

Cedar Hill Independent School District

BUSINESS OPERATIONS – ACCOUNTING PROCEDURES

**EDUCATE.
EMPOWER.
INSPIRE.**

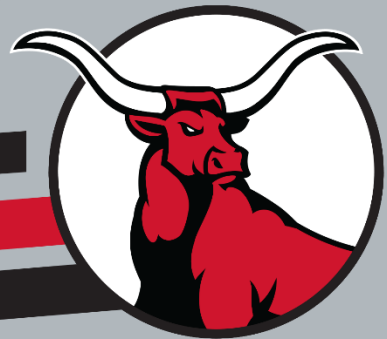


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Account Codes

ACCOUNT CODE USER GUIDE

The Account Code User Guide created by the Cedar Hill ISD Business Office contains detailed information to assist you with appropriate use of account codes in accordance with Texas Education Agency (TEA) and local guidelines. The user guide is a resource to be used in addition to the Business Operations Procedures Manual.

FINANCIAL ACCOUNTABILITY SYSTEM RESOURCE GUIDE

In accordance with the Texas Education Code, <https://tea.texas.gov/Home/> the Texas Education Agency has developed a standard fiscal accounting system to be used by Texas school districts. While the major purpose of this standard accounting system is compliance with the law, it was also designed to serve as a basic management tool for use in recording, controlling and reporting the financial activities of the District. The major component of this accounting system is a twenty (20) digit code structure. Within this code structure, fifteen (15) digits are required to be used for state reporting purposes. The remaining five (5) digits may be used at local option. Detailed information on how to correctly utilize this accounting function can be found on the TEA webpage [Financial Accountability System Resource Guide](#), under Module 1.

In addition, the district must code all revenues, expenditures, and other financial resources in accordance with the following:

- Governmental Accounting Standards Board (GASB)
- Texas Education Code (TEC)
- Texas Administrative Code (TAC)
- Code of Federal Regulations (CFR)
- Financial Accounting Standards Board (FASB)

ACCOUNT CODE STRUCTURE

xxx	xx	xxxx	xx	xxx	x	xx	xxx
Fund	Function	Object	Sub-Object (optional)	Organization	Fiscal Year	Program Intent	Local (optional)

ACCOUNT CODES TELL THE STORY

The account code tells the financial story. TEA and the school district stakeholders use the financial data, as reported by the account codes, to make business decisions, assess operating results, make comparisons to other school districts, and judge

operating effectiveness. Additionally, the financial data reported to the TEA can impact financial aid. For all of these reasons, it is vital that account codes are applied correctly.

ACCOUNT CODE GUIDANCE

Occasionally the business office changes guidance for account code use. These changes are driven by new interpretations, regulations or policy issued by TEA, TEC, GASB, state or federal law, or board policy.

NEW ACCOUNT CODES

If a new account code is needed, please email the accounting manager. Be sure to include the full account number.

Accounts Payable

PAYMENT SCHEDULE

Accounts payable checks are typically issued once per week on Wednesdays. Invoices or other backup documentation must be received by Friday at 2:00 PM to ensure payment in the next Wednesday's check run. This schedule allows the accounts payable team time to process, verify, and audit all invoices that will be included in the check run.

Occasionally the payment schedule will vary due to holidays, staff schedules, or accounting procedures such as fiscal year-end. The schedule can be found on the Business Office Public Google calendar. If it is necessary to deviate from the published schedule, a notification will be emailed to the secretaries as soon we become aware of the change. If the change creates an infeasible constraint, please notify the Accounts Payable Coordinator as soon as possible. We will make every effort to create a plan that does not inhibit student activities.

INVOICE DELIVERY

The best practice and preferred method of invoice delivery is to have the vendor email invoices directly to accountspayable@chisd.net. If an invoice is delivered to any person, campus, or department, it should be emailed to Accounts Payable within one business day to ensure timely payment. If a vendor prefers to mail invoices through the United States Postal Service, the invoice should be mailed to Cedar Hill ISD, Attention: Accounts Payable, 285 Uptown Blvd. #300, Cedar Hill, TX 75104.

