

LULING ISD

BUSINESS OFFICE FINANCIAL PROCEDURES MANUAL

Revised 1/15/18

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Business Office Financial Procedures

Introduction

This Fiscal Manual has been prepared to provide general information about several Luling ISD business functions. Additional information may be available within the district's Board Policies, Administrative Procedures, or other web resources.

If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

The Luling ISD follows the procedures outlined in the Texas Education Agency *Financial Accountability System Resource Guide* (FASRG) in accounting for all funds. Guidelines for financial accounting and reporting are derived from generally accepted accounting principles (GAAP). School districts are required to adhere to GAAP.

The annual operating budget is one of the most important of all legal documents governing financial transactions. Upon Board of Trustee approval, the expenditure requests in the budget become binding appropriations that may not legally be exceeded by the school district without an amendment. Taxes and other revenue sources that finance budgeted expenditures usually require Board enactment. An important function of governmental accounting systems is to enable administrators to assure and report on compliance with finance-related legal provisions. This assurance and reporting means that the accounting system, its terminology, fund structure and procedures must be adapted to satisfy finance related legal requirements. However, the basic financial statements of school districts should be prepared in conformity with GAAP.

The Texas Education Code (TEC) and other state statutes contain the legal requirements for public school finance, accounting, budgeting and reporting. In summary the state requirements are:

- **Accounting** – A standard school fiscal accounting system must be adopted and installed by the Board of Trustees of each school district. The accounting system must conform to generally accepted accounting principles. This accounting system must also meet at least the minimum requirements prescribed by the State Board of Education, subject to review and comment by the state auditor.
- **Auditing** – Accounting documents and records must be audited annually by an independent auditor. Texas Education Agency (TEA) is charged with review of the independent audit of the local education agencies. The auditing, GASB 34 and Data Collection and Reporting modules of the FASRG provide additional information regarding audits of school districts and financial reporting.
- **Budgeting**-Not later than June 19 of each year, the superintendent (or designee) must prepare a budget for the school district. The legal requirements for funds to be budgeted are included in the Budgeting module of the FASRG.
 - The budget must be adopted before expenditures can be made, and this adoption must be prior to the setting of the tax rate for the budget year.
 - The budget must be itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the State Board of Education.
 - The adopted budget, as necessarily amended, shall be filed with TEA through the Public Education Information Management System (PEIMS) as of the date prescribed by TEA. The school district's Board minutes should be used to record the adoption of the budget and any amendments to the budget. Budget amendments are to be made prior to exceeding a detailed functional expenditure category, and these amendments are to be recorded in the Board minutes. Filing of the final amended budget with TEA is satisfied whenever the annual audit report, showing a comparison of budget amounts with actual amounts, is filed.
- **Reporting**-The commissioner of education may require reports concerning public school districts as deemed proper and furnish necessary blanks, forms and instructions for this purpose. The budgets and reports filed with TEA will be reviewed and analyzed by TEA staff to determine whether all legal

requirements have been met and to collect data needed in preparing reports for the governor and the legislature. The law provides that the TEA may withdraw school accreditation from any school district failing to comply with budgeting, accounting, and reporting requirements. The auditing, GASB 34, and Data Collection and Reporting modules of the FASRG provide additional information regarding audits of school districts and financial reporting.

- **Expenditures** – In some areas, the laws are specific in restricting expenditures. There are many statutes, attorney general’s opinions and State Board of Education rules concerned with authorized expenditures from school funds. These sources should be consulted when a question arises as to the legality of a proposed expenditure.
- **Other financial matters**- The statutes also specify authorizations and restrictions concerning financial matters such as taxes, depositories, issuance of bonds and warrants, loans, investments, etc. In most cases, the school authorities should obtain competent legal advice pertaining to the specific transaction prior to its initiation.

Section 44.007 of the Texas Education Code (TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the State Board of Education to monitor the funding process and to determine educational system costs by school district, campus and program.

The Texas Education Code, Section 44.008, requires each school district to have an annual independent audit conducted that meets the minimum requirements of the State Board of Education, subject to review and comment by the state auditor. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district’s fiscal data to be reported through the PEIMS system for the fiscal period under audit.

