



Joshua ISD Fiscal Manual

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Anan Mark

Superintendent

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General Information

The mission of the Joshua ISD Business Office is to ensure that the District's financial resources are effectively and efficiently managed to provide the necessary resources to achieve the instructional goals and objectives of the District.

The District has established these fiscal procedures that apply to all financial transactions regardless of the funding source. Procedures that apply directly to federal grant compliance can be found in the Joshua ISD Federal Programs Manual and the Child Nutrition Procurement Manual. Where these procedures may conflict, the most restrictive procedure should be followed.

In accordance with School Board Policy BP (LOCAL), the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the District. These procedures are updated by the Chief Financial Officer and business office staff and are approved by the Superintendent. The School Board may review, but does not adopt these procedures. All employees must be in compliance with the guidelines and procedures required by this manual.

If a situation occurs which is not addressed in this manual, it should be brought to the attention of the Business Office in order to determine the best proper course of action. If it is likely that this situation will reoccur, the proper procedures will be included in a revision to the appropriate section of this manual.

Additional information may be found within the District's Board Policies, staff procedure manual, Texas Education Code or other web resources. If assistance is needed in any area of our business operations, please contact any Business Office staff member listed below:

Rebecca Metzger, CPA – Chief Financial Officer
Amber Meadows – Accountant
Candace Fuchs – Director of Purchasing
Rayleen Elliott – Accounts Payable Secretary
Melia Fellers – Business Office Secretary

A complete organizational chart can be found on the business office website and each staff member has an up-to-date job description on file in the Human Resources Department.

The Business Office staff shall perform multiple roles; however, adequate separation of duties will be maintained at all times. All Business Office staff are expected to comply with:

- Code of Ethics and Standard Practices for Texas Educators – School Board Policy DH (Exhibit),
- Employee Standards of Conduct – School Board Policy DH (LOCAL),
- School Board Policy CAA (LOCAL) regarding fraud,
- Acceptable Use Guidelines – Employee Handbook, and
- All other District policies and procedures as appropriate.

Forms referenced within this manual can be located on the Joshua ISD website under the Business Office at: <http://www.joshuaisd.org/Page/7261>

Accounting, Budgeting and General Ledger Maintenance

Accounting – General Information

The District follows certain methods and procedures of accounting for revenues and disbursements as required by the Texas Education Code. These methods and procedures are outlined by TEA in the Financial Accountability System Resource Guide (FASRG).

General ledger entries will be made on an on-going basis as needed. End-of-month and end-of-year entries will be made on a timely basis. New general ledger accounts can only be set up by the Accountant or Chief Financial Officer.

All data entry into the financial system will be made from appropriate source documents and a system of checks and balances is in place to ensure accuracy, for example, monthly cash account reconciliations. At a minimum, the following information is needed for any general ledger transaction: date, account code(s), transaction number, credit/debit amounts, reason for the transaction, and supporting documentation. The Chief Financial Officer is responsible for monitoring the general ledger maintenance on a monthly basis. The general ledger is reviewed for accuracy in areas such as, but not limited to: cash and investment balances equal the respective reconciliation, revenues are recorded to the appropriate ledger account, fund accounts are in balance, and interfund accounts are reconciled.

Monthly financial reports for the previous month are prepared by the Chief Financial Officer for School Board review. These reports include the: Property Tax Collection Report, Monthly Financial Reports for the General, Debt Service, Food Service and Club Excel Funds which show a comparison to the prior year as well as a budget status of revenues and expenses by function, Monthly and Year-to-Date Status of Special Revenue Funds, Cash & Investment Report (prepared quarterly), Capital Projects Fund Summary (if applicable), and check register. Also prepared for School Board approval is a summary of POs over \$50,000 and budget amendments for items that cross functions.

Budget

The Board President is the budget officer, and shall designate the Superintendent as the deputy officer. The preparation of the budget includes estimated revenues and proposed expenditures of the District prepared according to the FASRG.

A public hearing concerning the proposed budget and proposed tax rate shall be held in August of each year. Notice of the public hearing is published in the Cleburne Times Review newspaper.

Budget planning is a joint effort of District staff, under the direction of the Superintendent and Chief Financial Officer. The timeline for budget development is as follows:

- February – Chief Financial Officer prepares budget calendar and distributes to all campuses and departments.
- April – The campuses and departments input their budgets into Skyward.
- April – The Superintendent and Chief Financial Officer conduct budget meetings with Principals and Directors.
- June & July – Budget workshop is conducted with the Board of Trustees.
- August – Public notice of budget hearing and proposed tax rate.

- August –The tax rate and budget is approved by the Board of Trustees.
- October – The adopted budget is submitted to TEA through the Public Education Information Management System (PEIMS).

The tentative budget formulated by the Superintendent and the Chief Financial Officer shall include: an estimate of the assessed valuation of property within the District as provided by the Johnson County Tax Assessor, local maintenance and operations and debt service tax rates as calculated by the Chief Financial Officer under applicable law, personnel requirements as provided by campus administrators, department heads, and the Superintendent, non-personnel requirements as provided by department heads. Campus budget allocations for non-personnel expenses are provided on a per pupil basis based on average daily attendance (ADA) for each campus according to PEIMS reports. Per pupil allocations are as follows: grades 9-12 = \$155 per pupil in ADA, grades 6-8 = \$120 per pupil in ADA, and grades EE-5 = \$100 per pupil in ADA.

Budget Transfers/Amendments

Requests for budget transfers (within the same function) or budget amendments (across functions) are to be submitted for approval by the Chief Financial Officer or Accountant in the finance system with a statement of the reasons the change is requested. Budget changes should be made in whole dollars. Budget amendments require School Board approval. Budget amendment requests must be made no later than one week prior to the next regular School Board meeting in order for consideration at that meeting.

Cash and Investments

The School Board has established written policies for the investment of funds, which are reviewed annually. These policies address the liquidity, diversification, safety of principal, yield, maturity, and quality and capacity of the investment. The Chief Financial Officer is the primary investment officer of the District and invests the funds with board approval. All investments made by the District shall comply with the School Board Policy CDA(LEGAL & LOCAL), the Public Funds Investment Act and all federal, state and local statutes, rules or regulations.

Depository

Depository contracts are through a proposal process and issued for a two year period, with the options to renew for additional, two-year periods as allowed in the Texas Education Code.

Proposal notices are sent to all eligible banks at least 30 days prior to the termination of the current contract and the selection of a new depository. The Chief Financial Officer is responsible for the notices and for securing proposals for School Board consideration and adoption. Texas Education Agency reviews the contract and bid process for compliance.

End of Year Process and Audit

All changes to the general ledger should be made within the same month as the changes occurred whenever possible. End-of-year entries should be made as soon as possible after the close of the fiscal year and prior to closing the fiscal year in the financial system. The following will be done prior to the start of audit field work:

- Reconcile all cash and investment accounts
- Reconcile all revenue accounts with amounts received and/or earned as of August 31st

- Reconcile all grant revenue and expenditures
- Prepare for School Board approval and post once approved the final budget amendment. This must be done prior to August 31st.
- Reconcile and post all accounts receivable.
- Reconcile and post all accounts payable.
- Post the salary and benefits accrual as of August 31st for work performed prior to September 1, but not paid to employees until September 15th.
- Reconcile any prepaid expenses.
- Prepare summary of fixed asset additions and deletions.
- Reconcile fund balances according to amounts committed and assigned by approval of the School Board

The annual financial audit is contracted with an outside auditing firm in accordance with the Texas Education Code. The selection of the auditor is through a Request for Qualifications for competitive pricing and competence. Firms are selected on a point system, and recommendations are sent to the board at their regular scheduled meeting for approval.

The Business Office makes available to the auditor:

- budgets and amendments
- board minutes and financial statements
- monthly bank reconciliations
- list of depositories and addresses and bank account numbers
- list of investments by fund transaction
- insurance schedules, including names of companies, type of coverage, policy dates and costs
- payroll reconciliations, payroll taxes and retirement deductions
- general ledger detail and audit report schedules
- any other information requested by the auditor

An audit report of the revenues and expenditures for the preceding fiscal year is filed with TEA. The report of revenues and expenditures includes management, cost accounting, and financial information necessary for monitoring and determining educational costs by campus and program.

The audited financial statement is also submitted to the Cleburne Times Review newspaper. The statement release, submitted by the Superintendent or Chief Financial Officer under the direction of the Board President, is made within 150 days after the close of the fiscal year.

Other submissions of the audited financial statement are made by the Chief Financial Officer in accordance with applicable laws and regulations.

Journal Entries

All general ledger entries will be numbered for tracking purposes according to the following method: YY-MM-NN, where YY=Fiscal year end, MM=month, and NN=the numerical order of the entry. For example, 18-09-01 would be the first (01) entry made in the month of Sept (09) during fiscal year 2018 (09/01/2017 – 8/31/2018). The Accountant and Chief Financial Officer are authorized to create journal entries and each approve the journal entries prepared by the other. Appropriate back-up documentation is attached to the journal entry in the finance system.

All changes to the general ledger should be posted in the same month as the changes occurred or as soon as possible. At times, prior to closing the month, reconciling journal entries are posted in accordance with creation and approval procedures. All automated payroll journal entries are interfaced with the finance system by the Payroll Officer as a part of the payroll process.

To request a change to the general ledger via journal entry, please email the Accountant with the details of the change including the account codes to be adjusted, reason for the adjustment, and adequate back up documentation to be included with the journal entry.

Records Retention

Records retention ensures that critical records are identified and retained in accordance with State and Federal guidelines. The Local Government Records Act establishes the primary requirements for records retention policies and plans. The record retention guidelines are specified in Board Policy CPC (LEGAL & LOCAL). The District's Records Retention Manual can be located on the District's website under the Business Office. The manual provides an alphabetical listing of the files that need to be retained and the time period for retention.

Activity Funds

General Information

The Activity Fund is designed to account for funds held by a school in a trustee capacity or as an agent for students, club organizations of the campus, teachers and the general administration of the school. These funds are used to promote the general welfare and mission of the campus and/or to provide support for the student organization or club. Documentation and supervision of Campus & Student Activity Funds is delegated to the campus administrator under the guidance of this manual.

The school principal is responsible for the proper collection, disbursement and control of all activity fund monies. This responsibility includes:

- Providing for the safekeeping of monies.
- Proper accounting, administration, approval, recordkeeping & documentation of fund transactions.
- Expenditure of funds in compliance with applicable state laws, local board policy, and administrative guidelines.
- Adequate training and supervision of all personnel designated by the principal to administer activity funds

The principal is not responsible for funds collected, disbursed and controlled by parent or booster organizations. These organizations' funds are not to be accounted for in the school's Activity Fund.

Activity Funds are audited periodically by the District's external auditor and subject to periodic inspection by the Business Office. The principal should conduct periodic internal audits to ensure compliance with this manual, as well as sound bookkeeping procedures.

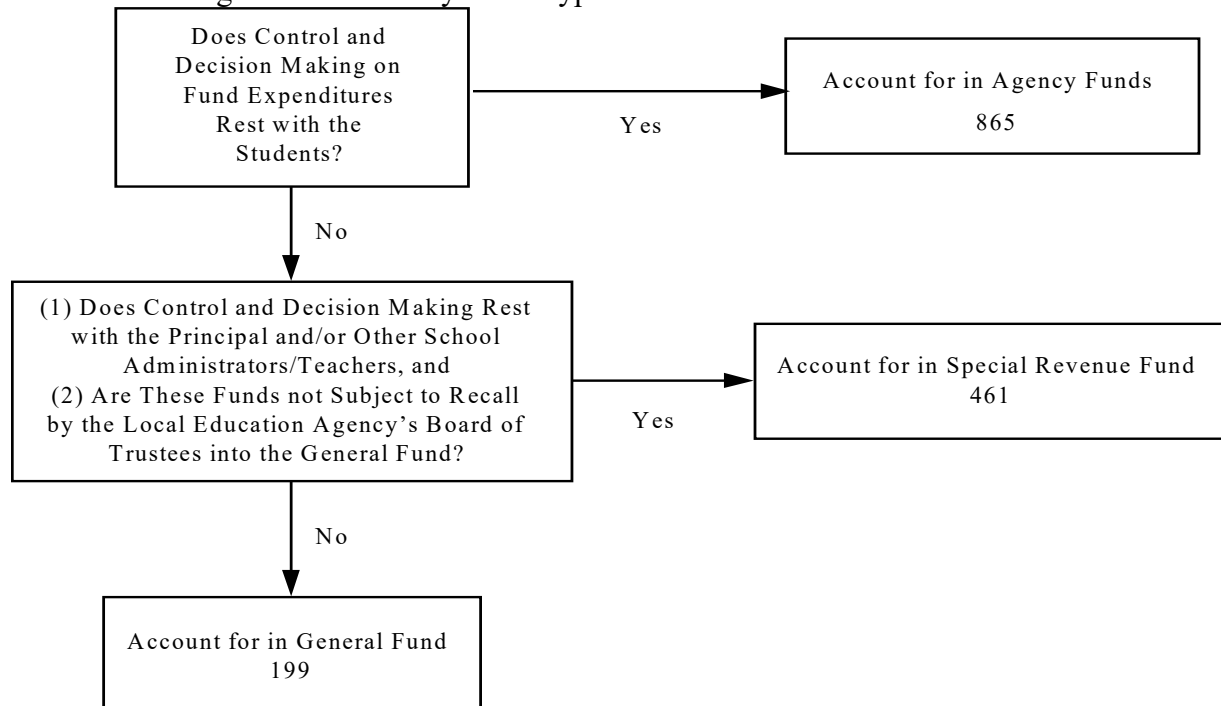
All Activity Fund records shall be kept current and in good order for a period of five years and available for audit at any time.

Classification of Funds

There are two types of activity funds:

1. Principal Activity Funds - Consist of funds generated locally at the school or donated to the school controlled directly by the principal and used for the general welfare of the school and the morale of all the school's students. These funds are accounted for in Fund 461. These are considered public funds and must be in compliance with all state and local laws and regulations as well as District procedures.
2. Student Activity Funds - Consist of funds generated by specific student groups, not by the District or campus. These funds are accounted for as agency funds in Fund 865 and are not owned by the District. Student activity funds are not subject to purchasing and bid laws; they belong to the students. However, local procedures for purchase orders, cash handling, travel, etc must still be followed.
 - a) The student group controls decisions about the expenditure of these funds with the assistance and supervision of a school District sponsor. Sponsors of these organizations have fiscal responsibility to ensure proper collection, proper expenditure of funds and professional stewardship and guidance in operational/financial matters. All sponsors must be familiar with policies and procedures in this manual.
 - b) The basic purpose for raising and expending activity funds that belong to a particular student group must be for the direct benefit of the students belonging to that group or for the general benefit of the school as a whole. Within this scope, funds are to be used for financing the purchase of supplies, services, equipment and activities that add to the general welfare of the group members.
 - c) Student activity organization forms are located on the District's Business Office website under the Forms link. An organization form should be on file with the business office for each student group. Funds raised by a group without an organization form on file will be deposited into the principal activity fund.

Decision Making Tree for Activity Fund Type



Expenses Paid from Activity Funds

The principal shall ensure that expenditures from student activity accounts are written for the intended purpose of the group and should not divert for other uses. District operating funds shall under no circumstances be used to replace or supplant activity funds.

No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account. Any Student Activity Fund that is overdrawn will be brought to the immediate attention of the Principal for clearance. Thus, no check shall be drawn on any account that has insufficient funds, unless approval is granted by the Chief Financial Officer.

Awards or gifts to individual students from activity funds shall not exceed **\$50** in any fiscal year with the exception of scholarships approved by the principal and paid through the Principal Activity (Fund 461) or through the Joshua ISD Education Foundation. Cash should not be given as an award or gift. Student Activity Fund Organizations wishing to contribute to scholarship funds may do so by generating a requisition providing payment to the Principal Activity Fund 461.

Student Activity Fund Organizations wishing to make a charitable contribution may do so with a vote of the officers of the club. Principal Activity Funds may not make contributions of cash to charity or others as this is a gift of public funds.

Principal Activity Fund 461 monies may be used for individual membership dues in a professional organization not to exceed one membership each for the building principal and assistant principals as approved by the Chief Financial Officer. School membership dues are allowable expenditures from Activity Funds.

Principal Activity Fund 461 monies may be used for professional conference expenses in accordance with the District’s travel procedures.

The principal may occasionally compensate District employees for additional services performed. Such auxiliary services are those discharged by the employee in addition to his/her normal, specified duties and will usually be performed outside of regular work hours. Such payments are made through payroll directly to the employee. The correct procedures are as follows:

- Complete an Extra Duty Pay Request Form.
- Enter a requisition for a check for the full amount made payable to Joshua ISD. Remember to include salary costs in your total.

Example

Pay Mr. Jones	\$100.00
FICA Medical Care 1.45%	\$ 1.45
TRS 7.7%	<u>\$ 7.70</u>
Total Requisition	\$109.15

- Have Principal sign the extra duty form and submit the form to the HR Department for payment. Payment will be made to the employee on their next regular paycheck.
- The prior approved purchase order and extra duty pay request should be submitted to the business office after the services are complete to ensure proper coding on the salary charges and closure of the PO.

Fundraising

A fundraising activity may be defined as any activity involving participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school or a school-sponsored group. In accordance with Board Policy FJ (LOCAL) fundraising activities shall not be permitted during class time. Participation in fundraising activities shall be voluntary and shall be approved only when the fundraising activity relates to the educational mission of the District. **Fundraisers must have a specific purpose** that is supplemental to the uses of budgeted funds and **posted on all advertisements for the fundraiser**. At the elementary level, door-to-door fund-raising by students in activities sponsored by the school or by a school related organization is prohibited.

In consideration for our community members and parents, fundraising activities for each campus, school-sponsored group, and student athletic sport should be limited to **one fundraiser per semester**. **PTSOs and Booster Clubs are allowed two fundraisers per semester**.

This limitation does not include:

- Pencil bags sold at cost
- Prepackaged school supply sales
- School/Group t-shirts, 1 sale per school year per school/group
- Battle of the Books t-shirts sold at cost, 1 sale per school year
- Field Day t-shirts sold at cost, 1 sale per school year
- Post District Play (playoff) t-shirts
- School Pictures, 1 sale per semester
- Book Fair, 1 per semester
- Yearbooks
- Car Washes
- Concessions/snack carts/food trucks
- Membership dues to clubs
- Admissions to events
- Other sales as authorized by the Superintendent
- Non-school sponsored charitable organization fundraisers (e.g. Jump Rope for Heart), although the school should be mindful of these and the additional burden on our community.

To request permission to conduct any type of sale, the club sponsor should **complete the application portion of the Fundraising/Sales Activity and Results Form**. Applications for student activity group fundraisers must include a copy of the minutes from the meeting at which the fundraiser was discussed by the group's officers. **This application must be approved by the Principal and Chief Financial Officer before starting the fundraising activity or sale.**

Upon completion of the fundraising activity or sale, the results portion of the Fundraising/Sales Activity and Results Form should be completed by the sponsor, with a copy to be filed with the Campus Bookkeeper and a copy retained by the sponsor. This report should indicate gross collections and list any expenses incurred relative to the activity merchandise (advertising, sales tax, prizes, etc.). The Campus Bookkeeper is ultimately responsible for the actual preparation and submission of the Summary Sheet; however, the person requesting permission to conduct the

fundraising activity should prepare the report. The club sponsor is responsible for keeping accurate records for all fundraising activities.

It is not permitted to maintain “individual” student accounts based on a parent’s or student’s participation in fundraising events by crediting the student with what they “earned” during the fundraiser. Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group. Therefore, regardless if a person participates in a fundraiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit if they are a member of the group.

District cash receipting procedures must be followed for the collection of all monies. These procedures are found in the Specific Process and Procedures section of this manual. All collections and disbursements associated with any fundraising activity coordinated by the school or a school-recognized student group shall be transacted through the Activity Fund.

Transfer of Funds between Activity Accounts

Transfers require the approval in writing of the principal and club sponsors or account custodians when the transfer involves accounts with delegated responsibilities. For Student Activity Funds, minutes of the meeting where the officers discussed the transfer should be included for back-up documentation.

Booster Clubs and PTSOs

In accordance with School Board Policy GE (Local), school-related booster organizations shall organize and function in a way that is consistent with the District’s philosophy and objectives, within adopted board policies, and in accordance with UIL guidelines as applicable.

It is the organization’s responsibility to file tax exempt/non-profit organization status and to submit any required tax payments and/or reports. Organizations must contact the IRS for issuance of tax identification (ID) number. Organizations cannot use the Joshua ISD tax identification number.

The organization must maintain its own bank account, issue its own checks, and maintain its own financial records. Funds collected on behalf of the organization must be accounted for and receipted by the organization and deposited in their own account.

All joint purchases of assets between a Booster Club or PTSO and the District become the property of the District. Funds from the club or PTSO must be deposited into the proper District budget account. The District will pay invoices for the purchase.

Booster Clubs/PTSO will need to purchase their own certificate of liability insurance for use of outside District facilities.

General Guidelines for Booster Clubs and PTSOs can be found on the District’s website on the For Parents page.

Contracts

No employee other than the Superintendent or Chief Financial Officer shall be authorized to sign contracts that obligate the District. Contracts above \$50,000 shall require approval by the Board of Trustees. All District contracts are maintained by the Business Office.

Principals and other administrators have authority over campus/department budgets, but may not execute contracts related to those expenditures. All contracts must be finalized and signed prior to purchase order commitments.

Electric Contract

Political subdivision corporations may be used in lieu of competitive pricing mechanisms for the purchase of electricity.

Multi-year Contracts

Multi-year contracts are permissible if they contain the right of the Board to terminate the contract at the end of each budget or an appropriate funding-out clause to allow termination should funds become unavailable.

Disposal of School Property

All rights and titles to District property, whether real or personal, shall be vested in the board and its successors in office. The school board may, in an appropriate manner, dispose of property that is no longer necessary for District operations. Please refer to the JISD Federal Programs Manual if the property was purchased with Federal Funds.

Campuses or departments should submit a request to the Maintenance Department for surplus items to be picked up. The items are stored at a District storage facility. The District conducts online auctions on GovDeals.com to sell surplus assets in the spring and fall of each year.

Sale or Lease of School-Owned Real Property

The board shall authorize the sale of any real property other than minerals, by means of a board resolution. Plans for sale of real property are made by the Superintendent to the board. Legal requirements for the transaction are outlined in Board Policy CDB (LEGAL), and followed by the Superintendent and Chief Financial Officer for the sale of real property.

Ethical Matters and Use of Public Funds

Food Purchases

Food may only be purchased if: A) Principal Activity Funds are used; B) donated funds are used or C) the food is for a school related meeting. An agenda describing the purpose of the meeting and the participants attending should be included with a purchase of food.

Gifts of Public Funds to Employees and the Public

As a general rule, gifts of public funds or items purchased with public funds are prohibited. Public Funds include any funds from taxes or fees imposed by a governmental entity to raise revenue and any funds under control of a governmental entity. This includes gifts to charity.

A political subdivision can however; purchase small gifts, plaques, and flowers for employees if the political subdivision determines that such expenditures will enhance employee morale or serve a legitimate educational purpose.

Gratuities

School District officials and employees cannot accept anything of value from a vendor, such as personal gifts or gratuities, meals, trips, tickets for entertainment, which may be construed to have been given to influence the purchasing process. "Gift to a Public Servant" is a Class A misdemeanor offense if the recipient is a government employee who exercises some influence in the purchasing process by the governmental body.

Insurance

Property and Casualty

Property and casualty insurance is secured through a request for proposal. Property and casualty policies include liability for facilities, equipment and vehicles, personal injury, professional and general liability, and loss of property. A multi-year contract is executed, with the board continuing the right to terminate the contract at the expiration of each budget period during the term of the contract.

Unemployment Insurance

Unemployment insurance is secured through a request for proposal. Under the terms of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, Texas Association of School Boards Risk Management Fund annually renews the coverage for unemployment insurance coverage.

Workers Compensation

Workers compensation insurance is secured through a request for proposal. Public Workers' Compensation Program is the District's third party provider. The Human Resources Department handles all claims and information on workers' compensation accidents for the District.

Student Insurance

Student insurance is secured annually through a request for proposal. This is supplemental insurance that can only be used as the first line of insurance if the parents have no insurance at all. This covers all students and all school sponsored extracurricular activities.

Purchasing

General Information

The District has established a separate comprehensive purchasing manual as a primary tool for establishing a strong control environment over purchasing. This manual can be found on the Business Office website and must be adhered to by all staff involved in the purchasing process. The guidelines presented below serve as an introduction to purchasing and highlight key

elements of the purchasing process. The Purchasing Manual should be consulted and those policies and procedures followed as applicable to the purchase being contemplated.

Authority

The School Board has delegated authority to the following persons to act as agents for the District in carrying out its purchasing activities: Superintendent, Chief Financial Officer, Principal/Supervisor, Department Buyers, and the Director of Purchasing.

The Business Office shall supervise the purchase of all materials, supplies, equipment, and services for the District. Budget owners have the authority to initiate and approve purchase requisitions within their authorized budget. Every employee involved in procuring goods or services for the District is responsible for earnestly working to attain the District's procurement goals and objectives.

Under Board policy CH (Local) Responsibility for Debts, the Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control; persons making unauthorized purchases shall assume full responsibility for all such debts.

Ethics

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing functions. Purchasing personnel and school District employees face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. In an effort to get the job done successfully and on time, one may be tempted to circumvent policies, procedures, and laws, or make their own liberal "legal" interpretations of existing policies. Such activity, although well intentioned, presents an ethical dilemma.

In addition to the information provided in this section, please refer to School Board policy DH (Legal/Local), Employee Standards of Conduct.

The FASRG also prescribes common standards of ethics governing the conduct of employees involved in the purchasing function, which are incorporated in the procedures prescribed below.

- Sequential Purchases – District employees shall not make purchases, over a period of time, on items that in normal purchasing practices would be made in one purchase.
- Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.
- Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.
- Conflict of Interest – In accordance with Board Policy DBD (LEGAL), an employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the employee knows is interested in or likely to become interested in any such transactions of the District. A conflict of interest is defined as any circumstance that

could cast doubt on an employee's ability to act with total objectivity with regard to the District's interest.

- Gifts - District employees shall not solicit, accept, or agree to accept any gifts or benefits from a person conducting or intending to conduct business with the District. The prohibition of accepting gifts does not apply to accepting an unsolicited item with a value of less than \$50, excluding cash or a negotiable instrument.
- Financial Interest - District employees shall not participate directly or indirectly in procurement when the employee or the employee's family member has a financial interest pertaining to the procurement.
- Personal Use - District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership.
- Equal Consideration - District employees shall grant all competitive suppliers equal consideration insofar as state or federal laws and District policy permit. This is especially important when evaluating bids and proposals.

Strict adherence to laws, regulations, and District procedure are critical to the protection of the employee's and the District's reputation. Any violations to these standards shall be reported immediately to the District's Chief Financial Officer @ 817-202-2500 ext. 1013.

Purchasing Responsibilities

Board of Trustees –

- Approve all purchases of \$50,000 or more (CH Local)
- Approve any change in Board purchasing policy

Superintendent –

- Approve all purchase orders of \$5,000 or more
- Provide over-site on adherence to District purchasing policy and procedures

Chief Financial Officer –

- Shall establish and maintain a reliable and financially accountable control environment for procuring goods and services
- Approve federal pre-acquisition form to ensure that purchase meets student needs as evidenced in the campus and district improvement plans
- Approve all purchases
- Ensure proper coding of purchase orders
- Ensure that budget funds are available before purchase order approval
- Ensure that all statutes, Board policies, and procedures are followed
- Monitor the purchasing program for fraud
- Amend purchasing manual as needed
- Ensure that the District goal of efficiency and effectiveness is maintained

Director of Purchasing –

- Shall establish and maintain a reliable and financially accountable control environment for procuring goods and services
- Approves purchase orders and service contracts, including competitive procurement specifications and tabulations
- Ensure proper coding of purchase orders
- Ensure that budget funds are available before purchase order approval
- Assists in the development and modification of purchasing policies and procedures and is responsible for the implementation of such policies and procedures

- Resolves problems encountered within the purchasing function
- Establishes and monitors good working relations with vendors
- Provides for communication with vendors (i.e., pre-competitive procurement conferences, competitive procurement openings, etc.) and approves vendor communication with campuses and departments

Special Program Directors –

- Approve federal pre-acquisition form to ensure that purchase meets student needs as evidenced in the campus and district improvement plans
- Approve requisitions involving purchases with special program funds under their control/responsibility
- Ensure that coding and applicable program guidelines are strictly adhered to

Principals –

- Ensure that purchases are needed to facilitate instruction and meet student needs as evidenced in the campus and district improvement plans
- Ensure that coding is correct
- Ensure that the budget contains the funds necessary for the purchase
- Monitor purchasing program for fraud

All employees –

- Shall strictly adhere to the Board policy and this manual to control procurement activities

Competitive Procurement

Under Texas Education Code all contracts, except for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate, for each 12-month period shall be made by one of the following methods:

- Competitive sealed bidding;
- Competitive sealed proposals;
- A request for proposals, for services other than construction services;
- An interlocal contract;
- A design-build contract;
- A contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager;
- A job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
- The reverse auction procedure as defined by Section 2155.062 (d), Government Code

Additionally, purchases that exceed or aggregate to exceed \$50,000 or more require Board approval before a transaction may take place.

It is important to understand that although an individual purchase may not be for more than \$50,000, it may fall into a category in which the District spends more than \$50,000 in aggregate during the fiscal year. Examples include, but are not limited to: instructional supplies, office supplies, professional development, athletic supplies, etc. Purchases in these categories can only be made from approved vendors who have successfully completed the bid process. Please consult the Director of Purchasing if you are unsure about a category or use of a specific vendor.

Purchases of more than \$10,000 but less than \$50,000 either require documented quotes or are identified as a sole source. Quotes must be obtained from multiple vendors from the prospective or approved vendor list, or cooperative program. Quotes should be in writing and attached to the purchase order. If the lowest quote is not selected, a justification should also be attached to the purchase order.

Purchases of less than \$10,000 do not require, but are strongly recommended to have quotes from multiple vendors from the prospective or approved vendor list, or cooperative program. Quotes should be in writing and attached to the purchase order. If the lowest quote is not selected, a justification should also be attached to the purchase order.

Please refer to the federal programs manual if purchasing with federal funds.

Emergency Procurement

Under Texas Education Code, if school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by competitive procurement would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by competitive procurement.

Sole Source Procurement

Under Texas Education Code, a school district may purchase an item that is available from only one source, including:

- An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- A film, manuscript, or book;
- A utility service, including electricity, gas, or water, and
- A captive replacement part or component for equipment.

The District must obtain and retain a **Sole Source Form** from the vendor which clearly delineates the reasons which qualify the purchase to be made on a sole source basis.

Requisition and Purchase Order Processing

Budget owners and employees are responsible for complying with statutory requirements, Board policies, and the procedures established in this manual when purchasing goods or services for the District. All end users must keep in mind the following purchasing prime directives:

- Approval of purchases must be made prior to a purchase
- Request for payment without a purchase order approved by the Business Office will become the responsibility of the person ordering the material or service

The requisition and purchase order process begins when a need is determined by an end user and is not completed until payment is made for the goods and/or services.

Requisition Process –

A requisition is an internal document by which a campus or department of the District requests the Business Office to initiate a purchase order. It is a request generated electronically (through

the use of the Skyward automated system) for the purchase of supplies, services, equipment, etc. A requisition is an un-approved purchase order. No purchasing commitment shall be made without an approved purchase order.

Requisitions are initiated by those having proper authority. After a requisition is entered into Skyward it must then be approved by the appropriate budget owner, which is normally a principal or a supervisor. Requisitions which require expenditures from a Special Revenue Fund must be approved by the program administrator (i.e. Federal Programs, etc.).

In order to avoid delays in processing, requisitions should include all information necessary to clearly define the needs of the user department or campus. The information required includes the following:

- Complete and accurate description of items to be purchased
- Quantity needed
- Vendor name and address
- Account code to be charged
- Price (per unit and in total)
- Payment terms
- Discounts, if any
- Transportation arrangements (shipping/freight costs, if any)
- Delivery destination (warehouse, school campus, department)
- Required delivery date, if any
- Quotes attached, if necessary
- Any special instructions (must be written in the body of the requisition. Do not use the internal note for any special instructions)
- Include purchasing cooperative bid/contract # if applicable

It is the end user's responsibility to ensure the correct budget (object) codes are used when entering a requisition. A requisition that contains the wrong budget code will be denied. A comment will be included that explains how to correct the requisition so that it can be resubmitted. Please see the appendix for commonly used budget codes.

Requisitions received by the Business Office are reviewed for accuracy and completeness, availability of funds, proper approvals, adequate descriptions and instructions, proper coding, and compliance with required procurement method.

Purchase Orders –

After the requisition is reviewed and approved by the Business Office, the requisition number becomes the purchase order number. Purchase orders are among the most commonly utilized methods for procuring goods and services. As its name indicates, this document serves as a formal order for goods, materials and/or services from a vendor. A purchase order, once approved, is a binding commitment for the District to remit payment to the vendor after the item(s) and/or service(s) are received. Once items are shipped and/or services performed, the vendor must submit a properly executed invoice to receive payment.

Once issued, the purchase order encumbers funds and serves as an expenditure control mechanism. The purchase order is also used in the accounts payable process as it documents that

an order has been issued, received, and accepted by the user and payment may be made to the vendor.

Purchase orders are issued on a daily basis by the Business Office based on information submitted on requisitions. If a purchase order is needed immediately, contact the Business Office. Letters to the Superintendent/Board of Trustees for purpose of a purchase that requires Board Approval shall be submitted to the Superintendent's Office no later than 10 days before the Board meets to take action. Any exceptions to the above time line will be approved through the Superintendent's Office.

Purchase orders are not to be modified with the vendor or by campuses or departments directly. If it becomes necessary to change the terms of a purchase order, the school or department must first advise the Business Office. Once an agreement to any price increases or modification of terms is reached, the Business Office has the responsibility to adjust the encumbrance on the Purchase Order and notify all involved parties of the changes.

In the event it is necessary to cancel a Purchase Order, the school or department must advise the Director of Purchasing. The Director of Purchasing will close the purchase order and liquidate the funds encumbered. The school or department placing the order must also notify the vendor of the cancellation of the purchase order if necessary.

Delivery and Receipt –

Carefully checking deliveries and ensuring that the end user(s) that ordered the goods/services actually obtain them is a critical part of the purchasing process. Monitoring the delivery and receipt of purchase orders is the end user's responsibility. This ensures that the District actually receives what it purchases. The following procedure should be followed:

1. Locate the packing slip. The packing slip contains the information of the items shipped from the vendor. The packing slip should list the following information:
 - Date of shipment from the vendor
 - Purchase Order Number
 - Quantities and descriptions of items shipped

If the individual performing the receiving cannot locate the packing slip, he/she must immediately contact the vendor and request a copy.

2. Compare the packing slip with the Purchase Order and verify that the shipment is intended for your school/department. If it is, continue the receiving procedures. If you are certain that the shipment is not intended for your school/department, refuse the shipment or aid in determining the proper destination.
3. Ensure that the items and quantity of items on the packing slip match the items and quantity on the Purchase Order; accept the items that were ordered and contact the vendor for instructions for handling any incorrect items.
4. Compare the number of containers delivered to the number on the carrier's packing slip. Record any discrepancy on the carrier's shipping documents.
5. Examine the containers and items for damage.

If the campus or department determines there is damaged merchandise or a discrepancy exists, they should notify the vendor immediately and attempt to resolve the discrepancy. If the discrepancy is discovered during or after inspection or unpacking, the vendor should be contacted in a timely manner. It is the end user's responsibility to contact the vendor and attempt

to resolve deficiencies. If satisfactory results are not obtained in a timely manner contact the Business Office.

Once the end user is satisfied with the delivery of good or services, the white copy of the purchase order should be signed as certification that delivery was received and payment is authorized. The purchase order is then matched with the original vendor invoice and forwarded together to the Accounts Payable Secretary for payment and closure of the purchase order.

Vendors

The Business Office is primarily responsible for vendor relations, contact, and communication. However, school campuses, departments, and staff must also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations. It must be understood that contact and communication with vendors by school campuses, departments, and staff are not to represent a commitment to purchase.

An approved vendor is a vendor that has been awarded a Bid/Proposal through the District competitive procurement process or through an Interlocal Agreement. Lists of approved vendors by bid commodity can be obtained from the Business Office. Vendor information is normally updated annually at the beginning of each school year. If unclear from whom to purchase a good or service, please contact the Business Office prior to contacting a vendor.

A vendor list is maintained in the Skyward software. Many vendors used by the District in the past are already established in Skyward. However, all vendors in Skyward are not necessarily approved for all purchases because of approved vendors and the competitive procurement process. If unsure if a vendor in Skyward is approved, please contact the Business Office.

Often vendors contact schools and departments and offer goods and services. If a campus or department decides to purchase goods or services that were not included in the competitive procurement process from a new vendor, they will have to submit a Vendor Request Packet to the Director of Purchasing. All forms included in the packet must be signed and completed.

Under School Board Policy (CHE Local) solicitors, vendors, collectors, or salespersons shall not be permitted to confer with students or employees during school hours without the prior approval of the Superintendent or designee.

Sales Tax

Taxable Status of Purchases

All items purchased by a public school, school district or non-private school for the school's own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a Texas Sales Tax Exemption Certificate. To be valid the certificate must state that the merchandise being purchased is for the organization's own use in providing education and is being made in the name of the organization, and that payment shall be made from the organization's own funds.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. As an example, cheerleaders purchasing their own

uniforms, teachers purchasing computer equipment, band members purchasing their own instruments and athletic teams purchasing their own jackets are not tax exempt.

Meals purchased by the school for athletic teams, band members, etc., on authorized school trips are exempt from sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishment with an exemption certificate. Individual members of the athletic team, band, etc., may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

The school District will not reimburse employees for sales tax they paid on purchases made on the behalf of the school District. Teachers, coaches, etc., may not claim exemption from sales tax on individual purchases while on school business even though they are reimbursed by the school for expenses.

Items purchased for re-sale are exempt from tax when purchased. Sales tax must be collected at the time the items are sold (see Taxable Status of Sales section below).

Hotel Occupancy Sales Tax

An exemption may be claimed by the school for state hotel occupancy tax if the school contracts and pays for the accommodations and provides the hotel with a completed Hotel Occupancy Tax Exemption Certificate which is provided by the Business Office. Present this exemption form to the hotel at the time of registration when traveling in Texas. City and County hotel occupancy tax is not exempt.

Taxable Status of Sales

The District is not exempt from collecting and remitting sales tax on taxable sales. Each campus shall collect sales tax on all taxable sales. When imposing sales tax, the campus has the option of:

- Adding the tax to the item's selling price-thus, if the selling price of an item was \$2.00 and the tax rate was 8.25%, the school would collect \$2.17 ($\2.00×1.0825) from the buyer for each item sold.
- Absorbing the tax in the item's selling price-thus if the item sold for \$2.00 including tax, the campus would retain \$1.85 and remit \$0.15 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming a tax rate of 8.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

Public Schools and school-related organizations need not collect sales tax on the following:

- Fees and admission tickets
- Club memberships
- Sales of food and soft drinks sold during a regular school day, subject to an agreement with the proper school authorities
- Concessions sold at school related events
- Food and drinks sold at PTSO carnivals

Sales tax is not collected on meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day by a school, student organization or PTSO subject to agreement with school authorities.

The sale of food, including candy and soft drinks, is exempt from the sales tax when sold by an organization associated with a public elementary or secondary school (Booster Clubs, PTSOs, etc.) if:

- The sale is part of a fund-raising drive sponsored by the organization; and
- All net proceeds from the sale go to the organization for its exclusive use.

Public schools and school-related organizations must collect sales tax on the following:

- School-purchased supplies sold directly to students including athletic equipment, physical education uniforms and pencils.
- Fees for materials when the end product becomes a possession of the student.
- Student publications such as yearbooks and football programs.
- School rings.
- Books sold to students.
- Rental of equipment, instruments, uniforms, towels, locks, etc.

Please see Appendix B for more examples of taxable and non-taxable sales.

In some cases, the school is acting as an agent for the fundraising company. In these situations the vendor, not the school, is responsible for reporting the sales and remitting the sales tax. This is common with catalog type fundraisers and book fairs. Please consult with the fundraising company representative to see if the company collects and remits sales tax. Consult the Business Office with questions.

Each school district, each school, and each bona fide chapter of each school is allowed to have two, one-day tax-free sales each calendar year. Essentially, any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business are bona fide chapters of the school. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free sales. One-day tax-free sales mean that collection and remittance of state taxes is not required on qualified sales on that day. One-day means 24 consecutive hours; the delivery should be made on a single day. The date the items are delivered by the vendor to the seller is designated as the one-day for the purpose of the tax-free sales. Pre-sale orders prior to delivery may be made tax-free. Sales from surplus stock on subsequent dates after the tax-free day are taxable.

A Monthly Report of Taxable Sales form should be completed and submitted to the Business Office no later than the 10th of the month following the end of the month. The Business Office will submit all District payments and charge the appropriate sales tax accounts.

The State Comptroller's office maintains a toll-free tax information number for quick response to any state tax questions you may have. You can reach the Comptroller's Office from anywhere in Texas by dialing: 1-800-252-5555.

Transportation

The District contracts with First Student to operate and maintain the daily route school buses for the transportation of pupils. All routes, schedules, and bus stops are established by First Student

on such basis as may be determined by it to be most efficient. First Student presents the schedules to the District; the District approves the schedules, stops and routes.

Bus transportation to and from school is provided by the District for regular students who reside two or more miles from his/her campus of regular attendance, special education students, and students who live within a hazardous traffic area in accordance with the Texas Education Code.

Estimation of Extra Curricular Transportation Cost

First Student estimates student transportation costs are \$0.54 per mile for a bus. Drivers' charges are \$25.05 per hour for driving and wait time. Driving time should be computed on 50 miles equal 1 hour. There will be a minimum charge of 2 hours for all extracurricular trips. A coach/sponsor/director who has a commercial driver's license should drive to activities whenever possible to help save on transportation costs. Please refer to the District procedures for bus driving for more information.

Procedure for requesting First Student transportation for extracurricular activities:

- Complete an electronic Transportation Request Form. **Include the budget code.**
- First Student will estimate the cost of the trip and send the form back to the user.
- At the end of the month, First Student prepares a detailed report of all charges. This report is sent to the campuses for review prior to payment.

School Vehicles

Only a District employee may drive a District owned vehicle. Refer to Human Resources procedures regarding when an exempt or non-exempt employee may drive to school sponsored events. Smoking and the use of any other tobacco product or e-cigarettes, including smokeless or chewing tobacco, is prohibited at all times in all District owned vehicles.

Transportation in Private Automobile

The District insurance does not cover students being transported in private automobiles. District employees should never transport students in private automobiles.

Vehicle Rentals

Vehicle - Suburbans and automobiles may be rented from Enterprise, at the structure for State of Texas Employees. A purchase order must be given to the rental facility.

12 to 15-Passenger Vans-Non rental - Federal law prohibits dealers from selling or leasing a new 15 passenger van for use in transporting children to and from school or a school-related activity. The District also prohibits the renting of 12 passenger vans. Contact the Director of Purchasing for help booking a rental vehicle.

Rental rates do not include the cost of gasoline. Prior to returning the vehicle, the traveler must refill the tank to the level required by the rental car company and this is a reimbursable cost to the traveler. However, if the traveler fails to refill the tank and the car company invoice includes a charge for gasoline at higher-than-market rates, the traveler will be required to reimburse the District for the excess charge. A purchase order must still be submitted in advance of the trip in order to be reimbursed for gasoline.

Unclaimed Property

Joshua ISD is required by state statute to remit to the State of Texas all unclaimed property valued at greater than \$100. The report is filed annually on July 1 for balances as of the previous June 30. See the Texas Comptroller of Public Accounts website to search for unclaimed property remitted to the State.

Items valued at \$100 or less are retained by Joshua ISD and available for reclaim. Please visit the unclaimed property section of the business office website for more details about reclaiming unclaimed property.

Vending

School Serviced Vending Machines

Profits resulting from vending machine sales may be transferred, at the option of the principal, to accounts related to the supporters/payers from whom the profits were generated or other accounts for student related purposes. This method of entitling the individual Activity Fund Accounts should relate directly to the location of the machines and the intended purpose of the profits.

Revenue from vending machines must be collected and receipted daily or when the amount exceeds \$30.00. Money cannot remain in the building over weekends or holidays.

Vendor Serviced Vending Machines

A school may contract with a firm whereby the vendor agrees to service the machine and collect the money. The school then receives a periodic commission check from the vendor. Revenue from vending machines situated in all areas of the school, whether school-serviced or vendor-serviced, shall be controlled by the school principal and processed through the Activity Fund.

Beverage Vending

The District has entered into an Exclusive Beverage Provider agreement. This agreement includes all vending machines and concessions. District campuses and booster clubs must order all beverages (including bottled water) for use in vending machines and concessions through this exclusive agreement. Please contact the Business Office for more information.

Specific Processes and Procedures

Accounts Payable/Cash Disbursements

Payment of original invoices should only be for purchases that were **previously** approved including employee expense reimbursements. After the fact purchase orders are not allowed and are in violation of Board Policy CH (Local). Persons making unauthorized purchases shall assume full responsibility for such debts. Purchases of goods and services using credit cards as the payment method does not circumvent or replace any District purchasing regulations.

The approval signature on the copy of the purchase order is certification from the initiator that payment is authorized. All approval signatures should be original and blue ink is preferred. Purchase orders approved with stamps will be returned to the initiator. Once the approved white copy of the purchase order and the original invoice are returned to the Accounts Payable Secretary they will be placed in the next regular check run.

Refer to the Check Run Schedule on the District website under the Business Office for check run and cutoff dates for Operating and Activity checks. The District expects that vendor payments will be made timely within 30 days of the invoice date. This information should be taken under consideration when submitting invoices for payment.

Emergency checks may be delivered to the Business Office by noon one day prior to the check run date. Emergency checks should be for unforeseen circumstances and not due to poor planning.

Procedures for athletic services for referees, security, officials, gate workers etc who are not employees and are not paid through Arbiter Pay:

- Submit a requisition for approval prior to the time of services.
- Complete a W-9 and official game form at the time of services.
- Both items should be attached to the previously approved purchase order presented for payment.

Cash Handling Procedures

All monies collected from students or staff must be deposited daily. Cash, checks, change, or any other kind of legal tender should **never** be left in desk drawers, file cabinets, classrooms, offices, etc. No cash purchases should be made from funds collected. Every dollar should be receipted and deposited according to these procedures. Personal checks from employees or others cannot be cashed from monies collected at the campus or District level. Cash of different types should not be commingled. A separate cash box should be kept for change accounts, petty cash, or funds pending deposit.

Monies used for change and money collected on campus for any reason should be given to the campus bookkeeper before the end of each day in order for it to be taken to the bank. All money which exceeds \$200 for secondary campuses and \$100 for elementary campuses should be deposited each day. If the total is less than those amounts it may be locked in a safe and held in the office. All money regardless of the amount must be deposited prior to the weekend or school holiday.

The District uses remote depositing for checks collected and for this reason checks should be reported separate from cash, however the appropriate specific procedure (below) should still be followed. Each campus except for Staples Elementary School has a check scanner and the campus bookkeeper is responsible for remote depositing checks on the day they are received. The deposit print out is forwarded to the Accountant with the account code and description for posting in the general ledger. Checks collected at Staples Elementary are brought to the Accountant who remote deposits them at the Administration Office.

All cash deposits should be taken to the bank daily. The Accountant makes a daily run to the bank and as such, campus bookkeepers may bring deposits to the Business Office no later than 4:00 pm to be included in the daily run. In this case, the campus bookkeeper must prepare the deposit and place it in a zipper bag ready to drop at the bank.

Cash Receipting General Procedures

All cash and check collections must be recorded by the person receiving the money. The money should be counted, receipted, and prepared for bank deposit by the responsible employee on a daily basis.

Receipts should support the money collected and deposits. Receipts should be recorded in triplicate with the original going to the person who submitted the money, a copy going as back up with the deposit, and a copy remaining in the receipt book. A receipt should not be altered. If a mistake is made the receipt should be voided and a new receipt should be issued.

Receipts should include: date, amount, individual or firm submitting money, an explanation of the purpose for which the money was received, the correct account code to be credited and the original signature (not a stamp) of the person receiving the money.

An actual cash count should be made by the person receiving the money in the presence of the person turning in the money.

Postdated checks cannot be accepted from any source.

Tabulation of Monies forms, receipt copies and other back-up documentation for cash receipts must be kept on file by the campus bookkeeper for 5 year for audit purposes. Teachers, sponsors, coaches, and others collecting money should also keep verified copies of the forms, receipts, etc for 5 years for audit purposes.

Cash Receipting Specific Procedures for Teachers, Coaches and Sponsors

Cash and checks collected by staff for student fees, field trips, fundraisers, etc should be reported to the campus bookkeeper via the Tabulation of Monies form. The form should be completed in ink with all information provided, including student initials. In elementary campuses teachers may initial for the student.

If the staff member chooses to issue triplicate receipts, the receipt copies can be stapled to the Tabulation of Monies form in place of filling in the detailed lines. Summary/total information should be filled in on the form and regular procedures followed.

The staff member should sign the form and turn it into the campus bookkeeper daily. Under no circumstances should money be left in a classroom, desk drawer, file cabinet, etc. The campus bookkeeper should count the money in the presence of the teacher and sign and date the Tabulation of Monies form. A copy of the signed form should be given to the teacher as verification that the money was received by the bookkeeper.

The campus bookkeeper will prepare the deposit slip and place the money in a bank zipper bag. The zipper bag(s) may be taken to the Administration Office by 4:00 pm to be dropped in the night drop by the Accountant. After 4:00 pm the bookkeeper should take the deposit directly to the bank, the zipper bags can be placed in the night drop.

Cash Receipting Specific Procedures for Concessions and Other High Volume Items

Cash and checks collected for concessions or other high volume items (such as snow cones, hat day, pajama day, pencil bags, etc) shall be reported on a Ticket Sales form or Tabulation of Monies form with summary/total information filled in. Detail lines and student initials may be omitted.

A minimum of two people should be present where money is being collected and the money should be counted and the form signed by both.

For events during the school day, the money should be taken to the campus bookkeeper who should count it in the presence of the person turning in the money, sign and date the Ticket Sales or Tabulation Form as verification of the amount and date received. A copy of the form should be given to the staff member who is turning in the money. For after-hours events the money should be appropriately locked up and taken to the campus bookkeeper the next business day.

Cash Receipting Specific Procedures for Athletic or other Ticketed Event

Cash and checks collected for an Athletic or other ticketed event shall be reported via the Ticket Sales Form. Documentation includes starting and ending ticket numbers. A minimum of two workers should be present at each gate and the money should be counted in the presence of at least two workers. The Ticket Sales Form should be signed by those who counted the money.

For after-hours athletic events the cash box with signed form should be given to the athletic secretary or administrator on duty and taken to the vault in the athletic office.

For non-athletic after-hours events at Joshua High School, the money should be dropped in the deposit drop outside the office with the completed and signed Tabulation or Ticket Sales form included.

The next business day, the athletic secretary/campus bookkeeper will count the money, sign the Ticket Sales Form, and prepare the money for deposit at the bank.

Gift Cards

According to the IRS, if an employer gives an employee a gift certificate or similar item that can easily be exchanged for cash, the value of the gift is additional taxable income, regardless of the amount. Therefore, cash or gift cards are explicitly prohibited unless purchased for an acceptable use.

Acceptable Uses:

- Student Recognition/ Awards (\$50 maximum)
- Gift card received from store for return of merchandise can be used to purchase miscellaneous consumable items necessary in the classroom such as supplies for Science, Life Skills, etc.(\$100 maximum)-receipts from the use of the gift card must be turned in to the campus bookkeeper.

Unacceptable Uses:

- Appreciation Gifts for staff
- Gifts to individuals for services performed
- Grant Funds cannot be used to purchase gift cards
- Benevolence and retirement gifts

Donations

Donations and gifts are accepted in accordance with Board Policy CDC (LOCAL). The funds or other property donated or the income from the property may be spent by the Board for any purpose designated by the donor that is in keeping with the lawful purposes of the schools for the benefit of which the donation was made or for any legal purpose if a specific purpose is not designated by the donor.

The Superintendent or Chief Financial Officer should be notified regarding the donation of gifts to schools. Contact the Business Office if a Donation Acknowledgment Form is needed.

Donated capital assets as well as all other donations must be added to the campus inventory. Contact the following departments before accepting donations of items:

- Technology Department should be contacted before accepting any computer equipment.
- Maintenance Department should be contacted before accepting any furnishings.

The information on the donated item, with approximate value, should be forwarded to the Business Office for entry into the inventory system.

Employee Expense Reimbursements

In accordance with School Board Policy DEE (Local), an employee shall be reimbursed for reasonable allowable expenses incurred in carrying out District business only with prior approval of the employee's supervisor via a prior approved purchase order and in accordance with all other District policies and procedures. For any allowable expense incurred, the employee shall submit a reimbursement form and receipts documenting actual expenses. Expense reimbursements must be submitted to the business office for payment within 15 days of the date the expense was incurred. See the Travel section of this manual for further information on travel reimbursements.

Fixed Assets and Inventory

Assets are purchased or donated items that are tangible in nature, have a life longer than one year, have a unit value of \$5,000 or more, and/or may be reasonably identified and controlled through a physical inventory system. This includes all properties, vehicles, equipment, and building contents. A requirement of state accounting guidelines is to properly tag and track the assets of the District. Exceptions include computer software having a unit value of \$500 or more

is considered a capital asset, library books and audio visual materials of any value are considered capital assets if they are to be catalogued in the library.

Inventory Procedures –

Items Ordered by Technology Department

- The Technology Department Secretary will send an email to the Campus Bookkeeper letting them know the following information: Purchase Order Number, Vendor, List of Items Ordered
- Once the items arrive, the Campus Bookkeeper will do the following:
 1. Email the Technology Department Secretary that the items have arrived
 2. Complete inventory sheets on all items
 3. Send completed inventory sheets to the Director of Purchasing
- After the items have been entered into the software, the Director of Purchasing will send the new barcode tags to the Campus Bookkeeper to attach to each item.
- Please note that if your campus receives a large quantity of the same technology items at the same time, it is not necessary to send in completed inventory sheets. Please contact the Director of Purchasing to scan the items.

Items Ordered by Campus

- Once the items arrive, the Campus Bookkeeper will do the following:
 - Complete inventory sheets on all items
 - Send completed inventory sheets to Director of Purchasing
- After the items have been entered in the software, the Director of Purchasing will send the new barcode tags to the Campus Bookkeeper to attach to each item.

Transfers –

For inventory items that have barcode tags, email the Director of Purchasing so the location of the item can be changed in the software.

Fixed assets are not to be disposed of at the school site nor removed from the site. Contact the maintenance department regarding obsolete or surplus items.

Year-End Procedures –

Each campus will be issued a list of inventory items for each of their rooms. The lists must be reviewed and edited for any items that have been moved or disposed of during the year.

Petty Cash

A petty cash account may be established at the discretion of the principal for the cash purchase of small miscellaneous items. It is the principal's responsibility to ensure the maximum protection of these funds. A ledger itemizing expenditures from the individual funds shall be maintained and kept on file at each school. Original invoices or other suitable documentation must be obtained for all petty cash expenditures.

Each petty cash account cannot exceed \$200 for secondary schools and \$100 for elementary schools. Disbursements from petty cash should not exceed \$25 for an individual purchase. The only exception to the \$25 limit is the release of funds for an anonymous crime stoppers reward. Employee or other checks should not be cashed from petty cash funds.

Periodically, but at least monthly, the petty cash fund should be reconciled. The balance of the petty cash fund should be proven in two ways: the total of the remaining cash in the petty cash fund should agree at all times with the petty cash ledger and the total of the remaining cash and the petty cash receipts should agree with the original balance of the petty cash fund.

The petty cash account is established at the beginning of each year by issuing a check. The Business Office will write one check and distribute petty cash to each campus. Replenishment of the petty cash account shall be made once the cash balance falls below a manageable level such as \$10. The campus bookkeeper should complete a Petty Cash Reimbursement Form, attach original receipts and invoices that serve as back up for each expense item, and forward to the Chief Financial Officer for approval. A check is written to the campus bookkeeper to increase the cash to the amount originally approved and set up.

At the close of each school year, the petty cash on hand should be receipted and deposited. The receipt is coded to the petty cash account, 199-A-00-1112-00-000-0-00-0-00.

Returned/Uncollected Checks

Individual schools are responsible for the collection of returned checks. The following procedures are for checks returned by the bank marked non-sufficient funds, account closed, or stop payment:

- Send a letter to the maker of the check requesting payment in cash or by cashier's check within a ten (10) day period. The letter should be sent to the last known mailing address of the maker and should contain the check number, date and amount of check. DO NOT SEND ORIGINAL CHECK! The letter should stipulate that unless payment is received within ten (10) days, the check will be turned over to the Worthless Check Division of the District Attorney's Office for the filing of criminal charges. This letter should be sent Certified Mail - Return Receipt Requested. The Business Office has an example of the letter.
- If this attempt fails, send copies of your notes and letter along with the check to the Business Office for issuance of final notice. Only checks of \$50.00 or more should be forwarded. Attempts should be made to collect returned checks of less than \$50.00 by the Campus Bookkeeper until the close of the school year. The check should then be written off.
- If no collection is made, the bad check will be forwarded to the District Attorney for action.

Travel Procedures

Purchase orders submitted for student or employee travel reimbursements are required to be submitted and approved in advance of the trip. Details should include the following: who is traveling, where they are going, when they are going, and why they are going. Employees must complete a travel reimbursement form in order to be reimbursed for expenses occurring while traveling on school business. The form can be found on the District's website under the Business Office. The immediate supervisor must approve travel before departure. Out-of-state travel must be pre-approved by the Superintendent before a purchase requisition is entered.

All travel and related expenditures should be budgeted to the correct account (6411). All travel reimbursement requests need to be in to the Business Office no later than 15 days after you return from your trip, or when you incurred the expense. **Any reimbursement requests**

received later than 15 days will not be paid. Prior to 15 days after returning, submit to the Business Office your prior approved purchase order, approved travel reimbursement form, and any necessary back-up documentation (i.e. parking receipts, hotel receipts, meal receipts for federal funds, mileage documentation, training agenda). The date and time of departure and return must be on the reimbursement form.

Miscellaneous fees which are reimbursable are the following: cabs, toll booth fees, parking, and rental car. The District does not reimburse for dependent care due to travel. **Reimbursement will not be made without appropriate receipts. Tips are non-reimbursable.** Parking reimbursements shall be limited to a maximum of \$25.00 per day and must not include sales tax. Billable internet services are considered personal charges unless a business purpose for internet access is documented.

Overnight stay is allowed for events outside a 50 mile radius from your campus or the Administration building.

The District will use the government GSA rates for lodging. These can be found at <https://www.gsa.gov/portal/category/100120>. The approved rates are per person, per night. For example, three employees would receive a total hotel allowance of \$360 per night in a city with an allowance of \$120. They could get two rooms at up to \$180 each or three rooms at up to \$120 each. The rates do not include local taxes and those will be reimbursed in addition to the nightly rate. Please contact the Director of Purchasing if you need assistance locating your rate.

Hotel rates vary and every effort should be made to obtain the most economical and practical accommodations available considering the purpose of the meeting. Employees may personally pay the up-charge to stay in the “conference hotel” if they choose. Employees of the same sex may share a hotel room to save on cost and stay within GSA rates, as in the example above. Employees of the opposite sex may not share a hotel room unless they are married to each other.

Preferred methods for hotel payment are employee reimbursement or a travel card. Travel cards can be checked out from the Business Office and used for travel expenses such as hotel and parking (not per diem). Please contact the Director of Purchasing at least three days prior to travel, to check out a travel card.

If a check is needed for hotel accommodations, the Purchase Order and reservation confirmation must be submitted at least two weeks prior to travel in order for the check to be printed in a timely manner. The Purchase Order must include the dates of stay, the number of rooms and the number of employees or students on the trip.

Hotel bills need to show a “\$0” balance (i.e. no express check out). Upon arrival, present the Hotel Occupancy Tax Exemption Form which can be found on the Business Office website. State taxes cannot be paid from District funds. Check your hotel bill to ensure that the only tax is for city and county.

Expenses for meals associated with authorized out of District, overnight travel will be paid to employees on a per diem basis. **Meals are not reimbursable if it is not necessary to stay overnight.** Itemized receipts are not required when using the per diem method **unless the reimbursement is from federal funds.** The daily per diem rate for employees is \$30; \$8 for

breakfast, \$10 for lunch, and \$12 for dinner. You must leave for your destination before 7:00 a.m. to receive the breakfast allowance or before 12-noon to receive the lunch allowance and arrive home after 6:00 p.m. to receive the dinner allowance. Do not claim meals provided at the hotel or the conference. This includes meals provided as part of the conference registration or by vendors.

Employees requesting reimbursement for meals utilizing grant funds **must provide actual, itemized receipts**. Reimbursement is only allowed for the total of the receipts up to the per diem amount.

Mileage will be reimbursed at the rate of **\$0.50** per mile for use of their personal vehicle. This rate is subject to annual review. Travelers must attach a copy of a mileage estimate (map not needed) showing the miles and directions from your campus to the conference/hotel as supporting documentation. No additional miles traveled within the city will be reimbursed.

Only one person out of a group of four may be reimbursed for parking and mileage. (ex. If five teachers travel to Austin for the same workshop in the same day, only two teachers are eligible for mileage reimbursement). Employees who receive a travel stipend will only be reimbursed for mileage for trips in excess of 50 miles from their campus or administration building.

Rental car cost (plus gasoline) is sometimes more economical than mileage paid for driving a personal vehicle, and the lowest cost should be chosen over personal preference.

When a District employee's personal auto is used for school-related business, the personal auto policy in effect for the vehicle is the primary source of recovery. Injured passengers could collect under the personal injury protection coverage afforded under that personal auto policy, as well as pursuing excess injury coverage through their own auto policies.

Advance payment may be requested for necessary expenses expected to be incurred by athletic teams and other groups engaged in out-of-town travel. **Student meals** (6412) are paid at \$7.00 per meal per student. Student signature form must be used, and submitted to the Business Office no later than 15 days after you return from the trip.

The following are the procedures for student travel:

- The activity sponsor (coach, club sponsor, etc,) shall make a written request to their campus for an advance, stating the amount needed, date of activity, and the purpose for which advance is required.
- The campus bookkeeper will enter a requisition for advance funds- requesting a check. A list of students and faculty/staff members who will be traveling is forwarded to the Business Office with the requisition.
- Not more than two days before departure date, faculty/staff advisor of the student group may pick up the check in advance from the Business Office. Please confirm with the Accounts Payable Secretary if the check is ready to be picked up.
- During trip, faculty/staff advisor obtains signatures of those receiving meals and/or cash for meals.

