

BIG SANDY ISD



Fiscal Manual **(Fiscal Guide for District Staff)** **2016-2017**

Table of Contents

Introduction	4
Business Office Staff	4
District Mission Statement	4
Business Office Mission Statement	4
Account Codes	5
Activity Funds	6
Campus or Department Activity Accounts	6
Student Organizations Activity Accounts.....	6
Audits	7
Annual Financial Audit.....	7
Single Audit	8
Budget	8
Budget Adoption.....	8
Budget Amendments.....	8
Budget Transfers.....	9
Cafeteria Services	9
Cash/Check Handling	9
Check Processing	9
Consultants or Contracted Services	10
Contracts for Service Agreements	11
Copiers	11
Credit Cards	11
Donations and Gifts	12
Field Trips, Co-Curricular and Extra-Curricular Travel	12
Fiscal Year	14
Fixed Assets & Inventory	15
Fundraising Activities	15
Fraudulent or Other Dishonest Acts	17
Grants Management (State, Federal or Other Grants)	17
Hotel Occupancy Tax Exemption Form	14
Invoices	18
On-Line Purchasing	20
Payroll Procedures	19
Purchasing Deadlines	19
Purchase of Food and Non-Food Items	20
Purchase Requisition and Purchase Order Forms	20
Purchasing Laws	21
Receiving of Goods	21
Records Management and Retention	21

Rental of facilities.....	22
Returned Checks.....	22
Sale of Personal Property – Surplus.....	23
Sales Tax Exemption Form.....	23
Travel Expense and Reimbursement.....	13
Vendors.....	23

Introduction

This Fiscal Manual has been prepared to provide general information about several Big Sandy ISD business functions. Additional information may be available within the district's Board Policies, BSISD Employee Handbook, or other web resources.

If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

Business Office Staff

The Business Department staff performs multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

Mary Troboy

Director of Finance

903-636-5318, ext 245

mtroboy@bigsandyisd.org

Areas of Responsibility: Budget, General Ledger, Finance, Manage Business Office Operations

Karen Weese

Superintendent's Secretary

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Areas of Responsibility: Manage Superintendent's Schedule

Tressa Ellis

Payroll /HR Specialist

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Areas of Responsibility: District Payroll, Employee Benefits, Personnel

Lisa Linnstaedter

Accounts Payable Specialist

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Areas of Responsibility: Accounts Payable, Purchasing

District Mission Statement

Big Sandy ISD...where KIDS come FIRST.

The Business Office's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Account Codes

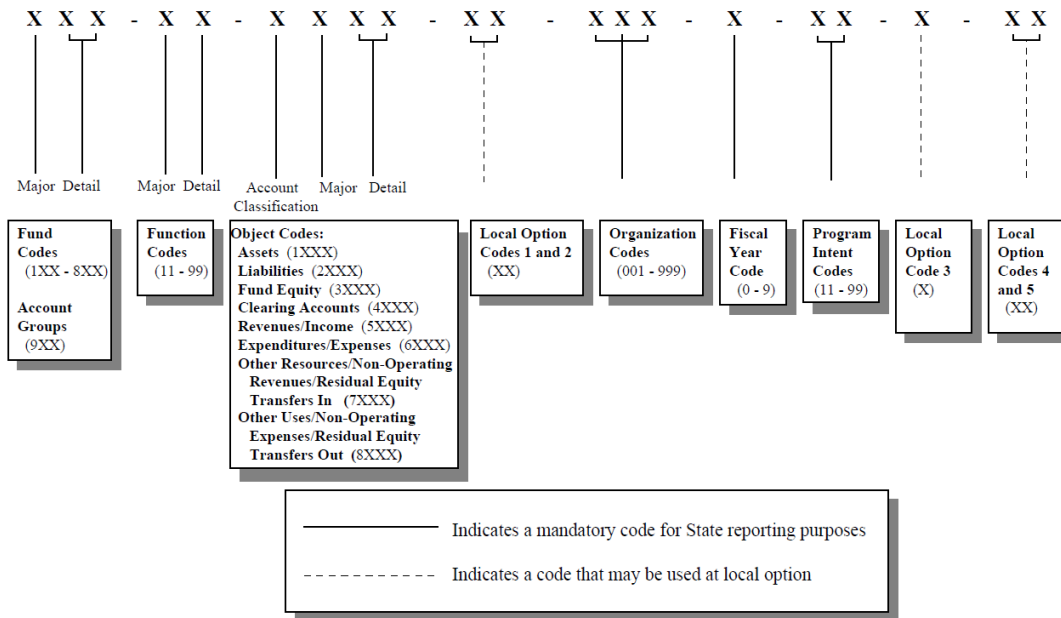
All school districts are mandated to use the account code structure as defined in the Financial Accounting and Reporting (FAR) module of the Financial Accountability Resource Guide (FASRG). The appropriate fund, function, object, organization, fiscal year, and program intent code must be used for all financial transactions. Local use codes, such as the sub-object, shall be in accordance with district procedures.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

The account code used for all financial transactions must match the intended expenditure. If funds do not exist in the appropriate account code, a budget amendment and/or transfer shall be submitted to appropriate the necessary funds in the appropriate account.