VENDOR INVOICES

Under no circumstance should a CHISD employee create an invoice for a vendor. Vendors must create their invoices and email the original invoice directly to accountspayable@chisd.net or mail directly to Accounts Payable.

VENDOR STATEMENTS

Vendor statements show invoices and payments during a specific time period, resulting in an ending balance owed. The purpose of a statement is to reconcile the vendor's records with the accounts payable records for outstanding invoices. Statements should not be used in place of invoices for payment. Invoices provide more detail information than statements, and invoices are required documentation to be in compliance with generally accepted accounting principles and other regulations.

RETURNS AND CREDIT MEMOS

Upon the return of merchandise, a negative receiving record should be created in Skyward. An email should be sent to accounts payable to notify them a credit memo will be forthcoming.

CREDIT CARD RECEIPTS

Credit card or P-card receipts should be signed by the person swiping the card for payment. If the receipt has a tip/gratuity line, this section must be completed. If no tip was included, write zero.

Citibank Cards Held at the Campus or Department

Upon return of the credit card and receipt to the campus or department, the secretary will scan the receipt, mark the items received in Skyward, and email the receipt to Accounts Payable. The PO number needs to be written on the receipt.

Citibank, Store, or P- Cards Held at the Business Office

Upon return of the credit card and receipt to the Business Office, the business office intern or secretary will scan the receipt, mark the items received in Skyward, and email the receipt to Accounts Payable and the campus or department secretary.

REGISTRATION, TRAVEL, AND REIMBURSEMENTS

Registration forms, receipts, or other acceptable documentation should be emailed to accounts payable. The email is the notification to the accounts payable team that a check needs to be issued, otherwise they will not know a PO or check request is ready for payment.

CHECK DISTRIBUTION

Accounts payable checks will be mailed via the United States Postal Service to the payee address in the vendor profile. Checks will not be sent through interoffice mail or picked up in the Business Office.

The exceptions to the check distribution process are checks made payable to employees for event start-up cash or travel. The employee must sign for the check, and for security purposes, there should always be two people that go to the bank to cash the check.

INVOICE PRICING THAT EXCEEDS THE PURCHASE ORDER

When an invoice exceeds the PO amount due to shipping charges, the invoice will be paid without further approval for charges up to \$20 or 10% of the total PO amount.

When an invoice exceeds the PO amount for charges other than shipping, the budget owner will be notified. If the excess charges are valid, the budget owner must notify the purchasing director to request an update to the PO. This process should be completed immediately upon notification to prevent a delayed vendor payment.

REPORTS: OPEN POS AND PENDING RECEIVING

The Accounts Payable Coordinator schedules two weekly reports to be delivered to the secretaries. Each of these reports should be reviewed every week. The first report is the open purchase order report, and the second is the pending receiving report.

The open purchase order report shows all of the open POs for the campus or department. When items are received and the invoice is paid, the purchase order should no longer show on the open PO report. If there is a PO on the report that has been received and paid, please notify the purchasing director to close the PO.

The pending receiving report shows items that an invoice has been received, but the items have not been marked received by the secretary. Accounts payable cannot pay an invoice until the items have been marked received. Receipt of goods or services should be marked received in Skyward with two business days of receipt.

YEAR END

A district professional development day will be used to set a meeting for secretaries to go over the year end checklist. A separate one-on-one 15 minute meeting will be set with secretaries and sponsors to ensure the checklist is completed before the summer break.

VOIDED CHECKS

Occasionally a check needs to be voided due to a canceled event, incorrect amount, incorrect vendor, or the check was never received or it was lost. The "Request to Void a Check" form should be completed by a CHISD staff member and submitted to accounts payable. If the check was never received, the mailing address must be verified by the requestor. When a voided check needs to be reissued, it will be reissued within two weeks of the request.

Accounts Receivable

INVOICING INTERNAL CUSTOMERS (CAMPUSES OR DEPARTMENTS)

The campus or department must have an approved PO before providing goods or services. Upon delivery of the goods or services, the secretary should enter a receiving record in Skyward. Original invoices should be emailed to accountspayable@chisd.net.

