

If amount exceeds bid limit, refer to the formal bidding documentation requirement section.

EXPENDITURES – GENERAL

BOOKS AND INSTRUCTIONAL MATERIALS

(Object code 4100-4200)

“The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.” [EC 81651/PCC 20118.3]



Required Documentation

1. Invoice
2. Contract with Board approval or Purchase Order with proof of ratification
3. Proof of receipt

MATERIALS AND SUPPLIES- (NON-CAPITALIZED EQUIPMENT)

(Object Code 4100-4400)

Required Documentation

1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of Receipt

PROFESSIONAL/CONSULTING SERVICES

(Object Code 5810-5899)

INSTRUCTIONAL SERVICES/NON-INSTRUCTIONAL CONSULTANTS

Expenditures for personal services rendered by personnel who are not on the payroll of the district; includes services performed by outside agencies.

Required Documentation

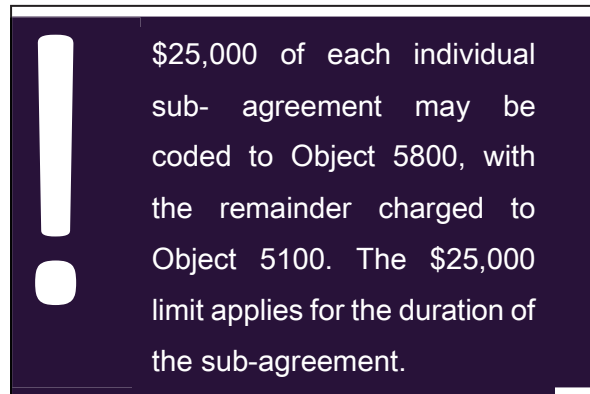
1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of event, (i.e. signed log-in sheet, flyer, signed timesheet)

SUB-AGREEMENTS FOR SERVICES

These are contracts with third parties to provide services required by a grant, such as emergency services required by an Emergency Response Safety Grant, contracts with nonpublic schools for services to special needs students, and contracts between a charter school and management company to provide instruction to charter school students.

Required Documentation

1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of service or event signed by the Department Head or Program Manager
4. For initial payment, copy of signed contract



APPRAISALS

(Object Code 5810-5819)

Required Documentation

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

SPECIAL ASSESSMENTS

(Object Code 5820-5829)

Required Documentation

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

LEGAL SERVICES

(Object Code 5820-5829)

Required Documentation

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification
3. Duly Signed

SETTLEMENT AGREEMENTS

(Object Code 5820-5829)

Districts are advised to pay Employee Settlement Agreements through payroll; refer to LACOE Bulletin #[3695](#). Employee Settlements are treated as wages per IRS ruling 2004-109 and 2004-110 and must be paid through the payroll system to ensure compliance to IRS retirement reporting regulations. Although it is not recommended, but when a district pays an employee settlement agreement using a voucher, the following documents are required.

1. Settlement agreement signed by both parties and the legal counsels for both parties; or Court Order
2. Board approval in open session per the Brown Act or, if approved in a closed session, report of the final action taken on the case number referenced in the closed session board minutes
3. If taxes are not taken from the settlement, a letter from an authorized district personnel acknowledging the district can be held liable for failure to properly issue a 1099 and for failure to withhold required taxes if determined settlement is taxable.

TRAVEL AND CONFERENCES [EC35044, 44032, 72423]

(Object Code 5200-5299)

Required Documentation

1. Invoices and/or receipts
2. Travel Claims
3. Board approved contract or Purchase Order with proof of ratification of travel/conference
4. Board Travel and Mileage Policies may be required (if not on file)

DUES AND MEMBERSHIPS [EC 35172]
(Object Code 5300-5399)

Required Documentation

1. Invoice
2. Authorized List of Membership Organizations with Specific Board Approval or Purchase Order with proof of ratification

INSURANCE (ALL FORMS OF INSURANCE OTHER THAN EMPLOYEE BENEFITS)
(Object Code 5400-5499)

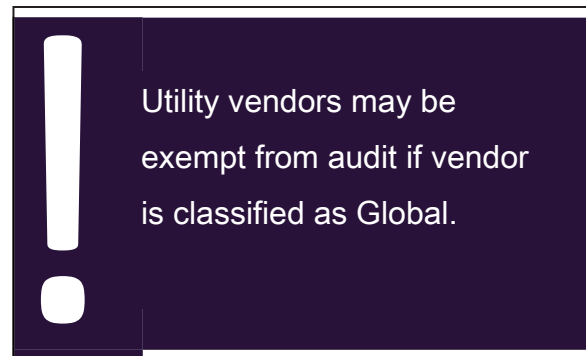
Required Documentation

1. Invoice
2. Insurance Policy
3. Board Approval or Purchase Order with proof of ratification

OPERATIONS AND HOUSEKEEPING SERVICES
(Object Code 5500-5599)

Required Documentation

1. Invoice
2. Contract with Board approval or Purchase Order with proof of ratification



RENTALS AND LEASES
(Object Code 5610-5629)

These are expenditures for rentals and leases without the option to purchase, and repairs or maintenance (including maintenance agreements) of sites, buildings, and equipment by outside vendors. Includes materials and supplies in the cost or repairs, and site or building improvements that do not meet the district's threshold for capitalization. Capital leases should be recorded according to the procedures in **CSAM Procedure 710**.

