

Odem-Edroy ISD



Fiscal Manual **(Fiscal Guide for District Staff)**

Revised September 16, 2022

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Introduction

This Fiscal Manual has been prepared to provide general information about several OEISD 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.

Business Office Staff

The Business Department staff shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

- Tonya Romero, Business Manager, 361-368-8121 ext 226, romerot@oeisd.org
- Lilly O’Canas, Human Resource Director/Payroll Supervisor, 361-368-8121 ext 225, O’Canasl@oeisd.org
- Norma Chavira, Business Office Assistant/Accounts Payable, 361-368-8121 ext 227, chaviran@oeisd.org

Business Office Mission Statement

The Mission of the Odem-Edroy Independent School District Business Office is to provide support to all District students, staff, parents, and the community and to ensure that all business operations are supportive of the instructional goals and objectives of the district.

The Business Division’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.

Accounting Code Structure

The Financial Accounting & Reporting Module of the Financial Accountability System Resource Guide (FASRG) contains the required accounting code structure. Use of the appropriate accounting code structure is mandatory. The code structure is available on the TEA website at www.tea.state.tx.us.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

The Code Structure

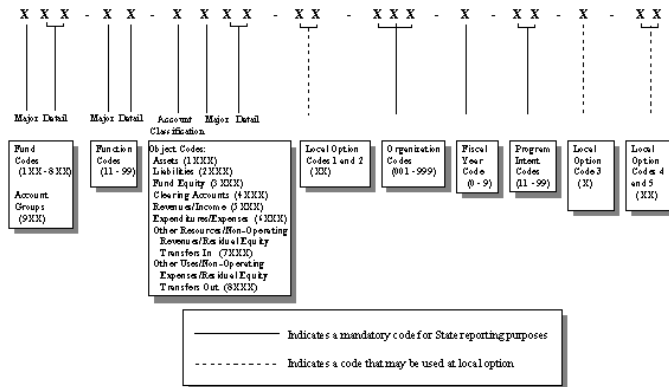


Exhibit #29 (FAR: 1.4.1 Overview of Account Codes)

Activity Funds – Overview

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According to the FASRG, Site-Based Decision Making Module, activity funds historically have been accounted for by school districts in various fund groups: general fund (Fund 19X), special revenue funds (Fund 461) and agency funds (Fund 865). A school district should consider the following questions to determine the proper method and fund in which activity funds should be accounted:

- Does local board policy allow for recall of excess or unused fund balances into the general fund for general school district use? If so, these activity funds should be accounted for in the *general fund*, and revenues and expenditures should be budgeted.
- Do other persons besides the students involved in the activity fund (teachers, sponsors, principals, administrators, etc.) have access to activity fund? If so, this money should be accounted for in *Fund 461 - Campus Activity Funds*.
- Do activity fund financial decisions rest solely with the students? If so, this money should be accounted for in *Fund 865 - Student Activity Account* which serves as an agency account for student club or class funds. **Examples of a Student Activity Fund include: Senior Class, Chess, NHS, Student Council and other student-led organizations that have by-laws and elected officer.**

The district has made the determination that all Campus Activity Funds will be accounted for in Fund 461. This shall include the principal's activity account and any other non-student organization accounts such as the library, grade level teachers, athletics, etc.

The district has made the determination that all Student Activity Funds will be accounted for in Fund 865. This shall include all student organizations and clubs that meet the definition of a bona fide club or chapter, i.e. have elected officers and by-laws.

All fundraising activities through Activity Funds shall meet the sales tax rules as established by the State Comptroller's Office. All sponsors of fundraisers [subject to sales tax] shall report and pay the sales tax due to the Comptroller on a quarterly basis. Fundraisers that meet the "one day tax free day" will not be subject to sales tax. Specifically, each school district, every campus and every bona fide club or organization may conduct two (2) tax free fundraisers per calendar year. The Comptroller's [School Fundraisers and Texas Sales Tax](#) [July 2009] provides an excellent resource regarding what sales are taxable or non-taxable.

Activity Funds (Campus or Department –Fund 461)

Campus activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to cash/check handling procedures.

Campus activity funds are managed using a centralized system.

