

Brownfield ISD Business Office Procedures Manual

Brownfield Independent School District
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Section 1 - Introduction

The purpose of this manual is to ensure that adequate controls exist in the areas of purchasing, accounts payable, charge card, employee travel, student travel, cash management, and activity fund procedures. The Business Office's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

The district policies and procedures will adhere to the TEA Financial Accountability Resource Guides and the required account coding and other requirements as detailed in those resources. All policies included in this manual will be followed in regards to all funds received by the district including federal, state, and local funds.

Since Brownfield ISD is a small district, the Business Office staff shall perform multiple roles. However, the district shall attempt a separation of duties whenever possible. The Brownfield ISD Business Office staff consists of:

- Chief Financial Officer (Management, Budget, Reporting, Auditing, Purchasing, Payroll)
- Finance Specialist (Budget, Reporting, Auditing, Purchasing, Payroll, Cash Management)
- Payroll Supervisor (Reporting, Auditing, Payroll, Insurance, Risk Management)
- Payroll/HR Clerk (Reporting, Auditing, Payroll, Insurance, Risk Management)
- Accounts Payable Supervisor (Reporting, Auditing, Purchasing, Secretary to CFO)

All staff is expected to comply with the Code of Ethics and Employee Standards of Conduct Board Policy DH and the Brownfield ISD Code of Conduct (Employee Handbook).

This manual will continue to be revised as conditions and needs change. Suggestions for improvement are always welcome.

Section 2 - Purchasing Guidelines

1.0 General Purchasing Guidelines

- 1.1 Employees may NOT order goods or services on behalf of the district without an approved purchase order.
- 1.2 The purchasing process begins with the identification of goods or services that the district intends to acquire. The procurement of these goods or services is monitored in the Business Office.
- 1.3 The school district objective is to purchase the best products, materials, and services at the lowest practical prices within relevant statutes and policies.
- 1.4 The organization director/principal is responsible for all expenditures made from budgets assigned to him/her.
- 1.5 Budget allocations are intended for expenditures for goods and services to be used during the current school year.
- 1.6 Unused budget appropriations lapse at year-end.

2.0 Purchasing Legal / Local Requirements

- 2.1 Purchases of similar goods or services valued at \$50,000 or more in the aggregate during a twelve month period require a competitive bid processed in the Business Office, unless exempted by approved inter-local agreements.
- 2.2 All goods or services valued at \$50,000 or more must be approved by the Board of Trustees.

3.0 Purchase Requisitions / Purchase Orders

- 3.1 All District purchases should be made with an on-line requisition / purchase order.
- 3.2 Skyward is the financial software used for on-line requisitions / purchase orders.
- 3.3 A general description of the items or services being purchased must be included, along with reference(s) to a Campus Improvement Plan or District Improvement Plan goal(s), strategy(ies), or activity(ies).

Section 2 - Purchasing Guidelines

- 3.4 The purchase requisition is entered on-line by the individual requesting the goods or services, approved by the authorized department head or school principal and then approved and converted to a purchase order by the Director of Curriculum and Instruction or Chief Financial Officer.
- 3.5 The budget account the goods or services will be charged to on the purchase requisition must have sufficient funds in order to complete the requisition. Budget transfers may be processed between the same function only.
- 3.6 All attachments and supporting documentation for the purchase requisition should be included before the requisition can be processed.
- 3.7 If a vendor cannot be located in Skyward, you will need to obtain a W-9 and send it to the Business Office before the purchase requisition can be entered into the system.
- 3.8 In the event it is necessary to cancel a purchase order, the originator must advise the purchasing department in writing as to why they are canceling the order.
- 3.9 Purchase orders are not to be modified by schools or departments directly. If it becomes necessary to change the terms of a purchase order, the school or department must contact the Business Office.
- 3.10 The final deadline for submitting requisitions for the 16-17 budget cycle will be April 14, 2017. Please make sure all paperwork is turned in to the Business Office by then.

