

PEWITT

CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EST. 1950

Business Operating Procedures

2018 - 2019



Learning Today. Leading Tomorrow.

Accounting Procedures

The Business Manager is responsible for all accounting functions in the district. It is important that he/she communicate regularly with the Superintendent and other administrators to ensure that the district is in compliance with state and federal law as well as Board policy. The Business Manager should be available to help employees understand and follow the procedures outlined in this document.

The business office will use the following procedures in order to maintain accurate records of receipts and expenditures of funds:

1. The Business Manager shall record in TxEIS all bank deposits once they have been deposited to the district's financial institution on a daily basis.
2. Any emergency checks (those not in a regular check run) shall be recorded the same day as written so that the expenditure is shown in a timely manner.
3. The Payroll Specialist shall make the general journal entries to record electronic transfers for withholding, FICA, health insurance, and TRS.
4. The Business Manager shall balance all bank statements and review reconciliations for accuracy and make any general journal entries necessary to reconcile the general ledger to the bank statement.
5. The Business Manager should make any general journal entries necessary to maintain an accurate general ledger.
6. All changes to the general ledger should be posted within the same month as the changes occurred.
7. Board reports and a detailed Check Payments report should be forwarded to the Superintendent's Secretary to be included in the agenda for the monthly board meeting.
8. The Business Manager shall prepare an Investment Report for the School Board meeting on a quarterly basis; a monthly update will be presented at each meeting.
9. Within 15 days after the end of the month, all end-of-month reports should be printed and filed. These include:
 - a. Cash Receipts Journal
 - b. Check Register
 - c. General Journal
 - d. Detail General Ledger for the month
10. The Business Manager shall review the General Ledger on a monthly basis to ensure the accuracy of the records.
11. The Business Manager shall review and approve all PEIMS submissions that include budget and actual finance data.

Bank Reconciliations

Bank statements are to be reconciled within 30 days of receipt.

1. Online banking accounts are monitored by the Business Manager. Both the Business Manager and the Superintendent have access to online banking accounts.
2. The Business Manager shall reconcile all statements to the general ledger.
3. Checks that have remained outstanding for a period of ninety days should be researched and reissued if the original check was lost. If the lost checks are not claimed within 90 calendar days, the outstanding checks should be reversed in the general ledger and voided.

Budget Amendments

A budget amendment is a transfer of between functions. For example, if a Principal wanted to spend extra funds on library books (function 12) and less on classroom supplies (function 11), he/she would request a budget amendment prior to spending these funds.

All budget amendments must be approved by the School Board. Written requests for amendments in the form of email or memo should be submitted to the Business Manager in accordance with posted agenda deadlines. Purchase orders encumbering these funds will not be processed until the Board approves the amendment.

Budget Transfers

A budget transfer is a transfer of funds within the same function. Budget managers should review their budgets on a monthly basis to determine if transfers are necessary. If a transfer is warranted, a written request on the *District Budget Transfer Form* should be sent to the Business Manager for approval. Transfers do not require Board approval, so the transfer will be made immediately upon approval by the Business Manager and/or Superintendent.

Cash/Check Handling

When handling cash or checks, it is very important to follow proper procedures to ensure the safekeeping of the funds. Following these procedures will protect the funds and also protect the person handling the funds.

1. When cash or checks are received at a campus, two people will count the money. The secretary/bookkeeper shall write a receipt for any cash funds. These receipts should be pre-numbered, and a copy of the receipt should remain in the receipt book. The third copy should be sent to the payroll clerk with the funds to be deposited.
2. No purchases are to be made with cash. All funds must be deposited into the bank. District checks will be used to make all payments.
3. All funds are to be turned in to the business office on a daily basis. Funds may not be kept in classrooms, in wallets, or at home. If funds are received after the business offices closes, they are to be kept in a locked safe or locked filing cabinet on the campus until the next day.
4. A Cash Deposit Request form, a copy of the receipt(s) written for the funds, and the money will be sent to the Business Office.
5. Two people in the Business Office will count the money. The payroll clerk will write a receipt for the funds received, making sure the amount agrees with the Deposit request form. All funds are then deposited into the appropriate account at the bank.

Athletic event gate receipts shall be recorded on an Activity Ticket Accounting form and submitted by the ticket taker to the payroll clerk. Funds are to be locked in the business office vault after the event; no district money is ever to be taken home. If access to the business office vault is not accessible following an event, funds should be locked in secure area in the campus office and brought to the administration building immediately at the start of business the next day.