Campus activity funds shall be primarily used to benefit students or the District in accordance with School Board Policy. Typical uses include field trips, student or staff awards/incentives, faculty luncheon, or other activities approved by the Superintendent. These funds shall not be used for "gifts" to students and/or staff. Budgeted funds shall not be used to generate activity funds, nor shall staff (administrative/support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with the district food service activities. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

Campuses may establish a staff account (Flower Fund) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds shall be deposited and expended from an Agency Fund (Fund 865).

Campus activity fund account balances shall not exceed \$5,000 at any given time unless the funds are specifically earmarked for a special project. If a campus activity fund exceeds \$5,000, the campus principal shall submit a spending plan to the Superintendent for approval.

Activity Accounts (Student Organizations –(Fund 865)

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Student activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to the cash/check handling procedures. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts] or on the Fundraising Collections Record form (refer to Fundraising Documentation Forms).

Student activity funds are managed using a centralized system.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include student travel, awards, banquets, club trip, supplies, t-shirts, or other appropriate expenditures. These funds shall be used at the discretion of the student organization through designation of one or more of its officers.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An Authorization to Conduct to a Fund Raiser form should be submitted to the principal in advance of the scheduled activity.

Effective with the 2014-2015 school year, each club shall be limited to two (2) fundraisers per year. **The fundraising activities may not include the sale of food that will be consumed during the academic day (as defined by the US Department of Agriculture).** In addition, at the end of the fundraising activity, a profit loss statement should be filed with the business office. Activity funds shall be audited and must adhere to accepted business practices.

Merchandise ordered for resale should be distributed to students on a written distribution log (refer to Fundraising Documentation Forms). The merchandise distribution log should reconcile with the corresponding invoice and/or packing list.

To establish an activity account, an organization should have an approved constitution, by-laws and elected officers. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s). Every sponsor should complete and submit a Sponsor Responsibility Affidavit or similar form] to the principal.

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of 5 years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the principal, as part of the closeout procedures, shall collect all club records for storage on the campus for 1 year, then at the Records Center for the rest of the archival period of time. New receipt books should be issued to staff members for each fiscal year.

Budget Amendments

A budget amendment is a transfer of funds across different functions. For example: a budget amendment would result if instructional funds (function 11) were requested to be transferred to the library (function 12). Budget amendment line items should exceed \$100, and be stated in whole dollars.

Budget amendments must be approved by the School Board [School Board approval is required prior to exceeding the budget in any functional level]. Requests should be submitted in accordance with agenda deadlines posted by the Superintendent. Remember that if a purchase order is pending the outcome of a budget amendment, the purchase order will not be processed until after the School Board has approved the request.



[Budget Amendment-Transfer Form](#)

Budget Transfers

A budget transfer is a transfer of funds which is not across different functions. The Business Managers shall approve all budget transfers. Budget transfer line items should exceed \$50, and be stated in whole dollars.

To keep budget transfers to a minimum, each budget manager should review his/her budget on at least a monthly basis to determine if any budget transfers are necessary.

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Budget transfers are approved by the Business Manager. Budget requests shall be submitted on the Budget Amendment-Transfer form.

All budget transfers and/or amendments in state or federal grants shall be approved by the Grant Director to ensure that a grant amendment is filed with the granting agency (such as TEA).

Cash/Check Handling

A receipt shall be issued for all cash collections, except for minor sales from fundraisers (candy, ice cream, etc.) or library fines. Generally, a receipt shall be issued for all collections from an individual that equal or exceed \$5.00. A Collections Log shall be generated for non-receipted cash collections and submitted with the cash deposit to the campus secretary/bookkeeper.

All cash and checks shall be deposited to the campus secretary/bookkeeper on a daily basis. No post-dated checks should be accepted. No temporary checks will be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home for extended periods of time. No cash purchases should be made – every dollar collected should be receipted and deposited to the campus secretary/bookkeeper. The campus secretary/bookkeeper shall receipt [in a bound, pre-numbered receipt book] and forward all monies on a daily basis to the district's business office, or secure overnight in a locked campus safe if the deposit cannot be made the same day. A Cash Transfer should be included with all deposits.

Athletic event gate receipts (admission tickets) shall be recorded on an Athletic Gate Receipts form and submitted by the Ticket Taker to the business office. Funds shall be deposited to the appropriate athletic events revenue account(s).