Business Office Staff

Manell Martin, Chief Financial Officer
Rosie Hernandez, Payroll
Tandra Damon, Accounts Payable

Phone: 830-875-3192

Business Office Mission Statement

The mission of the Luling ISD Business Office is to provide accurate and consistent information and support to the students, employees, and all Luling ISD taxpayers while complying with all state and federal mandates.

The mission of Luling ISD is to improve the academic performance of all students.

Activity Funds

The purpose of activity funds consists of monies received and held by the campus to be expended or invested for the benefit of students in accordance with District policy. Specifically, activity funds accumulate from the collection of student fees and various school approved fund raising activities. All activity fund accounts are held to procedures in the Luling ISD Activity Fund Accounting Procedures Manual.

There are two types of Activity Funds that are common for Texas public schools. The first is a clearing account campus fund (fund 865). These funds shall be used to promote the general welfare of each school and the educational development and morale of all students.

The second type of Activity Fund is the property of student groups, i.e. student council, cheerleaders, etc. (fund 461). To establish an activity account, an organization should have an approved constitution and elected officers. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Activity funds shall be audited and must adhere to accepted business practices. The school district is required to provide stewardship by properly accounting for these funds. Decisions on the use of club funds are the concern of the specific student groups to whom the funds belong, as long as the decisions regarding the use of the funds do not conflict with Luling ISD Board policy and/or legal regulations or restrictions.

Generating activity funds shall not in any way compete with the district food service program. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose.

The campus principal and the sponsor of each school organization is required to ensure that adequate financial records are maintained along with supporting documents of monies collected and documentation of deposits and expenditures.

Assets of outside groups, such as the PTB (Parent Teacher Boosters), Eagle Boosters or Eagle Band Boosters, are not Activity funds and cannot by law be the accounting responsibility of the school district.

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance. Each bank account must have a minimum of two authorized signatures. All checks must be signed with two actual signatures; rubber stamps are not to be used. Under no circumstances shall checks be pre-signed.

Bank Reconciliation

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance. The Accounts Payable clerk will reconcile the Payroll, I&S, and Worker's Comp accounts. The Payroll clerk will balance the General Concentration account.

Each bank account must have a minimum of two authorized signatures.

Budget Development

The district must prepare a budget no later than June 19th of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The district must also publish a notice regarding the proposed budget on the Luling ISD website.

At a minimum, the Board shall adopt a budget that includes the General Fund (199), Food Service Fund (240), and Debt Service (599). The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission.

The Chief Financial Officer shall be responsible for coordinating the development and adoption of the district budget. Every campus and department shall be responsible for monitoring and amending their respective budget to ensure that it meets the identified needs of the campus or department.

January	Review of budgets by Business Office for compliance with budgeting procedures and codes. Distribution of accounting budget printouts to the appropriate budget managers. Information entered into the software budget module. Review of payroll budget by Chief Financial Officer and Superintendent.
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February	Complete estimates of revenue. Budget review with principals and budget managers. Chief Financial Officer, Superintendent and Assistant Superintendent review staffing needs, facility needs, and technology needs.
March	Preliminary budget workshops with the Board of Trustees. The Board of Trustees approve salary schedules for all employees.
April-May	Review revenue projections and estimated tax values from the appraisal district. The Board of Trustees will call a public hearing to discuss budget and tax rate. Continue budget workshops with Board of Trustees.
June	Final budget update to the Board of Trustees. Publish notices of budget hearing and proposed tax rate. Board of Trustees to adopt final budget.

Requirements:

Each year campuses and departments will use the “zero based budget process.” The Business office will budget all 61XX accounts for salaries of all employees, including substitutes, extra duty pay, and benefits. The Business office will budget copier maintenance contracts, rentals, leases, and repairs, but allocate to the individual campuses.

Special programs (Special Education program intent code 23, Career & Technology program intent code 22, Bilingual program intent code 25, and State Compensatory Education program intent code 24) will be budgeted by the Principals account codes in account codes 62XX (contracted services), 63XX (supplies), and 64XX (travel).

Additionally, requests for new programs, additional staff, etc. will be made directly to the Superintendent or Assistant Superintendent. These requests will be submitted separately from the original requested budget items and prioritized appropriately.

