



Lexington Public Schools

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RE: 2009-2010 Grant Procedures

Dear LEF Grant Recipient;

Congratulations on receiving a Lexington Education Foundation grant. The Business Office is available to assist you in accessing these funds for your grant project. Attached you will find processes and procedures on how to access your funds. Following these procedures will enable you to obtain your materials timely. Your grant account numbers will be available shortly and mailed to you, the building principal, Department Head (if applicable), and building/department secretary.

Attached is detailed information regarding important information you need to know about your grant and how to manager it during the fiscal year.

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Important Contacts at the Business Office to assist you with your grant:

Joan Taratuta, Accounting Manager, x 225

Please check the First Class Fiscal Management Conference on your desktop for additional updates during the year. Your building or department secretary can also provide valuable assistance to you while you are administering your grant.

Sincerely,

Mary Ellen Dunn
Assistant Superintendent for Finance and Business

Cathie Carroll
Finance Manager

CC: Building Principal and/or Department Head
Building/Dept Secretary

Budget Management Overview

As the award recipient, you are responsible for the oversight, implementation, and financial management of the grant you have received. The building/department secretary is available to assist you in navigating the School Finance Office processes and procedures. Please be mindful that they have experience, training and relationships with the School Finance Office and can assist you with making sure your transactions (payments, purchase orders, payroll) go through timely and with out error. We recommend you listen to their advice. Pre-planned and timely submissions will be processed faster than poorly planned or communicated requests.

Financial Reporting:

The School Finance Office issues to the LEF Board quarterly financial summaries on which grants have or have not expended funds. In addition, the building/department secretary is also equipped to provide each grant recipient in her building or department an on-demand financial report when requested.

Why are there so many requirements and rules?

While it may appear that there are significant requirements and rules about spending money within the school district, it is not without cause or reason. Massachusetts General Laws of the Commonwealth of Massachusetts has statutory requirements for the receipts and expenditure of funds received by a public entity. The Town Of Lexington has by-laws and policies that govern how funds are received and expended. Finally, the School Committee has policies governing how funds are received and expended. Therefore, in order to assist you in navigating the laws, by-laws, and polices, we have provided you with the following information.

1) Tracking your Grant Account

All Grant managers must keep a running manual record of their expenditures to reconcile against their MUNIS reports. Some grants provide account registers for use. If these are provided, they are there to help you keep a personal running record of the charges you are making against your account. The school department can provide grantors with quarterly reports on the activity of their grants.

The school department does not release funds until they receive evidence that the goods or services have been received. Should the actual expenditure differ from the encumbrance amount, the school department will indicate adjustments on their quarterly reports.

You should periodically compare the school department's record with your own.

The LEF Grants close May 1 of every year. All program expenses must be encumbered or expended by this date.

2) Hiring Employees

Payroll for Current Employees: Employees of the School Department and the Town of Lexington are paid through the payroll system. They are not considered consultants regardless of where they regularly work or the services they are providing for you.

Notification of recommendation for appointment to positions must be submitted through Principal to the Assistant Superintendent for Human Resources **BEFORE** the appointment is made. Various employee contracts have notification requirements for posting of available positions.

If you think you are not hiring an employee, please refer to [5\) Hiring Independent Contractors, Consultants, or non-employees](#).....**Error! Bookmark not defined.**

Payroll Vouchers and Time Sheets and Their Requirements

To initiate payment, submit a signed (by employee and grant manager) stipend voucher or bi-weekly pay sheet to the building or department secretary. Include the following information:

- Name,
- dates of service,
- services provided and/or services for (student name),
- number of hours, hourly rate (must be according to bargaining unit contracts and appointment approved by the Assistant Superintendent for Human Resources) and
- total amount to pay.
- Your building principal and the employee submitting for payment must sign this.
- Include the payroll account number assigned to your grant. This number appears on the enclosed account register for your grant. Do not use any account other than the account for Payroll provided.

The secretary will then forward your request to the school department payroll office in a **RED** interoffice envelope. You may include multiple employees on the same request form as long as they are all being paid from your grant payroll account and the employees have signed the same form. Retain a copy of the request for your files. Do not send these requests to Accounting. They are sent to Payroll.

