

# CLAUDE INDEPENDENT SCHOOL DISTRICT



## BUSINESS PROCEDURES MANUAL

2017-18

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CLAUDE Independent School District  
Business Procedures Manual

Section 1

General Information

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 shall constitute the administrative regulations of the District and shall consist of guidelines, handbooks, manuals, forms, and any other documents defining standard operating procedures. The Superintendent shall approve this Business Procedures Manual on an annual basis, or as appropriate, if federal, state or local changes in regulations or policy warrant immediate changes. **Administrative regulations [procedures] are subject to Board review, but shall not be adopted by the Board.**

**1.0 Requirements**

- 1.1 The CLAUDE Independent School District Business Procedures Manual for schools and departments is a consolidation of updated guidelines designed to provide a comprehensive presentation of standardized procedures that are mandated by state and federal law, Board policy, administrative directives and/or good business practices.
- 1.2 Compliance with these provisions is mandatory for all funds processed through the business office regardless of their source.
- 1.3 Conformation with these guidelines will allow prompt and accurate conducting of the district's business affairs in a responsive and progressive manner.
- 1.4 Information and procedures specific to activity funds can be referenced in the Activity Fund Manual.

**2.0 District Policies**

The following policies and administrative directives apply to district funds:

- BBFA (Legal) Ethics: Conflict of Interest
- BBFB (Legal) Ethics: Prohibited Practices
- BQ (Local) Planning and Decision-Making Process
- BQA (Local) Planning and Decision-Making Process: District-Level
- BQB (Local) Planning and Decision-Making Process: Campus-Level

CAA	(Local) Fiscal Management Goals and Objectives: Financial Ethics
CCA	(Legal) Local Revenue Sources: Bond Issues
CDA	(Local) Other Revenues: Investments
CE	(Legal) Annual Operating Budget
CFB	(Local) Accounting Inventories
CFD	(Local) Activity Funds Management
CH	(Legal, Local) Purchasing and Acquisition
CHE	(Legal) Purchasing and Acquisition: Vendor Relations
CHF	(Legal) Purchasing and Acquisition: Payment Procedures
CMD	(Legal, Local) Equipment and Supplies Management: Instructional Materials Care and Accounting
CQ	(Legal, Local) Electronic Communication and Data Management
CV	(Local) Facilities Construction
DBD	(Legal, Local) Employment Requirements and Restrictions: Conflict of Interest
DBE	(Legal) Employment Requirements and Restrictions: Nepotism
DEE	(Legal, Local) Compensation and Benefits: Expense Reimbursement
DH	(Exhibit) Employee Standards of Conduct
DK	(Local) Assignment and Schedules
DMD	(Local) Professional Development: Professional Meetings and Visitations
EHBD	(Local, Legal) Special Programs: Federal Title I
FJ	(Legal) Gifts and Solicitations
FM	(Legal, Local) Student Activities
FP	(Legal, Local) Student Fees, Fines and Charges
GKB	(Local) Community Relations: Advertising and Fundraising in the Schools
GKD	(Local) Community Relations: Non-school Use of School Facilities
GKDA	(Local) Non-school Use of School Facilities: Distribution of Non-school Literature

### **3.0 Fraud, Waste and Abuse of Public Funds**

CLAUDE ISD prohibits fraud and financial impropriety, as defined below, in the actions of its Board of Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the district as found in Board Policy CAA (LOCAL), Mandatory Disclosures EDGAR 200.113

#### **DEFINITION**

Fraud and financial impropriety shall include, but not be limited to:

Forgery or unauthorized alteration of any document or account belonging to CLAUDE ISD.

Forgery or unauthorized alteration of a check, bank draft, or any other financial document.

Misappropriation of funds, securities, supplies, or other assets, including employee time.

Impropriety in the handling of money or reporting of the district's financial transactions.

Profiteering as a result of insider knowledge of the district's information or activities.

Unauthorized disclosure of confidential or proprietary information to outside parties.

Unauthorized disclosure of investment activities engaged in or contemplated by CLAUDE ISD.

Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the district, except as otherwise provided.

Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.

Failing to provide financial records required by state or local entities.

Failing to disclose conflicts of interest as required by law or CLAUDE ISD policy. Any other dishonest act regarding the finances of the district.

#### **FINANCIAL CONTROLS AND OVERSIGHT**

Each employee who supervises or prepares CLAUDE ISD financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

#### **FRAUD PREVENTION**

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the district.

## **REPORTS**

Any person who suspects fraud or financial impropriety within CLAUDE ISD shall report the suspicions immediately to the Superintendent, Principal, CFO, or designee, the Board President, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

## **PROTECTION FROM RETALIATION**

Neither the Board nor any CLAUDE ISD employee shall unlawfully retaliate against a person who, in good faith, reports perceived fraud or financial impropriety.

## **FRAUD INVESTIGATIONS**

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

## **RESPONSE**

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the Superintendent shall take appropriate action, which may include cancellation of the district's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to CLAUDE ISD, the district may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

## **ANALYSIS OF FRAUD**

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct.

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Section 2

Purchasing Guidelines

**1.0 General Guidelines**

- 1.1 The objective of procurement is to obtain services or to buy materials, supplies, and equipment of the right quality, the right quantity, from the best source, at the best price and in compliance with all applicable legal requirements, thus ensuring taxpayer dollars are well spent.
- 1.2 The purchasing process begins with the identification of goods or services that the district intends to acquire. All purchases must be coordinated with the District's vision, goals, and objectives. The procurement of these goods or services is monitored in the business office. CLAUDE ISD certifies that the following purchasing procedures adhere to the guidelines in EDGAR (200.324(c)(2).
- 1.3 The District must use its own documented procurement procedures, which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. (EDGAR (200.318(a))
- 1.4 The District must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
  - 14.1 Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features, which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
  - 14.2 Identify all requirements which the bidders must fulfill and all other factors to be used in evaluating bids or proposals. EDGAR 200.319(c)

## 1.5 The District must use one of the following methods of procurement

- 15.1 Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the District must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable
  - 15.2 Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
  - 15.3 Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c) (1) of this section apply.
  - 15.4 Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, see procedure below.
  - 15.5 Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more circumstances apply...see procedure below. EDGAR 200.320
- 1.6 The Director/Principal is responsible for all expenditures made from budgets assigned to him/her.
- 1.7 Budget allocations are intended for expenditures for goods and services to be used during the current school year.
- 1.8 Unused budget appropriations lapse at year-end.

## 2.0 Conflict of Interest

This procedure applies to CLAUDE ISD, Board, Staff, and Vendors shall abide by a code of ethics as cited in EDGAR 200.318(c)(1), 200.318(c)(2), 200.112, FASRG 3.1.3, Texas State Law and TPASS Rule (34 Texas Administrative Code 20.41).

- 2.1 CLAUDE ISD employees may not:
  - 2.1.1 Participate in any purchasing knowing that the employee, or member of that employee's immediate family, has an actual or potential financial interest in the purchasing including, but not limited to, prospective employment. The term "participate" includes, but not limited to, decision making, approval and denial, recommendation, giving advice, investigation or similar action.
  - 2.1.2 Solicit or accept anything of value from an actual or potential vendor.
  - 2.1.3 Be employed by, or agree to work for, a vendor or potential vendor.
  - 2.1.4 Knowingly disclose confidential information for personal gain.
- 2.2 A former employee who ceases service or employment with CLAUDE ISD on or after January 1, 1992, may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter in which the former employee participated during the period of employment, either through personal involvement or because the case or proceeding was a matter within the employee's official responsibility. (Texas Government Code 572.054)
- 2.3 A vendor or potential vendor may not offer, give, or agree to give a CLAUDE ISD employee anything of value.
- 2.4 If a violation occurs:
  - 2.4.1 Person involved shall promptly file a written statement concerning the matter with an appropriate supervisor.
  - 2.4.2 Person may also request written instructions for disposition of the matter.
- 2.5 If an actual violation occurs or is not disclosed and remedied:
  - 2.5.1 The employee involved may be reprimanded, suspended, or dismissed.
  - 2.5.2 The vendor may be barred from receiving future purchases and/or have any existing purchase canceled.
- 2.6 Under law, employees and Board Members of CLAUDE ISD can have any ethics question reviewed and decided by the Texas Ethics Commission.
- 2.7 All CLAUDE ISD employees, Board Members, and Vendors must sign a **Conflict of Interest Statement** each year.

### 3.0 Approved Vendor

This procedure defines the process for maintaining an approved vendor list. (FASRG 3.1.1, 3.2.2.5)

- 3.1 All purchases must be made from an approved vendor.
  - 3.1.1 Vendors include any individual or company from which the CLAUDE ISD receives goods or services.
  - 3.1.2 Excluded are stipends and mileage reimbursement.
- 3.2 Texas Education Code 44.031 states that in determining contract awards to vendors, the district shall consider:
  - 3.2.1 The purchase price.
  - 3.2.2 The reputation of the vendor and of the vendor's goods or services.
  - 3.2.3 The quality of the vendor's goods or services.
  - 3.2.4 The extent to which the goods or services meet the district's needs.
  - 3.2.5 The impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses.
  - 3.2.6 The total long-term cost to the district to acquire the vendor's goods or services.
  - 3.2.7 Any other relevant factor specifically listed in the request for bids or proposals, which could include:
    - 3.2.7.1 Vendor response time.
    - 3.2.7.2 Compatibility of goods/products purchased with those already in use in the district.
- 3.3 A vendor completes the **W-9 Form**.
  - 3.3.1 The W-9 form is to be completed by the vendor and submitted to the Business Office for approval.
  - 3.3.2 Prior to entering into TxEIS, verify that the new vendor is not listed on the System Award Management Debarred Vendor's list or the Texas Comptrollers Debarred Vendor's list.
  - 3.3.3 The vendor is added to the TxEIS Vendor list.

## **4.0 Vendor Quality and Performance**

This procedure defines the process for maintaining quality vendors for purchases. (EDGAR 200.318(b), FASRG 3.1.1, 3.2.2.5)

- 4.1 When nonconforming products/services are received by an approved vendor, the Vendor Performance Report form must be completed.
  - 4.1.1 Upon completion by the requestor and approval of the Director/Principal, the Vendor Performance Report form is submitted to the Business Office for the official complaint to be recorded on the Approved Vendor List.
  - 4.1.2 After the vendor has received three notifications of Nonconforming Products and/or Services recorded on the Vendor Performance List, the vendor is inactivated from the vendor list in TxEIS.
  - 4.1.3 In extenuating circumstances, the Director/Principal has the administrative discretion to immediately discontinue use of a vendor due to vendor performance or product quality.
- 4.2 Every two years, vendors that have not had any activity will be removed from the Approved Vendor List.

## **5.0 Allocability of Costs**

This procedure defines the process for identifying allocability of CLAUDE ISD's costs to local, state, and federal dollars. (EDGAR 200.405)

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

- 5.1 Costs are allocated on the Purchase Order Request Form when items and/or services requested benefit more than one program based on the benefit to the program.
- 5.2 All activities which benefit from the District's indirect cost will receive an appropriate allocation of indirect costs.
- 5.3 Allocable costs will not be charged to any other Federal awards to overcome fund deficiencies, to avoid restriction imposed by law or terms of the Federal awards, or for other reasons.