Section 3 - Accounts Payable Guidelines

1.0 Accounts Payable Receiving

- 1.1 A purchase order (PO) is the required method of paying vendors for goods or services. POs are submitted to and approved through the Business Office.
- 1.2 When you receive items or services, return a copy of the PO to the Business Office and indicate if all items have been received, or if you received a partial order, or if there are items being backordered, or if you have cancelled the items not received.
- 1.3 If an invoice is received directly from a vendor, please forward the original invoice to the Business Office along with a copy of the PO and indicate whether you have received the items being invoiced and whether the invoice is ready to pay. Please forward all receipt information to the Business Office daily, or at least weekly for prompt payment to the vendors.
- 1.4 Promptly providing the Business Office with receiving information on a PO is important. Before paying an invoice, we must know if the items or services being invoiced have been received. Payment of an invoice can and does indicate approval of the shipment and acknowledgment of receipt of the shipment (or services). If there is a discrepancy between the initial order and the items received, it is easier to resolve the problem before payment is made for that order.
- 1.5 A payment owed by the District is considered overdue on the 31st day after the date on which the District received the goods or the date on which the District received the invoice for the goods or services, whichever is later. A payment begins to accrue interest on the date the payment becomes overdue.

2.0 Accounts Payable Check Payment Schedule

- 2.1 Accounts payable checks are processed every Friday by 1:00 p.m. with adjustments for district holidays.
- 2.2 Purchase requests are due to the Business Office by 4:00 p.m. on the Tuesday before the Friday check run.

Section 4 - Charge Card Guidelines

1.0 General Charge Card Guidelines

- 1.1 District charge cards may NOT be checked out without an approved purchase order.
- 1.2 District charge cards include MasterCard, Wal-Mart, United, Sam's, and Fleet Fuel cards.
- 1.3 Employees must request use of the district charge cards through the Business Office.
- 1.4 Employees must bring a copy of the approved purchase order and sign the charge card check-out log before the card can be checked out.

2.0 Charge Card Usage and Activity

- 2.1 District charge cards may be used for purchasing goods or services only if the vendor does not accept a purchase order.
- 2.2 District charge cards may also be used for travel when necessary.
- 2.3 The employee is responsible for obtaining a detailed receipt that includes a description of the goods purchased or services rendered. Submitting a signature total only is not considered a proper detailed receipt.
- 2.4 The employee must return the charge card (and detailed receipts) to the Business Office once the purpose of the use of the credit card has been met.
- 2.5 The charge card check-out log must be signed upon return of the charge card to the Business Office.
- 2.6 Any employee who misuses a charge card or can't provide receipts may have card privileges revoked or disciplinary actions up to and including termination of employment.

Section 5 - Employee Travel Guidelines

1.0 Employee Travel Request Form

- 1.1 Advance approval must be obtained for attendance of conventions / conferences.
- 1.2 Each traveler must fill out a separate Travel Request Form.
- 1.3 The Travel Request Form must provide complete information pertaining to the trip. In areas not associated with your trip, please type N/A.
- 1.4 The Travel Request Form must be submitted no later than 15 business days prior to travel.

2.0 Employee Travel Settlement Form

- 2.1 The Travel Settlement Form needs to include all charges incurred on the trip and must have all corresponding receipts.
- 2.2 Miscellaneous expenses for incidentals, amusements, valet parking (unless self-parking not available), nonbusiness telephone calls or any other unauthorized expense will not be approved for reimbursement.
- 2.3 The Travel Settlement Form must be submitted within 5 business days upon return.

3.0 Employee Meal Allowances

- 3.1 In general, meal allowances and reimbursements will only be processed for overnight trips, not for day trips.
- 3.2 The meal allowance for 2016-2017 is \$8 for breakfast, \$14 for lunch, and \$24 for dinner, or a total of \$46 a day.

