

LINE MOUNTAIN SCHOOL DISTRICT

SECTION: FINANCES

TITLE: PAYMENT OF CLAIMS

ADOPTED: September 26, 1979

REVISED: October 30, 1989
March 23, 2021

616. PAYMENT OF CLAIMS	
1. 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.
2. Authority	<p>The Board shall be provided with a detailed list of pending payments for approval prior to the release of the payments. Each bill or obligation of this district must be fully itemized, verified and approved by the Board before a check can be drawn for its payment, except that the Business Manager is permitted to draw payment orders for:[1][2][3]</p> <ol style="list-style-type: none"> 1. The prompt payment of items that will accrue to the district's advantage.[2][4] 2. Progress payments to contractors specified in a contract approved by the Board. 3. Orders to cover approved payrolls, associated benefits, and agency account deposits. 4. Utility bills. 5. Payment of bills in months the Board meets only once. 6. Re-issue of a previously approved check.
3. 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 has budgeted for the item, and the invoice is for the amount contracted. At a minimum, employee expenses shall be reviewed by the next in line supervisor.

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

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

The bills for payment report shall include:

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

Prior to the Board's consideration of the bills for payment report, each invoice shall be reviewed by the purchasing and accounting departments for accuracy, proper expense codes, and authorization. The Board will be provided with a cash requirements report that includes description of purchase.

Upon the approval of an order, the Business Manager shall authorize the preparation of a check or Automated Clearing House (ACH) transaction for payment and cancel the commitment placed against the appropriate account. [2]

All checks approved by the Board shall be signed by the President, Treasurer, and Board Secretary.

Signatures of the President, Treasurer, and Board Secretary may be engraved on a signature plate, computer chip, or stamp. [2]

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. [9][10]

The district shall obtain a sales tax license number for school organizations who purchase items to be resold. [9][11][12]

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.

616. PAYMENT OF CLAIMS - Pg. 3

Legal

1. 24 P.S. 439

2. 24 P.S. 607

3. 24 P.S. 1155

4. 24 P.S. 427

9. 24 P.S. 428

10. 65 P.S. 302

11. 61 PA Code 32.23

12. 72 P.S. 7204