

**LAMPETER-STRASBURG SCHOOL DISTRICT**  
Lampeter, PA 17537

Finance Committee Agenda  
April 8, 2024  
6:30 p.m.

1. 2023-24 Projection & 2024-25 Proposed General Fund Budget
2. Five-Year Projection
3. Capital Reserve Budget
4. Policy Review
  - a. 609 – Investment of District Funds
  - b. 610 – Purchases Subject to Bid / Quotation
    - i. *Updated to Match 2024 Bid and Quotation Thresholds*
  - c. 611 – Purchases Budgeted
    - i. *Updated to Match 2024 Bid and Quotation Thresholds*
  - d. 612 – Purchases Not Budgeted
  - e. 613 – Cooperative Purchasing
5. Items from the Committee

Book	Policy Manual
Section	600 Finances
Title	Investment of District Funds
Code	609
Status	Active
Adopted	April 1, 2019

## **Purpose**

It shall be the policy of the Board to optimize its return on funds available for investment through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments consistent with the following principles:

**Legality** – All investments shall be made in accordance with applicable laws of Pennsylvania.

**Safety** – Preservation of principal shall be of highest priority. Preservation of principal in the portfolio of investments shall be ensured by diversification and other means of minimizing credit risk, including avoidance of concentration of credit risk, market risk and interest rate risk, and by thoroughly investigating and reviewing the performance of all investment providers and professionals.

**Liquidity** – Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities consistent with anticipated cash demands.

**Yield** – Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.

## **Authority**

The Investment Officer designated by the Board shall implement the school district's investment program in accordance with this policy, applicable laws and the annual investment plan approved by the Board.[\[1\]](#)[\[2\]](#)[\[3\]](#)[\[4\]](#)[\[5\]](#)[\[6\]](#)[\[7\]](#)

## **Definitions**

**Act 10 Permissible Investments** – Any type of investment permitted under Act 10 of March 25, 2016, (53 P.S. Sec. 5406, 5410.1) that is not among the types of investments permitted under Section 440.1 of the Public School Code of 1949, Act of March 10, 1949, (P.L. 30, No. 14) as last amended by the Act of June 30, 1995, (P.L. 220, No. 26).[\[1\]](#)[\[5\]](#)[\[6\]](#)

**School Code Permissible Investments** – Any investment permitted under Section 440.1 of the Public School Code of 1949, Act of March 10, 1949, (P.L. 30, No. 14) as last amended by the Act of June 30, 1995, (P.L. 220, No. 26).[\[1\]](#)

**Short-term** – Any period thirteen (13) months or less.

**Long-term** – Any period exceeding forty-eight (48) months.

**Mid-range** – Any period between short-term and long-term.

**Bankers' acceptances** – Bankers' acceptances generally are created based on a letter of credit issued in a foreign trade transaction. Bankers' acceptances are short-term, non-interest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value.

**Collateral** – Security pledged by a financial institution to a governmental entity for its deposit. [\[8\]](#)

**Commercial paper** – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most is sold with maturities of up to thirty (30) days. Almost all commercial paper is rated as to credit risk by rating services.

**Concentration of credit risk** – The risk of loss attributed to the magnitude of a government's investment in a single issuer, pool, institution, or instrument.

**Counterparty** – Another party to a transaction. In the case of deposits and investments made by governmental entities, a counterparty could be the issuer of a security, a financial institution holding a deposit, a broker-dealer selling securities, or a third party holding securities or collateral.

**Credit risk** – The risk that a counterparty to an investment transaction will not fulfill its obligations. Overall credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one (1) investment type or with any one (1) counterparty.

**Custodial credit risk** – The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**Foreign currency risk** – The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Investments depending on substantial overseas activities or markets may present related foreign currency risk.

**Interest rate risk** – The risk that changes in interest rates will adversely affect the fair value of an investment.

**Issuer** – The entity that has the authority to distribute a security or other investment. A bond issuer is the entity that is legally obligated to make principal and interest payments to bond holders. In the case of mutual funds, external investment pools, and other pooled investments, issuer refers to the entity invested in, not the investment company-manager or pool sponsor.