4.0 Employee Lodging

- 4.1 In Texas, a Hotel Tax Exemption Certificate must accompany payment to the hotel to avoid paying state taxes. This certificate needs to be picked up at the Business Office.
- 4.2 Lodging rates will vary by region. Refer to GSA's Federal Domestic Maximum Per Diem Rates at www.gsa.gov/portal/content/104877.

Section 5 - Employee Travel Guidelines

- 4.3 Hotel rates vary, and every effort should be made to obtain the most economical and practical accommodations available.
- 4.4 An original itemized receipt is required.

5.0 Employee Transportation

- 5.1 School vehicles and buses are available for checkout. A School Vehicle / Cub Bus / Durham Requisition must be filled out and submitted at least 5 days prior to travel. Requisitions will be scheduled on a first come, first serve basis.
- 5.2 Vehicle requests will NOT be processed without a purchase order number.
- 5.3 School Vehicle Requisitions must be sent to the Business Office. Cub Bus Requisitions must be sent to the Transportation Department. And Durham Requisitions must be sent to Durham.
- 5.4 Personal vehicles may be used when a school vehicle is not available. Advance approval must be obtained for all personal vehicle usage.
- 5.5 When a school vehicle is not available, mileage may be reimbursed at the current state reimbursement rate.
- 5.6 Receipts are required for all monies expended for gas, air, taxi, parking fees, etc.

Section 6 - Student Travel Guidelines

1.0 Student Overnight Travel

- 1.1 All student groups requiring overnight travel must receive prior approval.
- 1.2 Each student and parent/guardian will be required to sign the supporting documents that will include a liability waiver, comments regarding conduct requirement, adequacy of chaperones, and other appropriate data.
- 1.3 The principal/director's office should be provided with a list of all students, teachers/sponsors, parents, etc. as well as the itinerary.

2.0 Student Travel Process

- 2.1 The process for traveling with students is very similar to that of employee travel (see Section 5 – Employee Travel Guidelines, pages 8-9), with the exception of meal allowance amounts.
- 2.2 Students and sponsors/coaches traveling in-state will be provided a maximum of \$7 per meal for district and pre-district competition, \$9 per meal for area and regional competition, and \$12 per meal for state competition.
- 2.3 Restaurants should be contacted in advance to verify they will accept a PO and bill the district for meals.
- 2.4 Detailed receipts are required for all meal charges and must be returned to your campus secretary for payment upon return.
- 2.5 A full roster of sponsors, coaches, and students is required and should be attached to the detailed receipts.

Section 7 - Cash Management Guidelines

1.0 Campus Cash Management / Deposits

- 1.1 Deposits should be balanced and taken to the business office weekly at a minimum.
- 1.2 Deposits should be kept in the campus vault at all times. Under no circumstances should collected funds be kept in a desk, classroom, purse or other unsecured location. Access to the vault should be limited to the campus principal and secretary.
 - 1.2.1 All money collected by club sponsors, fundraiser sponsors, teachers, secretaries, or principals should be processed for deposit on the day it is collected. If funds cannot be processed for deposit, they should be turned into the principal's office for placement in the campus vault until they can be processed for deposit. All funds should be processed for deposit within three days.
- 1.3 Under no circumstances should collected funds be transported by students to the office or any other secured location on campus.
- 1.4 All funds should be processed for deposit by counting and entering totals on the Fundraiser Deposit Form (available online under the Business Office tab) by the depositor before deposit is taken to the campus secretary.
 - 1.4.1 All cash and coin should be listed by denomination.
 - 1.4.2 Checks should be entered separate from cash and listed individually. All checks should be made payable to Brownfield ISD and should be endorsed with a "restrictive endorsement" upon receipt (i.e. "For Deposit Only").
- 1.5 The campus secretary will then recount and verify the cash and check totals. Once the total has been reconciled, the Fundraiser Deposit Form will be signed by the campus secretary and depositor. A copy of the signed form will be given to the depositor.
- 1.6 The campus secretary will then take the deposit to the Business Office. Never send cash or any deposits through Inter-Department mail.

