



## **PURCHASING POLICIES/GUIDELINES**

### **PURCHASING - GENERAL PROVISIONS**

- A. All purchases shall be made using a valid purchase order processed through the Office Manager with Head of School Approval.
- B. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order.
- C. Blanket purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. The Head of School must approve all blanket purchase orders before they are issued.
- D. The Head of School will determine the most appropriate method of obtaining prices for items or groups of items that are not subject to formal bidding procedures.
- E. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board

### **PURCHASE ORDER PROCEDURE**

- A. The requestor completes the purchase order and gives that and the invoice to the Office Manager.
- B. The Head of School shall approve the purchase and either the Office Manager or the Head of School will stamp the request and use the appropriate account numbers.
- C. The original copy of the purchase order is sent to the vendor by the Office Manager unless there are specific instructions to the contrary.

### **PAYMENT OF CLAIMS PROCEDURE**

- A. When delivery is made, the Office Manager or Head of School checks the purchase order to ensure the order has been received correctly and in proper condition.
- B. If so, the packing or delivery slip is initialed, and copies are made to be put in the accounts payable folder.
- C. If the Office Manager finds discrepancies or has questions, s/he shall contact the Head of School.
- D. The vendor's invoice is filed with applicable documentation and a copy of the check.

### **COMPETITIVE BIDS FOR SUPPLIES, MATERIALS, AND EQUIPMENT WHICH EXCEED STATE OF MICHIGAN THRESHOLD AMOUNT**

The Head of School or designee is authorized to use discretion in deciding whether the purchase of supplies, materials, and equipment or the construction, repair or renovations of buildings when the cost is at or below the threshold amount as listed in the Michigan School Code of 1976, as amended, 380.1274, will be made on a non-negotiated basis, by informal or formal quotation, or by competitive bid. The Board of Directors will establish written guidelines and procedures for implementation of this policy.

Competitive bids shall be obtained for supplies, materials, and equipment when such cost is above the threshold amount as established in the School Code of 1976, as amended, 380.1274. The Head of School or designee is authorized to obtain competitive bids in the following manner:

- A. Participation in the State of Michigan's Department of Management and Budget Joint Competitive Bidding Program as authorized by Section 1263, 1984 P.A. 431;
- B. Participation in the Regional Educational Media Center Purchasing Program (REMC) for central purchasing of equipment related to media center activities authorized by Section 671, 1976 P.A. 451;
- C. Participation through third-party competitive bidding for materials, supplies, and equipment through such programs as the hospital purchasing service (HPS), or the "classrooms for tomorrow" computer equipment procurement program, or other similar programs;
  - a. Third-party competitive bidding on behalf of Leelanau Montessori shall constitute a competitive bid for purposes of Section 1274 of the School Code of 1976, as amended.
- D. Solicitation for bids by letter or by publication in a local Newspaper, trade journal or other appropriate publication.
  - a. The solicitation must specify the time and place the bids will be opened. If specifications are prepared, these will be made available to all interested bidders. The bids shall be sealed and shall be opened by the Head of School or his/her designee. All bidders shall be invited to attend the opening of the bids.

The Head of School or his/her designee shall inform the Board of Directors of the terms and conditions of the bid(s) and shall recommend which bid(s) should be accepted.

In formulating recommendations, the Head of School may give consideration to the quality of the items to be supplied, their conformity with specifications and suitability to the District, delivery terms, past performance of the bidder and any other factors materials to the transaction.

The Board of Directors reserves the right to reject any or all bids, waive irregularities, and accept the bid that, in its opinion, is in the best interest of Leelanau Montessori.

**PURCHASES FOR SUPPLIES, MATERIALS, AND EQUIPMENT GREATER THAN \$5,000 BUT LESS THAN THE STATE OF MICHIGAN THRESHOLD AMOUNT**

- A. Quotations must be obtained from a minimum of three (3) vendors.
- B. Record of quotations is to be submitted to the Purchasing Department for purchase order backup.

## **COMPETITIVE BIDS ON BUILDING CONSTRUCTION, RENOVATIONS, AND REPAIR**

The Board shall obtain competitive bids on all materials and labor required for the complete construction of a new building or buildings, or additions to, repairs or renovations of existing buildings when the cost is in excess of the threshold amount as indicated in the Michigan School Code of 1976, as amended, 380.1267, except repairs in emergency situations.

The Board shall advertise for bids once in the local newspaper annually designated by the Board for its legal publications. In addition, the Board must post an advertisement for at least two (2) weeks on the Department of Management and Budget website or a designated school organization website.

In order to meet the requirements of Public Act 232 of 2004, the Board will need to include the following information in advertisements for bids:

- A. The date and time bids must be received;
- B. The date, time and place of a public meeting where the Board or designee will open and read aloud the bids received by the due date and time;
- C. State that the Board, intermediate school board, or board of directors will not consider or accept a bid received by the Board, intermediate school board, or board of directors after the date and time specified for bid submission;
- D. State that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the Board, intermediate school board, or board of directors or the Superintendent of the school district, intermediate superintendent of the intermediate school district, or chief executive officer of the public school academy;
  - a. A board, intermediate school board, or board of directors shall not accept a bid that does not include this sworn and notarized disclosure statement.

