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PROCUREMENT

APPROVED: 04/2023

UPDATED:

I. GENERAL STATEMENT OF POLICY

Prior to and upon acceptance and expenditure of funds awarded to Achieve Language Academy (ALA) by the federal government, ALA will ensure that the funds will be used for the purposes to fulfill the grant. The funds will be used in a manner consistent with state and federal statutes, rules, and regulations. Misuse of Federal funds will result in a prompt investigation led by the school board and law enforcement.

Through the implementation of this policy and compliance with audit requirements, ALA collects and maintains documentation to support necessary detail the federal funds were used in accordance with the terms and conditions associated with the grant. ALA has procedures in place that provide reasonable assurance that consistent treatment is applied in the distribution of direct and indirect charges to all grants.

II. CONFLICT OF INTEREST

ALA will document, in writing, any potential conflicts of interest and hold on file in the school personnel file located in the main office. In addition ALA will disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations.

No employee or board member may participate in the selection, award, or administration of any contract if they have a real or apparent conflict of interest. The board of directors or employees of ALA may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors. However, ALA defines nominal value as an expense of twenty-five dollars (\$25) or less in which situation the gift may be accepted since it is not substantial.

III. PROCUREMENT STANDARDS



Individuals requesting material goods or contracts to be purchased will complete a pre-approval form prior to purchase. The practice will assure the following:

1. All purchases are conducted in a manner providing a full and open competition when required
2. Non-duplication of purchases for the same program
3. The purchase of a quality product rather than brand name
4. An accurate description of the product and its use

The documents will be maintained in accordance with ALA's Record Retention Policy.

IV. PURCHASE THRESHOLDS

The following are purchase thresholds:

1. Micro purchase (<3,000, no quotations, equitable distributions)
2. Small purchase (\$3,000-\$100,000, rate quotations required, but no cost or price analysis)
3. Sealed bids (\$100,000, formal advertising, price is a major factor)
 - a) The invitation for the bid will be publicly advertised and bids must be selected from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the bids.
4. Competitive proposal (>\$100,000, request for proposal (RFP) with evaluation)
 - a) Request for proposals must be publicized requests and identify all evaluation factors and their relative importance. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program.
5. Non-Competitive Proposal (solicitation of a proposal from only one source, unique product or service). Non-competitive proposals can be utilized if the item is available only from one source.

V. EXPENDITURES



1. Purchases are made in accordance with applicable legal requirements. Purchase orders are required for all purchases not made by a credit card.
2. The individual or head of the department prepares a Pre-Approval form and submits it to the Executive Director for approval.
3. The Executive Director determines if an appropriation exists for the purchase.
4. The related department director creates a Purchase Order, a copy of the purchase order is distributed to the vendor. The original is retained by the Operations department.
5. All current fiscal year purchases to be completed by April 30 of said year with the exception of board-approved expenditures made after that date.

VI. CONSTRUCTION AND FACILITY IMPROVEMENT/DEVELOPMENT

ALA will provide, when procuring construction or facility improvement contracts or subcontracts exceeding \$100,000 the following: a bid guarantee equivalent to 5% of the bid price from each bidder (such as bid bond or certified check), a performance bond on the part of the contractor for 100 percent of the contract price.

VII. CONTRACTS

ALA creates contracts to include the following elements:

1. Name of contracting agency and/or individual who will be performing work
2. Credentials
3. Start and end date of service
4. Hourly rate of service
5. Maximum threshold of expenditure (ceiling)
6. How often the agency or individual will be invoiced

Contracts are reviewed according to each contract term. During this review period, the EXECUTIVE DIRECTOR collects documentation of services provided, the dates thereof, costs of service and remaining balance on the contract. If incongruencies between the contract and work performed occur, the Operations Department will contact the contracting agency to resolve any incongruencies by termination of contract or resolve through mediation.



VIII. APPROVAL PROCESS FOR NEW VENDORS

- A. The Executive Directors must approve all new vendors
- B. After a vendor is approved, ALA's finance company will assign a code to the vendor
- C. If a vendors' costs exceed the amount specified on the signed contract, the Executive Director will contact the vendor and propose a resolution.
- D. All contracts over \$100,000 are approved by the ALA Board of Directors.

IX. MATERIALS, SUPPLIES, AND OTHER SENSITIVE ITEMS

Supplies are defined as less than \$5000 per item.

Equipment is defined as more than \$5000 per item having a useful life of more than one year

ALA will maintain an inventory list of all equipment purchased over \$5,000 and sensitive items purchased with federal funds that are still in possession of the school (electronic tablets, laptop computers, cellular phones, and other assistive technology devices that exceed \$250). Supplies need not be included in the physical inventory.

The following steps used to safeguard equipment purchased over \$5,000 and sensitive items:

- A. Student specific equipment will be distributed to students at the start of the school day and collected by staff, locked and stored.
- B. Sensitive items are placed in a locked cabinet.
- C. Staff report equipment that is lost, damaged, or stolen to the Technology Department.
- D. All testing assessments, protocols, manuals, etc. are maintained in a locked file cabinet.
- E. All other curriculum, supplies, and equipment are monitored on a regular basis.
- F. ALA will perform a complete investigation and contact the appropriate authorities in the case of theft or vandalized equipment.
- G. ALA ensures adequate safeguards to prevent loss, damage, or theft of property.
- H. ALA will conduct an annual review to keep property in good condition.



