

LUMBERTON ISD



Fiscal Manual 2024-2025

Introduction

This Fiscal Manual has been prepared to provide general information about several Lumberton ISD 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 and Human Resource Department Staff

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

Abby Zernial, Business Manager and Federal Programs
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Business Office Mission Statement

The Mission of the Lumberton 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 Office's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed with financial transparency and 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

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 bank on a daily basis. The district uses PayK12 for all receipt collections. Refer to cash handling procedures.

Campus activity funds are managed using a centralized system with the exception of deposits. All deposits shall be made at the campus level. All 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 Thursday. All supporting documentation shall be submitted by Wednesday at noon on 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 and staff in accordance with School Board Policy. [Note: Refer to School Board Policy CFD Local] Typical uses include field trip fees, awards, and incentives. 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.

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. Each organization may have one fundraiser during the fall semester and one during the spring semester.

Campuses may establish a faculty account (such as Hospitality) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to 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 shall be deposited and expended from an Agency Fund (Fund 876).

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 on a daily basis. Refer to cash/check handling procedures. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts] and on the Lumberton ISD Cash Deposit Form.

Student activity funds are managed using a centralized system with the exception of deposits. All deposits shall be made at the campus level. All 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 Thursday. All supporting documentation shall be submitted by Wednesday at noon on 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 exclusively 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 Business Office on a Fund Raiser Request form by the staff sponsor in advance of the scheduled activity. In addition, at the end of the fund raising activity, a profit loss statement should be filed with the Business Office. Activity funds shall be audited and must adhere to accepted business practices.

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. Each organization may have one fundraiser during the fall semester and one fundraiser during the spring semester.

Merchandise ordered for resale should be distributed to students on a written distribution log. A merchandise distribution log should reconcile with the corresponding invoice and/or packing list.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s). Every sponsor will complete and submit a Student Activity Club Minutes and Request for Expenditure Form to the Principal that will then be sent to the Business Office. The treasurer and/or president of the organization (which will be a student) shall sign-off on all purchases and/or all purchases shall be supported by club meeting minutes indicating approval of the expenditure.

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

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 28. In addition, the audit report should be filed with the following: Bond debt issuers, bank depository and Lumberton ISD website.

The district has engaged the CPA firm of Mitchell Fontenote and Associates, LLC to conduct the annual financial audit. 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 Business Manager, along with the Superintendent, is responsible for coordinating and overseeing the annual financial 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, if any. 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 Business Manager along with the Superintendent, 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 Plan.

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 \$100, and be stated in whole dollars.

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

Budget Transfers

A budget transfer is defined as a transfer of funds which is not across different functions. Budget transfer line items should exceed \$100, and must 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 to no more than five per year. Exceeding this recommended level or budget transfers may substantially change the budget document that was presented to the School Board during the budget adoption process.

Cash/Check Handling

All cash and checks shall be submitted 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. No cash purchases should be made - every dollar collected should be receipted and deposited to the campus secretary/bookkeeper. All district funds shall be deposited to the appropriate district and/or campus account at the district's depository bank, Stellar Bank.

Lumberton ISD utilizes a decentralized depositing system. The secretary/bookkeeper shall receipt [in a bound, pre-numbered receipt book] and deposit all funds to the depository bank, or secure overnight in a locked campus safe if the deposit cannot be made the same day. The deposit receipt is then sent to the Business Office to the attention of Accounts Payable.

Athletic event gate receipts (admission fees) shall be recorded on an Athletic Gate Receipts form and submitted to the Ticket Coordinator. 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 15 days after the end of each month. The individual responsible for reconciling a bank account shall not receive and open the bank statement. 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, but not later than 30 days after the end of each month.

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, start-up cash, construction, etc. shall be approved by the appropriate principal or administrator and submitted to the Business Office by noon on Wednesday. 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. 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 (12 months from date of issue) will be voided.

Compensation Plan

The LISD Compensation Plan will be presented annually. The Plan will be presented by the Superintendent. The Superintendent will classify each job title within the compensation plan based on job qualifications and duties, evaluations and market value of the position. This compensation plan follows the Pay Administration documentation in Local DEA.

Consultants or Contracted Services

Consultants and contracted vendors are non-employees who are contracted to perform a professional service such as staff development, medical services, repairs, etc. that cannot be performed by a school district employee. The Superintendent or Business Manager are 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 \$50,000 [refer to School Board Policy CH Local] 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)
- Other criteria selected by the district

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 Superintendent shall be responsible for oversight of the solicitation and evaluation of all competitive bids and/or proposals. **The Superintendent shall be responsible for approval or award of contracts under \$50,000. For contracts over \$50,000, School Board approval will be required.**

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Lumberton ISD" as additional insured. No work shall be performed by the consultant or contracted vendor until proof of insurance is received by the business office.

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.

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.

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. 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.

The Board delegates to the Superintendent the authority to accept unsolicited gifts on behalf of the District. However, 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.

