



BOARD OF EDUCATION OF THE BOROUGH OF MADISON

359 Woodland Road • Madison, NJ 07940 • (973) 593-3101 • Fax (973) 593-3161

Mark Schwarz
Superintendent

Gary S. Lane
Business Administrator/
Board Secretary

Introduction

*The purpose of this **General Purchasing & Travel Information Guide** is to provide basic guidance & assistance to Board of Education employees in regard to the proper purchasing practices to be in compliance with:*

- New Jersey Public School Contract Laws
- Board of Education Policy

This guideline is designed to achieve three (3) goals:

1. Follow the law and Board policy on purchasing;
2. Promote efficiency in the purchasing practices;
3. Achieve savings of money through proper purchasing practices.


It is asked that you, the user of the purchasing system, help achieve these goals through proper planning. Please allow yourself enough leeway between generating a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services do you need on an annual basis?

Through proper planning, we can eliminate much of the frustration that is encountered in all public school purchasing procedures.

These guidelines should be reviewed by all administrators, supervisors, teachers, secretaries, and anyone else who may be involved in the purchasing process. It is imperative that everyone adhere to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call.

Thank you,


Gary S. Lane, RSBA
Business Administrator
Secretary to the Board of Education



Madison Board of Education Business Office

~ General Purchasing & Travel Information Guide ~

Revised ~August 2016

Proper planning is essential in the purchasing process. Through proper planning we should be able to avoid potential frustrations, purchasing errors or delays. Please allow yourself enough time between generating a purchase order and the actual date materials or services are needed. Please plan ahead.

Each Board of Education uses a purchase order (PO) system to make purchases on behalf of the district. A purchase order (a) sets aside the money for the purchase and (b) clearly outlines what is to be purchased. The basics of the information to be provided are as follows:

- A. From whom are the goods or services being purchased (vendor). If the vendor has a State number or is part of a purchasing consortium, this must be identified on the purchase order, including the appropriate state or consortium contract number.
- B. The detail of the items being purchased or a description of the services to be provided. Items and/or services are to be described clearly with correct and up-to-date catalogue numbers (*if applicable*) and costs. Please use latest catalogues available.
- C. The detailed cost of the individual items and a summary cost of the total order.
- D. Identification of who is making the order and what budget account is to be charged for the order.
- E. Any special instructions or conditions are to be included in the body of the purchase order.

The more detail that can be provided at the onset the better. All supporting documentation must accompany the PO. Purchase order requests that have insufficient documentation slows down the processing of the order.

In preparing your purchase, it is imperative that everyone adhere to all purchasing laws and guidelines. **Purchases made which do not follow the proper procedures are the responsibility of the person who made the order.**

1. Authorized Purchases

All requests for purchases of materials, supplies, and services must be made via a **signed and approved purchase order**. In April, 2000, Governor Whitman signed and implemented the Public Procurement Law. This law established a "Purchasing Agent" for each school district as the only person in the district authorized to make purchases and sign contracts on behalf of the Board of Education. This included student financed programs such as yearbook, class rings and the like. The Business Administrator/Board Secretary is the authorized purchasing agent for the Board of Education. All purchase orders and contracts must have his/her signature in order to be authorized.

The purchase order authorizes the work or service to be done, and/or the materials, and supplies to be delivered to our school district.

The purchase order also sets aside an amount of money from the budget to pay for the work or service to be done, and/or the materials and supplies to be delivered to the district. **Without a purchase order, monies are not set aside and may not be available for the purchase.**

Please be reminded that each order must include, to the best extent possible, the description of all items, services, costs, quantity, unit prices and catalog numbers; described clearly with correct and up-to-date information and costs. Shipping and handling costs are to be added to all purchase orders. If you are unable to ascertain the actual charges from either the catalog or by contacting the vendor, please include 10% for the estimated shipping and handling – and indicate such on your order. If there are no shipping and handling charges, indicate on the order that shipping and handling are included.

2. **Unauthorized Purchases**

Any Board of Education employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase. Unauthorized purchases are a violation of State Law and Board Policy. The purchaser is responsible for any unauthorized purchase.

3. **Confirming, telephone or verbal orders prohibited**

Please be informed that, in accordance with New Jersey law, the Madison Board of Education does not accept confirming, telephone or verbal orders. All orders must be made via a typed purchase order duly signed by the Business Administrator. If you arrange to have goods delivered, items shipped or services provided without following this process, you do so at your own risk and will be personally responsible for the order and/or its return.

