

SISD
Business
Office
Fiscal
Policies &
Procedures

FY

2019

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



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

Business Office Staff

DeAnna Clavell	Chief Financial Officer
Cheryl Ballard	Accounting Specialist
Jeri Sweet	Purchasing Specialist
Stephanie McDaniel	Payroll Specialist
Barbara Von Kamp	Accounts Payable Specialist

Business Office Mission Statement

The Mission of the Shepherd Independent School District Business Office is to efficiently and effectively manage the financial and physical assets of the district to provide the students, staff, and community the resources they need to meet the instructional and performance goals of the district and to ensure fiscal responsibility through compliance with local, state, and federal guidelines.

Business Office Annual Deadlines

- ❑ Business and Payroll Annual Deadlines will be posted on the Business Webpage every year. This list of daily, weekly, monthly, or yearly deadlines has been established to ensure that we receive documents on a regular and timely basis.
- ❑ Each Business Office staff member shall monitor the submission of required documents [in their respective area of responsibility] by the established deadlines. If a campus/department fails to meet a deadline, an email shall be sent to the originator of the document as a reminder within 5 business days of the missed deadline.
- ❑ If the respective campus/department does not submit the document(s) within 10 business days of the deadline, the Chief Financial Officer shall be notified via email.

Activity Funds (Campus)

Funds raised locally at the school, received from vending machine sales or donated to the school. These funds include school office and departmental accounts and are considered by TEA to be public and District general funds. The expenditure of these funds must comply with state and Board policy and with District regulations. The annual amount expended on campus personnel from these funds cannot exceed 40% of the total annual revenue. These funds are accounted for

with the special revenue governmental funds of the District, and must be spent in accordance with general budgeted fund regulations.

Campus activity funds (under the control of the principal) shall be collected, receipted, and deposited to the Activity Fund bank account on a daily basis. Refer to cash/check handling procedures as found in the Internal Control Procedures located in the Admin Guidelines and Business Services website.

Campus activity funds are primarily used to benefit students. Typical uses include field trip fees, awards, incentives, etc. 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 staff time off to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with 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 social fund (CHEER/REACH). Social Funds are generated solely from voluntary donations from campus employees. Typical expenditures include birthday cards or flowers, condolences and birth celebrations. These funds are not to be co-mingled with any other activity fund accounts and do not qualify for the District’s tax exemption on purchases made. Activity fund records must be kept by the District for five years after the conclusion of the fiscal year in which the transaction occurred. It is the responsibility of each campus to properly store original activity account records for the requisite time frame. Questions about retention and destruction of records may be directed to the District’s Custodian of Records, the Director of Personnel & Publicity. Records should be available for audit at any time. All records and documents of the District are considered to be governmental records and the intentional destruction, concealment, removal or other impairment of a governmental record which renders the record untrue, illegible or unavailable is an offense. Principals are personally responsible for the activity funds. They must ensure the proper collection, disbursement and control of all activity funds at the school. The disbursement and receipt of funds and documentation must be conducted with guidance from the Business Office. Administrators are not responsible for funds controlled by parents, patrons or alumni organizations (such as PTAs and booster clubs). These funds should not be included in any activity fund and do not qualify for the District’s tax exemption on purchases made.

Activity Accounts (Student Organizations)

Student activity funds (under the control of the principal) shall be collected, receipted, and deposited to the campus bank account on a daily basis. Refer to cash/check handling procedures as found in the Internal Control Procedures located in the Admin Guidelines and Business Services website. All monies collected should be receipted in a receipt book or on the Fundraising Collections Record form (refer to the SISD Activity Manual).

Student Activity Funds are generated by specific student groups, not by the District or campus. Decisions about the expenditure of student activity funds are made by the students with the assistance of a District employee sponsor. These funds can be spent on most anything the student group decides provided that the expenditure is legal and approved by the sponsor. All club and student funds are included in this category. These funds are fiduciary trust funds not owned by the District. Student Activity Funds must also adhere to the District purchasing guidelines.

Generation of student activity funds shall not in any way compete with the district's food service program. An Authorization to Conduct to a Fundraiser should be submitted to the Campus Principal and Chief Financial Officer in advance of the scheduled activity. In addition, at the end of the fund raising 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 the SISD Activity Handbook). The merchandise distribution log should reconcile with the corresponding invoice and/or packing list.

Since Student Activity Accounts are trust funds that the District manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of five (5) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the Campus Principal, as part of the closeout procedures, shall collect all club records for storage on the campus for one year, then at the records center for the rest of the archival period of time.

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 be stated in whole dollars.

Budget amendments must be approved by the School Board. Requests should be submitted in accordance with agenda deadlines posted by the Superintendent on a quarterly or as needed basis. 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 Transfers

A budget transfer is a transfer of funds which is not across different functions. The Business Office shall approve all budget transfers. Budget transfer line items should be stated in whole dollars.

To keep budget transfers to a minimum, each administrator should review his/her budget on at least a monthly basis to determine if any budget transfers are necessary. Each administrator is encouraged to make transfers when line items fall short of the budget, on a monthly basis.

Cash / Check Handling

The District receives cash and checks from many sources. These procedures are designed to ensure that all cash received by the District and its employees is deposited and tracked for the benefit of the District and its students. Adherence to these procedures is essential to mitigate fraud.

General Cash Management Guidelines

No post-dated checks or temporary checks should be accepted. Funds should not be kept in classrooms, personal wallets or purses. **No cash purchases should be made – every dollar collected should be receipted and deposited according to the collection procedures.** 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.

Staff is strictly prohibited from “borrowing” from District funds. Staff who borrow (defined as temporarily removing of funds with the intent to return the funds) or steal District funds shall be subject to disciplinary action, up to and including termination of employment.

Receipt of Cash or Cash Equivalents

All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the Secretary/Administrative Assistant on a daily basis. The bank deposit confirmation receipt shall serve as the official documentation of all cash collected. The audit trail for all deposits shall include the single receipts, **Athletic or Ticketed Event Form (athletic office)** or **Tabulation of Money Collected Form** that support the deposit.

General Receipt Issuance Guidelines

The flow of money and the receipts must support all money collected and deposited. All receipts issued shall follow the following guidelines:

- Both parties to the money exchange should be present when the money is counted & receipted

- A copy of the receipt must be given to the person paying (sponsor) – **Original Copy**
- A copy of the receipt must remain in the receipt book
- A copy of the receipt should be attached to the deposit documentation
- Receipts will not be altered
- Voided receipts (original copy) must be re-attached to the receipt book
- Receipts are not to be pre-dated or pre-signed
- Receipt numbers must be used consecutively

A copy of receipts or the appropriate form shall move with the funds.

At a minimum, the following items must be completed on a pre-numbered receipt.

- Date – the date the money was received
- Received from – Payee - the full name of the person paying the money (Address is optional – this field can be used to indicate if the payee is a student or parent.)
- Dollars – the actual amount collected in dollars and cents
- For – the reason for the payment (Note. This is essential to ensure that the correct campus, department, student organization, etc. receives credit for the funds.)
- How Paid – the type of funds received is essential to track cash and checks on the bank statement
- By – the signature (original – no stamps) of the person receiving the money

Collection Procedures/Tabulation of Money Form

Collected by Teachers

Cash and checks collected by teachers for student field trips or fees shall be reported on a Tabulation of Monies Form. The **Tabulation of Monies Form** shall include the date received, amount received, student name, and purpose of funds collected.

- If payments were received from students for items such as entry fees, tickets, etc., the name of the student and amount collected should be reported on the form.
- For sales of items, such as candy, ice cream, or other small items, the item(s) sold and the amount collected should be reported on the form.
- By the end of each day, teachers shall submit the funds collected with a copy of the Activity Account Daily Collections Report to the Secretary/Administrative Assistant.
- Both the teacher and Secretary/Administrative Assistant shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Secretary/Administrative Assistant to the teacher.
- Teachers shall maintain a copy of the receipt received from the Secretary/Administrative Assistant for their own records.

