

PURCHASING MANUAL

2016 - 2017



Franklin Township Board of Education
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FRANKLIN TOWNSHIP PUBLIC SCHOOLS

Business Office
226 Quakertown Road
Franklin Township, New Jersey 07603

July 2016

TO: All District Employees

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

- New Jersey Public School Contract Laws Title 18A:18A, et. seq.;
- New Jersey Administrative Code N.J.A.C. 5:34 et. seq.;
- Board of Education Policy; and
- Other federal, state law and code.

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.

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 purchase order 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.

This manual should be reviewed by department heads, teachers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adhere to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call the Business Administrator/Business Office, Extension 211.

Thank you,
Patricia Martucci
Business Administrator/Board Secretary
Purchasing Agent

PURCHASE ORDER PROCEDURES

Authority to Purchase

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

The Purchasing Agent is the only individual in the school district that has the authority to make purchases for the board of education.

The Franklin Township Board of Education by board resolution has authorized Patricia Martucci to be the Purchasing Agent for the school district.

Authorized Purchases

All requests for purchases of goods and/or services must be made through an approved purchase order signed by the Purchasing Agent.

A purchase order, pursuant to State Law, is a document issued by the Purchasing Agent authorizing goods or materials to be ordered for the school district or work/service to begin. No goods or materials may be ordered or work/service be authorized to begin by any other individual in the school district other than the Purchasing Agent.

Unauthorized Purchases

Any Board of Education employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

Unauthorized purchases are a violation of State Law and Board Policy.

Penalties listed below may be assigned by the Superintendent of Schools for unauthorized purchases:

Penalties for Unauthorized Purchases

First Offense	Memo for Corrective Action	Pay for Purchase
Second Offense	Reprimand Letter in Personnel File	Pay for Purchase
Third Offense	Suspension/Loss of Increment	Pay for Purchase
Fourth Offense	Loss of Employment /Tenure Charges	Pay for Purchase

Corrective Action for Non-compliance

If the Purchasing Agent has determined that an unauthorized purchase has been made, a memo will be sent to the responsible employee advising the administrator of the unauthorized purchase.

The Superintendent of Schools shall receive a copy of the memo.

The responsible employee shall prepare a memo explaining the reasons why proper purchasing procedures were not followed. The memo will be attached to the purchase order and a copy of the memo will be sent to the Superintendent of Schools.

Corrective Action for Non-compliance (continued)

At any time, during the Corrective Action Process, the Superintendent may invoke the penalties for non-compliance.

A repeat offense of an unauthorized purchase by the same employee within a school year will mandate that employee attend a special in-service workshop on proper purchasing procedures and any sanction that may be invoked by the Superintendent.

Miscellaneous:

Preview of Materials

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

Reimbursements; Employee

The Board of Education only recognizes an employee reimbursement purchase order when it pertains to pre-approved travel, meals, and conferences. The Board will not reimburse an employee for items and goods personally purchased by the employee.

Student Activity Accounts

Purchases made through Student Activity Accounts may not be reimbursed with Board funds. Purchase orders made payable to Student Activity Accounts for the aforementioned purpose will not be signed by the Purchasing Agent.

A. Responsibilities of Originator of Purchase Order - Preparing a Purchase Order

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

1. **Purchase Orders are Typed**-- All purchase orders are to be typed. Note to secretaries: Please type the date of requisition and your initials next to the date.
2. **Vendor's Name**--All Board checks are made payable to the vendor name (top line) listed on the purchase order. Please ensure the proper vendor name is printed.
3. **Vendor's Complete Address**--The purchase order must include the vendor's complete address and phone number. Post Office Box addresses by themselves are not preferred unless they are of major well-known companies.
4. **Current Budget Year Included**--The current budget year must be included in the space provided.
5. **Description of Items, Services, Costs and Catalogue Numbers**--Items and/or services requested are to be described clearly with correct and up-to-date catalogue numbers and costs. Please use latest catalogues available.
6. **Shipping Costs**--Shipping and handling costs are to be added to all purchase orders. Please read the catalogue or contact the vendor to determine the actual shipping and handling costs.

If you are unable to ascertain the actual charges, type

“10% Estimated Shipping and Handling”

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

“Shipping and Handling Included.”