INVOICING EXTERNAL CUSTOMERS (OUTSIDE OF CHISD)

When invoicing external customers, an approved invoice template must be used and a copy of the invoice must be emailed to the accountant or accounting manager. Incoming checks are processed timely when we have a current list of payments expected. When a check is received and we do not have a record of the invoice, we will likely not know what the payment is for and how to apply it – this will delay the availability of the funds.

TUITION

Tuition for Pre-K or Dual Credit Courses will be added as a fee in My Payments Plus online payment system. If the parent prefers to pay with cash or money order, they must do so in person at the CHISD business office during business hours. Campuses and departments should not accept tuition payments.

Activity Funds

TYPES OF ACTIVITY FUNDS

Campus Activity Funds (Fund 461) – Special Revenue Fund

Special revenue funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Campus activity funds are considered a special revenue fund and the Texas Education Agency has specified the use of 461 fund code for these type of funds.

Campus activity funds belong to the district, are used to support its co- curricular and extra- curricular activities, and are administered by the school district. Approval for

disbursing district activity funds rests within the school district. Revenue sources include vending machines, rentals, gate receipts (other than athletics), concessions, and other local sources.

Campus activity funds are generated locally or donated to the school. Funds are controlled by the principal and used for the general welfare of the school and the morale of the school's students. Funds are considered local, public funds and must abide by purchasing and bid laws.

Student Activity Funds (Fund 865) – Agency Fund

Agency funds are held in a custodial capacity by a school district, and they consist of funds that are property of students or others. The student activity funds are considered an agency fund or fiduciary fund. The Texas Education Agency has specified 865 fund code for these type of funds.

All funds raised by student organizations must be expended for the benefit of the students. Student activity funds support activities that are directed by student organizations (i.e., documented in meeting minutes). Students participate in the activities of the organization, and manage the organization's activities.

An important distinction between campus and student activity funds is that disbursing monies from the student activity fund is subject to approval by the student organization, rather than the school district. Sponsors do not direct the decisions, but do provide assistance and supervision.

Student activity groups must be a bona fide chapter of the school. A bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group that is recognized by the school and is organized by electing officers, holding regular meetings, and conducting business are bona fide chapters. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters. Examples of bona fide chapters are, but not limited to, Student Council, Business Professionals of America, Distributive Education Clubs of America, and National Honor Society.

Student Activity Sponsors must provide the following documents to the business office every school year for the groups they oversee: by-laws, officers, and election dates.

Student activity funds are owned by the students and are not subject to purchasing and bid laws. When purchase requisitions are submitted, a copy of the signed meeting minutes approving the purchase must be attached to the requisition.

Faculty Activity Funds (Fund 865) – Agency Fund

Faculty activity funds are also known as Teacher Funds or Sunshine Funds. These funds are held in a custodial capacity by the school district, and are property of the faculty. Faculty funds are generated by and used for the specific purpose of benefiting faculty members. The funds are contributed by the faculty.

Best practice for faculty funds is to begin with a committee. The committee will determine how much to collect per participant and how the funds will be spent. The details should be documented and shared with the staff. A copy of this document should be attached to purchase requisitions, so the approvers can determine if the purchase aligns with the original intent of the group. If a need arises outside of the original intent, the committee should conduct a vote to receive approval from the participants. The vote should be documented and attached to the requisition.

Cash Receipts

FORM OF PAYMENT

Online payments through My Payments Plus is the preferred payment method for activity funds. However, when online payments are not feasible, it is acceptable to receive payment via cash or money order. Personal checks are not acceptable. If a personal check is accepted, and then returned by the bank, the amount of the check and any other fees will be deducted from the activity account. Business checks for refunds and donations are acceptable.

RECEIPTS

All money should immediately be receipted upon collection. A CHISD receipt or tabulation receipt form should be used to document all collections. Receipts should only be issued from the CHISD branded receipt books that are provided by the business office. Generic receipt books, such as those sold at the local office supply store, should not be used. Do not alter a receipt – if a mistake is made, void the receipt and start a new receipt. Do not use receipts out of order. Do not dispose of voided receipts. The white copy of the receipt should be given to the parent/student. The yellow copy goes with the deposit documentation, and the pink copy stays in the book.