Section 7 - Cash Management Guidelines

2.0 Business Office Cash Management / Deposits

- 2.1 A member of the Business Office staff will recount the cash and verify the deposit using the Fundraiser Deposit Form. If totals reconcile, the form will be signed by the Business Office staff and a copy will be given to the campus secretary. This should be done before the campus secretary leaves the Business Office.
- 2.2 The Business Office staff member who verified the deposit will then fill out the appropriate bank deposit slip. Place all items in a bank bag and secure it in the vault.
 - 2.2.1 All deposit slips are duplicate (white and yellow copy) and are numbered and must contain the following information before being submitted to the bank:
 - 2.2.1.1 The date and amount of the deposit.
 - 2.2.1.2 The name of the group the deposit belongs to as well as the account being credited.
 - 2.2.1.3 A brief description of the revenue source (i.e. candle sales, candy sales, T-Shirt sales, etc.)
- 2.3 White and yellow copies need to be submitted to the bank. After verification from the bank, the yellow copy will be attached to the corresponding Fundraiser Deposit Form and stored in the Business Office.
- 2.4 The Business Office will take all deposits to the bank weekly at a minimum.
- 2.5 The Business Office will post all deposits to Skyward weekly at a minimum.

3.0 Petty Cash

- 3.1 The campus principal is responsible for maintaining and protecting the petty cash fund.
- 3.2 A petty cash fund cashier should be assigned to manage the fund on a daily basis.
- 3.3 The petty cash fund may be used to make small purchases when the issuance of a purchase order would not be cost effective or practical (i.e. emergency only).

Section 7 - Cash Management Guidelines

- 3.4 Petty cash funds must be maintained in a secure location such as the campus vault.
- 3.5 Any petty cash fund for a department at the Administration Building must be coordinated and approved through the Chief Financial Officer.
- 3.6 The loaning of petty cash funds to anyone is prohibited.
- 3.7 The cashing of checks from a petty cash fund is prohibited.
- 3.8 The maximum amount for a single disbursement from a petty cash fund is \$25.00.
- 3.9 The estimated level of a petty cash fund cannot exceed \$100.00.
- 3.10 Petty cash funds should not be comingled with cash from other sources.
- 3.11 The petty cash fund should be reconciled at least monthly. The reconciliation should be submitted to the Business Office for review.
- 3.12 At all times the total of remaining cash and the receipts should equal the original balance of the fund.
- 3.13 All transactions should be logged into the petty cash ledger and all receipts should be kept. Please note the appropriate expense account of each receipt.
- 3.14 When the cash balance of the fund is low, submit a requisition through Skyward for reimbursement of the fund.
 - 3.14.1 Make the requisition payable to “PETTY CASH FOR CASH BOX PURPOSES”.
 - 3.14.2 Electronically attach the petty cash ledger and all receipts to the requisition.
 - 3.14.3 List appropriate expense accounts.
 - 3.14.4 Once the requisition has been through the approval process and a purchase order has been issued, the reimbursement check will be issued by the Accounts Payable department.

Section 7 - Cash Management Guidelines

- 3.14.5 The petty cash fund cashier will be notified that the check is available for pick up at the Business Office.
- 3.14.6 Once the reimbursement check has been cashed, the petty cash fund should have a cash balance of \$100.00.

Section 8 – Activity Fund Guidelines

1.0 General Activity Fund Guidelines

- 1.1 All fundraising activities are to be approved by the campus principal and the superintendent via submission of the Fundraiser Approval Form (see Business Office tab on district’s website).
- 1.2 Activity funds are to be used to finance a program of campus activities supplementing the activities provided by the district.
- 1.3 Activity funds shall, to the extent possible, be expended to benefit those pupils currently in school who have contributed to the accumulation of such money.
- 1.4 Each expenditure must be approved by the organization’s sponsor and the campus principal.
- 1.5 The management of student activity funds shall be in accordance with sound budgetary and accounting procedures.
- 1.6 The principal, as a trustee, is responsible for replacement of activity fund money lost if left unsecured, not deposited within three business days, improperly spent, or otherwise carelessly handled.
 - 1.6.1 Please see Section 7 Cash Management / Deposits on page 11 for detailed explanations how to properly handle, secure, and deposit funds.

