cost of the services/terms of payment(s)

Upon approval by the board of education, a written contract will be prepared by the board solicitor. No service is to be performed without a properly executed contract **and** the issuance of a purchase order.

Professional Services Contracts—12 months only

In accordance with N.J.S.A.18A:18A-42, generally contracts for the provision or performance of goods or services shall be awarded for a period not to exceed 24 consecutive months, except for professional services which may not exceed 12 consecutive months.

Please contact the purchasing administrator at extension 5070 for additional guidance concerning the proper procurement method for contracting professional services and consultants.

B. Extraordinary Unspecified Services (EUS)

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

C. 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 at school property that requires the immediate delivery of articles or performance of service to alleviate the emergency.

The emergency contract process is reviewed in the Appendix. Please note the superintendent of schools **MUST** first be notified of all emergency purchase requests and only the school business administrator may award an emergency contract.

C. Federal Funds

Effective July 1, 2015, the district is to comply with the Uniform Administrative Requirements—2 CFR Part 200 when procuring goods/property and services using federal funds. When procuring goods/property and services under a federal award, the district will follow the same policies and procedures it uses for procurements from non-federal funds.

All procurement transactions must be conducted in a manner providing full and open competition using the “more restrictive” clause, the QPA (Qualified Purchasing Agent) threshold, and one of the following methods of procurement:

Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does **not exceed** the micro-purchase threshold and may be awarded without soliciting competitive quotes if the district considers the price to be reasonable. The micro-purchase threshold for the district is \$6,000.

Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (\$150,000). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Although the federal government recognizes the Simplified Acquisition Threshold, the State of New Jersey **only** recognizes the QPA threshold of \$40,000 as the amount where formal bidding (Competitive Contracting) is required; therefore, **the \$150,000 federal threshold does not apply** and the Atlantic City School District must adhere to the “more restrictive” clause.

Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

Procurement by competitive proposals (RFP process). The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. This process is generally used when conditions are not appropriate for the sealed bid process. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Contracts will be awarded to the responsible whose proposal is most advantageous to the program, with price and other factors considered.

The following thresholds are recommended when procuring goods and services using federal funds:

More Restrictive Threshold	Procurement Activity	Citation
Less than \$6,000	Micro-purchase; sound business practices	200.320 (a); 200.67
\$6,000-\$40,000	Use of quotations; use of RFP's	18A:18a-37(a);200.67
More than \$40,000	Use of bids or competitive contracting with formal advertising	18A: 18A-4(a) 18A:18-4.1 et. seq.

****Please see Appendix K for a comprehensive threshold chart**

The use of New Jersey State Contract vendors for the procurement of goods and services when using federal funds should be limited to micro purchases (less than \$6,000) only. For purchases of \$6,000 or more, NJ State Contract vendors may be used as part of the quotation process and such vendors may also participate in the bid, competitive contracting and RFP processes when so advertised. The use of cooperative purchasing systems (e.g. Ed-Data, MRESC, etc.) is permitted for some purchases of \$6,000 or more when using federal funds.

Please be advised that although federal guidelines (200.320(f)) permits single source purchasing through non-competitive proposals, New Jersey Public Contracts Law **does not** recognize sole or single source vendors; therefore, the Atlantic City Board School District must adhere to the “more restrictive” clause and use the bidding, competitive contracting, or RFP process even if only one vendor can provide the goods and/or services.

All requisitions and purchase orders for the procurement of goods and/or services using federal funds **must** identify the federal program. The federal program (e.g. Title I, IDEA, etc.) **must be typed on all requisitions and purchase orders**. If it is necessary to procure goods and/or services through formal advertising, please provide the Purchasing Administrator with information regarding the percentage of the total cost that will be financed with federal funds and/or the dollar amount of federal funds, and the percentage/dollar amount of the total cost that will be financed by non-government sources.

The RFP and bidding processes involve considerable time and preparation, so please plan your purchases accordingly. Appendix A of this manual outlines the formal bid process.

In summary, all purchases made with federal funds require sound business practices, competitive quotes, RFP’s or bidding, depending on the aggregate amount of the purchase.

D. Contract Renewals and Extensions

Any vendor contract for goods or services (with the exception of 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. The major conditions are as follows:

1. Extension or renewal is approved by the board of education;
2. No contract shall be extended so that it runs longer than the periods permitted by 18A:18A-42;
3. Any price increase for services shall not exceed the quarterly Index Rate;
4. Terms and conditions of the contract remain substantially the same.

E. 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. All contracts with vendors shall be reviewed by the school business administrator and/or school board solicitor, 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 \$40,000.