Collected by Activity Account Sponsors (Including Fundraising)

- ❑ Cash and checks collected by activity account sponsors for student trips, club fees and fundraising shall be reported on a receipt or **Tabulation of Monies Form**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
- ❑ Prior to collecting cash from fundraising activities, the sponsor shall have an approved Authorization to Conduct a Fundraiser form (approved by the Campus Principal) on file with the Secretary/Administrative Assistant.
- ❑ By the end of each day, activity account sponsors shall submit the funds collected with a copy of the receipt or **Tabulation of Monies Form** to the Secretary/Administrative Assistant. The receipts and/or **Activity Account Daily Collections Report** shall indicate the purpose of the funds, i.e. club fees, fundraising, etc.
- ❑ Both the activity account sponsor and Secretary/Administrative Assistant shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Secretary/Administrative Assistant to the teacher.
- ❑ Activity account sponsors shall maintain a copy of the receipt received from the Secretary/Administrative Assistant for their own records.

Collected by Activity Account Sponsors (Concessions)

- ❑ Cash and checks collected by activity account sponsors for concession sales shall be reported on a **Concession Stand Sales and Reconciliation Form**.
- ❑ The activity account sponsors shall complete the **Concession Stand Sales and Reconciliation Form** and submit to the Secretary/Administrative Assistant with the cash collected on the same day of the event, as appropriate.
- ❑ If the concession sales are after hours, the activity account sponsor may submit the cash and **Concession Stand Sales and Reconciliation Form** to the Administrator on duty. The cash must be secured overnight in a locked safe.
- ❑ Both the activity account sponsor and Administrator on duty shall count the funds to ensure that the amount is verified at the time the funds are submitted to the Administrator on duty.

Collected by Athletic or Other Ticketed Events

- ❑ Cash and checks collected for Athletic or Other Ticketed Events [plays, concerts, dances, etc.) shall be reported on an **Athletic Gate Receipts Form, Ticketed Events Form**, or individual receipts, as appropriate for the event. The forms shall include the starting and ending ticket numbers for adults and students.
- ❑ The tickets taker shall complete the **Athletic Gate Receipts Form, Ticketed Events Form**, or individual receipts, as appropriate for the event and submit to the Administrator on duty with the cash collected on the same day of the event, as appropriate.
- ❑ If the event is after hours, the ticket taker may submit the cash and appropriate form or receipts to the Administrator on duty and the Administrator will then forward to the Director of Athletics.
- ❑ Both the ticket taker and Administrator on duty shall count the funds to ensure that the amount is verified at the time the funds are submitted to the Administrator on duty.

- ❑ The Administrative Assistant shall count the funds to ensure that the amount is verified against the supporting documentation (**Athletic Gate Receipts Form, Ticketed Events Form**)
- ❑ By the end of each day, the Administrative Assistant shall prepare funds for deposit using a bank issued security/sealed clear bags. Deposits which cannot be made on the same day shall be placed in a locked safe.
- ❑ **The Athletic Department shall have a Change Account in the amount of \$100.**

Collected by Secretary/Administrative Assistant (Including Campus Fundraising)

- ❑ Cash and checks collected by the Secretary/**Administrative Assistant** for student trips, club fees and fundraising shall be reported on a receipt or **Tabulation of Monies Form**. The **Tabulation of Monies Form** shall include the date received, amount received, student name, and purpose of funds collected.
- ❑ Collections by the Secretary/**Administrative Assistant** may include:
 - ❑ Lost textbooks
 - ❑ Damage to campus supplies, equipment, facilities, etc.
 - ❑ Campus fundraisers
 - ❑ Lost or damage to technology devices such as i-Pads, laptops, computers, etc.
- ❑ Prior to collecting cash from fundraising activities, the campus shall have an approved **Approval to Conduct a Fundraiser Form** (approved by the Chief Financial Officer) on file with the Secretary/Administrative Assistant.
- ❑ The Secretary/Administrative Assistant shall issue a receipt for all collections that exceed \$5.00 per payment. Payments less than \$5.00 shall be recorded on a **Tabulation of Monies Form**. The **Tabulation of Monies Form** shall include the date received, amount received, student name, and purpose of funds collected i.e. club fees, fundraising, etc.
- ❑ If a receipt book is used, it must be bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.

Both the activity account sponsor/teacher and Secretary/Administrative Assistant shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Secretary/Administrative Assistant to the sponsor/teacher.

- ❑ Activity account sponsors/teachers shall maintain a copy of the receipt received from the Secretary/Administrative Assistant for their own records.
- ❑ By the end of each day, the Secretary/Administrative Assistant shall prepare funds for deposit using a bank issued security/sealed clear bags. Deposits which cannot be made on the same day shall be placed in a locked safe.

Collected by Food Service Department - Cashiers

- ❑ Cash and checks collected by a Food Service Department cashier may include the following:
 - ❑ Student payments for daily meals, a la carte purchases and pre-paid meal account funds

- Adult payments from District staff for daily meals, a la carte sales and pre-paid meal account funds
- Adult payments from non-employees for daily meals or a la carte purchases
- The Food Service cashier(s) post all cash collections to the automated system, Systems Design.
- By the end of each day, the Food Service Department cashier shall reconcile the cash collected with the **System Design Daily Summary Report** and submit the collections report to the Food Service Director for approval.
- The Food Service cashier(s) shall prepare funds for deposit using a bank issued security/sealed clear bag and forward the sealed bags to the campus Secretary/Administrative Assistant to record the deposit.
- Deposits which cannot be made on the same day shall be placed in a locked safe until such time as the deposit can be made.
- The Food Service Department cashier shall maintain a copy of the receipt received from each deposit and forward a copy to the Accounts Receivable Clerk at the Business Office.
- **The Food Service Department shall have a Change Account in the amount of \$100 per line at the elementary level and \$50 per line at the middle school and high school level.**

Collected by Media Center Librarian

- Cash and checks collected by the Librarian may include the following:
 - Payments for library books, library fines and damages to library books.
 - Payments for lost or damaged kindles.
- The Librarian shall issue a receipt for all collections that exceed \$5.00 per payment. Payments less than \$5.00 shall be recorded on a **Tabulation of Monies Form**. The **Tabulation of Monies Form** shall include the date received, amount received, student name, and purpose of funds collected. The receipt issued may be from the library automation software (Follett) provided that the date of the payment, payment amount, student name and purpose of the funds is included in the receipt.
 - If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.
- By the end of each day, the Librarian shall submit the funds collected with a copy of the **Tabulation of Monies Form** and/or single receipts to the Secretary/Administrative Assistant.
- Both the Librarian and the Secretary/Administrative Assistant shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Secretary/Administrative Assistant.
- The Librarian shall maintain a copy of the receipt received from the Secretary/Administrative Assistant for their own records.

Collected by Accounting Specialist

- ❑ Cash and checks collected by the Accounting Specialist/Secretary may include the following:
 - ❑ Student payments (during the summer months) for lost textbooks, damages to property and other related collections
 - ❑ Staff reimbursements of travel funds
 - ❑ Donations from external sources
 - ❑ Other miscellaneous checks from vendors
 - ❑ Deposits from a campus, food service department, or the media center
- ❑ The Accounting Specialist shall issue a receipt for all collections that exceed \$5.00 per payment. Payments less than \$5.00 shall be recorded on a **Tabulation of Monies Form**. The **Tabulation of Monies Form** shall include the date received, amount received, student name, and purpose of funds collected.
 - ❑ If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.
- ❑ All checks shall be stamped upon receipt for endorsement purposes.
- ❑ By the end of each day, the Accounting Specialist shall prepare all funds for deposit. All funds shall be sealed in a security/sealed clear bank bag. The tracking number for the money bag shall be attached to the deposit supporting documentation.
- ❑ Deposits which cannot be made on the same day shall be placed in a locked safe.
- ❑ All supporting documents for the bank deposits shall be maintained by the Accounting Specialist.

Bank Deposit Discrepancies

- ❑ The District's depository upon receipt of our sealed deposit bags will count and execute the deposit to our account. In the event that a problem or discrepancy occurs the bank will post the deposit for the amount received and notate the discrepancy for the business office to research.
- ❑ In the event that a second offense is made regarding deposit discrepancies the Business Office will meet with the Secretary/Administrative Assistant and the Principal/Department Head to discuss where the potential weaknesses are occurring.
- ❑ If there is a third offense in a deposit discrepancy, the Business Office will meet with the Principal/Department Head to discuss, document and develop a corrective action plan.
- ❑ This process will reset every fiscal year.