Without a fully executed purchase order, payment by the district cannot be assured nor can the return of goods be guaranteed. Confirming orders are often the by-product of poor planning. If there is an urgent need, contact the Business Office.

4. **Preview of Materials**

All staff members must receive permission from their supervisor or appropriate administrator to preview materials. After the preview process has been completed, the item(s) must be returned. To ensure that there are sufficient funds for the item should the decision be made to purchase the item(s) after the preview, a purchase order for the preview item(s) must be completed, when the preview is initiated, thereby setting aside the funds to purchase.

5. **Business Registration Certificates**

The State of New Jersey requires that all businesses that enter into any agreement with a Board of Education in excess of the quote threshold (\$6,000) as an aggregate must provide the Board of Education with a copy of their BUSINESS REGISTRATION CERTIFICATE which has been issued to the business by the State of New Jersey. Purchase orders cannot be honored without having this document on file in the Business Office. Non-profit organizations and other governmental agencies are exempt from this requirement. Vendors with registration question should contact the Division of Revenue at 1-609-292-1730, register online at www.nj.gov/treasury/revenue/taxreg.htm or submit an email at: www.nj.gov/treasury/revenue/revcontract.html. Registration is a one-time action and there is no cost to register. Businesses must complete Form NJ-REG, individuals must complete Form NJ-REG-A.

6. **Tax Exempt Status of School Districts**

Local school districts, as a political subdivision of the State of New Jersey, are exempt from the New Jersey Sales & Use Taxes, pursuant to Section 9(a) of the New Jersey Sales and Use Tax Act when purchasing items for their own (district) use such as desks, chairs, office equipment, etc. Also, as a tax exempt organization, school districts are not required to collect sales tax on sales that are made through fund-raising events or activities which last for a relatively short time and are not held on a regular basis during the year, provided that the proceeds only benefit the school district. When purchasing items for use by the local school district, an exempt organization certificate or number is not required. The official letterhead of the school district signed by the proper school officer, that being the Business Administrator/Board Secretary, is sufficient proof to the vendor that the local school district is exempt from paying taxes. Our purchase order, duly signed by the Business Administrator/Board Secretary, serves this purpose. Sometimes, a vendor will accept our federal tax ID number for tax exempt purposes. This number can be provided by the Business Office.

State Law prohibits the payment of sales taxes for purchases or reimbursements.

7. **Urgent Orders**

From time to time there may arise the need to have a purchase order processed in an urgent fashion. In these cases, the purchase order should be processed through the system, obtaining all the required approvals. The person requesting/responsible for the urgent order should contact the Business Office for approval and signature of the Business Administrator.

If there is the necessity to have the order faxed, please contact the Business Office. All faxed orders must be initialed by the Business Administrator and faxed only from the Business Office. The district cannot take responsibility for orders which circumvent this process.

8. **Emergency Purchases**

Emergency Purchases are strictly regulated by N. J. S. A. 18A: 18A-7. A situation must exist affecting the health and/or safety of the occupants of school property that requires the immediate delivery of articles or the performance of a service to alleviate the emergency. Please note that the Superintendent of Schools and Business Administrator must be notified of all emergency purchase requests.

9. **Outside Services / Contracts**

Any agreement between two parties constitutes a contract. That means field trip agreements, restaurant bookings, yearbook contracts; busses and DJ agreements, are all considered contracts. As the District's purchasing agent (as designated by law), the Business Administrator is the only person authorized to sign a contract on behalf of the Board of Education and your group. Please be advised that for a service contract, a certificate of insurance, naming Madison Board of Education as additionally insured is required in most instances. The District will not hold harmless or indemnify any entity. It is best to check these matters with the Business Office during your consideration of hiring any outside person or contracting any service.

10. Reimbursements

The Board of Education only recognizes a reimbursement purchase order in limited instances. Approved travel, tolls, meals, and conferences expenses are such items.

Purchase Orders for tuition reimbursement are to be prepared for the full amount. Payment will be provided according to BOE negotiated agreements.

~ BIDS, BIDDING & QUOTATIONS ~

1. Bid Limits

The Madison Board of Education is restricted by New Jersey State Law on how much money can be spent by the district for the entire year on materials, supplies, and services.

This restriction is called the **bid threshold**, or **bid limit**. The bid limit established by law is \$40,000.