**Investment plan** – The school district's specifically enumerated investment strategy approved annually by the Board.

**Local Government Investment Pool (LGIP)** – An investment trust or pool organized by groups of political subdivisions or municipal authorities pursuant to Section 521 of the Public School Code of 1949, or pursuant to the Intergovernmental Cooperation Law, 53 Pa. C.S.A. Sec. 2301 et seq., for the purpose of investing funds of such political subdivisions or municipal authorities for their exclusive benefit and in accordance with the laws governing their permissible investments. LGIPs include, but are not limited to, the Pennsylvania School District Liquid Asset

Fund (PSDLAF), the Pennsylvania Local Government Investment Trust (PLGIT), and for purposes of this policy, the PA INVEST program operated by the Pennsylvania Treasury Department.[\[10\]](#)  
[\[9\]](#)

**Market risk** – The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent that collateral exceeds the amount invested, and the frequency at which the amount of collateral is adjusted for changing market values.

**Repurchase agreement** –

- a. An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities.
- b. A generic term for an agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities (as in definition (a) above) or for different securities.

**Weighted average maturity** – A weighted average maturity measure expresses investment time horizons—the time when investments become due and payable—in years or months, weighted to reflect the dollar size of individual investments within an investment type.

**Delegation of Responsibility**

The Board shall designate an Investment Officer, who shall implement the school district's investment program in accordance with this policy, related procedures, applicable laws and the annual investment plan approved by the Board.[\[1\]](#)

The Investment Officer shall prepare, for approval of the Board, an annual investment plan for all general and segregated/designated funds of the district (i.e., general, capital reserve, bond, etc.), including bond proceeds, taking into account the anticipated liquidity needs of each fund.

The plan may provide for moneys from more than one (1) fund under school district control for the purchase of any single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.

The plan shall not encompass the investment of any student activity or class-related funds separately managed pursuant to School Code Section 511.[\[11\]](#)[\[12\]](#)

The annual investment plan shall be submitted to the Board for review and approval no later than sixty (60) days after adoption of the annual budget.

The Investment Officer shall report monthly to the Board the following:[\[1\]](#)[\[13\]](#)

1. Amount of funds invested.
2. Interest earned and received to date.
3. Types and amounts of each investment and the interest rate on each.
4. Names of the institutions where investments are placed.
5. The means by which any deposits exceeding insurance limits are collateralized.

6. Other information required by the Board.

This report may, but is not required to, include the information regarding depository balances, earnings and transactions required by the School Code to be reported to the Board monthly as set forth in Policy 608.[\[Z\]](#)[\[14\]](#)

The Board directs the Superintendent and Investment Officer to develop, for approval by the Board as an appendix to this policy, specific due diligence and risk mitigation measures for:

1. Evaluating and mitigating the risks associated with each investment;
2. Investigating, selecting and evaluating the performance of investment advisors and investment professionals;
3. Specifying standards for audits of investment transactions; and
4. Determining the qualifications, training, standards and disclosures required for district employees performing functions relating to the district's investment program.

### **Guidelines**

Investments permitted by this policy are those defined in law and enumerated in this policy that are appropriately collateralized in accordance with this policy and applicable laws.[\[1\]](#)[\[8\]](#)

### **School Code Permissible Investments**

1. United States Treasury bills.
2. Short-term obligations of the United States Government or its agencies or instrumentalities.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or the National Credit Union Share Insurance Fund (NCUSIF) to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
4. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
5. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.). Provided, that the following are met:[\[15\]](#)
  - a. The only investments of that company are in the authorized investments for school district funds listed in items 1 through 4 above and repurchase agreements fully collateralized by such investments.
  - b. The investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR Sec. 270 2a-7 (relating to money market funds).
  - c. The investment company is rated in the highest category by a nationally recognized statistical rating organization.
6. Local Government Investment Pools (LGIPs) as defined in this policy.

7. Repurchase agreements with respect to U.S. Treasury bills or obligations, participations or other instruments of or guaranteed by the U.S. or any federal agency, instrumentality or U.S. government-sponsored enterprise.

#### Act 10 Permissible Investments

1. Obligations, participations or other instruments of any federal agency, instrumentality or U.S. government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
2. Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days, if the issuing corporation or business entity is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.
3. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.
4. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1et seq.) whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.), if all of the following conditions are met:
  - a. The investments of the company are the authorized investments under 53 P.S. §5410.1, subsection (a) (Act 10, Section 1.1(a)).
  - b. The investment company is managed in accordance with 17 CFR Sec. 270.2a-7 (relating to money market funds).
  - c. The investment company is rated in the highest category by a nationally recognized rating agency.