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. Please alert the Business Office for any upcoming purchases that are more than \$6,000.

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 Trips

These procedures supplement the district's related policy. Field trip organizers must refer to and comply with all board policies and procedures.

A "field trip" occurs when students leave school grounds for an educational purpose and shall be reasonable in cost. A student trip is for the purpose of curriculum related study, interscholastic athletics, co-curricular activities, outdoor education or part of a school-sponsored club. Field trips solely for student entertainment are prohibited when using public funds.

Types of field trips include:

- Day trips
- Walking trips
- Recurring field trips (same activity on a regular basis such as choir or sports games)
- Field trips with special hazards:
 - a) near water or involving swimming or boating
 - b) in remote locations
 - c) involving animals (farms, zoo, etc.)
 - d) outdoor education
- Extended field trips – overnight field trips or out of area (over 50 miles)
- Out of country field trips

Transfinder Field Trip Management

All requests for field trips must be entered into the district's field trip management software, **Transfinder**. It is the responsibility of the field trip organizer to enter the details of the field trip in Transfinder. All requests must include the following information: admission fees, destination, description of the trip, date of the trip, rain date, educational value, funding source, and transportation mode and cost.

Approval Process

All field trips **must be pre-approved** by the Atlantic City Board of Education; and board approval is based upon the information that is entered into Transfinder. Once the date, destination, admission fees, and transportation costs have been board approved, no other changes may be made. Any revision to the date, destination, and costs requires board approval.

Requisitions and Purchase Orders

After the field trip has been board approved, the business office will complete a requisition and purchase order for the transportation costs *only* of certain trips. **A separate requisition for the admission fees must be completed by the field trip organizer** and submitted to the proper administrators and the state monitor for approval. The requisition for admission fees must include the following:

- Vendor information (if using the vendor for the first time, please provide the business office with a Form W9 completed by the vendor)
- Description of the field trip; all destinations and stops
- Date and time of the field trip
- Board approval date and resolution number (attach a copy of the resolution)
- Transfinder number
- Any special instructions and/or terms regarding admission fees, deposit, deadline, etc.

Field Trip Assistance

For information regarding transportation, please contact the district's transportation department at extension 5010. For information regarding the payment of admission fees, please contact the district's business office at extension 5040 or 5042.

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. For the purpose of this section and pursuant to N.J.A.C. 6A:23A-5.8, the following definitions apply:

"Activities" means events or functions provided or held for the benefit of students, dignitaries, and other "non-district" employees (for example, parents) which are paid from public funds.

"Dignitary" means a notable or prominent public figure; high level official; or one who holds a position of honor. A dignitary is not a school district employee or board of education member.

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**

Documentation required to support activities, meals and refreshments at district events shall be:

- a) A description of the activity
- b) Purpose/justification of the activity; goal; objectives
- c) Make-up of the group receiving the meals
- d) Names/titles of employees or board members included in the group

2. **Prohibited Activities—Meals and Refreshments**

- **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 for the purchase of employee recognition awards is permitted (i.e., retirement plaques).

C. **Miscellaneous Permitted, Non-Essential, and Prohibited Purchases**

1. **Permitted Purchases**

- Commencement; Convocation Activities—All reasonable costs for these activities are permitted.
- T-Shirts—The Assistant Superintendent of Curriculum and Instruction will consider, on a case by case basis, requests for the purchase of T-shirts for field days or field trips.

2. **Non-Essential and Prohibited Purchases**

An outline of non-essential purchases that are prohibited and permitted is reviewed in the Appendix.

D. **Textbooks; Approval Process and Purchasing Procedures**

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.

2. **Purchase of Textbooks**

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.

It is important that all purchase orders for textbooks withstand any state or district audit review.

3. **Purchasing Procedures**

All schools buying textbooks and workbooks must plan appropriately. School principals are to ensure that requisitions for textbooks and workbooks presented to the administration building for approval include pricing that was obtained through a representative from the book company or by using online pricing. Use of catalog pricing is prohibited. All prices must be obtained by contacting the sales representative or by obtaining online prices.

Each requisition will be reviewed by the district's Purchasing Department to ensure the following is attached:

- 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 requisition that does not have a price quotation from the book company's sales representative or copies of online pricing will not be approved.

E. Workshop Registration

All registrations for workshops, seminars, training, conferences, conventions, etc., require the issuance of a purchase order *before* the employee attends. If the registration fee is greater than \$150, the employee's attendance **must** be pre-approved by the Board.