This means that any specific item, class of items, and/or services of a similar nature, purchased *by the school district* from the same vendor totaling more than \$40,000 over the *entire year* must be competitively bid.

The law cannot be circumvented by splitting purchases to be under the bid limit.

If you find that your purchases may exceed the \$40,000 bid limit, please contact the Business Office. **The formal bidding process takes, at a minimum, approximately 6 - 8 weeks to complete.**

2. Quotations and Quotation Procedures

In certain instances, quotations must be made in order to purchase items. The quotation limit (threshold) is now \$6,000.

This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$6,000 and less than \$40,000 for the entire year, must be *competitively quoted*.

A minimum of three (3) competitive quotations must be solicited and attached to the purchase requisition. Competitive quotations means that the items being quoted on by each vendor must be substantially the same; equal in all aspects and nature. The law cannot be circumvented by splitting purchases to be under the quote threshold.

Orders under the \$6,000 threshold may be purchased without quotes.

3. Aggregation

According to the Public Procurement Law signed into law by Governor Whitman in 2000, goods and services of a like kind or 'single' in character or necessity must be combined into one contract/order.

Purchases are to be aggregated in two ways: by cost and by character. For example, the district is prohibited from purchasing, without bidding, goods or services in excess of the bid threshold from any one vendor over the course of one year.

Additionally, the district is prohibited from purchasing, without bidding, in the aggregate, goods or services in excess of the bid threshold of items “single” in nature - paper or computer supplies or computer equipment for example, over the course of one year. Purchases cannot be broken up into smaller pieces to circumvent the intent of the law.

4. **Exceptions to the Bid Limit**

New Jersey State Law allows for some exceptions to the bid and quotation limits. They include:

1. Purchasing through State Contract
2. Professional services as outlined by New Jersey law
3. Textbooks, kindergarten supplies, student produced publications
4. Legal notice, food supplies, milk, utilities, insurance, election expenses and energy saving devises/supplies.

All other purchases must adhere to the bid and quote threshold process.

5. **State Contract Purchasing**

Some companies have obtained state contract pricing for their products. Each company, when approved for state contract pricing, is provided a State Contract Pricing Number. This number must be included on all purchases made under a state contract vendor. All vendors are also provided with a Notification of Award certificate which must be produced when requested. State contract pricing includes shipping and handling.

When using a State Contract vendor, the purchaser **must still compare prices** from other State Contract vendors and select the lowest price. In other words, when purchasing from a State Contract, quotes are required from other State Contractors who provide similar products/services. **According to the State of New Jersey:** “State Agencies are required to review each vendor’s product/service and prices carefully. Orders should be placed with the contractor offering the lowest cost. In the event that delivery, availability or the minimum order considerations cannot meet the program requirements, the contract vendor offering the next best price is to be used for the product/service.”

~ **TRAVEL** ~

Effective in 2007, A-5 drastically changed the way travel is conducted in school districts. Below are a few of the more pertinent points.

1. **ALL travel must be approved by the Board of Education PRIOR to the travel event.** There is NO “after-the-fact” reimbursement.
2. **ALL requests for travel must be approved administratively and for those in excess of \$150 provided to the Business Office for inclusion on the Board agenda.**
3. **It is the responsibility of the person making the request to be familiar with the rules and regulations promulgated by the State of New Jersey, Department of Education and the Board of Education** regarding maximum costs, allowable expenses, etc. including but not limited to all parts and attachments of this document.

4. Any costs incurred by an individual that do not comport with items 1-3 above, are the sole responsibility of the person who incurred the cost.

Please refer to the following for further guidance:

- A. A-5 / Travel Memorandums
 - G. Lane – dated August, 2016 (*attached*)
 - Commissioner Davy – dated March 2008 (*attached*)
- B. Tax Exempt Status of School District Letters
 - G. Lane – dated August, 2016 (*attached*)
 - Assistant Commissioner Davis – dated June 1994 (*attached*)
- C. OMB Circular 08-19-OMB regarding Travel Regulations
<http://www.state.nj.us/infobank/circular/cir0819b.pdf>
- D. OMB Circular 06-14-OMB regarding Entertainment, meals and refreshments
<http://www.state.nj.us/infobank/circular/cir0614b.pdf>
- E. US General Services Admin. Website/per diem rates in US –
www.gsa.gov

~ ETHICS IN PURCHASING ~

It is the desire of the Madison Board of Education to have all Board employees practice exemplary ethical behavior in the purchasing of goods, materials, supplies and services. With this in mind the Board reminds all employees of the following:

Family Members

District officials and employees should avoid recommending purchases from members of their family or businesses that employ members of their family.

