

<b>Policy Title:</b>  <b>PURCHASES AND DISBURSEMENTS</b>	<b>Policy No.</b>	<b>No. of Pages</b>
	ACC02	10
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- I. **POLICY:** All disbursements and purchase orders up to TEN THOUSAND DOLLARS (\$10,000.00) are approved by the Principal. In the event that the Principal is unavailable, Vice Principals or Ho`okāko`o Staff are authorized to approve. All disbursements and purchase orders exceeding TEN THOUSAND DOLLARS (\$10,000) require pre-approval from the Ho`okāko`o Executive Director or his designee.
- II. **RECEIPT OF GOODS:** When orders are received, they will be checked in within 3 business days. In unusual circumstances when the goods cannot be immediately checked in, they will be stored in a secure location.

An order is considered “checked-in” when it is opened and it is verified that the items received match the packing list and corresponding PO (if applicable). Items that are required to be added to the inventory/theft-sensitive list are tagged and engraved (when appropriate).

Both the SCHOOL inventory/theft-sensitive and the State Risk Management inventory lists should be updated within ten (10) business days.

Orders are then delivered to or picked up by the appropriate staff member.

- III. **PURCHASE ORDERS:** Purchase orders (PO’s) are the primary method for purchasing at the Schools and every effort should be made to utilize the PO Process. (See Flow Chart Procedures below)

Blanket Purchase Orders (BPOs) are used to reduce paperwork by eliminating the need to list purchases by line item when the purchaser is going to personally pick up items from a vendor. The user of a BPO can pick up what is needed by presenting the original BPO to the vendor. The vendor is required to provide an itemized invoice. BPO worksheets are completed like any other purchase orders and Purchase Order Procedure previously described.

The maximum amount allowed for BPOs is FIVE HUNDRED DOLLARS (\$500.00) per BPO and the cost of a single item cannot exceed FIFTY DOLLARS (\$50.00). Teachers will submit their BPO worksheets for approval via email or hard copy to the designated person.

BPO worksheets must be completed with the following:

- Description of purchase
  - An example of an acceptable description to be used on a BPO is: “BPO for classroom Supplies such as pens, construction paper, felt, post it notes and colored pencils not to exceed \$200.00”
- Customer ID or Account Number with the Vendor

- Authorized Purchasers Name and any other person (if any) that is authorized to pick up items under the BPO

Receipts/invoices are turned in within FIVE (5) DAYS of purchase to the School Business Office. The BPO user must inform the School Business Office if the BPO is final so that the open BPO can be closed.

## Purchase Order/Invoice Procedures



\*Supporting documentation includes of a copy of the voucher check, original invoices (stamped with paid stamp listing check number and date), POs, PO worksheets and packing lists.

- IV. EMERGENCY CHECKS: In very rare circumstances, the School may cut emergency checks on-site in amounts up to \$5,000.00, with approval from the Ho'okāko'o Executive Director or his designee.

Emergency checks should only be used when Ho'okāko'o Account Clerk/Account Manager is unable to process and are intended for purchases related to unforeseen events, emergencies, and critical employee reimbursement. Standard purchasing internal control processes apply.

- V. RECLASSIFICATION OF CODING: When changes need to be made to previously coded transactions, the Reclassification Request Form (Attached) will be completed by the Business Office. The request will include the reason for the reclassification and be authorized by the Principal. The request is then sent to the Ho'okāko'o COO for review and approval and forwarded to Ho'okāko'o Account Manager for input into the accounting system. The approved reclassification form is filed at Ho'okāko'o Office.
- VI. ACCEPTANCE OF FEDERAL FUNDS: The School is responsible to spend federal funds in compliance with the laws and regulations that relate to these funds. The key to ensuring compliance with the grant, laws and regulations is understanding these requirements and establishing/maintaining controls to ensure compliance.

The School Business Manager/Account Clerk AND the Federal Programs Coordinator are the designated federal compliance officers for School and are responsible for:

- Ensuring that all the necessary information for the federal grant is secured, PRIOR to accepting the funds. A written request for necessary information will be sent to the agency providing the funds (i.e. Commission, DOE, etc). Necessary information includes:
  - The Catalog of Domestic Assistance (CFDA) Number
  - Any laws, regulations or contract requirements that are applicable to the funds.
  - The period in which the funds may be spent and any applicable information regarding the carryover of funds.
- Maintaining the schedule of Federal Programs.
- Ensuring School's compliance with the grant regulations, laws and requirements
- Notifying the Principal and Ho'okāko'o staff if there are any concerns or questions regarding grant compliance.

If the necessary information cannot be provided by the providing agency, the School should not accept the funds.