**[Legal Note:** Investment options listed in Act 10 also include certain *negotiable certificates of deposit* satisfying specified conditions. This investment is omitted here, where it would otherwise appear in this policy, due to the collateralization requirements of School Code sections 440.1, 622 and 623, which Act 10 did not displace or supersede. Because negotiable certificates of deposit do not exist in the current investment market in a collateralized form that would satisfy School Code requirements, they are not an investment lawfully available to school districts at this time, notwithstanding Act 10. If in the future there has been corrective legislation, or a final judicial or other ruling having the force of law concluding that school districts may invest in uncollateralized negotiable certificates of deposit despite School Code collateral requirements, this policy will be updated to include such investments among Act 10 permissible investments. ]

#### Management of Investments and Collateral

All securities or other investments in which the school district invests or that collateralize school district investments shall be managed as provided in this policy and in the school district's investment plan annually approved by the Board. [\[1\]](#)

The plan shall require that securities purchased as investments be purchased in the name of the school district and held in custody for the benefit of the school district as provided in the investment plan and authorized custodian agreements. The plan may make exceptions to such requirements for investments in LGIPs as defined in this policy, or for the purchase of shares of an investment company.

If, after purchase, the rating of any instrument is reduced and no longer in compliance with Board policy, the individual responsible for district investments shall replace the investment immediately upon receipt of notice of the rating change and notify the Board of the rating change, action taken and replacement investment.

The foregoing rating change related requirement(s) do(es) not apply to investments in LGIPs as defined in this policy.

For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.

#### Foreign Currency and Related Risk

District funds shall not be invested in foreign currency. To the extent other permissible investments are exposed to related foreign currency risk, they shall be disclosed as required by GASB Statement 40.

#### Bond Proceeds

Investment of bond proceeds shall be managed and reported to the Board in accordance with the Local Government Unit Debt Act, this policy, and applicable federal and state laws.[\[16\]](#)

#### Protection of Savings Accounts, Time Deposits, Share Accounts or Other Depository Balances in Excess of FDIC Insurance Limits

When district cash is deposited in any savings account, time deposit, share account or other authorized depository account other than a Local Government Investment Pool (LGIP), if the cash balance exceeds FDIC insurance limits, district funds shall be collateralized in one or more of the following ways:[\[1\]](#)[\[13\]](#)

1. An Irrevocable Letter of Credit (LOC) issued by a Federal Home Loan Bank (FHLB).
2. Tri-Party Collateral in the name of the school district consisting of the following underlying securities only:
  - a. U.S. Treasury Securities.
  - b. Obligations, participations or other instruments of any federal agency, instrumentality or U.S. government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
3. Assets pledged as collateral in accordance with the act of August 6, 1971, (P.L. 281, No.72), 72 P.S. Sec. 3836-1 et seq. (relating to pledges of assets to secure deposits of public funds, whether or not pooled).[\[13\]](#)

It shall be the responsibility of the Investment Officer to verify with the depository the value of the collateral instrument(s) based on the instrument being "marked to market." This valuation shall occur at least monthly.

Following a review of valuation, the Investment Officer may request an additional review by the district's investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the district to potential loss of principal. The status of the valuation review and any additional collateral shall be included in the periodic reports to the Board regarding the investment program.

#### Reporting Requirement for Local Government Investment Pools (LGIPs)

Local Government Investment Pools (LGIPs) pool the resources of participating government entities and invest in various securities as permitted under state law, so that participating governments can benefit from economies of scale, professional fund management and other advantages.

Recognizing that LGIPs invest directly in permissible securities on behalf of the participating government entities, which in turn have proportional ownership rights in those securities, district investments in a LGIP shall not be subject to the collateral requirements of this policy, provided that the LGIP:

1. Makes available to participants daily and monthly statements, and other information from which the status of the investments can be verified; and
2. Provides an audited annual financial report to each participating government entity.

#### Further Risk Mitigation for Act 10 Permissible Investments

Recognizing that Act 10 of 2016 expanded the range of permissible investments to include investments with the potential to expose the school district to elevated levels of credit risk and other investment risks, the Board directs that any investment plan or investment recommendations proposed by the Investment Officer take into account, implement and highlight the following factors and precautions with respect to Act 10 Permissible Investments:

1. A significantly more thorough level of due diligence is required.
2. In addition to verification of rating by a nationally recognized statistical rating organization and other due diligence requirements, the investigation of Act 10 Permissible Investments shall include ensuring that there is an independent credit review (a qualified financial services organization with an active and recognized credit analysis team is also monitoring the issuer, in addition to the nationally recognized statistical rating organization(s)).
3. Act 10 Permissible Investments shall be limited to no more than ten percent (10%) of district funds available for investment, excluding bond proceeds and refunding escrow balances.