## **6.0 Allowable Costs**

This procedure defines the process for identifying allow ability of costs to CLAUDE ISD's local, state, and federal funds. (EDGAR 200.403, 200.302 (b)(7))

- 6.1 For costs to be allowable, they must meet the following factors:
  - 6.1.1 Necessary and reasonable for proper and efficient performance and administration.
    - 6.1.1.1 Costs associated with State and Federal Grants are identified in the grant application and approved.
    - 6.1.1.2 Local budgets are approved by the CLAUDE ISD Board for allowable costs.
  - 6.1.2 Be authorized or not prohibited under federal, state or local laws or regulations.
  - 6.1.3 Is consistent with policies, regulations, and procedures that apply uniformly to awards and other activities of the CLAUDE ISD.
  - 6.1.4 Cannot be charged as both direct and indirect.
  - 6.1.5 Must also be allowable according to the generally accepted accounting principles.
  - 6.1.6 Must not be included as a cost or used to meet cost sharing or matching requirements of any other federal award.

## **7.0 Necessity of Costs**

This procedure defines the process for CLAUDE ISD to identify necessary costs to local, state, and federal programs. (EDGAR 200.403/404)

- 7.1 A cost is necessary for proper and efficient performance of state/federal grants and local programs.
- 7.2 Federal and state grants require specific objectives to accomplish the intent of federal and/or state dollars.
  - 7.2.1 CLAUDE ISD identifies tasks to accomplish objectives within the grant applications.
  - 7.2.2 Necessary costs are identified in the grants to implement activities to accomplish the objectives.
- 7.3 Local program are identified based on the district's needs.
- 7.4 CLAUDE ISD identifies all programs in their Comprehensive Needs Assessment.
- 7.5 Employees identify the tasks associated with the program on the **Purchase Order Request Form.**

## 8.0 Reasonableness of Costs

This procedure defines the process for CLAUDE ISD to identify reasonableness of costs to local, state, and federal programs (EDGAR 200.404). A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

- 8.1 Before making a purchase, the purchaser will:
  - 8.1.1 Determine if the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit.
    - 8.1.1.1 Costs associated with state and federal grants are identified in the grant application and approved.
    - 8.1.1.2 Local budgets are approved by the CLAUDE ISD Board of Trustees for allowable costs.
  - 8.1.2 Consider the restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, state, and other laws and regulations; and, terms and conditions.
  - 8.1.3 Research market prices for comparable goods or services.
  - 8.1.4 Assure that the purchase adheres to Texas Government Code and Texas Education Agency's Financial Accountability Reporting Standard Guide resulting in all purchases being made at the best value.
  - 8.1.5 Consider if the purchase will be prudent in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
  - 8.1.6 Determine that the purchase will not be a conflict of interest. CLAUDE ISD employees, board members, and vendors are required to complete and sign a **Conflict of Interest form**.

## 9.0 Purchasing Methods

The following methods outline how services and/or products may be purchased by CLAUDE ISD. (EDGAR 200.318 (d), 200.320 (c)(d)(f), FASRG 3.3.3.1, Texas Government Code)

- 9.1 Purchasing methods available are:
  - 9.1.1 Inter-Local Contracts
  - 9.1.2 Competitive Bidding

- 9.1.3 Emergency Purchases
- 9.1.4 Proprietary Purchase
- 9.1.5 Professional Services
- 9.1.6 Consulting Services
- 9.1.7 Competitive Sealed Proposals/Request for Proposal
- 9.1.8 Sole Source
- 9.1.9 Quotes

## **10.0 Purchasing Guidelines**

The District's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. This procedure outlines the process of how services and/or products are purchased by CLAUDE ISD business office. (EDGAR 200.318 (d), FASRG 3.3.3.1)

- 10.1 When employees of CLAUDE ISD need services and/or products, they must complete a **Purchase Order Request Form**.
- 10.2 When the Director/Principal receives the **Purchase Order Request Form**, he/she must determine the best way to acquire the services and/or products.
- 10.3 When possible all purchases are made through inter-local contracts.
- 10.4 If items and/or services are not available through an inter-local contract, the requestor gathers quotes.
- 10.5 Some goods and/or services (depending on their nature) may be restricted to a(n):
  - 10.5.1 Emergency Purchases
  - 10.5.2 Proprietary Purchases
  - 10.5.3 Professional Services
  - 10.5.4 Consulting Services
  - 10.5.5 Sole Source
- 10.6 When goods and/or services are requested and exceed \$50,000 the following

procedures must be completed:

10.6.1 Competitive Sealed Proposals/Request for Proposal

10.6.2 Competitive Bidding

## **11.0 Inter-local Contracts**

This procedure defines the process for purchases using Inter-local Contracts to foster greater economy and efficiency. (EDGAR 200.318(e), FASRG 3.2.3.4)

11.1 CLAUDE ISD has contracted or agreed with other local governments to purchase goods and any services reasonably required for the installation, operation, or maintenance of the goods.

11.2 Requirements for inter-local contracts include:

11.2.1 Authorization by the governing body of each party to the contract.

11.2.2 Statement of the purpose, terms, rights and duties of the contracting parties.

11.2.3 Specification that each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

11.3 Inter-local contracts available to CLAUDE ISD include the State of Texas Comptroller and any other agency in which an inter-local contract has been establish.

11.3.1 Texas Building and Procurement Commission

TBPC <http://www.tbpc.state.tx.us/stpurch/coopmain.html>

11.3.2 Department of Information Resources (Technology)

DIR <http://www.dir.state.tx.us/>

11.3.3 Texas Cooperative Purchasing Network

(TCPN)

<http://www.tcpn.org/alphavendorlist.html>

11.3.4 Texas Inter-Local Purchasing Systems

(TIPS) <http://www.Tips-texas.com>

11.3.5 Buy Board

<http://www.buyboard.com>

11.3.6 Multi-Regional Purchasing Cooperative (MRPC)

<http://purchase.esc2.net/MRPC/contractpage/default.asp>

11.3.7 National Cooperative Purchasing Alliance

(NCPA) <http://ncpa.us>

11.4 When the business office receives the **Purchase Order Request Form** for the goods and/or services requested, inter-local contracts are researched to determine if goods/services are available.

11.4.1 If an inter-local contract has the items needed, the business office obtains the contract number, vendor, and pricing, then proceeds to the TxEIS Purchasing Process.

11.4.2 If items are not available through an inter-local contract the business office must proceed to obtaining quotes for purchases.

## **12.0 Micro-Purchases**

The Procurement by Micro-Purchase may be the most frequently used method due to the frequent purchase of goods or service that are less than \$3,000. The district shall purchase goods and services under this method from among qualified vendors but will not competitively procure the micro-purchases unless, in the aggregate in a 12-month period (fiscal year), the district exceeds the state law thresholds or the district's threshold in Board Policy CH Legal or Local. The business office shall distribute micro-purchases equitably among qualified vendors. EDGAR 200.67

12.1 When goods and/or services are requested and not available through an inter-local contract, the business office will use the micro-purchase method if the purchase is under \$3,000.

12.2 Business office follows the TxEIS purchasing process.

## **13.0 Quotes for Purchases**

This procedure defines the process for obtaining quotes for purchases from \$3,000.01 to \$50,000.00 (EDGAR 200.320(a)(b), FASRG 3.2.3.7, Texas Procurement Manual). CLAUDE ISD follows procurement by EDGAR defined small purchase procedures.

13.1 When goods and/or services are requested and not available through an inter-local contract, the requestor and/or Director/Principal is required to gather quotes.

13.2 Quotes may be obtained by fax, email, or internet research, and must be attached to the **Purchase Order Request Form**.

13.3 Business office follows the TxEIS purchasing process.

## **14.0 Emergency Purchases**

This procedure applies to the process of purchasing when an emergency occurs. (EDGAR 200.320(f), Texas Government Code 2155.137 & 34, Texas Administrative Code 20.32 & 20.41, FASRG 3.2.5.7)

Two types of emergency purchases may be used by CLAUDE ISD.

14.1 Eminent threat to the health, safety, or welfare of students

14.1.1 Purchases must comply with state law.

14.1.2 Purchases may be made only after formal Board of Trustee action declaring an emergency and authorizing the purchase. An example would be to authorize a repair after a fire or a natural disaster.

14.1.3 Emergency purchases exceeding the dollar amount triggering competitive procurement requirements shall be made in conformance with Subsection (h) Section 44.31 Texas Education Code.

14.2 An immediate purchase to repair damage to a facility which may imperil students or the security of the facility. An example would be if windows are broken at a facility by vandals and an immediate need exists to not only secure the facility, but to protect the contents from damage by the elements.

14.2.1 This type of emergency purchase is normally utilized after regular business hours or on weekends and holidays.

14.2.2 After purchases of this type are made, a purchase order should be issued after the fact on the next business day.

14.2.3 Care should be taken that emergency purchases do not result from improper planning rather than a true emergency.

14.3 It is important that the district attempts to eliminate emergency purchases for nonemergency situations as much as possible and requires that all emergency purchases be fully justified.

## **15.0 Proprietary Purchase**

Proprietary purchases are when items or services have a unique feature that is not shared by others or provides a compelling distinction which sets one vendor apart from others in the marketplace. (Texas Government Code 2155.067)

15.1 When items and/or services are needed from a proprietary, the purchaser must:

- 15.1.1 Complete the **Proprietary Purchase Justification form** signed by their Director/Principal.
  - 15.1.2 Complete the **Purchase Order Request Form**.
  - 15.1.3 Attach the **Proprietary Purchase Justification form** to **the Purchase Order Request Form**.
- 15.2 Business office completes TxEIS purchasing process.

## **16.0 Professional Services**

The procedure applies to the process of contracting for professional services. (EDGAR 200.319(b), Texas Government Code Chapter 2254)

- 16.1 Professional services are defined as those services provided by a person who is licensed or registered as a(n):
  - 16.1.1 Certified Public Accountant
  - 16.1.2 Architect
  - 16.1.3 Landscape Architect
  - 16.1.4 Land Surveyor
  - 16.1.5 Physician, including a Surgeon
  - 16.1.6 Optometrist
  - 16.1.7 Professional Engineer
  - 16.1.8 Real Estate Appraiser
  - 16.1.9 Registered Nurse
- 16.2 Providers of professional services may not be selected on the basis of competitive bids, but must be selected on the basis of demonstrated competence and qualifications to perform services for a fair and reasonable price. Request for qualifications is required.
- 16.3 Professional fees under the contract must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations, and may not exceed any maximum provided by law.
- 16.4 CLAUDE ISD employees will submit a **Purchase Order Request Form**. Request for qualifications is attached to the **Purchase Order Request Form**, unless there is a copy on file.
- 16.5 Business office will complete the contract and purchase order in TxEIS.
- 16.6 Once services are rendered and complete, payment is issued.