Upon return, the faculty/staff advisor returns completed signature list and any money not expended to the Business Office.

Appendix A – Account Function and Object Codes

The following are examples of commonly used function and object codes. This is not a complete list of codes. Please see the FASRG for a complete listing of account codes.

Function Codes

A mandatory 2 digit code that identifies the purpose of the transaction is applied to expenditures. The first digit identifies the major service area and the second digit refers to the specific function within the area.

11	Instruction	Salaries of teachers, teachers' aides, but not principals and office clerical help equipment in the classroom, furniture, and supplies directly related to instruction.
12	Instructional Resources and Media Services	Salaries of librarians, supplies for librarians, library books, audio-visual materials, equipment, etc.
13	Curriculum and Instructional Staff Development	A function for which expenditures are directly and exclusively for in service training and other staff development involving instructional or instructional related personnel of the District.
21	Instructional Administration	Salaries, supplies, equipment, and other expenses for those responsible for the management and supervision of instruction, curriculum, research evaluation, etc.
23	School Administration	Salaries of principals and clerical staff; supplies, materials and equipment for operation of office. Expenditures for personnel employed on campuses to record student attendance.
31	Guidance and Counseling Services	Salaries of Guidance Directors and Counselors are charged to this function; supplies, materials, and equipment required in Child Guidance and Counseling in the schools.
32	Attendance and Social Services	Salaries and any office supplies that might be required for personnel assigned to attendance duties at the schools.
33	Health Services	Salaries of nurses and supplies required in the Health Program as administered by the school nurses.
34	Pupil Transportation	Salaries and overtime where necessitated for bus drivers; maintenance and repair of bus equipment, gas, oil, etc.; new buses and any cost connected directly to the operation of bus routes.
35	Food Services	This embraces the total operation of the school food services division.
36	Co-Curricular Activities	Athletic department costs, band trips for Interscholastic competition, and special interest activities; salaries, supplies and equipment.
41	General Administration	This includes responsibility for the entire school system; salaries for the Superintendent, assistant Superintendent, tax department personnel, accounting department, and all clerical help employed by the administration department; cost of supplies, equipment, and any charges associated with the general administration of the school system.
51	Plant Maintenance and Operation	Salaries, supplies and equipment for the maintenance and operation of the entire school system as performed by the maintenance department; also, telephone and utilities are charged to this function.
52	Security and Monitoring Services	This function is used for expenditures/expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.
53	Data Processing	This function includes all activities associated with the administrative operational use of computers. Services such as student scheduling grade reporting, student attendance, personnel and payroll processing, and finance processing are included in this function. It does not include instructional computing.
61	Community Services	These expenditures are used for services related to the whole community or some segment of the community
71	Debt Service	The servicing of the debt of a LEA.
81	Facilities Acquisition and Construction	Activities concerned with the acquisition of land and buildings; the remodeling and construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; improvements to sites.
93	Payments to Fiscal Agents	To fiscal agent/member districts of shared services arrangements.

Object Code

Object Code is a mandatory 4 digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classification.

6211	Legal Services	This code is used to classify fees, associated travel and other related costs for legal services.
6239	Regional Education	This code is used to classify all contracted services provided by the Regional Education Service Center. This does <u>not</u> include supplies.
6249	Contracted Maint. & Repairs	This code is used to classify expenditures for normal upkeep, repair, and restoration of furniture, computers, copiers, District-owned telephone system, facsimile machines, and other equipment when the repairs are provided by an outside individual or firm.
6269	Rentals-other vehicles	This code is used for rental or lease of furniture, computers, telecommunications equipment, audio-visual equipment, vehicles (including buses), land, buildings, space in buildings, and grounds.
6294	Transportation for Students	This code is used to identify transportation costs incurred for the purpose of transporting students to and from school.
6299	Contracted Services	Contracted services are delivered by an independent contractor that is not required to be licensed with the state (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district.
6319	Supplies for Maintenance	This code is used to classify expenditures for supplies and materials necessary for maintenance and/or operation of District-owned equipment, vehicles, grounds, and facilities
6321	Textbooks	This code is used to classify expenditures for textbooks purchased by the local education agency. This does not include the cost of state-adopted textbooks.
6328	Library Books	This code is used to classify all expenditures for books and film that meet the one year useful life criteria and are to be catalogued and controlled by the library.
6329	Reading Materials	This code is used to classify expenditures and expenses for magazine subscriptions, newspaper subscriptions, reference books, and other reading materials that are placed in the classroom or office and are not library books that are cataloged and controlled.
6334	Testing Materials	This code is used to classify expenditures/ expenses for testing materials including test booklets.
6398	Minor Inventory	This is for items with a unit cost up to \$5,000 which are to be classified for non- consumable inventory and tracking purposes, but not for depreciation.
6399	Supplies	This code is used to classify expenditures for items of relatively low unit cost (even though used in large quantities) necessary for the instruction process and or for administration. Included here are consumable teaching and office items such as paper, pencils, workbooks, forms, postage, shipping, etc. Expenditures for audio-visual aids such as filmstrips, VCR tapes, CD-ROM disks, diskettes, computer tapes, and equipment with a unit cost of less than \$500.00. This includes site licenses.
6411	Travel Employee	This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on office school business. Travel also includes any registration fees associated conferences, seminars, or training.
6412	Student Meals and Lodging	This code is used to classify costs paid on behalf of students traveling for school sponsored events. This account does not include the cost of using District buses (see code 6494), but does include meals and tickets for field trips. This includes food and hotel.
6419	Travel Non-Employee	This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on office school business for non-employees. Travel also includes any registration fees associated conferences, seminars, or training.
6494	Transportation for students	This code is used to identify transportation costs for co-curricular and extracurricular activities. Transportation costs other than those incurred for the purpose of transporting students to and from school.
6495	Dues	This code is used to classify expenditures and expenses for membership dues and other miscellaneous fees. Fees and dues.
6497	Awards	This code is used to classify expenditures and expenses for awards and trophies.
6499	Misc.Operating Costs	This code is used for fees and dues, awards, bid notices, graduation expenses, food and refreshments for school related meetings, and newspaper advertisements.
6639	Equip.> \$5,000	Furniture and equipment with a unit of \$5,000 or greater.

Appendix B-Taxable and Non Taxable Chart

Taxable Sales

State and local sales taxes shall be imposed and collected on all sales for:

Agenda Books	Magazine-Subscriptions less than 6 months
Agricultural Sales	Magazines-when sold individually
Art-supplies and work of art	Musical supplies-recorders, reeds
Artistic-CDs, tapes, videos	Parts-career & technology classes (not to include products used in cosmetology)
Athletic-equipment and uniforms	Parts-upholstery
Auction items sold	PE-uniforms, supplies
Automotive-parts and supplies	Pennants
Band-equipment, supplies patches, badges, uniform sales and rental	Pictures-school, group (if school is the seller)
Book Covers	Plants-holiday greenery and poinsettias
Books-workbooks, vocabulary, library, author (when we are the seller)	Rentals-equipment of any kind
Book Fairs-all books sold	Rentals-uniforms of any kind, towels
Brochure Items	Repair to tangible personal property (i.e., computer repair, house remodeling)
Calculators	Rings and other school jewelry
Calendars	Rummage, yard and garage sales
Candles	Safety supplies
Car -painting, pin striping	School publications-athletic programs, posters
Clothing-school, club, class, spirit	School publications-brochures
Computer-supplies, mouse pads	School publications-magazine (unless >six month subscription)
Cosmetology products sold to customers	School publications-newsletters, newspapers (generally are not sold though)
Cups-glass, plastic, paper	School publications-reading books
Decals	School publications-sheet music, hymnals
Directories-student, faculty	School publications-yearbooks
Drafting-supplies	School store-all items (except food)
Family and Consumer Science-supplies and sewing kits	Science-science kits, boards, supplies
Fees-copies, printing, laminating	Spirit items
Flowers-roses, carnations, arrangements	Stadium seats
Greeting Cards	Stationary
Handicrafts	Supplies-any sold to students
Horticulture Items	Uniforms-any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Hygiene Supplies	Vending-pencils and other non-edible supplies when the school services the machine
Identification Cards-when they are sold to the entire student body (not just the fine for a lost ID)	Woodworking crafts-entire sales to include parts and labor
Locks-sales and rentals	Yard signs

Non-Taxable Sales

School and school related organizations need not collect sales tax on the following:

Ad Sales-in yearbooks, athletic programs, newspapers, posters
Admission tickets - athletic , dances, dance performances, drama and musical performances
Admission - summer camps, clinics, workshops, project graduation, banquet fees, bids, prom, homecoming, tournament fees, academic competition fees
Club memberships
Cosmetology Services (Products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food and drinks sold at PTA Carnivals
Sale of food and soft drinks sold during a regular school day, subject to an agreement with the proper school authorities.
Vending machine sales
Meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day.
Candy and food items sold through fund raising drives by PTA or students of the school who are under eighteen years of age
Labor -automotive, upholstery classes (parts are taxable)
Lost Library Books or Lost Textbooks
Magazine subscriptions greater than six months
Parking permits
Services- car wash, cleaning