Brownsboro ISD

Fiscal Manual
(Fiscal Guide for District Staff)
2024-2025

Board Approved August 12, 2024

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Introduction

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

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

Business Office Staff

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

Executive Director of Finance – Jonathan P Lundmark
Payroll – Margaret Mitchell
Accounts Payable – Starley Aills
PEIMS – Leslie Sexton

Business Office Mission Statement

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

The Business Division's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Account Codes

All school districts are mandated to use the account code structure as defined in the Financial Accounting and Reporting (FAR) module of the Financial Accountability Resource Guide (FASRG). The appropriate fund, function, object, organization, fiscal year, and program intent code must be used for all financial transactions. Local use codes, such as the sub-object, shall be in accordance with district procedures.

The account code used for all financial transactions must match the intended expenditure. If funds do not exist in the appropriate account code, a budget amendment and/or transfer shall be submitted to appropriate the necessary funds in the appropriate account.

Failure to adhere to the required account code structure may result data quality errors in PEIMS reporting and the district's financial statements. Additional consequences may be the loss of funds due to non-compliance with audit or grant requirements.

The district chart of accounts is included in the Appendix section.

Activity Funds (Campus or Department)

Campus and department activity funds (under the control of the principal or administrator) shall be collected, receipted, and deposited to the district's business office daily. Refer to cash/check handling procedures on page 7.

Campus activity funds are managed using a centralized system. All deposits and expenditures under the centralized system shall be made through the district business office.

Checks for activity fund disbursements shall be generated once a week on Wednesday. All supporting documentation shall be submitted at least <u>two days</u> prior to the check processing day. Requests for emergency checks shall be kept to a minimum and shall be subject to approval only for extenuating circumstances.

Campus activity funds shall be primarily used to benefit students in accordance with School Board Policy. 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 or support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with the district's National School Lunch Program [NSLP]. 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.

Sales tax generated through fundraising activities shall be recorded and paid to the Texas Comptroller of Public Accounts on a Monthly or Quarterly basis as determined by the Texas State Comptroller. Two tax-free sales per district, campus, and bona fide clubs or organizations shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year. All documentation for fundraisers shall be maintained for five (5) years.

Campuses may establish a faculty account (such as Flower Fund) with voluntary donations from staff. These funds are <u>not</u> district funds and may be used in any manner. Purchases with these funds <u>are</u> subject to sales taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds may be deposited and expended from an Agency Fund 461.

Fundraising Collections Record Form

Activity Accounts (Student Organizations)

A Student Activity account shall be defined as a trust account for a bona fide student group as evidenced by a Constitution, By-Laws and elected officers. Student activity funds (under the control of the campus principal) shall be collected, receipted, and deposited daily. Refer to cash/check handling procedures (page 7). All monies collected should be receipted in a receipt book [bound and pre-numbered receipts]. The fundraising Collection Record Form and all documentation shall be maintained for five (5) years.

Student activity funds are managed using a centralized system. All deposits and expenditures under a centralized system shall be made through the district business office.

Checks for activity fund disbursements shall be generated once a week on Wednesday. All supporting documentation shall be submitted at least <u>two days</u> prior to the check processing day. Requests for emergency checks shall be kept to a minimum and shall be subject to approval only for extenuating circumstances.

Student activity funds shall be used <u>exclusively</u> for the benefit of students. Typical uses include travel, awards, banquets and supplies. These funds shall be used at the discretion of the student organization through designation of one or more of its officers.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An Authorization to Conduct to a Fund Raiser should be submitted to the principal in advance of the scheduled activity on a Request for Approval for Fund Raiser form. Activity funds shall be audited and must adhere to accepted business practices.

Sales tax generated through fundraising activities shall be recorded and paid to the Texas Comptroller of Public Accounts on a Monthly or Quarterly basis as determined by the Texas State Comptroller. Two tax-free sales per bona fide club or organization shall be allowed each *calendar* year. The tax free days must occur on a single day (defined as a 24-hour period) or over a period of time as pre-sales with a single delivery date. A fundraising calendar should be maintained to ensure compliance with the limitation of two sales per calendar year.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s).