Procedures for Determining Employee Account Distribution Codes

The Chief Financial Officer and the Payroll Department will work closely with the Superintendent, Assistant Superintendent and campus principals to examine employee duty rosters, as well as campus master schedules to determine appropriate account distribution codes for payroll. Final approval for the account distribution code must come from the Chief Financial Officer. All payroll disbursements shall be coded to the appropriate account code in compliance with the Financial Accountability System Resource Guide (FASRG). Disbursements from state and federal grant funds shall also comply with the OMB Circular A-87.

Budget Amendments/Transfers

Requests for budget transfers during the fiscal year should be submitted to the Chief Financial Officer for approval. Amendments submitted must include whole dollar amounts, account codes and reasons why the transfers need to be made. The budget is adopted at the function code level; therefore any budget amendments across function codes shall be approved by the Board of Trustees prior to completing. Amendments must be included on the Board agenda, therefore sufficient time must be given (at least two weeks) to prepare the item for inclusion in the Board book. Once approved, amendments are posted by the Chief Financial Officer, and funds will then be available for use.

Cash/Check Handling

All cash and checks shall be deposited to the campus secretary on a daily basis. No post-dated checks will be accepted. **Funds shall not be kept in classrooms, personal wallets or purses, or at home.** No cash purchases should be made-every dollar collected must be receipted and deposited to the campus secretary. The campus

secretary shall receipt in a pre-numbered receipt book and deposit all monies on a daily basis in the bank or secure overnight in a locked campus safe if the deposit cannot be made the same day.

Personal checks, including those from employees, shall never be cashed from monies collected at the campus or district level. All monies must be deposited in the same form in which they were received to ensure an adequate audit trail of all funds collected.

Check Processing

District checks will generally be printed on Thursday afternoons. At times, checks may be processed earlier or later, according to the District calendar. All check requests such as travel advances/reimbursements and conference registrations shall be submitted to the Accounts Payable office by the end of the day on Tuesday of the week in which a check is needed. Every effort should be made to meet this deadline in case any questions arise before the check is issued. Campus and department staff responsible for submitting this information to the Accounts Payable office are encouraged to set their own deadlines in order to prevent processing delays.

The Business Office shall determine the date on which vendors will be paid; employees should not make any prior commitments to vendors about the timing of check disbursements. Before a check is disbursed to a vendor, the employee originating the requisition must return a copy of the purchase order with an approval signature indicating that all items were received and the invoice is approved for payment. All payments must be pre-approved either by an approved purchase order or a signed check request form.

State law requires that the District pay all invoices within 45 days of receipt of goods to avoid penalty and interest charges, so all invoices should be submitted on a timely basis to the Accounts Payable office.

Credit Cards

The District utilizes several credit cards for purchasing food, certain supplies, and payments for certain travel expenses. Credit cards are intended only as a payment method and under no circumstances shall they be used to circumvent the purchase order system. Pre-approved employee travel may be submitted on a Check Request form for use of the credit card. The card may be used for hotel and parking expenses, as approved on the Check Request form. All non-travel-related credit card purchases must be pre-approved by submitting a purchase requisition. A PO number is required to check out a school credit card. Receipts must be attached to the PO and turned in to the Business office for payment.

Donations and Gifts

At various times throughout the school year, sponsoring organizations or individuals may wish to donate monetary amounts or a fixed asset to a specific campus or program. Donations or gifts of money, equipment, or materials to individual schools or to the District by individuals or organizations shall become the sole property of the District.

Financial Ethics

All trustees, employees, vendors, contractors, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's financial resources.

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

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

- Forgery or unauthorized alteration of any document or account belonging to the District.
- Forgery or unauthorized alteration of a check, bank draft, or other financial document.
- Misappropriation of funds, securities, supplies, or other District assets, including employee time.
- Impropriety in the handling of money or reporting of District Financial transactions.
- Profiteering as a result of insider knowledge of District information to outside parties.
- Unauthorized disclosure of confidential or proprietary information to outside parties.
- Unauthorized disclosure of investment activities engaged in or contemplated by the District.
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District
- Destroying, removing, or inappropriately using records, furniture, fixtures, or equipment.
- Failing to provide financial records required by state or local entities.
- Failure to disclose conflicts of interest required by policy.
- Any other dishonest act regarding the finances of the District.

