

INTERIM AUTHORITY TO ENCUMBER FUNDS

POLICY

In order to expedite the purchasing process, the Procurement Manager may prepare and release purchase orders up to \$10,000 in each instance prior to Board approval, provided such purchase orders/encumbrances are presented for ratification at the next Board meeting. In no case will purchase requests be split to circumvent this policy.

No purchase order equal to or greater than \$10,000 may be released unless the Superintendent (or in his/her absence, a designee) signs an Emergency Purchase Certificate which states the nature of the emergency. A copy of the certificate will be attached to the report of encumbrances at the next Board meeting

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PROCEDURES

- A. Prior to releasing purchase orders, the Business Office will determine that adequate funds are available to cover the cost of the purchase;
- B. The purchase order -- if under \$10,000-- will be entered into the encumbrance ledger (computer), and the appropriate copy of the purchase order will be distributed as required;
- C. If the purchase order is equal to or greater than \$10,000, it will be entered into the computer records, but copies will not be distributed. Instead, that Purchase Order and all others equal to or greater than \$10,000 will be held for prior approval of the Board at its next meeting;
- D. Any change order -- if under \$10,000 -- will be entered into the encumbrance ledger (computer) and released as required;
- E. If the change order is equal to or greater than \$10,000, it will be entered into the computer records but will not be released. Instead, the change order and all others equal to or greater than \$10,000 will be held for prior approval of the Board at its next meeting.
- F. An "Encumbrance Report for Board Approval" will be prepared (See Item J).
 - 1. The amount of encumbrances for this period (including Purchase Orders less than \$10,000 and equal to or greater than \$10,000);
 - 2. Those Purchase Orders equal to or greater than \$10,000 will be listed separately;
 - 3. Any change order which is equal to or greater than \$10,000 will be listed separately;
 - 4. An aggregate amount will be shown for all change orders less than \$10,000.
- G. Preceding the next Board meeting, the "Encumbrance Report for Board Approval" will be completed and copies provided to the Superintendent's office for inclusion with Board materials;
- H. The "detail" report (individual listing of Purchase Orders) will be prepared as backup for the Encumbrance Report for Board approval;
- I. After approval by the Board:
 - 1. Copies of the Purchase Orders equal to or greater than \$10,000 will be distributed as required.
 - 2. Change Orders equal to or greater than \$10,000 will be released as required.
- J. Sample Encumbrance Report for Board Approval:

ENCUMBRANCES FOR BOARD APPROVAL

April 4, 2006

**GENERAL FUND
(2005-06)**

ENCUMBRANCES THIS REPORT (FOR APPROVAL) \$ 235,205.34

FY 2005-06 BUDGET \$ 64,958,384.00
ENCUMBERED/SPENT TO DATE** 46,674,142.15
FUNDS AVAILABLE AS OF 4/04/06 \$ 18,284,241.85

** Includes the Encumbrances in this report

BELOW IS A LISTING OF ENCUMBRANCES EQUAL TO OR GREATER THAN \$10,000 AND A SUMMARY OF CHANGE ORDERS:

Encumbrances Equal to or Greater than \$10,000:

P.O. #	Vendor	Amount	Explanation
4706	Alorica	\$35,000.00	BPO to Cover Training Expenses Allotted in TIP Contract - BCD
70468	Payroll Encumbrance	\$23,088.21	Payroll Encumbrance for New EMS Instructor Position - Peoria

Change Orders Equal to or Greater than \$10,000:

P.O. #	Vendor	Amount	Explanation
564	Rosenstein, Fist & Ringold	\$30,000.00	Increase BPO for Legal Services for FY 05-06 - District

Change Orders Less than \$10,000:

Aggregate Amount for all Change Orders Less than \$10,000 \$ (4,616.33)

CERTIFICATION: I hereby certify that encumbrances reflected above do not exceed the budgeted amounts:

Chief Financial Officer