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All merchandise logs, receipt logs/books, profit/loss statements, etc. shall be collected and stored at the end of every school year by the campus principal as part of the closeout procedures and shall be retained for 5 years. New receipt books should be issued to staff members for each fiscal year.

Activity Fund Check Request
Activity Deposit Form
Request for Approval of Fund Raiser
Fundraiser Collections Record Form

Audits

Audits may be conducted throughout the fiscal year by business office staff and/or regulatory agencies. Audits may include the annual financial audit, the Single Audit (federal grant funds), activity accounts, petty cash, payroll, attendance accounting, PEIMS, drop-out, state compensatory education, or other audits as deemed appropriate. The two most comprehensive audits are noted below:

Annual Financial Audit

An annual financial audit must be conducted by an independent CPA firm selected by the district Board of Trustees and reviewed by the TEA Division of Financial Audits. The annual financial audit must be submitted to the TEA Division of Financial Audits by the established deadline of 150 days after the end of the fiscal year, specifically for the district's fiscal year ending August 31st, the report shall be filed by January 28th. In addition, the audit report should be filed with the following: Municipal Advisory Council, bond debt issuers and depository bank.

The district has engaged the CPA firm of Rutherford, Taylor & Company, P.C. to conduct the annual financial audit for fiscal year August 31, 2024. The role of the CPA firm is to conduct a district-wide audit of the district's financial statements, internal control procedures, and to test transactions to determine compliance with local, state and federal regulations.

All financial transactions shall be in accordance with local, state and federal audit guidelines. The Financial Accountability System Resource Guide (FASRG) posted on the TEA website shall be utilized to ensure awareness of audit compliance areas. In addition, the OMB Circular A-133 shall be utilized to ensure awareness of audit compliance areas for all state and federal grant funds.

The Executive Director of Finance is responsible for coordinating and overseeing the annual financial audit.

Single Audit

The Single Audit Act and OMB Circular A-133 require school districts that expend total federal financial assistance (FFA) equal to or in excess of $750,000 in a fiscal year to have an audit performed in accordance with the Act. School districts expending less than $750,000 in federal financial assistance in a fiscal year are not required to have either an audit under the Single Audit Act and OMB Circular A-133 or a *program audit*, however, they must maintain records to support federal financial assistance programs and must have a financial audit performed under generally accepted auditing standards (GAAS) and *Government Auditing Standards* (GAS), also referred to as the Yellow Book. The single audit must be conducted in accordance with United States Office of Management and Budget, OMB Circular A-133 and the OMB A-133 Compliance Supplement. [Excerpt from TEA FASRG Audit Module]

The district has engaged the CPA firm of Rutherford, Taylor & Company, P.C. to conduct the annual financial audit for fiscal year August 31, 2024. The role of the CPA firm is to determine the major program(s) for the fiscal year and to issue an opinion on the federal statements for the federal program(s) and test transactions to determine compliance with internal controls and federal program guidelines.

The Executive Director of Finance is responsible for coordinating and overseeing the single audit.

Budget Adoption

The district must adopt a budget not later than August 31st of each year. The Board of Trustees shall publish a notice and conduct a public hearing regarding the budget prior to adoption of the budget. The district must also publish a notice regarding the proposed budget on the district website.

At a minimum, the Board of Trustees shall adopt a budget that includes the General Fund, Food Service Fund and Debt Service. The budget shall be adopted at the function code level; therefore, any changes to the budget at the functional level, shall be approved by the Board of Trustees prior to exceeding a functional expenditure category.

The adopted budget shall be reported to TEA on an annual basis through the fall PEIMS submission.

The Executive Director of Finance shall be responsible to coordinate the development and adoption of the district budget.

Every campus and department shall be responsible for monitoring and amending their respective budget to ensure that it meets the identified needs of the campus or department. The adopted budget shall correlate directly and/or indirectly to the District Improvement Plan and Campus Improvement Plans.

Budget Amendments

A budget amendment is defined as a transfer of funds across different functions. For example: a budget amendment would result if instructional funds (function 11) were requested to be transferred to the library (function 12). Budget amendment line items should exceed $1,000 and be stated in whole dollars.