#### Audit

The Board directs that all investment records be subject to annual audit by the district's independent auditors.[17]

The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.

#### Conflict of Interest Avoidance and Disclosure

The Investment Officer and any other district employee performing functions related to the investment program shall disclose in writing to the Board any material conflict of interest or material potential conflict of interest which exists because of personal relationships or personal business activity between the Investment Officer or other employees and any depository institution, broker, dealer, investment advisor, or other investment provider or professional serving the district. The Investment Officer or other employees shall refrain from any personal business activity that could impair ability to make impartial decisions in managing the annual investment plan.[18]

All depository institutions, repurchase agreement providers, brokers, and investment advisors and managers shall disclose in writing to the district: (1) any fees or other compensation paid to or received from a third party with respect to any district investment; and (2) any ownership of or by a parent corporation which owns any other depository institution, broker, dealer, investment advisor, or other investment provider or professional which does business with the district.



All investment advisors shall verify in writing that they have received and reviewed a copy of this Board policy and agree to comply with this policy and all applicable laws related to school district investments.

Legal

[1. 24 P.S. 440.1](#)

[2. 24 P.S. 621](#)

[3. 24 P.S. 622](#)

[4. 24 P.S. 623](#)

[5. 53 P.S. 5406](#)

[6. 53 P.S. 5410.1](#)

[7. 24 P.S. 624](#)

[8. 72 P.S. 3836-1](#)

[9. 24 P.S. 521](#)

[10. 53 Pa. C.S.A. 2301 et seq](#)

[11. 24 P.S. 511](#)

12. Pol. 618

[13. 72 P.S. 3836-1 et seq](#)

14. Pol. 608

[15. 17 CFR Part 270](#)

[16. 53 Pa. C.S.A. 8001 et seq](#)

17. Pol. 619

[18. 65 Pa. C.S.A. 1101 et seq](#)

[24 P.S. 218](#)

[15 U.S.C. 77a et seq](#)

[15 U.S.C. 80a-1 et seq](#)

Governmental Accounting Standards Board, Statement No. 3 (amended by Statement 40)

Book	Policy Manual
Section	600 Finances
Title	Purchases Subject to Bid/Quotation
Code	610
Status	Active
Adopted	April 1, 2019

### **Authority**

It is the policy of the Board to obtain competitive bids and price quotations for products and services where such bids or quotations are required by law or may result in monetary savings to the school district.[\[1\]](#)[\[2\]](#)

### **Guidelines**

The amounts contained in this policy regarding competitive bid and price quotation requirements are subject to adjustments based on the Consumer Price Index.[\[3\]](#)[\[1\]](#)[\[2\]](#)

### **Competitive Bids**

When seeking competitive bids, the Board shall advertise once a week for three (3) weeks in not less than two (2) newspapers of general circulation.[\[1\]](#)[\[2\]](#)

After due public notice advertising for competitive bids, the Board shall be authorized to:

1. Purchase furniture, equipment, school supplies and appliances costing a base amount of **\$23,200** or more, unless exempt by law.[\[2\]](#)
2. Contract for construction, reconstruction, repairs, maintenance or work on any school building or property having a total cost or value of more than **\$23,200**, unless exempt by law.[\[1\]](#)

The Board prohibits the practice of splitting purchases to avoid advertising and bidding requirements.[\[1\]](#)[\[2\]](#)

With kind, quality and material being equal, the bid of the lowest responsible bidder meeting bid specifications shall be accepted upon resolution of the Board, unless the Board chooses to reject all bids.[\[1\]](#)[\[2\]](#)

The Board recognizes that emergencies may occur when imminent danger exists to persons or property or continuance of existing school classes is threatened, and time for bidding cannot be provided because of the need for immediate action. Bidding decisions in the event of such emergencies shall be made in accordance with existing legal requirements.[\[1\]](#)

### **Price Quotations**

Unless exempt by law, at least three (3) written or telephonic price quotations shall be requested by the Board for:[\[1\]](#)[\[2\]](#)

1. Furniture, equipment, school supplies and appliances costing a base amount of more than **\$12,600** but less than **\$23,200**.[\[2\]](#)

2. All contracts for construction, reconstruction, repairs, maintenance or work on any school building or property, having a total cost or value of more than **\$12,600** but less than **\$23,200**.[\[1\]](#)

If it is not possible to obtain three (3) quotations, a memorandum must be kept on file showing that fewer than three (3) qualified vendors exist in the market area. The written price quotations, written records of telephonic price quotations and memoranda shall be kept on file for three (3) years.