Please complete the following steps prior to attending any of the events listed above:

- a) Obtain approval from the school principal or department head;
- b) The school principal or department head will request action from the Board if the registration fee exceeds \$150;
- c) Once approval has been granted, please generate a requisition and attach a copy of the workshop registration form to the requisition, and submit the documents to the administration building for additional approval and processing. The purchase order process is outlined on pages 11-15 of this manual;
- d) After a purchase order has been generated by the business office, an electronic notification will be sent to the originator of the requisition;
- e) Contact your school or department secretary/designee to confirm your registration has been processed before you attend the workshop. You must receive confirmation that the purchase order process has been completed and you are officially registered for the workshop you wish to attend.

Approval by the school principal or department head, and the board of education (if required) does not mean you have been registered for the workshop, seminar, convention/conference—**a purchase order is still required**. Failure to have a purchase order issued prior to attending the workshop is a violation of district policy and state law, and therefore subject to disciplinary action.

F. Travel Reimbursement

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

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 License; Vehicle Registration; 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. Additional rules and procedures on travel are available by contacting the school business administrator.

G. Fixed Assets

Generally Accepted Accounting Principles (GAAP) reporting, requires the district to maintain physical accountability over district owned assets. Fixed assets are property, plant or equipment, assets that are long-term and continued use, such as land, buildings, machinery, and equipment.

Cost Determination of Fixed Asset

For the purpose of this purchasing manual and to be in compliance with law and code, a fixed asset is a single item cost of \$2,000 or more.

Recording of Fixed Assets

School officials ordering and receiving a fixed asset item, shall properly record the item on the purchase order in accordance with Business Office procedures. The fixed asset item shall also be identified with the district's bar coding system.

Disposal of Fixed Assets

All school district property must be disposed in a manner prescribed by law as per the Records Retention Schedule prepared by the New Jersey Bureau of Records Management. The Business Office will assist all school officials in the disposal of all school property, especially those identified as fixed assets.

H. Purchase of Food Supplies—Guidance

Purchase of Food Supplies Supermarket or Wholesale Club

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. Many schools and office have prepared purchase orders for the purchase of food supplies.

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.

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. Increasing the Purchase Order Amount

There may be times when the amount of a purchase order must be increased to meet the needs of the district. Change orders for contracts for materials, supplies and equipment are governed by N.J.A.C. 6A:23A-21.1(d); such changes shall not cause the originally awarded contract price to exceed cumulatively by more than 20 percent. In accordance to N.J.A.C. 6A:23A-6.10, the school business administrator will identify the reason for any increase to the purchase order.

If it is found that an increase to a purchase order is warranted, one of the following shall occur:

- A revision to the original purchase order with the reason noted;
- Issuance of a supplemental purchase order for the difference; or
- Cancellation of the original purchase order and issuance of a new purchase order for the new 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 a bid award price.

J. Purchase Order Cut-Off Date

Requisitions/purchase orders will not be accepted from December 1st through January 31st.

Ordering may re-open for a limited time, contingent upon approval from the district's fiscal monitor.

Purchase orders for the present school year will not be accepted after March 31st unless prior arrangements have been made—this date is firm. Exceptions to the deadline may be for purchases of the following:

- End of year activities such as field trips, graduation, assemblies;
- Employee contractual obligations such as tuition reimbursement;
- Emergency contracts;
- State and/or federal grant funded programs
- Grant funded programs
- Travel reimbursements; and
- Other goods, material or services

Contracted Service Providers—Protecting Our Children

Regular Contact with Students

There may be times during the performance of a vendor contract, where a contracted service provider may come in contact with students of the school district. The district fully understands its obligation to provide to all students and staff members, a safe educational environment. To this end, the district will be requiring all contracted service vendors who come in **regular contact with students** to comply with the following requirements.

Anti-Bullying Reporting--Requirement

When applicable, the contracted service provider shall comply with all applicable provisions of the New Jersey Anti-Bullying Bill of Rights Act—N.J.S.A. 18A:37-13.1 et seq., all applicable code and regulations, and the Anti-Bullying Policy of the Board of Education. In accordance with N.J.A.C. 6A:16-7.7 (c), a contracted service provider, who has witnessed, or has reliable information that a student has been subject to harassment, intimidation, or bullying shall immediately report the incident to any school administrator or safe schools resource officer, or the School Business Administrator/Board Secretary.

Criminal History Background Checks—N.J.S.A. 18A:6-7.1--Requirement

When applicable, the contracted service provider, shall provide to the school district prior to commencement of contract, evidence or proof that each employee assigned to provide services and that comes in **regular contact with students**, has had a criminal history background check, and furthermore, that said background check indicates that no criminal history record information exists on file for that worker. Failure to provide a proof of criminal history background check for any employee coming in regular contact with students, prior to commencement of contact, may be cause for breach of contract.

