

Cornerstone Education Group
Business Office Procedures and Federal Awards Administration
Financial Management Systems
Purchasing and Procurement

It is the policy of Cornerstone Education Group (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:

Business Office Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict any District policies:

1. The Business Office shall obtain rate quotations for small purchases (\$3,500 - state competitive bid threshold) of supplies or services, sealed bids (state competitive bid threshold - \$150,000), or competitive proposals (>\$150,000) for goods and services, as specified by Board policy and State law.
2. To the extent practicable, the Business Office shall distribute micro-purchases (not to exceed \$3,500) equitably among qualified suppliers.
3. For small purchases of supplies and services charged to federal grants (purchases over \$3,500 and under the competitive bid threshold), the Business Office shall obtain an adequate number of qualified sources for rate quotations, and no cost or price analysis.
4. If the competitive bid threshold issued by the State of Michigan Department of Education differs with District Policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The CFO 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.
 - a. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program.
 - b. The organization may only use qualification-based methods, whereby competitor’s qualifications are evaluated and the most qualified competitor is selected, in the procurement of the architectural/engineering professional services.

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Expenditure Type	Michigan Revised School Code Section
Intermediate School District (ISD) travel expenditures	620
ISD procurement of supplies, materials and equipment	623a
ISD award value limit	634 and 1814
ISD 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

5. Purchases made with federal funds in excess of \$150,000 will require cost or price analysis, including independent estimates.
6. Disbursements will be supported by approved vendor invoices. The approved invoice will be attached behind the check stub and filed in the Business Office. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.
7. The State and Federal Programs Coordinator is authorized to make purchases for allowable and necessary items within the District-approved budget allocation.
8. All approved check requests will be processed by the Accounts Payable Department. Disbursements will be made by check apart from purchase card purchases, debt service payments, and payroll- related expenses.
9. Checks are sequentially numbered by the financial software package and verified during check runs. Unused check stock is stored in the Business Office in a physically secure location.
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 a check.
12. The District may account for the activities of certain student groups and organizations. Since these activities represent outside parties and are not subject to the oversight of the District management, they will be accounted for in a trust and agency fund. Such disbursements will be subject to the same policies and procedures and other District disbursements.
13. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply: The Accounts Payable Department has a standard employee expense report reimbursement form which will be made available to all employees through the District’s website. All employee expense reimbursements are required to be made using this standard form.

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- a. 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).
 - b. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach other acceptable documentation (such as a 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.
 - c. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles.
 - d. Expense reports of administrators will be submitted to the Finance Department for review and approval. Expense reports of Chief Executives will be submitted to Finance Department for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - e. Approved expense reports will be submitted to the Accounts Payable Department 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.
14. Voided checks will be stamped "VOID" and retained.
15. The Finance Department will be responsible for compiling information on disbursements and presenting this information to the Board of Education at its monthly meetings. This information will include:
- a. Detail listing of payments made by check, including: check number, invoice number, vendor name, payment description and amount.
 - b. Detail listing of individual payments over \$300 made with purchasing cards, including: amount and vendor. This information will also be presented in a listing with aggregate amounts by vendor.
16. Non-check disbursements (such as ACH transfers for Purchase Cards and Employee Insurance) will be prepared and initiated in the online banking software by the District's bank and reviewed and verified for accuracy by the Finance Department. Wire transfers are initiated by the Finance Director and approved by the CFO or his/her designee.

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17. Specific policies related to credit cards are addressed separately in the section of this manual titled "Credit Card Purchases"