

PAYMENT FOR GOODS AND SERVICES

The Chester Board of Education endeavors to effect the prompt payment of bills, but at the same time insure that due care has been taken in the review of such bills. Each bill or obligation of this board must be fully itemized, verified and duly audited and must be passed upon and ordered paid by the board before a warrant can be drawn for its payment. The secretary is directed to make payment of interest on bonds as it becomes due and payments to redeem bonds as they become due, warrants to cover approved payrolls and agency account deposits and health benefits premiums.

In general, bills or claims shall be audited by the board secretary and approved by resolution of the board. However, in order to provide for the prompt payment to which vendors are entitled, and which leads to more effective competitive bidding and provision of services to the district, claims duly audited by the board secretary for items previously approved by the board or provided for in the budget may be approved by the business administrator. Such payments shall be reported to the board at the next regular meeting.

Items not previously approved by the board or provided for in the budget must be audited by the board secretary and presented for board approval.

It shall be the responsibility of the qualified purchasing agent upon receipt of an invoice to verify that the voucher is in order, the goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the item is one for which the board budgeted or approved, and the invoice is for the amount contracted.

Should the invoice be for more than the acknowledged purchase order, the responsible administrator shall determine the vendor's reason and report same to the appropriate budget manager. All claims for payment received one week before the second regular board meeting each month shall be submitted for consideration at that meeting. All claims for payment shall be submitted to the board for review in the form of a listing including warrant number, to whom it was paid, and amount or remittance. This list shall be placed in the official minutes of the board.

Prior to the board's consideration of the vouchers for payment, any voucher may be reviewed by the Finance Committee. Upon the board's approval of a voucher, the qualified purchasing agent shall prepare a warrant for payment, cancel the commitment placed against the appropriate account, and post the actual cost within one week.

All warrants shall be signed by the President, Secretary, and Custodian of School Moneys. The Vice President may sign for the President.

Purchase Orders

The district will carefully monitor payments for invoice amounts that are greater than the approved purchase order, in order to avoid over-payments. A new purchase order will be issued (and the original purchase order voided) when the adjusted amount unreasonably exceeds the original purchase order amount. In no instance shall an adjustment be made to a purchase order that changes the purpose or vendor of the original purchase order or the bid award price, and adjustments may not exceed 10% of the original purchase order amount.

Financial Systems to Avoid Over-Payments

Pursuant to N.J.A.C. 6A:23A-6.10, the district will program its financial systems to avoid over-payments by:

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- A. Limiting system access so that only appropriate staff may make purchase order adjustments;
- B. Rejecting adjustments in excess of any established approved thresholds;
- C. Preventing unauthorized changes to be processed;
- D. Rejecting payments where the sum of the invoice amount plus any previous invoices charged to the purchase order exceeds the sum of the original purchase order;
- E. Rejecting duplicate invoice numbers;
- F. Rejecting duplicate purchase order numbers;
- G. Preparing an edit/change report listing all payments made in excess of the approved purchase order amount.

The business administrator shall review on a monthly basis edit/change reports listing all payments made in excess of the originally approved purchase order amount to ensure that all payments are properly authorized.

Adopted: January 14, 2003
 NJSBA Review/Update: September 2008, August 2016, September 2018 November 10, 2008,
 Readopted: September 17 2018, August 16, 2021, January 2024
 Reviewed: April 27, 2009

Key Words

Payment for Goods and Services, Bills

Legal References: N.J.S.A. 18A:19-1 Expenditure of funds on warrant only; requisites
N.J.S.A. 18A:19-2 Requirements for payment of claims; audit of claims in general
N.J.S.A. 18A:19-3 Verification of claims
N.J.S.A. 18A:19-4 Audit of claims, etc., by secretary; warrants for payment
N.J.S.A. 18A:19-4.1 Account or demand; audit; approval
N.J.S.A. 18A:19-9 Compensation of teachers, etc., payrolls
N.J.S.A. 18A:22-8.1 Transfer of amounts among line items and program categories
N.J.A.C. 6A:23-2.9 Petty cash funds
N.J.A.C. 6A:23A-6.10 Financial system and payment approval process

Possible

Cross References: *3320 Purchasing procedures
 *3451 Petty cash funds
 *3453 School activity funds
 4142 Salary checks and deductions
 4242 Salary checks and deductions

*Indicates policy is included in the Critical Policy Reference Manual.