
PURCHASING FISCAL POLICY**PURCHASING**

1. The Executive Director or designee must approve all purchases. The Executive Director or designee may authorize expenditures up to \$5,000. For Special Education purchases related to a student's Individual Education Plan (IEP), the Executive Director may authorize purchases that exceed \$5,000 with ratification by the Board of Directors ("Board"). The Board must pre-approve contracts over \$5,000, except as related to materials or services outlined in a student's IEP.
2. The Board must approve any expenditures over \$5,000, or that would result in a budget line-item variance of \$10,000, whichever is less.
3. For materials or services outlined in a student's IEP, the Executive Director or designee may authorize materials and/or service expenditures recommended by the IEP team up to \$15,000 without prior Board approval. The Executive Director or designee must confirm the need for the purchase and/or service pursuant to the student's IEP. The expenditures must be submitted to the Board for ratification at the subsequent board meeting, except for materials and/or service expenditures over \$15,000 which must be approved in advance by the Board.
4. When approving purchases, the Executive Director or designee shall:
 - a. Determine if the expenditure is budgeted.
 - b. Determine if funds are currently available for expenditures (i.e., cash flow).
 - c. Determine if the expenditure is allowable under the appropriate revenue source.
 - d. Determine if the price is competitive and prudent for all purchases. The determination must include documentation of a good faith effort to secure the lowest possible cost for comparable goods or services for purchases over \$5,000.
5. All purchases shall be made through the online purchasing system for the purposes of tracking and documentation.
6. Using personal funds to make purchases on behalf of California Pacific Charter Schools ("School") shall be avoided to the maximum extent practicable. Employees who use personal funds to make unauthorized purchases shall not be reimbursed. Authorized purchases shall be promptly reimbursed upon submission of the receipts and approval of the Executive Director through the approved online system or by use of an expense reimbursement form as described in the Expense Reimbursement section below.

Contracts for Service

1. Consideration shall be taken of in-house capability and capacity to accomplish services before contracting for them for purchase orders (PO's) over \$5,000. Such contracts shall be for task-related services that will be performed at the direction of the School and its Board, which shall maintain ultimately decision-making authority for the School and such services.
2. Written contracts clearly describing the scope of work to be performed shall be maintained for contract service providers over \$5,000 threshold (e.g., consultants,

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- independent contractors, subcontractors).
- a. Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability and worker's compensation insurance currently in effect. Contract service providers may list the School as an additional insured, to the extent practicable.
 - b. Contract service providers who have contact with students shall be required to submit to fingerprinting requirements via LiveScan in order to comply with Education Code Section 45125.1.
 - c. Contract service providers who have frequent or prolonged contact with students shall be assessed and examined (if necessary) for tuberculosis prior to working with students.
3. Contracts that must be signed outside of the School's online purchase order system must be approved and signed by the Executive Director.
 4. Contract service providers shall be paid in accordance with approved contracts after work is performed unless otherwise agreed upon in the contract.
 5. The Board must approve all contracts over \$5,000.
 6. The School shall comply with the Political Reform Act, and Government Code Section 1090 et seq., as applicable when entering into any contract.

Asset Inventory

1. An asset is defined as all items, purchased with a value of \$1,000 or more and with a useful life of more than one year.
2. The School shall maintain an inventory or log of all assets. The log will include the original purchase price and date, a brief description, serial numbers(s), and any other pertinent information appropriate for documenting assets.
3. The School shall take a physical inventory of all assets before the end of each fiscal year, indicating the condition and location of the asset.
4. The Executive Director shall immediately be notified of all cases of theft, loss, damage, or destruction of assets.
5. The Executive Director shall prepare and submit to the Board written notification of plans for disposing of assets with a clear and complete description of the asset and the date of disposal.