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

Budget Amendment Form
Budget Transfer Form

Budget Transfers

A budget transfer is defined as a transfer of funds which is not across different functions. The Superintendent shall approve all budget transfers. Budget transfer line items should exceed $100 to minimize the number of small transfers and be stated in whole dollars.

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

Budget Amendment form
Budget Transfer Form

Cash/Check Handling

All cash and checks shall be deposited to the appropriate secretary or bookkeeper on a daily basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home for extended periods of time. No cash purchases should be made – *every* dollar collected should be receipted and deposited to the campus secretary/bookkeeper. All district funds shall be taken to the administration office for proper handling of deposits, etc.

The secretary/bookkeeper shall receipt in a bound, pre-numbered receipt book and forward all monies on a daily basis to the district's business office, or secure overnight in a locked campus safe if the deposit cannot be made the same day. A deposit form should be included with all deposits.

Athletic event gate receipts (admission fees) shall be recorded on an Advance Money and Gate Receipts Report and submitted by the Ticket Taker to the Business Office. Funds shall be deposited to the appropriate athletic events revenue account(s).

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

All district and activity account bank statements shall be reconciled within 30 days after the end of each month. TEA strongly recommends separation of duties as they relate to the initial review and reconciliation of bank statements. Fraud, if any, shall be reported immediately to the Superintendent. Adjustments to the general ledger, if any, shall be posted as soon as possible.

Advance Money and Gate Receipts Report

Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Thursday. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All check requests, including supporting documentation, such as travel advances/reimbursements, petty cash, construction, etc. shall be approved by the appropriate principal or administrator and submitted to the Business Office by 4:00 p.m. on Tuesday. Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

The appropriate forms shall be used for travel and petty cash disbursements, all other non-purchase order disbursements and/or reimbursements shall be submitted on a Payment Authorization Form. State law generally requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices should be submitted to the Business Office on a timely basis for payment. Specifically, the Government Code (Section 2251.021] states:

TIME FOR PAYMENT BY GOVERNMENTAL ENTITY. (a) Except as provided by Subsection (b), a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

(1) the date the governmental entity receives the goods under the contract;
(2) the date the performance of the service under the contract is completed; or
(3) the date the governmental entity receives an invoice for the goods or service.

(b) A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).

Checks not cashed by the expiration date (six months from date of issue) will be voided. A new check will be reissued if the payee is located and requests a reissue. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

Payment Authorization Form
Personal Expense Report

Consultants or Contracted Services

Consultants and contracted vendors are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, repairs, etc. that cannot be performed by a school district employee. A Contract is required for every consultant and contracted vendor. The Superintendent is the only individual(s) authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement.

Contracts that exceed $25,000 shall be approved by the Superintendent and the School Board.

The selection criteria of a consultant or contracted vendor may include the following:

- Vendor credentials, including license, education level, or specialized skills
- Vendor reputation, as evidenced by references from past clients
- Past experience with the school district
- Cost of service(s)

Consultants and contracted vendors shall be selected through a competitive procurement process in accordance with the state purchasing laws and School Board Policy. [Refer to Board Policy CH Legal and Local] According to Board Policy CH Legal, the purchasing requirements of Education Code 44.031 do not apply to a contract for professional services rendered, including the services of an architect, attorney, certified public accountant, engineer, or fiscal agent.

There shall be a separation of the solicitation and evaluation functions from the contract award function. The Executive Director of Operations and or Executive Director of Finance shall be responsible for oversight of the solicitation and evaluation of all competitive bids and/or proposals. The Superintendent and School Board shall be responsible for approval or award of contracts.

Please follow these procedures when submitting a Contract or similar document:

- Submit the completed Contract or similar document to the appropriate Director for review. The Director shall forward the contract to the Superintendent for final approval.
- Obtain the following documents from the consultant or contracted vendor:
  - A completed W-9 form
  - Conflict of Interest Questionnaire
  - A Felony Conviction Form
  - If the consultant will work directly with students, a Criminal History Check Authorization form and State Board of Educator Certification fingerprinting documentation. (See Human Resources for further information).

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the completed contract. The Certificate of Insurance shall name "Brownsboro ISD" as additional insured. No work shall be performed by the consultant or contracted vendor until *all* required documents, especially proof of insurance, are received by Brownsboro ISD.

