



# Monument Academy

## *Board of Directors Governance and Policy*

Policy Name:	<b>Contract Expenditure Authorization</b>
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The Board's authority for the purchase of materials, equipment, supplies and services is extended to the Executive Director or designee through the detailed listing of such items compiled as part of the budget-making process and approved by the Board through its adoption of the annual operating budget.

Purchases shall be made upon a quality and cost basis. When quality is comparable, purchase shall be made from the supplier offering the lowest price.

The Executive Director or designee shall direct the purchase of such books, supplies, consulting, equipment and other materials as is required and permitted within the limits of the budget, and signature and expenditure authorizations. Except in emergencies, any contract over \$30,000 shall require approval by the Board prior to contract execution.

In order to receive the greatest value for each dollar expended, it shall be the policy of Monument Academy to obtain comparative prices based on similar quality, to consider a balance between long-term quality and cost, and to purchase in quantity whenever possible and practical.

When applicable, Monument Academy will purchase equipment that is Energy Star-rated (or, if there is no Energy Star rating, equipment that is highly energy efficient). The school will consider total operational costs, including energy costs and consumption, when making purchase decisions.

It shall be the policy of Monument Academy to purchase locally provided goods and services of equal quality and at competitive prices when available from local suppliers.

Except as otherwise provided by this policy, the following procedures shall govern school purchase of goods and/or services based on the total cost of the purchase:

1. Purchases up to \$5,000 may be made without complying with the procedures described in item numbers 2 through 3 below.
2. Non-continuous (meaning annually renewable contracts with existing vendors) purchases of between \$5,000 and \$30,000 shall be based on at least three documented price quotes. Price quotes may be provided verbally and then documented in writing.
3. Purchases over \$30,000 shall be based on at least three documented price quotes that are supported by written confirmation. Examples of written confirmation include a screenshot of pricing from the vendor's website, an email from the vendor's representative, or a quote on the vendor's letterhead. These purchases must be approved by the board prior to contract execution.

## **Contract Execution**

Only the Board president, Executive Director, Chief Financial Officer and Operations Manager shall be authorized to execute a contract subsequent to the appropriate approval.

## **Monument Academy best interests**

If it is determined by the Board President in consultation with the Executive Director and Chief Financial Officer with respect to a purchase of \$30,000 or more that competitive bidding and/or competitive proposals would result in higher cost to the Monument Academy or would otherwise adversely affect the Monument Academy, any or all such procedures may be waived for that purchase.

## **Emergencies**

For purposes of this policy, an “emergency” is defined as: (a) the substantial likelihood of an imminent adverse effect on the health, welfare or safety of students, staff or the general public; (b) the substantial likelihood of imminent destruction or substantial damage to property; or (c) the substantial likelihood that a delay in purchasing particular goods and/or services will create an excessive financial risk or liability exposure for Monument Academy.

In cases where an emergency requires the immediate purchase of goods and/or services, the Executive Director, in consultation with the Chief Financial Officer, shall have the authority to make necessary purchasing notwithstanding this policy’s requirements. Such purchases shall be made in the best interest of Monument Academy and shall not require documented price quotes, competitive bidding or competitive proposals. As soon as possible after making such a purchase, the Executive Director shall submit an agenda item at the next scheduled board meeting for subsequent approval, with a written explanation of all relevant information concerning the emergency.

## **Competitive selection**

All contracts and all open market orders will be awarded to the lowest responsible qualified supplier, taking into consideration the quality of materials (services) desired and their contribution to program goals.

The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the Monument Academy.

## **Pre-qualification**

With regard to materials or services for which bids are required, the Executive Director or designee will develop a procedure to pre-qualify bidders. Suppliers will be invited to have their names placed on mailing lists to receive information about pre-qualifying. When specifications are prepared, they will be mailed to all merchants and firms who have pre-qualified.

## **Awarding a bid**

The bidder to whom an award is made will be required to submit to the Monument Academy proof of liability insurance and when appropriate, proof of workers’ compensation insurance, and may be required to enter into a written contract with Monument Academy. Any written contract must include a provision requiring a criminal background check for any person providing direct services to students under the contract, including but not limited to transportation, instruction, or food services as required by law. The contracting entity is responsible for any costs associated with the background check.

No favoritism shall be extended to any vendor. All employees of the Monument Academy must exercise sound judgment in avoiding conflicts of interest or the appearance of impropriety in dealing with vendors. Gifts or gratuities of other than nominal value or which might obligate a Monument Academy employee in any manner shall be politely and firmly refused in accordance with state law.

Any vendor or bidder who offers items in excess or in violation of the spirit of this policy may be disqualified indefinitely.

No person officially connected with or employed at Monument Academy shall be an agent or be in any way pecuniarily or beneficially interested in or receive any compensation or reward of any kind from any vendor for the sale of supplies, material, equipment or services to the school without the express prior written consent of the Board of Directors.

### **Establishment of Procurement Card/Credit Card Purchases**

Monument Academy is authorized to establish a procurement card and/or credit card program to supplement the ordering of supplies of a nominal value. The purpose of the card is to provide flexibility, convenience, and security with small purchases while conducting school business. Purchase transactions using the procurement/credit card shall not supersede or conflict with the purchasing policies that have been established by the Board.

Issuance and usage of procurement cards shall be limited to the Executive Director, Chief Financial Officer, Operations Manager, Business Manager and the School Principal Administrative Assistants.

A number of unique controls shall be developed for the procurement card program that do not exist in a traditional credit card environment. Usage shall be limited to authorized staff for the procurement of approved merchandise within limits established for that budget item. Other procedures may be set at the discretion of the Executive Director or his/her designee.

The Card shall be used only for the purchase of pre-approved item/s with an individual cost of no more than \$2,000, with a total credit card limit not to exceed \$2,000. The Business Manager's card is limited to \$25,000 per purchase and no more than \$50,000 per billing cycle, but is still subject to all purchasing and bidding rules. The Card is to be used by the person it is issued to and must only be used to pay for pre-approved Monument Academy purchases.

**PROHIBITED TRANSACTIONS:** It is a violation to use the card for any of these goods and services:

- a. Personal or non-school purchases
- b. Cash or Cash Type Transactions
- c. Split Transactions (Two transactions or more for the same purpose which in total would exceed the authorized limit.)
- d. Alcoholic Beverages, Tobacco and Marijuana products
- e. Illegal activities of any kind

**LEGAL REF.:**

C.R.S. 22-32-109 (1)(b)  
C.R.S. § 22-32-110(hh)  
C.R.S. § 24-18-101, et seq.  
C.R.S. § 24-91-101, et seq.  
C.R.S. § 24-92-107  
C.R.S. § 24-102-202  
C.R.S. § 24-103-202.5  
C.R.S. § 24-103-205  
C.R.S. § 24-103-206  
C.R.S. § 24-109-404  
C.R.S. § 29-12.5-101, et. seq.  
C.R.S. § 38-26-101, et seq.