Posting of Deposits, Withdrawals and Transfers

- ❑ Notices of checks which were not deposited due to "insufficient funds" shall be received by and processed by Accounting Specialist.
 - ❑ The "returned item" is transferred directly to our collection agency. The accounting specialist maintains a spreadsheet of these items and updates it regularly.

- ❑ A JE or Cash Receipt Reversal shall be prepared by the Business Office to record the returned deposit. After approval of the JE by the Chief Financial Officer, the Accounting Specialist shall record the receivable to the general ledger and the campus/sponsor notified.
- ❑ All cash transfers between cash and investment accounts shall be initiated by an investment officer and posted by the Accounting Specialist. Deposits from investment accounts shall be posted as cash receipts journals. Withdrawals from investment accounts shall be posted as general journal entries.
- ❑ All other cash withdrawals from a bank account such as ACHs or wire transfers shall be initiated by the Chief Financial Officer and posted to the general ledger by the Accounting Specialist.
- ❑ All electronic deposits to the bank accounts, such as state aid or impact aid payments, shall be coded by the Accounting Specialist and posted to the general ledger on a monthly basis. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Chief Financial Officer.
- ❑ All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the Accounting Specialist for receipting and depositing purposes. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Chief Financial Officer.
- ❑ All travel reimbursements to the District shall be submitted to the respective campus by the traveler, and then forwarded by the Secretary/Administrative Assistant to the Accounts Payable Specialist for receipting and depositing purposes. The Accounting Specialist shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Chief Financial Officer.

Monitoring Available Cash

- ❑ A **Daily Available Cash Balance Report** shall be prepared by the Accounting Specialist.
 - ❑ An investment officer shall transfer out excess cash to an investment account
 - ❑ An investment officer shall transfer in sufficient funds to meet cash shortfalls prior to the disbursement of payroll and/or accounts payable disbursements.
- ❑ The Chief Financial Officer shall maintain a **High Cash Balance Report** every month. The report shall reflect the highest cash balance during each month and the cash balance at the EOM.
 - ❑ The **High Cash Balance Report** (spreadsheet) shall be maintained by the Coordinator of Financial Reporting for Audit.
 - ❑ The Chief Financial Officer shall verify that the District's deposited funds are fully collateralized at all times in accordance with state law.

Accounts Receivable Functions

The Accounting Specialist shall track all monies owed to the District, i.e. receivables. Receivables that are known and measurable shall be posted to the general ledger by the Accounting Specialist after approval by the Chief Financial Officer.

Funds due from one District fund to another shall be posted to the appropriate fund and account code as noted below:

- Due from General Fund 1261
- Due from Special Revenue Fund 1262
- Due from Capital Projects Fund 1264
- Due from Student Activity Fund 1267
- Funds due to the District from other sources shall be posted to the appropriate fund and account code as noted below:
 - Due from state 1241
 - Due from federal 1242
 - Due from other governments 1243
 - Due from others (parents, vendors, etc.) 1290
- The Collection Procedures and Collection Form shall be utilized by campuses/departments to collect monies owed by parents or students. The 1st through 5th notice will be handled by the campus/department up through the Superintendent. Upon receipt of a “Final” notice, the amounts owed shall be recorded on the general ledger. The Accounting Specialist shall generate a JE for approval by the Chief Financial Officer to approve. After approval, the JE shall be posted by the Accounting Specialist.
- At the end of each month, the Accounting Specialist shall reconcile the general ledger balances for all due from accounts to a spreadsheet detailing the amounts due to include: date of transaction, payee, amount, and date received from payee.
- At the end of the fiscal year, all amounts owed to the District shall be reconciled [as of 8/31/XX] between the general ledger and a detailed spreadsheet as noted above.
- The Accounting Specialist shall oversee the reconciliation of the due from accounts on a monthly basis and at the end of the fiscal year.

Bank Reconciliation:

- Upon receipt of the monthly bank statements, the bank statements shall be downloaded by the Accounting Specialist.
- The Accounting Specialist shall reconcile all bank accounts with the general ledger. The Chief Financial Officer shall review and approve all bank reconciliations.
 - All deposits should be posted on the general ledger to appropriate revenue accounts.
 - All withdrawals should be on the monthly check register or posted on the general ledger via JE.
 - All interest earnings should be posted on the general ledger via a system generated cash receipt.
- Endorsements on cleared checks should be checked on a periodic basis or for items that appear suspect.
- The Accounting Specialist shall review and research checks that have remained outstanding for a period of ninety (90) days. If the lost checks are not claimed within twelve (12) months, the outstanding checks should be reversed on the general ledger and voided. The Accounting Specialist shall prepare the JE for approval by the Chief Financial Officer and posting to the general ledger by the Accounting Specialist. The State of Texas Unclaimed Property

guidelines shall be followed to submit the unclaimed funds to the State of Texas by July 1st of each year.

- The on-line banking system should be utilized on a daily basis by the Accounting Specialist and Chief Financial Officer to monitor cash flow in and out of the bank accounts.
- The Chief Financial Officer shall maintain an up-to-date balance of un-cleared checks.

Investment Functions:

- The Chief Financial Officer shall review the investment policies and strategies and recommend changes to the School Board on an annual basis. Recommended changes, if any, shall be adopted by the School Board by formal action during a regularly scheduled board meeting.
- All investment officers shall be designated by the School Board and shall attend the legally required training through an approved source of instruction.
- All investment officers shall execute a “Statement of Compliance” indicating that they will maintain independence in all investment transactions.
- The Chief Financial Officer shall prepare all forms to delete, add and/or change forms, obtain the appropriate approval(s), and submit the forms to the respective investment broker/pool.
- A quarterly investment report should be prepared, signed by all investment officers, and submitted to the School Board for approval.
- All securities purchased by the District shall be held in the name of the District.
- All purchase of CDs and/or securities shall be via fax quotes.
- Securities shall be purchased only from authorized investment brokers who have completed and filed with the District the appropriate certification and have been authorized by the School Board.
- All cash transfers between cash and investment accounts will be initiated by an investment officer and posted by the Accounting Assistant.
- All investment transactions shall be posted on a monthly basis, if possible, or as appropriate upon receipt of the investment statements.
- All investment statements shall be reconciled to the general ledger on a monthly basis and at fiscal year-end by the Chief Accountant and verified by the Coordinator of Financial Reporting.

General Ledger Maintenance Functions:

- All general journals [except system-generated Payroll general journals] should be approved by the Chief Accountant.
- The Payroll Specialist shall prepare and submit all manual payroll general journals to the Chief Accountant for approval. The Chief Accountant shall submit the approved journal to the Accounting Assistant for posting to the general ledger.
- All other payroll general journals shall be interfaced to the finance system by the Payroll Specialist.
- All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable.

- ❑ Within 20 days after the end of the month, the Accounting Specialist shall print and verify all end-of-month reports and the end-of-month posting processed in accordance with the Finance EOM Checklist.
- ❑ The Chief Financial Officer shall prepare the School Board Reports [Financial Statement, Combined Funds Report, and a detailed Check Payments report for the previous month.
- ❑ The Accounting Specialist shall file all finance reports for audit purposes to include:
 - ❑ Cash Journal
 - ❑ General Journal
 - ❑ Check Payments & Check Register
 - ❑ Detail General Ledger
- ❑ A capital outlay report [all 66XX accounts] should be printed by the Purchasing Specialist and forwarded to the Shipping/Receiving Clerk.
- ❑ The Chief Financial Officer shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.
- ❑ The Chief Financial Officer shall review and approve both PEIMS submissions with budget and actual expenditures data. Corrections, if any, to the general ledger to adhere to PEIMS coding guidelines shall be prepared by the Chief Financial Officer and posted by the Accounting Specialist.