Payments to consultants and contracted service vendors will not be made until the person responsible for monitoring and/or accepting contract performance has approved a detailed invoice. The detailed invoice must include the date(s) of service, service(s) performed, and the negotiated rate of pay.

BISD Travel Expense Guidelines for Consultant Services
Consultant Service Contract
W-9 Form
Felony Conviction Form
Criminal History Authorization – Contractors
Contract Transmittal Form
Consultant Invoice for Fee/Expenses
Consultant Evaluation
Conflict of Interest Instructions
Conflict of Interest Questionnaire

Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. All district staff shall comply with the acceptable use guidelines related to the use of district copiers, especially as it relates to the avoidance of copyright infringement.

Acceptable Use Policy

Credit Cards

The district utilizes credit cards for purchasing of food, supplies, and travel. All credit purchases must be pre-approved on a purchase order. All credit receipts (detailed, itemized) shall be submitted to the business office within five (5) days of purchase to ensure prompt payment to the vendor.

Before a district credit card can be issued, please complete a Request for Credit/Charge Card Form and submit to the District Business Office. District policies must be adhered to regarding purchases with school credit cards. Violations may result in disciplinary action, up to and including employment termination. All authorized credit card users shall be responsible for the security of their assigned credit card(s).

All credit card purchases with state and federal funds shall comply with the OMB Circular A-87 guidelines. Specifically, all credit cards purchases shall be recorded on the general ledger in detail to include the date of the transaction, the merchant, goods/services purchased, cost, and the purchaser. Grant administrator or other approvals required under the regular purchasing procedures of the school district shall be adhered to regardless of the method of payment.

Request for Credit/Charge Card

Donations and Gifts

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

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

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

All donations with a value greater than $5,000 shall be approved by the School Board; donations of a lesser value shall be approved by the Superintendent. All donations for technology equipment shall be approved by the Director of Technology prior to the Superintendent and/or School Board approval.

Donation Form
Gift Card Register

Field Trips, Co-Curricular and Extra-Curricular Travel

All field trips shall be submitted on paper at least five (5) days prior to a field trip to the appropriate administrator(s) and approved prior to date(s) of travel. A purchase order shall be submitted for admission fees, meals, etc., if any. In addition, a Field Trip Sack Lunch Meal Request Form shall be completed and submitted at least three (3) days prior to the field trip to the Food Service Director.

Overnight and out-of-state student trips shall be subject to the guidelines as stated in School Board Policy FMG Local. Approval from the parents, campus principal, and Superintendent or designee must be obtained prior to the student trip. Advance School Board approval is also required for any out-of-state trip(s) by an action item placed on the School Board meeting agenda prior to the date(s) of travel.

If a district-owned vehicle or school bus is requested, specific details regarding the destination, type of vehicle, departure and return times shall be submitted by using a Transportation Request Form at least five (5) days prior to the field trip. If the requestor will be driving a district-owned vehicle, he/she must be listed on the Authorized Driver List. Approved employees only are allowed to drive a school owned vehicle after submitting a copy of the employee's driver license and insurance information to the transportation director. A driving record verification of all staff requesting to use a district-owned vehicle, if the driving record meets the minimum guidelines set by the district; the staff member shall be placed on the Authorized Driver List. The maximum penalty point system is used for bus drivers (refer to the Transportation Code 521.022(d) and non-bus drivers.

Request to Attend- HS
Transportation Request
Field Trip Lunch Request Form

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.

All invoices for goods received before August 31st, shall be submitted to the Business Office by September 15th for processing and payment.

Fixed Assets & Inventory

Fixed assets are defined as equipment with a unit value over $5,000. These assets are tracked and recorded on the district's financial general ledger. Fixed assets that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Office for removal from the district's financial records. All fixed assets must be purchased through the use of an Object Code 66XX. Fixed assets are subject to audit on an annual basis. Documentation shall be maintained to support all additions, deletions, or changes to the fixed asset balances.

Inventory items are defined as equipment with a unit value over $500, but less than $5000. Other items with a unit value under $500 are also tracked and tagged such as:

- TVs
- VCRs,
- Computers
- Digital cameras,
- Camcorders,
- E-Readers,
- I-Pads,
- PDAs, and
- Other items that may have a personal use.

