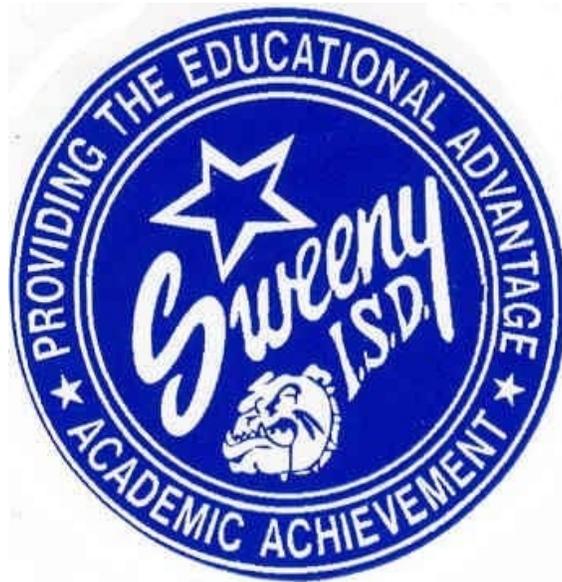


Sweeny ISD



Fiscal Manual **(Fiscal Guide for District Staff)** **2019-2020**

Version 10-17-16

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Introduction

This Fiscal Manual has been prepared to provide general information about several Sweeny ISD business functions. Additional information may be available within the district's Board Policies, Administrative Procedures, 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 shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

Amy Carter
Coordinator of Finance
979-491-8013

Jackie Hornback
Payroll/Budget Manager
979-491-8024

Shelley Rowlett
PEIMS Coordinator
979-491-8026

Dan Schaefer
Interim Director of Business & Support
979-491-8013

Business Office Mission Statement

The mission of the Sweeny ISD Business Support Services Department is to provide friendly, courteous and professional service. We are dedicated to providing assistance to schools and departments in the acquisition of supplies and financial services necessary to meet the needs of the educational process. We seek to conserve public funds and ensure fair and equitable trade with all vendors. In addition, we are committed to SISD tax payers to use funds in a manner that gives them the maximum value for each dollar spent and satisfies the needs of the district, its faculty and students.

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.

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 district chart of accounts is included in the Appendix section.

Activity Funds (Campus)

Campus activity funds (under the control of the principal or administrator) shall be collected, receipted, and deposited to the campus secretary or campus activity clerk on a daily basis. Campus activity funds are managed using a decentralized system. All deposits and expenditure requisitions are made through the campus secretary or activity clerk.

Campus activity funds shall be expended for the benefit of the District or its students and shall be related to the District's education purpose. Typical uses include field trip fees, awards, incentives, etc. **These funds shall not be used for "gifts" to students and/or staff (unfortunately this includes flowers for deaths).** 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.

Sales tax generated through fundraising activities shall be recorded and paid to the Texas Comptroller of Public Accounts on a quarterly basis. Two tax-free sales per district, campus, and bona fide clubs or organizations shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year.

Campuses may establish a faculty account (such as Hospitality or Sunshine) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to sales taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds shall be deposited and expended from an Agency Fund (Fund 865).

Refer to Activity Fund Manual for additional procedures.

Activity Accounts (Student Organizations)

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, received, and deposited on a daily basis. All monies collected should be received in a pre-numbered receipt book issued by the Business Office.

Student activity funds are managed using a decentralized system. All deposits and expenditure requisitions are made through the campus secretary or activity clerk.

Checks for activity fund disbursements shall be generated once a week on Thursdays. All expenditure requests and supporting documentation shall be submitted to your campus secretary or activity clerk at least 5 business 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 or upon approval of the sponsor.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An Authorization to Conduct to a Fund Raiser should be requested in accordance with Administrative Regulation FJ R1: Fundraising-Students. 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.

Sales tax generated through fundraising activities shall be recorded and paid to the Texas Comptroller of Public Accounts on a quarterly basis. Two tax-free sales per bona fide club or organization shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s). Every sponsor should complete and submit a Sponsor Responsibility Affidavit Form to the secretary or activity clerk.

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 7 years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the principal or designee, as part of the closeout procedures, shall collect all club records for storage on the campus for 2 year(s) plus current year, then at the media center for the rest of the archival period of time.