Pre-Employment Requirements

When applicable, all contracted service providers, whose employees have **regular contact with students**, shall comply with the Pre-Employment Requirements in accordance with New Jersey P.L. 2018 c.5, N.J.S.A. 18A:6-7.6 et seq. Contracted service providers are to review the following New Jersey Department of Education—Pre-Employment Resource P.L. 2018 c.5 link below for guidance and compliance procedures.

<http://nj.gov/education/educators/crimhist/preemployment/>

Vendor Payment Process I

A. Accounts Payable Process

Prompt payment of goods and services contracts, P.L. 2018, c.127. Upon receipt of a properly executed invoice, the school district shall make payments the later of (a) 90 calendar days from receipt of properly executed invoice; or (b) 90 calendar days from the date the goods or services were received (as certified by an officer or duly designated district employee). All payments are subject to approval by the Board of Education at a public meeting and will be made in accordance with the Board of Education's policy and procedures.

Before payment is made to any vendor the following must occur:

1. Once goods or services are provided, the goods or services must be "received" electronically in the district's finance software system and any packing slips must be forwarded to the district's accounts payable department.
2. Accounts payable must have the following documents before processing a vendor's payment:
 - a. **V** – voucher (if applicable) with the vendor's certification/declaration stating that the bill is correct, that all goods/services have been furnished and that no bonus has been given or received as part of the claim. The voucher must also include the signature of the school business administrator. Some invoices may already include this certification/declaration directly on the invoice, therefore, there is no need to again obtain this certification from the vendor.
 - b. **I** – an invoice stating the vendor's name, address and contact information and the district's billing and shipping information. The invoice must also include an itemized list of the goods or services with the unit cost and grand total. The invoice should include only the goods or services the actually provided.
 - c. **P** – an approved purchase order and completion of the receiving process in the district's finance software system.

B. Incomplete Shipments

1. If the invoice includes items that were damaged or not received (based on the receiving process or packing slip), the vendor should be notified immediately.
2. Any problems should be noted on the packing slip and a payment should not be made until the matter is resolved with the vendor.
3. If it is agreed that the remaining portion of the order that was not correct is going to be cancelled, then the vendor can be paid and the remaining part of the purchase order should be liquidated.

C. Invoices

Once accounts payable has the required documents, the purchase order can be processed for payment. When processing vendor payments, accounts payable should do the following:

1. Verify the vendor's invoice and voucher with the purchase order and investigate any discrepancies.
2. Do a quick recalculation of the vendor's invoice to be sure that it is mathematically correct.
3. Be sure that the vendor is not billing for New Jersey State sales tax.
4. Make sure that if the purchase is being made from a state contract vendor there is no charge for shipping; freight charges may apply to some furniture orders.
5. Initial the voucher to document that the above steps have been performed.

D. Payment Process

1. Once the above steps have been completed, a calculator tape is generated on the voucher package and they are entered into the finance system as ready for payment.
2. A "Report of Payments" (Bills List) is generated and reconciled to the calculator tape. If in balance, the report is run alphabetically (for the accounting office) and by account number (for the Board).
3. Prior to distribution to the Board of Education, the school business administrator will review the "Report of Payments" (Bills List) to ensure the information is reasonable. Vouchers are not submitted to the Board of Education but should be available in the Business Office for reference.
4. Provided the Bills List has been approved by the Board of Education, checks will be generated within three to five days after the board meeting.
5. Checks are not to be printed until an edit report is generated that shows the total payments to be processed. This balance must agree with the Report of Payments (Bills List). The edit report must be printed and maintained on file.
6. A check register will be generated for all funds.
7. A detailed disbursement report listing all funds is generated.
8. The system will automatically assign the check numbers. Blank stock is kept in the vault. If any checks are voided, they must be maintained on file until the annual audit has been completed.
9. Three signatures are required on all checks: Board President, Superintendent, and the Business Administrator.
10. Prior to mailing the checks, the payment date, check number and amount must be documented on the voucher and purchase order.
11. All checks are to be mailed by the accounts payable department. Allowing vendors to come into the office to pick up the check should be avoided.
12. The voucher package is to be filed by vendor, in alphabetical order.

Vendor Payment Process II

Role of School District

Purchase Order Contract Amount—Not to Be Exceeded!

The contracted services provider (vendor) receives a purchase order from the purchasing department 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 the dollar amount of the services to ensure they do not exceed the total contract amount. Administrators are asked to contact the business office, forty-five (45) days in advance, if the total contract amount is close to being exceeded. The purchasing department 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, forty-five (45) days in advance, if the total contract amount is close to being exceeded.