## **17.0 Consulting Services**

The procedure applies to the process of contracting with outside consultants to provide services to CLAUDE ISD. (Texas Government Code 2254)

- 17.1 CLAUDE ISD contracts with private consultants only if:
  - 17.1.1 There is a substantial need for the service.
  - 17.1.2 The agency cannot adequately perform the service with its own personnel or through another agency.
- 17.2 Director/Principal will complete a **Purchase Order Request Form**.
- 17.3 The business office completes the contract and purchase order in the TxEIS Purchasing Module.
- 17.4 Once the contract has been approved, the business office will email and/or mail the contract, cover letter, and **Anti-Virus Agreement** to the outside consultant for signature.
- 17.5 When the signed contract is returned to the business office, it is filed until completion of contract. The **Anti-Virus Agreement** will be sent to the Technology Department.
- 17.6 Upon completion of the contract, the business office will process payment.
- 17.7 If the outside consultant contract service is canceled, the Director/Principal notifies the business office who then reverses the contract purchase order.

## **18.0 Sole Source (EDGAR 200.320(f), FASRG 3.2.3.6, Texas Education Code Subchapter B., Sec. 44.031 (j)(k))**

This procedure defines how a sole source vendor must be validated prior to the purchase procedure taking place. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

The item is available only from a single source.

The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District. After solicitation of a number of sources, competition is determined inadequate.

- 18.1 When a **Purchase Order Request Form** is completed for a sole source, it must have the following documents attached:
  - 18.1.1 A firm price quotation from sole source.
    - 18.1.1.1 Quoted prices must be good for thirty (30) days.
    - 18.1.1.2 Quoted prices must be inclusive of all cost including freight.
    - 18.1.1.3 Quoted prices must be on Vendor letterhead.
  - 18.1.2 The Confirmation of **Sole Source Compliance** by Vendor form must be completed by the vendor.
- 18.2 Once the business office receives the **Purchase Order Request Form**, quote, and sole source form, the TxEIS purchasing process will be followed.

## **19.0 Competitive Sealed Proposals/Request for Proposal**

This procedure defines the process for obtaining competitive sealed proposals/request for proposal for goods and/or services over \$50,000.01. (FARSG 3.2.3.2, Texas Government Code, EDGAR 200.319(a)(c)) Refer to FARSG Appendix 1, The State of Texas Procurement Manual, and State of Texas Contract Management Guide.

- 19.1 The terms and conditions of competitive sealed proposals/request process is identical to those for competitive bidding procedures except that changes in the proposal and in pricing may be negotiated after proposals are opened.
- 19.2 The competitive sealed proposal process provides for full competition among proposals and allows for negotiation with the proposer(s) to obtain the best services at the best price.
- 19.3 A Request for Proposals (RFP) is a part of the competitive sealed proposal process.
- 19.4 The RFP is the mechanism that generates the receipt of competitive sealed proposals and should contain the following key elements:
  - 19.4.1 Determination by board of trustees that this method will provide the best value for the district.
  - 19.4.2 Newspaper advertisement
  - 19.4.3 Notice to proposers
  - 19.4.4 Standard terms and conditions

19.4.5 Special terms and conditions

19.4.6 Scope of work

19.4.6.1 Scope and intent

19.4.6.2 Definitions and applicable documents

19.4.6.3 Requirements

19.4.6.4 Quality assurance

19.4.7 Acknowledgement form/response sheet.

## **20.0 Competitive Bidding**

This procedure defines the process for obtaining competitive bids to stimulate competition and obtain the lowest practical price for the work, service and/or items(s) needed. (EDGAR 200.319(a), FASRG 3.2.3.1, Texas Government Code 2155.062(a)(3) and 2156.061) Refer to FASRG Appendix 1, The State of Texas Procurement Manual, and State of Texas Contract Management Guide.

20.1 The competitive bidding process requires that bids be evaluated and awards made based solely upon bid specifications, terms, and conditions contained in the request for bids document, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance.

20.2 The business office prepares a bid package for mail out to approved vendors allowing time for an accurate response, typically not less than three weeks. A request for bids must contain the following elements:

20.2.1 Purchase description or specifications covering the item(s) to be obtained.

20.2.2 Work and/or services needed.

20.2.3 Terms and conditions for the proposed bid contract.

20.2.4 Time and place for opening bids and other provisions.

20.3 The bid process involves:

20.3.1 Development of clear specifications.

20.3.1.1 Bid specifications are the listing of reasonable standards and limitations which bidders are obliged to observe.

20.3.1.2 A specification will include a description of the required item, the characteristics or functions of the item, and the terms and conditions under which the procurement will be

made.

20.3.1.3 Specifications must be drafted to allow vendors supplying reasonably equivalent items to compete on an equal basis. Specifications should not be so vague that bidders do not have enough information on which to draw intelligent bids nor should they be unduly restrictive.

20.3.1.4 Specifications that tend to favor a particular bidder, not for any reason in the public interest, but rather to ensure the award of the contract to a particular vendor are improper.

20.3.1.5 If the brand name represents an industry wide standard, the brand name product may be specified as long as the specifications provide an “equivalency clause”, that is, a statement that products reasonably equivalent to the standard are acceptable.

#### 20.3.2 Advertising for competitive bids.

20.3.2.1 All bids must be advertised in a local newspaper one a week for two separate weeks to determine any and all vendor wishing to respond.

#### 20.3.3 Responding to vendor questions.

20.3.3.1 Description of work or services needed.

20.3.3.2 Terms and conditions for the proposed bid contract.

20.3.3.3 Time and place for opening bids and other provisions.

#### 20.3.4 Procedures for receiving, opening and tabulating the bids.

20.3.4.1 Bid documents are received in the business office and are date stamped and left unopened in a secure location until the advertised bid opening date and time.

20.3.4.2 Bid documents are publicly opened and tabulated.

20.3.4.3 All interested parties may attend the bid opening.

20.3.5 Analysis of the bids to ensure compliance with all legal requirements, bid specifications, terms and conditions as contained in the request for bids document, as well as, bid prices and pertinent factors that may affect contract performance.

20.3.5.1

20.3.6 Recommending the vendor(s) for bid award.

20.3.6.1 Bids may be awarded as an “all or none” bid giving all items awarded to one vendor or by line item award to multiple vendors.

20.3.6.2 Tie bids will be determined by coin toss and listed as such on the Tabulation of Bids unless one is a local vendor. Local vendors are given priority over out-of-city and out-of-state vendors.

20.3.6.3 After bids have been opened and tabulated by the business office, a copy of the Tabulation of Bids will be given to the superintendent.

20.3.7 Award of the bid by the Board of Trustees (BOT).

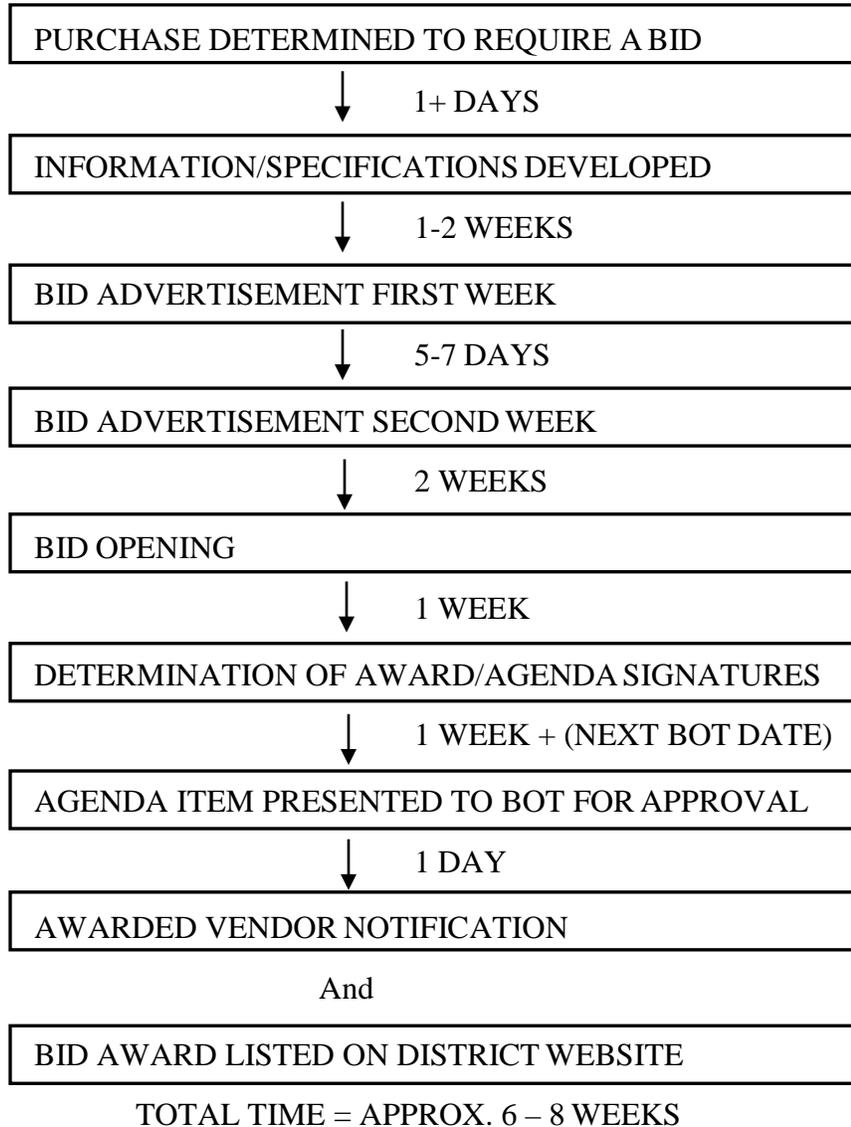
20.3.7.1 A legally posted agenda for a meeting of the Board of Trustees will indicate the consideration of awarding the bid.

20.3.7.2 Board of Trustees will review the Tabulation of Bids and any supporting documentation.

20.3.7.3 Board of Trustees will award the bid to the successful bidder.

### Timeline for Bid Process

The following timeline is an approximation for estimating the length of time to allow for the bid process.



## 21.0 Purchase Order Request Approval

This procedure applies to how prior approval is granted for purchases of goods and/or services. (FASRG 3.2.2.2)

21.1 Employees complete the **Purchase Order Request Form** for all purchases of goods and/or services identifying:

21.1.1 Requestor of needs

21.1.2 Date required

21.1.3 Method of Payment

21.1.4 Items requested

21.1.5 Purpose

21.1.6 Vendor Preferred

21.1.7 Justification for selection of vendor (per 44.031 Education code)

21.1.8 Program code requesting need

21.1.9 Identified District or Campus Improvement Plans

21.1.10 Account Code to charge

21.1.11 Attached Documentation

21.1.11.1 Specific item documentation

21.1.11.2 Specific services documentation

21.1.11.2.1 Outside Consultant Qualifications

21.1.11.2.2 Professional Services Qualifications

21.2 Upon completion, the **Purchase Order Request Form** is given to the Director/Principal. The method of purchase is determined based on purchasing guidelines, and the TxEIS purchasing process is followed. Upon completion of the approval path, a purchase order is generated by the business office.

## 22.0 TxEIS Purchasing Process

This outlines the process to follow when needing to purchase goods and/or services.