Field Trips, Co-Curricular and Extra-Curricular Travel

All field trip and travel requests shall be submitted at least two weeks prior to a field trip and/or travel. The field trip request should be forwarded to the appropriate administrator for approval. The final approval will rest with the Superintendent. A purchase order shall be submitted for admission fees, meals, etc., if any.

Overnight and out-of-state student trips shall be subject to the guidelines as stated in School Board Policy FMG Local. Approvals from the parents, campus principal, and Superintendent or designee must be obtained prior to the student trip. If School Board approval is also required for an overnight or out-of-state trip, an action item must be placed on a School Board meeting agenda.

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 at least two weeks prior to the field trip.

Educational field trips funded with state or federal grants shall adhere to the TEA Guidelines for Related Costs (located under Grant Management Resources on the TEA website). Specifically, the following documentation must be submitted to support the expenditures with grant funds:

- Destination of each field trip
- Costs associated with each field trip
- Objectives to be accomplished from conducting the field trip
- Teacher's lesson plan and follow-up activities

State or federal grant funds will not be utilized for field trips that are for social, entertainment, or recreational purposes or are not properly documented in accordance with the guidelines.

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 10th for processing and payment.

Fixed Assets & Inventory

Fixed assets are defined as equipment with a unit value over \$5000. Note: Refer to district's capitalization policy - Board Policy CFB Local. 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 Manager 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
- electronic devices,
- digital cameras,
- camcorders,
- e-Readers,
- I-Pads,
- PDAs, and

Inventory items are tracked and recorded on the district's inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Manager for removal from the district's inventory tracking system. Inventory items are also tracked for insurance purposes.

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 Fundraiser Project Request Form shall be completed by the Club Sponsor and submitted to the Campus Principal with copy sent to the Superintendent Secretary's Office for final approval. The Superintendent Secretary's Office 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.

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 potential fraudulent activities should be reported to any supervisor and/or the Superintendent. 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.
- Any other examples noted in Board Policy CAA Local.

The Superintendent 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. According to the Internal Revenue Service (IRS), gift cards in any amount are taxable to the employee and must be reported as taxable wages.

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 and then 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 Business Manager 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 Coordinator shall oversee all of the district's grants administrators.

The Federal Programs Coordinator shall work cooperatively with the Business Manager 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. For detailed information, please refer to the District's State and Federal Grant Manual.

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 business office webpage or via the web at the Texas Comptroller of Public Accounts website: <https://comptroller.texas.gov/taxes/publications/96-224.php>. 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.

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 Manager is responsible for preparing district invoices.

Payroll Procedures

Every non-exempt employee shall record *all of their own* work hours through Time and Attendance. 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 shall sign off on the Time and Attendance Time Sheet for their respective paraprofessional and support employees and submit the report(s) at the end of every pay period. Due dates are published each year along with pay dates.

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 and Superintendent.** All overtime will be compensated via paid overtime or compensatory - in accordance with the FLSA requirement to enter into a prior agreement. 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 enter absences via Frontline when absent from work to ensure that the time off is recorded in their respective leave record. ALL ABSENCES MUST BE ENTERED PRIOR TO BEING ABSENT. An employee that neglects to enter absences before they occur will be subject to disciplinary action, up to and including termination.

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, especially in the following areas:

- All state and federal grant funded staff must sign a job description that includes their respective position, job duties, funding source(s), etc.
- Time and effort documentation shall be created by every staff member paid from state or federal grants and approved by the immediate supervisor on the following schedule:
- All time and effort documentation shall be submitted to [and approved by] the grant administrator for the respective funding source.
- All time and effort documentation shall be submitted to the Business Office for reconciliation of the budgeted salary expenditures and the actual time worked on each state or federal grant.

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for **supplies and equipment** shall be July 12, 2024. Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Before this deadline, each department and campus should assure that there are enough supplies to start and maintain school through September 30 of the next school year barring emergencies. Purchasing documents for **services and travel** should be submitted by May 10, 2024.

Purchase of Food and Non-Food Items

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

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a "working lunch". Documentation to support the "working lunch" shall include a meeting agenda with the inclusion of a "working lunch". 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 code to the Campus Activity Fund 480. 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 in the Frontline Finance system by the requesting campus or department and submitted to the Business department, and ultimately the Superintendent, 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 Office.

After the requisitions pass all electronic approvals, the purchase order form is generated by the requesting campus or department. 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 to vendors by the requesting campus or department.

Approval Path of Requisitions:

1. Campus/Department enters requisition in Frontline system.
2. Approval by Campus Principal/Department Director.
3. Review by Purchasing Coordinator
4. Approval by Business Manager to ensure funds are available for purchase.
5. Final Approval by Superintendent.

After final approval, requestor will receive e-mail informing of approved purchase order. Requestor will at that time print the PO and submit order to vendor. Upon receipt of goods or services, requestor will update "received" status in the Frontline system. At this time, invoice and all backup documents will be sent to the Business Office for payment to vendor.

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.