The secretary will then forward your request to the school department payroll office. The school employee should receive payment on the next scheduled payroll warrant.

Also, complete your manual Payroll Account Register. Retain the register as a running record of your account budget and balances. Do not send copies of this form to any school office.

3) Requisitions, Purchase Orders, and payments to vendors and their requirements

School Committee Policy: School Committee Policy requires a signed Purchase Order **before** goods or services are ordered or received. This means that the PO is the document/mechanism that initiates the order or finalizes a service contract.

Please refer to [6\) Clarification for Procurement Laws and School Committee Policy](#)**Error! Bookmark not defined.**

To initiate purchase, see your building/department secretary's office for assistance obtaining a requisition form through the MUNIS system. The secretary can inform you if the vendor is an existing vendor for LPS. If the vendor is not an existing vendor, you will need to request your building or departmental secretary to complete a new vendor request form and send it to Accounting. The new vendor form can take a minimum of two weeks to be processed. Please plan accordingly.

Material, Supplies and Equipment Purchases Funds in these accounts are for materials, supplies, and equipment that have been specified and approved as stated above.

Purchase of Technology Equipment: Purchase of equipment must be done in consultation with and with the written approval of the Director of Technology, Marianne McKenna. Please contact her to discuss your technology request and then follow instructions to complete your purchase order. Forward any paperwork to Ms McKenna for her signature. Then submit your request to the appropriate secretary as described below.

Provide the following information to the building/department secretary who is likely to be typing the requisition:

- 1) Name of the vendor, Tax EIN number, complete address, phone number, including area code;
- 2) Grant Account number to be charged
- 3) Description of goods or services being ordered:
 - a. List:
 - i. items to be ordered,
 - ii. number of items,
 - iii. cost per item
 - iv. Shipping cost or estimate and
 - v. the total amount to be paid.
- 4) Include the materials, equipment, and supplies account number assigned to your grant.
- 5) Include the state contract number or "TEC Bid" if you use any of these contracts for purchasing supplies, materials, or equipment. Please refer to [6\) Clarification for Procurement Laws and School Committee Policy.....](#) **Error!**
Bookmark not defined.
- 6) The accounting office will send the purchase order to the vendor.
- 7) The building/department secretary will receive a copy of the purchase order.
- 8) DO NOT telephone orders into vendors. If the receive a telephone order and a purchase order more than likely you will receive duplicate orders and have to send one back or pay for it out of your grant.

When you receive your material,

- 1) Attach the receiving copy of the purchase order to the packing slip;
- 2) Indicate the amount you are authorizing to be paid;
- 3) Indicate if the order is partial or complete;
- 4) Sign and date; and
- 5) Send to the Accounting Office for processing.

All invoices are to be mailed to the Accounting Office by the vendor. If you receive an invoice, forward the original invoice and one copy to the Accounting Office immediately along with the receiving information described above. Indicate the amount you are authorizing to be paid. Retain a copy for your own records.

The accounting office personnel will send payment to the vendor on the next scheduled vendor warrant.

4) Reimbursements

LPS has changed its policies regarding reimbursements and as a result, there are only limited circumstances under which you may be reimbursed for funds you personally advance in connection with your grant. As explained below, only in certain limited cases will reimbursements be allowed. Accordingly, you should make every effort to avoid a reimbursement situation. Instead, purchase items through an existing vendor via Purchase Order. The district has a credit card available for use by

all budget and grant managers. Please see the instructions located in the LPS Fiscal Management Conference in First Class on how to access the use of this card.

Please refer to [7\) Use of District Credit Card and Ghost Card](#)..... **Error! Bookmark not defined.**

If someone personally outlays funds for your grant, you must have a requisition entered prior to the purchase date on the receipt. The individual must complete a school department Request for Reimbursement form in order to receive reimbursement. Include the Purchase Order, the original receipts and one copy of each receipt. This form must be signed by the building Principal and then the Deputy Superintendent. **Do not send these forms to Accounting.** Retain a copy for your records.

5) Hiring Independent Contractors, Consultants, or non-employees

The Lexington Public Schools must improve the formality in which we engage the services of Independent Contractors, Consultants, or non-employees. The secretary will enter the requisition into MUNIS and mail the unsigned contract to the Accounting Office. The Assistant Superintendent of Finance and Business signs all contracts. Contract templates are available from the Assistant to the Business Office if the contractor does not have his or her own. Contracts must be in place with signed purchase orders before the contractor can be paid.

