BOARD POLICY

616 Payment of Bills Draft 4 10.22.26

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Purpose

It is the Board's intent to direct prompt payment of bills but at the same time to ensure that due care has been taken in the review of district bills.

Authority

Each bill or obligation of this district must be fully itemized, verified and approved by the Board before a check can be drawn for its payment, except that payment of bills prior to Board approval can be made by the Board Secretary/Chief Financial Officer under any of the following conditions:[1] [2] [3]

1. The prompt payment of items that will accrue to the district's advantage.[4] [1]
2. Progress payments to contractors specified in a contract approved by the Board.
3. Orders to cover approved payrolls and agency account deposits.
4. Utility bills in months the Board does not meet.
5. Other payments, deemed to be time sensitive or unanticipated by the Superintendent, will be presented to the Board for retroactive approval.

Delegation of Responsibility

It shall be the responsibility of the recipient of the goods to verify ~~Chief Financial Officer or designee~~ upon receipt of an invoice ~~to verify~~ that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, ~~funds are available to cover the payment, the Board had budgeted for the item,~~ and the invoice is for the amount contracted. Any discrepancies should be reported to the Chief Financial Officer. It shall be the responsibility of the CFO to verify funds are available to cover the payment and the Board has budgeted for the item.

Should the invoice vary from the acknowledged purchase order, the Chief Financial Officer or designee shall document on the invoice the reason for such variance.

Should funds not be available in the account to which a proposed purchase will be charged, the Chief Financial Officer or designee shall determine the overage and request the Board make a legal transfer to cover it.[2] [5] [6] **[7]**

All claims for payment shall be provided to the Board on a monthly basis for their approval and recorded in the minutes of the Board meeting.

The list of bills shall include for each:

1. Check number/ACH Voucher number.
2. Check date.
3. Vendor.
4. Amount of remittance.

Upon approval of an order, the Treasurer and Chief Financial Officer shall prepare a check for payment and cancel the commitment placed against the appropriate account.[1]

All checks approved by the Board shall be signed by the President, Board Secretary, and Treasurer.[4] [8] [1]

The Vice-President may sign for the President.[9]

Guidelines

Signatures of the President, Vice-President, Treasurer and Board Secretary may be engraved on a signature plate or stamp. Electronic signatures may be used if the law requires a signature unless applicable law requires the records to be signed in nonelectronic form. [10]

No check shall be made out to cash.

Sales Tax

The district is exempt from sales tax on the purchase of tangible, personal property or services that are sold or used by the district. The district shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for district use.[11] [12]

The district shall obtain a sales tax license number for school organizations who purchase items to be resold.[11] [13] **[14]**

In order to monitor these activities, the Chief Financial Officer ~~Business Manager~~ shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.

Recipient of Nonsufficient Fund (NSF) Checks

The Board authorizes the Chief Financial Officer or designee ~~business office~~ to establish and administer guidelines regarding collection of payment for NSF checks and associated service charges. The Chief Financial Officer or designee will determine whether notification by certified mail, with return receipt, and whether filing charges with the district magistrate will be pursued.

The Board shall authorize a service charge for each NSF check.

The Board directs that any payor ~~individual~~ issuing more than one (1) NSF check to the district will be advised that checks may no longer be accepted from that payor ~~individual~~. The Chief Financial Officer or designee will determine if any further checks will be accepted.

Electronic Funds Transfer (EFT)

The Board authorizes the business office to establish guidelines for Electronic Funds Transfers (EFT) of the school district.

It is the policy of the district to comply with all state laws relating to Electronic Funds Transfers (EFT).

Legal Footnotes

[1] 24 P.S. 439
LEGAL REFERENCE

[2] 24 P.S. 607
LEGAL REFERENCE

[3] 24 P.S. 1155
LEGAL REFERENCE

[4] 24 P.S. 427
LEGAL REFERENCE

[5] 24 P.S. 609
LEGAL REFERENCE

[6] 24 P.S. 687
LEGAL REFERENCE

[7] Pol. 612 — Purchases Not Budgeted
POLICY REFERENCE

[8] 24 P.S. 433
LEGAL REFERENCE

[9] 24 P.S. 428
LEGAL REFERENCE

[10] 65 P.S. 302
LEGAL REFERENCE

[11] 61 PA Code 32.23
LEGAL REFERENCE

[12] 72 P.S. 7204
LEGAL REFERENCE

[13] 72 P.S. 7208
LEGAL REFERENCE

[14] Pol. 618 — Student Activity Funds
POLICY REFERENCE