Exceeding Contract Amount—Written Authorization Required!

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 school business administrator and superintendent of schools.

Submission Deadlines -- Fifth (5th) of Each Month

The Board of Education traditionally meets on the third Tuesday of each month. The Business Office asks that all bills and invoices for payment be submitted *prior* to the 5th 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 and the receiving process has been completed.

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.

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A. FORMAL BID PROCESS

The formal bidding process takes approximately 6-8 weeks from start to finish. Bids for public works/construction projects take longer as a request for wage rate determination must be formally made to the State of New Jersey.

PROCESS	TIME LINE
Initial request made by Administrator/Director/Department Head; certification that funds exist	One Day
Review of specifications, fully outlining items, materials, or services to be bid by the Purchasing Administrator	One Week
Return of reviewed specifications to Administrator/Director/Department Head for final approval. The Administrator/Director/Department head signs off final approval.	One Week
Bid package is prepared by the Purchasing Administrator	One Week
Copies of bids run off	One Day
Legal advertisement put in newspaper	Three day lead
Bid Date/time—must be at least 10 days after legal ad appears in newspapers. Bids are opened and read publicly.	10 – 20 days
Bids are tabulated and reviewed by the Purchasing Administrator Purchasing Administrator prepares spreadsheet showing all bidders and recommends award of bid. Resolution is written and submitted to the Board of Education.	One to Two Weeks
Bids are reviewed at Board Agenda, Committee of the Whole and regular Public meetings.	One Week
Purchase orders are prepared, computer generated and submitted to the Business Administrator and Superintendent of Schools for signatures. Signed purchase orders are returned to the Purchasing Department to be forward to respective vendors for fulfillment of orders.	One Week

As you can see, the Formal Bid Process takes about 6-8 weeks from start to finish. Annual bidding of supplies, equipment and material takes longer due to the volume of requests. The process may take longer if the equipment is made to order.

Bids for Public Works/Construction projects take longer as a request for wage rate determination must be formally made to the state of New Jersey.

B. EMERGENCY PURCHASES/CONTRACTS (18A:18A-7)

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.

Definition of Emergency

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

Process in Declaring an Emergency

1. Superintendent of Schools Notified -The superintendent of schools is notified by the employee/supervisor/administrator requesting an emergency.
2. School Business Administrator Notified- The official in charge of the building or facility, wherein the emergency occurred shall notify the school business administrator of the following:
 - a. Nature of emergency
 - b. Time of occurrence
 - c. The need for invoking the emergency statute

Such notification shall be prepared in writing and filed with the school business administrator as soon as possible.

3. Awarding of Contract by School Business Administrator - If the school business administrator is satisfied an emergency exists, the school business administrator is, by state law, authorized to award the contract but will do so only with superintendent of school's approval.
4. Filing of Documents with State, County by School Business Administrator – In accordance with N.J.A.C. 5:34-6.1 the following documents must be filed with 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. Acknowledgement by the Board of Education - The Board of Education at its next regular public meeting shall review and approve said emergency purchase. This may be done by board resolution.

****POOR PLANNING IS NO EXCUSE FOR AN EMERGENCY****

C. NON-ESSENTIAL PURCHASES

Atlantic City Board of Education Office of the Superintendent

Non-Essential Purchases

MEALS/REFRESHMENTS/CATERING

<u>Prohibitions</u>	<u>Permitted Purchases – Case by Case</u>
Board of Education funds may not be used for meals, catering, refreshments, food and supplies for the following: • Staff meetings, functions (in-service, training, etc.) • Honoring employees, retirement functions • Athletic Events – Guests and Participants • Employee personal use (napkins, paper plates, utensils, tissue, coffee, tea, cups, air fresheners, etc.)	The business administrator will consider, on a case by case basis, requests for the following: • Student Functions, activities, events – reasonable costs; food costs approximately \$7 per attendee • Functions, activities, events for dignitaries and other “Non-district employees e.g., Parents – light meals/refreshments – minimal and infrequent (documentation must be provided prior to the event to support activity/meals: description of event and justification of who will attend, names and titles of employees/board members attending event) food costs approximately \$7 per attendee • Back to School Nights – Light refreshments • Board of Education Meetings—Light meals/ refreshments • All reasonable expenses related to district employees to the extent such employees are essential to the conduct of the activity (chaperones, coaches, etc.)