Grants and Entitlements:

- ❑ All grant applications shall be prepared by the Coordinator for Special Programs and Director of Curriculum and Instruction and approved and submitted by the Superintendent. A copy of all grant applications shall be forwarded to the Accounting Specialist for accounting and budgeting purposes.
- ❑ All grant awards [including the NOGA] shall be maintained by the Director for Special Programs and Director of Curriculum and Instruction.
- ❑ The Chief Financial Officer shall coordinate the budgets received from grant administrators and/or campus principals to ensure compliance with grant award documents.
- ❑ The Chief Financial Officer shall prepare the grant budget in accordance with the grant requirements and post to the general ledger.
- ❑ The Director for Special Programs and Director of Curriculum and Instruction shall prepare and submit all grant program reports such as evaluations.
- ❑ Grant reporting timelines shall be monitored by the Chief Financial Officer, Director for Special Programs and Director of Curriculum and Instruction. All financial reports prepared and submitted via paper form or electronic submission in accordance with grant requirements.
- ❑ The Chief Financial Officer shall establish purchasing deadlines to ensure that all grant purchases and payments are settled prior to the end of the grant period.
- ❑ All grant receipts shall be posted to the general ledger by the Accounting Specialist on a monthly basis and monitored by the Chief Financial Officer.

Gifts, Grants, Bequests, and Donations

Board Policy CDC (LOCAL) provides guidelines for the acceptance of donations. In general, acceptance of a gift, grant or bequest does not imply a testimonial or endorsement. Any publicity initiated upon receipt must be approved by the Superintendent. Cost of installation, maintenance and value of use shall be considered prior to acceptance.

When a patron wishes to donate or make a gift of items to the District, the principal or director must complete the form SISD Gifts, Grants, & Bequests form and promptly submit it to the Chief Financial Officer to begin the process for approval. The Chief Financial Officer will make a recommendation of the donation/gift and forward the form to the Superintendent for approval. Approved donations/gifts will be reported to the Board of Trustees at the following regular Board meeting. Upon approval, the completed form will be returned to the principal or director, who will provide a copy for the patron. This form shall serve as their verification for tax purposes. Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. 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 inventory.

All donations for technology equipment shall be approved by the Coordinator of Technology Services. Donations that require maintenance or upkeep (canopy structure, playground equipment, etc.) shall be approved by the Coordinator of Auxiliary Services.

Gifts, Grants, and Bequests Form (located in the Administrative Guidelines and on the Business Services Website.

Fiscal Year

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. Shepherd ISD does not allow vendors to “fall bill”. If orders are to be paid out of the next fiscal year budget, the order cannot be placed until September 1st of the next budget year.

Fixed Assets & Inventory

An up-to-date inventory of all equipment, vehicles, and buildings with a unit value greater than \$5,000 shall be maintained for audit purposes and entered into TXEIS by the shipping/receiving clerk. In addition, an up-to-date inventory of all equipment with a unit value between \$500 and \$4,999 shall be maintained for insurance purposes by the Business Office. An inventory of other small equipment shall be tracked by the respective campus or department.

Fixed Asset Functions:

- ❑ The Purchasing Specialist shall maintain an up-to-date database of all fixed assets and inventory items.
- ❑ The database shall include the following information, at a minimum:
 - ❑ A description of the equipment
 - ❑ Serial number or other ID
 - ❑ Funding source
 - ❑ Who holds title
 - ❑ Original acquisition date
 - ❑ Original cost
 - ❑ Percent of federal participation
 - ❑ Location
 - ❑ Use and condition
 - ❑ Disposition date
- ❑ Upon receipt of a Fixed Asset/Inventory Transfer form, the Receiving Clerk shall post the change to the database and file the form for audit purposes.
 - ❑ All items transferred to the Warehouse as surplus or salvage shall be tracked on the database.
 - ❑ A list of all salvage items shall be submitted to the Superintendent for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
 - ❑ All items sold via a public sale, auction, or disposal shall be removed from the fixed assets database.

Fixed Asset Transfer Form

A Fixed Asset/Inventory transfer form (located in Administrative Guidelines or on the business services website) is required whenever equipment is moved from one location to another. This shall include one classroom to another, one campus to another, or from a location to the warehouse.

No equipment shall be stored at a facility other than the warehouse, except for a specific project.

Procedures:

- Campus or department completes the form to move equipment
- If the equipment to be moved is technology or audio visual related, the Director of Technology should approve the transfer before processing the transfer form
- Forms should be submitted to the Receiving Clerk for review.
 - If the equipment is audio visual or technology, the form should be routed to the Coordinator for Technology Services for approval.
 - If the equipment is moving to the warehouse, the form should be routed to the Purchasing Specialist for approval. The Purchasing Specialist shall coordinate the movement of the equipment as approved.
- After the items have been moved the appropriate individual shall submit the completed form to the Receiving Clerk
- The Receiving Clerk will input all transfers on the Fixed Asset Management system

- The Receiving Clerk will maintain 2 separate inventories for warehouse items: storage (that will be reassigned as requested) and surplus (that will be sold or discarded)
- The Receiving Clerk will submit a transfer form to the Purchasing Specialist for all items recommended to be discarded. After the Superintendent's approval, the Warehouse will be notified of the appropriate procedures
- A transfer form shall be completed when items from storage are moved to a campus/department. The individual requesting the items shall complete the transfer form and follow the steps as noted above.

Monthly Reconciliation:

- **Fixed (Capital) Assets (C) shall be defined as:** All equipment with a unit cost of \$5,000 and over (account codes 663X) should be tagged, posted in the Fixed Asset System and posted to the general ledger. These items are defined as fixed assets for audit purposes. These assets are also tracked in TXEIS for the purpose of calculating the annual depreciation expense.
- **Inventory (I) shall be defined as:** All equipment with a unit cost of \$500 to \$4999.99 (account codes 664X) should be tagged and posted in the Fixed Asset System for inventory purposes. Other items such as tools, small equipment, etc. with a cost under \$500 may be considered of significant value and added to the Fixed Asset System for inventory purposes.
- All inventory and fixed asset items shall be tagged by the Receiving Clerk upon receipt before delivery to the campus or department.
- A capital outlay report shall be generated at the end of each month or as needed by the Purchasing Specialist and provided to the Receiving Clerk for reconciliation.
- All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items tagged during the month.
 - The total 663X expenditures should be added to the fixed asset system and general ledger.
 - The total 664X expenditures should be added to the fixed asset inventory system.
- The Accounts Payable Specialist shall prepare all Application for Vehicle, Title, and License Plate forms for all new vehicles purchased by the District. The forms shall be submitted to the Chief Financial Officer for approval and signature of all forms. [The Application for Vehicle Registration, Titles, and License Plate procedures shall be followed in securing the documents.]
 - The Accounts Payable Specialist shall submit the forms to the San Jacinto County Tax Office for processing.
 - The Chief Financial Officer shall notify the auto insurance carrier of the new vehicles.
- All construction expenditures should be recorded on a spreadsheet by project and assigned a project number.
 - The total 6629 expenditures should be added to the fixed asset system and general ledger.
- All inventory and fixed asset relocation forms received from campuses and departments shall be entered in the fixed asset system upon receipt.
- All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant indicated on the item.

- ❑ The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- ❑ The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.

Annual Reconciliation:

- ❑ Annually, by April 1st, a list [sorted by room #] of all inventory and fixed asset items should be sent to each campus and department for reconciliation purposes.
- ❑ The reconciliation process should be complete by May 1st, and all changes posted on the fixed asset system soon thereafter.
- ❑ All discrepancies and/or missing items should be compiled in a summary report and forwarded to the appropriate campus and/or department administrators.
- ❑ The staff members (teachers) should not be released for the summer until all missing items have been accounted for.
- ❑ A list of all fixed assets (over \$5,000 unit cost) should be prepared by September 15th for audit purposes.
- ❑ A list of all construction assets should be prepared by September 15th for audit purposes. The list should include all “construction in-progress” through August 31st, including accounts payables and retainage.
- ❑ The lists should be reconciled with the general ledger and submitted to the Chief Financial Officer.
- ❑ The fixed asset depreciation schedules and spreadsheet should be prepared by September 15th and held for audit.

Fixed Asset Disposal:

- ❑ All efforts will be made to obtain the best return value to Shepherd ISD and consideration will be made to responsible protection of our environment.
- ❑ Shepherd ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Shepherd ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold, but would be destroyed to prevent any possible data recovery).
- ❑ The following 3 steps would be the method of disposal. [Exception for federally funded assets below]
 - ❑ Garage type sale. Generally standard items will have a sale price establish on the disposal list that will serve as the garage sale price. Other unique items will have a starting minimum price as established on the disposal list, but will be sold on a silent auction basis.
 - Two types of items will be identified – standard and unique.
 - Preset prices will be established for “standard” item as shown on the approved disposal list. A few items will be marked as “unique” and will be sold using a silent bid format with the last and highest bid being the sales price as long as it exceeds the minimum value.