Note: It is a best practice to tag and track selected items of lesser value that may be susceptible to personal use or theft.

Inventory items are tracked and recorded on the district's technology inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Office for removal from the district's inventory tracking system. Inventory items are also tracked for insurance purposes. Inventory items (with a unit value between $500 and $4999) must be purchased through the use of an Object Code 66XX. Inventory items (with a unit value less than $500) must be purchased through the use of an Object Code 63XX.

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

All staff will be provided a technology inventory list for their respective classroom, office, or work area at the beginning of the school year. After verifying the list, each employee shall return the verified list to his/her immediate supervisor. At the end of the school year, the same process will occur. The end-of-the-year list should include all items that were assigned at the beginning of the year, plus any items purchased throughout the school year. Staff will not be released for the summer until their inventory list has been verified and submitted to the immediate supervisor. Missing items, if any, must be indicated on the inventory list. In addition, an explanation regarding why the item(s) is missing shall also be submitted with the list.

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

Fixed Assets Transfer Form
Acceptable Use Policy
Acceptable Use Agreement Form

Fundraising Activities

Fundraising activities by student groups and/or for school sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades.

All fund-raising projects shall be subject to the approval of the principal. The Request for Approval for Fund Raiser shall be completed by the Club Sponsor and submitted to the Principal for approval. The campus secretary shall keep a copy of all approved fundraiser forms to ensure that funds are deposited on a timely basis.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program.

Merchandise ordered for resale should be distributed to students according to the vendor order form. The vendor order form should reconcile with the corresponding invoice and/or packing list. A Fundraising Collection Record shall be completed for each fundraiser and maintained with all documentation for five (5) years from the date of the fundraising event.

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual accounts are used to accumulate fundraising profits for individuals, then a) the money becomes taxable to the student; and b) the people who donate in good faith are not allowed to deduct their contributions.

For example, if students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

Fundraising revenues may be subject to sales tax. Refer to the Financial Resource Guide for specific information related to taxable sales, non-taxable sales, tax-free sales, etc.

Request for Approval of Fundraiser
Fundraising Collection Record Form

Fraudulent or Other Dishonest Acts

All Board of Trustees, employees, vendors, contractors, consultants, volunteers and other parties involved with the district shall act with integrity and diligence in duties involving the District's financial resources. Fraud and other dishonest acts will not be tolerated by the district. Violators shall be disciplined, may be terminated and may be reported to the appropriate authorities

Any and all concerns about potentially fraudulent activities should be reported to a supervisor, the Superintendent, the Board President, or local law enforcement. Neither the Board, nor any district employee, shall unlawfully retaliate against a person who in good faith perceived fraud or financial impropriety.

Fraudulent acts may include, but are not limited to the following:

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

The Executive Director of Finance shall be responsible for conducting all fraud investigations. If an investigation substantiates fraud, the report shall be provided to the Superintendent and the Board of Trustees. The report shall include the findings, action(s) taken and/or recommendation(s) for action. If any employee is found to have committed fraud, they shall be subject to disciplinary action, up to and including termination of employment and referral to law enforcement or regulatory agencies, as appropriate.

Gift Cards

District funds shall not be used to purchase gift cards in excess of $25 per person. According to the Internal Revenue Service (IRS), gift cards in any amount are taxable to the employee and must be reported as taxable wages. Gift cards, if any, issued to employees should be processed through the employee's paycheck.

According to IRS regulations, gift cards donated to the district by outside sources are also taxable to the employee if awarded to the employee by the district. Gift cards shall not be issued to staff without prior approval from the Superintendent.

Gift cards for merchandise received from an outside source must be tracked on a Gift Card Register Form. All receipts for purchases with the gift card should be attached to the form. The purchases must be for the benefit of the district or a campus/department.

Grants Management (State, Federal or Other Grants)

Seeking grant funds such as state, federal or from other sources is very desirable due to the impact of reduced local resources. It is recommended that grant applications be developed through a team approach to ensure that all stakeholders develop the grant goals, strategies and activities. Campus-based grant applications should be incorporated into the Campus Improvement Plan (CIP). All grant applications shall be reviewed and approved by the Federal Programs Coordinator, Executive Director of Finance and the Superintendent prior to submission to the granting agency. Some granting agencies require matching funds, in-kind funds, or other specific requirements that may pose a financial liability to the school district.