Signed original contracts must be on file with the Business Office for all independent contractors for each fiscal year that fit the following descriptors regardless of funding source.

Independent Contractors are defined as:

- The worker/consultant is free from the presumed employer's control and direction in performing the service, both under a contract and in fact.
- The service provided by the worker is outside the employer's usual course of business.
- The worker must be customarily engaged in an independent trade, occupation, profession, or business of the same type. (M.G.L. c. 149, §148B)

Someone who is being hired as an independent contractor, cannot be assigned regular hours and require supervision by anyone in the district. These simple requirements make the individual an employee and those individuals must go through the Human Resources Department for hiring and pay rate determination.

Any Employee of the Town of Lexington (School Department, DPW, Park and Recreation or other) cannot be considered Independent Contractor. Employees must be paid through payroll for such services and the appropriate municipal Board, the School Committee, or the Superintendent must set such rate even if they are doing a job or task that is not the same as their regular pay.

If you wish to hire an independent contractor, please submit the following to the Business Office before requisition is entered or services are rendered.

- 1) Please make sure that services are not subject to state procurement laws.
 - a. See the following publication (<http://www.mass.gov/ig/mcppo/charts06.pdf>).
 - b. The Business Office will assist and complete any procurement requirements and complete the bid or proposal for the department if required. The department's role is to provide service specifications, evaluate vendor responses, participate, and recommend the vendor of choice.
- 2) Proposal or contract (two signed originals) provided by the individual for employment/hire. The document must include description of service, dates of service, conflict of interest and confidentiality clauses (if providing services to students), terms of delivery, rate, and anticipated total cost.
- 3) If necessary, the Business Office can provide a contract to be signed by both the department head monitoring the contract and the contractor. Regardless of funding source, all non-

- payroll related contracts must be approved and signed by the Assistant Superintendent for Finance and Business before payment can or will be processed. Please make sure the contract language reflects as such.
- 4) A requisition must be entered in MUNIS for the entire amount anticipated for the fiscal year. Submit all paperwork to the Business Office for review. If items are complete, the requisition will be approved, and a Purchase Order with a signed contract will be sent to the independent contractor, a copy to the department and an original will remain on file in the Business Office.
 - 5) A confidential client list providing proof that LEXINGTON is not the sole employer of the services provided; and
 - 6) Any person working under the contract who will have access to students or student traffic areas must submit a Completed Criminal Offender Record Information (CORI) Form or have certification on file with Human Resources. A sealed envelope marked confidential and addressed to Human Resources must be included with the Contract package. It will be forwarded to HR unopened when all other documents have been reviewed and approved. Forms are available at (http://lps.lexingtonma.org/admin/CORI_Form.pdf). The requisition and contract will not be approved if the CORI forms are not provided prior to the start of any contract.
 - 7) W-9 (If this is a new vendor): W-9s are available from the following web site (<http://www.irs.gov/pub/irs-pdf/fw9.pdf>) and are required for vendor set up in MUNIS.

If you have questions about this process, please contact the Business Office for information before you make any final agreements, verbal or otherwise, with any vendor or independent contractor.

6) Clarification for Procurement Laws and School Committee Policy

School Committee Policy: School Committee Policy requires a signed Purchase Order **before** goods or services are ordered or received. This means that the PO is the document/mechanism that initiates the order or finalizes a service contract.

Clarification for Procurement Laws: The Procurement Laws, also referred to as Bid laws apply to all funds with the exception of Student Activities (student clubs and organizations) however, sound business practices should be used in the Student Activities arena as a teachable moment for students.

Procurement is the word used to acquire anything in the government environment. It simply relates to the act of obtaining supplies¹ and services². In Massachusetts, we have a statute we must follow for all contracts, services, supplies, materials, and equipment.

