

Adopted: August 17, 2023

MTCS Policy 722

Revised:

Adopted 2009

722 PURCHASING, PROCUREMENT, AND CONTRACTING

I. PURPOSE

The purpose of this policy is to establish procedures for carrying out purchasing, procurement, and contracting functions of Minnesota Transitions Charter School (MTCS), to provide efficient management of public monies, and to ensure compliance with all applicable state and federal laws.

II. GENERAL STATEMENT OF POLICY

It is the policy of the MTCS Board to utilize resources to the greatest benefit of students' education and to establish procedures for all expenditures made with school funds to ensure efficiency, economy, legal compliance, internal control, ethical behavior by all staff/board members, and fairness in dealing with vendors.

III. GENERAL PURCHASING PROCEDURES

- A. Authorization: The MTCS Superintendent and Board treasurer are responsible for overseeing the procurement process, including establishment of procedures, internal controls, quality assurance, efficiency, and compliance with all applicable laws. The approved MTCS expenditure budget is authorization for the Superintendent to make purchases within the budget under his/her control. To be valid, all contracts must be approved by the MTCS Board. The MTCS Board may empower the Superintendent to enter into contracts that will be subsequently approved by the Board.
- B. Scope: Purchasing procedures apply to procurement of equipment, supplies, and services used to support the educational process. Expenditure of charter school funds may only be for the public purposes of the charter school and may not benefit an individual.
- C. Administrative Approval: In order to provide efficient budget management, the Superintendent must approve all expenditures. Expenditures greater than \$5,000 must also be approved by the Board treasurer.
- D. Monitor: The Superintendent will monitor and facilitate best practices and ensure best pricing. The Superintendent, in collaboration with the Board treasurer, will make a monthly report to the MTCS Board regarding expenditures, including variance to the approved budget.

- E. Economy: Good business practice dictates that products will be purchased for the lowest price for acceptable quality. Lower prices may be achieved through researching best prices, cultivating business relationships, negotiating price contracts, buying in quantity, competitive quotation, and formal bid process.
- F. Purchasing Methods: All MTCS purchases must be made through methods authorized by the MTCS Board. Approved methods include purchase orders, request for a check, reimbursement to employees upon presentation of receipts for MTCS purchases, and imprest cash. Advanced payment will only be made when required by the vendor.
- G. Requesting Goods and Services:
 - 1. Requisitions for purchase order. MTCS is to have a written procedure for the process of generating a purchase order for goods and services.
 - 2. Request for check. Services or supplies received and invoiced prior to initiating a purchase order may be paid by filling out a “request for check” form and getting Superintendent approval. Examples include attorneys, auditors, employee reimbursement for purchase of goods or mileage, and other contracted services where the total cost cannot be determined ahead of time.
 - 3. Employee reimbursement. Employees may be reimbursed for school expenses using a “request for check” form by attaching receipts and getting the Superintendent’s approval. State sales tax cannot be reimbursed, so purchasing cards or purchase orders should be used whenever possible.
 - 4. Imprest (petty) cash. Petty cash boxes may be authorized by the MTCS Board if recommended by the Superintendent. The Superintendent, or his/her designees, may have \$300, and in special circumstances, up to \$500 in a petty cash box. The total receipts and cash must equal the authorized amount at all times. The boxes must be kept in a secure location and must be available for review by the Superintendent at any time and must be turned into the Superintendent’s office and audited at the end of each fiscal year end.
 - 5. Advance payment. From time-to-time it may become necessary to get an advance payment for goods or services. Upon approval of the Superintendent, advance payment will be made for such things such as extended field trips, conference travel by staff, or for vendors who won’t accept a purchase order. All receipts, along

with any unspent funds, must be turned into the Superintendent upon completion.

- H. Receiving/Returning/Storing: The Superintendent or his/her designee, upon receipt of ordered goods, will make an inspection to ensure accuracy of the order and condition of the goods. The initialed and dated packing slip or invoice should be filed for matching with the purchase order, if applicable, and the invoice for payment.
- I. Invoice/Payment: Payment for goods and services will be made only after the receipt of the goods or services, with limited exceptions. Minnesota Statutes Section 471.425 requires payment within 35 days with the exception for a negotiated shorter payment period between a vendor and school. No company shall be paid late fees for payment within 35 days.
- J. Outstanding purchase orders and year end cleanup: Purchase orders remain unfilled and open until all items have been received and paid. Full year purchase orders and any unfilled purchase orders at June 30 of the fiscal year must be closed out and, if necessary, renewed with a different purchase order number for the new fiscal year. Authorization to make future purchases cannot extend beyond the end of the fiscal year.

IV. PROCEDURES FOR PURCHASES FROM \$10,000 TO \$49,999 WITH NON-FEDERAL MONEY

A contract for supplies, materials, equipment, or construction estimated to cost from \$10,000 to \$49,999 must be made by obtaining two or more competitive quotes or by sealed bid. Charter school contracts of this size must otherwise be in compliance with Minnesota States Section 471.345. The Superintendent and Board treasurer must oversee this process.

V. PROCEDURES FOR PURCHASES \$50,000 AND OVER WITH NON-FEDERAL MONEY

A contract for supplies, materials, equipment, or construction estimated to cost over \$50,000 must be solicited by sealed bid after a public notice period. Charter school contracts of this size must otherwise be in compliance with Minnesota States Section 471.345. The Superintendent and Board treasurer must oversee this process.