

Business and Noninstructional Operations

PAYMENT FOR GOODS AND SERVICES

The Board of Trustees recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard district resources. To facilitate warrant processing, the Superintendent or designee shall ensure that purchasing, receiving, and payment functions are kept separate. He/she shall also ensure that invoices are paid expeditiously so that the district may, to the extent possible, take advantage of available discounts and avoid finance charges.

The Superintendent or designee shall sign all warrants and shall ensure that warrants have appropriate documentary support verifying that all goods and services to be paid for have been delivered or rendered in accordance with the purchase agreement.

The Superintendent or designee may pay invoices in excess of previously approved purchase order amounts without further Board approval when the excess amount represents sales tax, transportation charges, or charges made for the detention of a shipment during loading and unloading.

The Board shall approve all warrants at a regularly scheduled Board meeting.

The district shall not be responsible for unauthorized purchases.

- (cf. 3300 - Expenditures and Purchases)
- (cf. 3312 - Contracts)
- (cf. 3314.2 - Revolving Funds)
- (cf. 3400 - Management of District Assets/Accounts)
- (cf. 9320 - Meetings and Notices)
- (cf. 9320 - Meetings and Notices)

Legal Reference:

EDUCATION CODE

- 17605 Delegation of authority for purchases
- 42630-42651 Orders, requisitions and warrants
- 42800-42806 Revolving cash fund
- 42810 Alternative revolving fund
- 42820 Prepayment funds

CODE OF CIVIL PROCEDURE

- 685.010 Rate of interest

GOVERNMENT CODE

- 16.5 Digital signatures
- 5500-5506 Uniform Facsimile Signatures of Public Officials Act
- 8111.2 Definition of public entity

PAYMENT FOR GOODS AND SERVICES (continued)

PUBLIC CONTRACT CODE

7107 Retention proceeds; withholding; disbursement

9203 Payment for projects costing over \$5000

20104.50 Timely progress payments

CODE OF REGULATIONS, TITLE 2

22000-22005 Digital signatures

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Understanding California's Public School Finance System, 2006

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Understanding District Budgets, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

WEB SITES

CSBA: <http://www.csba.org>

California Secretary of State, digital signatures: <http://www.sos.ca.gov/digsig/digsig.htm>

Fiscal Crisis Management & Assistance Team: <http://www.fcmat.org>

Business and Noninstructional Operations

PAYMENT FOR GOODS AND SERVICES

Payment for Construction Contracts

Payment on any contract for the creation, construction, alteration, repair, or improvement of any district property or facility or other public works project shall be made in accordance with the estimates, process, and/or schedule approved by the Governing Board.

As necessary, the Superintendent or designee may make progress payments as actual work is completed or materials are delivered. When a payment request is properly submitted by a contractor, any undisputed portion of the payment request shall be paid within 30 days. If the Superintendent or designee determines any payment request to be improper, he/she shall return the payment request to the contractor with a written statement of reasons why the request is not proper. (Public Contract Code 9203, 20104.50)

(cf. 3312 - Contracts)

The district may withhold up to five percent of the proceeds due to the contractor until completion and acceptance of the project. (Public Contract Code 7201)

The proceeds to be withheld by the district may exceed five percent when the Board has made a finding, prior to the bid and during a properly noticed and regularly scheduled public meeting, that the project is substantially complex and requires a higher retention amount than five percent. In such cases, the Board's finding shall include a description of the specific project and why it is a unique project that is not regularly, customarily, or routinely performed by the district or licensed contractors. The bid documents shall include details explaining the basis for the finding and the actual amount to be withheld. (Public Contract Code 7201)

(cf. 3311 - Bids)

(cf. 9320 - Meetings and Notices)

(cf. 9324 - Minutes and Recordings)

At any time after 50 percent of the work has been completed, the Board may release the withheld proceeds if it finds that satisfactory progress is being made. (Public Contract Code 9203)

Proceeds withheld by the district from payments to contractors for public works contracts shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between the district and the contractor, the district may withhold.

AR 3314(b)

PAYMENT FOR GOODS AND SERVICES

from the final payment an amount not to exceed 150 percent of the disputed amount.
(Public Contract Code 7107)

10/93
2/9/94
7/07
11/14/07
11/16/16