TABULATION RECEIPT FORM

A tabulation receipt form may be used to document money collections in place of issuing a receipt to every individual. It is not necessary for sponsors to issue a receipt AND document collections on the tabulation receipt form. The person who completes the tabulation receipt form will turn the form in to the secretary with the money collected. All money turned in to the secretary must be counted/verified in the presence of the

person turning in the money and the secretary. The tabulation receipt form(s) should total the amount of money collected. The secretary will issue a receipt for the total of the money received.

DEPOSITS

Timeliness

Bank deposits should be processed at least twice per week if more than \$50 has been collected. All funds should be deposited before the end of the month. All funds must be deposited before an extended break.

Accuracy

Deposits should be counted twice to ensure accuracy and avoid bank corrections.

Coins

Coins must be wrapped if there are enough to fill a roll. The bank will provide coin wrappers upon request.

Deposit Slip Preparation

In addition to the date and amount on the deposit slip, please include the receipt numbers, deposit bag number, and your signature. The white copy of the deposit slip goes to the bank. The yellow copy goes with your other deposit documentation, and the pink copy stays in the deposit book.

Deposit Bags

After the deposit has been counted and the deposit slip has been prepared, immediately place the funds in tamper-evident deposit bag, along with the white copy of the deposit slip. Don't forget your coins (if you have any)! Seal the bag as soon as the checks, currency, coins, and deposit slip are in the bag.

Deposit Log

Once the deposit bag is sealed, list the deposit on the deposit log and place the deposit in the safe. Cafeteria deposits will also be listed on the deposit log. The deposit log should be kept in the safe or an easily accessible place near the safe to hasten the deposit pickup process upon the courier's arrival.

Deposit/Cash Receipt Data Entry

The cash receipt should be entered into Skyward immediately after preparing the deposit. The total amount of the Skyward cash receipt should equal the deposit. Do not split one deposit into multiple cash receipts, and do not enter multiple deposits on one cash receipt.

Receipt Books and Deposit Supplies

Receipt books, deposit bags, and change of custody forms are stored at the Business Office. Deposit books are ordered on an as needed basis due to the cost. Orders take two to three weeks for delivery. Please plan accordingly and email the accountant for additional supplies.

SAFEKEEPING

The number one rule of cash collections is to never leave money unattended! Always be sure money is locked in a secure location. Secretaries should always be sure money is secured in the safe located in the vault, especially when left overnight.

What NOT to do: do not take money home; do not leave money in a desk, and do not leave money in mailboxes, do not withhold cash from cash receipts for the purpose of making change or disbursing payments.

For the protection of the district bank account information, all deposit slips and endorsement stamps should be kept in the safe.

Fireproof Safe

Every campus and department who has cash collections has been provided with a fireproof safe. The safe should be bolted down and kept in the office vault. If the safe becomes inoperable, please notify the maintenance department as soon as possible. Every safe operates with a key OR an electronic code. The maintenance department will keep one key and the other key will be kept on campus. The electronic code may be changed by submitting a maintenance work order.

CHANGE OF CUSTODY (CAFETERIA DEPOSITS)

The cafeteria managers will bring the daily deposit to the secretary in a sealed deposit bag. The manager will have prepared a change of custody form. The secretary will sign and date the form, and then give the white copy to the cafeteria manager. The secretary will add the information to the deposit log and place the deposit in the safe. There should be a backup person available to accept the deposit if the secretary is not available.

CHROMEBOOK FEES

Students and staff should notify the campus Computer Technician Assistant (CTA) when their Chromebook or accessories are broken or missing. The CTA will assess the device and, if necessary, assign a fee in the online payment system (My Payments Plus). The fee may be paid online or paid to the campus secretary. The secretary will issue a receipt, which can then be shown to the CTA so that a replacement device may be issued. At no time should a CTA collect payments.

