

Hawthorn Academy
Policy: Purchasing and Disbursement Policy
Approval Date: October 10, 2018



Purpose

The purpose of this policy is to enable the administration to make minor purchases that are necessary for the day-to-day operation of Hawthorn Academy (the "School"), without approval of the Board of Directors (the "Board").

Purchasing

The responsibility for approving purchases is delegated to the School's Lead Director and campus Principals by the Board as set forth below.

- All purchases up to \$2,000 must be approved by the Lead Director or campus Principal;
- All purchases between \$2,000 and \$7,500 must be approved by the Lead Director;
- All purchases between \$7,500 and \$15,000 must be approved by the Board Treasurer;
- All purchases between \$15,000 and \$25,000 must be approved by the Board President *and* the Board Treasurer; and
- All purchases above \$25,000 must be approved by a majority vote of the Board.

Employee purchases that require reimbursement are discouraged.

Purchases that require the use of a credit card should follow the process established by this policy and utilize a purchase order when feasible.

Disbursements

The responsibility for disbursement is delegated to the School's management company, Lead Director, and campus Principals as set forth below.

Disbursements will be charged to one of two School accounts: (i) the General Operating Account; or (ii) a Petty Cash Account assigned to a specific campus. The School's management company is responsible for disbursements charged to the General Operating Account, and the School's campus Principal is responsible for disbursements charged to the Petty Cash Account for their campus.

Disbursements are handled in such a manner as to ensure that the proper funds and accounts are charged; that the disbursement is used only for authorized purposes; and that laws, rules and regulations governing the disbursements and handling of public funds are followed.

The following controls are established to ensure that all payments charged to the General Operating Account are made on a timely basis and in accordance with all purchase orders and contracts:


- A purchase order shall be completed prior to disbursing funds for a purchase unless the disbursement is made in accordance with the terms of an ongoing contract that has been previously approved by the Board.
- A purchase order shall be authorized by the individual(s) listed above based on the purchase amount.

- Following proper authorization, purchase orders are reviewed by the School's management company.
- The School's management company must be given a valid invoice and properly completed purchase order prior to making payment.
- Disbursements are to be made primarily by check with counter signatures to provide additional control.

Recording Transactions

Purchase orders and requisition requests must identify the fund, function, location, program, and object or revenue code to which the purchase is to be booked. Accounting staff will periodically review this information to ensure that expenditures are booked accurately.

Signature:



October 10, 2018

Meggen Pettit, Board President

Date