



CENTRAL OFFICE ACCOUNTING PROCEDURES MANUAL

Approved by the Winston County Board of Education
July 31, 2008.
Updated: January 30, 2018

This revision dated January 30, 2018, supersedes all previous versions.

BASIS FOR ACCOUNTING SYSTEM

The basis for the automated accounting system is the general ledger account number system. (See Accounting Manual on www.alsde.edu for complete manual.) Each general ledger account code consists of twenty-nine digits divided into sections as follows:

1. Fund & Account Group
2. Account Type
3. Account Code
4. Object
5. Cost Center
6. Funding Source
7. Appropriation Year
8. Program
9. Special Use

FUND AND ACCOUNT GROUP

Local school accounting uses only two fund types which correspond to a funding source. They are:

Fund Type

Special Revenue Fund:	Fund Type 12	Funding Source 7101
Expendable Trust Fund	Fund Type 32	Funding Source 7501

FUND TYPE

Assets	1
Liabilities	2
Fund Equity	3
Revenues	4
Expenditures	5

ACCOUNT CODE

Assets:	0100-0199
Cash in Bank	0111
Change Cash	0115
Liabilities:	0200-0299
Accounts Payable	0251
Fund Equity:	0300-0399

Reserve for Encumbrances	0341
Unreserved Fund Balance	0350
Encumbrance Offset	0358
Adjustments to Beginning Balance	0360

(Use Only When Instructed by the Chief School Financial Officer)

REVENUE – See the SDE Accounting Manual for the most current listing of the revenue codes.

Public Revenues	4-(7100-7499)
Admissions	4-7110
Appropriations	4-7140
Concessions	4-7180
Commissions	4-7220
Dues & Fees (Required)	4-7260
Fines & Penalties	4-7300
Fund Raiser	4-7340
Grants	4-7380
Sales	4-7420
Donations	4-7430
Accommodations	4-7440
Other Public	4-7490
Non-Public Revenues	4-(7500-7999)
Concessions	4-7510
Dues & Fees (Self Imposed)	4-7610
Fund Raiser	4-7710
Donations	4-7810
Accommodations	4-7850
Other Non-Public	4-7910
Either Public or Non-Public Revenue	
Interest	4-6810
Operating Transfers In (Internal between activities)	4-9210
Operating Transfers In (External from C.O.)	4-9230
Any other revenue code needed to classify a revenue	4-XXXX

FUNCTION OF EXPENDITURE- See the SDE Accounting Manual for the detail needed to properly code the function code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.

The Function of Expenditure account code describes the activities being performed for which a service or material object is acquired. In determining the function code, attention should be focused on the specific activity being performed and not the program that will be benefited. See the definition of program codes to further distinguish these two separate codes.

Instructional Services:	5-(1000-1999)
Instruction	5-1100
Instructional Support Services:	5-(2000-2999)
Student Support	5-(2100-2199)
Other Student Support	5-2190
Instructional Staff Support:	5-(2200-2299)
Instructional Staff Development	5-2215
Educational Media	5-2220
School Administration:	5-(2300-2399)
Office of School Administrator	5-2310
Operational & Maintenance Services:	5-(3000-3999)
Building Services	5-3200
Auxiliary Services:	5-(4000-4199)
Student Transportation	5-(4100-4199)
Extra/Co-Curricular	5-4150
Capital Outlay - Real Property:	5-(7000-7999)
Site Acquisition and Improvement	5-7100
Building Acquisition and Improvement	5-7200
Other Expenditures:	5-(9000-9899)
Other Expenditures	5-9800
(Note: Use with these object codes only)	
Items for Resale	478
Other Objects	699
Other Fund Uses:	5-(9900-9999)
Transfer Out	5-9910

OBJECT OF EXPENDITURE-See the SDE Accounting Manual for the detail needed to properly code the object code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.

The Object of Expenditure details the type of item or service purchased with the funds. This portion of the code explains what is being purchased.

Purchase Services	300-399
Materials & Supplies	400-499
Items for Resale	478
Capital Outlay	500-599
Other Objects	600-899
Other Fund Uses	900-997
Operating transfers out (Internal between activities)	920
Operating transfers out (External to C.O.)	923

COST CENTER- This portion of the code denotes the local school for which the revenue/expenditure is being recorded. See the SDE Accounting Manual for pooled cost center codes.

Addison HS	0010	Addison Elementary	0015
Double Springs Elementary	0020	Double Springs Middle	0025
Lynn HS	0030	Lynn Elementary	0035
Meek HS	0040	Meek Elementary	0045
Winston County HS	0060	Winston County Tech Ctr	6000

FUND SOURCE - There are only two (2) at the local school level.