- The unique items sale price will be the last highest price as reflected on the item bid sheet at the close of the sales day.
- Employees have a preview to see what is for sale and to identify items that may have some instructional value for re-use in their classrooms and/or offices
- Employee pre-sale sale 1 day prior to the public sale
- Public sale for a designated period of time
- All prices on standard items, as posted on the disposal list, will be in effect until 1 hour prior to the close of the sale at which time the prices may be reduced by 50%.
- Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
 - Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
 - Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- All surplus sales shall be advertised via email.
- All items disposed of shall be removed from the inventory tracking system by the Receiving Clerk.
- All surplus revenue shall be deposited to a miscellaneous revenue account in the General Fund (199), with the exception of surplus revenue from the sale of Food Service equipment which shall be deposited to the Food Service Fund (240).

Use of Federally Funded Assets:

- All federally funded equipment shall be used, as long as needed, for the original grant project, whether or not the project continues to be federally funded.
- Assets shall be made available for other projects as long as the use does not interfere with the project under which it was originally acquired (it may be appropriate to split or share the costs of the equipment with other fund sources so that each program bears its fair share).
- When no longer needed for the original grant project, equipment may be used in other federally supported activities (if purchased with state funds, would be used in another state program).

Disposal of Federally Funded Assets:

- When equipment is no longer needed for the original project or another federally funded project, Shepherd ISD shall dispose of the equipment in the following manner:
 - Equipment with current fair market value of *less than \$5,000* may be retained, sold, or otherwise disposed of with no further obligations to TEA.
 - Equipment with current fair market value of *\$5,000 or more* may be retained or sold but TEA shall have right to the proceeds.
- TEA reserves the right to transfer title to another grantee for noncompliance or as needed after the project ends (regardless of how equipment is classified).

- ❑ At the conclusion of a local grant project, TEA may request a list of equipment purchased with grant funds. The grantee must request disposition instructions from TEA. For most TEA discretionary grants, if a local project is ending and the grantee no longer needs equipment purchased with grant funds, and if the equipment is relatively up-to-date and in good working order, TEA, at its discretion, may instruct the grantee to transfer the equipment to another viable grantee.
- ❑ Disposal of all federally funded assets shall be tracked in the fixed assets database, including a disposition date and method for audit purposes.

Payroll Procedures

Every non-exempt employee shall “clock-in” and “clock-out” daily through the current SISD time keeping system. Failure to clock-in or out may result in nonpayment of unverified work time. At the conclusion of the pay period, the Business Office will calculate the time sheet hours. If a correction needs to be submitted, the employee needs to notify the Payroll Specialist immediately.

All non-exempt employees are employed at will and will be notified of their required duty days, holidays, and hours of work for their position on an annual basis. Paraprofessionals and auxiliary employees are not exempt from overtime and are not authorized to work in excess of their assigned schedule (8:00 am – 5:00 pm) with prior approval from their supervisor. All Auxiliary employees will be compensated for overtime through direct pay. An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, including termination.

Non-Exempt Staff. Guidelines in regards to the documenting and use of overtime follow.

- Clerical or hourly employees shall have their supervisor's permission to work over forty hours per week.
- Non-exempt hourly employees will receive overtime pay for all hours worked over 40 hours in a week.
- It is the supervisor’s responsibility to make sure employees do not work more than forty hours per week.
- The work week for the District shall begin at 12:00 a.m. Saturday of each week.

All employees shall complete a Request for Time Off in Absence Manager when absent from work to ensure that the time off is recorded in their respective leave record. This process should be completed for local sick, personal, professional development, school activity, field trips, use of comp time, and extended sick leave. Staff members shall report all absences and leave requests to their supervisor.

Other Earnings will be documented in the District’s timekeeping system. The Coordinator or responsible staff member for the other earnings will need to receive a pay code and clocking in/out instructions from payroll prior to the occurrence.

When an employee needs additional information regarding their payroll they may contact the Business Office for assistance. A request for a W-2, Paycheck Stub, 1095-C or additional documentation regarding personal and confidential information will need to be done in person at the Business Office. The employee will need to be sure to have proof of identification at the time of arrival. Information regarding payroll will not be released to anyone other than the employee.

Payroll Functions:

Salary Calculations:

- ❑ The Director of Personnel reviews the years of experience to determine the placement of each new hire for an assigned pay schedule.
- ❑ Administrative salaries are recommended by the Director of Personnel and approved by the Superintendent.

Direct Deposit:

(Payroll)

- ❑ All employees' payroll wages will be direct deposited by ACH each payday.
- ❑ The Payroll Specialist will ensure that the bank table within the TXEIS is updated with current information.
- ❑ Direct Deposit Forms shall be completed by each employee with their current bank/credit union information and shall be filed in the employees' individual payroll file. Direct Deposit forms must be signed by the employee.
- ❑ The Payroll Specialist will review and oversee the preparation and submission of the payroll ACH transmit.
- ❑ The ACH verification information form shall be attached to ACH file source document.

(Deductions)

- ❑ The Payroll Department will reconcile and verify payroll deductions to be sent via ACH (see procedures for deduction transmittals) and will send a reconciled deduction file via e-mail to First Financial billing department.
- ❑ A Journal Entry for the amount of any overages or shortages due to adjustments will be prepared and submitted to the Chief Financial Officer for approval and posting by the Accounting Specialist to the general ledger.
- ❑ Verification Information Form will be attached to the ACH file source document and filed.

Supplemental/Overtime Pay:

- ❑ All supplemental payments will be paid from a supplemental payment form.
- ❑ Campus administrators will complete and approve the supplemental payment form. Payment information will include:
 - ❑ Employee Name
 - ❑ Reason for supplemental pay and amount
 - ❑ Budget code
 - ❑ Date employee worked
 - ❑ Amount to be paid
 - ❑ Employees signature & date
 - ❑ Campus administrator approval & date
- ❑ The Payroll department will review and enter all overtime and supplemental payments. The supplemental reports shall include:
 - ❑ Supplemental Pay Transmittals
 - ❑ Non-TRS Supplemental Transmittals
 - ❑ Overtime Pay Transmittals
- ❑ A copy of the supplemental payment form will be filed and the original form will be filed with the monthly payroll documents.

Payroll Submission:

- ❑ The Payroll Specialist shall insure that all payrolls are processed and submitted to the depository bank at least 48 hours before the pay date.
- ❑ The Payroll Specialist shall input and/or interface (from Time Clock Plus, and AESOP) all transmittals for payroll processing to include – hours worked, supplemental pay, substitute pay, leave used and update employees’ deductions when needed and any comp time earned.
- ❑ Checklist for Processing a Payroll form will be used during the payroll process and initialed when payroll is complete. This form will be attached to the top of the “verified” Transmittal Reports, Leave Transmittal Reports and the Payroll Control Listing.
- ❑ Payroll reports for each payroll processed should be filed for audit purposes to include:
 - ❑ Payroll Journal
 - ❑ Account Distribution
 - ❑ Bank Account Listing
 - ❑ Deduction Register Report
 - ❑ Check Register
 - ❑ Calendar & School Year to Date Reports
 - ❑ Workers Comp Reports
 - ❑ Gross Pay/FICA Distribution Reports
 - ❑ Leave Days Posted Report
 - ❑ (1) one set of Employee Wage and Earnings Statement sent electronically via email to each employee and one set filed electronically
 - ❑ Report shall be prepared in a PDF format and filed electronically.
 - ❑ All reports shall be filed on the Payroll Shared Files folder for access by the Chief Financial Officer.

Quarterly/Annual Functions:

- ❑ Quarterly 941 Employer Federal Tax Returns shall be reconciled with the 941 Worksheet Report (TXEIS), EFTPS Payment Worksheet and Payroll Excel File Spreadsheet each quarter.
- ❑ The Payroll Specialist will complete & submit the 941 Quarterly Tax Return to the Chief Financial Officer for review and approval. The Payroll Specialist will submit to the IRS.
 - ❑ The reconciliation process shall include a 3-way match of the following:
 - 941 electronic return
 - 941 spreadsheet for Calendar Year (input data from Payroll Earning Registers for each paydate)
 - 941 Worksheet generated from TXEIS
- ❑ Unemployment Quarterly Reports will be processed and filed via the Internet.
- ❑ Reconcile and insure W-2s are processed and sent via the Internet and mailed to employees. Employer's copy shall be filed for a period of 5 years.