Any person who suspects fraud or financial impropriety shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement. (CAA local)

Fiscal Year

The fiscal year begins July 1 and ends June 30 each year. All goods and/or services received during these dates must be paid from current fiscal year funds.

All invoices for goods received on or before June 30, shall be submitted to the Business Office by July 10 for processing and payment.

Gate Receipts

The beginning balance of money boxes used for gates to athletic and other events will be verified by the gate worker when they pick up the money box. Tickets will be issued for entry to the event and ticket count should match money received. At the closing of the admissions gate, all gate receipts will be counted and verified in the presence of two individuals. The administrator on duty should take the locked money box and lock it securely in the campus safe. The gate worker should take the key to the money box and either return the key to the Business Office the next day or drop it in the drop box outside of Central Office.

General Ledger Entries

Entries are made monthly by the Accounts Payable clerk for copy paper usage, postage usage, interest earned and payroll. All general ledger entries are reviewed and/or approved by the CFO.

Gift Cards

Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck and included on the employee's annual tax statement (Form W-2). Gift cards donated to the district by outside sources are also taxable to the employee according to IRS regulations.

Grants Management

Grant Management Contact information

Tim Glover, Superintendent
Erin Warren, Assistant Superintendent of Curriculum and Instruction
Manell Martin, Chief Financial Officer

Phone: 830-875-3191

Grant Management Responsibilities

Grants management is under the direction of the Assistant Superintendent of Curriculum and Instruction, and reports to the Superintendent, Chief Financial Officer, Luling ISD Board of Trustees and to the granting agencies for the financial and regulatory administration of all state and federal financial assistance to the District.

The overall responsibilities of the grants management function include, but are not limited to:

- Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval with the Superintendent and Chief Financial Officer of the District.
- Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations.
- Providing assistance to project managers for the preparation of grant applications.
- Exercising budgetary control of grant funds.
- Providing overall financial support and monitoring
- Providing overall compliance monitoring to include;
 - Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the state and federal regulations.
 - Coordinating formal agency audits or interim reviews of grants by federal or state agencies.
 - Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

The Assistant Superintendent of Curriculum and Instruction serves as the *Director of Federal Programs* for Luling ISD. These responsibilities include but are not limited to:

- Submitting all state and federal grant applications
- Monitoring finance and compliance of all state and federal grants
- Reporting unusual or irregular activities related to grants to the Superintendent and Chief Financial Officer
- Maintaining current knowledge of federal, state and District policies related to grants
- Providing staff training for federal and state grants as appropriate.
- Review Campus Improvement Plans and District Improvement Plans for compliance
- Conduct comprehensive needs assessments for the District
- Develop plan from assessment, identified needs and prepare budget, staffing and program descriptions

Responsibilities of Director of Federal Programs with Chief Financial Officer include but not limited to:

- Training on budgeting, budget amendments, coding, time and effort, purchasing, split funded salary allocations, contract monitoring, travel reimbursements, and selected unallowable costs.
- Approval of all purchases to ensure compliance with grant requirements, coding, allowability of costs, competitive procurement, correct pricing on bids and proposals, eligible vendors and alignment with identified needs, CIPs and DIPs
- Periodic reporting
- Reconciliation of accounting records with expenditure reports and grantor agencies
- Annual review of code of ethics (34CFR Section 80.36), policies and administrative procedures for all duties and responsibilities.

Supplement Not Supplant Procedures

Luling ISD has implemented guidelines to ensure compliance with the federal fiscal requirement of supplement, not supplant. The purpose of the procedures is to ensure that the level of state and local support for programs remains at least constant and is not replaced by federal funds. Federal funds are used to supplement (add to, enhance, to expand, or increase) the funds available from non-federal sources, and not to supplant (replace or take the place of) the existing non-federal funds.