Bid Laws (M.G.L. Chapter 30b)

1. Procurement less than \$5,000 - Use sound business practice³ (It is recommended to document your research and have on file if questions arise)
2. Procurement \$5,000 or more but less than \$25,000 - Seek 3 or more oral or written quotes (must be documented, therefore use faxes as your documentation -- saves time; a faxed response of "NO" satisfies the one of three requirement)
3. Procurement \$25,000 or more (see the Assistant to the Business Office for help)
 - a. Invitations for Bids (IFBs) = Award contract to responsive and responsible bidder offering the best price
 - b. Requests for Proposals (RFPs) = Award contract to responsive and responsible proposer offering the most advantageous price

¹ "Supplies" are defined in the law as "all property, other than real property, including equipment, materials, and printing and further including services incidental to the delivery, conveyance, and installation of such property."

² "Services" are defined as "the furnishing of labor, time, or effort by a contractor, not involving the furnishing of a specific end product other than reports."

³ "Sound Business Practice" means that you periodically solicit price lists or quotes to ensure you are getting favorable prices.

Can I avoid the Bid Laws? Yes, by using state contracts at www.comm-pass.com. Click on "Search for contracts" located in the middle of the webpage. Using the keyword search or the letters on the right hand gray band to narrow your search you should be able to find most items. Training is provided upon request, or scheduled on an early release day during the school year.

Regardless of Procurement Law or sound business practice, the School Committee requires the following:

School Committee Policy requires a signed Purchase Order **before** goods or services are ordered or received. This means that the PO is the document/mechanism that initiates the order or finalizes a service contract.

State Contracts most frequently used

OFF19 - Office Supplies, Recycled Paper, and Envelopes

OFF20 - Office, School and Library Furniture, Accessories and Installation, Statewide

OR

Educational materials, library books, and software maintenance: You may make noncompetitive purchases in any amount for library books; school textbooks; educational programs, courses, or curricula in any media including educational software, newspapers, serials, periodicals, audiovisual materials, or software maintenance if you determine in writing, after reasonable investigation, that there is only one practicable source for the items. M.G.L. c.30B, §7(a). Please attach this documentation electronically to the MUNIS requisition.

Is this single purchase limit or a cumulative vendor total? This is a cumulative total paid to the vendor annually. If you are purchasing over \$5,000 worth of materials or equipment from a vendor annually, you must go out to bid for their supplies and services. This is the primary reason the district is using The Education Collaborative (TEC) Supply Bid and the State contract supply bid to meet this requirement. Not knowing what you are going to need is not necessarily an excuse. If you review annually, what you are purchasing, and how many, you have some predictability in your needs from these vendors from one year to the next. Price, quality, and service should never be sacrificed because you may have to go out to bid or obtain quotes.

Is anything exempt? Yes, there are a number of exemptions. The following are the ones that apply most often to programs within the school department.

1. An agreement for the provision of special education pursuant to M.G.L. c.71B and regulations promulgated pursuant thereto. [M.G.L. c.30B, §1(b) (8).]

This exemption applies to direct services delivered to children with special needs, such as transportation, counseling, or education under an individual education program, as well as to any supplies used by children with special needs as part of an educational program. Other supplies and services, however, are not exempt simply because the special education department procures them. For example, office supplies or computers to be used for office administration would not fall under this exemption.

2. A contract to provide job-related training, educational or career development services to the employees of a governmental body. [M.G.L. c.30B, §1(b) (22).]

What is Bid Splitting? Bid splitting is when an individual uses more than one vendor to purchase the same or similar items without competition to avoid the bid laws. Vendors can bring violations and accusations forward to the Inspector General's Office and Attorney General's Office who feel that they are missing business because a department has exceeded the \$5,000 threshold with the vendor and will not do any more business with them.

7) Use of District Credit Card and Ghost Card

District Credit Card is available: The district has a credit card available for professional development, travel, and vendors who do not take purchase orders, or in rare cases, whereby the next time a check can be cut is too late for payment or registration. The use of this card is to limit or eliminate the need to reimburse staff for school based expenditures. **Pre-Approved** Professional Development, Travel, etc. can be directly arranged and easily charged against the credit card. This is not a replacement to the purchase order requirement or school committee policy.

Wright Express, our district credit card company, has added a new feature to our credit card transaction process. It is referred to as a "Ghost Credit Card". A "Ghost Credit Card" is a paper credit card for single/multiple use with a single vendor and expiration date. This credit card is issued by the Business Office to a staff member needing a credit card number to charge a transaction. The amount available to be charged on the ghost card will be the total of what the staff member is requesting to pay for on his/her transaction. Once the "Ghost Credit Card" is generated, a copy of the card is faxed to the Business Office. The Business Office will then fax a copy of the card to the staff member on the day the card is generated. The staff member will receive a faxed copy of the credit card with all the needed information he/she will need to complete his/her transaction. This will enable any staff member to complete his/her own transaction which will hopefully reduce any errors in completing transactions.

The process is as follows:

- 1) A requisition is entered into MUNIS to the vendor "Wright Express" by the Dept/Principal Secretary against the account being charged:
 - a. Please put the name of the vendor in the general description box on the requisition form. This helps all of us match the transaction we are looking for in MUNIS faster.
 - b. Please use one requisition per vendor when travel is involved.
 - c. Please print the account number on the requisition
- 2) A copy of the order form, web page (shopping cart preferred), etc is attached electronically or via paper to the MUNIS requisition. This should provide enough detail to anyone trying to duplicate the transaction that you as the recipient intend to receive. Professional Development must be pre-approved before the card can be accessed.

There is no need to reimburse an employee if s/he follows the Professional Development procedures and the Credit Card procedures. Attach them all to the same form and it works. Professional Development must be approved 30 days in advance. Hotel reservations need to be made by the individual and the confirmation number provided. Airfare will be done directly with the flight information provided on the requisition.

- 3) Two photocopies of the Requisition with the backup information as stated above is forwarded to Assistant Superintendent for Finance & Business (the requisition is not turned into a PO. It simply holds the funds in reserve against the account and assures us funds are available.) Nothing needs to be sent to Accounting up to this point in the process.
- 4) Assistant Superintendent for Finance & Business will execute the transaction and whenever possible will email the department secretary and the budget manager/teacher/advisor confirmation of the order.
- 5) Wright Express directly charges the MUNIS account number on the requisition at the end of the month, or when the vendor executes the transaction.
- 6) The Teacher/Advisor **MUST** return a receipt to the department/building secretary who will forward it to ACCOUNTING OFFICE. If Accounting does not receive a receipt, your next transaction will be in jeopardy. We still have to provide original receipts to our auditors for

these transactions. An Email confirmation is rarely a receipt. There is usually some receipt printed any time an electronic transaction takes place. Keep it and turn it in. Packing slips for shipments can be considered receipts and should be treated as such.

- 7) Please keep a copy of all paperwork for your own records. If information is missing or one cannot figure out where the order is taking place or how to contact the vendor, the documentation will be returned.

Additional Information

- If for some reason, the staff member needs to cancel or increase the amount of the credit card, contact Debbie Harvey at the above number for assistance.
- If a staff member only wants to charge a down payment on the card and then charge the rest later, the credit card will have the total amount of the transaction on the card and the staff member can choose what amount and when they would like to charge the transaction.
- Do not contact anyone in the Finance/Accounting office regarding the Ghost Credit Card. Debbie Harvey in the Business Office is the person who can assist you with any questions or information you need regarding use of your ghost credit card.
- Keep a copy of the credit card with you if traveling. Also, please keep a copy of your card in a safe and secure area with your paperwork.
- If you are going on-line and need to use **PayPal** you must put the following information in the correct boxes:

Name: TOL PLOG (all caps) (The credit card does not have your name assigned to it)

Address: 1625 Massachusetts Avenue, Lexington, MA 02420

Advanced planning and notice is always appreciated. Last minute transactions (three days or less) are risky at best due to my fluctuating schedule. Contact x215 to arrange ahead of time.

8) Final Reports to Granting Authority

Final Grant reports are due to the awarding authority⁴ 45 days after the end date of the grant. Each Grant manager must prepare a draft report and submit it to the Accounting Manger who will finalize the financial report and submit the package to the awarding authority.

9) Required Forms for Payroll and Account Payable

- Requisition Form (sample attached)
- Biweekly Payroll Form (attached)
- Stipend Voucher Form
- New Vendor Request Form: (available from MUNIS users conference – see building/department secretary.

⁴ Awarding Authority: The organization that provided the funding for your grant.