

# POLICY

## OLD BRIDGE BOARD OF EDUCATION

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PAYMENT OF CLAIMS

### 6470 PAYMENT OF CLAIMS

The Board of Education directs the prompt payment of legitimate claims by suppliers of goods and services to the school district, provided that each bill or obligation of this Board is fully itemized and verified before a warrant is drawn for its payment.

When an invoice is received, the School Business Administrator/Board Secretary or designee shall verify the voucher is properly submitted, acceptable goods were received or satisfactory services rendered, the expenditure is included in the Board's budget and funds are available for its payment, and the amount of the invoice is correct.

The School Business Administrator/Board Secretary is authorized to approve an increase in a purchase order amount provided the adjustment made to a purchase order does not change the purpose or vendor of the original purchase order or the adjustment made to a purchase order does not change a bid award price and in no instance shall an adjustment to a purchase order exceed ten percent of the original purchase order amount. In the event the adjustment exceeds ten percent or if the adjustment exceeds the bid award price, a new purchase order must be issued in accordance with the provisions of the Public Schools Contracts Law and the original purchase order shall be voided.

The school district's financial systems shall be programmed to:

1. Limit system access so that only appropriate Business office staff may make purchase order adjustments;
2. Reject adjustments in excess of any established approval thresholds;
3. Prevent unauthorized changes to be processed;
4. Reject 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 amount plus any authorized adjustments;



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5. Reject duplicate purchase order numbers;
6. Reject duplicate invoice numbers; and
7. Prepare an edit/change report listing all payments made in excess of the originally approved purchase order amount.

The School Business Administrator/Board Secretary 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 made are properly authorized.

If funds are not available in the budget line account to which the expenditure will be charged, funds may be transferred in accordance with Policy No. 6422.

The Board must approve all claims for payment, except in accordance with N.J.S.A. 18A:19-4.1 the School Business Administrator/Board Secretary and the Assistant School Business Administrator/Board Secretary or designee are authorized to approve payment of claims not greater than ten percent, interest on bonds as it becomes due, payments to redeem bonds as they become due, progress payments to contractors in accordance with a contract approved by the Board, and warrants to cover approved payrolls and agency account deposits prior to presentation to the Board. Any such approval of payment must be presented to the Board for ratification at the next regular Board meeting.

All claims will be submitted for Board review and approval or ratification. Claims must be submitted to the Board in the form of a list that includes the number, amount, and date of the warrant; the payee; the reason for the expenditure; and the account charged. The list of claims must be accompanied by the original records that include copies of the purchase order, the receiving report, the vendor's invoice, and the purchase requisition. The list of approved warrants will be included in the minutes of the Board meeting.

When a claim for payment is duly approved in accordance with this policy, the School business Administrator/Board Secretary and or designated staff member shall promptly prepare a warrant for payment, cancel the commitment placed against the appropriate account, and post the actual expenditure. All warrants must be signed by the President, School Business Administrator/Board Secretary, and Treasurer of School Moneys.



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N.J.S.A. 18A:17-36; 18A:19-1 et seq.; 18A:22-8.1  
N.J.A.C. 6A:23A-6.10

Adopted: 19 January 1999  
Revised: 27 June 2000, 16 September 2008