7. **Delivery Address--Attention Of**--The delivery address should include a name of a person or a specific department.
8. **Delivery, Types of**

The Franklin Township Board of Education recognizes two (2) types of delivery.

a. INSIDE DELIVERY

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

b. SPOTTED DELIVERY

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

9. **Total Cost**--Please include the words "Total Cost" on the purchase order with the actual amount of the order. Minimum Order-- The minimum order amount for all purchase orders is \$25.00. Please try to plan and combine orders to exceed the \$25.00 limit. Please verify your figures for accuracy. Please note: The Board of Education is exempt from paying New Jersey Sales Tax.
10. **Budget Account Number**--Please be sure the correct Budget Account Number is typed on the purchase order .
11. **State Contract Orders**--When ordering through State Contract or Ed Data vendors (minimum order \$50.00) please include:
 - a. State Contract Number;
 - b. Shipping and Handling Included; and
 - c. Appropriate documentation when required.
12. **Quotations**--If quotations are obtained, please attach to the req./purchase order a copy of each written quotation received. Please place the quotation date and the quotation number in the upper left hand corner on the purchase order in the space provided.
13. **Bids**--If bids are obtained, please type the following in the upper left corner on the purchase order in the space provided:
 - a. Bid Date; and
 - b. Bid Number.
14. **Staple Purchase Orders**--Purchase orders are to be stapled if two or more purchase order forms are used for the same order.
15. **Multi-Page Purchase Orders** --Multi-page purchase orders should not exceed three (3) pages.

When approving purchase orders, administrators should consider writing why the purchase is essential to the school district. Administrators who sign off on purchase orders must ensure adequate documentation exists to determine the following:

- How students will learn or benefit from the purchase?
- What educational achievement or program may be linked to the purchase?
- How is the purchase of operational value to your school/office?
- Are the goods/services purchased useful for the long term rather than immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?

Administrators will justify the need for the purchase and if so required, explain the need to the Superintendent

The Business Administrator will review each purchase order to ensure what is requested is essential to the school district. It has been determined that a number of items are considered *non-essential*. The list is not all inclusive and may be amended throughout the school year. The Business Administrator may not approve purchase orders for the *non-essential items*.

Non-Essential Items

A list of non-essential and permitted purchases is provided on the adjacent page. The list will highlight purchase pertaining to:

- Meals; Refreshments;
- Celebration; Decorative Items;
- Extracurricular Activities/Field Trips;
- T-Shirts;
- Library Books, Magazines, Videos/DVS's

- **After School Supplementary Service Providers**

The work /family connection provides their own supplies and makes their own purchases.

- **Emergency Purchases (N.J.S.A. 18A:18-7)**

Emergency purchases are regulated by state law. In order to approve an emergency purchase, rationale must be first provided .

- **Field Trip Transportation**

Purchase orders for field trip transportation must be included with request for purchase order for the admissions fee. If the Superintendent approves the field trip admissions fee purchase order, then by default the purchase order for the transportation will be approved.

- **Pupil Transportation; Athletic Transportation**

Transportation of students to and from school is regulated by state law, administrative code and the student's IEP. Transportation of athletes to and from events is included in the budget.

- **Travel Reimbursement for Employees**

Travel reimbursement costs are regulated by state law, state administrative code and board policy. All conditions and approvals for this reimbursement must have been met in order for the purchase order to be prepared.

- **Tuition Contracts—Special Education Schools**

As with pupil transportation purchase orders, tuition to special education schools are regulated by federal and state law. Contracts from all placements are required from the LEA or private school for the disabled.

Franklin Township Board of Education Office of the Superintendent

Non-Essential Purchases Permitted Purchases

<u>MEALS; REFRESHMENTS; CATERING</u>	
<u>Prohibitions</u>	<u>Permitted Purchases – Case by Case</u>
<p>Board of Education funds may not be used for meals; refreshments; catering; food for the following:</p> <ul style="list-style-type: none"> • Honoring Employees; Retirement Functions • Board of Education Meetings—Light meals / Refreshments • Staff meetings- only of de minimis value, as determined Superintendent 	<p>The Superintendent of Schools will consider, on a case by case basis, requests for the following:</p> <ul style="list-style-type: none"> • Student Functions; Activities; Events –not to exceed Reasonable Costs – not to exceed \$25!! • Functions; Activities; Events for Dignitaries and other “Non-district employees e.g., Parents – light meals/refreshments – minimal and infrequent • Back to School Nights – Light refreshments • Athletic Events – Guests and Participants (other Than students) only with pay to play excess funds
<u>CELEBRATION; DECORATIVE ITEMS; ACKNOWLEDGEMENTS</u>	
<u>Prohibitions</u>	<u>Permitted Purchases – Case by Case</u>
<p>Board of Education funds may not be used for Celebration; decorative or acknowledgement items as follows:</p> <ul style="list-style-type: none"> • Carnivals • Gifts for employees; teacher appreciation • Gift baskets; greeting cards • Bereavement flowers; fruit basket acknowledgements • Student Entertainment 	<p>The Superintendent of Schools will consider, on a case by case basis, requests for the following:</p> <ul style="list-style-type: none"> • All reasonable costs for commencement; convocation activities • Yearbooks – Elementary Schools • Retirement plaques

