



Introduction

The purchasing policy sets the purchasing guidelines and will help ensure sound purchasing decisions are made. A solid purchasing policy will help ensure charter schools make effective use of their limited funds and reduce the risk of fraud and fiscal mismanagement. The purchasing policy should be included as part of a comprehensive fiscal policy that is approved by the charter school's governing board.

The items noted in yellow below should be modified by each school to align to their school's size, organizational structure, and particular requirements. For example, in a multi-school organization, the School Leader may approve some purchases up to a specific dollar amount and the Executive Director will approve purchases above that limit.

Purchases & Procurement

Policy: All purchases must be authorized by the Executive Director. Any expenditure in excess of \$25,000 for the purchase of a single item should have bids from three (3) suppliers if possible. Any food contract that exceeds \$150,000 (the small purchase threshold set by the US Department of Agriculture) shall follow a competitive bid process.

Goods or services purchased with federal funds must follow federal procurement guidelines as outlined in Education Department General Administration Regulations (EDGAR), Part 80—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Sub-part C (Post Award Requirements), Section 80.36 (Procurement) located at:

<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

The Governing Board must approve any contract over \$50,000.

Procedures:

- All purchases over \$100 require a purchase requisition.
- The Executive Director will approve the purchase requisition after determining:
 - If the expenditure is budgeted.
 - If funds are available for the expenditure.
 - If the expenditure is allowable under the appropriate revenue source.
 - If the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures and any related laws or applicable regulations.
 - If the price is competitive and prudent and proper bidding procedures have been followed.
- The Governing Board will review expenditures during each board meeting through the review of a check register that will list all checks written since the Governing Board's last meeting and will include the check #, check date, payee, and check amount.

Contracts

- The Executive Director will consider in-house capabilities to accomplish services before contracting for them.
- The Director of Operations will keep and maintain a contract file evidencing the competitive bids obtained (if any were required) and the justification of need for any contract over \$25,000.



- The **Director of Operations** will confirm that the contractor is not listed in the US government's Suspended or Disbarred list via a search of the System for Award Management (www.sam.gov). The **Director of Operations** will keep a record of all searches.
- The **Director of Operations** will ensure that a written contract clearly defining work to be performed is on file for all contract service providers (i.e. consultants, independent contractors, subcontractors).
- Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and workers' compensation insurance currently in effect. The **Executive Director** may also require that contract service providers list the school as an additional insured.
- The **Executive Director** will approve proposed contracts and modifications in writing.
- Contract service providers will be paid in accordance with approved contracts as work is performed.
- The **Executive Director** will be responsible for ensuring the terms of the contracts are fulfilled.
- Potential conflicts of interest will be disclosed upfront, and the **Executive Director** and/or Member(s) of the Governing Board with the conflict will excuse themselves from discussions and from voting on the contract.

Credit Cards

Policy: Organization credit cards shall only be issued with the formal approval of the Governing Board and may only be used for organization-related expenditures.

Procedures:

- Purchase requisition and other documentation requirements apply to credit card purchases.
- The bank and/or consumer credit card (Amazon, Home Depot, Staples, etc.) will be kept under the supervision of the card holder.
- An itemized receipt should be turned in for all purchases.
- If receipts are not available, missing or contain an inappropriate expense, the individual making the charge will be held responsible for payment.
- In the case of a missing receipt, a missing receipt form shall be submitted and approved by the **Executive Director**. Should the **Executive Director** be required to complete a "missing receipt" form, authorization must be granted by a member of the Governing Board.
- Credit cards will bear the names of both the organization and the cardholder as authorized by the Governing Board.
- No personal charges are permitted.
- All reward points or discounts are property of the school. Use of such points or discounts is at the discretion of the Executive Director and should be used for the benefit of the organization.
- Upon termination, the employee shall immediately return the credit card and all receipts to the **Executive Director**.

Debit Cards

Policy: Organization debit cards are not permitted.

Procedures:

If a debit card is automatically issued by the bank, the **Executive Director** will:

- Contact the bank to deactivate debit card service from the account.
- Destroy the physical debit card.