Required Documentation

1. Invoice
2. Contract with Board Approval (recurring lease or long term lease)

3. Purchase Order with Board Approval (one-time lease only) if assigned, need assignment contract
4. Payment Schedule, if not contained in contract

REPAIRS, AND NON- CAPITALIZED IMPROVEMENTS (UP TO CURRENT BID LIMIT)

(Object Code 5610-5629)

Required Documentation

1. Invoice
2. Duly Signed Contract or Purchase Order
3. For payments of more than 95% of the contract price of \$5,000 or more, district's acceptance of completion of the project [PCC 9203]
4. Payment bond if work to be done is over \$25,000 [CC 9552]

ADVERTISING

(Object Code 5830-5839)

Required Documentation

1. Invoice
2. Duly Signed Purchase Order or Board Approval
3. Copy of advertisement

TUITION

(Object Code 7110-7199)

Required Documentation

1. Invoice
2. Approval for payment by Authorized Signatory

PRIVATE SCHOOL TUITION

(Object Code 5870)

Required Documentation

1. Master and/or Individual Contract
2. Board Approval

OTHER OPERATING EXPENSES

(Object Code 5890-5899)

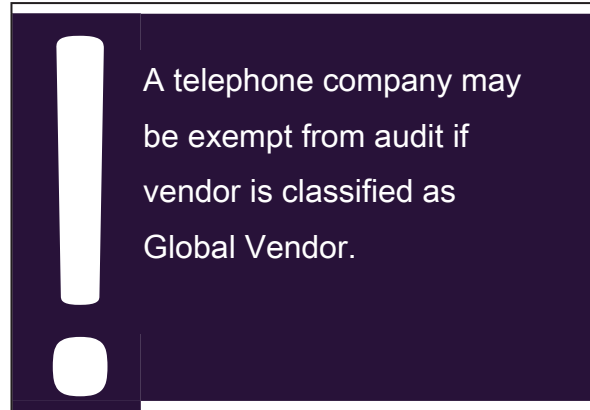
Required Documentation

1. Invoice
2. Duly Signed Purchase Order, Contract, or Board Approval

COMMUNICATIONS

(Object Code 5900-5998)

Expenditures for periodic servicing of all methods of communication, including pagers, cell phones, beepers and telephone service systems. Also includes fax lines, television cable lines and Internet service and lines. Communication equipment below the capitalization threshold should be coded to Object 4400. If the cost of a unit of equipment exceeds the capitalization threshold, use Object 6400.



Required Documentation

1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Signed Contract and/or Purchase Order
4. Board Approval of Contract and/or Purchase Order

REIMBURSABLE/REPLENISHMENT OF PETTY CASH

[EC42800] The governing board of a school district may, with the consent of the county superintendent of schools, establish a revolving cash fund for the use of the chief accounting officer of the school district, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the amount of the fund. The maximum amount allowed for revolving cash funds shall be the lesser of:

- (1) Two percent of the school district's estimated expenditures for the current fiscal year, or*
- (2) A dollar amount set by code*

[EC42801] In addition to establishing or maintaining a revolving cash fund the governing board of any school district may, by resolution, establish revolving cash funds for use by school principals and other administrative officials. The resolution shall state the necessity of the funds and the purposes for which the funds may be used and the amount of the funds. The total amount of the fund shall not exceed three percent of the current year's instructional supply budget.

Regardless of the amount, if the type of transaction is **auditable**, i.e. construction, contracts, travel, documentation to prove compliance to applicable codes will apply (i.e. board approval, proof of bidding, payment bond). Please refer to the transaction description for complete audit documentation requirements.

Minimum Documentation Requirements

PAYROLL ADVANCE

Should be made through payroll system or approval from payroll unit to process through commercial warrant.