Fees collected in association with Chromebooks and accessories should be credited to the technology department revenue account code: 461 R 00 5749 53 999 0 00 000. Collections will supplement the cost of replacement parts and devices. The offsetting expenditure account for the budget revision is 461 E 11 6399 53 999 0 11 207.

The technology department secretary will record cash payments in My Payments Plus once per month after the monthly bank reconciliation is complete.

TRANSCRIPTS

Alumni

Orders are placed through [My Payments Plus](#) (online payment system) and fulfilled by the Enrollment Center staff.

Current Year Seniors

Counselors verify the information after grades are final. A date is set around mid-June for seniors to pick up three copies of their transcript. Students may work with counselors if more copies are needed.

After July 31, seniors will be considered Alumni and will need to request transcripts through [My Payments Plus](#).

ONLINE PAYMENTS (MY PAYMENTS PLUS)

The online payment systems authorized for CHISD transactions are My Payments Plus for meals, fees, and sales activities; Ticket Spicket for athletic game tickets; and CHISD BookTix for performing arts tickets. CashApp, PayPal, Venmo, Zelle, or any other electronic payment system are not allowed.

REFUNDS

Refunds (lost textbooks, summer school, field trips, etc.) will be issued on a District issued check with proper documentation including a copy of the student receipt and a refund request form.

The refund request form is available on the CHISD website. The form must be signed by the parent (or other patron) and the principal (or other budget manager). Attach a copy of the receipt and email it to the accounting manager. Payments may take up to three weeks to be processed. In the event that a large number of refunds need to be issued, the business office will require all of the refunds to be submitted at the same time and all of the refunds will be issued in the same check run.

Refunds cannot be issued for what we did not collect. If payments are issued to a PTA, booster club, or vendor, we have no control over issuing refunds.

CASH DISBURSEMENTS

Cash disbursements are not allowed. All payments must be processed by the accounts payable staff who will issue a check for payment or refund.

REPORTS AND RECONCILIATION

Scheduling Reports

The campus secretary must schedule reports to automatically send from Skyward to the sponsors for each campus activity group and student activity group. In addition, reports should be scheduled for the campus principal, including funds 199, 211, 461, and 865.

Sponsor Monthly Reconciliation

The sponsor is responsible for making sure PO's are closed punctually. As soon as an item is physically in your possession, or the event has passed, the sponsor should relay the information to whomever entered the PO so it can be marked received in skyward that same day.

Every month the secretaries should be sending the sponsor a report of their accounts and it is the sponsor's responsibility to ensure the amount in their accounts are being reported correctly.

RECORDS RETENTION

Accounting records should be maintained for five years after the conclusion of the fiscal year and remain available for review at any time.

Fundraising, Sales, Fees and Fines

Collection of Funds Application

Currently the Collection of Funds form is required for ALL purposes of collecting funds. That form is currently on the business office [webpage](#) but will be transitioning to a google doc in Fall 2023.

Financial Recap

After closing an event, the sponsor will be responsible for creating a recap of the sales for their own benefit and only add to the google form for the business office if the net proceeds amount is over \$500.

Event Start-Up Cash

Sponsors may request change for campus events that necessitate change. Personal or other non-district funds should not be co-mingled with district funds. Change funds are

available for book fairs, campus events, campus activity groups, and student activity groups. Outside groups such as PTA's and Booster Clubs must provide change funds from their resources.

Requesting

A requisition may be entered in the sponsor's name to receive a check to cash for campus events that necessitate change. An approved Collection of Funds application must be on file and a copy attached before your requisition will be approved. At minimum, the requisition needs to be entered 2 weeks prior to the event. The sponsor responsible for safeguarding the funds must come to the business office at least 3 days prior to the event to retrieve the check and take to the bank to cash.

Returning

The funds should be deposited the first business day following the event end date. If the funds are not deposited within 5 days of the end of the event, the funds will be deducted from the activity account associated with the event.

Sales Tax

Taxable

School districts and associated groups must collect sales tax on products and services sold to its students or other patrons. Assume all sales are taxable unless otherwise stated. Flyers and other advertisements must state sales tax is included in the price.