- 22.1 When the **Purchase Order Request Form** has been received by the Director/Principal, and the purchasing method has been determined, the Form and attachments is sent to the Business Manager for approval.
- 22.2 Once the Business Manager has checked the account coding, budget for available funds, and form completeness, the completed form is then sent to the Superintendent for approval.
- 22.3 If the form is incomplete or funds are not available, the Purchase Order Request Form is returned to the Director/Principal for correction. If funds are not available, a **budget change form** will be completed by the Director/Principal if they deem it necessary.
  - 22.3.1 If the budget change is in the same function, it is approved by the Director/Principal and Superintendent, and the purchasing process continues. If the budget change is from a different function, the school board must approve this change before the purchase process continues.
- 22.4 Upon approval from the Superintendent, the business office enters **the Purchase Order Request Form** into the TxEIS purchasing module and generates a purchase order, thus encumbering the funds.
- 22.5 The business office or the originator submits the purchase order to the vendor.
  - 22.5.1 Resulting documentation (price quote, order form, etc.) is attached to the vendors copy of the purchase order.
- 22.6 When the purchased items are received, the items will be delivered to the requestor or business office to verify items ordered.
  - 22.6.1 The requestor or business office will verify the quality of the items and that the order is complete. The requestor or business office will sign, date and return the packing slip and/or invoice to the business office within 5 days of delivery.
  - 22.6.2 When expenditures exceed the approved amount, the business office will verify available funds. The invoice must be approved by the Superintendent and reason for change documented before payment will be made.
- 22.7 The Accounts Payable Clerk enters the invoice into TxEIS finance for a check to be issued for payment.
- 22.8 Employee reimbursements follow the same procedure as stated above. Employees may not be reimbursed if procedure stated above is not followed.

## **23.0 Payment Authorization**

This procedure describes the process the business office uses for making payment for expenditures that did not have a purchase order.

- 23.1 When the District receives a bill that needs to be paid, without having encumbered a purchase order, a **Payment Authorization Form** must be completed and signed.
  - 23.1.1 The Director/Principal will need to approve the payment if the goods or service originated in their department. The Business Manager and Superintendent will also have to approve the payment before a check is issued.
  - 23.1.2 For payments not originating with a Director/Principal, the Business Manager and Superintendent will need to approve the payment.
  - 23.1.3 The **Payment Authorization form** is then forwarded to the Accounts Payable Clerk for the payment to be entered into the TxEIS system for payment.
  - 23.1.4 Documentation of expense must be attached to the **Payment Authorization form**.
  - 23.1.5 Disbursements to taxpayers are required by law Tax Code 11.431 and 31.11.
- 23.2 Once check run is complete, the check is mailed or, upon request, vendors pick up checks in the business office.

## **24.0 Credit Cards**

- 24.1 When an employee uses a district credit card or procurement card by completing a **Purchase Order Request Form**. The procedures in Section 22 are followed.
- 24.2 Authorized employees are required to sign out all credit cards from the business office.
- 24.3 All receipts and credit card must be returned to the business office within 2 business days of use or return from travel.
- 24.4 The business office reconciles statements with completed paperwork and receipts and processes payment.

## **25.0 Returning Goods to a Vendor**

- 25.1 It is the responsibility of the requestor to contact the business office when the goods received are damaged or not as anticipated.

- 25.1.1 It is important to examine the merchandise/goods as soon as possible.
- 25.1.2 If the goods received are not as anticipated, a Vendor Performance Report may be completed and sent to the business office to be recorded on the Vendor Performance List.
- 25.1.3 The District only has fifteen (15) calendar days upon receipt from the carrier to legally file a claim against the carrier.

## **26.0 Accounts Payable**

- 26.1 When purchases are made whether through the purchase order process, payment authorization, or travel reimbursement; it is the responsibility of the requestor to follow this procedure.
  - 26.1.1 All correct forms must be submitted properly filled out with attached documentation.
  - 26.1.2 Proper account codes must be on the appropriate form requesting payment.
  - 26.1.3 There must be an approval signature.
  - 26.1.4 If there is special handling forms and remittance information should be attached to the document used to request payment.
- 26.2 For all purchases that have a purchase order, the vendor/third party is required to submit the invoice to business office. In the event that an employee receives the invoice, they are required to forward the invoice to business office for processing.
- 26.3 When the receipt of the goods or services has been confirmed and the invoices describing services provided are received in business office (e.g., the quantities and descriptions of products purchased, or specific details of services purchased, such as service dates, total hours and number of students to whom the services were provided where applicable), payment is ready to be made. Confirmation occurs with the receipt of the packing slip.
- 26.4 The purchase order is retrieved and attached to the invoice and the packing slip.
- 26.5 In the event an invoice and packing slip are received that did not have a corresponding purchase order, a Payment Authorization form must be completed.
- 26.6 Daily invoices and all other payment authorizations are entered into TxEIS for a check run to take place weekly.

- 26.7 Once all detail information has been received, the system will only process the payment request if there are sufficient funds. Once the system has determined that sufficient funds are available, the payment request is placed in queue for the weekly check run.
- 26.7.1 If the system indicates a lack of sufficient funds, the business office will contact the Director/Principal.
- 26.7.2 If the lack of sufficient funds is at the function level, the Board of Trustees must approve a budget amendment.
- 26.8 When it is time for the weekly check run, the business office will take appropriate action to correct any issues.
- 26.8.1 Once changes and corrections are made a final Check Payment list is printed.
- 26.8.2 The Check Payment list is then forwarded to the Superintendent or designee for final approval.
- 26.9 Upon approval of the Check Payment list, TxEIS will generate checks and post to the system.
- 26.10 After the checks have been printed the business office will pull any remittance information and place it with the check and place in an envelope to be mailed.
- 26.11 The file copy of the check is attached to the invoice and filed by vendor name in the vendor filing cabinet.

## **27.0 Lost/Voided Checks**

- 27.1 Inquiries about lost checks should be directed to the business office.
- 27.1.1 If a stop payment needs to be issued, the business office will contact the bank to process the stop payment.
- 27.1.2 The individual who lost the check may be charged a fee for the stop payment.
- 27.2 If a check is incorrect or no longer is needed, it should be forwarded to the business office, so that the check can be properly voided.

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Section 3

Budget

**1.0 General Information**

- 1.1 The annual operating budget is the foundation on which annual school district activities are dependent.
- 1.2 The budget is reflective of the district's educational plan and should be viewed as an operating subset of a more comprehensive financial plan that directly correlates to the goals and objectives established to achieve the district's mission. Listed below are the CLAUDE ISD mission statement, beliefs, objectives, and parameters.

**Mission:**

Through Vision and Commitment, Claude ISD will strive to achieve academic excellence and prepare each student to become a productive member of society.

**Mission of Texas Public Education**

The mission of the public education system of this state is to ensure that all Texas children have access to a quality education that enables them to achieve their potential and fully participate now and in the future in the social, economic and educational opportunities of our state and nation. That mission is grounded on the conviction that a general diffusion of knowledge is essential for the welfare of this state and for the preservation of the liberties and rights of citizens. It is further grounded on the conviction involvement in the school is essential for the maximum educational achievement of a child.

**Public Education Objectives:**

Parents will be full partners with educators in the education of their children. Students will be encouraged and challenged to meet their full educational potential.

Through enhanced dropout prevention efforts, all students will remain in school until they obtain a high school diploma.

A well-balanced and appropriate curriculum will be provided to all students. Educators will prepare students to be thoughtful, active citizens who have an appreciation for the basic values of our state and national heritage and who can understand and productively function in a free enterprise society.

Qualified and highly effective personnel will be recruited, developed, and retained.

The state's students will demonstrate exemplary performance in comparison to national and international standards.

School campuses will maintain a safe and disciplined environment conducive to

students learning.

Educators will keep abreast of the development of creative and innovative techniques in instruction and administration using those techniques as appropriate to improve student learning.

Technology will be implemented and used to increase the effectiveness of student learning, instructional management, staff development, and administration.

- 13 School districts are labor-intensive organizations. As such, salary and benefits constitute the major portion of the annual operating budget.
- 14 The budget is prepared in accordance with generally accepted accounting principles and state guidelines.
  - 1.4.1 State guidelines are administered and monitored by the Texas Education Agency (TEA).
  - 1.4.2 Detailed information can be obtained at <http://www.tea.state.tx.us/school.finance/audit/resguide12/far> by referencing the Financial Accountability System Resource Guide (FASRG).
- 15 The budget is adopted by the Board of Trustees prior to the beginning of the fiscal year (September 1 – August 31). Listed below is the budget calendar followed by the district:

### **Budget Calendar**

<b><u>September</u></b>	Post current school year budgets Provide campuses and departments with account detail Present Budget Review to Board of Trustees Roll prior year purchase orders with goods not received by 8/31
<b><u>October</u></b>	Present Budget Review to Board of Trustees Load current school year PEIMS budget file
<b><u>November</u></b>	Presentation of prior year audit Present Budget Review to Board of Trustees
<b><u>December</u></b>	Submission of PEIMS budget information to TEA

Study current year payroll budget based on September - November expenditures  
Present Budget Review to Board of Trustees

**January** Present Budget Review to Board of Trustees  
Conduct budget workshop for next school year with Board of Trustees and administration  
Initial next school year state aid projection prepared

**February** Prepare budget gathering documents for next school year  
Next school year payroll estimates prepared  
Present Budget Review to Board of Trustees

**March** Budget gathering documents sent to campuses and departments  
Present Budget Review to Board of Trustees  
Administration meets to review and recommend next school year campus staffing adjustments  
Next school year salary schedules developed  
Budget preparation training conducted with campus, department and program leadership

**April** Extract current year budget data into next year budget preparation module  
Review and load campus and department budget requests  
Receive preliminary property values from Appraisal Districts  
Present Budget Review to Board of Trustees

**May** Present Budget Review to Board of Trustees  
Special revenue budget gathering documents are sent to program directors

**June** Present Budget Review to Board of Trustees  
Present next school year Preliminary Budget overview to Board of Trustees  
Modifications continue with state aid, local revenue and expenditure projections  
Submit next school year Working Budget document to Board of Trustees

**July** Conduct second budget workshop with Board of Trustees  
Perform final analysis of current school year budgets to estimated year-end expenditures/accruals  
Present Budget Review to Board of Trustees

**August** Complete Truth in Taxation calculation  
Present current school year Final Budget Review to Board of Trustees  
Board approves end of year budget amendments  
Submit next school year Proposed Budget to Board of Trustees after final budget review  
Adopt next school year tax rate  
Adopt next school year budget

## **2.0 Budget Preparation for Campuses**

- 2.1 Budget gathering documents are sent to the campuses in February/March for the next fiscal year. This will include the **Personnel Form** and the **Employee Schedule Form**. These forms will be forwarded to the Business Manager.
- 2.2 Staff participation in the budget process is required.
  - 2.2.1 It is now a requirement of the Texas Education Code that your Campus Improvement Council (CIC) also participate in the budget process.