If the PTA or Booster Club is having a fundraiser on your campus, you should not be responsible for the money that comes in. You may keep it locked up in the office, but a PTA/Booster member should pick up the funds daily and deposit them.

Check Processing

Finance and Activity checks will be processed and released weekly on Thursday of each week. Deadlines for check processing submissions (received at Business Office) will be 12:00 PM each Tuesday. All check requests for travel and workshops must be approved by the Principal or Department Director and submitted through a Request to Attend (RTA) to the Business Office **at least two weeks prior to the event**. All other purchases shall be made with Purchase Orders. Regular monthly bills (e.g. utilities) will be processed using only Payment Authorization forms.

1. When a campus administrator receives an invoice from a vendor, it should be matched with the purchase order.
2. Invoices should be checked to ensure that pricing, terms of shipment and tax exemption are correct.
3. Any discrepancies should be noted and explained. For example, the shipping was not added to the purchase order.
4. All returned purchases should be reported to the business office. Payment to the vendor will not be made until acceptable replacement items are received. If replacements are not received within 60 days, the order will be cancelled.
5. Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Back orders will not be accepted.
6. When everything is received, the administrator (or designee) should send the purchase order & packing slip to the business office for payment. The packing slip should include a signature showing that all items were received.
7. Payment should be made from original documents to avoid duplicate payments.

Contracted Services

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, as needed shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Pewitt CISD" as additional insured.

Consultants are contracted to perform professional services such as staff development, medical services, etc. A Consultant Service Contract is required for each consultant.

All contracts must be signed by the Superintendent or Business Manager. No other employee is authorized to sign a contract or agreement on behalf of the district. An employee who signs a contract or agreement, without proper authorization will be personally liable for the terms of the contract or agreement. Contracts over \$25,000 (aggregate) also require Board approval.

Credit Card Purchases

The district has Mastercards available for authorized use for travel, meals, or supplies. A purchase order (PO) payable to MASTERCARD (only completed by Business Office), a Request to Attend (RTA) form, or a Credit Card Authorization (CCA) form should be used to request use of the card. All costs should be estimated and recorded on the PO, RTA, or CCA form. The district has Shell and Exxon Fleet cards available for authorized fuel purchases. Under no circumstances should fuel charged to a school district credit card be used in a personal vehicle. Signed receipts and cards should be returned to the Business Office within 2 business days of the use of the card. Receipts will then be attached to the original PO, RTA, or CCA form.

Fixed Assets and Inventory

Fixed assets are defined as equipment with a unit value over \$5,000. These assets are recorded and tracked through the district's general ledger. Purchases of fixed assets should be coded to object code 663X.

Inventory items are defined as equipment with a unit value over \$500, but less than \$5,000. Purchases of these items should be coded to object code 6395. Other items with a unit value under \$500 may also be tracked, such as TVs, digital cameras, PDAs, etc. Purchases of these items should also be coded to object code 6395. All inventory items are recorded and tracked through the district's inventory tracking system.

Fixed assets and inventory items that are lost, stolen or no longer usable should be reported in writing to the Inventory Specialist for removal from the tracking system. The reason for removal should be stated in the request for removal.

Hotel Occupancy Form

School or district-related travel is eligible for exemption from the state hotel occupancy tax. In order for a hotel to grant this exemption, they must have a Hotel Occupancy Tax Exemption form from the traveler at the time of check-in. This form should be provided to you by the business office along with the confirmation number for the hotel prior to travel. Taxes which should have been exempt will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. *See also Travel Expenses for more hotel related information.*

Investment Functions

The Board shall designate the investments officer(s) of the district. These officers shall attend the legally required training every two years. The responsibilities of the officers are:

1. The Business Manager shall review the investment policies and strategies and recommend changes to the School Board on an annual basis. Any changes shall be adopted by the Board.
2. A monthly investment update and quarterly report should be prepared by the Business Manager, signed by all investment officers, and submitted to the School Board for approval.
3. All purchase of securities shall be via fax quotes from authorized investment brokers who have completed and filed the appropriate paperwork with the district.
4. All securities purchased by the district shall be held in the name of the district.
5. All transfers between cash and investment accounts shall be initiated by an investment officer and posted by the Accounts Payable Specialist.
6. All investment reports shall be reconciled to the general ledger on a monthly basis. Any reconciling of general journal entries shall be made by the Business Manager.