Fund#12	7101	Public
Fund#32	7501	Non-Public

APPROPRIATION YEAR

- 0 – current year
- 1 – carry-over year
- 2 – federal year (July-September appropriation)
- 9 – state prior year encumbrances

PROGRAM CODES

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The program code component allows local education agencies to charge program costs, instructional and support, directly to the benefiting program. For example, special education transportation costs are recorded to the support services function transportation, even though they should be charged directly to the special education program. For regular education program, this component allows for costs to be recorded by grade level or subject areas. **See the SDE Accounting Manual for the detail needed to properly code the program code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.**

Regular Education	1000-1999	
Kindergarten		1100
Elementary		1200
High School		1500
Pooled		8100
Special Education	2000-2999	
Elementary		2300
High School		2400
Gifted		2800
Pooled		2900
Career/Technical Education	3000-3999	
Guidance		3500
Administration		3600
Family & Consumer Sciences		3700
Other Career/Technical		3800
Non-Regular Day School Instructional	4000-5999	
Summer School		4300
Extra-Curricular - Academic		4400
Extra-Curricular - Athletic		4500
Pre-School		4712
Extended Day		4800
Pooled Program	8000-8999	
Non-Instructional	9000-9997	
Transfer Out		9910

SPECIAL USE CODES

Special Use Codes are to be utilized when greater specification for an expenditure/revenue is needed. The State Department reserves the use of the first 99 special use codes. The LEA can designate the use of codes 100 and greater.

State Department of Education		0001-0099	
Winston County School System Use		0100-	
9999			
AHS	0110	Substitute Pay	
3801			
AES	0115	Substitute Bus Driver	
3802			
DSE	0120	Maid Salary	3803
DSM	0125	Lunchroom Salary	3804
LHS	0130	Secretary Salary	3805
LES	0135	Janitor Salary	3806
MHS	0140		3807
MES	0145	Driver's Ed Fees	3808
WCHS	0160	Ex Curricular Bus Driver Benefits	3809
WCTC	0170	Secretary/Receptionist Salary	
3810			
Alternative School	1700	Teacher Aide Salary	3811
3812		Lost Textbook	
		Bus Damage	3813
		Other	3814
		Coaching Supplements	3815
			3816
			3817
		Extra-Curricular Gate Keeper	
	3818		
		Extra-Curricular Bus Driver	3819
		Summer School Fees	3820
		Parking Lot Fees (Ballgames)	
	3821		
		Other Pay - Benefits	3824
		Coaching Supplements Benefits	3825
		Ex Curricular Gate Keeper Benefits	3828
		NSF Check Expense	3699
		Insurance Loss Replacement	
	3999		
		Technology	4136
		Transportation - WCBOE	8410

Others are assigned as needed for more detail in coding grant expenditures.

BUDGET PREPARATION AND APPROVALS

Responsibility

It will be the responsibility of the Superintendent of Schools or his designee to prepare a proposed operating budget for submission to the Board for review and approval each year.

Form Requirements

The budget will be prepared by the Superintendent of Schools in accordance with rules and regulations prescribed by statutes, State Board of Education regulations, and Board policies.

Budget Limitations

No budget will be approved by the Board or the State Superintendent of Education where expenditures are in excess of anticipated revenues and fund reserves.

Proposed Budget

The Superintendent of Schools and his staff are responsible for developing a proposed annual operating budget and presenting it to the Board for study and review. All hearing requirements as noted below must be held prior to submission of any proposed budget to the Board and State Superintendent of Education for approval.

Required Budget Hearings

The Board will hold at least two (2) open public hearings each year pertaining to its proposed annual budget prior to approving a final form budget. Such hearings will be held in accordance with provisions of The Code of Alabama, 16-13-140.

Final Form Budget

The Board, after reviewing the proposed budget submitted by the Superintendent of Schools, will approve it by a majority vote of the whole Board. Upon receiving a majority of the Board members' approval, the proposed budget will be put into final form by the Superintendent of Schools and designees for submission to the State Superintendent of Education for final approval. In accordance with Legislative Act, 97-225, the Board's final form budget will be transmitted to the State Superintendent of Education on or before the date set by the SDE for submission of the final form budget.

Periodic Review Responsibilities/Amendments

The approved budget will be reviewed by the Superintendent of Schools periodically, and he will prepare such reports as are required by law and/or requested by the Board. Any change in the approved budget will be accomplished

through an amendment formally approved by the Board and any applicable state and/or federal officials.

CENTRAL OFFICE DEPOSITORY OF FUNDS, CHECKING ACCOUNTS, AND CHECK SIGNATURES

Depository of Funds

All funds of the Board, whether federal, state, or local, will be deposited promptly in a bank designated as the Depository of School District Funds. The Board will designate the depository at four year intervals, or when in the opinion of the Board, the situation warrants it.

The Depository of School District Funds will be located in the County and will be a member of the F.D.I.C., and be approved as a qualified public depository by the Security for Alabama Funds Enhancement (SAFE Program) administered by the Alabama State Treasurer.

Checking Accounts

The School District will establish a checking account with banking establishments approved by the Board serving as the depository of various school funds upon which checks may be drawn for payment of debts incurred by the School District.

All financial transactions of the School District will be paid for by check. No cash payments will be made.

Check Signatures

All checks issued in the name of the School District will be signed by the Superintendent of Schools and Chief School Financial Officer.