## **3.0 Budget Preparation for Departments and Special Revenue Funds**

- 3.1 Budget gathering documents are sent to the departments in February/March for the next fiscal year. Special revenue gathering documents are sent in April/May to allow for receipt of Notice of Grant Awards (NOGA).
- 3.2 Detailed instructions will be provided by the business office regarding the preparation of your budget worksheet.
  - 3.2.1 New program needs should be explained in detail and reference the related accounts.
  - 3.2.2 Salaries and related benefit accounts are calculated by the business office.
  - 3.2.3 Extra pay, part-time pay, and substitutes should be budgeted by campus.
  - 3.2.4 When proposing an increase to the number of positions, submit detailed explanations and/or justifications to the Superintendent for approval.
- 3.3 Amounts budgeted for professional services should be included on the budget worksheet and properly supported on the form provided in the budget gathering documents.

## **4.0 Budget Amendments**

- 4.1 The budget accounts may be amended/changed from time to time by completing a **Budget Change Form** (BCF).
- 4.2 Budget amendments are prepared as needed based on the **Budget Change Forms** received by the business office.
  - 4.2.1 These amendments apply only to 6200, 6300 and 6400 series of object accounts. They may not be used for payroll.
  - 4.2.2 To initiate a request for an amendment, the principal/director should complete a **Budget Change Form** and submit it to the business office.

- 4.3 Periodically all budget accounts will be reviewed by the Business Manager. Amendments may be necessary when over or under estimates have been made relative to revenues or expenditures, or when general budgetary cutbacks become necessary.
  - 43.1 These types of changes must be approved by the Superintendent and will be placed on the next Board of Trustees agenda for approval.
  - 43.2 The Principal/Director will be notified of changes to be made to their budget accounts.
- 4.4 When submitting **Budget Change Forms**, please note the following guidelines:
  - 44.1 Use the current **Budget Change Form**.
  - 44.2 Review account balances.
  - 44.3 Prepare amendments using whole numbers (no pennies), except for special revenue funds needing to spend 100% of grant, and include written explanation for change.
  - 44.4 Obtain necessary signatures prior to submission.
  - 44.5 The correcting of an actual expenditure (not the budget) that was recorded in the wrong account should be completed by a journal entry in the business office.

## **5.0 Account Code Structure**

- 5.1 The overall account code structure is designed to serve as both an efficient account code facility and a basic management tool. It creates a common language for use in controlling, recording, accumulating and reporting the activities of the school district.
- 5.2 See Account Codes in the Financial Accounting Resource Guide-Module 1: Financial Accounting and Reporting on TEA's website.

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Section 4

Donations/Gifts

1.1 **Donations**

- 1.2 The Board of Trustees of the district may choose to accept or reject any gift or donation on behalf of the district.
- 1.3 Donations valued less than \$1,000 must have Superintendent approval.
- 1.4 Donations valued at \$1,000 or more must have Board of Trustee approval.
- 1.5 The Board of Trustees may conduct a closed meeting to deliberate a negotiated contract for a prospective gift or donation to the district if deliberation in an open meeting would have a detrimental effect of the Board's position in negotiations with a third person. (Government Code 551.074)
- 1.6 All donations shall be provided by the donor with no conditions attached. Organizations or people making donations will complete the **Donation Approval Form** for all donations.

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Section 5

Cash Management

The financial management system of each District must provide for the following (see also §§200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records): 1) Written procedures to implement the requirements of §200.305 Payment. 2) Written procedures for determining the allow ability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award. (EDGAR 200.302(b)(6/7), 200.305)

**1.0 Cash receipts consist of checks, money orders and cash received from various sources. This also includes monies electronically deposited.**

- 1.1 Any employee collecting monies should submit money and appropriate documentation for the collection of the money to the business office on a daily basis.
- 1.2 Documentation should include: purpose, from whom it came, individual dollar amount, total money collected, and date and signature of person collecting money.
- 1.3 When the employee submits the collected money to the business office, the business office will verify the amount collected by counting the money in the presence of the employee.
  - 1.3.1 Business office and employee will initial the deposit slip that the submitting employee will have completed. This will serve as verification of funds.
  - 1.3.2 The business office will take the deposit to the bank.
- 1.4 The business office will attach the time and date stamped deposit slip to any documentation. The deposit slip will become the documentation that will coded with the appropriate account number to which the funds will be posted in TxEIS.
- 1.5 Record cash receipt number generated by TxEIS on deposit slip.
- 1.6 Funds electronically deposited will be researched by the business office and documentation will be produced to identify the source, amount and origination of the funds. Example funds deposited from TEA.

1.6.1 These funds will follow the same process as listed in 1.4 and 1.5.

## 2.0 Returned Checks

- 21 Returned checks are checks previously deposited which are returned unpaid by the bank because of insufficient funds, account closed, stop payment, etc.
- 22 The bank will send returned checks to the business office who will notify the employee or group that collected the check.
  - 2.2.1 No other checks should be accepted from the individual until the check is redeemed.
  - 2.2.2 Immediate action is instrumental in collecting on a returned check.
- 23 The person or group that collected the check will contact the individual for payment on the returned check. It must be paid off with cash, cashier's check or a money order within 30 days.
  - 2.3.1 If initial collection efforts fail (verbal or written), the next step is to send a letter by certified mail, return receipt requested.
  - 2.3.2 If you are still unable to collect on the returned check within 30 days and the amount of the returned check or the accumulation of returned checks from a single maker is \$100 or more, send copies of all correspondence such as notes, letters, certified mail receipt, etc. along with the original returned check and a cover letter to the CLAUDE ISD local law enforcement department. Be sure to include your phone number in the cover letter in case the police department has any questions or needs additional information. Keep a copy of all correspondence for your files.
    - 2.3.2.1 Tax Office Exception: Returned checks for tax accounts – A letter will be sent and no other check will be taken until that check is redeemed. Tax account will return to an unpaid status and penalty and interest will continue to accrue as per Tax Code 31.06.
  - 2.3.3 The local law enforcement department will determine if and when to involve the District Attorney's office.
- 24 When payment is received, prepare a cash receipt (include the number of the original check) for the payment. Indicate on the cash receipt that it payment for a returned check.

### **3.0 Cash Requests for Reimbursement of Expenses from Federal and State Grants**

Funds will be requested for expenditures that have been recorded. CLAUDE ISD will not request advance payments.

- 3.1 A summary general ledger is printed to show the assets, liabilities, revenues and expenditures for each fund.
- 3.2 The cash to request is determined by adding the expenditures and indirect cost, if any, and subtracting any accruals.
- 3.3 Each grant is reported separately to either the State or Federal Government.

### **4.0 Cash Transfers**

This procedure applies to the business office and how transferring of funds are processed.

- 4.1 Cash is maintained in three forms: checking, certificates of deposit and Lone Star Pool. Transfers are made between Lone Star Pool and checking.
  - 4.1.1 Checking account must remain positive.
  - 4.1.2 Checking account balance must be below 3.5 million to keep funds secured.
- 4.2 The Business Manager reviews the status of the checking account weekly.
  - 4.2.1 If a transfer needs to be made it is electronically setup through Lone Star Pool for a withdrawal or deposit, which ever, is deemed necessary.
  - 4.2.2 A verification report printed for documentation.
- 4.3 Once the transaction takes place the action is recorded in TxEIS in one of two ways.
  - 4.3.1 Cash received into the bank is recorded as a cash receipt in TxEIS.
  - 4.3.2 Cash transferred from checking is recorded as a general journal entry.

### **5.0 Petty Cash**

- 5.1 All Petty cash boxes will be reconciled at the end of each month and the reconciliation form submitted to the business office.

CLAUDE Independent School District  
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Section 6

Employee Travel

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the District. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the District's non-federally-funded activities and in accordance with District's written travel reimbursement policies. Notwithstanding the provisions of §200.444 General costs of government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of the District's written travel policy. In addition, if these costs are charged directly to the Federal award, documentation must justify the expense. (EDGAR 200.474(a)(b))

**1. Employee Travel**

An employee will use the school vehicles whenever possible before the use of a personal vehicle. Employees will request the use of a school vehicle through the **Transportation Request Form**. This form must have Director/Principal approval before it is submitted to the Transportation Department.

- 1.1. An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out district business with the prior approval of the employee's Director/Principal. A **Travel Request Form** must be completed. The travel forms follow the same process as a **Purchase Order Request Form**.
- 1.1.1. The **Travel Request Form** must be received by the business office no later than 10 business days prior to the date of travel.
- 1.1.2. Accounting records shall accurately reflect that no state or federal funds were used to reimburse travel expenses beyond those authorized for state employees.
- 1.1.3. For any authorized expense incurred, the employee shall submit a statement, with receipts, documenting actual expenses and in accordance with administrative procedures.

- 1.2. Travel expenses are to be reported on a CLAUDE Independent School District **Travel Request Form**. The following rules apply to all employees of CLAUDE ISD with reference to travel expense reports:
  - 1.2.1. Travel expenses must be in compliance with district policy DEE (Local) and DMD (Local).
  - 1.2.2. The completed **Travel Request Form** should be submitted to the business office within ten days of completion of the travel.
  - 1.2.3. Reimbursement will not be made unless all supporting documentation, required forms or third party source records are attached to the **Travel Request Form**.
  - 1.2.4. Each employee's **Travel Request Form** should include only his/her own expenses. Separate bills should be obtained whenever possible.
  - 1.2.5. Receipts for monies expended for railroad, air or bus transportation, hotel accommodations and registration are to be submitted to the business office as evidence of the expenditures.
  - 1.2.6. Any unauthorized expense will not be approved for reimbursement.

## **2. Travel Request Authorization**

- 2.1. The **Travel Request Form** must be completely filled out. The total travel expenses should reflect the entire estimated amount of expenses for travel.
- 2.2. Employees using budgeted funds for attendance to a convention/conference should forward the completed **Travel Request Form** to the appropriate Director/Principal for approval, who then forwards the request to the business office for final approval and processing.
- 2.3. Travel using funds other than budgeted funds (i.e. grants/special revenue funds), must have the approval of the Director/Principal with jurisdiction over those funds prior to forwarding to the business office for final approval and processing.
- 2.4. The budget code to be charged for travel expenses must be indicated on the **Travel Request Form**.
- 2.5. Once the travel request is approved by the business office, a travel packet is available to the employee approximately 1 to 5 days prior to travel. The forms included in the travel packet are:

- 2.5.1. CLAUDE Independent School District will provide check/credit card. Employees needing a credit card will need to come to the business office to check out the credit card.
- 2.5.2. Texas Hotel Occupancy Tax Exemption Certificate.
- 2.5.3. Motor Vehicle Rental Exemption Certificate for sales tax exemption on rental vehicles.

### **3. Travel Advances**

3.1. Travel advances are only allowed with approval.

- 3.1.1. Employee completes a **Travel Request Form** and submits to the Director/Principal.
- 3.1.2. The Director/Principal will approve and submit the form to the business office for an advance to be issued.
- 3.1.3. Upon return, all receipts and unspent cash are submitted to the business office with the **Travel Advance and Reconciliation Form**.
- 3.1.4. If receipts and unspent cash match the **Travel Advance and Reconciliation Form**, the request is signed by the employee and the business office. The settle-up should take place with the employee present.
- 3.1.5. If receipts and unspent cash do not match, the **Travel Advance and Reconciliation Form**, the reconciliation portion is completed and the business office may reimburse the employee, or the employee may reimburse the district. Additional receipts may be required to accurately complete the reconciliation process.