CELEBRATION, DECORATIVE ITEMS, ACKNOWLEDGEMENTS

<u>Prohibitions</u>	<u>Permitted Purchases – Case by Case</u>
Board of Education funds may not be used for celebration, decorative or acknowledge items as follows: • Carnivals • Gifts for employees, teacher appreciation • Gift baskets, greeting cards • Retirement Plaques • Bereavement: flowers, fruit basket, cards, food, gifts, donations, other acknowledgements • Office decorations, plants, pictures, etc.	The business administrator will consider, on a case by case basis, requests for the following: • All reasonable costs for commencement/convocation activities • Yearbooks

Special Notes:

Field Trips

All costs of student field trips that are part of the instruction program are permitted. A full detailed explanation must be provided on the required forms.

Purchase of T-Shirts

The Assistant Superintendent of Curriculum and Instruction will consider, on a case by case basis, requests for the purchase of T-shirts for field days or field trips.

This list is not all inclusive. Other stipulations may apply.

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 \$6,000	No	No	No
\$6,000 - \$17,499	No	YES	No
\$17,500 - \$39,999	No	YES	YES
*\$40,000 – and over	YES	YES	YES

Affirmative Action Evidence Exemptions	Business Registration Certificate Exemptions	Chapter 271 (PCD) Exemptions
- 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.	- 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 <u>Exempt Situations</u> - 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. - Purchases made entirely through School Student Activity Funds.	- 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. So. Jersey Gas <u>Exempt Situations</u> - Emergency purchases; - Litigation payments to parties through court order.

***Based upon a QPA \$40,000 Bid Threshold**

E. FEDERAL CONTRACTS

Federal Funding

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

- Title I, Part A – Improving Basic Educational Programs
- Title II, Part A – Supporting Effective Educators
- Title III, Part A – English Language Acquisition, Language Enhancement, and Academic Achievement
- Title IV, Part A – Student Support and Academic Enrichment

Other Examples of Federal Funding Sources

- I.D.E.A. Part B Handicapped
- Perkins Vocational Education
- National School Lunch Program
- National School Breakfast Program

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 \$6,000.00**
The Purchasing Agent shall use sound business practices for purchases in the aggregate that do not exceed \$6,000.00. Reference--2 CFR 200.320 (a) and 2 CFR 200.67
- **Small Purchase Procedures—\$6,000 through \$40,000**
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 \$6,000.00 and less than \$40,000. Reference--2 CFR 200.320 (b) and 2 CFR 200.88
- **Sealed Bids—More than \$40,000**
The Purchasing Agent shall use the competitive bid process to procure those contracts which in the aggregate exceed the \$40,000 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—\$40,000 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 \$40,000 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*.

Food Services Directors

The USDA and the New Jersey Department of Agriculture—Food and Nutrition, have announced through various documents and forms, new procedures for the procurement of goods and services for the Food Services program in every school district.

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.*”

F. Federal Contracts—Chart of Thresholds

Description of Goods/Services	Amount	Procurement Method
Goods and Services	Less than \$6,000	Sound Business Practice
Goods and Services	\$6,000-\$40,000	Quotation or Bid
Goods and Services	More than \$40,000	Bid
Professional Services	Less than \$6,000	Simple Proposal
Professional Services	\$6,000-\$40,000	Request for Proposals (RFP)*
Professional Services	More than \$40,000	Competitive Contracting
Educational Consultant Services	Less than \$6,000	Simple Proposal
Educational Consultant Services	\$6,000- \$40,000	Request for Proposals (RFP)*
Educational Consultant Services	More than \$40,000	Competitive Contracting
Instructional Improvement Services	Less than \$6,000	Simple Proposal
Instructional Improvement Services	\$6,000 - \$40,000	Request for Proposals (RFP)*
Instructional Improvement Services	More than \$40,000	Competitive Contracting
Professional Development Services	Less than \$6,000	Simple Proposal
Professional Development Services	\$6,000 - \$40,000	Request for Proposals (RFP)*
Professional Development Services	More than \$40,000	Competitive Contracting
Sole Source (Proprietary) ^(a)	Less than \$6,000	Simple Proposal
Sole Source (Proprietary) ^(a)	\$6,000 - \$40,000	Proprietary Quotation
Sole Source (Proprietary) ^(a)	More than \$40,000	Proprietary Bid
Services Provided by Government Units/Schools	Less than \$6,000	Simple Proposal
Services Provided by Government Units/Schools	\$6,000 - \$40,000	Request for Proposals (RFP)*
Services Provided by Government Units/Schools	More than \$40,000	Competitive Contracting

**The amounts are based upon a QPA bid threshold of \$40,000 and subject to change.
RFPs must be publicized when federal funds are being used.**