Failure to adhere to the required account code structure may result data quality errors in PEIMS reporting and the district's financial statements. Additional consequences may be the loss of funds due to non-compliance with audit or grant requirements.

The Code Structure



Activity Funds

Campus or Department Activity Accounts

Campus and department activity funds (under the control of the principal or administrator) shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to Activity Account Guidelines.

Campus activity funds are managed using a centralized system. All deposits and expenditures under the centralized system shall be made through the district business office.

Checks for activity fund disbursements shall be generated once a week on Friday. All supporting documentation shall be submitted at least two (2) days prior to the check processing day. Requests for emergency checks shall be kept to a minimum and shall be subject to approval only for extenuating circumstances.

Campus activity funds shall be primarily used to benefit the District or its students and shall be related to the District's educational purpose in accordance with School Board Policy. Typical uses include field trip fees, awards, incentives, etc. These funds shall not be used for "gifts" to students and/or staff. Budgeted funds shall not be used to generate activity funds, nor shall staff (administrative or support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with the district's National School Lunch Program [NSLP]. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

Student Organizations Activity Accounts

A Student Activity account shall be defined as a trust account for a bona fide student group as evidenced by a Constitution, By-Laws and elected officers. Student activity funds (under the control of the campus principal) shall be collected, receipted, and deposited on a daily basis. Refer to Activity Account Guidelines. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts].

Student activity funds are managed using a centralized system. All deposits and expenditures under a centralized system shall be made through the district business office.

Checks for activity fund disbursements shall be generated once a week on Friday. All supporting documentation shall be submitted at least two (2) days prior to the check processing day. Requests for emergency checks shall be kept to a minimum and shall be subject to approval only for extenuating circumstances.

Student activity funds shall be used **exclusively** for the benefit of students. Typical uses include travel, awards, banquets, supplies, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). A Fund Raiser Application should be submitted to the principal or designee in advance of the scheduled activity. In addition, at the end of the fund raising activity, a profit loss statement should be filed with the principal or designee. Activity funds shall be audited and must adhere to accepted business practices.

Merchandise ordered for resale should be distributed to students on a written distribution log. A merchandise distribution log should reconcile with the corresponding invoice and/or packing list.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled at the campus level to assist the organization sponsors in managing their respective student activity account(s).

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of (5) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. As part of the closeout procedures all club records may be requested for review by the District's audit firm. Please see Activity Account Guidelines for details.

Athletic Gate Procedures

Athletic event gate receipts (admission fees) shall be recorded on an Athletic Gate Receipts form. Both the ticket taker and the administrator in charge shall count the gate receipts separately. The receipts shall be submitted to the District Central Office and the funds shall be deposited to the appropriate athletic events revenue account(s).

Athletic Gate Receipts Form

Audits

Audits may be conducted throughout the fiscal year by business office staff and/or regulatory agencies. Audits may include the annual financial audit, the Single Audit (federal grant funds), activity accounts, petty cash, payroll, attendance accounting, PEIMS, drop-out, state compensatory education, or other audits as deemed appropriate. The two most comprehensive audits are noted below:

Annual Financial Audit

An annual financial audit must be conducted by an independent CPA firm selected by the district [Board of Trustees] and reviewed by the TEA Division of Financial Audits. The annual financial audit must be submitted to the TEA Division of Financial Audits by the established deadline of 150 days after the end of the fiscal year, specifically for the district's fiscal year ending August 31st, the report shall be filed by January 28th. In addition, the audit report should be filed with the following: Dun & Bradstreet, Municipal Advisory Council, bond debt issuers, depository bank, etc.

The district has engaged the CPA firm of Caver and Setser, Inc. to conduct the annual financial audit for fiscal year(s) 2015-2016. The role of the CPA firm is to conduct a district-wide audit of the district's financial statements, internal control procedures, and to test transactions to determine compliance with local, state and federal regulations.

All financial transactions shall be in accordance with local, state and federal audit guidelines. The Financial Accountability System Resource Guide (FASRG) posted on the TEA website shall be utilized to ensure awareness of audit compliance areas. In addition, the OMB Circular A-133 shall be utilized to ensure awareness of audit compliance areas for all state and federal grant funds.

The Business Manager is responsible for coordinating and overseeing the annual financial audit.

Single Audit

The Single Audit Act and OMB Circular A-133 require school districts that expend total federal financial assistance (FFA) equal to or in excess of \$500,000 in a fiscal year to have an audit performed in accordance with the Act. School districts expending less than \$500,000 in federal financial assistance in a fiscal year are not required to have either an audit under the Single Audit Act and OMB Circular A-133 or a *program audit*, however, they must maintain records to support federal financial assistance programs and must have a financial audit performed under generally accepted auditing standards (GAAS) and *Government Auditing Standards* (GAS), also referred to as the Yellow Book. The single audit must be conducted in accordance with United States Office of Management and Budget, OMB Circular A-133 and the OMB A-133 Compliance Supplement.

The district has engaged the CPA firm of Caver and Setser, Inc. to conduct the single audit for fiscal year(s) 2015-2016. The role of the CPA firm is to determine the major program(s) for the fiscal year and to issue an opinion on the federal statements for the federal program(s) and test transactions to determine compliance with internal controls and federal program guidelines.

The Business Manager is responsible for coordinating and overseeing the single audit.

Budget

Budget Adoption

The district must adopt a budget not later than August 31st of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The district must also publish a notice regarding the proposed budget on the district website.

At a minimum, the Board of Trustees shall adopt a budget that includes the General Fund, Food Service Fund and Debt Service, if any. The budget shall be adopted at the function code level; therefore, any changes to the budget at the functional level shall be approved by the Board of Trustees prior to exceeding a functional expenditure category.

The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission.

The Superintendent or his designee shall be responsible to coordinate the development and adoption of the district budget. New budget packets may be sent out as early as March.

Every campus and department shall be responsible for monitoring and amending their respective budget to ensure that it meets the identified needs of the campus or department. The adopted budget shall correlate directly and/or indirectly to the District Improvement Plan and Campus Improvement Plans.

Budget Amendments

A budget amendment is defined as a transfer of funds across different functions. For example: a budget amendment would result if instructional funds (function 11) were requested to be transferred to the library (function 12). Budget amendment line items should exceed \$100.00, and be stated in whole dollars.

Budget amendments must be approved by the School Board; approval is required prior to exceeding the budget in any functional level. Requests should be submitted in accordance with agenda deadlines posted by the Superintendent.

Budget Transfers

A budget transfer is defined as a transfer of funds which is not across different functions. The Business Manager shall approve all budget transfers. Budget transfer line items should exceed \$100.00, and be stated in whole dollars.

To keep budget transfers to a minimum, each budget manager should review his/her budget on at least a monthly basis to determine if any budget transfers are necessary. Each budget manager is encouraged to limit budget transfers to no more than \$5,000.00 per year. Exceeding this recommended level or budget transfers may substantially change the budget document that was presented to the School Board during the budget adoption process.

Budget Amendment Form

Budget Amendment Form – Printable version

Cafeteria Services

As a benefit to all Big Sandy ISD employees, the district offers daily lunch at no cost to the employee.

Employees who are parents of Big Sandy ISD students are strongly encouraged to continually monitor their child's meal account balance. There will be a limit of \$8.00 maximum charged in the cafeteria for meals. When a student's meal account is depleted, the district will notify the parent. The student will be allowed to continue purchasing meals for up to 5 days or up to \$8.00, whichever occurs first. When the student reaches the \$8.00 limit, an alternate meal of a sandwich and milk will be prepared for the student.

Cash/Check Handling

All cash and checks shall be deposited to the appropriate secretary on a daily basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home for extended periods of time. No cash purchases should be made – *every* dollar collected should be receipted and deposited to the appropriate secretary. All district funds shall be deposited to the appropriate district and/or campus account at the district's depository bank, Austin Bank.

The secretary shall receipt in a bound, pre-numbered receipt book and forward all monies on a daily basis to the district's business office, or secure overnight in a locked campus safe if the deposit cannot be made the same day.

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

All district and activity account bank statements shall be reconciled within 30 days after the end of each month. The individual responsible for reconciling a bank account shall not receive and open the bank statement. TEA strongly recommends separation of duties as they relate to the initial review and reconciliation of bank statements. Fraud, if any, shall be reported immediately to the Superintendent. Adjustments to the general ledger, if any, shall be posted as soon as possible after the end of each month.

Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Friday. At times, checks may be processed earlier or later, due to holidays,

staff work schedules or unforeseen events. **All check requests, including supporting documentation, such as travel advances/reimbursements, petty cash, construction, etc. shall be approved by the appropriate principal or administrator and submitted to the Accounts Payable Clerk by 10:00 a.m. on Wednesday during the months of regular school operation. In the months of June, July and August, all check requests and supporting documentation shall be approved and submitted to the Accounts Payable Clerk by 10:00 a.m. on Tuesday.** Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

The appropriate forms shall be used for all reimbursements. State law generally requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices should be submitted to the Accounts Payable Clerk on a timely basis for payment. Specifically, the Government Code (Section 2251.021) states:

TIME FOR PAYMENT BY GOVERNMENTAL ENTITY. (a) Except as provided by Subsection (b), a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

- (1) the date the governmental entity receives the goods under the contract;*
- (2) the date the performance of the service under the contract is completed; or*
- (3) the date the governmental entity receives an invoice for the goods or service.*

(b) A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).

Checks not cashed by the expiration date (6 months from date of issue) will be voided. A new check will be reissued.

Consultants or Contracted Services

Consultants and contracted vendors are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, repairs, etc. that cannot be performed by a school district employee. A Consulting Service Contract or similar form is required for every consultant and contracted vendor. The Superintendent or designee is/are the only individual(s) authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement.

Contracts in the amount of \$50,000 or more shall be approved by the Superintendent and the School Board.

The selection criteria of a consultant or contracted vendor may include the following:

- Vendor credentials, including license, education level, or specialized skills
- Vendor reputation, as evidenced by references from past clients
- Past experience with the school district
- Cost of service(s)
- Other criteria selected by the district

Consultants and contracted vendors shall be selected through a competitive procurement process in accordance with the state purchasing laws and School Board Policy. [Refer to Board Policy CH Legal and Local]. According to Board Policy CH Legal, the purchasing requirements of Education Code 44.031 do not apply to a contract for professional services rendered, including the services of an architect, attorney, certified public accountant, engineer, or fiscal agent.

There shall be a separation of the solicitation and evaluation functions from the contract award function. The Superintendent shall be responsible for oversight of the solicitation and evaluation of all competitive bids and/or proposals. Superintendent or designee and/or the School Board shall be responsible for approval or award of contracts.

Please follow these procedures before allowing any contractor or consultant to work on the campus of Big Sandy ISD:

- Have the Consultant/Contractor fill out the Consultant/Contractor Application Packet.
- Submit the completed Consultant/Contractor Application Packet to the Business Office for the Superintendent to review.
- Receive the approved Consultant/Contractor Application Packet back from the Superintendent before allowing the Consultant/Contractor on campus.
- The Consultant/Contractor Packet Includes:
 - A completed W-9 form
 - Conflict of Interest Questionnaire
 - A Felony Conviction Form
 - If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.
- The Superintendent shall notify Principals/Directors once the Consultant/Contractor is processed successfully.

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name “Big Sandy ISD” detailed invoice must include the date(s) of service, service(s) performed, and the negotiated rate of pay.

Consultants and contracted vendors can receive all forms discussed above from the Business Office. The forms can be sent electronically upon request.

Contracts for Service Agreements

All contracts for rentals, service agreements, etc. must be signed by the Superintendent. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$50,000 (School Board Policy CH Local) shall be approved by the Board of Trustees. Refer to the Contract for Consultants and Contracted Services for additional guidance related to contract administration.

Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. All district staff shall comply with the acceptable use guidelines related to the use of district copiers, especially as it relates to the avoidance of copyright infringement.

Credit Cards

The district utilizes credit cards for purchasing of goods such as food items, instructional supplies, and maintenance supplies. Currently, the credit cards in use by the district include Wal-Mart, Sam’s Club, and fuel cards. The credit cards shall be issued by the business office upon approval of a purchase order.

The district also utilizes credit cards on a limited basis. Credit purchases must be pre-approved on a purchase order. All credit receipts (detailed, itemized) shall be submitted to the business office within 5 days of purchase to ensure prompt payment to the vendor. If receipts and credit card receipts are not submitted on a timely basis, these charges will be temporarily posted to the campus' activity account until receipt of the supporting documentation or subject to immediate reimbursement by the employee. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis. All authorized credit card users shall be responsible for the security of their assigned credit card(s).

All credit card purchases with state and federal funds shall comply with the OMB Circular A-87 guidelines. Specifically, all credit cards purchases shall be recorded on the general ledger in detail to include the date of the transaction, the merchant, goods/services purchased, cost, and the purchaser. Grant administrator or other approvals required under the regular purchasing procedures of the school district shall be adhered to regardless of the method of payment.

Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Donation Form or similar form shall be completed by the donor. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. Gift card donations from external sources shall be recorded by the Superintendent and or designee and maintained in a safe location until utilized by the appropriate individual(s).

Donated equipment shall be added to the district fixed asset system and inventory.

All donations shall be approved by the Superintendent or designee. All donations for technology equipment shall be approved by the Technology Director prior to the Superintendent approval.

Donation Form

Field Trips, Co-Curricular and Extra-Curricular Travel

All field trips shall be submitted in writing at least 14 days (2 weeks) prior to a field trip. The field trip request should be forwarded to the appropriate administrator for approval. The final approval will rest with the campus principal. A purchase order shall be submitted for admission fees, meals, etc., if any. In addition, a Sack Lunch Request Form shall be completed and submitted, if needed, 7-10 days prior to the field trip, to the Food Service Director.

Overnight and out-of-state student trips shall be subject to the guidelines as stated in School Board Policy FMG (LOCAL). Approvals from the parents, campus principal, and Superintendent must be obtained prior to the student trip. If School Board approval is also required for an overnight or out-of-state trip, an action item must be placed on a School Board meeting agenda.

If a district-owned vehicle or school bus is requested, specific details regarding the destination, type of vehicle, departure and return times shall be submitted using a Transportation Request Form at least 7-10 days prior to the field trip.

Educational field trips funded with state or federal grants shall adhere to the TEA Guidelines for Related Costs (located under Grant Management Resources on the TEA website). Specifically, the following documentation must be submitted to support the expenditures with grant funds:

- Destination of each field trip
- Costs associated with each field trip
- Objectives to be accomplished from conducting the field trip
- Teacher's lesson plan and follow-up activities

State or federal grant funds will not be utilized for field trips that are for social, entertainment, or recreational purposes or are not properly documented in accordance with the guidelines.

When payment is required at time of the Field Trip, an approved Travel Request Form shall be submitted with the supporting documentation to the business office.

Travel Expense and Reimbursement

Before any travel expenses are incurred by an employee, the employee's supervisor and the business office must give approval.

After approval of the travel event is received, the estimated travel expenditures shall be entered into the TxEIS Finance Requisition System. Funds must be available and encumbered for all estimated expenditures. Typically, several requisitions would be entered to encumber funds for meals, lodging, registration, transportation and other expenses to the respective payee.

The travel rates for meals, lodging, mileage, and airline are limited to the rates and amounts stated in School Board Policy DEE Local and subject to state or federal limits.

The local staff travel rates are:

\$8 for breakfast, \$10 for lunch, and \$18 for dinner and actual cost for lodging, taking into consideration the per diem rates approved by the U.S. General Services Administration. Mileage shall be reimbursed at the rate of \$0.54 per mile (when approved – see below). No advance payments are made for employee meals or travel.

The student travel rates are: \$5 for breakfast, \$7 for lunch, and \$8 for dinner and actual cost for lodging, as noted above. When student groups or teams advance to post-district competition, student meals will be paid at the staff meal rates. Advance payments will be processed for student meals when traveling. A sheet with student signatures acknowledging receipt of funds must be returned to the business office for all student travel money disbursed.

The current staff travel rates shall be in accordance with the rates set by the district and the Current Mileage and Travel Reimbursement Rates Applicable to State and Federal Grants as published by TEA. Specifically, the domestic maximum per diem rates for travel with state and federal grants shall be limited to the rates as listed on the General Services Administration (GSA) website. If the local rates set by the district exceed the state and federal grant per diems, the excess travel costs shall be paid from local funds.

School vehicles will be used for travel. Mileage will not be reimbursed for travel when a school vehicle is available, unless prior approval is obtained from the Superintendent and/or designee. When two or more employees are attending an event, coordination shall occur. Mileage reimbursement will only apply to the number of vehicles required to meet a four person per car ratio, if necessary, due to unavailability of a school vehicle. A copy of a computer generated map with the mileage must be attached to the reimbursement forms to receive mileage reimbursement.

The maximum reimbursement per night for lodging expenses shall be in accordance with the comptroller's Domestic Per Diem Rates chart for state employees. A copy of this chart can be found on the District's website under faculty links/forms. Any lodging accommodations at a higher rate shall require approval from the Superintendent prior to registering or making travel arrangements.

Reimbursement for meals is paid only when travel requires an overnight stay. Itemized receipts are not required for all meal reimbursements.

Reimbursement will not be allowed for alcoholic beverages, spouse and/or family travel expenses, tips and gratuities, entertainment, or laundry service.

The Travel Reimbursement Report shall be submitted within 5 days after the return of the traveler. All actual travel expenses shall be recorded on the Travel Expense Form, with receipts for all expenses except meals and mileage. See Policy DEE Local for all relevant information regarding travel expenses and reimbursement.

The BSISD fiscal year ends on August 31st of each year. All travel reimbursement forms must be submitted for payment prior to the fiscal year end. If travel is conducted on August 31st, reimbursement must be submitted on the first workday after the trip. Once the fiscal year has been closed, reimbursement for the prior fiscal year will NOT be paid.

The TEA Travel Guidelines for state and federal funds shall be utilized to ensure that all travel expenditures are in compliance with state and federal guidelines. The guidelines may be found at the TEA website.

Hotel Occupancy Tax Exemption Form

This form shall be used for in-state school-related travel to conferences, workshops, etc. Copies may be obtained from the business office. Lodging taxes in the state of Texas, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any.

This Hotel Occupancy Tax Exemption Form is not applicable to out-of-state travel.

Pre-Travel Checklist

Travel Request Form

Purchase Order

Post Travel Expense Reimbursement Checklist

Travel Reimbursement Form

BSISD Board Policy DEE (Local)

GSA FY 2015 Per Diem Rates for Texas

Texas Travel Reimbursement Rates

Sack Lunch Request form

Transportation Request Form

Hotel Occupancy Tax Exemption Form

Fiscal Year

The fiscal year begins on September 1st and ends on August 31st. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds.

All invoices for goods received before August 31st, shall be submitted to the Business Office by September 10th for processing and payment.

Fixed Assets & Inventory

Fixed assets are defined as equipment with a unit value over \$5,000. These assets are tracked and recorded on the district's financial general ledger. Fixed assets that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Manager for removal from the district's financial records. All fixed assets must be purchased through the use of an Object Code 663X. Fixed assets are subject to audit on an annual basis. Documentation shall be maintained to support all additions, deletions, or changes to the fixed asset balances.

Inventory items are defined as equipment with a unit value over \$500, but less than \$5,000. Other items with a unit value under \$500 are also tracked and tagged such as:

- TVs
- VCRs,
- digital cameras,
- camcorders,
- e-Readers,
- I-Pads,
- PDAs, and

Inventory items are tracked and recorded on the district's inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Superintendent and/or designee for removal from the district's inventory tracking system. Inventory items are also tracked for insurance purposes. Inventory items with a unit value less than \$1 and \$4,999 must be purchased through the use of an Object Code 6399.

A Fixed Assets/Inventory Transfer Form or similar document should be utilized to transfer equipment from one room to another, one campus/dept. to another, or to transfer obsolete equipment to a storage area. The loss or theft of inventory and fixed asset items should be reported immediately to the Superintendent and/or designee.

All staff will be provided an inventory list for their respective classroom, office, or work area at the beginning of the school year. After verifying the list, each employee shall return the verified list to his/her immediate supervisor. At the end of the school year, the same process will occur. The end-of-the-year list should include all items that were assigned at the beginning of the year, plus any items purchased throughout the school year. Staff will not be released for the summer until their inventory list has been verified and submitted to the immediate supervisor. Missing items, if any, must be indicated on the inventory list. In addition, an explanation regarding why the item(s) is missing shall also be submitted with the list.

Items lost due to theft or vandalism must be reported immediately to Superintendent and/or designee for police report and insurance claim purposes.

Change in Fixed Assets/Inventory

Fundraising Activities

Fundraising activities by student groups and/or for school sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades.

All fund-raising projects shall be subject to the approval of the Superintendent. The Authorization to Conduct a Fundraiser or similar form shall be completed by the Club Sponsor and submitted to the Superintendent or designee for approval. The secretary/bookkeeper shall keep a copy of all approved fundraiser forms to ensure that funds are deposited in a timely basis.

All funds raised must be deposited to the Business Office daily, by the end of the work day. You will receive a receipt at that time.

No funds should be transported to the Business Office by a student.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program.

Merchandise ordered for resale should be distributed to students on a written distribution log (refer to Fundraising Documentation Forms). The merchandise distribution log should reconcile with the corresponding invoice and/or packing list

At the conclusion of all fundraisers, the Club Sponsor shall complete a Fundraiser Profit/Loss Statement or similar form and submit to the Campus Principal or designee for approval.

All fundraising documentation shall be subject to audit and must be kept on file for 5 years from the date of the fundraising event.

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual accounts are used to accumulate fundraising profits for individuals, then a) the money becomes taxable to the student; and b) the people who donate in good faith are not allowed to deduct their contributions.

For example, if students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

Application to Conduct a Fundraiser
Fundraiser Profit/Loss Statement

Fraudulent or Other Dishonest Acts

All Board of Trustees, employees, vendors, contractors, consultants, volunteers and other parties involved with the district shall act with integrity and diligence in duties involving the District's financial resources. Fraud and other dishonest acts will not be tolerated by the district. Violators shall be disciplined, may be terminated and may be reported to the appropriate authorities.

Any and all concerns about potential fraudulent activities should be reported to any supervisor, the Superintendent, the Board President, or local law enforcement. Neither the Board, nor any district employee, shall unlawfully retaliate against a person who in good faith perceived fraud or financial impropriety.

Fraudulent acts may include, but are not limited to the following:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or other financial document.
- Misappropriation of funds, securities, supplies, or other district assets, including employee work time.
- Impropriety in the handling of money or reporting of district financial transactions.
- Profiteering as a result of insider knowledge of district information to outside parties.
- Unauthorized disclosure of confidential or proprietary information.
- Unauthorized disclosure of investment activities engaged in or contemplated by the district
- Accepting or seeking anything material value from contractors, vendors, or other persons providing services or materials to the district, except as otherwise permitted by law or district policy.
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
- Failure to provide financial records required by state or local entities.
- Failure to disclose conflicts of interest as required by law or district policy.
- Any other dishonest act regarding the finances of the district.

The Business Manager shall be responsible for conducting all fraud investigations. If an investigation substantiates fraud, the report shall be provided to the Superintendent and the Board of Trustees. The report shall include the findings, action(s) taken and/or recommendation(s) for action. If any employee is found to have committed fraud, they shall be subject to disciplinary action, up to and including termination of employment and referral to law enforcement or regulatory agencies, as appropriate.

Grants Management (State, Federal or Other Grants)

Seeking grant funds such as state, federal or from other sources is very desirable due to the impact of reduced local resources. It is recommended that grant applications be developed through a team approach to ensure that all stakeholders develop the grant goals, strategies and activities. Campus-based grant applications should be incorporated into the Campus Improvement Plan (CIP). All grant applications shall be reviewed and approved by Business Manager prior to submission to the granting agency. Some granting agencies require matching funds, in-kind funds, or other specific requirements that may pose a financial liability to the school district.

After the school district has received confirmation that a grant application has been approved, typically through a Notice of Grant Award, the Business Manager shall prepare and enter the grant budget on the general ledger. No funds may be expended until the grant approval has been received from the granting agency.

The Curriculum Director shall serve as the district's grants management administrator(s). The grants management administrator shall work with the Business Office to ensure compliance with all grant

requirements as they relate to grant activities, expending of funds, supplement versus supplant, submitting reimbursement requests, financial reports, and evaluation reports.

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at the campus, department, or individual level they should be signed (if the goods/services were received), and forwarded to the business office within five (5) days of receipt of the invoice. All e-mailed invoices must be printed, signed and turned into the Business Office, and must be accompanied by the original e-mail forwarded to Accounts Payable.

Texas law requires that all invoices be paid to vendors within 30 days of receipt of the goods/services or the date the invoice is received, whichever is later. If the district fails to pay promptly, the vendor can assess penalty interest charges. If a staff member neglects to submit an invoice on a timely basis, he/she may be held personally liable for the penalty interest charges.

Payroll Procedures

Every non-exempt employee shall record ***all of their own*** work hours through the TimeClock Plus timekeeping system. Failure to clock-in or out may result in non-payment of unverified work time and disciplinary action. Falsification of payroll records such as reporting excessive work hours or participating in a practice of clocking in/out for other employees constitutes fraud. Violators will be subject to disciplinary action, up to and including termination of employment.

