



New Paradigm Loving Academy Purchasing Policy and Procedures

1. Purchasing Policy Goals and Mission

The Purchasing Policy establishes procurement practices for purchasing all goods and services at New Paradigm Loving Academy, hereinafter referred to as “The Academy”. The policy addresses, roles and responsibilities, competition, vendor selection, issuance of purchasing transactions, purchasing methods, authorizations, receipt of goods and services, required documentation and ethical practices.

The mission of the Purchasing Policy is to provide The Academy’s Board, Educational Service Provider, Staff and other stakeholders with high quality, cost effective, value added guidance and assurance that purchases are made in compliance with all Federal Laws, State Laws, GAAP, Fund Accounting and GASP to facilitate Budgeted Expenses used for the purpose of educating The Academy students.

Goods and Services

The Academy procures only those items and services that are required in performance of The Academy’s mission. The goal of The Academy is to procure goods, assessing the best value considering quality, performance and price. The Academy will use a competitive procurement process, which requires sound business practices for purchases in excess of the dollar amount permitted by The State of Michigan, Department of Education’s Competitive Bid Threshold. The State of Michigan, Department of Education’s Competitive Bid Threshold is updated annually. The Academy will also select the best value by obtaining three written quotes for bid items. A formal bid process will be used for items in which three bids will be received and evaluated using a formal evaluation process.

- A. The Academy adheres to the following objectives:
 - a) Procurements will be completely impartial 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) Purchases shall be based upon a requisition originating from a building leader, department head or designee.

Emergency Purchases



An “emergency purchase” is the purchase of goods or services that are so badly needed that The Academy will suffer financial or operational damage if they are not secured immediately. A decision to purchase may be declared an emergency at The Academy’s discretion and “best value” procurement guidelines must be followed. In addition, the purchase must be authorized by The Educational Service Provider.

Construction

The Academy is required to comply with certain laws while constructing a new facility or performing construction on its current facility.

2. Defined Roles and Responsibilities

Requisitioner – Educational Service Provider, Teachers, Building Leaders and Executive Staff

- Requests goods or services to be purchased – All.
- Determines that costs of requested goods and services are reasonable and allowable for the funds being used to pay for them – Educational Service Provider, Building Leader and/or Executive Staff.
- Review request against Budget to determine the Budgeted amount for item requested – Educational Service Provider.
- Complete a detailed Purchase Requisition form that include date, account code, vendor information, quantity, description of the item, item number, unit cost and signature – Teachers/Administrative Staff (all except Account Code) and Building Leaders (Account Code).
- The Purchase Requisition is approved by the Requisitioner’s Ordinate.
- The Purchase Requisition form is submitted to the Business Office for Processing.

Finance Office –Business Manager, Chief Financial Officer

- Purchase Requisition is received by the Finance Office and date stamped.
- The Purchase Requisition is reviewed for Vendor information, i.e. Name, Address, W9 Form, Telephone Number, Fax Number, proper account code and Budget.
- New Vendors are created by the Business Manager.



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- Purchase Requisition is created as a Purchase Order once all information is verified and the expense is encumbered.
- If there is missing information or there is no Budget for the item the Requisition is returned to Requisitioner.
- Once all information is correct the Purchase Order is submitted to The Educational Service Provider for approval, indicated with date and signature.
- Once the Purchase Order is approved it is returned to the Finance Office and the item is ordered by Fax, Email, Scan, Online, phone call or regular mail.
- Once the order arrives the Finance Office receives the shipping document and date stamps it.
- Once the invoice arrives, the Finance Office compares the shipping document with the invoice and the Purchase Order for items and pricing, attach all documents, date stamp the invoice, input the invoice into the General Ledger for payment and after payment is filed by check number.

Building Secretary

- Goods received and Shipping Document are compared against the Purchase Order for items, pricing, signed and dated.
- Goods are sent to the Requisitioner.