ACCOUNTS RECEIVABLE PROCEDURES

1. Once mail is opened, route any mail containing checks or payments to Chief School Financial Officer.
2. If other checks come in during the day in the school mail or by hand delivery, route to CSFO.
3. Checks will be delivered by CSFO to the Accounts Receivable Secretary to be stamped and receipted each day. All checks should be photocopied and placed in the receipt book as they are receipted. Receipts must be prenumbered.
4. Receipts must contain the following information:
 - a. Date
 - b. Person or organization making the payment
 - c. Amount received in numbers and in written form.
 - d. Amount received in cash and/or check. If payment is in check, the check number must be recorded.
 - e. Reason for payment
 - f. Signature of person receipting payment.

5. The checks, copies, and receipt book will be delivered by the Accounts Receivable Secretary to the Secretary responsible for making the deposit.
6. Deposits are to be made daily.
7. Return the receipt book, deposit slip, and copies of the checks to the CSFO for entry into the Nextgen system.
8. The receipt book will be locked in the safe at the end of the day.
9. Receipts will be posted into the Nextgen system by the CSFO using the revenue codes from the SDE Accounting manual and the date on the bank deposit slip.
10. A receipt should be left blank on the last working day of the month so that the interest posted to the bank account can be receipted as soon as the amount is known.

PURCHASE ORDERS

Purchase orders are an accounting source document which does the following:

- grants permission to order the identified items
- verifies that the purchase has been budgeted or approved by the Board
- identifies that funds are available to purchase the identified items
- encumbers the funds to pay for the items
- identifies to the vendor billing and shipping instructions
- identifies the board of education's tax-exempt status

REQUEST FOR PURCHASE ORDERS

A Purchase Order/Requisition is the form used to request a Purchase Order. The form must be completed entirely. This includes the "Central Office Use" box. If no requisition is used and the purchase order is entered directly into the Nextgen system, the "Central Office Use" box must be attached to the purchase order at the point of origin.

PURCHASE ORDER PROCEDURES

1. Purchase orders are to be numbered sequentially with no break in sequence.

For items with a unit cost of \$3,000 - \$7,499, secure three phone quotes and attach to the purchase order, using the lowest quote for the vendor information.

For items with a unit cost of \$7,500 - \$14,999, secure three written quotes and attach to the purchase order, using the lowest quote for the vendor information.

2. When a purchase order is requested, follow these steps:
 - a. verify that the item and amount are budgeted or are approved by the Board for purchase. Code the expenditure according to the budget. No expenditure will be made which violates Board policy. Mark in the space that the budget has been checked.
 - b. enter into the Nextgen system which will assign the next available number
 - c. enter the appropriate date for the purchase order date
 - d. prepare the purchase order by
 - i. entering as a detail purchase order if no itemized requisition is available to be attached to the printed purchase order
 - ii. entering as a summary purchase order if an itemized requisition is available to be attached to the printed purchase order
 - e. secure all necessary signatures – all signatures are to be original signatures
 - f. Give to CSFO for approval in the Nextgen system.
 - g. when returned to you after approval, place the order by fax, email, telephone or other method necessary.
 - h. notify the requester by email or sending a copy that the order has been

placed.

- i. file purchase order in folder labeled "Purchase Orders Awaiting Invoice"
3. Should the amount of the purchase order need to be increased in the Nextgen system, it must be routed back to the Superintendent and CSFO for another approval.
 4. If a purchase order must be voided after assigning a number, in order to keep the purchase order register complete:
 - a. enter the purchase order number into the Nextgen system,
 - b. choose the void button, then update, and enter a reason to void the purchase order in the system.
 - c. Give to CSFO to place the voided purchase order (with reason for void written on it) into the Voided Purchase Order file to be held for the audit.

Item Cost of \$3,000 - \$7,499
Phone Quote for _____ (Description of Item)

Vendor #1 Name _____

Address _____

Phone Number _____

Unit Cost \$ _____ Date of Phone Quote _____

Vendor #2 Name _____

Address _____

Phone Number _____

Unit Cost \$ _____ Date of Phone Quote _____

Vendor #3 Name _____

Address _____

Phone Number _____

Unit Cost \$ _____ Date of Phone Quote _____

Required for Item Cost of \$7,500 - \$14,999

Written Quote for _____

Description of Item _____

Expected Quantity to Purchase _____

Vendor Name _____

Address _____

City, State Zip _____

Contact Person _____

Phone Number _____

Unit Cost \$ _____ Date of Phone Quote _____

Please mail to : Winston County Board of Education
P.O. Box 9
Double Springs, AL 35553

Or Fax to: 205-717-3391

Purchase Order Procedures for Emergency-Type Purchases in CNP, Maintenance, and Transportation

1. If an emergency-type purchase is necessary, contact the supervisor or director who approves your purchase orders for verbal permission to make the purchase.
2. Contact the appropriate person for a purchase order number, and provide as much information about the emergency purchase detail as is available at the time (vendor, items, estimated costs).
3. If all information is available, the person assigning the number will complete the purchase order from the information given at that time.
4. If all information is not available, the person assigning the number will complete the purchase order with estimates that can be adjusted when the actual information is known.
5. Fax the purchase order to the Central Office to inform the appropriate bookkeeper that an emergency purchase order has been issued so that it can be entered into the Nextgen system in sequence. This is only so that the information can be logged into the system—this does not replace the requirement to send the original.
6. Secure all necessary signatures as soon as the purchase order is completed and forward the original purchase order to the appropriate person for processing.
7. Emergency purchase orders should never be more than one business day in gaining proper signatures.
8. All other non-emergency purchases must be completed and approved prior to purchasing.

