
PURCHASING FISCAL POLICY**PURCHASING**

1. The Executive Director or designee must approve all purchases. The Executive Director or designee may authorize expenditures up to \$10,000. The Executive Director or designee may authorize expenditures up to \$15,000 with ratification by the Board of Directors (“Board”). For Special Education purchases related to a student’s Individual Education Plan (IEP), the Executive Director may authorize purchases that exceed \$10,000 with ratification by the Board. The Board must pre-approve contracts over \$10,000, except as related to materials or services outlined in a student's IEP. The Executive Director or designee may approve contracts up to \$15,000 with ratification by the Board.
2. The Board must approve any expenditures over \$10,000, or that would result in a budget line-item variance of \$15,000, whichever is less. The Executive Director or designee may approve expenditures up to \$15,000 with ratification by the Board.
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 \$10,000.
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

PURCHASING FISCAL POLICY

1. Consideration shall be taken of in-house capability and capacity to accomplish services before contracting for them for purchase orders (PO's) over \$10,000. Such contracts shall be for task-related services that will be performed at the direction of the School and its Board, which shall ultimately maintain 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 the \$10,000 threshold (e.g., consultants, 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 \$10,000. Contracts up to \$15,000 may be approved with ratification.
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

PURCHASING FISCAL POLICY

- date of disposal.
6. Surplus - Technology, devices, or office equipment will be logged on a surplus inventory list and submitted to the Board of Directors for authorization to discard upon expiration of warranty or when an item becomes damaged beyond repair or no longer useful to the school. Devices such as chromebooks may be discarded after two to three years and laptops may be discarded after four years or when no longer operating. Computers and peripheral equipment will be disposed of through an approved e-waste program. Items that are no longer of use to the school may be donated to other organizations as appropriate.

Fixed Asset Capitalization and Depreciation

1. Asset purchases that cost \$5,000 or more and have a useful life of more than one year should be capitalized and depreciated.
2. There are two types of assets: depreciable assets, also known as capital assets (this includes land even though it is not depreciated); and assets the School tracks for inventory purposes but does not depreciate. All assets shall be purchased and, when applicable, registered in the name of the School and not the name of an individual.
3. Assets that should be depreciated include furniture, fixtures, buildings, building improvements, and equipment. The straight-line depreciation and amortization method shall be used. Alternative or accelerated depreciation methods may be used when considered necessary and if approved by the Assistant Director of Fiscal Services.
4. Any assets purchased that cost \$5,000 or more should be recorded in a depreciable fixed asset schedule. The depreciable fixed asset schedule should include the following information:
 - Name of the asset
 - Location of the asset
 - Asset class (e.g., equipment)
 - Description
 - Serial number
 - Asset tag number
 - Date purchased and placed in service
 - Vendor purchased from
 - Original cost
 - Depreciation method
 - Estimated useful life
 - Accumulated depreciation

PURCHASING FISCAL POLICY

- Net book value
- Estimated salvage value, if any