Payroll Procedures

All non-exempt employees shall “clock in” and “clock out” daily using the prescribed district time keeping system. Non-exempt employees are aides, clerks, and auxiliary employees. All administrative supervisors shall sign off on the time sheets for their respective employees.

All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime shall be pre-approved by the immediate campus or department supervisor. Unless prior approval has been obtained from the Superintendent, overtime will be paid using compensatory time at time and a half.

All employees shall submit an Employee Absence from Duty request when absent from work to ensure that the time off is recorded in the appropriate leave record. Leave requests should be submitted in the designated manner by campus administration and in accordance to district procedural timelines.

Any extra duty is to be approved by the campus administrator or department supervisor. The supplemental payment forms are to be generated at the campus / department and submitted to the business office along with regular payroll. Supplemental payments will be paid on the next regular payday.

Purchasing

The purchase of all supplies, equipment or services is to be placed using a purchase order. Purchases from vendors that do not accept purchase orders will not be allowed without prior consent from the Business Manager. Persons making unauthorized purchases shall assume full responsibility for all such debts in accordance with Board Policy CH (LOCAL).

When an administrator needs to purchase items, he/she should use the following procedures:

1. The administrator should make sure that funds exist in the designated accounts. If they do not, they may request in writing a budget transfer from another account. The administrator should also ensure that the purchase does not exceed bidding or quoting thresholds.
2. The secretary/bookkeeper will enter a purchase requisition in TxEIS listing all items to be purchased.
3. Once a purchase requisition is submitted in the system, it will go through the electronic approval process. If at any point in the approval process it is determined that there is an issue with the purchase requisition, it will be returned to the originator with an explanation of the problem. The secretary/bookkeeper may make any corrections and send the purchase requisition through the process again.
4. After final approval, a purchase order will be generated in the system. This purchase order will be used to make the purchase. No purchases are to be made without a purchase order number.
5. All technology purchases, including software, should be pre-approved by the Business Manager.
6. If a vendor does not exist in the finance system, the Accounts Payable clerk may add the vendor with all appropriate information upon approval by the Business Manager.
7. Throughout the year the business office should review outstanding purchase orders and follow up on any that are open for more than 60 calendar days.

State law requires districts to competitively bid purchases that will exceed \$50,000 in a twelve-month period. For example, if the district is planning to purchase \$30,000 in computers in the fall and \$30,000 in the spring, all of these computers must be put out for bid. The district participates in several cooperative purchasing programs. A list of these programs is available from the business office. Priority should be given to these vendors since the goods have been subjected to the rigor of a competitive bid process. If a principal or director is planning on making a large purchase, the business office is available to help to make the purchase in the best and most efficient way.

District policy recommends a minimum of three quotes for all individual purchases exceeding \$5,000; the written quotes should be attached to the purchase order and invoice when submitted for payment.

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for supplies and equipment will be the last Friday in March. Summer staff development and summer school needs should be anticipated and ordered prior to the last Friday in the month of April. Documents for summer services and travel should be submitted by the last Friday in the month of July. At times, the purchasing deadlines for state and federal grants may be different due to grant ending dates. If this is the case, principals and directors will be given adequate notice in order to make purchases in a timely manner.

Returned Checks

All payers who have checks returned will be charged a \$25.00 fee. The fee is subject to increase based on the district's depository fee schedule. The district will not accept checks from anyone who has an outstanding returned check.

1. The day after receiving a returned check, the business office will call the payer's bank to see if there are funds available to cash the check. If so, the check should be cashed at that bank that day.
2. If funds are still not available, the payer will be notified that the check was returned, and that the district will not accept any more checks from them until this check is paid. The business office should ask that the payer bring cash and pick up the returned check.
3. If the check has not been paid after two weeks, the business office shall notify the payer that the check is still outstanding and that it will be turned over to the County Attorney for collection.
4. After 30 days, the payer should be reported to the County Attorney for collection of funds.

Student Activity Funds

Student activity funds are to be used exclusively for the benefit of students. Use of these funds shall be determined by the students in the organization. Student organization sponsors are responsible for the management of these activity funds. Training will be scheduled annually to assist sponsors in managing these accounts.

When a student / school affiliated group plans a fundraising activity, the following procedures are to be followed:

1. An Authorization to Conduct a Fundraiser should be submitted to the Campus Principal and Superintendent at least one week in advance of the scheduled activity.
2. As funds are collected, receipts are to be written to anyone turning in money. The campus principal and secretary are authorized to write receipts so that there is a paper trail throughout the process.
3. No expenses may be paid with the cash received. All funds must be deposited into the bank account and checks written for expenses.

