

ALSEA SCHOOL DISTRICT #7J ACCOUNTS PAYABLE PROCEDURE

General

- Purchase of goods and services shall be in accordance with Policy DJC – Bidding Requirements and ORS Chapter 279.
- Purchase of goods and services shall follow the procedures defined below. Small procurement exceptions are only allowed if approved by the Superintendent or designee.
- All awards shall be in the best interest of the Alsea School District without any favoritism.
- All mail sent to the business office is received by the Executive Assistant and opened, then distributed to the appropriate person.

Procurement Definitions and Rules

- Procurement definitions:
 - Small procurements - Procurement of goods and services that do not exceed \$10,000.
 - Intermediate procurement – Procurement of goods and services that exceed \$10,000 but do not exceed \$250,000.
 - Formal procurement – Procurement of goods greater than \$250,000.
 - Sole-sources – Procurement of goods and services greater than \$10,000, without competitive bids, when approved by the Board of Directors (Local Contract Review Board)
- Intermediate Procurement Requirements
 - Develop specifications, and terms and conditions,
 - Obtain and document at least three (3) bids and take affirmative action to include small, minority, women, and labor surplus firms.
 - Evaluate and ensure the responders are responsible and responsive.
 - Recommend the award through the Requisition/Purchase Order Process
 - Ensure all goods and services are received as defined in Receiving Process
- Formal Procurement Requirements - Same as Intermediate Procurement except those requirements as follows:
 - Shall solicit vendors for goods and services by competitive sealed bids and shall follow ORS 279.
 - The Board of Directors' approval is required for both issuing and awarding the contract.

Requisition/Purchase Order Process

The district uses a purchase order/requisition system. Purchase of goods and services must receive prior approval before being ordered or purchased. Exceptions are only allowed if approved by the Superintendent or designee. Purchase orders are processed as follows:

- Assigned staff (“Requisitioner”) generate requisitions based on the program or grant.
- Employees forward appropriate information to the Requisitioner, who inputs it into Infinite Vision (“IV”).

- The requisition will include, proposed vendor, quantity, price, total cost, appropriate DAC, Requisitioner, Requester, and any other supporting documentation necessary for the order.
 - Requisitioner – generates the requisition.
 - Requester – receives the purchase order and places the order.
 - DAC – approval process for the specific accounts or grants entered on the requisition.
- The business manager maintains the security system in IV and sets up those assigned to be the requisitioner, requester, and approvers in the DAC.
- If an approver is gone, the Business Manager or A/P Specialist can approve via “Quick Approval” function in IV, if provided authority by the normal approver.
- Attached is the workflow for all DACs. Once the requisition is approved by the business manager, the A/P Specialist is the final approval. Prior to approving, the A/P Specialist reviews order, account code, and other areas of the requisition. Concerns are either directed to the Business Manager or Requisitioner.
- If a proposed new vendor the A/P Specialist creates a new vendor in the A/P system, then approves the requisition.
- A/P generates and prints the purchase order.
- A/P Specialist, depending on directions in the requisition, will either place the order online, email the PO to the vendor, or send to the requester for ordering.
- The business manager can prepare purchase orders in the A/P Specialist absence.

Receiving Process

Items are shipped to the ordering location located on the purchase order. Approval of items or services are as followings:

Goods

- Packing slips are reviewed by the receiver, usually the requester, and then forwarded to the business office. As a practice the requester should include the account to be expensed. The A/P Specialist should double check to make sure the proper expense account is being charged, and if different, verify with the requester the correct account.
- If there is no packing slip, the A/P Specialist will obtain an email or note or phone call clarifying that the goods have been received.

Services

- The invoice is usually the only supporting documentation that is received for services performed. The requester shall review for accuracy, initial, date, and forward to the A/P Specialist for payment. Any variation in price greater than 10% shall be reviewed by the A/P with the requester to ensure the invoice is correct.

Documentation for Payment

- A completed bill package should include check voucher (showing check information and distribution of accounts), PO or requisition (unless not required), source documents (if any) and invoice.