#### VI. CREDIT CARD

1. Cardholders: School credit cards may be issued to the School Principal upon approval by the Ho'okāko'o Board. All cardholders will read the policy document and sign an agreement stating compliance with the Credit Card Policy & Procedure. The HO'OKĀKO'O Board may withdraw the card privilege and take appropriate disciplinary action against any employee who does not comply with the credit card policy and procedures.

Credit cards should be used to facilitate the acquisition of goods and services to support the school. School credit cards should not be used for personal non-school related expenses. Employees are generally encouraged to pay for expenses through regular accounts payable procedures (i.e. purchase

orders, reimbursement) rather than with the School credit card. Credit cards will not be used when a purchase order is otherwise available or can be made available within the necessary time limits.

2. Allowable and Prohibited Credit Card Transactions:

Expense Type	Allowable Credit Card Transactions	Only allowable with Ho'okāko'o <u>PRE-approval</u>	Prohibited Credit Card Transactions: Reimbursement Only
Airfare		X	
Hotel (Room Only)		X	
Car Rental		X	
Conference Registrations		X	
Meals			X
Gas		X	
Parking Fees		X	
Incidentals			X
Baggage Fees		X	
Instructional supplies, materials, equipment that cannot be ordered via PO or check	X		
Office supplies, materials, equipment that cannot be ordered via PO or check	X		
Meeting supplies		X	
Positive Behavior Support supplies		X	

3. CREDIT CARD PURCHASING PROCESS:

- a. The Requestor completes the Credit Card/Purchase Order Worksheet and submits it to the Business Office. The Principal signs his/her approval for the purchase order.
- b. When HO'OKĀKO'O pre-approval is required (as described above), the request will be forwarded to the Ho'okāko'o office for approval/signature by Ho'okāko'o Chief Operating Officer. The Ho'okāko'o approval should be filed with the corresponding credit card receipt and statement.
- c. The purchase is made. When the order is received or the service is rendered, the invoice/receipt is stamped noting the date of receipt, whether the shipment/work was completed in full or partial and the initials of the staff that received the goods/confirmed the work was completed.

A detailed cash register receipt listing items purchased will be provided to the Business Manager/Account Clerk within three (3) days of purchase. It is expected that detailed cash register receipts will be available to the card user. The purchaser must include a written description of the

purpose of the purchase and how it relates to the school.

If the authorized card holder cannot provide a receipt or invoice, he or she will reimburse SCHOOL for the amount of the unsubstantiated charge.

In very rare circumstances, Ho'okāko'o may waive the reimbursement requirement if the cardholder provides a valid reason a receipt could not be provided (i.e. computer malfunction, etc). In the event of this, the cardholder is required to provide a written statement of:

1. What was purchased;
  2. Purpose of the purchase and how it relates to the school;
  3. An explanation of why the receipt wasn't available.
- d. The monthly credit card billing statement is received by SCHOOL and each transaction should be assigned an account code on a credit card summary sheet. The following will be bundled and sent to the Ho'okāko'o office for review and approval:
- i. Credit card billing statement
  - ii. Summary sheet
  - iii. Pre authorizations
  - iv. Receipts/invoices
  - v. Packing slips
- e. Ho'okāko'o will review the codes and indicate approval by initialing; the bundle is forwarded to Ho'okāko'o Account Clerk/Account Manager.
- f. Ho'okāko'o Account Clerk/Account Manager enters the payment into the Accpac System and contacts SCHOOL when the check is ready to be printed. Checks will be ready for printing by the following business day.
- g. SCHOOL prints checks for signature by authorized check signers. Two signatures are required on each check. If SCHOOL signers are unavailable, the designated Ho'okāko'o staff may sign. Checks are mailed to vendors.
- h. Checks and supporting documentation are filed in Business Office.
- i. SCHOOL may make the credit card payment via the online payment option if Ho'okāko'o has reviewed and approved the payment.

Credit card bills must be paid timely to avoid late fees and interest charges.