Favoritism

District officials and employees who recommend purchases should not extend favoritism to any vendors. Each recommended purchase should be based upon quality, price, service, delivery and other applicable factors and in full compliance with N. J. S. A. 18A: 18A.

Funds, Solicitation of Gifts

District officials and employees are prohibited from soliciting funds, materials, goods, supplies, favors and other items of value from vendors doing business with the Madison Board of Education.

All district officials should be guided by the tenets of the New Jersey School Ethics Law.

If anyone has questions regarding purchasing, bid or quote process or travel or other business matters, please do not hesitate to contact the Business Office.



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Dr. Michael Rossi, Jr.
Superintendent

Gary S. Lane
Business Administrator/
Board Secretary

MEMORANDUM

DATE: August, 2016
TO: All Staff
FROM: Gary S. Lane
RE: A-5 Travel & Meal Regulations

A-5, or the travel law as we have come to know it, has been in effect since the spring of 2007. However, when first introduced there were areas of the law which were in need of clarification. To that end, Commissioner Davy issued a memorandum dated March 17, 2008 regarding the travel regulations. Below please find an abridged version of the information provided by the Commissioner.

First, some basics of A-5:

- A. All costs discussed are as reimbursements or as processed via a purchase requisition/order for approved travel – it is not permissible to provide “up-front” monies to individuals.
- B. All costs must be Board approved prior to the event/cost being incurred*. **There is no “after-the-fact” reimbursement.** Plan ahead.
- C. A person who approves the expenditure of monies in violation of these rules, regulations and policy, shall be required to reimburse the school district an amount equal to three times the cost associated with the event.

The following is a summary of the general requirements of the NJOMB circulars that must be followed pursuant to N.J.S.A. 18A:11-12 as provided to districts by the Commissioner of Education:

Non-allowable items:

1. *Under ordinary circumstances such as staff meetings (Administrative, Principal, you fill in the blank) no meal allowances are allowed at the school district or within a radius of ten miles from the school district.*
2. *Retirement dinners and other employee recognition dinners are not considered an official luncheon or dinner and are specifically prohibited.*
3. *The cost of receptions or other social functions held for the sole purpose of honoring any employee or group of employees of the district (retirement, awards, appointments, etc.) are not permitted to be paid by public funds.*
4. *The cost of meals or refreshments served to participants or guests at any athletic or other games or contests are not permitted to be paid with school funds.*
5. *Lunch for training sessions and retreats may be authorized for an amount up to \$7.00 per person **ONLY** when it is necessary that employees remain at the site **OTHER** than their school district. This is only allowed if the training is **NOT** in the school district and there is **NO** viable options for lunch at the off-site location. Therefore, **providing lunch for in-service days or for staff that come from other parts of the district is not permitted.***

***There is no reimbursement of lodging and meal costs for overnight travel within the state** – unless the sponsoring organization has received prior approval by the Commissioner of Education. The Commissioner has been granted the authority to grant waivers for overnight travel for district employees to attend in-state conferences pursuant to guidelines issues by the Department of Education. All in-state conferences after September 1, 2008 have required an approved waiver as promulgated by the Commissioner.*

6. *There is **no reimbursement of meals for in-state travel.***
7. *Charges for alcohol, laundry, valet services, entertainment, reverse telephone charges, third party calls or personal calls are not permitted. Please also note that a school district is prohibited from paying for car rentals, limousines services, chauffeuring costs to or during an event, as well as costs for employee attendance for coordinating another attendees' accommodations at the travel event.*

Allowable items:

1. *All reasonable costs for commencement activities for students.*
2. *All costs for student field trips that are part of the instructional program.*
3. *All reasonable costs for activities, events or functions provided held for the benefit of students.*
4. *Costs for activities, events or functions for dignitaries and other “non-district” employees (i.e. parents), including light meals is permitted **however**, the circular **specifically states that expenditures for this purpose will be minimal and infrequent.***
5. *Reimbursement may be provided for the cost of an official luncheon or dinner that an employee is authorized to attend (up to \$7 for lunch and \$10 for dinner), where such a meal is scheduled as an integral part of the official proceeding or program – and the event must be related to district business and the employee’s responsibilities.*
6. *For one-day, out-of-state trips required for school purposes, meal reimbursement may be authorized for breakfast (\$5), lunch (\$7) and/or dinner.*
7. *Reimbursement for overnight travel outside the state is permitted provided the rules and regulations of N.J.S.A. 18A:11-12 (o) and the federal guidelines are followed. Please see www.gsa.gov for the federal per diem rates by location.*

** The Commissioner’s memorandum notes that **travel to conferences, conventions and symposiums are not considered emergencies and must receive Board approval.** In other words, being informed too late about an event or, poor planning does not qualify as an emergency. Additionally, further clarification by the Department permits workshops, etc., which do not exceed \$150 may be approved administratively and are not required to obtain prior Board approval.*

I trust this helps.