#### Work Performed by District Maintenance Personnel

The Board may authorize district maintenance personnel to perform construction, reconstruction, repairs or work having a total cost or value of less than **\$12,600**.[\[1\]](#)

#### Delegation of Responsibility

The Board may grant the Board Secretary or Purchasing Agent the authority to purchase supplies and award contracts in the amount and manner designated by applicable law.[\[1\]](#)[\[2\]](#)

Legal

[1. 24 P.S. 751](#)

[2. 24 P.S. 807.1](#)

[3. 24 P.S. 120](#)

[4. 62 Pa. C.S.A. 4602](#)

[5. 62 Pa. C.S.A. 4603](#)

[6. 62 Pa. C.S.A. 4604](#)

[62 Pa. C.S.A. 4601 et seq](#)

# LAMPETER-STRASBURG SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED:

REVISED:

## 610-AR-0. PURCHASES SUBJECT TO BID/QUOTATION

Competitive bids and price quotations will be advertised and sought by designated district employees when required by law and when they may result in monetary savings to the district.

The Business Manager will be responsible to prepare bid specifications and price quotations. Such specifications will provide for alternatives wherever possible.

### Price Quotations

A written record of all price quotations will be made and will contain at least, as applicable:

1. Date of quotation.
2. Name of contractor or vendor.
3. Name of the contractor's or vendor's representative.
4. Supplies, construction, reconstruction, repair, maintenance or work which was the subject of the quotation.
5. Price.

### Competitive Bids

The Board Secretary will advertise all bids in accordance with law and Board policy. The bid notice will state the bid specifications and the dates, times and places for receiving and opening bids.

The Business Manager will maintain and update a list of suppliers and contractors who are potential and eligible bidders, and bid notices will be sent to them when applicable.

Bid specifications, notices and forms for all bids will be made available in the Business Manager's office.

All bids must be submitted in writing, be sealed and be submitted to the Business Office by the stated deadline. Bids received after the deadline will be returned unopened to the bidder.

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Bids will be opened publicly by the Business Manager before one (1) or more witnesses at a previously designated time and date. All bids will be recorded by the Business Manager.

The Business Manager will tabulate and review all bids received and determine the lowest responsible bidder who meets the stated bid specifications.

The Superintendent and/or Business Manager will make a recommendation to the Board pertaining to the lowest responsible bidder. The Board reserves the right to accept or reject any and all bids, in accordance with law and Board policy.

The Board must give final approval at a public meeting.

The Business Office will inform all bidders of the results of the Board's award of the bid.

When a contractor submits a bid for performance of work and later claims a mistake, error or omission, the contractor may, before the bids are opened, inform the Business Manager.

The district will return the bid unopened to the contractor.

All bids and supporting documents will be retained in accordance with established procedures and applicable law.

Protest By Bidder

A bidder may protest a bid award if s/he believes that the award was inconsistent with Board policy or administrative regulations or the bid's specifications, or was not done in compliance with law.

The bidder must file a written protest with the Superintendent or designee within five (5) working days after receipt of notification of the bid award. The bidder must submit with the protest, all documents supporting or justifying the protest.

A bidder's failure to file the protest documents in the given time period will constitute a waiver of his/her right to protest the award of a bid.

The Superintendent or designee will review the protest and supporting documents and render a written decision within thirty (30) working days. The Superintendent or designee may arrange a meeting with the protester to attempt to resolve the issue.

The bidder may submit a written appeal of the Superintendent or designee's decision to the Board. The Board will provide reasonable notice to the bidder of the Board's timeline for consideration of the appeal.

The Board's decision will be final.