VENDOR PAYMENTS

Invoice or statement approved for payment by authorized signatory certifying that charges were authorized, verified, and are actual charges for the district

TRAVEL ADVANCES AND REIMBURSABLE

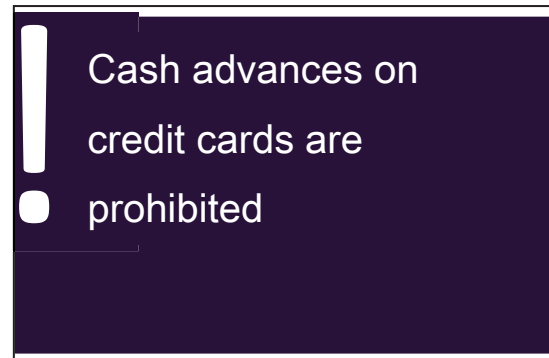
1. Copy of brochure, pre-registration form, or agenda
2. Travel request or travel advance form with authorized signatures
3. Receipts

CREDIT CARDS

Credit cards may be obtained in the name of the school district for use by authorized district employees and officials. Districts should establish policies for the use of credit cards. Individuals are to charge only those items that are legal expenditures and reimbursable from district funds.

Credit cards might typically be used for the following expenditures:

- Gasoline
- Telephone
- Travel expenses
- Miscellaneous school supplies



Minimum Documentation required

1. Credit card statement.
2. Receipts or a certification by individuals responsible for reviewing district credit card expenses. See example in Exhibit 6.
3. Excerpt from governing Board minutes approving the credit card account and credit limit or purchase order with proof of Board ratification.

OTHER TRANSFERS OUT

(Object Code 7210-7299)

These are transfers of resources to other districts and non-districts, i.e., transfers to Charter Schools, JPAs.

Required Documentation

1. Invoice
2. Approval for payment by an Authorized Signatory

DEBT SERVICE

(Object Code 7639)

Required Documentation

1. Invoice
2. Approval for payment by Authorized Signatory
3. Certification of Participation Trust Agreement with the schedule of payment

OTHER FINANCING USES

(Object Code 7630-7699)

Required Documentation

1. Inter-fund transfer authorization
2. Board Approval

ABATEMENT OF INCOME

(Object Code 8000)

These are reductions in income or tax revenues recorded in Object 8xxx.

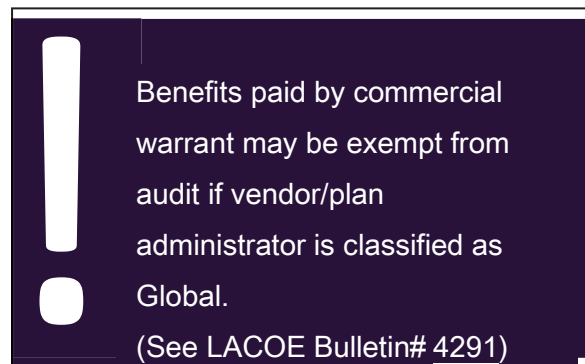
Required Documentation

1. Invoice
2. Board Approval

WITHHOLDINGS – PAYROLL

(Object Code 9511-9518)

1. Authorization from Payroll department to issue commercial warrant
2. Invoice



CAPITAL EXPENDITURE

These are expenditures for land, buildings, equipment, capitalized complements of books for new libraries, and other intangible capital assets, such as computer software, including items acquired through leases with option to purchase.

PROPERTY/SITE OR LAND PURCHASE

(Object Code 6100-6170)

The following backup documentation for building or Site or Land Purchase will be requested:

1. Letter of Intent to Purchase with Board Approval; this allows the district to make a deposit, and should indicate the deposit and sale price.

2. Excerpt from the minutes of the governing Board describing and approving the property to be purchased, amount to be paid and authorization for execution of escrow instructions
3. Escrow instructions approved by legal counsel

Required Documentation

1. Invoice
2. Signed Contract with Board Approval
3. Escrow Agreement (if acquiring land)

BUILDING /SITE IMPROVEMENTS OR BUILDING IMPROVEMENTS

(Object Code 6200-6299)

These include cost of construction or purchase of new buildings, including relocatable buildings, such as portable classrooms, additions and replacements of obsolete buildings including all costs incidental to the purchase or improvement. Included also are additions to/improvements of sites and adjacent ways, incidental expenditures in connection with acquisition of sites, site improvements and special assessments on leased property.

Required Documentation

1. Invoice
2. Signed Contract with Board Approval
3. For payments of more than 95% on a contract amount of \$5,000 or more, district's acceptance of completion of the project [PCC 9203]
4. Payment bond, if work to be done is over \$25,000 [CC 9552]

NOTE: Consultant services for construction projects such as architect fees, design fees and building security will only require items 1 and 2 above.

BOOKS AND MEDIA FOR SCHOOL LIBRARIES OR MAJOR EXPANSION OF SCHOOL LIBRARIES

(Object Code 6300-6399)

Required Documentation

1. Invoice
2. Duly Signed Purchase Order or Contract
3. Proof of receipt

EQUIPMENT/EQUIPMENT REPLACEMENT

(Object 6400-6599)

Required Documentation

1. Invoice
2. Duly Signed Purchase Order or Contract
3. Proof of receipt
4. For payments of more than 95% on a contract above \$5,000, district's acceptance of completion of work [PCC 9203]
5. Payment bond if installation cost is over \$25,000 [CC 9552]