
SCHOOL DISTRICT NO. 36 (SURREY)

No. 4202.1

REGULATION: AUTHORITY FOR EXPENDITURES – OPERATING NON-PAYROLL ACCOUNTS

1. PURPOSE OF REGULATION

The purpose of this regulation is to:

- Outline the responsibilities for those individuals with the district who have the authority to expend or release funds, and
- Act as an internal control mechanism;
 1. To provide assurance that the expenditures are in compliance with district policies and regulations and where applicable with granting agency/donor terms and conditions.
 2. For expenditures where there may be a potential or perceived conflict of interest.
 3. Providing assurance that the expenditures are appropriate and is required for the district / program operations.

2. SPENDING AUTHORITY

- 2.1 Publication of the budget, as approved by the Board of Education, assigns authority to Administration to make expenditures within the amounts and scope of the accounts allotted to them in the budget and in accordance with district policies and regulations.
- 2.2 Authorization is granted to the Account Coordinator to expend or release funds. The Account Coordinator must ensure that the expenditures are required for district operations and are in compliance with district policies and regulations and/or in compliance with granting agency / donor terms and conditions.
- 2.3 The Account Coordinator may be able to delegate responsibility; however, the Account Coordinator cannot delegate accountability. The Account Coordinator cannot delegate the signing of financial reports.
- 2.4 An Account Coordinator or authorized designate may not authorize disbursements for which he/she is the recipient. Supervisor approval is required to support the concept that no one should be placed in a position where they can cause (authorize) a payment to be made to themselves or to their benefit, known as One-over-one approval.

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- 2.5 One-over-one approval is required for, but not limited to, the following transactions:
- Travel expense claims
 - Hosting expenses
 - Bank procurement card transactions
 - Expense reimbursements
- 2.6 Fiscal Management Services Department will maintain an updated listing of all sites and the staff authorized to sign on each. FMS will distribute the signing authorization listing on a periodic basis to those areas which require this information. Specimen signatures must be on file in Fiscal Management Services of all staff with authorization privileges.
- 2.7 Account Coordinators and authorized designate are accountable to the Superintendent and or Secretary Treasurer for the fulfillment of their responsibilities under these procedures.

3. PURCHASE REQUISITION & PURCHASE ORDER ISSUANCE

- 3.1 Purchase Requisitions are initiated by Account Coordinators or authorized designate to acquire goods and services. Account Coordinators approving purchase requisitions are responsible to ensure: (i) the appropriate goods and services are being ordered; (ii) the expenditure is within budget capacity; (iii) general ledger account coding is appropriate; and (iv) funding agency contractual covenants are satisfied.
- 3.2 The software through which purchase requisitions are prepared and forwarded to Purchasing precludes charging requisitions to accounts without sufficient budget. An exception to the foregoing is that budgets are not established for fundraising and charitable donation accounts as the software checks the sufficiency of funds in the related revenue account. Where lack of budget capacity precludes processing of a purchase requisition, the Account Coordinator is to address the matter with Fiscal Management Services. The Secretary Treasurer or designee may override budget controls to enable purchase order issuance in emergent and special circumstances.

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- 3.3 Before issuing a Purchase Order, Purchasing checks purchase requisitions for:
- (a) appropriate Account Coordinator authority exists;
 - (b) appropriate product specifications are defined;
 - (c) coding to general ledger accounts appears reasonable; and
 - (d) procurement activities required by Board Policy #4600 - Purchasing Goods & Services are conducted.
- 3.4 Fiscal Management Services checks the reasonableness of coding to general ledger accounts and initiates correction of coding where appropriate.
- 3.5 Obtaining goods and services without a purchase order when required by Policy 4600 – Purchasing Goods and Services and related regulations is unacceptable. Unless exempt under Section 6 of this regulation. Invoices and claims received where a required purchase order has not been obtained will be referred to the Purchasing Department, who will investigate reason for non-compliance and report unauthorized purchase to senior management.