3. Purchasing Principles

Planning – Goods and Services are ordered after consideration of needs, alternatives, timing, risk avoidance and availability of funds within the Budget.

Sourcing – The process by which suppliers compete for New Paradigm Loving Academy's business shall be open, fair, consistent and non-discriminatory.

Purchasing – Goods and services shall be acquired competitively from qualified suppliers to meet specified needs and to achieve the best value for money expended. There shall be competitive bids and a record of those bids are maintained with the Finance Office and made available for Auditors.

Accountability – Approvals shall be obtained and documentation shall be retained for review and audited. Orders made without proper approval and a purchase order are not a liability of The Academy and the Requisitioner will be held personally responsible for paying the bill. Employees are forbidden to use the name of New Paradigm Loving Academy; any discounts provided The



Academy or any other means for associating a personal purchase with the School. Failure to abide by this provision of the policy could lead to disciplinary action.

4. Purchasing Process

Goods and Services are acquired according to the following process:

- Purchases are planned and are included within our Board Approved Budget, prior to each school year.
- Planned purchases are requisitioned using the Purchase Requisition form.
- Completed Purchase Requisition forms are approved by the requisitioner's ordinate.
- Approved Purchase Requisition forms are submitted to the Finance Office for review of vendor information, approval signature, accounting information and Budget.
- Approved Purchase Requisitions are turned into a Purchase Order.
- Purchase Orders are submitted to the Educational Service Provider for approval, evidenced with a signature and date.
- Approved Purchase Orders are submitted to the Vendor creating an order.
- Goods and Services are received by Administration and the shipping and receiving documents are reviewed by the business manager against the Purchase Order for accuracy and agreement before fully accepting receipt of any item. The shipping and receiving documents are signed and attached to a copy of the requisition and purchase order. The signed shipping and receiving documents are attached to the requisition and purchase order and sent to the finance office.
- Goods and Services are sent to the requisitioner.
- Invoices are received by the Finance Office, date stamped and reviewed against the Purchase Order and signed Shipping/Receiving Documents for accuracy and any discrepancy is resolved with the Vendor.
- Invoices are recorded into The General Ledger creating an Expense and Liability for Academy.
- Vendor invoices are filed along with a copy of the Purchase Requisition and Purchase Order.



- Payments for purchases are made based on agreed upon terms. The method of payment does not change the purchasing process, policy and procedures. For example payment made by check, electronic withdrawal, ACH or Credit Card will all follow the established process, policy and procedures outlined in this document, augmented stipulations in the Board Policy.

5. Purchasing Policy

All Purchases must follow the Purchasing Process, Policies and Procedures established within this document.

- Ongoing commitments such as service contracts and leases are to be reviewed annually, before renewal for savings and renegotiating opportunities, witnessed with a signature before recommitting The Academy to a contract.
- Blanket purchase orders for goods and services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. Blanket purchase orders must be approved by the Educational Service Provider before they are issued.
- Purchases of contracted services shall be negotiated by a Request for Proposal, or through the bid process, as determined by the Educational Service Provider, aligned with the State of Michigan, Department of Education Competitive Bid Threshold.
- The Educational Service Provider will determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
- Quotes will be requested for any item or group of items in a single transaction in alignment with the State of Michigan, Department of Education Competitive Bid Threshold.
- Purchases of supplies, materials and equipment costing more than the amount stipulated in the Board Policy must be obtained through competitive, sealed bids and be approved by the Board.
- Annual Purchase Requisition cut-off dates shall be as follows;
 - *Purchase Requisitions must be received in the Finance Office, prior to close of the fiscal year, unless the services or supplies are essential to continue the daily operation of the department or building for the remainder of the current year, or unless an emergency exists.*