Book	Policy Manual
Section	600 Finances
Title	Purchases Budgeted
Code	611
Status	Active
Adopted	April 1, 2019

### **Authority**

It is the policy of the Board that when funds are available all purchases contemplated within the current budget and not subject to bid shall be made in a manner that ensures the best interests of the district. [\[1\]](#)[\[2\]](#)

### **Delegation of Responsibility**

All purchases that are within budgetary limits may be made upon authorization of the Purchasing Agent, Business Manager, Board Secretary, and/or Superintendent, unless the contemplated purchase is for more than **\$23,200**, in which case prior approval by the Board is required. [\[3\]](#)[\[1\]](#)[\[2\]](#)

All requisitions shall originate from personnel directly responsible for their use. Budget administrators must review and authorize each requisition and forward it to the Business Office. The Business Office shall review the purchase requisition to ensure compliance with the budget and state bidding requirements.

All purchase order requests must be referred to the Business Manager who shall check whether the proposed purchase is subject to bid; whether sufficient funds exist in the budget; and whether the material might be available elsewhere in the district. [\[3\]](#)[\[1\]](#)[\[2\]](#)

Legal

- [1. 24 P.S. 751](#)
- [2. 24 P.S. 807.1](#)
- [3. 24 P.S. 609](#)
- [24 P.S. 508](#)

# LAMPETER-STRASBURG SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED:

REVISED:

## 611-AR-0. PURCHASING PROCEDURES

The purchasing, receiving, storing and distributing of necessary supplies, equipment and services for use in the district represents a significant budget expenditure. District staff recognize that these items must be procured efficiently and economically.

The Business Manager will supervise district purchasing and may authorize district purchases that conform to the adopted budget appropriations and are not required to be bid. Such purchases will not exceed designated budget limitations, unless modified by the Board.

No contract will be entered into or bill paid without the proper documentation and affirmative vote by the Board.

All district employees are required to report to the Superintendent any suspected fraud, theft or misuse of district resources.

Under no circumstances may employees use district funds to make unauthorized or personal purchases. District employees may be disciplined or terminated for failing to follow Board policy or administrative regulations and for any misuse of district resources.

### Procedures

Items commonly used in district schools and buildings will be standardized whenever possible.

All purchase requests must be submitted to and approved by the Assistant Business Manager prior to the placement of the order. Unauthorized orders will be the responsibility of the individual, not the district.

Purchase of budgeted items or items approved by an administrator or supervisor may be initiated by use of a purchase order submitted to the Assistant Business Manager's office.

Purchase requests by an employee must be submitted to the building principal or immediate supervisor responsible for the budget code from which the purchase will be made. The responsible administrator will check as to the necessity of the purchase and whether the material might be available elsewhere in the district, whether sufficient funds exist in the budget, and whether the proposed purchase is subject to bid.

All purchase orders should include: clearly described instructions, exact description of material requested, estimated costs, budget code, suggested vendors, name of requestor, and signature of administrator.

The responsible administrator will submit the approved purchase order to the Assistant Business Manager.

The Business Manager, Assistant Business Manager, and/or Purchasing Agent will approve, sign, process and make copies of compliant purchase orders after:

1. Coding the request with the appropriate account numbers.
2. Determining if the request is legal and in the best interests of the district.
3. Reviewing all information on the purchase order for clarity and accuracy.

Upon approval of a purchase order, the Purchasing Agent will notify the responsible administrator and forward the purchase order for processing and encumbering the expenditure against the specific budget line item(s), to prevent the creation of liabilities in excess of appropriations.

The responsible administrator will be consulted regarding a substitution for the item specified prior to the purchase being completed.

Purchase orders denied or rejected by the Business Manager and/or Assistant Business Manager will be returned to the responsible administrator, with the reason for the denial or rejection noted on the purchase order.

When a purchase has been completed and the materials or services have been received, the receiver will forward a copy of the applicable purchase order to the Purchasing Agent's office and confirm receipt in the financial accounting system.

The receiving document, all shipping documents and the invoice will be matched. After entry of all invoice detail, the purchase order will be processed for payment.

Purchases will be made through available state contracts whenever such purchases are in the best interest of the district.

Opportunity to do business with the district will be provided to as many responsible suppliers as possible. The Purchasing Agent will maintain and update lists of potential suppliers for various types of supplies, equipment and services.

There will be no exceptions to the purchasing procedures other than extreme emergencies.

**Emergencies** are defined as unscheduled, unanticipated needs that cannot wait or be restricted by the established purchasing procedures. Individuals placing emergency orders must provide the Business Manager and/or Assistant Business Manager with written justification for such orders.