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Friday. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All check requests, including supporting documentation, such as travel advances/reimbursements, petty cash, construction, etc. shall be approved by the appropriate principal or administrator and submitted to the Accounts Payable Clerk **by Tuesday at 4:00 p.m.** Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed (i.e. signed receipts with PO No. on the receipt). The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

State law requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices should be submitted to the Accounts Payable Clerk on a timely basis for payment (i.e. signed and with the PO No.).

Checks not cashed by the expiration date 60 days from date of issue will be voided. A new check will be reissued at a fee of \$30 if the payee is located and requests a reissue. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

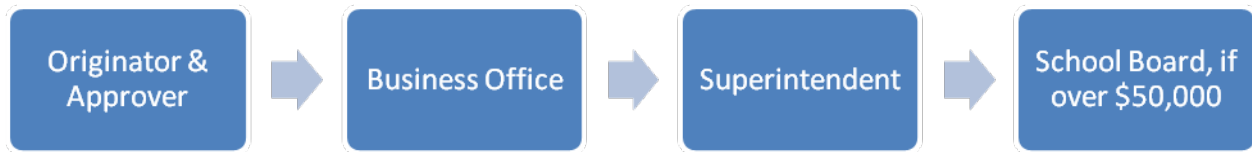
Contracts for Consultants or Contracted Services

Consultants are non-employees who are contracted to perform a personal or professional service such as staff development, maintenance, medical services, etc. A Consultant Service Contract is required for every consultant. The Superintendent is the only individual authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** Contracts that exceed \$25,000 [School Board Policy CH Local] shall be approved by the School Board.

All contracts that exceed \$50,000 shall be procured using the competitive procurement requirements established in the appropriate state law (TEC or the Government Code). The evaluation criteria [such as cost and prior performance] for the review of the proposals shall be determined prior to the solicitation for proposals/bids. The review and recommendation process shall include a separation of duties: the originator of the contract request should work collaboratively with the business office to evaluate the proposals/bids.

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The approval path for all contracts shall be in accordance with the work flow illustrated below:



If a contract for a consultant or contracted services will be funded through a federal grant, the Grants Manager shall also approve the contract to ensure that it is: 1) included in the grant application; 2) budgeted in the grant; 3) verify that the contracted services is allowable under the grant; and 4) approved for the granting agency (such as TEA).

The contract originator (campus or department administrator) shall be directly responsible to ensure that the contractor performs the services covered by the contract.

Please follow these procedures when submitting a Consultant Service Contract:

- Submit a completed Consultant Service Contract or vendor contract to the Accounts Payable Clerk for review. The Superintendent shall approve all contracts.
- Obtain the following documents from the consultant:
 - Vendor Application
 - A completed W-9 form
 - Conflict of Interest Questionnaire
 - A Felony Conviction Form
 - If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.
- Submit a requisition to encumber the funds required for the contract. The contract will not be released to the consultant, nor will the consultant be allowed to begin work for the district, until a purchase order is approved by the final approver.

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name “Odem-Edroy ISD” as additional insured.

Contracts for Service Agreements

All contracts for rentals, service agreements, etc. must be signed by the Superintendent. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$25,000 [School Board Policy CH Local] shall be approved by the Board of Trustees. Refer to the Contracts for Consultants and Contracted Services for additional guidance related to contract administration.

Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. Use of district copier for personal reasons is strongly discouraged. Personal copies, if any, will be charged at .20 cents for black/white and .75 cents for color copies. Prior approval should be obtained from the appropriate campus principal and/or department administrator to use a district copier for personal printing. Payment for personal copies shall be made immediately to the business office.

Credit Cards – Selected Merchants (Wal-Mart/Sam’s, HEB, Home Depot and VISA)

The district utilizes several credit cards for purchasing of food, supplies, and travel. Selected merchant cards shall be maintained at the campus or department or issued by the business office upon approval of a purchase order.

Credit cards shall be maintained and issued as noted below:

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Wal-Mart/Sam's	Each campus shall be assigned a card(s)
*HEB	Cards shall be maintained and issued at the business office
Home Depot	Cards shall be maintained at the business office
*VISA	Cards shall be maintained and issued at the business office

**The card will be issued out when a Purchase Order Number is presented.*

Credit purchases for any amount must be pre-approved on a purchase order. The immediate supervisor shall review and approve all credit card purchase receipts prior to submission to the business office.

All credit cards and credit receipts (detailed, itemized) shall be submitted to the business office on the next business day from the purchase to ensure prompt payment to the vendor. If receipts and credit card receipts are not submitted on a timely basis, these charges may become the responsibility of the employee and shall result in disciplinary action. **District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.**

All district employees that have been authorized to utilize a credit card for purchases shall sign a Credit Card User Agreement. Violations of the Credit Card User Agreement shall result in disciplinary action, up to and including employment termination as documented on a Counseling/Employee Disciplinary Action Form.

The district does allow the use of the selected merchant credit cards for purchases from federal grants. Expenditure of federal funds with a credit card shall be allowable under the grant program. If the Grants Manager approves all other purchasing documents such as purchase orders, the Grants Manager shall also approve all credit card expenditures.

Each campus or department that is entrusted with credit cards shall properly secure the cards [when not in use] in a locked safe. Annual training related to credit cards shall include: 1) allowable purchases; submission of detailed receipts; transaction limits; security of the credit card; and return of the credit card upon completion of the approved purchase and/or employment with the district, as appropriate.

Additional guidelines are included in the Purchasing Card topic for credit cards issued through the Purchasing Card Program.

[Policy Regarding Use of Credit Cards on Behalf of Odem-Edroy ISD and Agreement for Wage Deductions Associated with Improper Use of District-Issued Credit Cards form](#)

Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Donation Form shall be completed by the donor. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. Gift card donations shall be recorded on a Gift Card Register and maintained in a safe until utilized by the appropriate individual(s).

Donated equipment shall have an inventory tag affixed to it if the unit value is greater than \$500. In addition, the equipment shall be added to the district fixed asset tracking system.

All donations shall be approved by the Business Manager.

Field Trips

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All field trips shall be submitted on a Transportation Request Form at least 10 days prior to a field trip. The field trip request will be forwarded to the appropriate administrator for approval. A purchase order shall be submitted for admission fees, meals, etc., if any.

In addition, a Field Trip Lunch Request Form shall be completed and submitted 10 days prior to the field trip to the Transportation Director.

If the requestor will be driving a district-owned vehicle, he/she must be listed on the Authorized Driver List.

Fiscal/Monthly Procedures

The fiscal year begins on September 1st and ends on August 31st. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds. All invoices for goods received before August 31st, shall be submitted to the Business Office by September 10th for processing and payment.

All bank reconciliations shall be completed with no reconciling items by the date of the monthly board meeting, with the exception of deposits in transit and outstanding checks. All funds shall be reviewed prior to submitting monthly board reports as well as a review of accounts payable detail to GL reconciliation and a Due To/Due From reconciliation.

Fixed Assets & Inventory

Fixed assets [capital assets] are defined as equipment with a unit value over \$5000. These assets are tracked and recorded on the district's financial general ledger. Fixed assets that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Data Processing Specialist for removal from the district's financial records. All fixed assets must be purchased through the use of an Object Code 663X.

Inventory items are defined as equipment with a unit value over \$500, but less than \$5000. Other items with a unit value under \$500 are also tracked and tagged such as: iPads, tablet computers, Nooks, digital cameras, and other items that may have a personal use. The Technology Department shall identify and tag all technology-related items and track the items on a database/spreadsheet. All other equipment shall be identified and tagged by the originator (campus/department) upon receipt of the tag number from the Accounts Payable Clerk. These assets are tracked and recorded on the district's inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Accounts Payable Clerk for removal from the district's inventory tracking system. Inventory items are tracked for insurance purposes. Inventory items (with a unit value between \$500 and \$4999) must be purchased through the use of an Object Code 6649. Inventory items (with a unit value less than \$500) must be purchased through the use of an Object Code 6399.

A Fixed Assets Transfer Form should be utilized to transfer equipment from one room to another, one campus/dept. to another, or to transfer obsolete equipment to the Warehouse storage area. The loss or theft of inventory and fixed asset items should be reported immediately to the Accounts Payable Clerk.