### **4. Meal Allowances (overnight trip only)**

4.1. District, State and Federal Funds:

- 4.1.1. Meal rates allowable are found by going to the U.S. General Services Administration's (GSA) website at [www.gsa.gov](http://www.gsa.gov). The district will reimburse an employee's actual cost up to the allowable maximum. The maximum allowable includes gratuities. If the destination is in Texas and is not listed on the GSA site, the posted allowable rates on the Comptroller's website are to be used. Receipts are required. Actual cost up to \$36.00 a day or state allowable rate may be requested.
- 4.1.2. On travel days, actual cost up to 75% of the allowable cost may be reimbursed.

4.1.3. If a meal is provided at a function being attended, such as a banquet included in the conference registration, that meal will not be eligible for reimbursement.

4.1.4. Alcoholic beverages shall not be consumed during regular business hours when on official school business. Charges of any alcoholic beverages are the responsibility of the employee and are not an allowable reimbursable expense.

## **5. Lodging**

5.1. Reservations through the Internet are acceptable under the following guidelines:

5.1.1. Reservations by this method are charged state sales tax and possibly a processing fee.

5.1.2. A “Print Screen” of the reservation or email confirmation and an itemized receipt from the hotel is required documentation for reimbursement if the employee personally paid for the lodging. All pertinent pre-approval forms for travel are still required.

5.1.3. A copy of the employee’s credit card statement showing the employee incurred these charges is necessary for reimbursement.

5.2. A Texas Hotel Occupancy Tax Exemption Certificate must accompany payment to the hotel to avoid paying state taxes. This certificate may be obtained from the business office.

5.2.1. When checking into the hotel, provide the clerk with the Texas Hotel Occupancy Tax Exemption Certificate.

5.2.2. Upon checkout, review the billing to ensure that state sales tax was not charged.

5.2.3. The CLAUDE ISD will not provide reimbursement for state sales tax (unless traveling outside of Texas).

5.2.4. County and municipal hotel occupancy taxes may be reimbursed.

5.3. District, State and Federal Funds:

5.3.1. Hotel rates vary, and every effort should be made to obtain the most economical, safe, and practical accommodations available considering the purpose of the meeting.

5.3.2. Lodging rates allowable are found by going to the U.S. General Services Administration’s (GSA) website at [www.gsa.gov](http://www.gsa.gov). The district will reimburse an employee’s actual cost up to the allowable maximum. If the destination is in Texas

and is not listed on the GSA site, the posted allowable rates on the Comptroller's website are to be used.

5.3.3. Original, itemized receipts are required.

5.3.4. Amounts in excess of the above limits are the responsibility of the employee.

## **6. Transportation**

6.1. When an employee uses his/her personal vehicle on official school business, mileage is reimbursed only if no school vehicle is available or has prior approval from the Superintendent.

6.2. The maximum allowable for travel on official school business may not exceed the amount of the standard airline fare to that location.

6.3. The mode of transportation is the one in the district's best interest. It should be the most cost effective mode.

6.4. First-class airline travel will not be permitted. Airline receipts are required.

6.5. Contact the business office before making any airline reservations.

6.6. Reservations through the Internet are acceptable under the following guidelines:

6.6.1. A "Print Screen" of the reservation or email confirmation is required for payment.

6.6.2. A copy of the employee's credit card statement showing the employee incurred these charges is necessary for reimbursement.

6.7. Toll road fees may only be reimbursed in the instance that the toll road is the most cost effective or efficient route. Official toll road receipts and written justification must be provided as support for the reimbursement.

6.8. The rate of reimbursement for the employee's personally owned motor vehicle is based on the state-approved rate. Except for the cost of airport parking incurred while on official business or parking fees required for transaction of school business, no additional expense incidental to the operation of such motor vehicles shall be allowed.

6.9. Receipts are required for monies expended for railroad, air, taxi, parking fees, etc.

6.10. MapQuest should be used for computing miles traveled by automobile.

## 7. Use of Personal Vehicle for CLAUDE ISD Business

- 7.1. The Travel Reimbursement Form must be completed by employees to claim approved mileage reimbursement. This information comes from MapQuest. Students may not be transported in an employee vehicle.
  - 7.1.1. The intent of the mileage reimbursement is to reimburse for all actual business miles driven in excess of the commuting miles from your home to your primary work location and back. If there are no miles driven in excess of normal commuting miles, no reimbursement is due.
  - 7.1.2. All mileage reported should be based on MapQuest.
  - 7.1.3. Never report miles driven to and from home to your primary work location.
  - 7.1.4. If you begin your workday at your primary work location, begin reporting miles from that point using MapQuest.
  - 7.1.5. If you begin your workday at a temporary work location, you may report miles from your home to that location or miles from your primary work location to that location, whichever results in the shortest travel distance reported.
  - 7.1.6. Record the miles from each work location to the next using MapQuest.
  - 7.1.7. If you end your workday at a temporary work location, you may report miles from your location to your primary work location or to your home, whichever results in the shortest travel distance reported.
  - 7.1.8. The signature of the supervisor on the Travel Reimbursement Form indicates that the report has been verified for the validity of the activity and that payment is authorized.
- 7.2. Upon prior supervisory approval, when an employee uses his/her personal vehicle and is reimbursed for mileage, additional reimbursement for gasoline is not permitted. It is already included in the mileage rate allotted.
  - 7.2.1. The odometer readings should be used to request reimbursement for travel between CLAUDE ISD locations.
- 7.3. When a CLAUDE ISD employee drives his/her personally owned vehicle, no matter how many passengers, the primary policy of coverage will be his/her own auto policy. The employee's personal auto policy will be fully utilized for any and all comprehensive, collision, or liability claims. If a lawsuit is brought against the employee and/or the school district, the employee's personal auto policy will settle and/or defend all parties involved. The Texas Tort Law limits the amount of employee's liability to \$100,000.

## **8. Rental of Vehicle for CLAUDE ISD Business**

- 8.1. For information regarding rentals, contact the business office.
- 8.2. CLAUDE ISD is exempt from paying state sales tax in Texas when renting a vehicle for business purposes.
- 8.3. Gasoline expense is reimbursable when using a rental car. A receipt is required for reimbursement.
- 8.4. The CLAUDE ISD Automobile Insurance Policy (AIP) will cover all liability and physical damage if the CLAUDE ISD driver is at fault. If the other driver is at fault, then his/her auto policy should be primary.
  - 8.4.1. The CLAUDE ISD AIP does not cover other physical damage caused by national disaster, vandalism or theft. The additional coverage offered by the rental company would pay for those damages.
  - 8.4.2. All vehicle rentals will be completed through the business office.

## **9. Spouse/Children Accompanying Traveler**

- 9.1. In cases where the spouse/children, who are not on official school business, accompany the school official or employee, no expenses for the spouse/children may be reimbursed.
  - 9.1.1. Only the single standard room rate is to be included in the request for reimbursement. For example, if a double room costs \$85 per night, and a single room costs \$75 per night, the employee will be reimbursed at the \$75 rate if the room is shared with the spouse/children. The employee would be billed for any costs over the single standard room rate.
  - 9.1.2. It is not permissible to charge any expenses for the spouse/children to CLAUDE ISD and later reimburse the district.

## **10. Non-Employee Travel**

- 10.1.1. Non-employees must complete the **Travel Request Form**.
- 10.1.2. Upon return, the non-employee must complete the **Non-Employee Travel Reimbursement Form**, attach the **Travel Request Form**, and forward to the business office for processing.

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Section 7

Student Travel

**1.0 Student Travel - General Instructions**

An employee will use the school vehicles whenever students are transported. Employees will request the use of a school vehicle through the **Transportation Request Form**. This form must have Director/Principal approval before it is submitted to the Transportation Department.

- 1.1 All CLAUDE ISD student travel should be in compliance with district policies.
  - 1.1.1 Student travel must be approved by the campus principal and/or athletic director and superintendent before travel can occur.
  - 1.1.2 Student travel requiring the use of funds must be approved with a **Travel Request Form** and procedures followed that is described in Section 6.
  - 1.1.3 Student travel paid from activity funds requires the approval of the principal.

**2.0 Overnight Trips by Students**

- 2.1 All individuals and groups representing the CLAUDE ISD in competition requiring an overnight trip must receive advance written approval from the school principal.
- 2.2 Each student and parent/guardian will be required to sign the supporting documents that will include a liability waiver, comments regarding conduct requirements, adequacy of chaperones, and other appropriate data.
- 2.3 The Director/Principal's office should be provided with a list of all students, teacher/sponsors, parents etc. as well as the itinerary.

### **3.0 Meal Allowance for Student Related Trips (In-State)**

- 3.1 Students taking a trip requiring an overnight stay will be provided a maximum of \$8 for breakfast, \$10 for lunch, and up to \$10 for dinner, unless otherwise authorized. Receipts will be required unless prior approval.
- 3.2 Sponsors/coaches (CLAUDE ISD employees) accompanying students on an overnight trip out-of-state should refer to Employee Travel, Section 5.0 for meal allowances.

### **4.0 Meal Allowance for Student Related Trips (Out-of-State)**

- 4.1 Students taking a trip requiring an overnight stay out-of-state will be provided a maximum of \$30 per day. Receipts are required unless prior approval.
- 4.2 Sponsors/coaches (CLAUDE ISD employees) accompanying students on an overnight trip out-of-state should refer to Employee Travel, Section 6 for meal allowances.

### **5.0 Advances for Student Travel**

- 5.1 Advances for student travel should be processed using the **Travel Request Form** for meal expenses and miscellaneous expenses. The form should be made payable to one of the sponsors/coaches traveling so that the sponsor/coach can go to the bank to cash the check. Sponsor/coaches should obtain proper original receipts if required for above items and submit to the business office upon return for back up for advanced check.
- 5.2 Record attendees on the **Travel Advance and Reconciliation Form**.

### **6.0 Transportation**

- 6.1 Contact the business office before making airline reservations.

### **7.0 Vehicle Rental for Student Travel to Competitions**

- 7.1 Contact the business office for information on vehicle rentals.