# LAMPETER-STRASBURG SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED:

REVISED:

## 611-AR-1. RECEIVING PROCEDURES

District employees will follow these established procedures when receiving district purchases:

1. Delivery will be opened immediately upon arrival. Employee will inspect the delivery to ensure that materials have been received undamaged and in the quantities ordered.
2. Employee will immediately report in writing any damaged or incorrect deliveries to the Business Manager or Purchasing Agent.

If delivered carton appears damaged, acceptance from the delivery service should be noted “pending concealed damage.”

3. If delivery is correct and undamaged, employee will note such on delivery or packing slip, sign and attach delivery and packing slips, confirm receipt in the financial accounting software, and forward to the Purchasing Agent’s office.
4. The delivery will be delivered to the responsible administrator who initially approved the request.
5. The Purchasing Agent will process the purchase order, charge the specific budget account for the expenditure, and approve payment of the invoice.

Book	Policy Manual
Section	600 Finances
Title	Purchases Not Budgeted
Code	612
Status	Active
Adopted	April 1, 2019

### **Purpose**

The laws of the state and the interests of the community require fiscal responsibility by the Board in the operation of the school district. Appropriate fiscal controls shall be adopted to ensure that public funds are not disbursed in amounts in excess of the appropriations provided to the district.

### **Authority**

When funds are not available for a proposed appropriation, a legal transfer from one class of expenditure to another may be made by the Board in the last nine (9) months of the fiscal year if it is apparent that the necessary surplus funds do exist in another appropriation, the procedures specified in the School Code are followed, and it can be demonstrated that the proposed expenditure would be educationally warranted in the current fiscal year.[\[1\]](#)[\[2\]](#)[\[3\]](#)[\[4\]](#)

### **Guidelines**

In the event of emergency, which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes, a purchase order may be authorized by the Business Manager.

When budgeted funds are allocated on a building basis, the total amount budgeted may not be exceeded without prior approval.

Any expenditures in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting, with a recommendation of funds to be transferred to cover said purchase.

Legal	<a href="#">1. 24 P.S. 607</a>
	<a href="#">2. 24 P.S. 609</a>
	<a href="#">3. 24 P.S. 631</a>
	<a href="#">4. 24 P.S. 687</a>
	Pol. 611

Book	Policy Manual
Section	600 Finances
Title	Cooperative Purchasing
Code	613
Status	Active
Adopted	April 1, 2019

### **Authority**

The Board recognizes the advantages of centralized purchasing. Therefore, the Board encourages the administration to seek the benefits and savings that may accrue through joint agreements with other political subdivisions for the purchase of supplies, equipment or services. [\[1\]](#)[\[2\]](#)[\[3\]](#)[\[4\]](#)

### **Delegation of Responsibility**

The Board authorizes the Business Manager to negotiate appropriate cooperative purchase agreements with other political subdivisions, in accordance with law and Board policy.

### **Guidelines**

Cooperative purchases require an agreement approved by the Board and the participating contracting body(s). All such agreements must conform to relevant provisions of the School Code. [\[5\]](#)

Legal	<a href="#">1. 24 P.S. 521</a>
	<a href="#">2. 24 P.S. 751</a>
	<a href="#">3. 24 P.S. 807.1</a>
	<a href="#">4. 53 Pa. C.S.A. 2303</a>
	<a href="#">5. 53 Pa. C.S.A. 2301 et seq</a>

# LAMPETER-STRASBURG SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED:

REVISED:

## 613-AR-0. COOPERATIVE PURCHASING

Cooperative purchasing allows the district to save money through volume purchasing discounts, while avoiding the time and expense of conducting competitive bidding.

The Business Manager is authorized to negotiate cooperative purchasing agreements with other political subdivisions for supplies, equipment and services, in accordance with Board policy and applicable laws.

The Business Manager will be responsible for reviewing the language in cooperative purchasing contracts to ensure that the contract meets the district's needs.

The Business Manager will ensure that all cooperative purchase agreements with other political subdivisions that are approved by the Board contain the following elements:

1. Categories of equipment or supplies to be purchased.
2. Manner of advertising for bids and awarding contracts.
3. Method of payment by each participating party.
4. Assurance that the political subdivision has complied with state mandated bidding requirements.
5. Other matters deemed necessary to carry out the purposes of the agreement.

The Business Manager will advise the Board annually of all expected cooperative purchasing agreements that may be utilized.