

<u>POLICY</u>	<u>NO.</u>	<u>DATE APPROVED</u>
Purchase Policy and Cash Disbursements	E-100	5/19/09

PURPOSE: To establish policies governing purchases and the payment of expenses.

POLICY:

- A. All purchases must be approved by the Principal, or designate. There will be an exception to the policy for ongoing monthly payments that are generally fixed in amount (i.e. parking, monthly dues, etc.).
- B. The Principal will verify appropriateness of the expense for School business, and that the expense falls within budget constraints before initialing approval. She will also review that the G/L code on the invoice properly reflects the intended purchase.
- C. All expenses submitted for payment will be accompanied by appropriate substantiation, such as an invoice, a brochure, a rental agreement, or a vendor-issued receipt. The substantiation will include the name of the vendor, the date of purchase or service, the cost of the item or service, and a description of the item or service being submitted for payment. The substantiation will identify the party for whom merchandise or services were provided.
 - 1. If an employee has lost a receipt, s/he can submit a written statement documenting the item(s) purchased and the cost of the item(s). For example, an employee purchases books, and loses the receipt. The employee shall first make every attempt to obtain a duplicate copy of the receipt or a reasonable facsimile from the vendor. If that is not possible, she will document that she lost the receipt for books bought for \$XXX.XX on [date] on the request for check form. Repeated occurrences of lost receipts is cause for disciplinary action.
 - 2. There will be an exception to the policy for ongoing monthly payments that are generally fixed in amount, such as parking and monthly dues.
- D. Checks that are \$500 or less require one signature, generally the Principal. Checks greater than \$500 require two signatures, generally the Principal and Lead Teacher.
- E. The Finance Committee of the Local School Board will receive monthly financial statements, and may question expenses at its discretion.
- F. The Board of Directors in its entirety will receive monthly financial statements at its monthly board meetings, and may question expenses at its discretion.

PROCEDURES:

WHO:	WHAT:
Employee requesting check	Completes request for check form, including description of item, cost and total. Attaches adequate substantiation and submits to Principal for approval.
Office Assistant/SASA	Reviews mail and separates invoices to give to Business Manager. Bank statements are routed directly to Principal.
Business Manager	Verifies that adequate substantiation is attached, or policies are followed for advances (see E-101).

	<p>Codes invoice to appropriate G/L account, posts invoice to the appropriate period in Quickbooks and documents date posted on invoice.. Debit: expense, credit: accounts payable.</p> <p>Note: generally invoices are posted before they are approved to prevent invoices from getting lost with no record in the Accounting System.</p> <p>Distribute invoices to Principal for review and approval.</p>
Principal	<p>Follows policies outlined in E-100 and submits approved invoices to the Business Manager.</p> <p>Forwards bank statements with initial approval and date indicating it was reviewed.</p>
Business Manager	<p>Reviews invoices for approval signature and makes change in G/L account, if necessary.</p> <p>Posts approved invoices received directly by Principal.</p>
Business Manager	<p>Cuts checks weekly or more frequently, if needed. Accounts Payable is reduced when checks are printed.</p> <p>Submits checks to the Principal for signature, separating those needing one signature from those needing two signatures.</p>
Principal	<p>Reviews back-up and signs checks. Forwards checks greater than \$500 to a second signer.</p>
Second Signer	<p>Reviews back-ups and signs checks. Returns checks to Business Manager.</p>
Business Manager	<p>Mails or distributes checks. Retains adequate back-up and files by vendor.</p>
Business Manager	<p>Compiles financial statements after month end, and submits to the Principal.</p>
Principal	<p>Reviews financial statements and forwards to the Finance Committee.</p>
Finance Committee	<p>Reviews financial statements and questions expenses at its discretion.</p>
Principal and Business Manager	<p>Provides answers to questions.</p>
Board of Directors	<p>Receives financial statements at monthly board meetings and questions expenses at its discretion.</p>