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4. Payments from activity funds will be made through the business office. The sponsor will send a Payment Request with proper documentation (e.g. meeting minutes, quote, etc.) to the Principal. Once the Principal approves the expenditure, the request will be sent to the business office for payment.
5. At the end of the fundraising activity, a profit statement should be filed with the Principal who will provide a copy of the profit statement to the business office. The revenue reported on the statement must balance with the amount of money deposited into the activity fund account.

Fundraising activities may not compete in any way with the district's National School Lunch Program and must align with any and all state guidelines/rules. All activity funds are subject to audit at any time, either during the annual audit, or by business office personnel. Student organization sponsors should keep records up to date and reconciled on a regular basis. Activity fund records must be maintained for five (5) years. This includes merchandise logs, receipt books, profit statements, etc. At the end of each school year, the campus principal, as part of the closeout procedure, shall collect all the organizations records for storage.

Travel Expenses

The immediate administrative supervisor and Superintendent shall authorize all travel. A signed Request to Attend (RTA) form constitutes permission to travel and request advancement of estimated travel expenses for staff and students. The travel rates for meals and lodging are limited to the rates stated in district policy.

1. When a campus administrator receives a request for travel, he/she should ensure that funds exist in the appropriate accounts. If not a request to transfer funds should be made to the business office.
2. RTA's should be forwarded to the Business Manager for approval at least two weeks before the trip takes place. Advanced travel checks will not be issued more than two weeks before the trip.
3. RTA's should contain all pertinent information, including destination, type of vehicle requested, and departure and return times. This will allow for proper scheduling of vehicles and personnel.
4. Advance checks will be issued based on an estimate of the cost number of meals allotted. The current per diem reimbursement rate for adults is \$30 (Breakfast - \$5, Lunch - \$10, Dinner - \$15, if partial days). If students will be traveling, an RTA or Meal Request Form should state the number of students and adults that will be traveling. The current per diem for students is \$24 (Breakfast - \$8; Lunch - \$8, Dinner - \$8, if partial days). For state level competitions or honors, the student and adult per diem will be \$30. Itemized receipts are required for reimbursements and should be submitted for preauthorized student meal purchases within 2 days of the trip completion.

5. Advanced checks and travel/meal authorizations shall be filed in a "Pending" file until settlement is made after the trip.
6. The traveler should return all signed travel receipts/credit cards to the business office within two days of returning to the district.
7. The pending documentation shall be used to reconcile the advance with the receipts. If funds are due from the employee, the employee should submit the funds with the receipts and other documentation within 2 business days upon return. The business office will write a receipt to the employee and deposit the funds in the appropriate bank account. If the employee is eligible for reimbursement, a check will be processed in the next accounts payable check cycle.
8. School vehicles shall be utilized for school-related travel. School vehicles may be reserved by submitting a vehicle request form online. Personal vehicles may be utilized for reimbursable school-related purposes for qualifying exceptions* if pre-approved by the Superintendent or designee. *The use of personal vehicle for mileage reimbursement may be requested if 1) only one employee will be traveling and the distance to the destination is greater than 100 miles or 2) no school vehicle is available or 3) emergency job specific after-hours travel. Mileage will be reimbursed at the current rate of \$0.53 per mile. Mileage will be calculated between Pewitt CISD and the destination city for reimbursement purposes.
9. Hotel reservations will be made through the business office upon approval of the RTA. Hotel preferences or conference hotels should be communicated to the business office with the submission of the RTA. The TEA published State Comptroller standard rates of \$85/night will be adhered to if possible; if not possible, the next available rate will be reserved. Hotel expenses should not exceed \$150/night without Superintendent approval.
10. Once the settlement process is finished, the advance check and all travel documentation shall be filed in the accounts payable files.

Travel Guidelines At-A-Glance

Meals

Meals	Adults	Students	State Level Travel (Competition or Honors)
Per Diem	\$30	\$24	\$30
Breakfast	\$5	\$8	\$5
Lunch	\$10	\$8	\$10
Dinner	\$15	\$8	\$15

Travel

Mileage Rate	\$0.53/mile
Hotel Rate (standard)	\$85
Hotel Rate (max)	\$150*

*Exceptions to this rate max w/ Superintendent approval only.

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