ACCOUNTS PAYABLE

Accounts payable is the accounting function that readies invoices for payment. Items are considered payables until the check is written to pay for the transaction.

Winston County Board of Education issues accounts payable checks on the 10th, 20th, and 30th (or the day prior to payroll- whichever comes first) of the month. If the date falls on a weekend or holiday, accounts payable checks will be issued on the last date prior to the 10th, 20th, or 30th. Off-line checks may be issued for invoices that arrive between the accounts payable dates if their due dates will not allow waiting until the next accounts payable date. The CSFO may change the above accounts payable schedule should the need arise.

NOTE - During building projects, batches for building project invoices will be generated during the first week of the month. No other types of payments are to be included in building project batches.

ACCOUNTS PAYABLE PROCEDURES

Originating from a Purchase Order

1. When an invoice is received, identify the purchase order from which it originated.
2. Once identified, pull the purchase order from the "Purchase Orders Awaiting Invoice" file.
3. Calculate the extensions and total of the invoice on non-computer generated invoices to verify their accuracy.
4. Secure the signature of the person who received the items verifying that all items were received in good condition.
5. Check the invoice to determine if all items ordered were received. If some items were back ordered, place the purchase order and invoice back into the "Purchase Orders Awaiting Invoice" file to be held until all items have been received.
6. Once all items have been received, check the remittance address against the vendor file in the Nextgen system.
7. Verify that there is no sales tax included. The completed, approved purchase order is the document that signifies the board's tax exempt status to the vendor.
8. Deliver invoices to CSFO for pre-audit for payment.
9. CSFO will forward invoices to A/P for payment.

Originating from an Invoice with no Purchase Order Required

1. Travel claims, time sheets, and utilities usually originate without a purchase order.
 - a. Travel claims must be checked by payroll for preapproval of the travel according to the professional leave or activity leave forms. Meals may be reimbursed from actual, itemized receipts for overnight trips only.
 - b. Time sheets must be checked by the secretary for the fund from which they are paid. A copy of the contract should be attached to the timesheet.
 - c. Most utilities are paid from General Fund. A coding sheet should be attached if there is no purchase order associated with the utility.
2. Calculate the amount of the invoice for non-computer generated invoices to verify their accuracy.
3. Code the expenditure according to the budget. No expenditure will be made which violates Board policy.
4. Secure the signatures of the person originating the claim and the supervisor of that person as the authorizing signature-all must be original signatures.
5. Check the remittance address against the vendor file in the Nextgen system.
6. Deliver invoices to CSFO for pre-audit for payment.
7. CSFO will forward the invoices to A/P for payment.

Payment of Invoices

To pay the invoices, the A/P secretary will:

1. Verify invoice total.
2. Enter invoices to be paid.
3. Enter invoices separately so they can be tracked by number.
4. Not accept invoices not ready for payment according to above procedures.
5. Print checks.
6. Mail checks.
7. File invoices.
8. File A/P documentation.
9. Answer A/P inquiries.

Filing Accounts Payable

1. Each accounts payable batch will be filed in the file room. If you need to research information on a paid invoice or check, make a copy to use and place the original back in the file.
2. The batches will be filed chronologically.
3. Each batch will contain the invoices, purchase order, and duplicate check for the transaction filed in order by check number.
4. Each batch will contain a copy of the check register showing the total amount of the batch.
5. The computer batch printouts will be filed and housed in the office of the CSFO.
6. At the end of the fiscal year, the batch files will be filed in a storage box in the records storage room. Files must be kept for two to three years following the audit.

Off-line Checks

Off-line checks will be issued only in emergency situations. Every effort must be made to have invoices approved and ready to pay on regular accounts payable dates.

Replacement Checks

When a check is lost or mutilated and must be replaced, the CSFO will:

1. Verify that the check has not cleared the bank.
2. Stop payment on the check at the bank.
3. Issue a replacement check and type "Replaces Check No. XXXX" on the face of the check.
4. Spoil the replacement check number in the Nextgen system with a reason of "Replacement for Check No. XXXX".
5. Clear the check in the bank reconciliation program by the original number.

Void Checks

When a check must be voided due to incorrect vendor or amount, the CSFO will:

1. Write VOID on the check.
2. Void the check in the Nextgen system and enter reason.
3. Delete the associated invoice from the batch file.
4. Place the voided check and Nextgen printouts in the Voided Checks File for audit.
5. Write VOID on the duplicate copies of the check. Place the yellow copy in the batch file and the pink in the check binder.
6. Denote VOIDED on the check register filed in the batch file and in the binder file.
7. Ask the secretary to set up the invoice for payment as if it were an original.