After the school district has received confirmation that a grant application has been approved, typically through a Notice of Grant Award, the Executive Director of Finance shall prepare and enter the grant budget on the general ledger. No funds may be expended until the grant approval has been received from the granting agency.

The Federal Programs Director shall serve as the district's grants management administrator(s).

The Federal Programs Director shall work cooperatively with the Executive Director of Finance to ensure compliance with all grant requirements as they relate to grant activities, expending of funds, supplement versus supplant, submitting reimbursement requests, financial reports, and evaluation reports.

Hotel Occupancy Tax Exemption Form

This form shall be used for in-state school-related travel to conferences, workshops, etc. Copies may be obtained from the School website or via the web at the Texas Comptroller of Public Accounts website: http://www.window.state.tx.us/taxinfo/taxforms/01-forms.html. Lodging taxes, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any.

This form is not applicable to out-of-state travel.

Hotel Occupancy Tax Exemption Form

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at the campus or department, they should be signed (if the goods/services were received), and forwarded to the business office.

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

Requests for reimbursement from other entities shall be processed through a district invoice. Campuses and departments shall submit their reimbursement documentation to the business office for preparation of the district invoice. The Business office issues invoices for reimbursement requests from outside entities as needed. The invoices are tracked so that funds are collected on a timely basis. The Business office is responsible for preparing district invoices.

Long Distance Calls

Personal long distance phone calls on the district's phones are subject to being monitored and are susceptible to the Employees Acceptable Use Agreement of district communications policy.

Employee Agreement for Acceptable Use of District's Electronic Communications System Policy

On-Line Purchasing

Since external vendor on-line purchasing generally does not have internal controls which include verification of available budgeted funds, use of on-line purchasing will be limited to specific vendors and authorized users. The district will utilize on-line purchasing through various vendors. On-line purchases will be subject the same approval paths for requisitions.

A purchase order number must be entered for all on-line purchases before submitting the on-line order.

Payroll Procedures

Every employee shall clock-in. Failure to clock-in or out may result in non-payment of unverified work time and disciplinary action. Falsification of payroll records such as reporting excessive work hours or participating in a practice of clocking in/out for other employees constitutes fraud. Violators will be subject to disciplinary action, up to and including termination of employment.

All administrative supervisors must approve each True Time record/time sheet or time card for their respective paraprofessional and support employees and submit the report(s) every pay period by the payroll pay schedule.

All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime shall be pre-approved by the immediate campus or department supervisor.

All overtime will be compensated with compensatory time or overtime pay in accordance with the FLSA requirements. An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, up to and including termination.

All employees shall utilize AESOP to document when they are absent from work to ensure that the time off is recorded in their respective leave record. Staff members shall report all absences and leave requests to their immediate supervisor.

Extra duty payment form shall be generated by the respective employee, approved by the immediate supervisor and submitted to the payroll department by the pay schedule cut-off date.

All payroll disbursements shall be coded to the appropriate account code in compliance with the Financial Accountability System Resource Guide (FASRG). Disbursements from state or federal grant funds shall also comply with the OMB Circular A-87.

Workers Report for Co-Curricular activities shall be submitted to the Athletic Director's secretary for processing.

Absence From Duty Form
Extra Duty Pay Form
Co-curricular Workers Report

Petty Cash Account

Each campus, the food service department, the maintenance department, and the district business office are authorized to manage a petty cash account. Reimbursement for petty cash checks shall be issued to the appropriate campus or department administrator. Petty cash accounts are provided for convenience when making small cash purchases and/or emergency purchases. The maximum authorized expense is $100. The principal or department administrator shall be responsible to ensure that funds exist in the account(s), which will be utilized to reimburse for the petty cash expenditures. Only general fund (Fund 199) and campus activity fund (Fund 461) accounts may reimburse petty cash accounts.

