

Regulation

PAYMENT OF CLAIMS

The board of education directs the prompt payment of legitimate claims by supplies of goods and services to the school district, provided that each bill or obligation of this board is fully itemized and verified before a warrant is drawn for its payment.

When an invoice is received, the school business administrator/board secretary or designee shall verify the voucher is properly submitted, acceptable goods were received or satisfactory services rendered, the expenditure is included in the Board's budget and funds are available for its payment, and the amount of the invoice is correct.

The school business administrator/board secretary shall identify and investigate, if necessary, the reasons for any increase to a purchase order. If it is found by the school business administrator/board secretary that an increase to a purchase order is warranted, the school business administrator/board secretary shall either approve a revision to the original purchase order with the reason noted, approve the issuance of a supplemental purchase order for the difference, or cancel the original purchase order and issue a new purchase order. If it is found an increase is not warranted, the purchase order shall be cancelled and the goods returned. 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.

The school district's financial systems shall be programmed to:

1. Limit system access so that only appropriate business office staff may make purchase order adjustments;
2. Reject adjustments in excess of any established approval 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 amount plus any authorized adjustment;
5. Reject duplicate purchase order numbers;
6. Reject duplicate invoice numbers; and
7. Prepare an edit/change report listing all payments made in excess of the originally approved purchase order amount.

The school business administrator/board secretary 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 made are properly authorized.

If funds are not available in the budget line account to which the expenditure will be charged, funds may be transferred in accordance with Policy No. 3160.

The board must approve all claims for payment, except, in accordance with N.J.S.A. 18A:19-4.1, the school business administrator/board secretary and the superintendent are authorized to approve payment of general claims not greater than \$2,000, interest on bonds as it becomes due, payments to redeem bonds as they become due, progress payments to contractors in accordance with a contract approved by the board, and warrants to cover approved payrolls and agency account deposits prior to presentation to the board. Any such approval of payment must be presented to the board for ratification at the next regular board meeting.

PAYMENT OF CLAIMS (continued)

When a claim for payment is duly approved in accordance with this policy, the school business administrator or board secretary and/or a designated staff member shall promptly prepare a warrant for payment, cancel the commitment placed against the appropriate account, and post the actual expenditure.

All warrants must be signed by the president, board secretary and treasurer of school moneys.

Adopted: June 26, 2009