Accounts Payable Clearing Transfer

1. Immediately following the payment of the accounts payable batch, the Accounts Payable Clearing bank transfer will be made online and printed by the CSFO referencing the batch number in the "Transfer Description" section of the transfer form.
2. The Accounts Payable Clearing bank transfer sheet will be filed by the CSFO.

Contracts

By policy, the Board allows the Superintendent to enter into contractual agreements with service providers. The contract must be completed and signed by the Superintendent and service provider before any work is conducted. The contract for use is located at www.winstonk12.org under employees, employee forms and documents, accounting and payroll forms. The secretary responsible for the funds from which the contract will be paid must complete the "Central Office Use" box prior to submitting to the Superintendent for approval.

IRS REQUIREMENTS

The Board is required to prepare information for filing Internal Revenue Service Form 1099 for payments of \$600 or more to anyone individual or unincorporated entity for payments of services of a non-employee, prizes, and awards etc. The Board can pay a non-employee through the accounts payable process. However, it is the budgetary fund's secretary's responsibility to get the person receiving funds to fill out a Form W-9 and a contract (when applicable). These forms are required. If the person receives more than \$600 in income for the year from all the schools and the Board combined, the central office will issue a 1099 in January of the following year. Form 1099 need not be filed for payments made for merchandise, telephone, freight, etc. These returns are prepared on a calendar year basis and must be filed annually, to the vendor by January 31st and to the appropriate state and federal entities by the last of day of February of the following year. All information will be forwarded to the chief school finance officer at the central office for processing as soon as the calendar year has been closed out. Information must be sent electronically through the Nextgen system and must include: Name, social security number or federal ID number, address, and amount paid. A printout may be obtained through the vendor program at the end of the calendar year.

Employees may not receive a 1099 and a W-2 at the end of the calendar year. Therefore, any compensation paid to an employee or a substitute must be through the payroll process and be included on the payee's W-2 at year end.

CENTRAL OFFICE MONTHLY FINANCIAL RECONCILIATION

All Central Office book balances will be reconciled to their corresponding bank statements each month by the Superintendent of Schools or his designee. The Chief School Financial Officer will be responsible for verifying that monthly bank statements are reconciled to the financial records on a timely basis that ensures accurate monthly financial statements. A financial report showing the budgetary appropriations, expenditures, and balances will be available to the Board monthly as required by the State Board of Education, along with a copy of the corresponding bank statements.

Financial reports will be signed by the person(s) preparing the reports and by the Superintendent of Schools.

REVIEW OF MONTHLY REVENUES AND EXPENDITURES

To ensure the sound fiscal management of the Board, the Chief School Financial Officer will review all revenues and expenditures on a monthly basis. The CSFO, or his designee, will create monthly financial reports presenting all revenues received, and all expenditures incurred, as well as a comparison of the budgeted revenues and expenditures. These reports will be delivered electronically, or by other means, and reviewed by each administrator responsible for an area of the budget.

MONTH-END PROCEDURES

All month-end financial duties for the prior month will be completed and to the CSFO by the 15th of the month. This includes the following:

- Indirect Cost Calculations
- Journal Entries
- CNP Daily Sales
- CNP Salary Cost Calculations
- CNP Indirect Cost Calculations
- Local School Financial Data (both electronic and paperwork)

After the month-end close is complete, the following reports will be made ready to present to the Board at its next meeting:

- Bank Reconciliations
- Tax Collection Report
- School Expenditure Reports
- Accounts Payable Check Register
- Payroll Check Register

- Revenue Report
- Building Project Expenditure Reports (when applicable)
- Financial Statements

Upon acceptance by the Board, financial statements will be posted on the system website-www.winstonk12.org.

YEAR-END PROCEDURES

Prior to year-end, the following will be done:

- All payments made for the fiscal year's obligations
- Purchase orders must either be completed or voided

At the end of the fiscal year, September 30, the following will be done:

- Financial Statements prepared
- Financial Statements published in a local newspaper
- Statement of Indebtedness published in a local newspaper
- Fiscal year files boxed and labeled for storage

INVENTORY

To determine if an item should be placed on inventory, ask these four questions:

1. Will it retain its original shape in use?
2. Is its life expectancy longer than one year?
3. Will it be repaired rather than replaced if something goes wrong?
4. Does it cost less than \$5,000?

If the answer is yes to all four questions, use the following coding for the inventory item.

- 491 Instructional Equipment
- 492 Furniture and Fixtures
- 493 Non-instructional Equipment
- 494 Audio/Visual Equipment
- 495 Computer Hardware
- 496 Library Media Equipment
- 497 Laboratory Equipment
- 498 Athletic and Physical Education Equipment
- 499 Other Equipment

CAPITALIZED ASSETS

Accounting regulations require the proper coding of capitalized assets. Items that meet the thresholds of capitalization must be recorded as fixed assets.

