

LEBANON SCHOOL DISTRICT

POLICY: 616
SECTION: FINANCES
TITLE: PAYMENT OF BILLS
ADOPTED: July 18, 1994
LAST REVISED: January 20, 2020

616. PAYMENT OF BILLS

Purpose

It is the Board's intent to direct prompt payment of bills but at the same time to ensure that due care has been taken in the review of district bills.

Authority

Each bill or obligation of this District must be fully itemized, verified and approved by the Board before a check can be issued for its payment, except that the Board Treasurer, or his designee, is permitted to draw payment orders for:¹

1. The prompt payment of items that will accrue to district's advantage.², including but not limited to, avoiding the accumulation of interest, penalties, paying already-approved budget items and/or maintaining general good will;
2. Progress payments to contractors specified in a contract approved by the Board.
3. Orders to cover approved payrolls and agency account deposits.
4. Utility bills in months the Board does not meet.

Delegation of Responsibility

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

Should the invoice vary from the acknowledged purchase order, the Business Manager or designee shall document on the invoice the reason for such

¹ 24 P.S. 439, 607, 1155.

² 24 P.S. 427, 439.

variance.

Should funds not be available in the account to which a proposed purchase will be charged, the Business Manager or designee shall determine the overage and request the Board make a legal transfer to cover it.³

All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.

The list of bills shall include for each:

1. Check number.
2. Check date.
3. Vendor.
4. Amount of remittance.
5. Account charged.

Prior to the Board's consideration of the bills for payment, each invoice shall be reviewed by the Business Manager.

Upon approval of an order, the Treasurer shall prepare a check for payment and cancel the commitment placed against the appropriate account.⁴

All checks approved by the Board shall be signed by (1) the President or the President's designee, in which case shall be the Business Manager; (2) the Treasurer or the Treasurer's designee, in which case shall be the Assistant Business Manager, and (3) the Board Secretary.⁵

The Vice-President may sign for the President.⁶

Guidelines

Signatures of the President, Vice-President, Treasurer, or his/her designee(s), and Board Secretary may be engraved on a signature plate or stamp.⁷

No check shall be made out to cash.

³ 24 P.S. 607, 609, 687.

⁴ 24 P.S. 429.

⁵ 24 P.S. 427, 433, 439.

⁶ 24 P.S. 428.

⁷ 65 P.S. 302.

Sales Tax

The district is exempt from sales tax on the purchase of tangible, personal property or services that are sold or used by the district. The district shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for district use.⁸

The district shall pay sales tax when school organizations purchase items to be resold, and then shall be permitted to retain sales tax charged on said resold items, in an amount not to exceed the sales tax paid.⁹

In order to monitor these activities, the Business Manager shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.

⁸ 61 Pa. Code. 32.23; 72 P.S. 7204.

⁹ 61 Pa. Code. 32.23; 72 P.S. 7208; 24 P.S. 608, 610.