2.0 Responsibility For Activity Funds

- 2.1 The campus principal, or designee, is personally responsible for the proper collection, disbursement and control of all activity funds at the campus. This responsibility includes providing for safekeeping of funds at the school.
 - 2.1.1 Money on hand at the end of the school day should be stored in a locked and secured area, such as the office safe.
- 2.2 The individual activity fund sponsors are responsible for managing their respective activity funds. This responsibility can include developing fund raising plans, monitoring the financial position of the activity fund, safekeeping activity fund money until it is deposited by the school district (see Section 7 / 1.0 Campus Cash Management / Deposits on page 11) and other fiduciary responsibilities.

Section 8 – Activity Fund Guidelines

- 2.3 **Funds belonging to outside groups, such as the PTA, band booster clubs, or athletic booster clubs are not activity funds and are not to be the accounting responsibility of the school district. Although such groups and their activities are closely related to school functions or events, they should be handled by officers of the outside group itself, not by district employees.**

3.0 Activity Fund Categories

- 3.1 Activity funds represent monies collected for campus and campus-related purposes. Activity Funds are classified into two separate categories, Principal's Funds and Agency Funds, as defined below:
- 3.2 Principal funds consist of revenues from sources controlled directly by the campus principal and used for the general welfare of the school and the morale of all the campus' students. Revenues to be deposited into the principal's funds include:
- 3.2.1 Revenue from vending machines maintained in student areas for student use.
 - 3.2.2 Revenue from vending machines maintained in the teacher's lounge.
 - 3.2.3 Revenue from assembly programs.
 - 3.2.4 Revenue from sales of T-shirts.
 - 3.2.5 Any other funds collected which are under the control of the campus principal and used for the general welfare of the entire campus.
- 3.3 The collecting and expending of monies in the principal's fund must have as its basic purpose the promotion of the general welfare of the campus and the education, development, and morale of all campus students. Funds are to be used for the purchase of supplies, services, equipment, awards, etc. which are not otherwise provided to the campus through its regular appropriations budget.
- 3.4 Agency funds consist of revenues that are basically the property of student and teacher groups, such as the student council, pep squad, class funds, clubs, etc. Collections and disbursements of these funds are generally controlled by the student group itself under the supervision of a member of the campus' professional staff. The districts main involvement with these accounts is to provide stewardship for the funds. Such funds include but are not limited to:

Section 8 – Activity Fund Guidelines

- 3.4.1 Class and club dues.
- 3.4.2 Revenues from fundraising projects / activities.
- 3.4.3 Any other funds collected or raised by student and teacher groups.
- 3.5 In accordance with generally accepted accounting principles, Agency Fund accounts are subject to audit and are reported in the district's annual financial statements.
- 3.6 The basic purpose of collecting / raising and expending activity funds that belong to a particular student group should be for the direct benefit of the students belonging to that group or for the general benefit of the campus. Funds are to be used for financing the purchase of supplies, services, equipment, and activities, which add to the general welfare of the group members.

4.0 Expenditures from Activity Funds

- 4.1 Funds may not be disbursed without the approval of the principal or his / her designee. Club and class accounts must be used for the intended purpose stated at the time the account was created. The principal must ensure that expenditures or transfer from those accounts are within the intended purpose and cannot divert funds for other uses.
- 4.2 No expenditure shall be approved unless sufficient funds are available in the appropriate activity account.
- 4.3 Purchases from activity funds should be made via the online requisitioning / purchase order system (Skyward). All invoices received at the campus must be forwarded to the Business Office for payment.
- 4.4 All invoices should be submitted to the Business Office for payment in a timely manner.
- 4.5 Activity funds shall not be used for any purpose which represents an accommodation, loan, or credit to district employees or others. Post-dated checks may not be cashed for anyone.