

NORTH PENN SCHOOL DISTRICT

School Board Policy

3640(a)

BUSINESS

Payment of Bills

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 the Board Secretary is permitted to draw payment orders for:

- 1) The prompt payment of items that will accrue to the district's advantage.
- 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 such as electric, phone, natural gas, water, sewer, etc.
- 5) Fringe benefit payments for payroll-related insurance.
- 6) Insurance premiums and bond interest payments.
- 7) Payments for services already performed or goods already received whereby a district purchase order authorized the purchase and funds were budgeted.
- 8) Other payments authorized by the Board.

Such payments will be ratified by the Board at its next regular meeting.

CONTINUED

Delegation of Responsibility

It shall be the responsibility of the Director of Business Administration 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 invoice is for the amount contracted.

Should the invoice vary from the acknowledged purchase order, the Director of Business Administration 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 Director of Business Administration or designee shall determine the overage and request the Board make a legal budget transfer to cover it.

All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.

The list of bills shall include for each:

- 1) Check number.
- 2) Check date.
- 3) Amount of remittance.
- 4) Vendor.
- 5) Account code.

Upon approval of an order, the Director of Business Administration or designee shall prepare a check for payment and cancel the commitment placed against the appropriate account.

All checks approved by the Board shall be signed by the President, Secretary, and Treasurer.

Signatures of the President, Secretary, and Treasurer may be engraved on a signature plate or stamp.

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.

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The district shall obtain a sales tax license number for school organizations who purchase items to be resold.

In order to monitor these activities, the Director of Business Administration shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.

References

School Code – 24 P.S. Sec. 427, 428, 433, 439, 607, 608, 609, 610, 687, 1155

Department of Revenue Regulations – 61 PA Code Sec. 32.23

Uniform Facsimile Signature of Public Officials Act – 65 P.S. Sec. 302

Exclusion From Tax – 72 P.S. Sec. 7204, 7208

Policy:
Adopted: December 11, 2014

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