



'A 'ohe pau ka 'ike i ka hālau ho'okahi
Connections Public Charter School
A Community, Business & Education Learning 'Ohana

Connections PCS

Procurement Procedures

Purchase Requests requirements

1. Date of request
2. Request a PO Number from the Business Manager, if needed.
3. Payable to: enter a suggested or specific supplier, current address, and phone and fax numbers.
4. Use accurate item numbers, complete description, units (10 pkg.), quantity for order, and price of each unit and extended amount of each item. Quotes on tax and shipping are helpful.
5. Enter a justification for all purchases. For example, to replace broken cart, for student portfolios, etc. If Title I funds or any special grant funds are being used, these purchases need to be in the approved plan for the year.
6. Requestor: enter the name of who is making the request
7. Title - teacher, EA, class advisor, coordinator, etc.
8. All purchase orders are routed to the purchaser and the business manager. The business manager will review the budget to determine if the purchase is within the budget limit. Items found in the school inventory will be filled immediately. If not already in inventory, items will be ordered if approved. Title I materials requests will be compared to the current Title I FRF to determine eligibility for purchase.
9. PO is routed to the Director or Deputy Director for final approval.
10. After approval, the items will be purchased on account or with the school credit card.
11. When the products arrive, an inventory will be made using the packing slip or purchase order. Office staff other than the purchaser will check the items in and sign and date the paperwork. Packing slips and inventory documents will be attached to the PO and invoice and passed on to the business manager to be paid.

Connections PCS Procurement Policy

1. The School will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP). Any procurement of goods and services shall be made by the procurement officer/authorized agent, in the best interest of the school, upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to, price, quality, availability, timelines, reputation and prior dealings.
2. The school shall not purchase any goods or services from any employee or member of the Local School Board, an immediate family member of any employee or member of the Local School Board nor from any entity in which any employee or member of the Local School Board or an immediate family member of an employee or Local School Board member may benefit from such a procurement, unless authorized by the Local School Board after a full disclosure of the potential benefits, and after the consideration set forth in paragraph 1 above.
3. The school understands that the policy cited above applies to purchases made using non-federal funds. As a condition of the receipt of certain federal funds, federal procurement requirements apply.
4. The school will adhere to the following objectives for purchases.
 - a. Procurements will be based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, etc.
 - b. Make all purchases in the best interests of the school and its funding sources
 - c. Obtain quality supplies/services needed for delivery at the time and place required.
 - d. Buy from responsible and dependable sources of supply. All efforts will be made to purchase from local vendors, vendors using recycled or more environmentally friendly products.
 - e. Obtain maximum value for all expenditures.
 - f. Deal fairly and impartially with all vendors.
 - g. Practice ethical behavior at all time and avoid any conflict of interest..
 - h. For purchases over \$10,000, prior approval is required by the LSB Finance Committee.
5. The school recognizes that a large purchase is an item of more than \$10,000.00. Purchases shall not be parceled by dividing the purchase of same, like or related items of good, services, or construction, during any 12 consecutive month period, so as to evade the competitive source selection requirements.
6. Unless otherwise provided by policy, contracts of more than \$10,000 for goods, services, or construction shall be made pursuant to the informal competitive proposal process. Competitive proposals include the solicitation of proposal containing the scope of work,

purchase description, specifications, and the contractual terms and conditions applicable to the procurement. It is recommended that at least two bids be obtained. Formal competitive proposal procedures will be used for contracts over \$250,000.

7. The school may use sole source procurement with the authorized approval of the Director, when there is only one source available for the good, services, or construction for more than \$10,000. To justify a sole source purchase it must be established that: (1) the goods, service, or construction has a unique feature, characteristic, or capability; (2) The unique feature, characteristic, or capability is essential in order for the agency to accomplish its work; and (3) The particular good, service, or construction is available from only one source.
8. The school may procure professional services with the approval of the Local School Board. Professional services of more than \$10,000 generally procure through a process that requires the development of a list of professional service providers who have been qualified through Connections PCS to perform an anticipated professional service for Connections PCS. When the need for the professional service arises, Connections Director shall establish a review process resulting in a ranked order of those providers determined to be the most qualified. Connections shall negotiate a contract beginning with the first ranked professional service provider. If a contract cannot be negotiated with the first ranked provider then Connections shall move on the next highest ranked provider and so on until a contract with a provider is negotiated. After award, debriefing on non-selected provider(s) to be held, upon written request by non-selected provider(s).
9. Although not encouraged, the school may reimburse small purchases made by any Connections staff for the benefit of Connections PCS under the following circumstances:
 - a) Submission of a complete purchase order with estimate of expense prior to the expenditure.
 - b) Justification of using personal funds
 - c) All approval initials and final approval by the Director
 - d) In cases of extreme necessity, a verbal approval from the Director or Deputy Director as well as the purchase order is required.

Fixed Assets

In the course of regular bookkeeping, when large items of school equipment or furniture are purchased, a copy of the invoice is filed in a fixed assets folder. At fiscal year end, the business manager will review and identify the items to capitalize. General ledger entries will be made to capitalize such assets and the items will be added to the depreciation schedule.

Depreciation is computed annually. Items with a cost of \$5,000 or more are capitalized. When new items are added to the schedule, an updated monthly depreciation for the next fiscal year will be calculated. Entries to credit the Accumulated Depreciation account and debit the Depreciation expense account are made monthly.

Deferred/Temporarily/Permanently Restricted Net Assets and Compliance

Connections PCS has conformed to Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Accordingly, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Restricted receipts are recorded in Quickbooks by using classes on transactions that are entered into the accounting system. Reports can then be run as needed, that will detail the status of the remaining funds.

The procedures for running these reports are as follows:

- 1) Open the reports menu in Quickbooks.
- 2) Choose Profit and Loss by Class.
- 3) At the "customize reports" screen, enter the appropriate beginning and ending dates and select filter.
- 4) Select "class" and choose the name of the restricted fund that you are researching. Press "ok" and the profit and loss statement specific to that fund will be displayed.
- 5) To display a detail of the transactions that make up this report total, place the cursor on the net income line and double click with the mouse. This enables you to "drill down" and produce a detail report.

Documentation should be maintained for each restricted fund. This includes correspondence and information concerning the donor and the restrictions on the funds.