Promptly turning in cash receipts to secretaries is necessary to process timely deposits and report sales tax in the proper month.

Examples of taxable items (not all inclusive):

- Books: handbooks and yearbooks
- Food products: prepared and/or served with utensils
- Identification cards (initial issue)
- Instrument rental
- Merchandise: spirit items/clothing
- Supplies: art, music, etc.
- Uniforms: athletics, cheer, clubs, dance, drill team, etc.
- Printing services
- Vending machine sales, except edible items

Nontaxable

- Advertisements in athletic programs, yearbooks or newspapers
- Admission tickets: school carnival, dance, athletic event, school play, or musical
- Campus parking permits for students or faculty
- Car wash

- Donations from spirit nights
- Fees for lost items: IDs, keys, books, Chromebook items, etc.
- Fines: cell phone
- Food products: candy, snacks, drinks
- Maintenance or repairs on school property: Chromebooks or instruments
- Membership fees to student clubs (cannot include merchandise in exchange)
- Renting space such as a gymnasium, auditorium, or cafeteria
- Transcript fee
- Tuition

Not a Sale

The following items are considered “not a sale” and are not applicable to sales tax.

- Field trip collections
- Commissions (vending, spirit nights, book fairs)
- Donations

Tax Free Days

School districts are allowed two “one-day” tax free sales days. One-day is a 24 hour period of time. The tax free days are applicable to

- Each 865 Student Activity Group
- Each Campus, but may be assigned to a 461 campus activity group. However, the campus only gets two per calendar year regardless of how many campus activity groups are at the campus.

Rebates and Commissions

Rebates and commissions are not considered donations. A commission is when the district is given a percentage of the sales of a particular item (i.e., student and staff pictures, vending machines, spirit nights, etc.). A rebate occurs when part of a payment is returned to the district. Use revenue object code 5755.

Donations to Charitable Organizations

Funds may be collected for donation purposes only by an established student organization. Student organizations are funded from the 865 student activity fund. Groups wishing to conduct a donation fundraiser but not fitting into one of the categories above should:

- Consider a civic service project instead
- Approach their PTA or Booster Club to head up the fundraiser
- Request a recognized student group to sponsor the fundraiser for them

Charitable Raffles

A raffle is the awarding of one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize. *Occupations Code 2002.002(6)* Board Policy CDC (Legal)-P.

A “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act may conduct raffles in accordance with the Act to benefit a district or school. A parent-teacher organization may be qualified to hold such raffles if it meets the requirements of the Act. *Occupations Code 2002.003, 2002.051; Atty. Gen. Op. JM-1176 (1990)* Board Policy GKB (Legal)

A district is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act (*Occupations Code 2002.001 et seq.*). *Atty. Gen. Op. JM-1176 (1990)*. Raffles are not allowed for the district for any reason, including all campus and student activity groups.

DONATIONS AND PRIVATE GRANTS

Private grants are funding opportunities awarded by business entities. The grant process consists of three phases: pre-award, award, and post award. The pre-award phase is the funding opportunity and application review. The award phase is the award decision and notification. The final phase, post award, is the implementation, reporting, and closeout. Private grants are often created to fund projects focused on emerging issues, new needs, or special interests. Grant funds have a timeline in which the funds must be expended, which typically ranges from one year to many years. Additionally, expenditures must follow the grant guidelines. Private grants are recorded in fund 491.

A donation is a gift, one of charitable nature. A donation is a voluntary transfer of property (often money) from the donor to the recipient with no exchange of value from the recipient. Donations are recorded in fund 461 or 462, which is determined by whether the donation is conditional or unconditional.

Conditional or Unconditional

An unconditional donation has no donor restrictions on its use. Once the District accepts an unconditional donation, the money becomes an asset of the district and must follow district spending requirements.

A conditional donation is one in which the donor has placed restrictions on the use of a gift or bequest. This type of donation creates a fiduciary responsibility. An example of this type of restricted donation would be for scholarships.

