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**Purchase Order Processing Procedure (APAR-P005)**  
Milford Public School District

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**1.0 SCOPE:**

- 1.1 This procedure describes the process in which the Accounts Payable/Accounts Receivable Department processes purchase orders in the Milford Public School District.

The on-line version of this procedure is official. All printed versions are uncontrolled copies.

**2.0 RESPONSIBILITY:**

- 2.1 Superintendent of Schools

**3.0 APPROVAL AUTHORITY:**

- 3.1 Business Office Manager

*Authorized Signature on File*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**4.0 DEFINITIONS:**

- 4.1 P.O. – Purchase Order
- 4.2 AP – Accounts Payable
- 4.3 DSO – Deputy Superintendent of Operations
- 4.4 SFS – Sage Financial System

**5.0 PROCEDURE: -**

- 5.1 The business office receives electronic notification through the SFS that requisitions need approval.
  - 5.1.1 The department head has previously approved requisitions.
- 5.2 The business office reviews and electronically approves all requisitions.
  - 5.2.1 If the requisition is not approved by the business office, the requisition is electronically disapproved, with reasons noted, and rerouted back to requisitioner.
- 5.3 All requisitions approved by the business office are electronically forwarded to the DSO for review.
  - 5.3.1 The DSO reviews requisition for content, account distribution and budget compliance.
  - 5.3.2 The DSO additionally checks for executed contracts, if necessary, and proper accounting period.
- 5.4 The SFS electronically forwards the approved requisition(s) to Accounts Payable.
- 5.5 Accounts Payable confirms the message code(s), that the correct vendor code is used, and blanket versus regular purchase order for accuracy.
- 5.6 Accounts Payable uses the SFS to create a purchase order.
  - 5.6.1 The requisition is reviewed for accuracy and is ensured that it is not over budget.
- 5.7 Accounts Payable approves the requisition in the system and requests the SFS to print all approved purchase orders.
- 5.8 Purchase orders are printed on four (4) part paper.
  - 5.8.1 Requisition documentation is placed with the purchase order and forwarded for signature.

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- 5.8.2 The Deputy Superintendent of Operations or the assigned designee signs the purchase order and forwards to Accounts Payable.
- 5.9 Accounts Payable separates the P.O. and forwards as follows:
- 5.9.1 White copy is mailed
- 5.9.1.1 White copy may have instructions not to mail. AP must review the message on the P.O. and follow instructions accordingly.
- 5.9.2 Yellow copy and requisition is filed in AP.
- 5.9.3 Pink and blue copy is forwarded to the requisitioner.
- 5.9.3.1 When the product is received, the pink copy is signed off and forwarded back to accounts payable.
- 5.9.3.2 Requisitioner keeps blue copy.
- 5.10 When AP is in receipt of the Pink copy and appropriate paperwork, i.e. packing slip, AP matches up with the yellow copy.
- 5.10.1 If the invoice is available, AP reviews and makes any necessary changes on the copy, but not limited to shipping/freight costs (increase or decrease), a cancelled item, if remittance address is accurate.
- 5.10.2 AP stamps and works up purchase order.
- 5.11 AP files the paperwork for process of payment.
- 5.11.1 If the P.O. is for a blanket purchase order, AP works up the P.O., writes incomplete, and highlights where appropriate.
- 5.12 AP weekly pulls all purchase orders to be paid.
- 5.12.1 AP uses SFS to enter each P.O.'s information and making necessary changes to the system.
- 5.12.2 AP runs an edit list and calculates to assure accuracy for the amounts of the P.O.'s.
- 5.12.3 AP then posts on the SFS and runs report.
- 5.12.4 AP then requests checks to be printed.
- 5.12.4.1 SFS produces the reports, Schedule of Checks to be Written and Check Register.
- 5.12.4.1.1 The Schedule of Checks to be Written if filed for auditing purposes.
- 5.12.4.1.2 The Check Register prints three (3) copies.
- 5.12.4.2 AP will highlight any payment to a vendor that is \$1,500.00 or over which is reported to the Board of Education on a monthly basis.
- 5.13 AP completes a warrant for the City of Milford to assure funds are available.
- 5.13.1 The Business Office Manager approves the warrant.
- 5.13.2 The warrant is copied and attached to the Accounts Payable copy of the Check Register.

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5.13.3 The original warrant and two copies of the Check Register are forward to the City of Milford.

5.14 AP mails out checks with a copy of the invoice.

5.15 AP files a copy of the check with the purchase order.

**6.0 ASSOCIATED DOCUMENTS:**

6.1 Check Registers

6.2 Transfer Request Form APAR-F001

6.3 Schedule of Checks to be Written Report

6.4 Warrant

6.5 Requisition

6.6 Transmittal Letter

**7.0 RECORD RETENTION TABLE:**

<u>Identification</u>	<u>Storage</u>	<u>Retention</u>	<u>Disposition</u>	<u>Protection</u>
Approved Purchase Order with documentation	Accounts Payable Files	5 years	Discard as desired	Locked Office
Check Register	Accounts Payable Files	6 years	Discard as desired	Locked Office
Transmittals	Accounts Payable Files	2 years	Discard as desired	Locked Office
Transfer Request Forms	Accounts Payable Files	5 years	Discard as desired	Locked Office

**8.0 REVISION HISTORY:**

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
08/25/2003	A	Initial Release
11/20/2003	B	Flow Chart
04/25/2005	C	Change title in 3.1 and in 5.12.1
03/20/2007	D	Add definitions to 4.0 (DSO and SFS); change, add and/or delete language within 5.0-Procedure; remove flow chart

\* \* \* E n d o f p r o c e d u r e \* \* \*