Bids shall be opened and read aloud in a public meeting at the time and place advertised for receipt of bids. The Board may reject any or all bids, and re-advertise in the same manner provided by law and this policy.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. Items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained;
- B. Opportunity be provided to as many responsible suppliers as possible to do business with Leelanau Montessori;
- C. Prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. Where the requester has recommended a supplier, the Head of School may make alternate suggestions if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- E. Upon the placement of a purchase order, the Head of School shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations

The Head of School may acquire equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

M.C.L.A. 380.1267, 380.1274 et seq.

### **LOCAL PURCHASING**

The Board of Directors recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the District from established local merchants.

Goods and services will be purchased locally whenever the following factors are seen as being equal between local and non-local vendors or whenever local vendors excel in said factors provided that all statutes pertaining to public purchasing are duly observed:

- A. Quality of product or service.
- B. Suitability of product or service.
- C. Price
- D. Conformance of specifications.
- E. Convenience of delivery.
- F. General reputation of business firm.
- G. Service to Leelanau Montessori.

### **VENDOR RELATIONS**

The Board of Directors shall not enter a contract knowingly with any supplier of goods or services to Leelanau Montessori under which any Board member or officer, employee, or agent of this School District has any pecuniary or beneficial interest, direct or indirect, unless the person has not solicited the contract or participated in the negotiations leading up to the contract. This prohibition shall not prevent any person from receiving royalties upon the sale of any textbook of which s/he is the author and which has been properly approved for use in Leelanau Montessori.

For the purpose of this policy "beneficial interest" shall be determined in accordance with M.C.L.A. 15.321 et seq.

Board members and school personnel shall not accept any gifts or favors from vendors which might, in any way, influence their recommendations on the eventual purchase of equipment, supplies, or services.

All sales persons, regardless of product, shall clear with the Head of School before contacting any teachers, students, or other personnel of Leelanau Montessori. Purchasing personnel shall not show any favoritism to any vendor. Each order shall be placed in accordance with policies of the Board on the basis of quality, price, and delivery with past service a factor if all other considerations are equal.

### **MISCELLANEOUS EXPENSE RESTRICTIONS**

11/30/2016

## **Agency Funds**

- A. Restricted Funds – Funds may be expended only as dictated by originator(s).
  - a. Donations with explicit parameters (i.e., Rotary, Ace Foundation, etc.).
  - b. Fundraisers where school clearly identifies expected use (i.e., field trips, party, etc.).
- B. Limited Restriction Funds (Implied) – These funds may be used for student expenses only.
  - a. Dollars donated with no written expectations (i.e., PTO).
  - b. Revenue generated with no express use noted (i.e., photo rebates, generic school fundraisers).
- C. Discretionary Funds – These funds may be used for staff and student expenses.
  - a. Revenue collected for Sunshine fund.
  - b. Vendor Proceeds (i.e., Coke/beverage rebate).
  - c. Other revenue generated by staff (i.e., T-shirt sales to staff only).

## **PTO/OTHER FUNDRAISERS**

These organizations function independently of Leelanau Montessori.

- A. Organizations must clearly identify themselves.
- B. They do NOT qualify for use of a Leelanau Montessori school Tax Exempt Number.
- C. These organizations may donate dollars to schools with expense guidelines (Student or Staff).

## **LEELANAU MONTESSORI REIMBURSEMENT POLICIES/GUIDELINES**

### **REQUEST FOR PAYMENTS**

These requests are mainly for the reimbursement to employees for expenditures made on Leelanau Montessori's behalf. These types of purchases are discouraged, but in some instances cannot be avoided. Request for payments are reviewed by the Head of School using the following guidelines:

1. The staff member must turn in **“original”** receipts with reimbursement requests. Copies of cash register receipts are accepted in some circumstances where it cannot be avoided.
2. The district will not reimburse cash for purchases made using a **gift card or a gift certificate**. If a gift card or gift certificate is used to pay for a portion of a purchase, the district will reimburse only for that portion of the purchase that was paid for by cash or credit card. Therefore, please do not use personal gift cards/certificates when purchasing items for Leelanau Montessori.
3. Any reimbursement requests for the **“purchase”** of **gift certificates** must include copies of all certificates, names of recipients, and reason for the certificate.

4. When a staff member places an order on line or by phone, district policy is to have any merchandise that is to be paid for by Leelanau Montessori shipped to the school. Reimbursement will not be made for items shipped to personal home addresses.
5. It is not legal practice for anyone to use Leelanau Montessori tax-exempt number when Leelanau Montessori is not the purchaser at point of sale.

Requests that do not comply with the above guidelines could be denied reimbursement.

#### **CONFERENCE REIMBURSEMENTS**

Conference Reimbursements are reviewed by the Head of School using the following guidelines:

1. The conference reimbursement must be approved in advance within budgetary guidelines.
2. Sales tax is not refundable
3. Attach all original itemized receipts
4. Mileage (if approved) will be reimbursed at a rate of \$.54 per mile for FY16/17
5. Once authorized and all receipts are turned in, the Office Manager will turn in for payment.

Requests that do not comply with the above guidelines could be denied reimbursement.