Acceptance of Donations

Per Board Policy CDC (Local), the Superintendent has the authority to accept unsolicited gifts on behalf of the District. However, any gift with a cost or market value of \$5,000 or more, any gift that the potential donor has expressly made conditional upon the District's use for a specified purpose, or any gift of real property, shall require Board approval for acceptance.

Once accepted, a gift becomes the sole property of the District.

Gifts of \$5,000 or more (Conditional or Unconditional)

Monetary gifts of \$5,000 or more shall require Board approval before acceptance.

Gifts with specified intent (Conditional)

Monetary gifts of any value with a specified intent shall require Board approval before acceptance.

Tangible Non-Monetary Gifts

Unsolicited non-monetary gifts shall require Board approval before acceptance.

Gifts Under \$5,000 with no specified intent (Unconditional)

Monetary gifts of \$5,000 or under may be accepted and approved by the Superintendent or designee if there is no specified intent.

Gift Approval

Requests for approval of gifts requiring the Board or Superintendent approval shall be submitted in writing on the CHISD Donation Intent to Accept form. All requests should be submitted to the staff accountant.

Giving Donations

The Texas Constitution, Article 3, Section 52, states that government agencies are not allowed to grant money or thing of value to any individual or company whatsoever. To reiterate, we cannot use district funds to purchase items to gift to someone for personal benefit. The use of district funds for gifts is considered a gift of public funds.

The Business Office understands the desire to give rewards or help the community. However, we cannot do so through gifts. This is best done through a local nonprofit group.

Budget

SPENDING GUIDELINES

Spend Most Restrictive Funds First

When deciding what fund to use for purchases, spend the most restrictive funds first. This allows the campus to have more purchasing flexibility. Example:

1. Special revenue fund 200's
2. General operating fund 199
3. Campus activity fund 461

Program Intent Codes

The program intent code is used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent is the instructional content and desired outcome toward which the instructional or other service is directed. The intent determines the program intent code (PIC), not the demographic makeup of the students served.

TEA reviews special program expenditures as recorded by the PIC. The District must meet minimum spending requirements for many of the enhanced services, which are recorded in PIC 21 through 43.

Timing of Orders

Do not wait until the last minute to spend funds. The general operating funds do not roll over. Orders that do not arrive before the fiscal year end will have to be paid out of the next fiscal year's budget.

Purchase technology and library books early in the year. Current year allocations are meant to benefit students during the same fiscal year.

Monitoring

Every Monday skyward sends automated emails called the AP Listing Report to secretaries for each account group they are monitoring. This list reflects all invoices that have been received and entered for payments in the business office but are waiting to be received in skyward by the user. This report needs to be worked no later than Tuesday at 12 noon weekly so we can include payment in that week's check run. Starting May 1st this report will go out weekly to ensure all merchandise is received or cancelled in this fiscal year.

Every Thursday skywards sends the Open PO to secretaries to assist with keeping the budget clean. As items are paid, you will have actual numbers to show the amount left on the PO. This report will assist with keeping track of PO's that need to closed and

possibly reentered for a lower amount for low usage to free money up or clone the PO if funds are running low and you need to have a PO in place for that vendor.

Please email accounts.payable@chisd.net if you should be receiving a report for your campus/department and you are not.

TRANSFERS

Budget transfers are typically approved daily. However, the accounting manager is primarily the person who approves budget transfers, so there may be delays due to other competing priorities or absences. Please plan accordingly.

Transfers within the general fund may not change the program intent code, if the PIC is between 21 and 43. For example, an account code with PIC 21, must stay in PIC 21, but may change object codes.

Budget transfers for the general fund must be in whole dollar amounts.

Transfers for activity funds do not have to be whole dollars.

Budget transfers for grant funded accounts are approved by the state and federal grants coordinator.

Budget transfer to payroll accounts (6100s) must be submitted to the Accounting Manager on the Budget Transfer Request form found on the [CHISD Business Office webpage](#).

AMENDMENTS

A budget amendment is a transfer between accounts that have different function codes, and must be approved by the School Board at a regular board meeting. Budget amendments must be submitted to the Executive Director of Finance on the Budget Amendment Request form found on the [CHISD Business Office webpage](#). Board agenda documents are due to the board 10-11 days before the Board meeting.