Capitalization thresholds are as follows:

Land Improvements	\$50,000
Buildings	\$50,000
Building Improvements	\$50,000
Equipment and Furniture	\$ 5,000
Vehicles	\$ 5,000
Equipment Under Capital Lease	\$ 5,000 (must be board approved)

Land is capitalized regardless of the cost. Use object code 511. Use the following code:

xx-5-7100-511-xxxx-xxxx-0-9100-0000

Land Improvements, buildings, and building improvements must have a value of \$50,000 or more to be capitalized. This is on a total project cost, not unit cost. Use the following codes:

<u>Function</u>	<u>Object</u>	<u>Program</u>
5-7100 Site Acquisition/Improvement Capital	512 Land Improvement	9100 Outlay
5-7200 Building Acquisition/Improvement Capital	513 Buildings-Purchased	9100 Outlay
5-7200 Building Acquisition/Improvement Capital	514 Buildings-Constructed	9100 Outlay
5-7200 Building Acquisition/Improvement Capital	515 Building Improvement	9100 Outlay
5-7900 Other Capital Outlay	519 Other Real Property	9100 Capital Outlay

Vehicles are capitalized at \$5,000. Use the following object codes.

- 531 School Buses
- 532 Service Vehicles
- 533 Automobiles
- 539 Other Vehicles

Capitalized Equipment is defined as any item that has a unit value of \$5,000 or more and meets the following criteria:

1. Retains its original shape and appearance with use.

2. Under normal conditions is expected to serve its intended purpose for longer than one year, and;
3. Is non-expendable; that is, if the item is damaged or some of its parts are worn out, it is more feasible to repair the item than to replace it with a new unit.

Object codes to be used for capitalized equipment are:

541	Furniture and Fixtures	546	Athletic & Physical Education
542	Audio/Video	548	Tractors/Mowers
543	Laboratory	549	Traffic Control Devices
544	Library/Media	589	Other Equipment
545	Computer Hardware		

For equipment and furniture and vehicles, use appropriate program and function codes.

Non-capitalized Building Improvement and Land Improvements

For land improvements, building improvements, and buildings costing less than \$50,000, use the following object codes:

701	Buildings – Constructed, less than \$50,000
702	Buildings – Purchased, less than \$50,000
703	Exhaustible Land Improvements, less than \$50,000
704	Building Improvements, less than \$50,000

These items will not be classified as fixed assets.

Use the function, program, and cost center codes that best describe the intended use of the buildings. An example, fencing for security purposes will be coded as:

11-5-3100-703-xxxx-6001-0-8300-0000

INVENTORY AND FIXED ASSET RECORDKEEPING

Inventory Report Verification

Annually, inventory and fixed asset reports will be sent to each school. These reports are to be verified by the person responsible for the fixed asset or inventory item, signed, and returned to the Central Office by September 30. A random check will then be made by the Central Office Inventory Clerk at each school.

Deleting, Transferring, and Adding Inventory Items

The Forms and Documents link on the winstonk12.org site contains forms for deleting, transferring, or adding donated inventory items. Before disposing of an inventory item, the deletion request should be entered on the Deletion Form and the item retained until permission is granted from the Central Office to dispose of the item. When transferring an item from room to room, the Inventory Transfer Form must be completed. Inventory additions due to donations should be added by completing an Inventory Additions Form. A number will be assigned and sent back to the requester.

Once approved for deletion, if a school or program desires to sell the item, it must be done by sealed bid through the Central Office. The ASSET/INVENTORY SALE BY BID FORM must be completed and sent to the Chief School Financial Officer for posting.

BIDS

State Law requires that certain expenditures of city and county school boards are subject to competitive bidding. Expenditures for labor, services, or work, and the purchase or lease of materials, supplies, equipment, or other personal property involving \$15,000 or more are subject to competitive bidding.

Individual purchases less than \$15,000 may be subject to competitive bidding if a school board can reasonably expect to purchase more than \$15,000 for like items during the year. School systems may purchase items without bidding by purchasing from the state bid list; however, a school system may not purchase items without bidding on the grounds that a vendor's price is less than the state bid list.

Pursuant to Act No. 97-934, classroom instructional supply funds (when appropriated by the Alabama Legislature) distributed to the schools may purchase materials, supplies, and equipment without competitive bids if the item cost is less than \$15,000.

The state bid law includes a provision for emergency purchases without bidding.