- *Request for purchases of equipment, materials, improvements, or remodeling that will be subject to a bidding procedure must be sent to the Finance Office, prior to the end of the fiscal year.*
- Purchase Order for Preview Material
 - Follow normal purchase order procedure.
 - If items are to be returned, inform Finance Office by indicating such on the original copy of the Purchase Requisition and Purchase Order when the items are returned.
 - *Postage for returned items is paid by The Academy.*
 - If items are to be kept, type on the original copy of the Purchase Requisition and Purchase Order, "CHECK TO ACCOMPANY", and include any paperwork submitted with the preview.
 - When items are kept this creates an Expense and Liability for The Academy and this transaction is to be recorded within the General Ledger immediately.
 - Once the check is disbursed the Liability and Cash are both relieved.
 - If the Vendor sends the check back mistakenly, the Finance Office must contact the Vendor and explain that we've kept the goods and the check is to be returned.
 - If the check is voided, until there is clear understanding on the part of the Vendor, The Academy must set up the Liability, given that we've taken possession of the goods and have not paid for them.

6. Method of Payment

- Use of School Issued Credit Cards
 - A New Paradigm Loving Academy Credit Card will be issued with the formal approval of the Board of Directors.
 - The cost/benefit to the School will be fully reviewed to ensure that no other purchase method is more appropriate.
 - All credit cards issued by The Academy are held by The Educational Service Provider.



- Employees requiring the use of school credit cards shall be request (in writing) such use from the Educational Service Provider.
- Each request for use of a school credit card shall be submitted on a Purchase Requisition Form containing the following information:
 - Date to be returned
 - Purpose with a full Description
 - Vendor Name
 - Amount Needed
 - Authorization
 - Account Number
- After use, school credit cards are to be returned to the Educational Service Provider along with appropriate receiving for all charges, that information is then submitted to the Finance Office.
- School Issued Credit Cards may only be used for the purchase of the following types of goods and services for the School:
 - Authorized Online program fees
 - Authorized One time Duns & Bradstreet Registration Fees
 - Authorized Transportation while conducting school related business
 - Authorized Lodging and meals for school related trips or meetings
 - Authorized supplies and equipment
- The Staff member to whom a credit card is issued shall be responsible for its use and shall not allow the card to be used by anyone else or for any unauthorized purchases. Any unauthorized use shall subject the card holder to disciplinary action in accordance with the law, School Policy and/or terms of a negotiated agreement.
- All Credit Card invoices shall be reviewed and documented in the same manner as other invoices.
- Check Requests are used for employee reimbursements only.
 - Employees are reimburse for pre-approved work related expenditures only
 - Types of Pre-Approved work related expenses employees are reimbursed are:
 - Meals
 - Travel – Airline, Taxi Cab, Train, Tolls, Gas/Mileage, Parking Fees
 - Hotel
 - Supplies for Teachers
 - Miscellaneous Supplies
 - Emergency Services



7. Bidding Process

- The Educational Service Provider shall have the responsibility for preparing bid documents and advertising for bid solicitations.
- The technical specifications for the purchase of special equipment, materials and/or services shall be prepared by the Requisitioner and submitted to the Educational Service Provider. Specifications must be complete and accurate to ensure that goods received conform to desired standards.
- All purchases must be bid out in alignment with the State of Michigan, Department of Education, Competitive Bid Threshold and at least two written quotations must be obtained from qualified suppliers before a selection is made and a purchase made. Bids are maintained by the Finance Office and available for Audit.
- All purchases over State of Michigan, Department of Education, Competitive Bid Threshold, must be bid out or publicly advertised and shall carry the name and title of the secretary of the Board. Bids are maintained by the Finance Office and available for Audit.
- Advertisement for bids will be placed in local newspapers or on line according to statute. Advertisements for bids should also be placed in other appropriate publications when bidding construction projects and specialized equipment. For bonds or other borrowing, State laws relating to publication shall govern public advertisements.
- Bids shall be opened and read by the Education Service Provider. Bid openings must be attended by at least one school employee.
- The Education Service Provider, along with the Requisitioner, shall evaluate the bids and recommend purchases, unless otherwise determined by the School Leader and/or the Board and/or prohibited by law.