**Literacy First Charter Schools: Purchasing, Procurement, and Contracting Policy**

1. Purpose
	1. The purpose of this policy is to establish procedures for carrying out purchasing, procurement, and contracting functions of the school and to provide efficient management of public funds and ensure compliance with all applicable state and federal laws.
2. General Statement of Policy
	1. It is the policy of LFCS and its Board of Trustees to utilize resources to the greatest benefit of our students’ education and to establish procedures for all expenditures made with school funds to ensure efficiency, economy, legal compliance, internal controls, ethical behavior, and fairness in dealing with vendors.
		1. General Purchasing Procedures
			1. Authorization: The school’s executive director and chief business officer, in conjunction with the school’s board of trustees, are responsible for overseeing the procurement process, including the establishment of procedures, internal controls, quality assurance, methods of greatest economy, and compliance with all applicable laws. The board approved school budget is authorization for the executive director and chief business officer to make or authorize purchases within the budget under their control. To be valid, all contracts over $10,000 must be approved by the board of trustees. In the case of emergencies, contracts may be executed prior to board approval. The school’s executive director and/or chief business officer will promptly inform the board of such situations and provide the board the contract with all deliberate speed.
		2. Scope
			1. Purchasing procedures apply to procurement of equipment, supplies, and services used to support the education process. Expenditure of school funds may only be for the public purpose of the school.
		3. Monitoring
			1. The executive director and the chief business officer will monitor and facilitate best practices and ensure best pricing.
		4. Economy
			1. Products will be purchased for the lowest price for acceptable quality.
		5. Purchasing Methods
			1. All school purchases will be made through one of the following methods: purchase orders, school purchasing card, employee reimbursement, lease agreements, and invoices.
		6. Purchasing Process
			1. Purchase Orders: Purchase orders are filled out by school site administrators and approved by the executive director and chief business officer. Each administrator keeps copies of each purchase order they generate and logs them on a common spreadsheet. The chief business officer and finance office staff reconcile Purchase Orders with invoices.
			2. School purchasing card (credit card): The executive director authorizes who is to be granted a school purchasing card. Staff who use the school card must submit receipts each month to verify purchases on each monthly statement. School finance office staff reconcile monthly credit card statements and receipts for each school issued credit card. The school’s chief business officer approves the overall monthly credit card payment. Approval by the executive director or chief business officer is needed for purchases over $5000.
			3. Employee reimbursement: Employees may be reimbursed for school expenses using the LFCS Employee Reimbursement form. The completed form must include the employee’s name and address, a description of the item(s) purchased, the cost, the corresponding receipt(s), and the employee’s signature. The reimbursement forms are then reviewed and approved by the executive director and/or chief business officer and then processed for payment through the school’s financial office.
			4. Petty Cash: Petty cash boxes for each campus may be authorized by the school’s executive director. The maximum amount of petty cash allowed in each cash box at each campus is $300 at any one time. Two signatures are required on all deposits, the initiator, and the office manager. An entry and receipt for every transaction are kept in a journal. Receipts for purchases in the office and copies of checks must be attached to the deposit slips. Copies of deposit collections with a bank deposit record attached are sent to the school’s finance office for processing. Deposits are reviewed by the school’s financial office staff and bank statements reconciled each month.
			5. Receiving Goods: Upon delivery, office staff or other responsible school employees will inspect the shipment against the packing slip to verify the complete order was delivered and in good condition. The employee initials the packing slip and send it to the finance office where it is matched to the invoice. Invoices for ordered items are not paid until verification by a signed packing slip, if available. If a packing slip was not sent with the order, an email, text message or other written confirmation with the chief business officer or finance office staff will be used as verification.
			6. Invoices: The school’s chief business officer approves all invoices for payment with a stamp and a signature. The school’s finance office staff generate warrants for each invoice. The school’s executive director signs each warrant. If the school’s executive director is not available to sign warrants, the school’s chief business officer may do so. Commercial warrants over $10,000 require two signatures. Mission Federal Credit Union Checks over $10,000 require two signatures. The school’s finance office staff pairs warrants with the proper invoices. The school’s chief business officer reviews all warrants and invoices, envelopes them, and seals the envelopes. Mission Federal Credit Union statements are reconciled monthly.
			7. Procedures for Purchases using restricted non-federal funds
				1. The chief business officer will ensure that all expenditures using restricted state funds are allowable according to the stipulations of each fund and that the school follows all compliance regulations and reporting requirements specific to each fund. In addition to the general procurement policies listed above and as applicable, the school’s executive director and/or the chief business officer, in conjunction with the school’s board of trustees, will issue a request for proposal for contracts, examine three bids, and select a qualified vendor according to applicable California regulations. All qualified vendors will be provided equal opportunity. There may be emergency situations where competitive bidding is not possible. The school’s executive director and/or chief business officer will promptly inform the board of such situations and provide the board the subsequent contract, if applicable, will all deliberate speed.
			8. Procedures for Purchases using federal funds
				1. The chief business officer will ensure that all expenditures using federal funds are allowable according to the stipulations of each fund and that the school follows all compliance regulations and reporting requirements specific to each fund. In addition to the general procurement policies listed above and as applicable, the school’s executive director and/or the chief business officer, in conjunction with the school’s board of trustees, will issue a request for proposal for contracts, examine three bids, and select a qualified vendor according to applicable California and Federal regulations. All qualified vendors will be provided equal opportunity. There may be emergency situations where competitive bidding is not possible. The school’s executive director and/or chief business officer will promptly inform the board of such situations and provide the board the subsequent contract, if applicable, will all deliberate speed.
			9. Exceptions to bids and formal competitive bidding
				1. Purchases excluded from the requirement for written bids and formal competitive bidding include equipment and public projects that do not exceed $2,500; supplies and services that do not exceed $10,000; textbooks, library books, films, audiovisual materials, test materials, workbooks, instructional software, periodicals, rental and lease of facilities, television program rights, newspaper advertising, cost of training classes and workshops, postage and postage metering costs, utilities, travel services, perishable food and seasonal commodities, services from other governmental agencies, and consultant services for financial, economic, accounting, engineering, legal, and administrative matters.