Journal Entries and Employer Tax Payments:

- ❑ A Payroll General Journal Report shall be created after every payroll and a General Journal Entry that has been approved by the Chief Financial Officer will be prepared and submitted to the Accounting Specialist for posting to the general ledger.
- ❑ Payroll employer taxes will be called into the EFTPS at least 1 day before each pay date and a Journal Voucher that has been approved by the Chief Financial officer will be prepared and submitted to the Accounting Specialist for posting to the general ledger. A copy of the General Journal Report, the Journal Entry and the EFTPS will be filed in the 941 Information Folder and the originals will be filed for audit purposes.
- ❑ All payroll journals created by the Payroll Specialist shall be approved by the Chief Financial Officer, and posted to the general ledger by the Accounting Specialist.

Payroll Deductions:

- ❑ The Payroll Department shall enter the payroll deductions for each employee into the TXEIS payroll system.
- ❑ Reconcile and ensure that all payroll deductions are correct before submission of payroll.
- ❑ Reconcile all payroll deductions to billings and post amounts to Monthly Checklist for Checks.
- ❑ Prepare and submit to the Chief Financial Officer a Check Payment Voucher for voluntary deductions and mandatory deductions.
- ❑ Deduction checks with billings to the appropriate vendor upon receipt of the checks will be mailed by the Payroll Department.

TRS Reporting:

- ❑ The Payroll Specialist shall prepare and submit all TRS reports via the Internet.

- ❑ Before the 6th of each month, the Payroll Specialist shall prepare the TexNet form and submit via TexNet the amount due to TRS and TRS-ActiveCare Health Insurance.
- ❑ The Chief Financial Officer shall approve and submit a TRS Journal Entry to the Accounting Specialist for posting to the general ledger.
- ❑ TRS Internet Reporting Checklist will be attached to copies of each report submitted to TRS via the internet, TRS Member Detail Data Report, TRS 2 Report, TRS 372 Report, TRS 4 Report, TRS 488 Report, TexNet Form, and the Journal Voucher. These reports will be filed for audit purposes.
- ❑ The Journal Entry, TexNet Form TRS2 Report, TRS 372 Report, TRS 4 Report and TRS 488 Report will be filed.
- ❑ The Chief Financial Officer shall review and/or approve all TEAM report submissions.
- ❑ Adjustments to the monthly reports shall be explained in a written letter to TEA and signed by the Chief Financial Officer

TRS Retirement Procedures:

- ❑ The Payroll Specialist shall meet with the retiring individual to provide guidance as noted below:
 - ❑ The employee should contact the Texas Teacher Retirement System and request a retirement packet. All required forms will be completed by the appropriate person as directed by TRS.
- ❑ Employees retiring at the end of their work calendar should receive their final pay check and benefits as follows:
 - ❑ 10 – Month employee’s final check in June if retiring through TRS in May. (Exception would be made if their work schedule extends into June more than 6 workdays. The employee must have enough available leave to cover any absences. If this exception applies, then a final check would be paid in May.) The Dental, Vision and Health Insurance will end August 31st
 - ❑ 11 – Month employee’s final check in June (as long as the employee has completed their work calendar by June 15th). Dental, Vision and Health Insurance will end August 31st
 - ❑ 12 – Month employee’s final check in July if retiring with TRS in June (term completed by June 30th). Dental, Vision and Health Insurance will end August 31st
 - ❑ All other payroll deductions will end the last day of the month in which you resign.
- ❑ Employees retiring at the end of their work calendar will be subject to payoff dates that are in accordance with normal pay period cycles. The dental, vision and health insurance coverage will lapse at the end of the retirement month.

Accounts Payable

Accounts payable checks should be processed on a weekly basis for release by Friday morning, or earlier dependent upon work schedules or holidays.

General Instructions:

- ❑ All invoices shall be entered separately into the finance system by invoice number, amount, and date. Note: The invoice number is a “key” record. If entered correctly, the system will not allow a duplicate payment to a vendor.
- ❑ Payments shall not be made from statements.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order [accounts payable copy], and receiving copy [signed by the Receiving Clerk and/or campus/department]. **Note: This constitutes a 3-way match.**
- ❑ If no discrepancies exist, the check payment should be entered into the finance system.
- ❑ If a discount is offered by the vendor for early payment, the payment should be processed within the allotted time if the goods have been received and their receipt has been verified by the originating campus or department. NOTE: All payments must be paid within 30 days of the invoice (Govt. Code 2251).
- ❑ All invoices should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ All invoices that do not exceed the purchase order amount by more than 10% [excluding freight charges] may be entered into the finance system for payment without authorization from the Chief Financial Officer. If funds do not exist in the encumbered account(s), the campus or department shall initiate a new requisition for the additional charges.
- ❑ All invoices that exceed the purchase order amount by more than 10% [excluding freight charges] should be forwarded to the Chief Financial Officer for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a requisition for the additional amount to be paid.
- ❑ The Chief Financial Officer should approve all payment authorizations.
- ❑ Recurring invoices such as utilities, monthly rentals, payroll deductions, etc. should be entered into the finance system for payment as noted below:
 - ❑ Utilities: A copy of all utility invoices shall be forwarded to the Coordinator of Auxiliary Services and/or Technology for approval. After approval, the invoice(s) shall be entered into the finance system.
 - ❑ Cell phones: All charges shall be reconciled and posted on the spreadsheet to include the payment for each phone by account number and amount.
 - ❑ Copiers: All charges shall be reconciled with meter readings and posted on the spreadsheet.
- ❑ All invoices or supporting documentation for payments should be stamped “paid” to ensure that duplicate payments do not occur.
- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur. If payment is made from a copy, the copy shall be stamped “original”.
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- ❑ Checks shall not be issued to “Cash” or “Bearer”.
- ❑ At fiscal year-end, the Accounts Payable Specialist shall prepare a report of all Accounts Payables as of August 31st and hold for audit purposes.
- ❑ All “paid” check copies should be filed in alpha order by vendor last name or company name.

- ❑ The Chief Financial Officer shall pre-approve all “emergency” checks.
- ❑ Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved, and reconciled statements should be filed for a period of 60 days, and then discarded after the administrative value (AV) period.
- ❑ All returned purchases should be coordinated by the Receiving Clerk and Purchasing Specialist:
 - ❑ The Purchasing Specialist shall notify the vendor for authorization to return goods.
 - ❑ Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district
 - ❑ All check copies for items returned to the vendor should be kept in a pending file until receipt of the replacement items.
 - ❑ If replacement items are not received within a 60 day period, a demand for a refund should be forwarded to the vendor. The Chief Financial Officer shall be notified if the vendor has not complied with the 60 day timeline.
- ❑ Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Partial payments should not be made unless prior arrangements have been made with the vendor.
- ❑ Disputed invoices shall be forwarded to the Chief Financial Officer for review.

Compliance with State Law:

- ❑ All payments shall be made in accordance with state law [Govt. Code 2251] within 30 days of the later of the following:
 - ❑ The date the District received the goods,
 - ❑ The date the vendor performed the service or the contract was completed, or
 - ❑ The date the District receives the invoice for the goods or services.
- ❑ Interest shall not be paid on any invoices unless the payment is “overdue” as defined by state law.
- ❑ The interest due, if any, shall be paid from local (non-state or non-federal) funds when the invoice is paid. The District shall not request that the vendor waive the interest if the interest is in compliance with state law.
- ❑ If an invoice is disputed, it must be disputed in writing no later than 15 day after the receipt of the invoice (state law maximum is 21 days).