- 1) Federal funds shall not be used to provide services that the District is required to provide under federal, state, or local laws/policies.
 - a) Salary expenditures for staff required by federal, state or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
 - b) Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds. Documentation shall include Board minutes or local policy reflecting the staffing requirement and a report that reflects the staff units throughout the district mandated by the local minutes/policy and the excess units, if any.
 - c) Federal funds shall not be used to pay for state required activities, such as state mandated assessments. Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.
- 2) Procedures for determining that a school participating in a school-wide program is using federal funds available only to supplement the amount of funds that would, in the absence of NCLB federal funds, be available from non-federal sources for the school (including funds needed for limited English proficiency). Note: In a Title I school-wide program, a school is not required to provide supplemental services to identified children;
- 3) Procedures for determining supplement, not supplant when state or local funds are no longer available. Federal funds shall not be used to provide services that the District is required to make available under other federal, state or local laws
 - a) Federal funds shall not be used to provide staff that the District provided with non-federal funds in the prior year. Documentation may include a report that reflects the staff units throughout the district and the prior year and current year source of funding.
 - b) Federal funds shall not be used to pay for goods or services that the District provided with non-federal funds in the prior year. Documentation may include budget worksheets or other budget documents from prior year and current year sources.
- 4) Procedures for determining program-specific supplement, not supplant provisions are met:
 - a) A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis by the Chief Financial Officer.
 - b) TEA's Comparability Report (CCR) should provide valuable information related to the level of state and local funding available at each Title I A participating and non-participating campus.
 - c) All purchase orders with federal funds shall be reviewed by the Assistant Superintendent and Chief Financial Officer or designee to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable.
 - d) Title I, Part-A School-wide Program; Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. A school-wide campus does not have to demonstrate that activities are

supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.

- e) Title II, Part A Teacher/Principal Training and Recruitment. Using Title II, Part A funds to meet any state mandate or local board policy would be considered supplanting. For example, if a local district decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds. Documentation may include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.

Grant Amendments

Once the program or grant is approved and a NOGA (Notice of Grant Award) is issued, budgeting within the approved budget to meet unanticipated requirements is permitted without submitting written amendments.

Amendment is required:

- Add an object code not previously budgeted on the “Program Budget Summary”
- Increase or decrease the amount budgeted in any object code on the “Program Budget Summary” by more than 25% of the current amount approved in the object code (for discretionary grants) or of the total approved budget (for formula grants).
- Add a new item that requires specific approval in the itemized costs for Debt Service.
- Increase or decrease the number of positions approved under “Payroll costs (61XX)”
- Add a new item of computer hardware/equipment (not capitalized) approved under “Supplies and Materials (63XX)”.
- Add a new item of capital outlay items for articles costing more than \$5000 (66XX).
- Reduce funds allotted for training costs
- Increase construction costs
- Request additional funding (if allowed for in the grant)
- Revise the scope or objectives of the grant
- Add roll forward funds
- Add maximum entitlement funds
- Extend the ending date of the grant, if allowed

Amendment is not required:

Discretionary Grants

- Increase or decrease the amount of funds for a previously approved itemized cost requiring specific approval as long as it does not result in an increase by more than 25% of the amount budgeted in the object code.
- Increase or decrease the amount of funds currently approved in an object code as long as a new line item requiring specific approval is not being added and as long as the previous condition does not require an amendment.

Formula Grants

- Increase or decrease the amount of funds approved in an object code as long as a new line item requiring approval is not being added and cumulative transfers do not exceed 25% of the total approved budget.

All Grants

- Increase the quantity of technology hardware (not capitalized) previously approved under “Itemized Supplies and Materials (63XX)” as long as a new item of technology hardware is not being added.
- Increase the quantity of capital outlay items previously included and approved in the list of articles costing more than \$5000 under “Capital Outlay (66XX)” as long as a new item of capital outlay is not being added.
- Follow procedures listed in the grant for submission of schedules and reasons for amendments.

All budget amendments to the state agency shall be reviewed by the Chief Financial Officer prior to submission.

Grant Expenditure Reports and Draw Downs

The Chief Financial Officer is responsible for overseeing the preparation, review, approval and submission of expenditure reports:

- Submit expenditure reports by class-object code through an on-line system as specified by the grantor agency.
- Expenditure reports by class-object codes may be submitted at any time to receive payment, as long as the request for cash does not exceed three days' cash needs pursuant to cash management requirements. Expenditure reports must be filed at least quarterly or as specified in the applicable "Program Guidelines"; however, it is encouraged to draw down funds at least monthly to avoid the impression by the agency that grant activities and expenditures are not occurring.
- For expenditures reported by class-object code, the grantor agency will deny any expenditure report as follows:
 - Where the grantee is claiming expenditures in a class-object code not budgeted in the approved application
 - When the amount claimed is in a class-object code that exceeds the allowable budget variation for that object
 - When the total amount exceeds the total amount of the grant

The final expenditure report must be filed within 30 days after the ending date of the grant. Final payment is contingent upon receipt of the final expenditure report and all required reports and documents.

Time and Effort Requirements

Time and effort certifications or time and effort logs are required from all grant funded district personnel. Campus personnel that are 100% grant funded are to complete a time and effort certification at the end of each semester. All personnel that are split-funded must complete a monthly time and effort form which reflects daily duties that were performed during the month. The certifications and time and effort logs must be signed by the employee and their supervisor. All completed forms are to be submitted to the Assistant Superintendent's office in a timely manner. The Assistant Superintendent is responsible for distributing copies to the Chief Financial Officer in which any necessary adjustments in account coding can be made. All grant funded employees must sign a job description and a pay data sheet that states they are aware of the job description and the grant funding at the beginning of each year.

Disposition of Property Purchased with Federal Funds

When property purchased with federal funds can no longer be used for the originally authorized purpose or for other activities currently or previously supported by the federal government, disposition of the equipment will be as follows:

- Unit-cost of less than \$5000 – Property with a current per-unit fair market value of less than \$5000 may be retained, sold, or otherwise disposed of without special authorization from TEA.
- Unit-cost of \$5000 or more – Property with a current per-unit fair market value of \$5000 or more may be retained or sold with approval from TEA. If the district elects to retain the property, it shall purchase the property for use in non-federal programmatic activities and make an operating transfer to the appropriate federal program fund and sub-object code(s) in the amount of fair market value for the property. Fair market value may be determined by an independent appraiser or vendor for the equipment. If the district elects to sell the property, the property will be sold according to district policy for disposing surplus property and 34 CFR 80.32. In either case, the proceeds from the purchase/sale will be credited

to the appropriate federal program fund and sub-object code to expand the program(s) for the district. If the district does not wish to use the proceeds in that program, the proceeds will be refunded to TEA.

For disposal of surplus property, a public sale is allowed if needed, to sell any items not requested for use within the district. All campuses/departments will be notified of the sale. Employees of the district will be permitted to purchase items at the sale on the same basis as all the other buyers.

Inventory items should never be discarded at the campus/department level. Instead, items should be transferred to a designated area where they will then be sold or discarded per instructions of the Superintendent. At no time should a campus/department take responsibility for selling any fixed asset of the school district.

Hotel Occupancy Tax Exemption Certificate

The Hotel Occupancy Tax Exemption Certificate shall be used for school-related travel to conferences, workshops, etc. Copies may be obtained on the District's website in the business forms section of Business Office page. Lodging taxes will not be reimbursed to any employee who fails to present the certificate to the hotel. The traveler will be responsible for payment for such charges, if any. The District is NOT exempt from any city or county hotel taxes.

Payroll and Time Off

The Superintendent or designee shall determine the classification of positions or employees as "exempt" or "nonexempt" for purposes of payment of overtime in compliance with the Fair Labor Standards Act (FLSA).

The District shall pay all salaried employees over 12 months, regardless of the number of months employed during the school year. A salaried employee shall receive his/her salary in equal monthly or bimonthly payments, beginning with the first pay period of the school year. (Board Policy DEAB Local)

All non-exempt employees shall log all time worked through the District's timekeeping system (Time Clock Plus). Failure to clock in or out may result in non-payment of unverified work time. Falsification of payroll records such as reporting excessive work hours or participating in a practice of clocking in/out for other employees constitutes fraud. All non-exempt employees shall comply with the work schedule assigned by their respective supervisors. All overtime shall be pre-approved by the immediate campus or department supervisor. The District compensates overtime for non-exempt employees in accordance with federal wage and hour laws.

Overtime is legally defined as all hours worked in excess of forty (40) hours weekly and is not measured by the day or by the employee's regular work schedule. Employees who must work beyond their normal schedule but less than forty (40) hours per week will be compensated in straight-time pay or compensatory time off. Employees must work more than forty (40) total hours in a week to earn overtime compensation.

