



PAYMENT FOR GOODS AND SERVICES

Before warrants signed by the president, board secretary and treasurer of school moneys may be issued in payment of bills or claims, the bill or claim must be properly audited and approved according to law.

In general, bills or claims shall be audited by the board secretary and approved by resolution of the board. However, in order to provide for the prompt payment to which vendors are entitled, and which leads to more effective competitive bidding and provision of services to the School, claims duly audited by the board secretary for items previously approved by the board or provided for in the budget may be approved by the Executive Director or the board president. Such payments shall be reported to the board at the next regular meeting.

Early Payment

The Board of Trustees does recognize that prompt payment to which vendors are entitle leads to more effective competitive bidding and provision of services to the School. In cases that some billings become due before the next official board meeting, the payment of such billings would benefit the School monetarily and businesswise. Therefore, the Board of Trustees designates the Finance Chairperson as their delegate to review and approve early payment of certain bills with official approval by the full Board of Trustees at the first official meeting following said approval.

Items not Budgeted

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

Purchase Orders

The School will carefully monitor payments for invoice amounts that are greater than the approved purchase order, in order to avoid over-payments. A new purchase order will be issued (and the original purchase order voided) when the adjusted amount unreasonably exceeds the original purchase order amount. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or the bid award price, and adjustments may not exceed 10% of the original purchase order amount.

Financial Systems to Avoid Over-Payments

Pursuant to N.J.A.C. 6A:23A-6.10, the School will program its financial systems to avoid over-payments by (1) limiting system access so that only appropriate staff may make purchase order adjustments, (2) reject adjustments in excess of any established approved thresholds, (3) prevent unauthorized changes to be processed, (4) reject payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order, (5) reject duplicate invoice numbers, (6) reject duplicate purchase orders, (7) prepare an edit/change report listing all payments made in excess of the

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

Board Approval Date: 12/15/2009

Updated and approved 10/19/2010