CLAUDE Independent School District  
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Section 8

State and Federal Program Reporting

**1.0 General Information**

- 1.1 Special revenue/grant funds are provided by the federal government, state government or local sources.
- 1.2 A Purchase Order Request Form must be completed and approved before any expenditure of special revenue or grant funds.
- 1.3 These funds are legally restricted to expenditures for specified purposes as determined by a Comprehensive Needs Assessment and the Applications following federal cost principles in 2 CFR Part 200/EDGAR.
- 1.4 Applications for grants must be in compliance with district policies and administrative directives. Before applying for a grant that requires matching funds, the applicant must obtain approval from the Superintendent.
- 1.5 If a grant is awarded to the district, to a campus, or to a department, the program contact must immediately provide the following items to the business office:
  - 1.5.1 Grant application with proper approval
  - 1.5.2 Grant guidelines
  - 1.5.3 Grant budget
  - 1.5.4 Grant timeline, including reporting dates for program and financial reports
- 1.6 No federal funds are expended prior to or after the grant's period of availability.
- 1.7 The Director/Principal of a particular grant is responsible for compliance with the grant and proper program reporting to state and federal agencies.
- 1.8 The Business Manager is responsible for grant expenditure reporting.
- 1.9 The Director/Principal must be familiar with the grant and timeline as it relates to (not all inclusive):

- 1.9.1 Budget
- 1.9.2 Expenditure verification
- 1.9.3 Beginning and ending dates
- 1.9.4 First and last date funds can be spent (varies by grant)
- 1.9.5 Final day for receiving encumbered items (varies by grant)
- 1.9.6 Final report due date
- 1.10 The appropriate information must be provided to the business office on a timely basis to ensure that all cash receipts and cash disbursements for state and federal programs are properly recorded and reported for each program's current fiscal year.
- 1.11 An amendment for application costs must be certified and submitted by the Superintendent.
- 1.12 The business office will file with TEA required information of personal or real property purchased with federal funds including disposition of property.
  - 1.12.1 It is understood that the fiscal agent is ultimately responsible for the refund for any exception received as a result of monitoring or audit. Monies refunded shall be provided by entities in which the district is the fiscal agent if they are responsible for the discrepancy. All documentation for direct services provided is the responsibility of CLAUDE ISD.
  - 1.12.2 Equipment and/or materials which are purchased by the entities in which the district is the fiscal agent become a part of the entities' inventory.
  - 1.12.3 Equipment and/or materials which are purchased by the Shared Services Arrangement become a part of the SSA members' inventory.
- 1.13 Grant records are to be retained for a period of at least five years after the end of the grant or as found in the Texas State Retention Schedule of the Texas State Library and Archives Commission. CLAUDE ISD retains records for seven years.
- 1.14 Records may be retained in paper or electronic form. The archived records will be in a district-designated, secure location. CLAUDE ISD's records are kept in the vault, located on CISD property. The disposal of records will be made by the Records Management Officer of CLAUDE ISD.

- 1.15 A grant budget must be amended if the amendment meets one or more of the following criteria:
- 1.15.1 The amendment resulted in a line item change that exceeded 25% of the total budget.
  - 1.15.2 The amendment resulted in an increase or decrease in the number and composition of the positions funded by more than 20%.
  - 1.15.3 The amendment resulted in the classification of an amount to a line item not previously budgeted.
  - 1.15.4 The amendment resulted in an increase or decrease in budgeted capital outlays.
  - 1.16.5 Other required amendments will be made according to Table 1 for federally funded grants and for grants funded from both federal and state sources and Table 2 for state-funded grants as per the Texas Education Agency.  
<http://tea.texas.gov/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=2147510779&libID=2147510766>
- 1.16 Employees are required to have a current, signed job description that identifies the program(s) or cost objectives under which the employee works for documentation for charges to federal programs. A signed and dated copy of the job description and work performed for the program should be maintained in the Human Resources office. The job description must be signed by the employee and the Director/Principal annually. Changes in a job description/position will be documented with a **Personnel Form**.
- 1.17 Employees who are not 100% funded by a single grant program/fund source, who do have a regular schedule, have time documented with the Substitute Time and Effort system as approved by TEA. Substitute Time and Effort schedules are maintained in the Business Office and must be replaced if the schedule changes appreciably. Substitute Time and Effort certifications, disclosing an after-the-fact distribution of 100% of the actual time spent on each activity and each fund source will be signed at the end of each semester. Federally funded employees who do not have regular schedules will have time documented with Time and Effort forms. These time and effort records should be turned in to the Business Office each month. The Business Office will reconcile time and effort records with payroll distributions each quarter and make adjustments as necessary.
- 1.18 Employees who are 100% funded by a single grant program or who work under a single cost objective are required to maintain on file a signed and dated job description that clearly shows he/she is assigned 100% to that program. A Semiannual Certification Form is required for 100% federally funded employees. The Semi-Annual Certification Form must be signed by the employee and the campus principal at the end of each semester.

- 1.19 The Title I campus only hires highly qualified teachers in core academic subject areas. Any new core academic subject teacher meets the appropriate definition of highly qualified. The campus principal must attest in writing to the status of each campus being in compliance with Section 1119 requirements. The district has copies of the signed attestation form(s). The district hires paraprofessionals with instructional duties who meet the requirements for this position. Paraprofessionals who provide instructional support must work under the direct supervision of a highly qualified teacher. The campus or campuses and district have copies of the list of paraprofessionals and designated teachers.
- 1.20 CLAUDE ISD does not use debit cards or gift cards for the disbursement of grant funds.
- 1.21 CLAUDE ISD does not permit the use of grant funds through revolving lines of credit.
- 1.22 CLAUDE ISD does permit the use of grant funds through procurement cards/corporate accounts for allowable federal expenditures with pre-approval. The business-related reason for using this form of payment must be documented on the **Purchase Order Request Form**.

## **2.0 Salary Accruals**

All salary accruals (for work performed during the grant period) must be calculated based on each employee's total salaries, wages, applicable benefits and taxes, less the amount of payments each employee has actually received as of the last day of each program's fiscal year. Verification of this data is essential. The business office will verify salary information including first and last day of employment with each program Director/Principal before calculating salary accruals.

### **3.0 Salary Accruals – Summer School Teachers**

Summer school salaries and related expenditures are paid as earned and not included in accruals. Time sheets are submitted to document hours worked.

Special attention should be given to summer school teacher salaries and related expenditures. Since their salaries may relate directly to the expiration of a program, and/or even cross program fiscal years, timelines for reporting expenditures for them is very important to submitting accurate fiscal year end reports.

## **4.0 Purchase Orders**

Cut-off dates for purchase orders should ensure that all materials are received in time to be properly recorded. Purchasing requirements and procedures vary among programs. Each Director/Principal should monitor this activity to ensure compliance with the program's intent.

## **5.0 Expenditure Verification**

5.1 Business Manager and Superintendent, who have ER access, should monitor financial activity in TxEIS.

5.1.1 Actual receipts and expenditures shall be reviewed and verified. The YTD Detailed General Ledger is used to prepare expenditure reports.

5.1.2 Budget amendments must be requested and approved before expenditures that exceed applicable limits are incurred.

5.1.3 Corrections shall be sent to the business office as soon as possible, but no later than the last day of the program's fiscal year end. This will allow time for adjustments to be made prior to submission of the Final Expenditure Report.

## **6.0 Twelve-month Employees**

It is the responsibility of the principal to notify the business office when budget coding for employee compensation changes. Fund numbers for federal programs may change effective July 1. Budget coding for twelve-month employees should be updated before processing of July payroll.

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Section 9

Sales Tax Rules

**1.0 Purchases**

- 1.1 All purchases made for the exclusive use of the district should be made tax exempt. A Texas Sales and Use Tax Exemption Certificate Form should be issued to the vendor.
  - 1.1.1 A Texas Sales and Use Tax Exemption Certificate Form can be obtained from the business office.
  - 1.1.2 When reimbursing a district employee for purchases made on behalf of and for the exclusive use of the district, sales taxes should not be reimbursed to that person. A Texas Sales and Use Tax Exemption Certificate Form will be given to the employee prior to the purchase.
- 1.2 PTO's, booster clubs, and all other non-employees are prohibited from using the District's sales tax permit number. These groups should apply for their own sales tax permit number. These groups are responsible for collecting, reporting and remitting their own sales tax to the state.

**2.0 Out-of-State Purchases**

- 2.1 Whether items are purchased in-state or out-of-state, does not determine if a transaction is taxable or not taxable. An out-of-state vendor might be required to collect sales tax at the time of sale. It is recommended to make all purchases tax exempt where practicable. This helps prevent duplicate payment of sales taxes. However, if an out-of-state vendor insists on being paid sales tax at the time of purchase, then payment should be issued.

**3.0 Activity Fund Sales Tax**

- 3.1 Procedures covered in the Activity Fund Manual.

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Section 10

Payroll

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees. (EDGAR 200.430)

**1.0 Establishing a New Employee for Payroll Purposes**

- 1.1 Directors/Principals who wish to hire a new employee must complete the following:
  - 1.1.1 CLAUDE ISD employment application must be completed by the applicant.
  - 1.1.2 References must be contacted and written notes attached to the application.
  - 1.1.3 Request a background check. This could be a name based search and/or fingerprinting information subscribed to in the FACT clearinghouse.
    - 1.1.3.1** Have the potential employee fingerprinted if the applicant is new to working for a school. Applicant would need to be fingerprinted before official hiring or any work is performed.
  - 1.1.4 Upon receipt of an approved background report, the hiring supervisor must complete a **Personnel Form**.
  - 1.1.5 The Business Office will then request transcripts, service record, and teaching certificate if applicable.
- 1.2 The employee will receive a new hire forms packets that must be completed. This packet will include an I-9, W-4, an Employee Election of Insurance Form, and SSA 1945 form if appropriate. The employee will also complete other informational forms that will be provided in the packet.
  - 1.2.1 The employee must submit a copy of his/her social security card.
  - 1.2.2 The employee must submit a copy of his/her driver's license.

- 13 The **Personnel Form** is matched with the documents previously listed. If there is a variation in the information provided, the employee is contacted for correction. Once information is verified to be accurate, it is entered into TxEIS for future payroll processing.

## **2.0 Authorization Agreement for Direct Deposit**

- 2.1 Employees may enroll in the Direct Deposit Program.
- 2.2 Employees must complete the **Direct Deposit Form** for automatic deposit.
  - 221 This will provide the employee's bank transit number, account number, and account type to the business office.
  - 222 In order to reduce the possibility of identity theft, this form must be delivered to the business office in person.

## **3.0 Employee Extra Duty Payment Request**

- 31 Extra duty pay should be requested and approved by the Principal. Before the employee is paid, the principal should sign and date the **Extra Duty Payment Form** or the **Extra Hour/Overtime Approval Form** which ever form is appropriate.
- 32 The completed form is submitted to the Business Manager.

## **4.0 Payroll Deduction Agreement**

- 4.1 Obtain blank **Payroll Deduction Authorization Form** from the business office and complete the form as follows:
  - 4.1.1 *Employee Name:* Enter the name of the employee requesting the deduction.
  - 4.1.2 *Type of Deduction:* Enter the type of deduction the employee is requesting. Example: XYZ Foundation
  - 4.1.3 *Frequency:* Enter the frequency of the deduction requested. All deductions will be monthly with the exception of contributions, which may be one-time only.
  - 4.1.7 *Dollar Amount:* Enter the dollar amount to be deducted from each paycheck. Example: \$15

- 4.1.8 *Beginning Date:* Enter the date on which the employee wants this amount to begin being deducted from their paycheck. Please note that the payroll department requires this form to be received within the week after payroll cutoff to insure proper processing of this deduction.
- 4.1.9 *Budget Codes:* Enter the budget and account code completely if this deduction is for a reimbursement to CLAUDE ISD.
- 4.1.10 *Signature/Date:* The employee requesting this deduction must sign and date this line.
- 4.1.11 *Status:* Indicate whether this is a new deduction or a change to an existing deduction.
- 4.1.12 Submit to business office.

## **5.0 Distribution of Paychecks**

### **5.1 Payroll Calendar:**

- 5.1.8 Employees are paid on the 15<sup>th</sup> of each month unless that date falls on a weekend or holiday.
- 5.1.9 The business office must have Extra Pay Requests and Absence from Duty and Time Sheets to be received within three days after payroll cutoff to insure proper processing.

