

Delta-Schoolcraft Intermediate School District Business Office Policies and Procedures Financial Management Systems Purchasing and Procurement

It is the policy of DSISD to ensure that all disbursements of District funds are properly reviewed, authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of District funds shall be subject to the following provisions:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 1440 Reimbursement of Job-Related Expenses
- 3440 Reimbursement of Job-Related Expenses
- 4440 Reimbursement of Job-Related Expenses
- 6152 Student Fees, Fines, and Charges
- 6320 Purchasing
- 6350 Prevailing Wage Coordinator
- 6440 Cooperative Purchasing
- 6450 Local Purchasing
- 6460 Vendor Relations
- 6470 Payment of Claims
- 6550 Travel Payment & Reimbursement
- 6610 Student Activity Fund
- 6620 Petty Cash
- 6670 Trust and Agency Fund

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Business Office shall obtain informal quotations, formal bid quotations, or competitive bids for goods and services, as specified by Board policy and State law.
2. The District utilizes the competitive bid threshold issued by the State of Michigan Department of Education. The Superintendent or designee will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by MDE.

Expenditure Type	Michigan Revised School Code Section
District procurement of supplies, materials and equipment	623a
District award value limit	634 and 1814
District gift value limit (monthly)	635
School building construction, addition, renovation, or repair	1267
School District or Public School Academy procurement of materials, and equipment	1274

**Delta-Schoolcraft Intermediate School District
Business Office Policies and Procedures
Financial Management Systems
Purchasing and Procurement**

3. The Superintendent or designee is authorized to make purchases for allowable and necessary items within the Board-approved budget allocation.
4. All disbursements, including payroll, are made by check or direct deposit except for small petty cash purchases.
5. Purchases made with federal funds in excess of \$150,000 may be subject to the provisions of 2 CFR - Part 200 or similar regulations. Where such regulations differ from general District policy, the more restrictive of the requirements shall apply.
6. All purchase requisitions must be approved by an appropriate Building Administrator or designee.
7. Purchases over \$1,000 require a purchase order, prepared by the Department Secretary and approved by the Superintendent or designee.
8. Copies of purchase orders are distributed to the vendor, acquiring department and the Business Office.
9. The accounting software package assigns purchase order numbers sequentially.
10. All new vendors shall be approved by the Business Manager.
11. The Business Manager or designee verifies that the vendor is not suspended or debarred by searching the Excluded Parties List System maintained by the General Services Administration. Search results shall be printed, initialed, dated and maintained in the Business Office.
12. All purchases for the current fiscal year are cut off on June 1st so that encumbrances can be properly recorded at year-end with the exception of necessary expenditures made after that date.
13. Open purchase orders are closed at the end of the fiscal year to avoid carryover amounts.
14. The designated person in the school building uses the purchase order and shipping documents to inspect items for condition and property quantity.
15. The designated person in the school building sends paperwork back to the Business Office indicating shipments received and noting any errors in quantity received, damage, etc.
16. All vendor invoices are routed directly from incoming mail to the Accounts Payable Department where they are date-stamped.
17. The Business Assistant matches receiving paperwork against invoices and approved purchase orders for payment.

Delta-Schoolcraft Intermediate School District
Business Office Policies and Procedures
Financial Management Systems
Purchasing and Procurement

18. Original invoices are maintained in the Accounts Payable Department and copies are only distributed when requested.
19. Payments are generated from invoices only; payments will not be made based on statements.
20. Upon proper approval, all payables are entered into the accounting software and checks are printed based on a schedule determined by the Business Assistant prior to the start of the school year.
21. Discounts, freight terms, etc., are checked for accuracy when payables are entered into the system.
22. Checks are numbered sequentially by the financial software package on pre-numbered check stock; check numbers are verified during check runs. Check stock is only available to Business Office employees and not to unauthorized users. Since the entire check form/image is generated through the printing process (i.e., the check stock is blank), it will not be deemed necessary to use a physically secure location. Checks will be endorsed by MICR during the printing process.
23. Employees processing payables are independent of those performing purchasing, receiving, inventory, G/L functions as well as independent of those giving voucher and invoice approval. Employees preparing checks verify data to supporting documentation for accuracy.
24. Check requests are approved for payment by an appropriate official before checks are written in the Accounts Payable area. Checks are only made payable to a specific payee and are not written to "Cash" or "Bearer".
25. A record of checks written is retained in a Disbursements Journal. Supporting documentation is marked as "Paid" to avoid duplicate payments.
26. Check signers are authorized by the Board of Education each July at its organizational meeting. No authorized check signers have responsibility for voucher preparation, payment approval, check preparation, cash receiving, petty cash, purchasing and receiving, or timekeeping for payroll records. Signing of blank checks is prohibited.
27. Voided checks are stamped "Void" and retained.
28. Access to Accounts Payable functions is limited to those employees who have a logical need for access.
29. All non-check disbursements, such as wire transfers, are approved by the Business Manager before they are made. If the amount is more than a pre-determined amount, the financial institution will call the DSISD to verify the amount with a designated party.
30. Check registers are forwarded to the Board of Education for each accounts payable run and are approved at the subsequent month Board meeting.

Delta-Schoolcraft Intermediate School District
Business Office Policies and Procedures
Financial Management Systems
Purchasing and Procurement

31. Copies of checks and the supporting documentation are forwarded to the Business Manager and Superintendent for approval.
32. The District may account for the activities of certain student groups and organizations. Since these activities represent outside parties and are not subject to the oversight of the Board and/or District management, they will be accounted for in a trust and agency fund. Such disbursements will be subject to the same policies and procedures as other District disbursements.
33. Claims and invoices will be paid timely based on the conditions of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payments.
34. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply:
 - a. The Superintendent or designee will develop a standard employee expense reimbursement form which will be made available to all employees through the District's website (or other shared document storage). All employee expense reimbursements are required to be made using this standard form.
 - b. The employee expense report will be signed by both the employee and the employee's direct supervisor (or other administrator knowledgeable of the employee's work activities).
 - c. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach documentation and explanation that will certify that the reimbursement is for costs incurred on behalf of the District and is not for illegal or unauthorized costs.
 - d. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles in accordance with 2 CFR - Part 225.
 - e. Expense reports of the administrative team will be submitted to the Superintendent or designee for review and approval. Expense reports of the Superintendent will be submitted to the Board for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - f. Approved expense reports will be submitted to the Business Assistant who will verify that expenses are appropriate and supporting documentation is attached.
 - g. The Business Office will not process any expense reimbursements for payment until all necessary signatures have been obtained.
 - h. An employee making a disbursement using personal funds on behalf of the District may be subject to State sales tax, while payments made by the District directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the District.