G. HELPFUL HINTS WHEN PREPARING REQUISITIONS

1. GIVE AS MUCH INFORMATION AS POSSIBLE.

Example:

Highsmith Co.
W5527 Highway 106
P.O. Box 800
Fort Atkinson, WI 53538-0800
(800) 558-2110

1 each Hon File Cabinet 3 drawer lateral
Size: 36"W x 12"D x 40"H Color: Putty
model #310 series (the manufacturer's model number)
Highsmith Stock #L61-60933 (catalog number)
Price \$199.00

2. Please use vendors as awarded by state-approved cooperatives (NJ State, ESCNJ, HCESC, Ed-Data). Trying to save money by using a small company that offers "Specials" often causes an item not to be purchased. Small companies may not like to submit bids because they frequently cannot supply the required documents such as an approved Affirmative Action Certificate. In some cases, they cannot get a bid bond, or they want payment prior to delivery. Our accounting department is only permitted to issue checks for payment **after** the items have been received and the proper invoice has been submitted and approved by the Board of Education.
3. Capital Outlay (sub fund 12)—is used to record capital items that are funded by general fund revenues. It includes increases in the general fund capital fund reserve account, equipment purchases, and facilities acquisition and construction services.

Equipment items are any instrument, machine, apparatus, or set of articles (including software) which meets **all** the following criteria:

- a) Retains original shape, appearance and character with use;
- b) Item does not lose identity through fabrication or incorporation into a different or more complex unit or substance;
- c) It is nonexpendable; that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit;
- d) Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its purpose for at least one year;
- e) Unit cost of the item is \$2,000 or more.

An item should be classified as a supply if it does not meet the stated equipment criteria and the cost is not \$2,000.

Please contact the Purchasing Department at extension 5070 regarding the classification of items being purchased as a "bundle."

H. ANNUAL REQUISITIONS FOR COMPUTERIZED PURCHASING—Ed Data

We are members of Educational Data Services, Inc. (Ed-Data) Cooperative Purchasing. Ed-Data is configured to allow us to requisition online at www.ed-data.com for a host of supplies and services. The ordering process has been simplified, and the task of filling out requisitions is done online by entering a user number and pass code to gain access to the online requisition page. If you have not been assigned a user number/pass code, please inform your school's principal or department head immediately.

These online catalogues (requisitions) contain many of the standard items in use by the schools. You are encouraged to order the items listed since the prices have already been verified and there is no need to look through manufacturers' catalogues for the pertinent information—they meet all bid requirements.

There are times when the Ed-Data catalogues do not include certain *specialized* items (e.g. anatomical model). In these instances, you may obtain price quotes or online pricing from a state contract vendor. After quotes are obtained, you should prepare a requisition using the district's in-house finance system, Edu-Met. The vendor is required to provide PROOF that the item he or she is quoting is on the state contract. Ask for this proof.

Please remember to use Ed-Data online ordering to save **time** and **money** on the categories listed below:

Technology Supplies
Library Supplies
Science Supplies
Elementary Science Supplies
Custodial Supplies
General Classroom Supplies
Photography Supplies
Office Computer Supplies
Time and material projects

Health and Trainer Supplies
Remanufactured Ink and Toner
Lumber
Physical Education Supplies
Fine Art Supplies
Audio Visual Supplies
Copy Duplicator Supplies
Athletic Supplies

I. QUOTE SHEET

THREE PRICE QUOTATIONS ARE NECESSARY ON ALL ITEMS AND/OR SERVICES

(Please attach all written quotes)

School/Dept.: _____ Person Requesting Quote: _____ Date: _____

General Description of Item(s)/Service: _____

QUOTATIONS:

#1

Vendor: _____ Tel.: (____) _____ Will Confirm
In Writing: YES ___ NO ___

Address: _____ City: _____ State: _____ Zip: _____

Person Providing Telephone Quotation: _____

Date of Quote: _____ Attachment: YES _____ NO _____

Price: \$ _____

#2

Vendor: _____ Tel.: (____) _____ Will Confirm
In Writing: YES ___ NO ___

Address: _____ City: _____ State: _____ Zip: _____

Person Providing Telephone Quotation: _____

Date of Quote: _____ Attachment: YES _____ NO _____

Price: \$ _____

#3

Vendor: _____ Tel.: (____) _____ Will Confirm
In Writing: YES ___ NO ___

Address: _____ City: _____ State: _____ Zip: _____

Person Providing Telephone Quotation: _____

Date of Quote: _____ Attachment: YES _____ NO _____

Price: \$ _____

J. POLITICAL CONTRIBUTION DISCLOSURE FORM (PCDF)

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Required Pursuant to N.J.S.A. 19:44A-20.26

**This form or its permitted facsimile must be submitted to the local unit
no later than 10 days prior to the award of the contract.**

Part I – Vendor Information

Vendor Name:			
Address:			
City:		State:	Zip:

The undersigned being authorized to certify, hereby certifies that the submission provided herein represents compliance with the provisions of N.J.S.A. 19:44A-20.26 and as represented by the Instructions accompanying this form.