### **5.2 Non Distributed Paychecks:**

- 5.2.1 Paychecks and wage and earning statements can be accessed through Employee Access. Wage and earning statements for employees that do not have computer access will be printed and disbursed to the Director/Principal. Substitute wage and earning statements will be mailed.
- 5.2.2 Approval signatures will be obtained on a sign in sheet before paychecks.
- 5.2.3 Any paycheck or direct deposit voucher for an employee who has been terminated, transferred or is on leave of absence, should be returned to the business office immediately.
- 5.2.4 No paycheck or direct deposit voucher shall be given to any other person unless they have a written note from the employee and proper identification.

### **5.3 Miscellaneous Paychecks and Direct Deposit Voucher Procedures:**

- 5.3.3 Employees must contact the Business Manager if a check or direct deposit voucher was not received.
- 5.3.4 The Business Manger must be notified by the employee of any changes to their bank account information for direct deposit. A new Direct Deposit Voucher will need to be filled out within the week after cutoff.

## **6.0 Time Sheet/Card Procedures**

- 61 All non-exempt employees should accurately record all time transactions in the time clock system.
- 62 Actual hours worked should be recorded.
- 63 Total hours for the week are calculated by the time clock system. Time worked doing different job duties should be punched in and out on the system for accounting purposes.
- 64 Employees must indicate in and out times for lunch by using the lunch break code on the time clock system. Any other breaks in excess of 15 minutes or if the employee leaves the campus for personal reasons during the workday should be indicated with an in and out punch. Employees that do not get a 30-minute duty free lunch will have those minutes added back to their time for the week. This is taken care of by the time clock software.
- 65 Supervisors must approve all variations from standard work schedule in advance.

SSA 1945 form if appropriate. The employee will also complete other informational forms that will be provided in the packet.

1.3.1 The employee must submit a copy of his/her social security card.

1.3.2 The employee must submit a copy of his/her driver's license.

## **7.0 Overtime Approval and Compensation for overtime worked**

- 7.1 If an employee is eligible for overtime compensation if the employee works more than 40 hours during the regularly scheduled work week. He/she has the option to receive pay at the rate of time and a half or compensatory time at time and a half. The approval of the Director/Principal and/or Superintendent must be approved before the hours are worked. Superintendent approval is required if pay is chosen. This approval is documented on the **Extra Hour/Overtime Approval Form**. This form is submitted to the Business Manager.

- 7.2 If an employee is eligible for extra straight time compensation, the employee works hours above regular hours in a week that the total hours would be less than 40. These hours will be paid at regular rate. The approval of the Director/Principal and Superintendent must be approved before the hours are worked. This approval is documented on the **Extra Hour/Overtime Approval Form**. This form is submitted to the Business Manager.
- 7.3 Extra/Overtime hours without an approval form, will require the superintendent signing the employees' time sheet before payroll is completed.
- 7.3.1 Straight time will be earned for holiday days worked, unless the weekly total of hours worked exceeds 40 hours. These hours must have prior approval as noted above.
- 7.3.2 If an employee works on Thanksgiving Day, Christmas Day, New Year's Day, Labor Day, or Independence Day, he/she will be paid straight time unless hours worked exceeds 40 hours. Those hours above 40 would be paid at time and a half. These hours must have prior approval as noted above.
- 7.4 Overtime Pay
- 7.4.1 Approved hours for pay, process noted above, in excess of 40 per week physically worked (no vacation or sick time during that period) will be paid at the rate of time and one-half.
- 7.4.2 Hours not approve will not be paid and will be compensated by the employee receiving compensatory time. Director/Principal and Superintendent will be notified if this occurs.
- 7.5 Compensatory Time:
- 7.5.1 One hour of overtime is equal to one and one-half hours of compensatory time.
- 7.5.2 Requests to use compensatory time are subject to the approval of the immediate supervisor.
- 7.5.3 Employees may accumulate up to 60 hours of compensatory time before over time must be paid.
- 7.5.4 The employee will be paid for compensatory time if the work schedule does not permit compensatory time off. These hours will be paid in the month of July if not used each year. No carryover will be allowed.

## **8.0 When changes need to be made to employees' earnings/terminations**

- 8.1 When an employee changes positions or pay, a **Personnel Change Form** must be submitted to the business office by the Director/Principal.
  - 8.1.1 An explanation of the change, state of change and amount must be included. This form also needs Superintendent approval
- 8.2 When an employee terminates employment, a **Personnel Termination Form** must be submitted to the business office by the Director/Principal.
  - 8.2.1 There needs to be a letter of resignation (if needed) attached to the form.
  - 8.2.2 The business office will prepare a letter of Acceptance of Resignation for the Superintendent to sign.
  - 8.2.3 The resigning employee will need to come to the business office to make arrangements for their last check, insurance coverage and any other personal information that may need to be changed.

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Section 11

Capital Assets

**1.0 Capital Assets (EDGAR 200.33)**

The procedure applies to all tangible items purchased by CLAUDE ISD exceeding \$5,000 and having a shelf life of more than one year.

1.1 When the district receives items purchased:

1.1.1 An inventory tag is attached to the asset.

1.1.2 The purchasing documents along with the asset number are given to the Technology Director.

1.2 The business office annually reviews purchases for items costing \$5,000 or more.

**2.0 Asset Management (EDGAR 200.313 (d) (1), (2), (3), (4))**

2.1 Any asset purchases of \$5,000 or more is entered into the Asset Management Module in TxEIS by the Technology Department recording the:

2.1.1 Identify Asset as new or used

2.1.2 Date of Acquisition

2.1.3 Description of Asset

2.1.4 Serial number or other identifying number

2.1.5 Location of asset

2.1.6 Cost of asset (acquisition cost)

2.1.7 Funding source account code

2.1.8 Depreciation Method

2.1.9 Ultimate disposition data including the date of disposal and sale price

- 2.2 If the asset has been disposed, Directors/Principals are responsible for completing and approving the Inventory & Fixed Assets Addition/Deletion form.
  - 2.2.1 Completed form will be sent to the Technology Dept.
  - 2.2.2 The Technology Director records the disposal in the Asset Management System.
- 2.3 A physical inventory of the property must be taken and the results reconciled with the property records at least every two years.
- 2.4 A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
  - 2.4.1 The Technology Director is the custodian of fixed assets.
  - 2.4.2 Property will be kept in rooms/areas with locked doors.
  - 2.4.3 Ensure all doors are locked when rooms/areas are not in use.
  - 2.4.4 Affix inventory tags to all capital assets.
  - 2.4.5 A risk assessment will be conducted annually.
  - 2.4.6 Immediately investigate missing property and report the disappearance in a timely manner to federal, state, and/or local authorities.
  - 2.4.7 An annual inventory will be performed.
- 2.5 Adequate maintenance procedures must be developed to keep the property in good condition.
  - 2.5.1 The maintenance director is responsible for the maintenance of the property.
  - 2.5.2 The Preventive Maintenance Schedule will be followed.
  - 2.5.3 Monthly preventive maintenance inspection reports will be completed.
- 2.6 If the district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

### **3.0 Disposition of Surplus Property (EDGAR 200.313(d)(5), 200.313(e))**

When the property under a Federal award is no longer needed, the district must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. If the district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. This procedure applies when disposing of CLAUDE ISD surplus property.

- 3.1 Directors/Principals will determine if CLAUDE ISD personal property has become surplus.
- 3.2 If property is deemed surplus, then Directors/Principals will see if any other campuses at CLAUDE ISD can use the item. If the item is no longer needed by other campuses, it may be disposed.
- 3.3 If items of surplus have a fair market value of less than \$5,000, they can be sold by informal procedures determined by the Superintendent. The Superintendent will issue receipts of the sale and forward to the business office to record.
- 3.4 If the items of surplus are valued over \$5,000, prior approval must be obtained from the cognitive agency. The cognitive agency will determine the method of disposal.
- 3.5 Items determined to have no value are disposed of as desired.
- 3.6 When property is disposed, the **Inventory and Fixed Assets Addition/Deletion from** is completed, submitted to the business office and recorded in the Asset Management System.

#### **4.0 Pickup and Redelivery of Material**

- 4.1 When there is a requirement to move an item(s) from one location to another contact the Business Manager.

#### **5.0 Inventory of Capital Assets (Financial Accounting and Reporting Resource Guide (FAR) Section 1.2.4.8)**

- 5.1 In accordance with the Texas Education Agency (TEA) FAR 1.2.4.8 guidelines, the CLAUDE ISD must conduct an annual physical inventory of all land, buildings, machinery, furniture and equipment and entered into Asset Management System.
- 5.2 A report that lists any campus inventory will be verified after August 31<sup>st</sup> each year.

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Section 12

Non-Capital Assets

**1.0 Maintaining Inventory (EDGAR 200.313(d)(1), Financial Accounting Resource Guide 1.2.3.4**

The procedure applies to all tangible items being purchased by CLAUDE ISD.

- 1.1 When the Director/Principal receives items purchased valued over \$500 and/or identified as technology, an inventory tag is attached.
- 1.2 The purchasing documents along with the asset number are given to the Technology Director.
- 1.3 The Technology Director adds the inventory to the Asset Management Module in TxEIS recording the:
  - 1.3.1 Identify Asset as new or used
  - 1.3.2 Date of Acquisition
  - 1.3.3 Description of Asset
  - 1.3.4 Serial number or other identifying number
  - 1.3.5 Location of asset
  - 1.3.6 Cost of asset (acquisition cost)
  - 1.3.7 Funding source account code
- 1.4 If the asset has been disposed, Directors/Principals are responsible for completing and approving the **Inventory & Fixed Assets Addition/Deletion form**. The form is approved and submitted by the Principal to the Technology office.
  - 1.4.1 The transaction is finalized by the Technology Director who records the disposal in the Asset Management Module of TxEIS.
- 1.5 In accordance with the Texas Education Agency (TEA) FAR 1.2.3.4 guidelines, the CLAUDE ISD must conduct an annual physical inventory.

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Section 13

Continuing Compliance with Federal Tax Covenants

These procedures, together with any federal tax certifications, provisions included in the authorizing document for relating to the issuance of tax-exempt bonds and other obligations (the “Bond Order”) of the CLAUDE Independent School District (the “Issuer”) with respect to the issuance and sale of Obligations (as defined below), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the “Closing Documents”), are intended to assist the Issuer in complying with federal guidelines related to the issuance of any tax-exempt debt (the “Obligations”).

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's Superintendent (such officer, together with other employees of the Issuer who report to such officer, is collectively, the “Responsible Person”) will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the “Project”) that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within 6 months of the date of closing of the Obligations (the “Issue Date”) and that (ii) the Project must proceed with due diligence;
2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;
3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years of the issue Date;

4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and
5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer Issues Obligations that are secured by a debt service reserve fund, the Responsible Person will:

1. Assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer Issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

Procedures applicable to all Tax-exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any

amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

2. Ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the “Project”) do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

1. Develop procedures or a “tracking system” to identify all property financed with tax-exempt debt;
2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
5. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

6. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
7. Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
8. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the Board whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking Board approval to engage or utilize existing advisors and agents for such purposes.

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### **Section 14 FORMS**