For the purpose of calculating overtime, a work week begins at 12:00a.m. Monday and ends at 11:59p.m. Sunday. (DEAB Local policy) Employees may be compensated for overtime with compensatory time off or direct pay at time-and-a-half rates. The following applies to all non-exempt employees:

- Employees can accumulate up to sixty (60) hours of compensatory time only with administration pre-approval. (DEAB Local policy)
- Compensatory time earned must be used according to a schedule that is mutually agreeable to the employee and supervisor and shall be used within the duty year in which it is earned. Compensatory time remaining at the end of the fiscal year shall be paid in overtime pay. (DEAB Local policy)

Employees working other duties, including tutoring, Saturday school, summer school, etc. must record actual hours worked on a "Supplemental Time Sheet". Payment will be based on a predetermined hourly rate.

Petty Cash

Petty cash accounts are allowed for start-up cash for cash registers in the cafeteria, athletic gates and in the Business Office for Kids Klub transactions only.

Purchasing

A requisition is an internal document by which a campus or department of the district requests the Business office to initiate a Purchase Order. A Purchase Order, once approved, is a binding commitment for a district to remit payment to the vendor after the item(s)/services and an invoice are received by the district. In order to requisition supplies, services, equipment, and furniture, the following guidelines are to be used:

- Electronic purchase orders are required for all purchases.
- Purchases over \$5,000 should be purchased from an approved vendor on Buyboard, TCPN, DIR, E&I or through the obtainment of three competitive quotes.
- If three sources of quotes are not available for purchases over \$5,000, then a “sole-source” vendor affidavit needs to be obtained from the vendor.
- Purchases of an item that is \$5,000 or more, in Fund 240 – Food Service, require approval from TDA before purchasing.
- Purchases over \$25,000 shall require a formal solicitation from vendors and Board approval per local policy.
- Include approved vendor name, address, and phone number on submitted requisitions.
- All approved vendors require a W-9. All new vendors will be added to the data base by Accounts Payable upon receipt of a W-9 form. No payment will be made to a vendor until receipt of the W-9.
- Provide complete description of goods or services, including type of item and stock/model number, if available.
- Indicate appropriate budget code. More than one budget code may be used if necessary.
- Indicate the cost by item and in total on the Purchase Requisition
- Purchase Requisitions are entered into the electronic system by the campus secretary or department head for approval by the campus principal.
- Purchase Requisitions are forwarded to the Business Office for final approval and become a Purchase Order and assigned a Purchase Order number.
- No employee shall order or receive goods without an approved Purchase Order. A requisition cannot be used to place an order.
- Approved Purchase Orders are faxed, ordered on-line, emailed or mailed to the vendor by Accounts Payable office unless specific instructions or comments on the requisition.

In general, Luling ISD does not reimburse employees for purchases. If a need arises where a vendor will not accept a purchase order or District credit card, or there is some other extenuating circumstance that prevents the employee from using the normal purchasing channels, the Chief Financial Officer may pre-approve a reimbursement before such a purchase is made. These exceptions are rare, and every effort must be made to follow the normal purchasing process before requesting this type of reimbursement.

The Business Office will approve Purchase Requisitions on Wednesday each week, therefore campuses and departments are encouraged to set their own internal deadlines to ensure District deadlines are met. If an emergency arises that requires an approval on another day, please contact the Chief Financial Officer.

In an effort to maximize the use of budgeted funds during the current fiscal year, a purchasing deadline for supplies and equipment shall be set by the Chief Financial Officer each school year according to the best fit for the instructional program. The official date will be announced early in the spring to all budget managers.

Completed Purchase Order Procedures:

- Verify goods or services received against goods or services ordered.
- If delivery is complete, sign and indicate the date items were received on the packing slip or receipt and return to your Principal's office or department head. Packing slips and receipts must be attached to PO.
- If delivery is not as ordered but is acceptable as complete, note on PO any difference that is agreed upon by the campus/department head and the vendor.
- If late charges have to be paid, they will be charged against the budget of the campus or department which was responsible for placing the order.
- In some instances, the invoices for the PO are more than the amount originally encumbered by the requisition. The overages will be charged against the budget of the campus or department. If there are not enough funds budgeted, the Business Office will contact the person responsible for the purchase order and request a budget transfer to be prepared and returned for approval and posting.
- Notify the Accounts Payable office to have a PO cancelled/voided.
- Returns should be made prior to approving the order for payment (signing packing slip, receipt, or PO as received). The Accounts Payable office should be notified of all returns to ensure that the company issues the proper credit and/or refunds. Failure to notify the Accounts Payable office could result in a loss of credit.
- Campuses and departments should review outstanding purchase orders monthly to help ensure that all items received have been properly submitted for processing.