Signature

Printed Name

Title

Part II – Contribution Disclosure

Disclosure requirement: Pursuant to N.J.S.A. 19:44A-20.26 this disclosure must include all reportable political contributions (more than \$300 per election cycle) over the 12 months prior to submission to the committees of the government entities listed on the form provided by the local unit.

☐ Check here if disclosure is provided in electronic form.

Contributor Name	Recipient Name	Date	Dollar Amount
			\$

☐ Check here if the information is continued on subsequent page(s)

List of Agencies with Elected Officials Required for Political Contribution Disclosure (cont'd)
N.J.S.A. 52:34-25

County Name: Atlantic

State: Governor, and Legislative Leadership Committees

Legislative District #s: 1, 2, & 9

State Senator and two members of the General Assembly per district.

County:

Freeholders

County Clerk

Sheriff

County Executive

Surrogate

Municipalities (Mayor and members of governing body, regardless of title):

Absecon City

Estell Manor City

Mullica Township

Atlantic City

Folsom Borough

Northfield City

Brigantine City

Galloway Township

Pleasantville City

Buena Borough

Hamilton Township

Port Republic City

Buena Vista Township

Hammonton Town

Somers Point City

Corbin City

Linwood City

Ventnor City

Egg Harbor City

Longport Borough

Weymouth Township

Egg Harbor Township

Margate City

Boards of Education (Members of the Board):

Absecon City

Folsom Borough

Mainland Regional

Atlantic City

Galloway Township

Mullica Township

Buena Regional

Greater Egg Harbor Regional

Northfield City

Egg Harbor City

Hamilton Township

Pleasantville City

Egg Harbor Township

Hammonton Town

Somers Point City

Estell Manor City

Longport

Weymouth Township

Fire Districts (Board of Fire Commissioners):

Buena Borough Fire District No. 1

Buena Borough Fire District No. 2

Buena Vista Township Fire District No. 1

Buena Vista Township Fire District No. 2

Buena Vista Township Fire District No. 3

Buena Vista Township Fire District No. 4

Buena Vista Township Fire District No. 5

WEBSITE:

<http://www.nj.gov/dca/lgs/p2p/>

K. REQUEST FOR CERTIFICATE OF INSURANCE

Requestor's Name _____

School/Department _____

Event _____

Location _____

Date of Event _____ Time _____

Board Approved ☐ YES ☐ NO ☐ Not Applicable

If Yes, date of board meeting _____; resolution number _____

Information for the Named Additional Insured is as follows:

Company Name _____

Street Address _____

City _____ State _____ Zip _____

Point of Contact _____

Phone Number _____ Fax Number _____

Email _____

Signature of Requestor

Date

Attach any additional information regarding mandatory language that must be included in the Certificate of Insurance. Complete and submit to the Purchasing department at least 2 weeks prior to the scheduled event.

Should you have any questions, please contact Atiya Byngs at extension 5070.

L. PURCHASE ORDER RATIONALE FORM

ATLANTIC CITY BOARD OF EDUCATION

Atlantic City, New Jersey 08401

Purchase Order Rationale Form

A. Educational Rationale

As a result of this purchase, please explain what will students learn or how students will benefit. Note any educational achievement or program that may be linked to this purchase.

B. Operational Rationale

Provide a brief explanation how this purchase is of operational value to your school/office. Note any particular benefits to the district. Explain whether any goods/services are being utilized on a regular basis and whether they are useful on a long term basis.

C. Light Meals; Refreshments—Student or Parent Activities -- N.J.A.C. 6A:23A-5.8(e)

Provide a description and purpose of student or parent activity. Document the makeup of the group participating. Attach a list of employees or board members included in the group. (*Use back if necessary*).

D. Funding Source: ☐ Federal ☐ Local

For federal funds, your signature below is certification the goods and/or services requested were included in the grant application.

Name of School/Office _____

Name: _____ Title: _____

Signature: _____ Date: _____

Name of Vendor _____

Amount \$ _____ Account # _____

Please attach the Rationale Form to the front of the Purchase Order – One Form Per Purchase Order.