Internal Controls

PURPOSE

School personnel are placed in a position of extraordinary trust by parents and students when funds are placed in their care. Adequate measures to control these funds will assure parents and students that the funds are being handled properly. It is for the purpose of providing this assurance and protection that activity fund control procedures have been established.

The various control procedures are also designed to help protect the individuals who work with activity funds. Each step in the control procedures (writing and delivering cash receipts, preparation of purchase orders, maintaining accounts, reconciling accounts in a timely manner, etc.) plays a vital part in the overall system of controls. Strict adherence to control procedures is the “safe harbor” of protection for all individuals who work with activity funds.

An adequate system of controls that is appropriately followed casts a favorable perception to the community concerning the individuals associated with activity funds, as well as the entire campus and the District as a whole.

PROCESS REVIEWS

The financial records and processes of all campuses and departments are subject to review at any time throughout the year with little or no advance notice. These reviews may be performed by business office staff or by the District’s outside independent auditors.

SEGREGATION OF DUTIES

The secretary should not be responsible for any fundraisers or the sale of any items. Someone other than the secretary should handle these items to maintain segregation of duties. Inventory should not be kept in the secretary’s office. If the secretary orders inventory, collects the money, and deposits the money, no safeguards exist to protect the secretary. By having someone else responsible for collecting the money, the campus would then have two (2) people that have verified these financial transactions.

DOCUMENTATION

The secretary shall maintain physical copies of the following accounting records:

- Receipts books with all pink copies intact and all copies of voided receipts
- Deposit books with all pink copies intact
- Deposit logs
- Change of Custody forms (kept in date order, stapled together by month)

FAILURE TO FOLLOW PROCEDURES

When a district employee fails to follow a district procedure, the employee will be asked to complete a Plan, Do, Study, Act form (PDSA). The PDSA serves as a coaching tool and a corrective action for audit purposes.

- Plan – What is the problem? What is the cause? How do you fix the problem?
- Do – What are the next steps? How will you know it worked?
- Study – What are the results of your plan?

- Act – Should you share your process with others?

Internal Services

CUSTODIANS AND OFFICERS FOR EXTRACURRICULAR EVENTS

Campus or department extracurricular events should be scheduled through the facilities office. The director of custodial services will assign custodians as needed. The Chief of Police will assign officers as needed. Personnel outside of the police department should not serve in the role of a police or security officer.

Not all extracurricular events require custodians or officers. However, when custodians and officers are needed, a purchase order should be in place before the event to encumber funds for the payment. Please check with the maintenance department for the rate for custodians, and the police department for the police and security officer rates.

Examples of extracurricular events that require custodians and officers, include activities at the Performing Arts Center, school dances, car shows, Battle of the Bands, overnight lock-in events, etc.

The following events do not require a purchase order because the salaries expenditures are included in the police department budget: high school and middle school athletic events, high school graduations, proms, UIL football and basketball playoff games (non-district), and all school board meetings.

CATERING, BUSES, AND PRINT SERVICES

In addition to custodial and police services, all other internal services require payment through the purchase order process. Examples of those include culinary catering, food service catering, buses for field trips and other extracurricular activities, and CTE print services.

INTERNAL SERVICES SKYWARD VENDOR KEY

- Culinary - CHISD CU000
- Child Nutrition - CHINUTSE000
- Maintenance - CHISD MA000
- Police - CHISD PO000
- Print Shop - CHISD PR001
- Transportation - CHISD TR000

Glossary of Terms

Co-curricular activities are those activities that are outside of but usually complementing the regular curriculum.

Extracurricular activities are defined as those school-based activities that are not tied to the curriculum.

Acronyms

Texas Education Agency (TEA)

Governmental Accounting Standards Board (GASB)

Texas Education Code (TEC)

Texas Administrative Code (TAC)

Code of Federal Regulations (CFR)

Financial Accounting Standards Board (FASB)

Program Intent Code (PIC)

References