State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

JON S. CORZINE
Governor

LUCILLE E. DAVY
Commissioner

March 17, 2008

TO: All Board Presidents
All Chief School Administrators
All School Business Administrators

FROM: Lucile E. Davy 
Commissioner

SUBJECT: Travel Regulations

Last spring the legislature passed the School District Accountability Act (A5 or Chapter Law 53). This act includes several new provisions including the requirement that school district employees and board of education members follow the travel and meal regulations promulgated by the New Jersey Office of Management and Budget (Circular nos. 08-13-OMB and 06-14-OMB). The OMB regulations are written for state employees and agencies. As a result, questions have been raised regarding the interpretation and application of many of the provisions to school districts. Complicating the new requirements was OMB's recent revision to the travel regulations effective November 21, 2007 which contained more stringent requirements for in-state travel events.

I am writing to provide guidance on the recent OMB revisions under the new travel circular as well as provide a summary of the general requirements pursuant to the new law (N.J.S.A.18A:11-12). The significant changes in the travel circular are as follows:

1. There is no reimbursement of lodging and meal costs for overnight travel within the state; and
2. There is no reimbursement of meals for in-state travel.

To address concerns raised by school officials and education associations, the circular has been reissued to authorize the Commissioner of Education to grant waivers for overnight travel for school board members and school district employees to attend in-state conferences pursuant to guidelines issued by the Department of Education. The department is in the process of writing regulations that will contain the procedures for submitting a request for waiver. These will be part of the travel regulations soon to be issued with the regulations for A4 and A5.

Pending issuance of the regulations, however, school board members and school district employees may attend in-state conferences and receive reimbursement for lodging and meal costs if a contract with the conference sponsor was executed as of the date of this memo, for a conference that will take place on or before September 1, 2008. Regulations to be issued will be effective by September 1, 2008. Therefore, all conferences after September 1, 2008 will require waivers. Under the law, reimbursement for all overnight travel in-state is no longer permitted except for conferences as noted above.

www.nj.gov/education

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Pursuant to N.J.S.A.18A:11-12(o), reimbursement for overnight travel out-of-state or in-state for conferences as permitted above, may exceed the federal per diem rates if the hotel is the site of the convention or conference and the going rate of the hotel is in excess of federal per diem rates. If the hotel at the site of the convention is no longer available, lodging may be paid for similar accommodations at a rate not to exceed the hotel rate for the current event. If there is no hotel at the site of the convention (e.g. the Atlantic City Convention Center), then lodging may not exceed the federal per diem rate.

The following is a summary of the general requirements of the NJOMB circulars that must be followed pursuant to N.J.S.A.18A:11-12:

- Reimbursement for lodging and meals cannot exceed applicable federal per diem rates by location. These rates may be found at www.gsa.gov
- Registration and conference fees are not subject to the federal per diem rate cap.
- Under ordinary circumstances such as staff meetings, no meal expenses are allowed at the school district or within a radius of ten miles from the school district.
- Board meetings are limited to light meals and refreshments for board members not to exceed \$10 per person. Light meals may be served to employees who are required to attend the board meeting and where the employee is required to remain at the district to prepare for the meeting.
- Lunch for training sessions and retreats may be authorized for an amount up to \$7 per person only when it is necessary that employees or board members remain at a site *other than* their school district. Refreshments for breaks may be provided. We confirmed with OMB that this is only allowed if the training is not in the school district and there are no viable options for lunch at the off-site location. Therefore, providing lunch for in-service days or for staff that come from other parts of the district is not permitted. Also, per the statute, board retreats are to be held onsite unless there is no district site available.
- Reimbursement for training to maintain a certification that is not required as a condition of employment is not authorized. The circular provides an example: a CPA will not be reimbursed for attending a training class specifically to obtain CPE credits if that employee is not required to be a CPA for continued district employment.
- Reimbursement may be approved for the cost of an official luncheon or dinner that an employee or board member is authorized to attend (up to \$7 for lunch and \$10 for dinner), where such a meal is scheduled as an integral part of an official proceeding or program related to district business and the employee's responsibilities. Retirement dinners and other employee recognition dinners would not be considered an official luncheon or dinner under this provision and are specifically prohibited in another section of the circular.
- Meals during one-day, out-of-state trips required for school business purposes may be authorized for breakfast, lunch and/or dinner at a cost not to exceed:

Breakfast	\$ 5
Lunch	\$ 7
Dinner	\$10

- All reasonable costs of commencement and convocation activities for students are permitted.
- All costs of student field trips that are part of the instructional program are permitted.

- All reasonable costs for activities, events or functions provided or held for the benefit of students are permitted.
- Costs for activities, events or functions for dignitaries and other "non-district" employees (e.g. parents), including light meals and refreshments, is permitted. The circular specifically states that it is expected that expenditures for this purpose will be minimal and infrequent.
- The cost of receptions or other social functions held for the sole purpose of honoring any employee or group of employees of the district (retirement, awards, appointments, etc.) are not permitted to be paid with public school funds.
- The cost of meals or refreshments served to participants or guests at any athletic event or other games or contests are not permitted to be paid with public school funds.
- Charges for alcoholic beverages, laundry, valet services, entertainment, reverse telephone charges, third party calls, or personal calls are not permitted to be paid with public school funds.
- All costs and reimbursements must be properly itemized and documented in detail.

The OMB Circular does recognize that employees traveling on district business may not be able to obtain prior approval of the board of education sufficiently in advance of the departure date. In those instances, justification of the emergency must be included with the requisition and prior approval of the superintendent must be obtained. Travel to conferences, conventions and symposiums are not considered to be emergencies and must receive prior board approval.

Lastly, let me remind you that under the statute, a board of education may include in its board policy an amount per employee for regular business travel that does not require prior board approval. The circular includes attendance at meetings in its definition of regular business travel and therefore, the board could include in its definition of regular business travel attendance at regularly scheduled county meetings and department sponsored or association sponsored events provided free of charge.

LED/KPA/Commissioner's Travel Memo3-17.doc
c: Members, State Board of Education
Senior Staff
Office Directors
County Superintendents
County School Business Administrators
LEE Group
Garden State Coalition
State Monitors



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TRAVEL BASICS

1. Only travel requests which have a total cost of less than \$150 do not require Board approval. However, these must be approved by the Superintendent prior to the event. Pursuant to state statute, travel for which the total cost exceeds \$150 requires prior Board approval prior to the travel – there is no “after the fact” reimbursements.
2. ***Travel request forms must be completed for all travel in which a staff member will be leaving a building*** to attend a workshop, conference, seminar and the like – ***regardless of the cost.*** All travel requests must include documentation outlining all associated costs. Please see www.gsa.gov for the federal per diem rates by location.
3. All costs are provided as reimbursements or processed via a purchase requisition/order for approved travel – it is not permissible to provide “up-front” monies to individuals.
4. Travel to regular events for which there is no cost (*i.e. monthly meetings of a professional organization*) which last less than a full day and require no coverage, does not need a form – only approval by the person’s supervisor.
5. All travel requests must be made in a timely manner. The prior approval window is **45 days.**
6. Purchase orders relating to any travel (*workshop registration, etc.*) which do not include a copy of the approved travel request and/or, have not been approved by the Board, will not be processed.
7. Please refer to the Accounts Payable section of our district’s website under the Business Office tab for forms and additional information.

NOTE: *After the signed Travel Authorization form has been approved and returned, it is the responsibility of the employee to enter the approved travel event into AESOP.*

6A:23A-7.8 Prohibited travel reimbursements

State statute prohibits several types of expenditures. Below are some of the types of expenditures which are not eligible for reimbursement:

1. Subsistence reimbursement for one-day trips, except for meals expressly authorized by and in accordance with the provisions of N.J.A.C. 6A:23A-7.12;
2. Subsistence reimbursement for overnight travel within the State, except where authorized by the Commissioner in accordance with the procedures set forth in N.J.A.C. 6A:23A-7.11;
3. Lunch or refreshments for training sessions and retreats held within the school district including in-service days and for employee participants traveling from other locations within the school district;
4. Car rentals, either utilized for airport transportation or transportation at a conference, convention, etc., unless absolutely necessary for the conduct of school district business. Justification must accompany any request for car rentals
5. Alcoholic beverages;
6. Gratuities or tips in excess of those permitted by Federal per diem rates