Petty cash requests for reimbursement shall be submitted by campuses or departments to the business office in the automated finance system as needed to replenish the cash balance. At all times, the petty cash account shall be balance – the sum of purchase receipts + cash shall = the authorized amount. Petty cash accounts shall be subject to random audits throughout the fiscal year and as part of the annual financial audit.

Purchasing Deadlines

To maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for **supplies and equipment** shall be **March 31st.** Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Purchasing documents for **services and travel** should be submitted by **August 1st**. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates. The specific purchasing deadlines for state and federal grants will be released as needed.

Purchase of Food and Non-Food Items

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

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a "working lunch". Documentation to support the "working lunch" shall include a meeting agenda with the inclusion of a "working lunch". If state or federal grants are used for food, all purchases shall be in compliance with the TEA Guidelines for Related Costs (located under Grant Management

Resources on the TEA website). Specifically, at no time shall state or federal funds be used to purchase breakfast or other non-allowable food items.

If food or non-food supplies are utilized for faculty, site-based meetings, etc., the expense shall be coded to the Campus Activity Account (fund 461). All other uses should be coded to the appropriate account code.

Purchase Requisition and Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created by the requesting campus or department and submitted to the Business Office for approval of a purchase order. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. Supporting documentation such as order forms, graphics, etc. shall be submitted to the Business Department.

After the requisitions pass all electronic approvals, the purchase order form is generated. Each purchase order is uniquely numbered for audit tracking purposes. No employee shall order or receive goods without an approved purchase order. A requisition cannot be used to place an order. All purchase orders should be mailed, emailed or faxed.

According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

Purchases for goods or services from state or federal grant funds shall comply with the TEA Guidelines for Related Costs (located under Grant Management Resources on the TEA website). Specifically, all non-allowable expenditures shall not be funded from state or federal grant funds.

Purchase order form

Purchasing Laws

The Texas Education Code (TEC) addresses the requirement to competitively bid purchases that exceed $50,000, in the aggregate, over a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

The district has implemented an administrative procedure to solicit quotes for purchases, which exceed $25,000, in the aggregate, over a 12-month period. District policy recommends a minimum of three (3) quotes for all individual purchases exceeding $25,000; the written (faxed or emailed) quotes should be attached to the purchase requisition.

Anticipated purchases, which may exceed these limits, should be brought to the attention of the Purchasing Department well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval.

According to Board Policy CH Legal, a board member, employee, or agent shall not, with criminal negligence, make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner. “Component purchases” means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. “Separate purchases” means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. “Sequential purchases” means purchases, over a period, of items that in normal purchasing practices would be made in one purchase. Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment.

Receiving of Goods

The district utilizes a decentralized receiving system – all goods are delivered to the appropriate campus. A copy of every purchase order for goods (supplies/equipment) will be forwarded to the receiving clerk. Upon receipt of the goods, all technology related items that require an inventory or fixed asset tag will be tagged by the technology department. All other goods that are required inventory will be performed by the person(s) designated by the campus principal. Discrepancies, if any, should be reported to the receiving clerk. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order. Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation and an itemized receipt to the receiving clerk at each campus/department. Shortages, damaged goods, or other receiving deficiencies shall be reported immediately to the receiving clerk. The receiving clerk shall contact the appropriate vendor to address the deficiencies. The Campus Receiving Clerk shall notify Accounts Payable before any exchanges or merchandise is returned to the vendor to avoid overpayment to the vendor.

Records Management and Retention

The Local Government Records Act of 1989 [and changes that were enacted by the 74th Legislature in 1995], requires all local governments to establish a records management program by ordinance, order or resolution and filed with the Texas State Library and Archives Commission TSLAC). All local governments must file records control schedules or a written declaration of adoption of the State schedules. The deadline for compliance was January 4, 1999.

The TSLAC is responsible for the development of record retention schedules for governmental agencies. Various retention schedules address the types of records created and maintained by school districts such as GR – Government Records, EL – Election Records, TX – Tax Records, and especially, SD – School District Records. These schedules reflect the minimum retention period for each type of record.

The district has implemented a Local Records Retention Schedule that includes the types of records created and maintained by the district. This schedule also includes the minimum retention period for each type of record. The local retention period may be greater, but not less than the retention period set by the state.