X. PHYSICAL INVENTORY

ALA will assure the following documentation is in place for property valued above \$5000:

- A. Required property record information
- B. Description of the property
- C. A serial number or other identification number.
- D. The source of funding for the property (if FEDERAL)
- E. The acquisition date and cost of the property
- F. The location
- G. The use and condition of the property
- H. The date of the disposal and sale price of the property

Physical inventory is taken and reconciled with property records at least annually.

XI. CREDIT CARD PROCEDURES

ALA will follow the approved steps with school credit card is used:

- A. ALA staff member will complete the purchase pre-approval form
- B. Credit card purchases are approved by the executive director
- C. Authorized signers of the card will be limited to the executive director
- D. The credit limit will be: \$5000.00.
- E. Receipts for all credit card purchases will be collected for each monthly statement and submitted to the Operations Department. If a receipt does not exist for a purchase, the cardholder who purchased the item will be responsible for reimbursing the school for the cost of the item purchased.
- F. If, in any given month, the administration believes the school needs to exceed the credit limit of \$5,000.00, the Board Chair will be notified for approval.

XII. CASH MANAGEMENT

ALA Board will authorize all bank accounts and persons permitted to be designated as check signers and permitted to authorize electronic bank transfers.



The Executive Director and the School Board Chari may sign and deposit checks, as well as transfer funds from ALA's savings account into checking accounts.

XIII. INVESTMENTS

- A. Authorization for acquisition and disposition of investments is vested with the School Board.
- B. The Executive Director is charged with the responsibility of determining that investments are permitted by legal requirements.

XIV. CASH RECEIPTS

- A. The Operations Director or designee endorses checks.
- B. Checks and cash are adequately protected in a locked device on site. Only the Operations Director, Operations Specialist, and Executive Director have access.
- C. Check stubs are retained, if no stub is present a copy of each check is retained.
- D. The Executive Director makes deposits. Amounts of cash receipts are verified by the contracted finance company when entered into the accounting software.
- E. Deposit slips include two copies; one copy is retained by the Operations Department

XV. ACCOUNTS PAYABLE

- A. Checks are numbered sequentially; check numbers are verified during check runs. Blank check stock is only available to our finance company.
- B. Checks are prepared by our finance company and are independent of giving invoice approval.
- C. Check requests are approved for payment by the executive director before checks are written in the Accounts Payable area. ALA's finance company matches checks to invoices prior to approval. Checks are only made payable to a specific payee and are not written to "Cash" or "Bearer."
- D. Checks of \$15,000.00 or more require a second signature from the Board Treasurer.
- E. Check signers are authorized by the School Board in July of each year at its organizational meeting. Signing of blank checks is prohibited.
- F. Voided checks are stamped with a "VOID" stamp and retained.



XVI. EXPENDITURES - ACCOUNTS PAYABLE

- A. All vendor invoices are routed directly from incoming mail to the Operations department.
- B. Invoices are matched against receiving paperwork to determine that they are not duplicate invoices and against approved copies of purchase orders.
- C. The Executive Director approves all payables before an invoice is paid.
- D. ALA's finance company codes the invoice with a corresponding accounting code.
- E. A copy of the check is kept with the original invoices and are maintained in the Operations Department.
- F. Payments are generated from invoices only; payments are not made based on statements.

XVII. RECEIVING

- A. ALA employees requesting the order uses the purchase order and shipping documents to inspect items for condition and property quantity
- B. ALA employees send paperwork back to the Operations Department indicating shipments received and noting any errors in quantity received, damage, etc.
- C. The Operations Department matches receiving paperwork against invoices for payment.
- D. If the item is purchased with Federal funds, the school employee will affix an identification number to the item and maintain a list of inventory of items.

XVIII. RECONCILIATIONS

- A. Bank accounts are reconciled at the end of each month by an employee of ALA's finance company who is independent of the Accounts Payable and Payroll functions.
- B. Bank statements are received via web access for all accounts or by statement from mail.
- C. ALA's finance company compares dates and amounts of daily deposits on bank statements to the cash receipts journal as well as bank transfers and any items rejected by the bank due to non-sufficient funds, etc.
- D. Reconciliation procedures include the following:



1. Comparison of bank statements with disbursements for number, date, payee, and amount.
 2. Review of sequence of check numbers.
- E. Checks outstanding for six months are investigated by the Operations Department.
- F. Upon completion of the reconciliation process, the Operations Department reviews the statement.

XIX. PERSONNEL AND RATE AUTHORIZATIONS

- A. Requests for new personnel are initiated only by the executive director.
- B. Classes of positions and corresponding pay rates are approved by the school board.
- C. Files in the Operations Department contain W-4 forms; authorization for payroll deductions, information on pay rates and positions and benefit applications.
- D. Written termination forms are required and are completed by the employee and the Executive Director and forwarded to ALA's finance company.

XX. PAYROLL PREPARATION AND TIMEKEEPING

- A. Employees are responsible for maintaining their own time-sheets and this is separated from payroll preparation.
- B. The Executive Director and Department Directors approve time sheets before they are submitted to the Operations Department.
- C. The Operations Department uses PTO data to match time-sheets, to determine paid or unpaid absences. The Operations Department double checks computations of hours on time cards and time-sheets (including overtime hours), and verifies pay rates.
- D. Paychecks are numbered sequentially.
- E. The starting check number is verified before checks are printed. Check numbers are verified during the reconciliation process by ALA's finance company.
- F. Blank check stock is only accessible to ALA's finance company.
- G. All pay rates are entered into an account code monitored by ALA's finance company.
- H. Voided or spoiled checks are marked "VOID" and maintained in a file.
- I. ALA's finance company prepares year-end W-2s.
- J. Payment of wages in cash is prohibited.



LEGAL REFERENCES: