

# Pennsbury School District

## School Board Policy

Effective Date	Supersedes Index No.	Index No.
<b>4/14/11</b>	<b>5701R1</b> of 2/20/75 and <b>5702</b> of 7/1/70	<b>616.1</b>

**Title:** Payment of Bills

**Purpose:** This document establishes policy in regard to prompt payment of bills but at the same time to ensure that due care has been taken in the review of School District bills.

This document, Index No. 616.1, replaces the previous Index No. 5701R1 titled *Accounts Payable – Voucher Account*, and Index No. 5702 titled *Accounts Payable – Discount Account*.

**Reference:** Public School Code § 607

**Policy:** Each bill or obligation of this School District must be fully itemized, verified and approved by the School Board before payment can be made, except that the Board Treasurer is permitted to draw payment orders for:

- The prompt payment of items that will accrue to the School District's advantage
- Progress payments to contractors specified in a contract approved by the School Board
- Orders to cover approved payrolls and agency account deposits
- Utility bills due before the School Board meets

It shall be the responsibility of the Director of Financial Services or designee upon receipt of an invoice to verify that the invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment the School Board had budgeted for the item, and the invoice is for the amount contracted.

Should the invoice vary from the acknowledged purchase order, the Director of Financial Services or designee shall document on the invoice the reason for such variance.

Should funds not be available in the account to which a proposed purchase will be charged, the Director of Financial Services or designee shall determine the overage and request that a budget transfer be submitted. All claims for payment shall be submitted to the School Board and recorded in the minutes of the School Board meeting.

The list of bills shall include for each:

- Check number
- Check date
- Vendor
- Amount of remittance
- Account charged

Upon approval of an order, the Board Treasurer shall prepare a check for payment and cancel the commitment placed against the appropriate account.

All checks approved by the School Board shall be signed by the Board Treasurer.

The signature of the Board Treasurer may be engraved on a signature plate or stamp.

No check shall be made out to cash.

### Sales Tax

The School District is exempt from sales tax on the purchase of tangible, personal property or services used by the School District.

The School District shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established law regulations. The exemption number shall be used only when buying property or services for the School District.

The School District shall obtain a sales tax license number for school organizations who purchase items to be resold.

In order to monitor these activities, the Director of Financial Services or designee shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance of the sales tax that is due on items resold to the Department of Revenue.

**Responsible  
Administrator:** Director of Financial Services