All staff will be provided an inventory list for their respective classroom, office, or work area at the beginning of the school year. After verifying the list, each employee shall return the verified list to his/her immediate supervisor.

At the end of the school year, the same process will occur. The end-of-the-year list should include all items that were assigned at the beginning of the year, plus any items purchased throughout the school year. Staff will not be released for the summer until their inventory list has been verified and submitted to the immediate supervisor. Missing items, if any, must be indicated on the inventory list. In addition, an explanation regarding why the item(s) is missing shall also be submitted with the list.

Items lost due to theft or vandalism must be reported immediately for police report and insurance claim purposes.

Fixed assets will be disposed of on at least an annual basis after determination that the assets are obsolete or surplus (have no useful value to the district). The Superintendent [School Board over \$10,000 value] shall approve the disposal of all assets, including the method of disposal, i.e. auction, garage sale, etc. No employee shall remove surplus or obsolete assets for personal use. If an asset purchased with a federal grant is scheduled for disposal, the federal grant process shall be coordinator with the Grants Director.

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The Receipt and Use of District Property Form will be used to assign district property, such as cell phones, cameras, PDAs, laptops, etc. to district staff for business purposes. The receiver should read the form carefully due to the potential tax and financial impact of using the assigned property for personal benefit.

Gift Cards

District funds may be used to purchase gift cards; however, a Gift Card Register form must be completed and filed with the business office. Gift cards, whether purchased by the district or donated, shall not be issued to staff without prior approval from the Business Manager. Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck.

Gift cards donated to the district by outside sources and given to employees as a reward or incentive are also taxable to the employee according to IRS regulations.

Grants Management

All state and federal grants shall be managed by the appropriate Grant Director. TEA-managed grants shall meet the Grant Management guidelines established by TEA. Specifically, grant fund expenditures must meet the following guidelines:

- Reasonable and necessary
- Supplemental to state and local funds
- Strategies identified in the District Improvement or Campus Improvement Plans
- Supported by original source documentation (invoices, receipts, etc.)
- Comply with Federal Cost Principles (Allowable expenditures)

The Grant Director shall approve all expenditures with grant funds.

On an annual basis, all staff paid from federal grant funds shall sign a job description each school year. The job description must include the source of funds, job duties related to the federal grant program, and a statement regarding Executive Order 13513 which prohibits texting while driving a district owned vehicle or a personal vehicle on grant-related business.

All non-state or non-federal grant applications shall be submitted to the Business Manager for review and approval prior to submission. This requirement includes all grant applications to merchants, foundations, etc.

All grant funds will be budgeted, expensed and monitored through the district's finance system. All grant reimbursement requests shall be prepared and submitted by the business office after collaborating with the appropriate Grant Manager.

Grant applications are to be amended prior to processing changes requested by staff and approval is to be received from the grantor agency, in accordance with the requirements in TEA document "When to Amend the Application."

Hotel Occupancy Tax Exemption Form

This form shall be used for school-related travel to conferences, workshops, etc. Copies may be obtained from the business office or via the web at the link below. Lodging taxes in the state of Texas, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any.

The Hotel Occupancy Tax Exemption Form applies only to lodging in the state of Texas.

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at the campus or department, they should be signed (if the goods/services were received), and forwarded to the business office. The campus or department in receipt of the invoice shall write the appropriate PO number on the invoice prior to submitting to the Accounts Payable Clerk.

The receiving individual shall make note on the invoice if all items were not received to ensure that the correct payment is made to the vendor.

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Texas law requires that all invoices be paid to vendors within 30 days of receipt of the goods/services. If the district fails to pay promptly, the vendor can assess penalty interest charges. If a staff member neglects to submit an invoice on a timely basis, he/she may be held personally liable for the penalty interest charges.

The Business office issues invoices for reimbursement requests from outside entities as needed. The invoices are tracked so that funds are collected on a timely basis.

Long Distance Calls

The district's phone provider invoice will be reconciled each month. Unusual charges may be subject to reimbursement by the maker of the call. A request for reimbursement will be forwarded to the individual by the business office after reconciliation with the monthly bill. Payment for the unusual charges shall be made to the business office within five (5) days of receipt of the request for reimbursement.