All administrative supervisors shall sign off on the TimeClockPlus Weekly Payroll Report for their respective paraprofessional and support employees and submit the report(s) every **Monday by 12:30 p.m.** All corrections to “punch times” in the timekeeping system should be submitted via a Missed Punch Report with the administrative supervisor’s signature of approval. Corrections must be submitted in the same week of occurrence.

All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime shall be pre-approved by the immediate campus or department supervisor. All overtime will be paid, unless prior approval has been obtained from the Superintendent. An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, up to and including termination.

All employees shall complete an Absence from Duty Form when absent from work to ensure that the time off is recorded in their respective leave record. Staff members shall report all absences and leave requests to their immediate supervisor. All forms shall be submitted to the Payroll Department by 4:00 p.m. on Monday of the following week.

Earned compensatory time shall be used before any available paid state and local leave. Available leave shall be used in the order determined by each employee.

Supplemental payment forms shall be generated by the respective employee, approved by the immediate supervisor and submitted to the Payroll Department weekly. The supplemental payments will be processed for the next pay period. Supplemental payments should include the following: employee name, reason for pay, payment amount, budget code(s), date(s) worked, and be supported by sign-in sheets (attached to payment form).

All payroll disbursements shall be coded to the appropriate account code in compliance with the Financial Accountability System Resource Guide (FASRG). Disbursements from state or federal grant funds shall also comply with the OMB Circular A-87.

Absence From Duty Form
Supplemental Payment Form

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for **supplies and equipment** shall be **on or about March 15th**. Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Purchasing documents for **services and travel** should be submitted by **June 1st**. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates. The specific purchasing deadlines for state and federal grants will be distributed on an annual basis by the Business Manager.

Purchase of Food and Non-Food Items

Food and non-food items (such as paper plates, cups, silverware, etc) shall be for instructional purposes (Food Science & Nutrition, science projects, etc), for meetings/training sessions, or other approved functions. These food and non-food items may **not** be consumed or used for personal use. Excess prepared food items may be consumed or disposed of as appropriate. Food purchases for the Child Nutrition Program shall be subject to the U.S. Department of Agriculture guidelines.

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a “working lunch”. Documentation to support the “working lunch” shall include a meeting agenda with the inclusion of a “working lunch”. If state or federal grants are used for food, all purchases shall be in compliance with the TEA Guidelines for Related Costs (located under Grant Management Resources on the TEA website). Specifically, at no time shall state or federal funds be used to purchase breakfast or other non-allowable food items.

Purchase Requisition and Purchase Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created in the TxEIS system by the requesting campus, department, or individual and submitted for approval of a purchase order. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. Supporting documentation such as order forms, graphics, etc. shall be submitted to the Business Office.

After the requisitions pass all electronic approvals, the purchase order form is generated by the Business Office. Each purchase order is uniquely numbered for audit tracking purposes. **No employee shall order or receive goods without an approved purchase order.** A requisition **cannot** be used to place an order. All purchase orders should be mailed, emailed or faxed to vendors by the originator.

According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

Purchases for goods or services from state or federal grant funds shall comply with the TEA Guidelines for Related Costs (located under Grant Management Resources on the TEA website). Specifically, all non-allowable expenditures shall not be funded from state or federal grant funds.

The use of budgeted funds for a fiscal year will be suspended **on or about March 15th** of each year. Entering of requisitions for supplies and equipment and other classroom activities should be entered prior to the date the budget is “frozen”. There is always the need for exceptions, which usually relate to post-district athletic, band and academic competition travel for students and sponsors. **Exceptions will be made on a case-by-case basis with prior approval from the employee’s Supervisor and the Business Manager.**

On-Line Purchasing

Since external vendor on-line purchasing generally does not have internal controls which include verification of available budgeted funds, use of on-line purchasing will be limited to specific vendors and authorized users. The district will utilize on-line purchasing through the following vendors: Office Depot, Quill, and Amazon. Others vendors to be used for on-line purchasing will be added as applicable. Only an appointed authorized user can order on a school district on-line account at this time. On-line purchases will be subject to e-approvals through the same approval paths for requisitions. The Superintendent may approve on-line purchases from additional vendors at his or her discretion. On-line purchases from additional vendors will be approved by the Superintendent on a case by case basis.

A requisition must be entered for all on-line purchases prior to submitting to the Business Office the list of items to be ordered on-line. On-line orders will not be released by the final approver, the Business Manager, until the requisition is approved and a purchase order issued for the total amount of the on-line purchase.

Purchase Order Form

Purchasing Laws

The Texas Education Code (TEC) addresses the requirement to competitively bid purchases that exceed \$50,000, in the aggregate, over a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

The district has implemented an administrative procedure to solicit quotes for purchases, which exceed \$10,000.00, in the aggregate, over a 12-month period. District policy recommends a minimum of three (3) quotes for all individual purchases exceeding \$10,000.00; the written (faxed or emailed) quotes should be attached to the purchase requisition.

Anticipated purchases, which may exceed these limits, should be brought to the attention of the Business Office well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval.