4. RECEIVING VERIFICATION DOCUMENTATION

- 4.1 When goods or services which have been ordered via a purchase order are received, acknowledgment by the school/department is to be forwarded to Finance promptly in order to facilitate payment to the vendor. This can be accomplished by utilizing the packing slip or invoice copy to: record data received, noting whether received complete (or otherwise), dating and signing the document.
- 4.2 Breakage, lost cartons, short shipments and returned over-shipments are to be immediately reported to the vendor, Purchasing and Finance.
- 4.3 Receiving documentation signed “subject to inspection” is expected to be resolved by the receiver on a timely basis and communicated to Finance as to whether the shipment was short, damaged or complete in good order. Lack of a timely disposition of the “subject to inspection” clause will be treated by Finance as a confirmation that the shipment was complete in good order.

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5. RECOGNITION OF EXPENDITURES/INVOICE PROCESSING

- 5.1 Payment to vendors are expected to be made within best business practiced timelines and based on appropriate validated documentation as identified in this regulation.
- 5.2 Invoices for a purchase order with a value of less than \$2,000 from a vendor will be paid within 30 days from the date of the invoice or per vendor discount terms unless Finance is advised within 10 days of date of invoice of any discrepancies on price or shipment of goods or service.
- 5.3 Invoices with a purchase order with a value \$2,000 or greater from a vendor, acknowledgement is to be forward as per section 4.1. Finance may record an expenditure based on an invoice and suspend payment pending the arrival of receiving documentation.
- 5.4 Recognition of expenditures is effective at the time the goods or services are received. Finance may record an expenditure based on an invoice and suspend payment pending the arrival of receiving documentation.
- 5.5 A lack of budget capacity is not to stop recognition of the expenditure, where a legal obligation exists. Where recognition of the expenditure results in the budget being exceeded, Fiscal Management Services will notify the Account Coordinator who is responsible to resolve the insufficient budget situation through proper district channels.
- 5.6 Where price discrepancies on invoices relate to formal quotes by Purchasing, Finance will hold payment and notify Purchasing. Purchasing will investigate any discrepancies and advise Finance of any adjustment to the invoice.
- 5.7 Where quantity discrepancies arise from differences between quantities ordered and received, Finance will pay invoices based on the actual quantities acknowledged as received.

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5.8 Where the maximum purchase limit on a Blanket Purchase Order is exceeded, Finance will advise Purchasing and notify the Account Coordinator of the need to increase the blanket purchase order, and proceed with payment of the invoice. The Account Coordinator will coordinate with Purchasing. If no response is received after a reasonable period of time or no budget capacity exists, Finance will recommend to the Secretary Treasurer to lock further transactions from occurring against the Account Coordinator's accounts.

6. AUTHORITY TO SPEND WITHOUT PURCHASE ORDERS

6.1 Authority to incur expenditures without purchase orders is provided for the following classifications of activity:

- Petty Cash expenditures (Regulation #4420.1);
- Internal service charges (Regulation #4202.4);
- Travel (Policy #4410);
- Systems supply contracts (Regulation #4600.1);
- Legal fees or Legal obligations (Regulation #2300.1);
- Bank Procurement Card Master payment (Regulation #4660.1)
- Payments which are required for immediate service (i.e. Postage meter, utilities, telecommunications) or
- Payments authorized by the Secretary Treasurer

6.2 Subject to Section 6.1, payment of claims for which there is not a related purchase order requires Account Coordinator approval, Fiscal Management Services test checks adherence to policy, Account Coordinator approval, appropriate account coding and budget capacity. Where expenditures are charged to a trust account, the Account Coordinator and Finance will also, respectively, verify and test check that the expenditure complies with contractual covenants of the funding agency.

7. FINANCIAL INFORMATION DISTRIBUTION

7.1 Distribution of financial information as to budget, expenditures and commitments are provided by Fiscal Management Services to Account Coordinators responsible for managing specific accounts/programs.

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- 7.2 Account Coordinators are expected to review financial information to ensure accuracy of financial data recorded in the accounts for which they have responsibility, and, if concerns are identified, to contact Fiscal Management Services.

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2000-01-18

1999-06-08

1996-02-13

1995-05-25

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Approved: 1993-06-28

X-Ref: Reg. #2300.1

Reg. #4202.4

Policy #4410

Reg. #4420.1

Policy #4600

Reg. #4600.1