On-Line Purchasing

Funds must be verified in both activity and budget accounts. There must be an approved PO before the on-line purchase is made and if the purchase will be made through an activity account, you must verify available funds prior to making the on-line purchase.

Payroll Procedures

Every non-exempt employees shall "clock-in" and "clock-out" daily through the TimeClock Plus Timekeeping System. Failure to clock-in or out may result in non-payment of unverified work time. All administrative supervisors shall sign off on the TimeClock Plus Weekly Punch Detail Report for their respective paraprofessional and support employees and submit the report(s) every other Monday by 4:00 p.m. All corrections shall be entered directly in Time Clock Plus by the appropriate supervisor.

All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime shall be pre-approved by the immediate campus or department supervisor. Overtime will be compensated via compensatory time, or paid time, at the discretion of the district. An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, including termination.

All staff wishing to travel away from work shall complete a Travel Form and an Absence from Duty form.

All employees shall complete an Employee Absence from Duty form when absent from work to ensure that the time off is recorded in their respective leave record. Staff members shall report all absences and leave requests to their immediate supervisor. Absences for professional and support staff are entered into the TimeClock Plus system, an Employee Absence from Duty Report shall be printed, and the employee and supervisor should sign the form and submit it to the Payroll Department every other Monday by 4 p.m.

In addition, every campus/department shall submit an approved Payroll Detail Report [from the TimeClock Plus system] to the payroll department every other Monday by 4:00 p.m.. These reports will be used to reconcile all employee absences.

Supplemental Payment forms will be generated by the campus, approved by the campus administrator and submitted to the payroll office every other Monday by 4 p.m. in accordance with the payroll periods. The supplemental payments will be processed for the next pay period. Supplemental payments should include the following: employee name, reason for pay, payment amount, budget code(s), date(s) worked, and be supported by sign-in sheets (attached to payment form).

All staff paid from federal grant funds shall comply with the Time & Effort Certification Requirements. The Time & Effort Certification Form shall be completed on a monthly basis and submitted to the immediate supervisor. The supervisor shall review and approve the certification. After approval of the certification form, it shall be forwarded to the Grant Director. The Grant Director shall verify that the "actual" time worked on grant activities matches the "budgeted" salary. If a variance exists, the certification form shall be forwarded to the business office to reallocate the actual expenditures based on the certification form. For example, a teacher is paid from the Title I, Part A grant (50%) and local funds (50%). In a given month, the teacher works 20% on Title I activities and 80% on locally-funded activities, the actual salary expense for that given month must be reallocated to 20% Title I and 80% local.

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Petty Cash Account

Only the district business office is authorized to manage a petty cash account. Petty cash accounts are provided for convenience when minor emergencies arise unexpectedly. The maximum authorized expense is \$100. The Business Manager shall be responsible to ensure that funds exist in the account(s), which will be utilized to pay for the petty cash expenditures.

The petty cash account must always be in balance, i.e. the total cash on hand plus the receipts on hand must equal the total petty cash account. The chart below illustrates a balanced \$120 petty cash account.



Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for **supplies and equipment** shall be April 14th. Summer needs for staff development and summer school should be anticipated and ordered prior to the April 14th deadline. Purchasing documents for **services and travel** should be submitted by **August 1st**. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates.

Purchase of Food and Non-Food Items

Food and non-food items (such as paper plates, cups, silverware, etc) shall be for instructional purposes (Food Science & Nutrition, science projects, etc), for meetings/training sessions, or other approved functions. These food and non-food items may not be consumed or used for personal use. Excess prepared food items may be consumed or disposed of as appropriate. Food purchases for the Child Nutrition Program shall be subject to the U.S. Department of Agriculture guidelines.

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a “working lunch”. Documentation to support the “working lunch” shall include a meeting agenda with the inclusion of a “working lunch”.

When these items are utilized for faculty, site-based meetings, etc., the expense shall be code to the Campus Activity Account (fund 461). All other uses should be coded to the appropriate account code.

The purchase of breakfast or refreshments/snacks are strictly prohibited with state and federal grants. Meals may be allowable on a limited basis if the meal meets the “working lunch” or “light lunch” exceptions as described in TEA’s Guidelines Related to Specific Costs (located at www.tea.state.tx.us).

