

## Madison County Public Schools Expenditure Procedures

The district's goal is to ensure that funds made available for state, local, and federal public school programs are used to pay for services that are necessary to provide a Free and Appropriate Public Education (FAPE). The district must ensure that the State, Local, and Federal investments have an impact on all students. The district may not "discriminate" against its schools receiving their share of state, local, or federal dollars. The district will use the funding provided by the Florida Education Finance Program (FEFP) and other state and local dollars to provide basic educational services. Funding is to be used for the purpose it was intended and should not supplant other federal and state funding allocated for the same purpose. Any Federal awards to the district will be used to supplement those services provided by state and local funding. If the district is required to provide an educational service by state law, statute, rule, or executive order, the funding must come from state and local dollars. Federal dollars cannot be used to supplant the responsibility of the district to fund a state mandate. To determine if supplanting is an issue, ask "If there were no federal dollars available, would the district still have to purchase the item". If the answer is yes, then federal dollars should not be used for the purchase.

Per School Board Policy, all purchases must: seek to obtain the maximum dollar for each dollar expended; not be influenced by gifts or gratuities; and refrain from any conflict of interest. Unless authorized otherwise by state or federal statute, all proposed expenditures and costs must meet the following criteria in order to be allowable.

All proposed costs must be **necessary and reasonable**. Federal costs must also be **allocable** to the federal award and must not supplant other funding that is available for the same purchase. A proposed cost is allocable to the federal project if the goods or services are chargeable or assignable to the school and are **allowable** in that grant. To assure allocability and allowability of a cost, the district will analyze each proposed expenditure by asking the following questions:

- Is the proposed cost part of the approved costs in the grant budget?
- Is the proposed cost specifically for the benefit of eligible students, their parents, and/or their teachers?
- Is the proposed expenditure necessary for the operation of the school program?
- Is the proposed expenditure allowable by the state and federal grant program?
- Is the proposed expenditure reasonable?
- Are the proposed costs chargeable to the award and not also being charged to other awards (supplanting)?
- Is there a portion of the cost that is not attributable to the federal program?
  - If so, how will the split of cost be determined?

*NOTE: Proposed costs may not be charged to a federal award to overcome state or local fund deficiencies or to avoid restrictions imposed by federal or state statutes, regulations, terms and conditions.*

A proposed cost is **reasonable** if its nature and amount do not exceed what would be incurred by a prudent person under the circumstances at the time the decision was made to include the cost. To determine if a proposed cost is reasonable ask the questions:

- Is the proposed cost of a type generally recognized as ordinary and necessary for the efficient performance of the award?
- Is the proposed expenditure a sound business practice?
- Does the proposed cost meet the requirement of federal, states, local laws and regulations?
  - Does the expenditure require a contract?
    - Does the contract require a bid process (see S.B. Policy 6320)?
    - Does the cost require prior Board Approval before expending federal dollars?
    - Have all contractors been reviewed to determine if the contractor has any federal liability or obligation (i.e., SAM, State records, debarment, etc.)
- Is the proposed cost comparable in price for the public market in the area?
- Is the proposed purchase reasonable for a prudent person under reasonable circumstances?
- Does the proposed expense benefit eligible students, their parents, or their teachers?

*NOTE: Proposed costs must conform to any limits or exclusions the funding places on them. Proposed costs must be consistent with state and local policies and procedures that apply uniformly to both federal and non-federal activities.*

***FISCAL EFFICIENCY AND ACCOUNTABILITY IS EVERYONE'S RESPONSIBILITY***

**PURCHASING PROCESS**

**BEFORE ANY VERBAL OR WRITTEN COMMITMENTS  
BEFORE ANY WORK IS AUTHORIZED TO BE DONE OR IS DONE  
BEFORE SOLICITING ANY QUOTES OR PLACING ORDERS  
BEFORE DEVELOPMENT OF ANY PURCHASE ORDER**