Purchase of T-Shirts

The Superintendent of Schools will consider, on a case by case basis, requests for the purchase of T-Shirts – T-shirts for field days or field trips.

Library Books, Magazines, Videos/DVD’s

Library books, magazines, videos/DVD’s shall be for educational purposes.

Extracurricular Activities/Field Trips

All expenses using public funds for extracurricular activities and field trips shall be part of the instructional program and have educational value and shall be reasonable in cost. A full detailed explanation of the activity must be provided to the Superintendent.

C. Responsibilities of Administrator/Supervisor or Principal

Administrators/supervisors and principals must ensure the following before the purchase order is sent to the Business Office/ Superintendent:

1. **Funds Available**

They must check to determine if *funds are available* in their budget to cover the purchase order.

2. **Purchase Order Completion**

They must check to determine that items 1-15 previously noted (Responsibilities of the Originator) have been *properly completed*.

3. **Signature on Purchase Order**

The purchase order must be signed (no rubber stamps, please) and sent to the Business Office. By signing the purchase order, the administrator/supervisor or principal is certifying that funds are available in the budget account line to cover the cost of the purchase.

4. **Approval of Principal**

Central office administrators and supervisors have been notified that whenever they order materials, textbooks, and equipment for the instructional staff of the various schools, the purchase order for these items must be approved by the school principal/Superintendent. The principal/superintendent must co-sign the purchase order.

It is the responsibility of the central office administrator/supervisor to obtain the signature of the principal/superintendent.

5. **Originator Copy (yellow)**

The originator copy (*yellow*) of the purchase order remains in the office of the administrator/supervisor/principal.

7. **Receiving Copy (white)**

Once the purchase order has been posted and mailed to the vendor, the Business Office will send the Receiving Copy (white) of the purchase order back to the originator. If you do not receive the Receiving Copy (white) within two (2) weeks of signing the purchase order, please contact the Business Office.

D. Responsibilities of the Business Administrator

Upon receipt of the purchase order, the Business Office stamps the date and time on it. The Superintendent or the Business Administrator reviews and determines the educational or operational value of each purchase order. The Business Administrator reviews each Purchase Order and if satisfied signs and approves the purchase order.

The purchase order is then signed by the Superintendent.

E. Responsibilities of Business Office

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

1. **Available Funds**-- Purchase orders are divided by account and are checked to determine if funds are available in the account. If not, the purchase order is returned to the originator with a memo of explanation.
2. **What is being ordered and the cost**--The BA/Purchasing Agent reviews the technical aspects of the purchase order to ensure compliance with State Law and Board Policy.

The Business Office checks the cost of each item and determines if it can be purchased from another vendor at a savings. The Business Office also reviews whether the purchase order exceeds:

The Quotation Limit (15% of bid limit) is **\$5,400.00.00 (with board authorization and QPA)**

The Bid Limit for FTS is **\$36,000.00.00 (with board authorization and QPA)**

3. **Document Check – State Law**
Pursuant to various State Laws, the Purchasing Agent must ensure the following documents are on file in the Business Office before the purchase order is signed and processed:
 - Affirmative Action Evidence – Contracts \$36,000.00 and over (cumulative).
 - Business Registration Certificate (BRC) – Purchases \$5,400.00 and over.
 - Chapter 271 – Political Contribution Disclosure Form (PCD) * Purchases over \$17,500.00 (cumulative).

*Administrators recommending contracts for professional/educational services are to secure the Chapter 271 PCD from the vendor when the vendor submits his/her proposal. The PCD must be forwarded to the Business Office.

A copy of the PCD is in the Appendix.

