

CARROLL ISD INTERNAL CONTROLS PROCEDURES

Introduction:

The purpose of these Internal Controls is to ensure that adequate controls exist in the areas of purchasing, cash management, investments, payroll, personnel, fixed assets, and the other business areas included herein. The Financial Services Department'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.

Since Carroll ISD is a mid-sized district, the Financial Services Department staff shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

- Assistant Superintendent for Financial Services
- Executive Director of Finance
- Coordinator of Purchasing & Risk Management
- District Accountant
- General Ledger Accountants
- Payroll & Benefit Specialists
- Accounts Payable Specialists
- Administrative Assistant

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

Financial Services Department Annual Deadlines

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

Accounts Payable Functions:

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

- ❑ ACH payments should be processed on a weekly basis for release on Monday morning, or earlier dependent upon work schedules and holidays
- ❑ All invoices shall be entered separately into the finance system by invoice number, amount, and date.
- ❑ Payments shall not be made from statements.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order [accounts payable copy], and receiving copy.
- ❑ If no discrepancies exist, the check payment should be entered into the finance system.
- ❑ If a discount is offered by the vendor for early payment, the payment should be processed within the allotted time if the goods have been received and their receipt has been verified by the originating campus or department.
- ❑ All invoices should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ If a discrepancy exists, the appropriate campus/department or vendor should be notified to reconcile the difference(s)
- ❑ All invoices that do not exceed the purchase order amount by more than \$100 [excluding freight charges] may be entered into the finance system for payment without authorization from the Budget Manager and/or Executive Director of Finance.
- ❑ All invoices that exceed the purchase order amount by more than \$100 [excluding freight charges] should be forwarded to the Budget Manager and/or Coordinator of Purchasing for approval before entering the payment in the finance system.
- ❑ All non-purchase order payments [except for travel documents] should be paid via a direct payment authorization.
- ❑ The Budget Manager and/or Executive Director of Finance should approve all payment authorizations.
- ❑ Recurring invoices such as utilities, monthly rentals, payroll deductions, etc. should be entered into the finance system for payment as noted below:
 - ❑ Utilities: After entry into the finance system and payment, a copy of all utility invoices shall be forwarded to the Facilities Coordinator for entry into the Utilities Management software.
 - ❑ Cell phones: All charges shall be reviewed and reconciled for each phone by account number and amount, by the Technology Services Coordinator; prior to being sent to the GL Accountant for payment.
 - ❑ Telephones: All charges shall be reviewed and reconciled for each phone by account number and amount, by the Technology Services Coordinator; prior to being sent to the GL Accountant for payment.
 - ❑ Copiers: All charges shall be reconciled by the Coordinator of Purchasing.
- ❑ All petty cash reimbursements should be entered into the finance system for payment. Extenuating circumstances or items of non-compliance, if any, should be forwarded to the Budget Manager and/or Coordinator of Purchasing for review and approval. If any non-compliance issues arise, the Executive Director of Finance should be notified.
- ❑ All travel authorization requests should be forwarded to the Budget Manager and/or Assistant Superintendent of Financial Services for approval.
- ❑ All travel authorization settle-ups should be forwarded to the District Accountant for reconciliation.
- ❑ All capital projects construction payments to general contractors shall be approved by the Assistant Superintendent for Financial Services.

- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur.
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ A check payments report should be forwarded to the Executive Director of Finance for review and filing.
- ❑ The Budget Manager, Coordinator of Purchasing, Executive Director of Finance, or designee shall approve all check payments.
- ❑ After receiving the appropriate approvals, the District Accountant may proceed with generating the check payments.
- ❑ Payments over \$5,000 shall be approved by the Assistant Superintendent for Financial Services.
- ❑ All “paid” check copies should be filed in alpha order by vendor last name or company name.
- ❑ The Assistant Superintendent for Financial Services and/or Executive Director of Finance shall pre-approve all “emergency” checks.
- ❑ Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved, and reconciled statements should be filed for specified Records Retention period.
- ❑ All returned purchases should be coordinated by the campus or department originator:
- ❑ The campus or department originator shall notify the vendor for authorization to return goods.
- ❑ Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district
- ❑ All check copies for items returned to the vendor should be kept in a pending file until receipt of the replacement items.
- ❑ If replacement items are not received within a 60 day period, a demand for a refund should be forwarded to the vendor. The accounts payable staff shall be notified if the vendor has not complied with the 60 day timeline.
- ❑ Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Partial payments should not be made unless prior arrangements have been made with the vendor.
- ❑ All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- ❑ The only checks issued to “Cash,” shall be for petty cash.
- ❑ All check stock shall be maintained in a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two (2) month supply of checks is on hand.

Accounts Receivable Functions:

- ❑ The Executive Director of Finance shall track all monies owed to the district, i.e. receivables. Receivables that are known and measurable and shall post these monies to the general ledger (due from funds).
- ❑ Funds due from one district fund code to another shall be posted to the appropriate fund and account code as noted below:
 - Due from General Fund 1261
 - Due from Special Revenue Fund 1262
 - Due from Capital Projects Fund 1264
 - Due from Student Activity Fund 1267

- ❑ Funds due to the district from other sources shall be posted to the appropriate fund and account code as noted below:
 - Due from state 1241
 - Due from federal 1242
 - Due from other governments 1243
 - Due from others (parents, vendors, etc.) 1290
- ❑ At the end of each quarter, the Executive Director of Finance shall reconcile the general ledger balances for all due from accounts to a spreadsheet detailing the amounts due to include: date of transaction, payee, amount, and date received from payee.
- ❑ At the end of the fiscal year, all amounts owed to the district shall be reconciled [as of 8/31/XX] between the general ledger and a detailed spreadsheet as noted above.
- ❑ The Executive Director of Finance shall oversee the reconciliation of the due from accounts on a quarterly basis and at the end of the fiscal year.

