



POLICY 220

I. PURPOSE

- A. This policy sets forth the School's purchasing procedures, including elements to align with the Uniform Grant Guidance for federal procurement. Procedures around use of Purchase Orders (POs), requisitions and the Certificate of Exemption (ST3) are included. All who buy goods and services for the school are responsible for following this policy in conjunction with *Policy 232 Conflict of Interest*, Article VII of the bylaws regarding conflict of interest, and *Policy 238 Purchasing, Procurement and Contracting*.

II. DEFINITIONS

- A. Allowable Cost: defined by state (expense reimbursement) and federal regulations (Federal Register sections 200.420 to 200.475, and Uniform Grant Guidance); Costs are tied to identifiable needs of the school and are documented. Direct questions to the funding agency prior to purchase.
- B. Reasonable Cost: generally recognized as ordinary and necessary for the operation of the school or the proper and efficient performance of a federal award; fair price, meaning a prudent person would make the same purchase.
- C. Allocable cost: costs are allocable to a federal award or cost objective if the goods or services involved are incurred specifically for the award, benefits both the award and other work and can be split by proportions using reasonable methods, and necessary to the operation of the entity and assignable to the award (Federal Register 200.405).
- D. Authorized Approver: LILA staff member(s) officially assigned the duty of approving purchases, as designated by the Executive Director. Authorized Approvers have limited access to the accounting system to approve requisitions.
- E. Certificate of Exemption (ST3): This form certifies that LILA is sales tax exempt for exempt purchases. LILA finance updates the form annually and it is available upon request. Give this form to vendors to have sales tax removed from the cost. The state tax ID number is 6744526.

III. PURCHASING PROCEDURE

- A. Staff member requests a purchase by entering a requisition in the accounting system, providing either a vendor quote or details about the purchase including vendor name, cost, description of items, school building, paid by invoice or CC, and what it will be used for. They then route the request to an authorized approver and the finance department.
 - 1. The requester will note if the purchase is part of a grant, federal award, or other special funding use.
 - 2. Special Education purchases: if the purchase is for a specific student, provide the MARSS number. Provide information about what disability or disabilities will be served, funding source, and answer the guiding questions for Special Education purchases. See

Policy 238 Purchasing, Procurement and Contracting.

3. The school is sales tax exempt under state statute. No sales tax can be charged to the school for exempt purchases. Provide vendors with a Certificate of Exemption (ST3) form. The finance team can advise regarding any non-exempt purchases, per state guidance.
- B. An authorized approver will review the requisition to make sure it fits within budget and mission, and is an allowable, reasonable, and allocable cost under state and federal law. Once the request is approved, the finance admin then transfers the requisition to a PO and notifies the purchaser and the requester that they can move forward with the purchase. The Purchase Order record is created automatically in the system and stays open until it's transferred for payment. For school credit card orders, see Policy 228 Credit Card Users.
- C. The purchaser places the order and references the PO number. If a hard copy of a PO is required by the vendor, LILA finance can provide. If the vendor sends electronic invoices, ask that they be sent to invoices@mylila.org (the general finance office billing email).
1. Forward any electronic order confirmations, payment receipts or shipping notices to the finance office.
 2. Billing contact is the A/P clerk in the LILA finance office (invoices@mylila.org).
 3. Provide the vendor with an ST3 form to avoid sales tax charges. If sales tax is charged on tax exempt items, the purchaser must follow up with the vendor to have it credited or removed.
- D. The requester or designee receives the order and makes sure it is complete. The receiver checks in each ordered item and initials and dates the receiving documents. The receiving documents are then forwarded to the finance office. Electronic receipts can be forwarded via email or other electronic means.
- E. When the invoice is received via the mail, the person who opens the mail dates and initials the envelope and then forwards the invoice to the finance office mailbox. More frequently, the invoice is emailed directly to invoices@mylila.org or the staff person who ordered and then they forward it to the finance department.
- F. The invoice is compared to the PO in the accounting system and then transferred to a voucher for payment by the AP specialist. The receiving documents for the purchase are then attached to the voucher record. Once approved by the senior finance coordinator, the finance office will generate payment for that voucher.
- G. The finance office retains purchase documentation including PO number, signed quotes, original receipts, order confirmations, packing lists, or other supporting documents. These records may be electronic.
- H. Forward any discounts, rebates, or refunds received to the finance office for proper application of credit. Rebates or refunds on federally funded purchases are assigned to the specific federal award.

IV. PURCHASING PROCEDURE

A. Check Payment to Vendors at time of sale

1. Enter a requisition in the accounting system and route to an authorized approver and the finance department
2. Note that a live check is needed and the date it is needed by.
3. Finance office communicates with the requester regarding delivery of the check.
4. After the vendor is paid, the receipt is forwarded to the finance office as supporting documentation.

B. Reimbursements for Staff

1. It is strongly recommended that the purchaser ask for approval prior to buying. This eliminates the risk of a reimbursement request being rejected.
2. At time of purchase, provide the vendor with a completed ST3 form, to avoid sales tax charges. Requests for reimbursement of sales tax will be denied.
3. Attach original receipts to the reimbursement request in the accounting system. Once the request is reviewed, receipts are validated, and the reimbursement is approved, it is automatically sent to payroll for ACH payment on the next payroll .

REVISION HISTORY

Date	Status	Date	Status	Date	Status
01/03/2005	Adopted	08/12/2010	Amended	08/13/2013	Amended
12/13/2016	Amended	05/11/2021	Amended	05/12/2026	Amended