

Policy 707

Procurement Procedures



HEARTLAND LAKES COMMUNITY SCHOOL EXISTS TO EMPOWER SCHOLARS TO:
 BRAVELY LIVE THEIR TRUTH,
 TO BECOME WISE STEWARDS OF THE LAND AND RESOURCES
 AND TO IGNITE LASTING CURIOSITY THAT LEADS TO POSITIVE CHANGE IN THEIR SCHOOL, THEIR COMMUNITIES, AND THEMSELVES.

Adoption:	November 27, 2023
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Next Board Review: November 2025; 2028	
Review Frequency: Every 3 Years (per Policy 208)	

I. PURPOSE

A. This policy and procedures instructs employees on how to follow the purchasing at Heartland Lakes Community School (HLCS). It contains the policy and shows how to use forms, including a Purchase Order Form (PO) and the Certificate of Exemption. All who buy goods and services for the school are responsible for following this policy. Copies of these forms can be obtained from the Business Manager.

1. Purchase Order Form
2. Mileage Reimbursement Form
3. Sales Tax Exemption Form

II. PROCUREMENT - GOODS AND SERVICES

- A.** HLCS procures only those items and services that are required to perform the mission and/or fill a bona fide need. Procurements are made using best value contracting which includes assessing the best value considering quality, performance and price. HLCS will use a competitive procurement process, which requires sound business practices for purchasing less than \$10,000. The school will also select the best value by obtaining two written quotes for items greater than \$10,000 and less than \$150,000. Finally, a formal bid process will be used for items greater than \$150,000, in which three bids will be received and evaluated using a formal evaluation process.
- B.** HLCS Board approval is required for all contracts for goods and services, leases, or other agreements with a total cost in excess of \$5,000 or that cannot be fully

performed within one (1) year (unless subject to termination by HLCS without penalty or additional cost).

C. The School adheres to the following objectives:

1. Procurement will be completely impartial, based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quality, etc.
2. Make all purchases in the best interest of the school and its funding sources.
3. Obtain quality supplies/services needed for delivery at the time and place required.
4. Buy from responsible and dependable sources of supply.
5. Obtain maximum value for all expenditures.
6. Deal fairly and impartially with all vendors.
7. Be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in the Charter School supplier relationship.

D. Emergency Purchases.

An "emergency purchase" is the purchase of goods or services that are so badly needed that HLCS will suffer financial or operational damage if they are not secured immediately. A decision to purchase may be declared in an emergency at the Director's discretion and "best value" procurement guidelines must be followed. In addition, the purchase must be authorized by the Board Chair.

III. PURCHASING POLICY

- A.** All HLCS Staff shall comply with all applicable laws, rules, and HLCS policies
- B.** SPED Coordinator is permitted to pre-approve purchases for SPED use from SPED funds only up to \$300.00 for individual requests, with a monthly limit of \$1,000.00.
- C.** All other purchases must be approved by the Director.
- D.** All purchases are required to be processed using a Purchase Order (PO) - please refer to section IV: Purchase Order Use.

- E. Any duty of the Director can be carried out by the Board Chair and any duty of the Business Manager can be carried out by the Board Treasurer during the preoperational year.

IV. PURCHASING PROCEDURES

- A. A PO is created by the staff person initiating the request (requester).
- B. The purchase request is approved by the Director as to whether it fits within the budget and is an appropriate purchase.
- C. If approved, the order is placed.
- D. The Business Manager receives the order and makes sure it is complete. They check in each item ordered and sign the receiving documents/packing orders.
- E. When the invoice is received, the Business Manager opens the invoice, and matches it with the PO.
- F. Special instructions, such as payment terms or assigning the expense to a specific grant should, if known, be written on the PO.
- G. The check stub, invoice, and supporting documentation are filed in the Business Office.

V. PURCHASE ORDER USE

- A. Complete the vendor name, address, and phone number
- B. Record what is being ordered. Include the quantity, description, unit price and extended price.
 - 1. For classroom items: please note who for: kindergarten, elementary or special education and if for classroom use or individual use.
- C. Record the total order cost, including shipping (if known). The school does not pay sales tax. See section X for ST3 Form (tax exempt form).
- D. The requestor signs their name on the "Requested by" line.
- E. The Business Manager begins processing and will place the order, record the date and order confirmation number.
- F. If ordering on-line, the order confirmation will be printed and attached to the PO.

VI. MANUAL CHECKS

Manual checks are processed by the Business Manager and signed by the Director. Neither the Director nor the Business Manager may produce a check independently.

VII. REIMBURSEMENTS

- A.** Reimbursement checks are used when staff complete a purchase and are requesting reimbursement. Reimbursements must be an appropriate purchase and fit in the budget. Any reimbursement purchase must have pre-approval from the Director. Requests for reimbursement must be made within 30 days of the date of the receipt and completed on a Purchase Order. Original receipt must accompany the request for reimbursement. After the Director has approved the expenditure the Business Manager will process it. HLCS will not reimburse any alcoholic beverages.
- B.** See section IX for ST3 Form. Request for reimbursement of sales tax will be denied. HLCS does not reimburse tax. Reimbursement requests will be denied if pre-approval is not obtained.

VIII. MILEAGE REIMBURSEMENTS

- A.** Mileage reimbursement checks are issued when staff use their personal vehicle to participate in an event for work and are requesting reimbursement. Reimbursements must be for travel preapproved by the Director and fit within the budget. Requests must be made within 30 days of the event.
- B.** Complete a Mileage Reimbursement Form
 - 1.** Your name
 - 2.** Date of travel
 - 3.** Location/City
 - 4.** Purpose
 - 5.** Miles traveled less the number of miles for the normal commute to/from work, evidenced by mapquest or other similar application.
 - 6.** Parking fees, if applicable
- C.** Give the Mileage Reimbursement Form to the Business Manager.
- D.** When the request is approved, a check will be completed by the Business Manager.

- E. Mileage will only be reimbursed by IRS code as the stated amount in the Staff Handbook.

IX. CREDIT CARD PURCHASES

See Policy 736 - Use of School Credit Card

X. CERTIFICATE OF EXEMPTION (ST3 FORM)

ST3 forms are available from the Board Chair and/or Treasurer.

Note: The applicability and enforceability of this policy 707 is limited to, and qualified by, Minnesota or Federal law that, at the time any such circumstance within the scope of the policy arise, may be contrary to some aspect or all of the policy.