Purchasing Laws

The Texas Education Code (TEC) addresses the requirement to competitively bid purchases that exceed \$50,000. [Refer to Board Policy CH Local. State law authorizes \$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 \$1,000. District procedure recommends a minimum of three (3) quotes for all individual purchases exceeding \$1,001-\$5,000. Purchases of \$5,001-\$49,999 require three formal written quotes. The quotes should be attached as back-up documentation when sent to the Business Office for payment. Quotes may be obtained directly from the vendor or via online web search.

Anticipated purchases, which may exceed these limits, should be brought to the attention of the Business 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 termination.

Receiving of Goods

The district utilizes a decentralized receiving system - all goods are delivered to the originating campus or department. A copy of every purchase order for goods (supplies/equipment) will be forwarded to the accounts payable clerk. Upon receipt of the goods, all items that require an inventory or fixed asset tag will be tagged by the respective department. All orders will be delivered to the respective campus or department with a packing list for "check-off" and verification of receipt. Discrepancies, if any, should be reported to the accounts payable clerk. Upon receipt of the receiving documentation, copy of PO, all back up documents such as quotes, if required, and the invoice, the vendor will be paid for the order.

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, located at Central Office, 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 the Records Management Officer.

Rental of Facilities

The Director for Communications and Community Relations shall coordinate the rental of district facilities. The Director 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 Use of Facilities Form is required for all rentals of facilities by outside organizations. In addition, all direct expenses for district staff such as custodial, food service or police shall be included in the agreement. All cleaning fees and direct expenses shall be paid to the district and deposited to the appropriate revenue account. 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.

Returned Checks

The district does not accept checks. If for some reason checks are accepted all makers of returned checks will be charged a fee of \$25 and collected by the department accepting the check.

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 business office webpage or from the Texas Comptroller for Public Accounts website: <https://comptroller.texas.gov/taxes/sales/forms/>. Taxes, which should have been exempt, will not be authorized for reimbursement. It is the purchasers' 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.

Travel Expense - Advances & Settlements

All travel requests shall be submitted to the Business Office at least two weeks prior to the travel event (meeting, conference, workshop, athletic event, etc). Please allow time for approval from the appropriate campus principal or director. The final approval shall rest with the Business Manager. Please note that Registration for the event will be processed as a Purchase Order and will not be submitted on the Travel Form. The Purchase Order number will be referenced, however, on the Travel Form.

HOTEL RESERVATIONS: In order to alleviate any mistakes by hotels, employees are not to reserve rooms on personal credit cards. The Campus/Department Secretary will have access to a District Credit Card. This card will be used to reserve hotel, if required. Only the Campus/Department secretary may secure the hotel with a District Credit Card.

The documentation for travel expenses is as follows: The Travel Authorization form acts as approval to attend the event, an estimate of travel expenses and request for advancement of estimated travel expenses.

The travel rates for meals, lodging, mileage, and airline are subject to state or federal limits. The Travel Authorization form or similar form shall be utilized by all staff to request travel funds for travel expenses such as registration, meals, transportation, lodging, etc. In addition, the form shall be utilized by campus staff to request travel funds for student travel expenses such as registration, meals, transportation, lodging, etc. The immediate supervisor and the Superintendent or designee shall approve all travel requests.

The current staff travel rates shall be in accordance with the rates set by the district and the Current Mileage and Travel Reimbursement Rates Applicable to State and Federal Grants as published by TEA. 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:

<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup>.

When traveling with federal funds, the traveler should submit all hotel receipts, gas receipts and travel expense receipts to the Business Office within 3 days of returning. Meal receipts are not required if per diem was advanced unless the employee is traveling with federal funds.

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: <https://tea.texas.gov/finance-and-grants/grants/travel-information-and-guidance>.

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 accompanied with a New Vendor Packet. The packet shall include the following. Other documents may be required based on the services to be performed by the vendor.

- W-9 form,
- Felony Conviction Notice
- Other documents may include a Conflict of Interest Questionnaire (CIQ), Criminal History check and fingerprinting if the vendor will work directly with students, and/or a Certificate of Insurance if the vendor will perform services on district property. The Certificate of Insurance shall include the minimum level of insurance in the areas of auto liability, general liability, and workers compensation.
- Vendors paid with federal funds will be required to complete the LISD EDGAR certification forms Pursuant to 2 C.F.R. § 200.326, all contracts, including small purchases, awarded by the District and the District's subcontractors shall contain the procurement provisions of Appendix II to Part 200, as applicable.

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.

Texas Local Government Code, Chapter 176

1. Lumberton ISD is required to file a conflicts disclosure statement with respect to a vendor if:

the vendor enters into a contract with the local governmental entity or the local governmental entity is considering entering into a contract with the vendor; and

2. the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering a contract with the vendor;

(B) has given the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor; or

(C) has a family relationship with the local government officer.

The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.

The Felony Conviction Notice shall be collected from all vendors that enter into a contract with the school district. The Texas Education Code, Section 44.034(a) states that a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of the felony.

Furthermore, Section 44.034(b) states that a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract.

Lastly, Section 44.034 (c) states that this section does not apply to a publicly held corporation.

In addition to the felony conviction verification, the district shall obtain a criminal history background check and/or fingerprinting verification for all vendors that will work directly with students.