6. **Review of Purchase Order**--The purchase order is also reviewed for technical aspects such as:
 - a. Account number missing or incorrect;
 - b. Shipping charges added;
 - c. Signatures missing;
 - d. State contract numbers incorrect/missing;
 - e. Vendor address incomplete; and
 - f. Other items as listed in Section A.

Incomplete or improper purchase orders will be returned with a memo explaining deficiencies. See copy of memo in Appendix.

If the BA/Purchasing Agent is satisfied, she signs the purchase order. The Business Office will then:

- Issue a purchase order number;
- Issue a vendor number;
- Enter the purchase order in the computer; and
- Mail the purchase order to the vendor.

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

5. **Transfer of Funds**--The Business Office processes purchase orders only if there are appropriate funds to cover the purchase. Purchase orders lacking sufficient funds may be sent back to the originator for a request to transfer funds. All letters requesting a transfer of funds are to be sent to

Patricia Martucci, Board Secretary, School Business Administrator

All transfers of funds have to be approved by the Board of Education at a public meeting.

The Franklin Township Public Schools Transfer of funds requests must be sent to the Business Office for review. Substantive transfers of money (more than 10% of the budget line item) must be approved by the County Executive Business Administrator. Purchase orders that require a transfer of funds will be mailed to the vendors the day after the Hunterdon County Board of Education approves the transfers.

F. Responsibility of the Vendor

The Business Office sends to the vendor the purchase order and the voucher. The vendor is to sign the voucher and return it to the Business Office with an invoice. If you receive a signed voucher, return it to the Business Office. A check is prepared for the vendor once the Business Office has a

- Signed Voucher
- All Packing Slips
- Invoice
- Receiving Copy (Grey/white)
Signed

G. Employees Prohibited from Signing Contracts

Board of Education employees are prohibited from signing any contract offered by a vendor.

The power to sign and execute contracts after Board of Education approval lies with the Board President and the Business Administrator/Board Secretary.

Contracts signed by an employee shall be considered non-binding by the Franklin Township Board of Education with the employee accepting full responsibility for the costs of the contract.

H. Contracts; Purchase Order Required

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.\ All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor.

I. Cancellation of Purchase Orders

All requests to cancel purchase orders must be made in writing to the Business Office. Reasons explaining the need to cancel the purchase order must be outlined. The BA/Purchasing Agent maintains the sole right to cancel purchase orders.

J. Private Purchases -- Prohibited

Goods and services procured by the Franklin Township Board of Education are exclusively for the use of the Franklin Township Board of Education and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

Employees of the Franklin Township 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 Franklin Township Board of Education.

BIDS AND PURCHASING

A. Bid Limit -- \$36,000

The Franklin Township Board of Education is restricted by New Jersey State Law on how much money can be spent by the district for the entire year on materials, supplies, and services.

This restriction is called the **bid threshold** or **bid limit**. The bid limit in Franklin Township is \$36,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling more than \$36,000 for the entire year must be competitively 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 \$36,000 bid limit.

If you find that your purchases may exceed the \$36,000 bid limit, please contact the BA/Purchasing Office at once.

The formal bidding process takes about 6-8 weeks to complete.

B. Annual Bids

The Board of Education requests that central office department administrators and supervisors and school principals start to plan and prepare for Annual Bids. The proposed time lines are as follows:

- March* • Prepare technical specifications to be reviewed by BA/Purchasing Agent.
- April* • BA/Purchasing Agent prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding.
- May/June* • Annual bids are received, opened and tabulated by BA/Purchasing Agent.
- June* • Bid resolutions are prepared by BA/Purchasing Agent for Board approval.
- July* • Purchase orders are generated by Administrators/Supervisors for August/September delivery.

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

C. Bidding: Time Frame

As stated before, the formal bidding process usually takes about 6-8 weeks from start to finish. Please plan appropriately. An outline of the bidding process is located in the Appendix.

D. Exceptions to the Bid Limit

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

D. Exceptions to the Bid Limit (continued)

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

* These purchases may be subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a) if practicable.

Please contact the BA/Purchasing Agent for further explanation.

E. State Contract Purchasing

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

❶ Office Supplies and School Supplies

The Purchasing Agent will distribute separate memos highlighting Ed Data & State Contract vendors who sell Office Supplies and School Supplies. Please review these memos.