Board Policy CPC Legal defines a record as noted below:

A "local government record" means any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information-recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the District or any of its officers or employees, pursuant to law or in the transaction of public business.

Records of the district may not be destroyed except as prescribed by law and district procedures. The district's Records Management Officer (district Superintendent) shall be responsible for overseeing the records management program to include collecting, archiving, and destroying records as appropriate. The unauthorized destruction of local government records is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

All requests for district records, under the Public Information Act, shall be directed to Tommy Hunter, Superintendent.

Rental of facilities

The Executive Director of Operations shall coordinate the rental of district facilities. This individual shall approve the rental agreements and coordinate with all related campuses and departments, especially as it relates to the availability of specialized facilities, electrical, cooling/heating, etc. A Facilities Agreement is required for all rentals of facilities by outside organizations. At no time shall an outside entity pay a school district employee directly for work performed within the scope of their employment with the district.

Facility Rental Application
Contract for Use of School Facilities

Returned Checks

All makers of returned checks will be subject to a $25 fee. The fee is subject to increase based on the district's depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Sale of Personal Property – Surplus

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

Surplus sales shall be advertised in a local newspaper, on the district's website, or other method as appropriate. Items shall be sold through marked pricing, sealed bids, auction, or other acceptable method that results in the best return for the district.

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

Sales Tax Exemption Form

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

Copies of the exemption form may be obtained from the Brownsboro ISD website or from the Texas Comptroller for Public Accounts website: http://www.window.state.tx.us/taxinfo/taxforms/01-forms.html. Taxes, which should have been exempt, will not be authorized for reimbursement. It is the purchaser's responsibility to present the exemption form to the vendor at the time of the purchase.

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

Sales Tax Exemption Form

Travel Expense – Advances & Settlements

All travel requests shall be submitted through the finance software (Skyward) at least 2 weeks prior to the travel event (meeting, conference, workshop, athletic event, etc). The travel request shall be forwarded to the appropriate administrator for electronic approval. The final approval shall rest with the Superintendent. After the final approval, the travel advance request and requisition shall be submitted for approval by the immediate supervisor.

The documentation for travel expenses is a three-part process.

Part 1. Pre-approval must be received from campus Principal and the Executive Director of Curriculum and Instruction [see Travel Guidelines for Employees]. The travel rates for meals, lodging, mileage, and airline are limited to the rates and amounts stated in the Travel Guidelines for Employees and are in accordance with Board Policy and subject to state or federal limits. Specifically, the domestic maximum per diem rates for travel with state and federal grants shall be limited to the rates as listed on the General Services Administration (GSA) website: http://www.gsa.gov/portal/category/21287.

Part 2. The estimated travel expenditures shall be entered into the Skyward finance system. Funds must be available and encumbered for all estimated expenditures. Typically, several requisitions would be entered to encumber funds for meals, lodging, registration, transportation and other expenses to the respective payee.

Part 3. Within 10 days of travel, all actual travel expenses shall be returned (with receipts) to Accounts Payable. Itemized receipts are required for all expenses except mileage. Meals are reimbursed for actual expenditures up to the Per Diem amounts. All monies due to the traveler will be paid upon approval of the immediate supervisor and availability of budgeted funds. The Internal Revenue Service (IRS) requires a settlement of advanced business expenses and it dictates that if a settlement is not received within a reasonable time period, that the amount of the advance be deducted from the wages of the employee and properly taxed on the next paycheck.

The TEA Travel Guidelines for state and federal funds shall be utilized to ensure that all travel expenditures are in compliance with state and federal guidelines. The guidelines may be found at the TEA website:http://ritter.tea.state.tx.us/taa/grantsadmin092111.html

Request to Attend-HS
Travel Guidelines for Employees
Personal Expense Report
Transportation Request

Vendors

Purchases from vendors that operate on a cash basis (do not accept purchase orders) or cash on delivery (COD) will not be allowed. The district participates in several cooperative purchasing programs. A list of these programs is available from the Business Department. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be submitted to the Accounts Payable Department with the appropriate documentation:

- W-9 form

The W-9 Form is essential to add the business or contractor to the vendor database. The name of the vendor, as stated on the W-9 Form, shall be entered on the vendor database. Payments will not be made to vendors without a W-9 Form on file.