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.

The district has engaged the CPA firm of Kennemer, Masters, & Lunsford, LLC to conduct the annual financial audit for fiscal year 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 Executive Director of Business and Support Services 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. [Excerpt from TEA FASRG Audit Module]

The district has engaged the CPA firm of Kennemer, Masters & Lunsford, LLC to conduct the single audit for fiscal year 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 Executive Director of Business and Support Services is responsible for coordinating and overseeing the single audit.

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. 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.

Executive Director of Business and Support Services shall be responsible to coordinate the development and adoption of the district budget.

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 to minimize the number of small amendments, and be stated in whole dollars.

Budget amendments must be approved by the School Board. Requests should be submitted in accordance with agenda deadlines posted by the Business Office. Remember that if a purchase order is pending the outcome of a budget amendment, the purchase order will not be processed until after the School Board has approved the request.

Budget Transfers

A budget transfer is defined as a transfer of funds which is not across different functions. Budget transfers that are less than \$1,000 require the approval of the Budget Owner, Principal or Director. Budget transfers that exceed \$1,000 require the approval of the Business Office in addition to the Budget Owner.

Budget transfer line items should exceed \$100 to minimize the number of small transfers 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 20 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.

Cash/Check Handling

All cash and checks shall be deposited to the appropriate secretary or bookkeeper 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 campus secretary/bookkeeper. All district funds shall be deposited to the appropriate district account at the district's depository bank, First State Bank.

The secretary or activity clerk shall receipt [in a bound, pre-numbered receipt book issued by the Business Office] all cash/checks received. An Activity Fund Deposit Form must be completed and included in the bank bag and then delivered to the cafeteria for the courier to transport to First State Bank, or secured overnight in a locked campus safe if the deposit cannot be made the same day. An Activity Fund Deposit Form must be included with all deposits.

Athletic event gate receipts (admission fees) shall be recorded on an Athletic Game Report and submitted by the Ticket Taker to the Campus Athletic Trainer. The Athletic Trainer then completes the cost section of the Athletic Game Report and submits to the Athletic Administrative Assistant. Funds shall be deposited to the appropriate athletic events revenue account(s).

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 bank statements shall be reconciled within 10 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 or Chief Financial Officer. Adjustments to the general ledger, if any, shall be posted as soon as possible, but not later than 30 days after the end of each month.

Check Processing

Business Office checks will be printed, endorsed, and released twice a month. Checks will be generated on the Wednesday following the second Tuesday of the month, and on the 25th of the month. 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, construction, etc. shall be approved by the appropriate principal or administrator and submitted to the Business Office by 4 p.m. two business days before check processing day. Requests received after this time will be processed the following cycle. 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.

Machine signatures shall be used as follows:

1. All checks drawn on the general operating, designated purpose, interest and sinking, and construction funds shall be machine signed, with the authentic signatures of the President and Secretary of the Board impressed.
2. Checks drawn on pay vouchered District accounts payable shall be machine signed as authorized by the Board.
3. Payroll checks shall be machine signed after payrolls have been verified by the business office.

Any procedural exceptions to the foregoing regarding check signatures shall require specific approval of the Superintendent, the District auditing agent, and the Board. Authorized signatures for checks not machine signed are the Board President, Vice-President, and Secretary. Any two of these signatures may be used on checks.

State law generally requires that the district pay all invoices within 30 days to avoid penalty and interest charges so all vendors should submit invoices to the Business Office Accounts Payable Clerk. 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 (3 months from date of issue) will be voided. A new check will be reissued at a fee of \$25 if the payee is located and requests a reissue. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

Copiers

The district owns and leases 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.

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 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. Donated equipment shall have an inventory tag affixed to it if the unit value is greater than \$500. In addition, the equipment shall be added to the district inventory.

All donations for technology equipment shall be approved by the Director of Business Services prior to acceptance.

Fiscal Year

The fiscal year begins on September 1st and ends on August 31st. All goods and/or services received 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 15th 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 Director of Business Services 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 \$5000. Note: Replace with district's inventory values. Other items with a unit value under \$500 are also tracked and tagged such as:

- TVs
- Projectors
- Laptops/desktops
- Workstation Printers
- Video Recorders/Cameras
- e-Readers, etc.

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 by submitting a Technology Help Desk Ticket for removal from the district's inventory tracking system. Inventory items are also tracked for insurance purposes. Items lost due to theft or vandalism must be reported to the Director of Technology for police report and insurance claim purposes.

Submit a Technology Help Desk Ticket to request that an inventory item be transferred from one room to another, one campus/dept. to another, or to transfer obsolete equipment to the Warehouse storage area.

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.

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 must be pre-approved in accordance with Administrative Regulation FJ R1: Fundraising-Students. The Fund Raising Application shall be completed by the Sponsor and submitted to the campus principal for approval and then to the Assistant Superintendent of Administrative Services for approval. The secretary/activity clerk shall receive a copy of all approved fundraiser forms from the campus principal to ensure that funds are deposited on a timely basis.

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

At the conclusion of all fundraisers, the sponsor shall complete a Fund-Raising Profit/Loss Statement and submit to the campus principal for approval.

All fundraising documentation shall be subject to audit and must be kept on file according to district's records retention schedule.

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.

Fundraising revenues may be subject to sales tax. Refer to the Activity Fund Manual for specific information related to taxable sales, non-taxable sales, tax-free sales, etc.

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 or designee, 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.

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board President, or a designee shall promptly investigate reports of potential fraud or financial impropriety. 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.

Gift Cards

District funds shall not be used to purchase gift cards.

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 Superintendent or designee 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 Program Administrator shall prepare the grant budget. The Business Office will develop a budget worksheet in Skyward. The department will allocate the budgeted funds to the appropriate budget accounts and submit. Once all electronic approvals are complete in Skyward, the budget will be posted to the general ledger by the Business Office. No funds may be expended until the grant approval has been received from the granting agency.

The district’s grants management administrators are as follows:

Program Administrator	Title	Program/Grant(s)
Amy Pope apope@sweenyisd.org 979-491-8088	Asst. Superintendent/Director of Curriculum	ALL State, Federal or Other Grants

The grants management administrators shall work cooperatively with the Director of Business Services 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.

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 webpage or via the web at the Texas Comptroller of Public Accounts website: <https://www.comptroller.texas.gov/forms/12-302.pdf>. Lodging taxes, 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 form is not applicable to out-of-state travel.

Invoices

Vendor Invoices:

Vendors are required to submit all invoices, with reference to the SISD purchase order number, to the Business Office. Occasionally a vendor will mail an invoice directly to a campus or department. If any

invoices are received at the campus or department, they should immediately be forwarded to the Business Office.

Texas law requires that all invoices be paid to vendors within 45 days of receipt of the goods/services. 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.

SISD Invoices:

In the event SISD requests a reimbursement from another entity, campuses and departments shall submit their reimbursement documentation to the business office for preparation of a SISD Invoice. The Business Office is the only department that is authorized to issue a SISD Invoice. Invoices are tracked so that funds are properly accounted for and collected on a timely basis. The Coordinator of Finance is responsible for preparing district invoices.

Long Distance Calls

All district phone sets are long-distance capable. With the exception of an emergency, personal long distance calls are prohibited.

The Network Services department monitors and records call data including numbers called and the duration of each call. Employees found in violation of personal telephone use policies are subject to disciplinary action and shall be held liable for costs associated with personal calls.

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. The Business Office provides training for this type of purchasing on an as-needed basis.

A requisition will need to be entered, approved and a purchase order created before submitting the on-line order. You will need to enter the purchase order number when checking out online.

Payroll Procedures

Supplemental payment forms shall be generated by the respective employee on a Form 40, approved by the immediate supervisor and entered into Skyward as a supplemental payroll batch by the campus/department secretary. The Supplemental Payroll batch report needs to be printed and clipped to the top of the supporting Supplemental Pay Form(s). The batch report requires the approval of the Campus Administrator and must be submitted to the Payroll Office in accordance with the 2013-2014 Payroll Schedule. The supplemental payment amount that is not approved in the 2013-2014 salary bulletin requires a pay rate memo approved by the Superintendent or the Assistant Superintendent of Administrative Services.

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, especially in the following areas:

- All state and federal grant funded staff must sign a job description that includes their respective position, job duties, funding source(s), etc.
- Original time and effort documentation shall be maintained by the Campus Principal with duplicate documentation submitted to the Payroll Office. Time and effort documentation must be completed for every staff member paid from state or federal grants and approved by the immediate supervisor on the following schedule:
 - Semi Annual certifications for 100% funded employees must be completed, filed in your Campus Time & Effort Binder and duplicates submitted to the Payroll Office as follows:
 - 1st Semester signed and filed by January 30th

- 2nd Semester signed and filed by May 30th
- Daily time and effort for split funded employees completed and filed monthly in your Campus Time & Effort Binder and duplicates submitted to the Payroll Office.
- The Campus Principal is responsible for the reconciliation of the budgeted salary expenditure and the actual time worked on each state or federal grant. Should at any time, actual time work vary from the budgeted time, the Principal must notify the NCLB Specialist and the Director of Business Services.
- The Director of Business Services and/or the Payroll Manager will be responsible for payroll adjustments for the reported variances as a result of the reconciliation of the budgeted salary expenditures and the actual time worked on each state or federal grant.
- Campus Time & Effort Binders are due to the NCLB Specialist by June 15th.

Petty Cash Account & Change Funds

The Child Nutrition and Transportation Departments are authorized to manage a petty cash account. Petty cash checks shall be issued to the appropriate department administrator. Petty cash accounts are provided for convenience when making small cash purchases and/or emergency purchases. The maximum authorized expense is \$50. The principal or department administrator shall be responsible to ensure that funds exist in the account(s), which will be utilized to pay for the petty cash expenditures.

Petty cash requests for reimbursement shall be submitted by the departments to the business office as needed to replenish the cash balance. At all times, the petty cash account shall be balance – the sum of purchase receipts + cash shall = the authorized amount. Petty cash accounts shall be subject to random audits throughout the fiscal year and as part of the annual financial audit.

Purchasing & Budget Transfer 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 April 30th. 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 July 30th. 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 Director of Instructional Programs and Staff Development.

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” and must be furnished on SISD property. 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.

For general fund purposes a maximum allocation of up to 5% of the total basic campus budget allocation or 1% of the department budget allocation will be allowed for food and non-food items. A lesser amount may be specified by the campus or department. If food or non-food supplies are utilized for

faculty, site-based meetings, etc., the expense shall be code to a separate budget line (object 6496). All other uses should be coded to the appropriate account code.

Principals may also use a portion of their Campus Activity Funds for food and recognition. The amount may not exceed the same amount calculated for the general fund maximum allotment (so the total spent between general and campus activity cannot exceed 5%).

Student Activity Funds purchases of food may be made from these funds without limit, assuming the purchase is for the benefit of the student group and has been approved by the officers of the student group that raised the funds.

Benevolence/Social Funds are funds that have been contributed by staff and, therefore, purchases of food may be made from those funds without limit. Expenditures for staff birthdays, weddings or baby showers, snacks for teacher's lounges, etc., may be made from this fund.

Reference: Administrative Regulation CAA R1 Food Purchasing for Staff for additional guidelines.

Purchase Requisition and Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created in Skyward by the requesting campus or department. 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 attached electronically in Skyward.

After the requisitions pass all electronic approvals, the requisition is analyzed by the Business Office and a purchase order is created. 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 will be mailed by the Business Office unless the requesting campus or department notes alternative delivery method.

Reference Appendix B for SISD Purchasing Flowchart

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 respective grant administrator for the state or federal grant funding sources shall approve all requisitions from the funding source(s) they oversee. All purchases with state and federal grant funds shall include the respective District Improvement or Campus Improvement Plan (DIP & CIP) strategy related to the need for the goods or services.

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 recommends a minimum of three (3) written quotes for all individual purchases exceeding \$5,000; 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 Director of Business 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 has goods shipped primarily to the maintenance department. Maintenance employees then distributes to the appropriate district locations. On occasion items are shipped directly to the Business Office or Athletics.

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 Records Management Officer, Coordinator of Student Information Systems 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 Communication Coordinator.