If you plan to purchase Office Supplies and School Supplies from a State Contract vendor, please follow the instructions on the memo.

❷ Computers

If you plan to purchase computers, please adhere to the following process prior to completing purchase orders for computers.

- Contact the Technology Coordinator, Leslie McCusker

Please contact the **Technology Coordinator, ex. 217**. You will be assisted with the technical aspects and the State Contract requirements of purchasing computers.

The Technology purchase must comply with the Technology plan of the Franklin Township Board of Education.

New technology may require additional electrical modifications to insure adequate electricity is available.

E. **State Contract Purchasing (continued)**

③ ***Copiers-- Pre-Approval Needed***

If you plan to lease or purchase a copier, please contact the BA. All purchases/leases of copiers must be pre-approved by the BA/Purchasing Agent and the Superintendent of Schools.

Purchase Orders--State Contract

All purchase orders made through State Contract vendors shall include the following:

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

F. **Professional Services/Professional Consultants -- RFP Required**

Although Professional Services, as defined in Title 18A:18A-5, do not require competitive bids or quotations, DOE regulations require the Board of Education to obtain competitive proposals for any professional service.

In accordance with N.J.A.C. 6A:23A-5.2(a-4) professional services contracts are to be secured through the request for proposal process (RFP). The process may take six (6) to eight (8) weeks depending on the Board of Education meeting date.

All administrators who need professional services contracts are to contact the BA/Board Secretary for assistance.

G. **Emergency Contracts**

Emergency Contracts are strictly regulated by N.J.S.A. 18A: 18A-7. A situation must exist affecting the health or safety of the occupants of school property that requires the immediate delivery of articles or the performance of a service to alleviate the emergency.

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

Only the BA/Purchasing Agent may award an Emergency Contract.

H. **Cooperative Purchasing**

The Franklin Township Board of Education has contracted with HCESC, MRESC and Educational Data Services of Saddle Brook, NJ, to bid on items in the following categories on an as needed basis.

- | | |
|--------------------------|---|
| 1. Office Supplies | 4. School Supplies |
| 2. Copy Duplicator Paper | 5. Art Supplies |
| 3. Science Supplies | 6. Industrial Arts Supplies |
| | 7. Time and Materials facilities
maintenance |

The above categories are represented in the online procurement drop-down menus or on the Ed Services websites.

I. Purchases, Contracts Exceeding the Bid Threshold

Pursuant to State Law N.J.S.A. 18A:18A-5 all purchases and contracts exceeding the bid threshold of \$36,000, shall be awarded by board resolution at a public meeting of the Board of Education. This includes all items exempted from bidding and all State Contract purchases that exceed \$36,000. Only the purchase of textbooks and emergency contracts are exempt from this law.

Administrators and Supervisors must anticipate their needs as certain purchases once allowed just by purchase order now must be approved by the Board of Education first, then a purchase order can be signed and mailed.

J. Student Activity Account Purchases

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

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

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

At Franklin Township School, it would be very rare to invoke the need for a public award, as the funds are typically small in valuations.

QUOTATIONS AND QUOTATION PROCEDURES

A. Quotations

The quotation limit (threshold) is now \$5,400. This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$5,400 and less than \$36,000 for the entire year, must be *competitively quoted or advertised for bid at the discretion of the BA/Purchasing Agent*.

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

B. Quotation Process

All quotations will go through the Office of the Purchasing Agent except for the Building Services Department. Quotation proposals prepared by Building Services shall first be received and approved by the Purchasing Agent. When a quotation is deemed necessary, the Principal is asked to contact the Business Office. The BA will review these quotation specifications to determine whether they are set up to provide open and competitive quotations.

Please note: The formal quotation process could take about 2-4 weeks from start to finish. Written quotations or internet quotations are preferred.

C. Receipt of Two Quotations

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall receive two quotations if practicable. Three quotations are preferred. Evidence of the quotation process shall be kept on file. A copy of the quotation shall be attached to the purchase order.

PURCHASE ORDER PROCESS

A. Processing the Purchase Order--Design of Purchase Order

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

<u>Copy</u>	<u>Color</u>	<u>Disposition</u>
Vendor Copy	White (top)	Sent to vendor to order items/provide services
Voucher Copy	Yellow (2nd)	Sent to vendor for signature
Receiving Copy	Pink	Sent to school/office; returned to Business Office upon receipt of goods/services
File Copy	White	Remains on file in Business Office
Authorization Copy	White	Signatures authorizing purchase remains on file in the Business Office
Originator Copy	Yellow	Remains with office of administrator or supervisor.