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

Records Retention

Records retention ensures that critical records are identified and retained with state and federal guidelines. The Local Government Records Act establishes the primary requirements for records retention policies and plans. These record retention guidelines are specified in the retention schedules adopted by the State Library and Archives Commission. The schedules that pertain to school districts include:

- Local Schedule GR – Records Common to All Governments
- Local Schedule EL – Records of Elections and Voter Registration
- Local Schedule TX – Records of Property Taxation
- Local Schedule SD – Records of Public School Districts

In addition, the Local Government Records Act requires the District to appoint a Records Management Officer to coordinate the District's records management activities. All records are kept at the Conference & Learning Center at Luling ISD. At year end, the files are boxed up, properly labeled and placed in a secure storage area. Access is limited to the Records Management Officer and/or a designee. We employ a records retention company to examine the files and boxes according to state laws, and prepare those records to be destroyed.

Rental of Facilities

Board Policy GKD (Local) outlines the District's regulations governing the non-school use of Luling ISD facilities. A facilities use agreement is required for all rentals by outside organizations. Forms are on the Luling website; [About US-- Facilities Use Calendar--Facilities Use Application](#). Requests for non-school use of District facilities shall be

considered on a first-come, first-served basis. Academic and extracurricular activities sponsored by the District shall always have priority when any use is scheduled. The Business Office is authorized to approve use of any District facility.

Sale of Surplus Property

The Superintendent or designee is authorized to declare District materials, equipment, and supplies to be unnecessary and shall dispose of such unnecessary items for fair market value. If the unnecessary property has no value, the Superintendent or designee may dispose of such property according to administrative discretion.

All unnecessary items deemed to have a market value will be recommended for inclusion in a surplus sale. At least one surplus sale may be scheduled per year. Sales will be advertised in the local newspaper, on the Luling ISD website, and will normally be conducted via online auction.

Neither district supplies nor equipment shall be sold or conveyed by any other method, unless authorized by the Superintendent or Board of Trustees. Items obtained as federal surplus shall be managed according to federal regulations. (Board Policy CI Local)

Sales Tax Exemption Form

A sales tax exemption certificate shall be used for school-related purchase only. Misuse of the exemption form for personal purchases constitutes a misdemeanor. A sales tax exemption certification form should be sent to a vendor who has requested a tax number for his/her records. Taxes paid, that should have been exempt, will not be authorized for reimbursement. It is the purchaser's responsibility to present the exemption form to the vendor at the time of purchase. This form is available in the Business Office.

Travel Guidelines

Employees shall be reimbursed for reasonable school-related travel expenditures according to the current schedule adopted by the Board and subject to IRS regulations. Prior approval for all travel, including prepaid expenses shall be obtained before any expenses are incurred.

(Board Policy DEE Local) The prevailing rate of reimbursement for the state of Texas shall be paid for mileage reimbursement. Expenses for meals shall be reimbursed for authorized overnight travel only, at a rate of \$8 for breakfast, \$11 for lunch and \$15 for dinner. Confirmation of attendance at the function shall be required. The number of meals allowed shall be based on the time of departure and the time of return. To receive reimbursement for transportation, lodging, or other authorized travel expenses, an employee shall present receipts for the actual amounts spent.

Appendix

Appendix 1: Check Request Form

Appendix 2: W-9

Appendix 3: Budget Transfer Form

Appendix 4: Donation Acceptance Form

Appendix 5: Personnel Certification Form

Appendix 6: Hotel Occupancy Tax Exemption Form

Appendix 7: Sales Tax Exemption Certificate

Appendix 8: Absence from Duty Form

Appendix 9: Extra Duty/Supplemental Pay Sheet

Appendix 10: Board Policy DEAB (local) Wage and Hour Laws

Appendix 11: Board Policy DEE (local) Expense Reimbursement

Appendix 12: Records Retention Local Schedule SD – Records of Public School Districts