<b>STEP 1</b>	Ensure all proposals to spend money meet the district strategic and/or grant goals.
<b>STEP 2</b>	Ensure that the proposed expenditures are for the ultimate benefit the efficient operations of the district.
<b>STEP 3</b>	Present proposal to district leadership for consideration and <b>get permission</b> from the Superintendent to move forward. <ul style="list-style-type: none"> <li>If the proposal is initiated at the school level, it <b>must be approved</b> by the principal or grant coordinator who will in turn present the proposal to the Superintendent for consideration.</li> </ul>
<b>STEP 4</b>	Ensure there is funding available and permissible for the proposed expense.
<b>STEP 5</b>	Ensure the proposed expenditure is allowable, necessary, allocable, and reasonable for state, local, and/or federal dollars.
<b>STEP 6</b>	Determine if the proposed expenditure requires the initiator to follow any district purchasing or procurement policies to obtain quotes or bid processes.

**ONLY AFTER ALL THE STEPS ABOVE HAVE BEEN MET AND APPROVAL HAS BEEN OBTAINED  
BEFORE ANY WORK IS AUTHORIZED TO BE DONE OR IS DONE  
BEFORE DEVELOPMENT OF ANY PURCHASE ORDER  
IF Quote is less than \$10,000, skip to Step 9**

<b>STEP 7</b>	If the quote is over \$10,000, present to the Superintendent to present to the School Board for approval
<b>STEP 8</b>	Solicit bids and/or obtain quotes for the proposed expenditure. <ul style="list-style-type: none"> <li>If a bid process is necessary, see if vendor is in state or regional consortia purchasing agreement as an approved vendor.</li> <li>If vendor is not state approved or in regional consortia purchasing, see if there are other state bid processes that can be used to piggy-back off of to bypass the bid process.</li> <li>If there is a piggy-back possible for the vendor, get permission to piggy-back from originator of the bid process and collect documentation to be uploaded into Skyward when purchase order is done.</li> </ul>

**ONLY AFTER BOARD AND SUPERINTENDENT APPROVAL  
BEFORE ANY WORK IS AUTHORIZED TO BE DONE OR ORDER IS PLACED**

<b>STEP 9</b>	Do a System of Award Management (SAM) or Department of Management Services (DMS) check to ensure that purchaser is not debarred from receiving funding.
<b>STEP 10</b>	Develop purchase order in Skyward and upload quotes and Board approval and other appropriate paperwork. <ul style="list-style-type: none"> <li>Ensure there is an appropriate budget line with available budget in it to encumber the money.</li> <li>If there is no budget line or there is not available dollars in the line, call the Finance office to get the budget cost strip added and/or funding added or moved.</li> <li>Submit purchase order for approval.</li> </ul>
<b>STEP 11</b>	Print out fully approved purchase order.

**AFTER PURCHASE ORDER IS APPROVED AND PRINTED**

<b>STEP 12</b>	Order the materials or start the work to be done and send a copy of the approved PO to the company
<b>STEP 13</b>	Once inventory arrives it must be fully received in Skyward. <ul style="list-style-type: none"> <li>Supporting documentation must be dated and signed off on by receiver prior to scanning into Skyward.</li> <li>If a single piece of equipment or inventory is over \$750, it must be reported to the Inventory Clerk when received so it can be appropriately tagged and recorded as capitalized inventory.</li> <li>If a single piece of equipment or inventory is less than \$750 but over \$150 <b>AND</b> has a useful life of over one-year (i.e., a printer, an iPad, a shredder, camera, etc.) then it must be recorded as a small item piece of inventory in school or department records and tracked to prevent theft.</li> </ul>
<b>STEP 14</b>	Most invoices come to the district office. If one is received at the school level, the bookkeeper should forward them to Accounts Payable at the district office.

***Only the Superintendent or designee are authorized to bypass these procedures and approve an exception to them.***