Purchase Requisition and Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created in the [ASCENDER Requisition system](#) by the requesting campus or department and submitted to the business office for approval of a purchase order. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. If adequate funds do not exist in the appropriate account, the originator shall submit and receive approval of a budget change or amendment.

The Financial Accounting & Reporting Module of the Financial Accountability System Resource Guide (FASRG) contains the required accounting code structure. Use of the appropriate accounting code structure is mandatory. The code structure is available on the TEA website at www.tea.state.tx.us.

After the requisitions pass all electronic approval paths, the purchase order form is automatically numbered for audit tracking purposes. A system requisition cannot be used to place an order. All purchase orders are mailed,

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emailed or faxed to vendors by the originator (campus or department). According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

No employee shall order or receive goods without an approved purchase order. Employees who violate the purchasing procedures of the district shall receive a Memorandum of Non-Compliance from the Superintendent. Repeated failure to comply with the district's purchasing procedures will result in disciplinary action, up to and including termination of employment.

Purchasing Laws

All school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method that provides the best value for the district in accordance with the Texas Education Code (TEC 44.031). According to Board Policy CH Local, any single, budgeted purchase of goods or services that costs \$25,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place. All purchases, which may exceed these limits, should be brought to the attention of the business office well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

Exceptions to the procurement methods described in TEC 44.031, include the following:

Sole Source

A school district may purchase an item that is available from only one source, such as an item with an existing patent, book, film, utility service, or replacement/component part. A common sole source purchase for school districts is the purchase of iPads, which shall be purchased only from Apple, Inc. Sole source vendors must submit a letter documenting their sole source status to the business office.

School Bus

The purchase or lease of one or more school buses, including a lease with an option to purchase, must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

Professional Services

The services of an architect, attorney, certified public accountant, engineer, or fiscal agent. A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Government Code, Section 2254.003 in lieu of the methods provided by TEC 44.031.

Construction

The procurement of construction is governed by the Government Code, Chapter 2267. This section addresses the selection of the architect, engineer and contractor; the evaluation criteria, advertising requirement, and methods of procurement.

Change Orders

Change orders require more formal procurement processes in certain situations when "a change in plans or specifications is necessary after the performance of a contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the district may approve change orders making the changes," in accordance with subsection 44.0411(a), Texas Education Code. Requirements related to change orders changed significantly following the enactment of new statutory provisions by the 82nd Legislature in 2011.

Change orders that exceed 25% on original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in local policy in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when "a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$999,999.

Change orders that exceed 25% on original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when "a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more,

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the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price,” in accordance with subsection 44.0411(d), Texas Education Code.

Change orders that exceed 25% on original contract amount of \$1 million or more will require the district to apply competitive procurement processes in local accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code.

All change orders shall be approved by the Board prior to acceptance of the change order. Final payment for construction services shall also be approved by the Board before disbursement of the funds.

The district has implemented an administrative procedure to solicit quotes for purchases, which exceed \$10,000, in the aggregate, over a 12-month period.

Receiving of Goods

The district uses a decentralized receiving system – all goods are delivered to the maintenance department. The maintenance department delivers all goods to the appropriate campus or department. A copy of every purchase order for goods (supplies/equipment) will be forwarded to the originator for use in receiving the goods. Upon receipt of the goods, the campus secretary/bookkeeper of the campus or department shall promptly verify that the order was received complete and in good condition. Discrepancies, if any, should be reported to the vendor. The signed receiving report, packing list and invoice shall be forwarded to the business office within 4 days of receipt. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order. Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation of receipt to the secretary or bookkeeper of the campus or department. All items that require an inventory or fixed asset tag will be tagged by the the campus or department upon receipt of the tag number from the business office.

Rental of facilities

The Accounts Payable Clerk shall execute all Facility Rental Agreements. All rental fees shall be deposited to the district’s miscellaneous revenue account. Refunds, if any, due to overpayment by the renter shall be processed for reimbursement through the district’s business office.

District employees assigned to work in support of a rental agreement must be paid through the payroll department. The fees charged to the renter will be noted on the rental agreement. The renter shall not be allowed to pay district employees directly with cash, check, or other method.

A Rental Agreement is required for all rentals of facilities by outside organizations. All contracts shall include a cleaning fee, unless waived by the Superintendent. Girl Scouts, Boy Scouts, PTA, Boosters etc. will not be charged a facility usage fee. Other fees, if any, will be negotiated with the lessee at the time that the rental agreement is executed.