Verification of Check Transactions:

- ❑ The Accounts Payable Specialist/Chief Financial Officer shall verify that all check transactions meet the following guidelines:
 - All required approvals are noted on the PO
 - A 3-way match exists (PO, invoice & receiving)
 - Proof of receiving - signature on receiving report or electronic signature through receiving system
 - All items have been received and/or cancelled
 - Partial payment , if allowed, is recorded or tracked
 - The “reason” or “description on the payment is appropriate for the expense
 - Liquidated amount matches the amount paid
 - The remaining liquidation is reversed during the final payment (if partial payments are allowed)

- Invoice #'s entered correctly
- Invoice Date is after the PO approval date
- Vendor remittance address is correct
- Account code(s) matches the purchase
- Sales tax is not included on invoice
- Due date has not passed
- Discounts, if any, have been taken
- Credits, if any, have been taken
- Freight charges are allowable (refer to Bid or Co-Op purchase terms) on PO
- Bid or Co-Op prices have not been exceeded on the invoice
- Invoices are originals (if a copy is used, it should be stamped “original” once it has been verified that the invoice has not been paid)
- Late fees, interest charges, etc. have not been charged, unless they have been researched and are valid
- Invoices for all contracted services include details regarding the service provided and the date(s) of service

Purchasing Functions:

Purchase Requisitions

- ❑ Purchase requisition forms may be used at the campus level to provide an individual order request notification to the campus secretary/bookkeeper.
- ❑ The campus secretary/bookkeeper shall enter the requisition into the TXEIS requisition system.
- ❑ The procedures for electronic purchase orders should be followed.

Purchase Orders (Electronic System – TXEIS)

- ❑ User profiles should be created in the TXEIS system, to include clerical, teaching, and administrative staff, as appropriate. The appropriate restrictions to account codes and functions should be established. Global access and override functions shall be limited to the Chief Financial Officer and Superintendent.
- ❑ Approval paths shall be established which will dictate the electronic flow of the purchase order. The Purchasing Specialist and Chief Financial Officer shall approve all purchase orders.
- ❑ Any authorized user may create a purchase requisition. Any paper documentation that is related to a purchase requisition shall be entered as an attachment to the requisition created on TXEIS and a copy shall be affixed to the printed purchase order. If a vendor does not exist in the finance system, the Purchasing Specialist should add the vendor with all appropriate information such as: vendor name, SSN or TIN, address, phone, W-9 information, and 1099 eligibility after receipt of the W-9 Form, CIQ and Felony Conviction Form (if appropriate) from the campus. [If a W-9 is not submitted with the purchase order, a form should be mailed or faxed to the

vendor. After receipt, the vendor tax information should be entered into the vendor database. Payments for services should not be made until the W-9 is received.]

- ❑ Ensure that item(s) do not exceed bidding and/or quoting thresholds. If quotes were obtained, the quotes should be attached to the purchase order. If bids were obtained, a tabulation sheet should be attached to the purchase order.
- ❑ All purchase orders that exceed \$20,000 individually, or cumulatively must reflect the bid number, purchasing Co-Op contract number, etc. to document that the purchase meets the state purchasing laws.
- ❑ All purchasing contracts, that exceed \$20,000, must be approved by the Board of Trustees. If appropriate, the Chief Financial Officer shall submit an agenda item for the next regularly scheduled meeting to the Superintendent.
- ❑ The final approval will be the Chief Financial Officer or Superintendent.
- ❑ After the approval, the purchase orders will be printed and distributed to requesting campuses/departments. It is the responsibility of the campuses/departments to forward a copy of the purchase order to the vendor(s) via email, fax or US mail. Mailing of POs shall be the last resort if the other methods are not available.
- ❑ Throughout the fiscal year and at August 31st, on a monthly basis, the physical outstanding purchase orders should be reconciled with an Outstanding Purchase Order report from the finance system.
- ❑ The Accounts Payable Specialist shall print an Aged PO report on a monthly basis. All POs greater than 90 days shall be cleared, as appropriate.

On-line Purchasing:

- ❑ All purchases entered on-line by campus staff should be followed by a purchase order for the amount of the total purchase. A copy of the on-line order should be attached to the purchase order.
- ❑ All on-line purchases shall be forwarded to the Purchasing Specialist. A copy of the confirmation of order release should be attached to the purchase order in lieu of a signature.

Receiving Functions:

- ❑ Accounts Payable shall file all receiving copies of purchase orders in alpha order by month. A copy of all e-purchase orders should also be maintained on file.
- ❑ An Outstanding Requisition Report may be utilized to monitor orders that have not been received and/or approved for release.
- ❑ Upon receipt of a package/box from a vendor, the Secretary/Receiving Clerk should inspect the package/box for damage. If damages have occurred, the vendor should be promptly notified.
 - ❑ All items should be “checked-off” on the receiving report. The vendor shall be promptly notified of any discrepancies.
 - ❑ The quantity of items received shall be entered on the TXEIS receiving system.

- ❑ If the order includes inventory or fixed asset equipment, the appropriate “tag number” should be affixed to the equipment by the Receiving Clerk.
- ❑ After tags have been affixed to all equipment, the order should be labeled for delivery to the appropriate campus or department. The room number indicated on the purchase order should be noted on the box(s) for direct delivery to the classroom by the custodial staff.
- ❑ The signed, receiving copy should be forwarded to the Accounting/Purchasing Specialist for payment to the vendor.
- ❑ At the end of the month, Accounts Payable/Secretary shall generate and review an Aged Purchase Order report [over 60 days].
- ❑ All orders that have been outstanding for more than 60 days should be researched and cancelled, if appropriate, Accounts Payable/Secretary. All order cancellations should be relayed to the campus/department and the Purchasing Specialist.

Vendor Maintenance:

- ❑ All vendors shall be approved for addition to the vendor database in TXEIS.
- ❑ The Purchasing Specialist shall verify that all required vendor documents are on file prior to adding the vendor on the vendor database. The required vendor documents include:
 - ❑ W-9 Form (signed and fully completed)
 - ❑ Conflict of Interest Questionnaire (signed and fully completed)
 - ❑ Felony Conviction Notice (signed and fully completed)
 - ❑ Vendor Application form
- ❑ The Purchasing Specialist shall add the vendor in the database. The data entry shall include, but not be limited to:
 - ❑ Vendor name (as it appears on the W9 Form)
 - ❑ Vendor address under order address. If a different address is provided for remittances, that address shall be enter, too
 - ❑ EIN/SSN (as it appears on the W9 Form)
 - ❑ Flags: 1099 Eligible, Bid Eligible, Local Vendor (if address is in San Antonio), and Minority Owned (if documentation has been received from vendor)
 - ❑ W9 Date: date the W9 Form was mailed and received
 - ❑ Local Use: Field 1 shall be used to denote a special type of vendor such as: Employee, Parent, Student, School, Corporation, etc.
 - ❑ Local Use: Field 2 shall be used to denote that the Felony Conviction Notice has been received from the vendor.
 - ❑ CIQ: indicate if the CIQ was received and enter the date of receipt.
 - ❑ Comments: Enter any other related information such as change in vendor name.

Travel Expenditures

Travel Authorization Forms:

- Upon approval of the travel, all travel authorization forms are routed to the Accounts Payable Specialist. The Accounts Payable Specialist shall make a copy of the travel authorization for each vendor payment and file accordingly.
- The campus/secretary shall also enter an on-line requisition for all the requested travel expenses to include: traveler per diems, field trips, lodging, registration fees, airline or other transportation costs. No on-line requisitions will not be approved without completed travel authorization forms received by the Business Office.
- Requisitions shall be submitted for each of the following, as appropriate:
 - Registrations: Payable to the vendor (with supporting document such as conference schedule that reflects the start/stop dates and agenda outline that indicates if meals are provided as part of the registration cost.
 - Commercial transportation (flights): Requests for flights shall be submitted via email to the Director of Purchasing for purchase of flights. A preferred schedule may be submitted, but the final purchase of flight shall be determined by the required travel dates and best price.
 - Meals, Lodging and other Expenses: Payable to the traveler for encumbrance purposes only.
- The Accounts Payable Specialist shall match the travel form with the on-line requisition(s) submitted for the various vendors, i.e. traveler, registration fees, field trip entry fees, lodging, etc.
- The Purchasing Specialist shall approve all travel requisitions if the following criteria is met, otherwise the campus/department shall be notified to correct the deficiency.
 - Ensure that all travel authorizations are signed by the appropriate administrator (principal/director)
 - Ensure that funds are appropriate to the expense, i.e staff travel to 6411, student to 6412, etc.
 - Ensure that the travel dates, description of training, and city/location are noted on the travel requisitions.
 - Ensure that all travel with state and federal grants comply with the TEA guidelines related to allowable costs (TEA Website: Grant Management Resources).
 - Ensure that all travel expenditures comply with the District's Travel Guidelines for Employees.
- All check advances should be processed through and posted to the finance system.
 - Payments for flights shall be made upon receipt of the credit card billing.
 - Payments for registrations shall be made upon receipt of supporting document that reflects the registration cost.
 - Payments for meals, lodging, etc. shall not be made by accounts payable check unless approved by exception by the Coordinator of Financial Reporting.
- No advance checks should be issued to a traveler more than 30 days prior to their trip (IRS Regulation).
- The "paid" copies of travel advances should be filed in a pending alpha file by month.