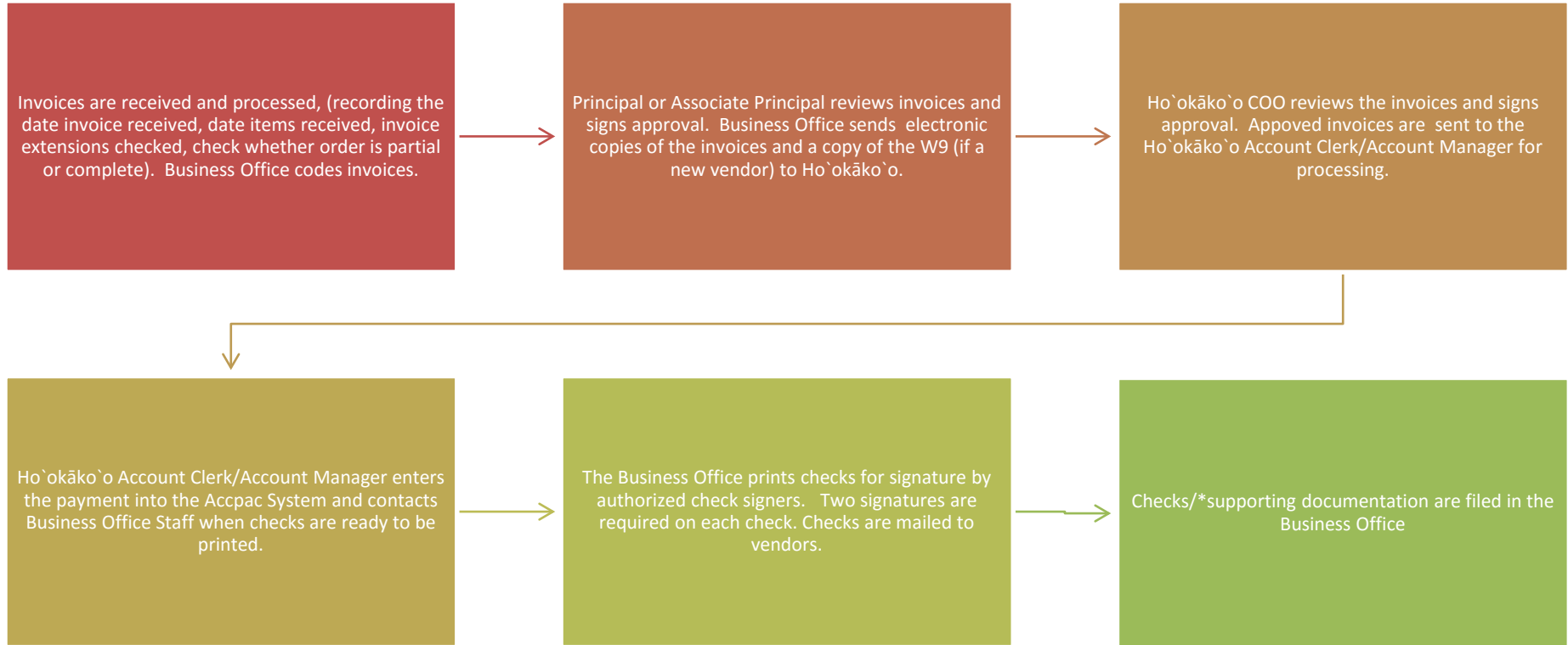
4. Termination: Upon termination, the employee must return the credit card to the appropriate Business Office Staff, who will destroy the card and send a letter to the bank requesting that the credit card be canceled for the terminating employee.
5. Lost or Stolen Cards: Employees should immediately report lost and stolen cards to the appropriate

School Business Office Staff, who will contact the bank and inform them of the matter.

- IV. INVOICES (NON-PURCHASE ORDER PAYMENTS: There are instances where there is a need for Non-Purchase Order Payments. Examples include the telephone bills, consulting fees, copier maintenance/rentals and other recurring payables that have been authorized by the Principal.

For invoice payments made without Purchase Orders (POs), the procedures are in the flow chart below.

## Invoice Procedures



\*Supporting documentation includes of a copy of the voucher check, original invoices (stamped with paid stamp listing check number and date) and packing list



- V. MISCELLANEOUS REIMBURSEMENTS: Purchase Orders (POs) are to be used whenever possible. Reimbursements are only made for purchases made from vendors who do not accept POs (i.e., Wal-Mart, Costco, HomeDepot, etc.) or in instances where processing a PO is not feasible.

The process for reimbursements is as follows:

1. The Principal authorizes reimbursements prior to the purchase of goods/services in writing. SCHOOL reserves the right to deny reimbursements that do not have prior written approval.
2. The requestor will purchase the approved items and submit original receipts to the Business Office and the Business Manager/Account Clerk will complete the reimbursement form.
3. The reimbursement form is sent to the Principal for final signature and approval.
4. The Business Manager/Account Clerk codes and sends to HO`OKĀKO`O.
5. Ho`okāko`o will review the codes and indicate approval by initialing. Invoices are forwarded to Ho`okāko`o Account Clerk/Account Manager.
6. Ho`okāko`o Account Clerk/Account Manager enters the payment into the Accpac System and contacts SCHOOL when checks are ready to be printed. Checks will be ready for printing by the following business day.
7. SCHOOL prints checks for signature by authorized check signers. Two signatures are required on each check. If SCHOOL signers are unavailable, the designated HO`OKĀKO`O staff may sign. Checks are mailed to vendors.