Returned Checks

All makers of returned checks will be charged a \$30.00 fee. The fee is subject to increase based on the district’s depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Sale of Personal Property – Surplus

All supplies and equipment which are deemed to be surplus [not of any use to the district], will be recommended to the Superintendent for sale via a Surplus Sale. At least one surplus sale will be scheduled per year.

Surplus sales shall be advertised in the local newspaper. Items will be sold via marked pricing, sealed bids, auction, or other acceptable method that results in the best return for the district.

Neither district supplies, nor equipment, shall be sold or conveyed other than via a surplus sale, unless authorized by the Superintendent or School Board.

Additional information is available under the Fixed Assets topic.

Sales Tax Exemption Form

The sales tax exemption form shall be used for school-related purchases only. Misuse of the exemption form for personal purchases constitutes a misdemeanor.

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Copies of the exemption form may be obtained from the business office or via the web link below. Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase.

Purchase of personal items for staff or students are not eligible for the sales tax exemption.

Travel Expense – Advances & Settlements

All travel requests shall be submitted via a Travel Form at least 10 days prior to the travel event (meeting, conference, workshop, athletic event, etc). The travel request will be forwarded to the appropriate administrator for approval. The final approval will rest with the Superintendent.

The documentation for travel expenses is a **three-part process**. The Travel form acts as an estimate of travel expenses and request for advancement of estimated travel expenses and after the trip the form acts as the certification of the employee's actual travel expenses. The Internal Revenue Service (IRS) requires that a settlement of advanced business expenses and it dictates that if a settlement is not received, that the amount of the advance be deducted from the wages of the employee and properly taxed.

The travel rates for meals, lodging, mileage, and airline are limited to the rates and amounts stated in district policy, or the GSA per diems. Refer to the Odem-Edroy ISD Travel Guidelines for Employees for current policies, procedures and reimbursement rates.

Part 1. The Travel Form shall be utilized by campus and department staff to request travel funds for student travel expenses such as registration, meals, transportation, lodging, etc. The current student travel rates are: \$25.00 per day for meals and actual lodging costs. A check will be issued for the approved meal per diems and other approved travel expenditures. Refer to the Travel Guidelines for specific procedures and forms.

Part 2. The estimated travel expenditures shall be entered into the ED-Pro requisition system. Funds must be available for all estimated expenditures. Typically, several requisitions shall be entered to encumber funds for meals, lodging, registration, transportation and other expenses. For example, the requisitions may include the following vendors: 1) traveler (meals); 2) registration fee vendor; 3) hotel (lodging); and 4) airline (flights).

Part 3. The Travel Form shall be signed (certified) within ten (10) days after the return of the traveler. ALL ACTUAL TRAVEL EXPENSES for lodging, rental cars, shuttle, parking, etc. must be submitted to the business office. ***IF*** travel funds were advanced via a check, all travel monies due to the district shall be submitted with the Travel Form. All monies due to the traveler will be paid upon approval of the immediate supervisor and availability of budgeted funds.

The TEA Travel Guidelines for state and federal funds shall be utilized to ensure that the locally funded maximum travel expenditures are not exceeded. The guidelines may be found at the TEA website: <http://ritter.tea.state.tx.us/taa/plangraneval013111.html>. Travel expenses paid with state or federal grants shall not exceed the maximums allowable by TEA. The excess travel expenditures beyond the allowable amounts, if any, must be paid from local funds.

If the Grant Director approves all travel documents from federal grants, Grant Director shall approve all travel expenditures in the same manner.

A Mileage Reimbursement Form shall be submitted by an employee who uses their personal vehicle to travel to a school-related event if the event has been pre-approved by the immediate supervisor and is outside of the school district boundaries.

Vendors

Purchases from vendors that operate on a cash basis (do not accept purchase orders) will not be allowed. The district participates in several cooperative purchasing programs. Vendor catalogs will be distributed to each campus and/or department. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be accompanied by the Vendor Application Packet. The packet includes a vendor application, Form W-9, Felony Conviction and Conflict of Interest Questionnaire (CIQ).

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ with the business office. The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.