B. Receipt of Goods and Services

The originator of the purchase order should follow the following process when receiving materials, goods, and services.

1. Receipt of Items Ordered

It is important that all items received be immediately checked. Please note the following:

- a. Obtain receiving copy (grey/white) of purchase order and packing slip of items ordered.
- b. Open boxes and check off items received on the receiving copy and the packing slip.
- c. If all items are enclosed, then sign and attach packing slip to the receiving copy of the purchase order.
- d. The school principal/vice principal or bookkeeper should sign the receiving copy (white) and return it with the packing slip to

Kim Schuler, c/o Business Office

All receiving copies (white) of purchase orders and packing slips should be signed and returned to the Business Office within seven (7) days of receipt of items.

The Franklin Township Board of Education has an excellent reputation for paying its bills in a timely fashion. We ask that all employees assist in maintaining this fine reputation.

B. Receipt of Goods and Services (continued)

2. Problems Encountered with Receipt of Goods

✚ Problem: Back Orders

Sometimes items ordered will not be received in the first shipment. This is known as a back order. The packing slip will have back order written on those particular items.

Process to Follow: Back Orders

If the order is incomplete because there is a back order, do not wait for the next shipment. Please do the following:

- Mark on your receiving copy (white) of the purchase order those items you did not receive.
- Make and keep a copy of your receiving copy (white) and the packing slip.
- Send the original receiving copy (white) and packing slip to the Business Office.
- Upon receipt of the back order in the next shipment, check off your copies of the receiving copy (white) and the packing slip and return both copies to the Business Office.

✚ Problem: Items Missing from Order

Sometimes items are marked on the packing slip that they were delivered but are missing from your shipment.

Process to Follow: Items Missing

- Call the company and tell them what was missing.
- Mark on the receiving copy and packing slip what items were missing.
- Make and keep a copy of your receiving copy (white) and the packing slip.
- Send the original receiving copy (white) and packing slip to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy (white) and the packing slip and send both copies to the Business Office.

✚ Problem: Items Damaged; Wrong Item

Sometimes you will receive items that are damaged or the wrong item.

Process to Follow: Items Damaged; Wrong Item

- Call the company and ask them what the procedure is for returning damaged or wrong items.
- Return the item(s) to the company.
- On the receiving copy (white) and the packing slip, mark what items were returned and the reasons for being returned. Please note how the items were returned (UPS/PO/Vendor Pick Up).
- Return the receiving copy and packing slip to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy (white) and the packing slip and return both copies to the Business Office.

B. ***Receipt of Goods and Services (continued)***

2. ***Problems Encountered with Receipt of Goods***

 **Problem: Discontinued Item**

Sometimes the items you requested have been discontinued.

Process to Follow: Discontinued Item

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

C. ***Purchase Order Cut Off Date***

Administrators and Supervisors are to be alerted to the fact that purchase orders for the present school year may not be accepted after the end of March, in order to close out the year effectively.

D. ***Training Sessions***

All school personnel involved in the purchasing process may request an annual training session concerning the proper purchasing procedure.

ETHICS IN PURCHASING

Financial Interest in any Contract; Direct or Indirect

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.

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.

School District Responsibility – Recommendation of Purchases

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.

Vendor Responsibility – Doing Business with the Board of Education

Any vendor doing business or proposing to do business with the Franklin Township 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 Franklin Township 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 Franklin Township Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

Ethics in Purchasing (Continued)

Vendor Certification

Vendors will be asked to certify that no official or employee of the Franklin Township 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 Franklin Township Board of Education.

Violations of the Policy

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.

CRIMINAL CODE CITATIONS

Title 2C -- Criminal Code

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.

APPENDIX

- A. Formal Bid Process
- B. Emergency Purchases/Contracts
- C. Memorandum--Return of Purchase Order
- D. Purchase Order Rationale Form
- E. Political Contribution Disclosure Form (PCD)
- F. List of Agencies With Elected Officials Required for PCD
- G. Copy of Purchase Order

FORMAL BID PROCESS

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

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

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

EMERGENCY CONTRACTS (18A:18A-7)

A. Background

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

B. Definition of Emergency

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

C. Process in Declaring an Emergency

1. Superintendent of Schools Notified

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

2. Business Administrator/Purchasing Agent Notified

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

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

Such notification shall be prepared in writing and filed with the Purchasing Agent as soon as possible.