Some expenditures exempt from the competitive bid law include:

- Purchase of insurance
- Professional service contracts (lawyers, CPA's, architects, etc.)
- Contracts to furnish financial advice or services
- Purchases of books, maps, pamphlets, or periodicals
- Purchases made by individual schools from funds other than those raised by taxation or received through state or local government sources
- Contractual services and purchases of commodities for which there is only one vendor or supplier
- Contractual services and purchases of personal property which, by their very nature, are impossible of award by competitive bidding

COMPETITIVE BID (Over \$15,000) CHECKLIST

Request From: _____

Type Request: _____

BID REQUEST AND SPECIFICATION REVIEW

- ___ Is the item(s) or service over \$15,000 in a fiscal year?
- ___ Should the item be considered as potential Public Works Project? If so, please go to Checklist for Public Works.
 - Public Works - Construction, repair, renovation, or maintenance of public building, structures, sewers, waterworks roads, bridges, docks, underpasses, and viaducts as well as any other improvement to be constructed, repaired, renovated, or maintained on public property and to be paid, in whole or part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise.
- ___ Have the expenditures been budgeted and is there sufficient budget balances remaining to continue the bid process?
- ___ See Chief School Financial Officer for assignment of bid number.
- ___ Is the bid invitation packet completed to include:
 - ___ Specifications in sufficient detail to assure quality goods or services
 - ___ Date, time, and location of bid opening
 - ___ Address, contact person and telephone number for bid submission receipt confirmation included
 - ___ Method of awarding the bid
 - ___ Description of what must be on the outside of the sealed envelope
 - ___ Statement of delivery requirements, transportation charges and date(s) of delivery
 - ___ Clear description of the term of the contract as well as the ability to extend the contract upon written agreement of both parties (3 year maximum)
 - ___ Does the potential contract warrant a performance bond requirement? Alabama Code 41-16-58
 - ___ Clearly state the bid award and subsequent contract requirements
 - ___ Potential contract
 - ___ List of potential bidders from requester file (as a minimum)

BIDDING PROCESS

- ___ Bid request posted on public bulletin board
- ___ Request sent to all vendors on list for items/services requested
- ___ Are vendor mail outs properly documented (date, time, address)
- ___ Is there at least two full weeks allotted for compilation of responses by vendors?
- ___ Assure that bids remain sealed until time of opening?
- ___ Document that proper bid bond is included (if not can allow until close of business on day of bid opening, then considered unresponsive)
- ___ Is there evidence of sole source potential due to the number of responses received?

AWARDING OF BID

- ___ Record all relevant information, as bids are opened, on tally sheets
- ___ Determine lowest responsible bidder based on guidelines in bid request
- ___ Document how determination was made that required specifications were met.
- ___ Assure products/services will meet purpose intended.
- ___ Does price submitted appear reasonable?
- ___ If bid not awarded to lowest bidder, document and justify reasons for not awarding.
- ___ If only one bid received, should we negotiate price?
- ___ If bid requested capital improvement or repair to real property via a lease purchase agreement, was the term refined to 10 years or less?
- ___ Is there a known potential of a conflict of interest with a Board member or employee involved in any aspect of the bid process from beginning to end?

POST AWARD PROCEDURES

- ___ Notify bidders of award by Board
- ___ Obtain signed contract or agreement.
- ___ Cross-reference bid responses with vendor files for tracking of vendors who did not respond.
- ___ Verify with users vendor compliance with specifications and requirements contained in the contract/agreement.
- ___ Maintain tickler file for analysis of potential renewal/extensions for the following year.

PUBLIC WORKS BID CHECKLIST

Request From: _____

Type Request: _____

PRE BID INVITATION ANALYSIS

- ___ Has Board approved a Public Works Project to be bid?
- ___ Have expenditures been budgeted for this project with sufficient funds remaining?
- ___ Has the Board included this project in the Capital Plan?
- ___ Are architects/engineers also included in the cost of the project budget?
- ___ What procedures will be used for the selection of architects/engineers on this project?
- ___ Does the selection process for professional services meet the requirements of the Alabama Building Commission?
- ___ Are specifications developed in sufficient detail to assure quality project with consideration of board objectives, timing, cost and purpose?

BID DEVELOPMENT CHECKLIST

- ___ Is sufficient detail about bid submittal, place, date and time included?
- ___ Is a bid bond requirement included in bid invitation? (up to \$10,000)
- ___ Is a performance bond required for 100% of the contract amount?
- ___ Is a payment bond required for at least 50% of the contract amount?
(If written application of nonpayment from supplier of materials, labor or supplies to Board, Board must furnish certified copy of payment bond and contract.)
- ___ Do bid specifications require the contractor to advertise completion of project in newspaper of general circulation in the county for four consecutive weeks. Final settlement no less than 30 days after final notice of completion (4th week).
- ___ No Board officer or employee may be involved in negotiation or any part of the selection process of the surety company providing the guarantees.
- ___ If contract is greater than \$50,000, have to advertise once a week for 3 weeks in newspaper of general circulation in the county.
- ___ If contract greater than \$500,000, Board should advertise 3 weeks in local paper and at least once in 3 newspapers of general circulation throughout the state.
- ___ Advertisement must include:
 - A description of the improvement
 - Statement of where plans are on file
 - Procedures for obtaining plans and specifications
 - Time and place where bids will be received and opened
 - If prequalification is required
 - Where all prequalification information can be found and is available for review.
- ___ Will prequalification be required of general contractors and/or subcontractors?