According to Board Policy CH Legal, a board member, employee, or agent shall not, with criminal negligence, make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner. "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. "Sequential purchases" means purchases, over a period, of items that in normal purchasing practices would be made in one purchase. Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment.

Receiving of Goods

The district utilizes a centralized receiving system – all goods are delivered to the Junior High Office. Then, all orders will be delivered to the respective campus or department with a packing list for "check-off" and verification of receipt. All receiving documentation including packing lists, receipts, and invoices should be promptly sent to Accounts Payable Specialist. Discrepancies, if any, should be reported to the Accounts Payable Specialist. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order. **Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation of receipt to the accounts payable clerk.**

Records Management and Retention

The Local Government Records Act of 1989 and changes that were enacted by the 74th Legislature in 1995, requires all local governments to establish a records management program by ordinance, order or resolution and filed with the Texas State Library and Archives Commission (TSLAC). All local governments must file records control schedules or a written declaration of adoption of the State schedules. The deadline for compliance was January 4, 1999.

The TSLAC is responsible for the development of record retention schedules for governmental agencies. Various retention schedules address the types of records created and maintained by school districts such as GR – Government Records, EL – Election Records, TX – Tax Records, and especially, SD – School District Records. These schedules reflect the minimum retention period for each type of record.

The district has implemented a Local Records Retention Schedule that includes the types of records created and maintained by the district. This schedule also includes the minimum retention period for each type of record. The local retention period may be greater, but not less than the retention period set by the state.

Board Policy CPC Legal defines a record as noted below:

A “local government record” means any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information-recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the District or any of its officers or employees, pursuant to law or in the transaction of public business.

Records of the district may not be destroyed except as prescribed by law and district procedures. The district’s Superintendent shall be responsible for overseeing the records management program to include collecting, archiving, and destroying records as appropriate. The unauthorized destruction of local government records is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

All requests for district records, under the Public Information Act, shall be directed to the Superintendent’s Secretary.

Rental of Facilities

The Superintendent’s Secretary shall coordinate the rental of district facilities. This individual shall approve the rental agreements and coordinate with all related campuses and departments, especially as it relates to the availability of specialized facilities, electrical, cooling/heating, etc. A Rental Agreement or similar document is required for all rentals of facilities by outside organizations. All direct expenses for district staff such as custodial, food service or police shall be included in the agreement. All cleaning fees and direct expenses shall be paid to the district and deposited to the appropriate revenue account. At no time shall an outside entity pay a school district employee directly for work performed within the scope of their employment with the district.

District-related entities such as Boy or Girl Scouts, PTA, Boosters, etc. will **not** be charged a facility usage fee, unless an employee is needed to oversee the event or cafeteria staff is needed. Other fees, if any, will be negotiated with the lessee at the time that the rental agreement is executed.

[Request for Use of Facilities Form](#)

[Check List for Facility Request](#)

[Facilities Use](#)

[Facility Fee Schedule](#)

[GKD\(Local\)](#)

Returned Checks

The district contracts with PayTek Solutions for the collection of all returned checks.

The makers of returned checks will be charged fees for all returned checks as determined by PayTek Solutions. PayTek Solutions will facilitate all transactions for the collection of returned checks and/or any fees. The district shall reserve the right to reject future checks from makers of returned checks.

Sale of Personal Property – Surplus

All supplies and equipment which are deemed to be surplus will be recommended to the Superintendent or designee for sale via a Surplus Sale. The Board shall approve disposal of unnecessary property with a value greater than \$25,000.

Surplus sales shall be advertised in a local newspaper, on the district's website, or other method as appropriate. Items shall be sold through marked pricing, sealed bids, auction, or other acceptable method that results in the best return for the district.

Neither district supplies, nor equipment, shall be sold or conveyed other than through a surplus sale, unless authorized by the Superintendent or the School Board, as appropriate.

Sales Tax Exemption Form

The sales tax exemption form shall be used for school-related purchases only. Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Copies of the exemption form may be obtained from the business office. Taxes, which should have been exempt, will not be authorized for reimbursement. It is the purchasers' responsibility to present the exemption form to the vendor at the time of the purchase.

Purchase of personal items for staff or students are **not** eligible for the sales tax exemption.

Sales Tax Exemption Form

Vendors

Purchases from vendors that operate on a cash basis (do not accept purchase orders) or cash on delivery (COD) will **not** be allowed. The district participates in several cooperative purchasing programs. A list of these programs includes ESC 7, ESC 8, and Buy Board. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be forwarded to the Accounts Payable Clerk.

Each new vendor will be required to submit a W-9 Form directly to the Business Office. The W-9 Form is essential to add the business or contractor to the vendor database. The name of the vendor, as stated on the W-9 Form, shall be entered on the vendor database. Payments will not be made to vendors without a W-9 Form on file.

The Felony Conviction Notice or similar form shall be collected from all vendors that enter into a contract with the school district. The Texas Education Code, Section 44.034(a) states that a person or business entity that enters into a contract with a school district must give advance notice to the district if the

person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of the felony.

Furthermore, Section 44.034(b) states that a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract.

Lastly, Section 44.034 (c) states that this section does not apply to a publicly held corporation.

In addition to the felony conviction verification, the district shall obtain a criminal history background check and/or fingerprinting verification for all vendors that will work directly with students.