3. Awarding of Contract by Business Administrator/Purchasing Agent

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

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

In accordance with N.J.A.C. 5:34-6.1, the following documents must be filed with the Bureau of Facility Planning and the County Superintendent within three (3) days after awarding the contract or agreement:

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

5. Approval by Board of Education

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

FRANKLIN TOWNSHIP BOARD OF EDUCATION
BUSINESS OFFICE
Franklin Township School District, Quakertown, New Jersey 08868

MEMORANDUM

To: _____
From: **Mrs. Patricia Martucci**, Business Administrator/Board Secretary/Purchasing Agent
Date: _____
Re: **Return of Purchase Order(s)**

I am returning the attached purchase order(s) for the reason(s) checked below:

- _____ Account Number Incorrect; Missing--Please use Account Code # _____
- _____ Bid Number, Quotation Number--Not Included on Purchase Order
- _____ Board Resolution Needed--Attach to Purchase Order
- _____ Chapter 271--Political Contribution Disclosure Form Required
- _____ Conference Request Form--Not Attached; Not Approved
- _____ Description of Item(s), Service Needed
- _____ Date of Requisition Missing--Secretary's Initials Missing
- _____ Minimum Order \$25.00 Minimum State Contract Order /Ed Data \$50.00
- _____ Proposal/Contract Missing -- Attach to Purchase Order
- _____ Quotation Needed--Please contact BA to discuss process
- _____ Rationale Form Missing; Unsigned
- _____ Shipping Charges Not Added
- _____ Shipping Charges Not Needed. Type on P.O. "Shipping and Handling Included"
- _____ Signature Missing--Administrator, Originator
- _____ State Contract Number Incorrect, Missing--State Contract Documentation Missing
- _____ Textbook Documentation Missing-quotation attached, is the textbook board approved?
_____ Website Documentation / Board Resolution
- _____ Unauthorized Order--Please contact BA to discuss procedures
- _____ Vendor Address Incomplete--Post Office Box Number Only
- _____ Vendor Check Needed?
- _____ As Per Attached Memo
- _____ Other _____

Please make the adjustments needed and return the purchase order with this form to my office.

FRANKLIN TOWNSHIP BOARD OF EDUCATION
OFFICE OF THE BUSINESS ADMINISTRATOR
Franklin Township, New Jersey 07603

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).*

Name of Originator
Administrator/Supervisor _____

Signature: _____ Date _____

Name of Vendor _____

Amount \$ _____ Account # _____

_____ **Approved** _____ **Not Approved**

Other: _____

_____ Date _____
Patricia Martucci
Business Administrator/ Purchasing Agent

_____ Date _____
Dr. Carol Fredericks
Superintendent of Schools

Please attach the Rationale Form to the front of the Purchase ORDER.
D

Requirement. Pursuant to N.J.S.A. 19:44-20.26 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 government entities listed on the form provided by the local unit.

Franklin Township Board of Education

Business Office

226 Quakertown Road
Franklin Township, New Jersey 07603-0388

Chapter 271

**Political Contribution Disclosure Form
(Contracts that Exceed \$17,500.00)
Ref. N.J.S.A. 52:34-25**

Part I – Vendor Information

Vendor Name:			
Address:			
City:	State:	Zip:	

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

_____ Signature Printed Name Title

Part II – Contribution Disclosure

--

Check here if disclosure is provided in electronic form.

<u>Contributor Name</u>	<u>Recipient Name</u>	<u>Date</u>	<u>Dollar Amount</u>
			\$

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

No Reportable Contributions (Please check (✓) if applicable.)

I certify that _____ (Business Entity) made no reportable contributions to any elected official, political candidate or any political committee as defined in N.J.S.A. 19:44-20.26.

**List of Agencies with Elected Officials Required for Political Contribution Disclosure
N.J.S.A. 52:34-25**

County Name: Hunterdon County

State: Governor, and Legislative Leadership Committees

Legislative District #:

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

County: Hunterdon

Freeholders

County Clerk

Sheriff

Surrogate

Registrar of Deeds

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

Franklin Township Borough

Boards of Education (Members of the Board):

Franklin Township	

Fire Districts (Board of Fire commissioners):

None