8/2016



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Dr. Michael Rossi, Jr.
Superintendent

Gary S. Lane
Business Administrator/
Board Secretary

M E M O R A N D U M

DATE: August, 2016
TO: All Vendors, Contractors and other Interested Parties
FROM: Gary S. Lane, RSBA, School Business Administrator/
Secretary to the Board of Education
RE: Tax Exempt Status of School Districts

PLEASE BE ADVISED that local school districts, such as Madison Board of Education, as a political subdivision of the State of New Jersey, are exempt from the New Jersey Sales & Use Taxes, pursuant to Section 9(a) of the New Jersey Sales and Use Tax Act when purchasing items for their own (district) use such as desks, chairs, office equipment, supplies, etc. Also, as a tax exempt organization, school districts are not required to collect sales tax on sales that are made through fund-raising events or activities which last for a relatively short time and are not held on a regular basis during the year, provided that the proceeds only benefit the school district.

When purchasing items for use by the local school district, an exempt organization certificate or number is not required. The official letterhead of the school district signed by the proper school officer, that being the Business Administrator/Board Secretary, is sufficient proof to the vendor that the local school district is exempt from paying taxes. Our purchase order duly signed by the Business Administrator/Board Secretary serves this purpose. Sometimes, a vendor will accept our federal tax ID number for tax exempt purposes. This number can be found on our purchase order. State Law prohibits the payment of sales taxes for purchases or reimbursements.

Please refer to the memorandum from the State of New Jersey, Department of Education from the Assistant Commissioner of Education, Division of Administration and Finance, dated June 1, 1994 for confirmation of the above and for further clarification and information related to items which are purchase for resale and purchase for fund-raising purposes which are made by school affiliated groups such as band or sports groups.

Further information may be obtained in the Business Office section on our [website at www.madisonpublicschools.org](http://www.madisonpublicschools.org).

Thank you.



STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
CN 500
TRENTON, N.J. 08625-0500

MEMORANDUM

June 1, 1994

LEO KLUGHOLZ, COMMISSIONER

TO: Board Secretaries/School Business Administrators
Superintendents of Schools
County Superintendents
County School Business Administrators

FROM: Robert H. Davis, Assistant Commissioner
Division of Administration and Finance *RHD*

SUBJECT: New Jersey Sales Tax
Tax Exempt Status of Local School Districts

Local school districts, as political subdivisions of the State of New Jersey, are exempt from the New Jersey Sales and Use Taxes, pursuant to Section 9(a) of the New Jersey Sales and Use Tax Act when purchasing items for their own use, such as desks, chairs, office equipment, cleaning supplies, etc. Also a school district, as an exempt organization, is not required to collect sales tax on sales that are made through fund-raising events or activities which last for a relatively short time and are not held on a regular basis during the year, provided that the proceeds only benefit the school district.

When purchasing items for the use of the local school district, an exempt organization certificate or number is not required. The official letterhead of the local school district signed by the proper school officer is sufficient proof to the vendor that the local school district is exempt from paying sales taxes.

When items are purchased for resale through a shop or store regardless of the purpose, the local school district must supply the vendor with a valid New Jersey Resale Certificate (Form ST-3). The local school district, or any organization under the auspices of the local school district purchasing items for resale through a shop or store must be registered with the Division of Taxation as a vendor and have a New Jersey sales tax registration number assigned to them to legally purchase for resale. Sales tax must be collected on the sale of taxable items made in the shop or store.

When purchases for fund-raising purposes are made of taxable items by school affiliated groups, such as band groups, cheerleader groups, school clubs, etc., sales tax must be paid when making such purchases by the group or the person making payments on behalf of the group. The subsequent resales of such items by the groups which are conducted for isolated or occasional fund-raising purposes and not through a shop or store are not subject to sales tax.

This memorandum was distributed due to numerous requests and solely for the purpose of providing a document which districts could provide vendors to establish their tax exempt status. The department does not determine or interpret state tax policy. For clarification with regard to the sale of items for fund-raising purposes and other sales tax issues contact:

Tax Service Office
Division of Taxation
50 Barracks Street, 10th Floor
Trenton, New Jersey 08625
(609) 292-5185