Employee Reimbursement Process

Prior approval from the immediate supervisor is required for all employee reimbursement requests. If there is no prior approval, the reimbursement may not be approved.

- Employees fill out an Employee Reimbursement form and submit it to their immediate supervisor with backup receipts for approval (sign and date).
- The approved Employee Reimbursement form is forwarded to the A/P Specialist. Reimbursement requests for A/P Specialist is approved by the Superintendent; Superintendent, by the Board Chair; and Board Member requests by the Superintendent. Non-employee, e.g. volunteers, requests will follow the normal Requisition/Purchase Order Process and are considered a vendor.
- The request is processed through the normal review process in IV as defined above in Requisition/Purchase Order Process.
- A direct deposit voucher report is generated for all employee reimbursement requests and forwarded to the Superintendent for approval (sign and dated) and returned to the A/P Specialist
- The A/P Specialist creates the ACH and direct deposits the approved reimbursement amount into the employee's personal accounts.

Mastercard Process

The district has a Mastercard account with the Bank of Montreal (BMO). There are eight (8) cards issued which are assigned to the District Office, A/P Specialist, Facilities Manager, Transportation Director, High School, Elementary School, Technology Supervisor, LAHO and the Executive Assistant. The High School and Elementary School Cards are held by the Secondary School Secretary for staff needs.

The use of the Mastercard shall only be used in emergency situations or if there are no other means of payment, e.g. field trip or athletic trips, or online purchases/payments where a credit card is the only option.

- The assigned cards shall be used only in emergency situations, or the card is the only means for payment, e.g. field trips or athletic trips, or online purchases/payments where a credit card is the only option.
- Cards can only be used by the assigned person.
- All items paid for with a the Mastercard shall be processed through the Requisition/Purchase Order Process
- All supporting documentation shall be given to the requisitioner, e.g. receipts, packing slips, who will forward to A/P Specialist once the requisition has been approved into a purchase order.

Payment Process

Check stock is blank and kept locked in the A/P Specialist's office and Human Resource Specialist Office. Checks have invisible fluorescent fibers, coin reactive ink, and a heat sensitive thermochromic icon. The A/P Specialist and the Human Resource Specialist are the only employees in the district who have access to the locked check stock. The Superintendent is the only approved check signer for the district. The Superintendent signature is in the IV check manager module and is used when processing checks.

- The A/P Specialist processes payments weekly for all approved invoices or employee reimbursements. An approved invoice is defined as an invoice that has gone through all approval levels in IV (electronically) or an invoice that is a reoccurring monthly payment in which a blanket PO has already been approved in IV.
- The A/P Specialist creates a voucher for both checks and ACH payments and forwards the detail report to the Superintendent. The detailed report contains the vendor, account code, description and amount to be paid.
- The Superintendent approves and dates both check and ACH vouchers prior to A/P Specialist processing checks or ACH payments and returns the signed documents to the A/P Specialist.
- The A/P Specialist processes checks through IV check manager with superintendent's signature and creates the ACH direct deposit.
- The A/P Specialist mails the checks and submits the ACH voucher through Citizens Bank for processing.
- The business manager receives all ACH processing notifications from Citizens Bank.
- The business manager reviews the voucher and forwards the notification to the A/P Specialist for back up to the voucher.

Board Review

- The A/P Specialists will generate at the month end a list of all payments made to vendors and employees through accounts payable and forward to the Business Manager and Superintendent.
- The Superintendent or designee will forward to all Board members.
- Any additional information or questions by a Board member, shall be directed to the Superintendent.
- The Superintendent will provide all Board members with the information or response.

Record Retention

- All physical copies of records will be retained and maintained in the district's secured storage room through the completion of the audit for that fiscal year. Records are also kept electronically in IV and in a shared, secured folder. This folder is shared only by the Business Manager and A/P Specialist.
- All electronic copies of records will be maintained for a minimum of four years.
- All physical records will be destroyed by means to ensure no confidential information is inadvertently disclosed.