- All travel advances not settled within 30 days shall be follow-up with the traveler. If the traveler does not respond or timely submit the documentation, the travel advance shall be processed through payroll, taxed, and deducted from the employee's pay. The Accounts Payable Specialist shall notify the Chief Financial Officer immediately when the 30-day deadline has not been met by a traveler.

Travel Settlement:

- The traveler should settle up their travel within 10 days after returning from the business trip. Campuses and departments should forward all travel settlement documentation to the Accounts Payable Specialist for reconciliation. The reconciliation shall include the following:
 - Ensure that the settlement does not include expenditures in excess of the per diem limits
 - Ensure that non-allowable expenditures such as entertainment, alcohol, guest costs, or other expenditures are not included in the settlement.
 - Violations of the District Travel Guidelines shall be reported immediately to the Chief Financial Officer.
- The travel settlement should include all required receipts.
- The settlement funds, if any, should be receipted to the traveler by the respective campus secretary/bookkeeper and submitted to the Business Office for deposit.
- The travel authorization shall be removed from the pending file for use in reconciling the travel advance with the settlement documents.
- If no funds are due to the traveler or SISD:
 - the note "settled" should be written on the advance check copy, and
 - both should be filed in the accounts payable files
- If funds are due from the traveler:
 - the traveler should submit cash or a check for the entire amount due to SISD,
 - the funds should be receipted and deposited to the appropriate budget code
 - A copy of the receipt should be included with the travel documents
 - the note "settled" should be written on the advance check copy, and
 - both should be filed in the accounts payable files
- If funds are due to the traveler:
 - ensure that funds exist in the designated account(s)
 - the note "settled" should be written on the advance check copy,
 - the settlement check should be processed and forwarded to the traveler after approval through the normal Accounts Payable procedures.
 - a copy of the travel settlement should be returned to the originator with their settlement check
 - each check disbursement should be filed in the accounts payable files separately

Credit Card Payments:

- All detailed credit card transactions shall be posted to the general ledger (required for state and federal grant fund expenditures)
- All credit card charges must be supported with original, detailed receipts
- All credit card transactions shall be net of all credits and discounts

Administrative Approval of Disbursements:

- ❑ All invoices that exceed the purchase order amount by more than 10% [excluding freight charges] should be forwarded to the Chief Financial Officer for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a requisition for the remaining amount to be issued.
- ❑ The Chief Financial Officer shall pre-approve all “emergency” checks.
- ❑ A check payments report should be forwarded to the Chief Financial Officer for review and approval. The check payment report shall be accompanied by all payment documentation in alpha order.
- ❑ After receiving the approved check payment list, the Accounts Payable Specialist may proceed with generating the check payments.
- ❑ Checks issued in excess of \$5,000 will need to be forwarded to the Chief Financial Officer for review before being mailed.

Control Environment:

- ❑ The Accounts Payable Specialist shall ensure that all check stock shall be maintained in a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two (2) month supply of checks is on hand.
- ❑ The Chief Financial Officer shall notify the depository bank when new signature cards are necessary due to a change in authorized signers.
- ❑ The Accounts Payable Specialist shall ensure that all vendor statements are compared to historical vendor payments using a vendor check inquiry. Verified statements shall be filed throughout the fiscal year and filed at year end according to the Records Retention Schedule.
- ❑ All vendor files shall be filed by vendor name in alpha order (Individual names shall be filed by surname). “File Out” cards shall be used when check copies are removed from the files.
NOTE: Alternate colored copies of checks shall be filed to ensure that checks are maintained in the appropriate fiscal year files.
- ❑ All “stop payments” shall be authorized by the Chief Financial Officer.
- ❑ All “void” checks shall be approved by the Chief Financial Officer and filed in a separate file in check number order.
- ❑ All vendor refunds shall be deposited to the original expense account via a journal entry. The Chief Financial Officer shall approve all journal entries.
- ❑ The Accounts Payable Specialist shall generate an Aged Purchase Order report by the 5th day of the following month. All aged POs should be researched to determine if the goods have not been received, not paid for, or the expense has not been liquidated.

The Accounts Payable Specialist shall monitor the pending invoices and purchase orders work files to ensure that unmatched document become resolved on a timely basis.

The purpose of Internal Controls is to ensure that adequate controls exist in the areas of purchasing, cash management, investments, payroll, personnel, fixed assets, and the other business areas included herein. The Business Office’s primary goal is to protect the assets of the District and to insure that all financial transactions are performed in accordance with generally accepted accounting principles.

Since Shepherd ISD is a small District, the Business Office staff shall perform multiple roles; however, adequate separation of duties shall be maintained at all times. The staff consists of:

- Chief Financial Officer
- Accounting Specialist
- Purchasing Specialist
- Payroll Specialist
- Accounts Payable Specialist
- 2 Warehouse Workers

All Business Office staff are expected to comply with the Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit), the Shepherd ISD Code of Conduct (Employee Handbook), and the Confidentiality and Use of Information Agreement.

Additional guidelines due to requirements of SAS 99 – Anti-fraud

Confidentiality

- Business department staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Among the most critical information is documentation related to employee's health, benefits, financial, family members, or other personal information.
- All Business division staff members must execute a Confidentiality and Use of Information Agreement and submit to the Chief Financial Officer.
- Violators will be disciplined, and/or may be terminated and may be reported to the appropriate authorities.

Consequences for Inappropriate Behavior (zero tolerance)

- Dishonest actions will not be tolerated
- Violators will be disciplined, and/or may be terminated and may be reported to the appropriate authorities

Notification/Communication of fraudulent activities:

- We all have a duty to report certain matters such as theft, fraud, and dishonesty in the workplace.
- Actual or suspected fraud should be reported to the Chief Financial Officer.
- Any and all concerns about potential fraudulent activities should be reported to the Chief Financial Officer.

Training:

- ❑ Every staff member will be scheduled to attend at least one training and/or conference opportunity per year.
- ❑ Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 16 hours per year (for a total of 48 every 3 years) through an approved CEU provider.
- ❑ Additional training requests should be submitted to the Chief Financial Officer. It is the employee's responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks.

Records Management & Security of Data

- ❑ All finance records are the property of Shepherd ISD and should be maintained in accordance with the established Records Retention Schedule.
- ❑ TXEIS system backups should be performed on a regular basis in accordance with established guidelines
- ❑ No District records and/or data backups shall be destroyed, removed from the District, or shared with any individuals outside the business department without appropriate authorizations.

Suggestions for Improvement:

- ❑ Suggestions to improve business operations and/or internal controls are welcome and encouraged
- ❑ Submit any suggestions to the Chief Financial Officer

Other Resources:

Shepherd Independent School District Administrative Guidelines

Asset Disposal and Transfer Form (located in Admin Guidelines and on the Business Services Website)

Gifts, Grants and Bequest Form (located in Admin Guidelines and on the Business Services Website)

Tabulations on Money Collected Form (located on the Business Services Website)

Purchasing Manual (located on the Business Services Website)

Acknowledgement of Receipt

Name _____

Position _____

I hereby acknowledge receipt of the 2018-2019 Shepherd ISD Fiscal Policy and Procedures. I agree to read the procedures and abide by the processes and procedures defined or referenced in this document.

The information in this procedural manual is subject to change. I understand that changes in District policies may supersede, modify, or eliminate the information summarized in this procedural manual. Changes, if any, may be provided by the Chief Financial Officer through the fiscal year.

Signature

Date

Note: Please sign and date and forward it to **Chief Financial Officer**.