- If yes, has prequalification requirement been published in advance?
- Prequalification requirement advertising can run concurrent with bid invitations as long as adequate timeframe is allowed? Has fair timeframe been allotted?
- Is there a requirement in the specifications that require the use of products produced in the United States when possible?
- Is there a requirement to use steel produced in the United States when possible?
- 5% of the first 50% of payments should be withheld and retained until acceptance by the board of the completed project.

PUBLIC WORKS LESS THAN \$50,000

- Is the projected project cost less than \$50,000?
- Is the quote invitation packet completed to include:
 - Specifications in sufficient detail to assure a quality project
 - Date, time, and location for quotes to be delivered
 - Address, contact person and telephone number for quote submission receipt confirmation included
 - Method of awarding the project
 - Description of what must be on the outside of the sealed envelope
 - Statement of project requirements, terms of contract, and expected date of completion
 - Does the potential contract warrant a performance bond requirement? Alabama Code 41-16-58
 - Does the potential contract warrant liability insurance? If so, is it stated on the potential contract.
 - Potential contract
 - List of at least five potential vendors/contractors to send a packet
- If contract is less than \$50,000, Board has no requirement to bid, but has to advertise completion 1 time in paper published in the county and contractor has to certify to the Board that all bills have been paid.

POST AWARD PROCEDURES

- Notify those vendors who sent in a quote of the award by the Board.
- Prepare summary of vendor/contractor performance and file in vendor file.

PAYROLL

Timesheets

- Timesheets are due to the payroll department by the dates listed on the Payroll Due Date handout which is updated and distributed to the local school and central office secretaries annually.
- Timesheets should be completed in full and signed by the employee and his/her supervisor prior to submitting to the payroll secretary.
- Overtime must be approved in advance by the Superintendent, except for emergency situations.
- Any days absent from work must be marked according to the type of leave the employee desires to be used. If no leave is marked, sick leave will be assumed.
- Timesheets for extra or contract work must include the appropriate accounting code from the paying section's secretary.

Approval of Payroll

The Superintendent will approve all payroll documentation prior to the processing of the payroll.

The Board President and Superintendent will approve the payroll register.

Payroll Department Work

Due to the confidential nature of payroll information, only the Payroll Secretary and cross-training partner will conduct payroll duties.

Route all incoming calls and questions concerning payroll, or any activity related to payroll to the payroll secretary (or cross-training partner in her absence). Only the payroll secretary or cross-training partner is to answer payroll-related questions and inquiries.

Checks are to be distributed to employees only by the payroll secretary or cross-training partner. If neither is present, the CSFO, an administrative assistant, or the superintendent may issue the checks.

PERSONNEL PAYROLL

**CHECKLIST FOR CERTIFICATED PERSONNEL FILE
(To be conducted by Human Resources)**

STAPLE TO INSIDE OF PERSONNEL FILE

NAME _____

Teacher Certificate

Application for Employment

Write in upper right corner

1. Date of Board approval

2. Date entered on duty

3. School to which assigned

Teacher Institute Form

Transcripts of ALL College Credits earned to receive certificate

Experience Statements from other systems

Copies of Board Correspondence

Letter of Board Approval for Employment

Leaves of Absence

Highly Qualified Letter – if applicable

ABI, FBI Background Clearance

Attach a copy of Tuberculin (TB) test results inside file folder
(Must be within 12 months prior to hire date)

OPTIONAL:

Resume

Letters of Recommendation

NEW HIRE PAYROLL CHECKLIST

STAPLE TO INSIDE OF PAYROLL FOLDER

NAME _____ DATE HIRED _____

- Copy of Driver's License (Personal Identification)
- Copy of Social Security Card
- Drug Free Workplace Policy form
- New Hire Reporting Form
- A-4 Alabama Department of Revenue
- W-4 Federal Department of Revenue
- Enrollment Form for Teacher's Retirement – Form 100
- PEEHIP Insurance Form
- Sick Leave Bank Enrollment Form
- New Teacher Form for Technology Department
- Fair Labor Standards Act – Non-Exempt Employees
- I-9 Form and Instructions
- American Fidelity Brochures (Cafeteria Plan)

TERMINATION PAYROLL CHECKLIST

STAPLE TO INSIDE OF PAYROLL FOLDER

NAME _____ DATE OF TERMINATION _____

Enter termination on RSA Portal if necessary

Repay all days due to Sick Leave Bank

Deduct all required deductions (Professional Membership Dues)
Example: Remaining AEA dues

Comply with COBRA Law
Have employee sign appropriate form
Notify PEEHIP

Give employee letter from Teacher Retirement (Refund of Contributions)

Give employee original Teacher Certificate (Get an acknowledgement of receipt signed to be retained in permanent file)

Check employee salary to verify whether employee is subject to Taxable Income on imputed premiums for pre-retirement death benefits on Term Life Insurance.

Do Payoff (form is on desktop)

CROSS-TRAINING

The purpose of cross-training is to develop an efficient and effective method of insuring that all necessary duties and responsibilities are fulfilled should any unexpected emergencies arise.

Cross-Training Plan

- Each Central Office secretary will participate in cross-training activities as is feasible.
- When possible, teams will be sent to training sessions rather than individuals.