Rental of facilities

The Campus Administrator shall coordinate the rental of district facilities. This individual shall approve the rental agreements and coordinate with related campus and departments, especially as it relates to the availability of specialized facilities, electrical, cooling/heating, etc. A Permit to Use Public School Facilities Form is required for all rentals of facilities by outside organizations. All facilities use fees are outlined in SISD Facilities Use Fee Schedule Category C and shall be included in the agreement. The payment for the use of the facility must be received by SISD 10 calendar days before the scheduled event. The custodial, utilities, lights, and kitchen fees shall be transferred 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.

Approved school activities, public election, and school related groups will not be charged usage fees as set forth in SISD Facilities Use Fee Schedule Category A.

Refunds, if any, to the lessee shall be processed for payment through the district's on-line requisition system to the appropriate vendor.

[SISD Facility Use Packet](#)

Returned Checks

The district utilized Check Smart to process all returned checks. All returned checks are routed through Check Smart for collections and the maker of the check will be charged a \$30. 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 [not of any use to the district], will be recommended to the Superintendent for sale via a Surplus sale.

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 webpage or from the Texas Comptroller for Public Accounts website: <http://www.window.state.tx.us/taxinfo/taxforms/01-forms.html>. Taxes, which should have been exempt, will not be authorized for reimbursement. It is the purchaser's 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](#)

Travel Expense – Advances & Settlements

The documentation for travel expenses is a **three-part process**.

1. Permission to Travel – employee completes Form 217 and submits to principal/department head for approval. Principal/department head verifies that funds are available for the estimated cost and fills in the budget account code on Form 217. If principal/department head approves Form 217, it is then returned to employee.
2. Advance – hotel & registration (if applicable) may be requisitioned for no later than two weeks prior to trip. Preapproved Form 217 is authorization to requisition for hotel and registration in advance.
3. Return from Travel – employee completes actual out of pocket expense column on Form 217 and attaches all applicable receipts. Submit completed Form 217 and receipts to principal/department head within 10 calendar days of returning from trip. Principal/department head will review expenses and backup documentation/receipts on Form 217. If all required documentation/receipts is attached, the principal/department head will submit to secretary/administrative assistant to process reimbursement for employee.

The Form 217 acts as approval to attend the event and as the certification that the employee traveled and reconciles actual travel expenses.

The travel rates for meals, lodging, mileage, and airline are limited to the rates and amounts stated in Administrative Regulation DEE R1: Employee Travel Guidelines and subject to state or federal limits.

Part 1. The Form 217 shall be utilized by all staff to request travel funds for travel expenses such as registration, meals, transportation, lodging, etc.

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: <http://www.gsa.gov/portal/category/21287>. 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.

All out of state travel must be approved by the Superintendent.

Part 2. Funds must be available for the estimated travel expenditures. A blanket requisition for registration and a check request for the hotel may be entered to encumber funds for lodging and registration to the respective payee(s).

Part 3. The Form 217 shall be submitted to the Principal/department head within 10 calendar days from returning. All actual travel expenses shall be recorded on Form 217, (mileage reimbursement requires a map quest or equivalent to be attached). Meal receipts are required and must be detailed on the Meal Summary Form. Approved forms must be submitted to the district Business Office within 30 calendar days of the trip to be eligible for reimbursement.

All monies due to the traveler will be paid upon approval of the budget owner.

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: <http://ritter.tea.state.tx.us/taa/plangraneval013111.html>

Form 217

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 is available from the Business Office. 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 submitted by creating a Request For New Vendor in the Skyward system. The request shall include the following attachments. Other documents may be required based on the services to be performed by the vendor.

- W-9 form,
- Conflict of Interest Questionnaire (CIQ), and
- Felony Conviction Notice is required for all contractors
- Other documents may include a Criminal History check and fingerprinting if the vendor will work directly with students, and/or a Certificate of Insurance if the vendor will perform services on district property. The Certificate of Insurance shall include the minimum level of insurance in the areas of auto liability, general liability, and workers compensation.

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.

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ. The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.

The Felony Conviction Notice 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.

[Vendor Conflict of Interest Questionnaire](#)

[Local Government Officer Conflicts Disclosure Statement](#)