

Youth Advancement Academy  
Policies and Procedures - Federal Awards Administration  
Financial Management Systems  
Purchasing and Procurement

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It is the policy of Youth Advancement Academy (the "District") to ensure that all disbursements of District funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of District funds shall be subject to the following provisions:

**Board Policies:** The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 - *Grant Funds*
- 6144 - *Investments*
- 6152 - *Student Fees, Fines, and Supplies*
- 6210 - *Fiscal Planning*
- 6220 - *Budget Preparation*
- 6230 - *Budget Hearing*
- 6231 - *Budget Implementation*
- 6320 - *Purchasing*
- 6440 - *Cooperative Purchasing*
- 6460 - *Vendor Relations*
- 6470 - *Payment of Claims*
- 6800 - *System of Accounting*

**Additional Policies and Procedures:** The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Business Office shall obtain informal quotations, formal bid quotations, or competitive bids for goods and services, as specified by Board policy and State law.

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2. If the competitive bid threshold issued by the State of Michigan Department of Education differs with Board policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The Superintendent or designee will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by MDE.

Expenditure Type	Michigan Revised School Code Section
District procurement of supplies, materials and equipment	623a
District award value limit	634 and 1814
District gift value limit (monthly)	635
School building construction, addition, renovation, or repair	1267
School District or Public School Academy procurement of materials, and equipment	1274

3. Disbursements will be supported by approved vendor invoices. The approved invoice will be attached behind the check stub and filed. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.
4. The Superintendent or designee is authorized to make purchases for allowable and necessary items within the Board-approved budget allocation.
5. Purchases made with federal funds in excess of \$100,000 may be subject to the provisions of 34 CFR Part 85 or similar regulations. Where such regulations differ from general District policy, the more restrictive of the requirements shall apply.
6. All approved check requests will be processed by the accountant. Disbursements will be made by check with the exception of debt service payments, and payroll-related expenses.
7. Prior to processing the bi-weekly check run, the KRESA LEA Supervisor will approve each voucher for payment and compare the voucher to the invoice for accuracy.
8. The listing of paid checks will then be logged in a cash flow spreadsheet (maintained outside of the financial accounting software) to be used as a secondary control over month-end cash balancing.
9. Checks are sequentially numbered by the financial software package and verified during check runs. Since the entire check form/image is generated through the printing process (i.e., the check stock is blank), it will not be deemed necessary to use a physically secure location. Checks will be endorsed by MICR during the printing process.
10. Claims and invoices will be paid timely based on the conditions of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payment.
11. Checks will only be made payable to a specific payee. It is prohibited to issue a check to "cash" or "bearer". Similarly, it is prohibited to sign a blank check.

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12. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply:
  - a. The Superintendent or designee will develop a standard employee expense report reimbursement form which will be made available to all employees through the District's website (or other shared document storage).
  - b. The employee expense report will be signed by both the employee and the employee's direct supervisor (or other administrator knowledgeable of the employee's work activities).
  - c. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach documentation (i.e.: receipt exception form). This form will certify that the reimbursement is for costs incurred on behalf of the District and is not for illegal or unauthorized costs.
  - d. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles in accordance with OMB Circular A-87.
  - e. Approved expense reports will be submitted to the accountant who will verify that expenses are appropriate and supporting documentation is attached.
  - f. The Business Office will not process any expense reimbursements for payment until all necessary signatures have been obtained.
  - g. An employee making a disbursement using personal funds on behalf of the District may be subject to State sales tax, while payments made by the District directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the District.
  
13. Voided checks will be marked "VOID", the signature line torn off and retained.