Invoices:

- ❑ The GL Accountant shall create invoices, as appropriate, in the Skyward system to seek reimbursement from a vendor or other source. The invoices shall be approved by the Coordinator of Purchasing
- ❑ After approval, the GL Accountant shall print and distribute the invoice.
- ❑ The Coordinator of Purchasing shall maintain a copy of all invoices and/or anticipated refunds on an Accounts Receivable spreadsheet.
- ❑ The following information shall be maintained: amount, date of invoice, payee, and date amount received.
- ❑ At fiscal year-end, the Coordinator of Purchasing shall prepare a report of all Accounts Receivables as of August 31st and submit the report to the Executive Director of Finance by September 30th for audit purposes.

Cash Management & Investments:

Bank Deposits and Cash Balances

- ❑ All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the campus secretary on a daily basis. An exception would be if the funds in the campus safe are less than \$250 then the funds may be held till the end of the week to be deposited. All funds must be deposited no later than 7 days of receipt.
- ❑ Deposits which cannot be made on the same day shall be stored in the campus's safe until such time as the deposit can be made.
- ❑ All checks shall be stamped upon receipt for endorsement purposes and shall be deposited using the remote deposit process.
- ❑ The district courier should deliver all deposits to the bank branch of Independent Bank of Texas.
- ❑ The bank deposit receipt should be forwarded to the Accounting Specialist for posting to the general ledger and bank reconciliation purposes.
- ❑ All supporting documents for the bank deposits should be forwarded to and maintained by the GL Accountant for audit purposes.
- ❑ Notices of checks which were not deposited due to "insufficient funds" shall be received by and processed by the Accounting Specialist.

- ❑ The check retrieval company used by CISD will implement check recovery processes.
- ❑ A journal entry or cash receipt reversal shall be prepared by the GL Accountant to record the returned deposit. After approval of the journal entry by the Executive Director of Finance, the GL Accountant shall post the receivable to the general ledger.
- ❑ All cash transfers between cash and investment accounts will be initiated by an Investment Officer and posted by the GL Accountant.
- ❑ All other cash withdrawals from a bank account such as ACHs or wire transfers will be initiated by the Executive Director of Finance, District Accountant, or Payroll Supervisor and posted to the general ledger by the GL Accountant.
- ❑ All electronic deposits to the bank accounts, such as state aid or impact aid payments, shall be coded by the GL Accountant and posted to the general ledger on a monthly basis by the GL Accountant. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Executive Director of Finance.
- ❑ All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the GL Accountant for receipting and depositing purposes. The GL Accountant shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Executive Director of Finance.
- ❑ All travel reimbursements to the district shall be submitted to the respective campus by the traveler, and then forwarded by the campus secretary to the District Accountant for receipting and depositing purposes. The GL Accountant shall post the deposits to the general ledger.
- ❑ A Daily Available Cash Balance report shall be prepared by the Executive Director of Finance.
 - ❑ Excess cash shall be transferred to an investment account and future cash shortfalls shall be transferred from investment accounts to the appropriate bank account.
- ❑ The GL Accountant shall maintain a High Cash Balance report every month. The report shall reflect the highest cash balance during each month and the cash balance at the EOM.
 - ❑ The High Cash Balance report (spreadsheet) shall be forwarded to the Executive Director of Finance by October 31st for audit purposes.

Bank Reconciliation:

- ❑ The monthly bank statements should be delivered to GL Accountant in the original sealed envelopes.
- ❑ The GL Accountant shall reconcile all bank accounts with the general ledger. The Executive Director of Finance shall review and approve all bank reconciliations.
 - ❑ All deposits should be posted on the general ledger to appropriate accounts
 - ❑ All withdrawals should be on the monthly check register or posted on the general ledger via general journal
 - ❑ All interest earnings should be posted on the general ledger via journal entry.
- ❑ Endorsements on cleared checks should be checked on a periodic basis or at least for those items that appear suspect.
- ❑ The Skyward Check Reconciliation System shall be used to electronically reconcile all bank accounts.
- ❑ The GL Accountant shall review and research checks that have remained outstanding for a period of one (1) year for payroll checks and three (3) years for accounts payable checks. If the lost payroll checks are not claimed within one (1) year, the GL Accountant shall prepare the listing for approval by the Executive Director of Finance. If the accounts payable checks are not claimed within three (3) years, the GL Accountant shall prepare a listing for approval by the Coordinator of Purchasing. First an attempt must be made to contact individuals and businesses as per the Texas Unclaimed

Property requirements. Once that is done, and the funds are still not claimed, then the necessary payroll and accounts payable checks will be voided in the Skyward system and the State of Texas Unclaimed Property guidelines shall be followed to submit the unclaimed funds.

- ❑ The on-line banking system should be utilized on a daily basis by the Executive Director of Finance to monitor cash flow in and out of the bank accounts.
- ❑ The Executive Director of Finance shall review cash flows and any excess or deficit cash balances on a daily basis. Pending payroll and/or finance checks shall be factored into the cash needs for each day.
- ❑ The GL Accountant shall maintain an up-to-date balance of un-cleared checks.

Investment Functions:

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

Fixed Asset Functions:

[All fixed asset functions are assigned to the District Accountant]

- ❑ The Assistant Executive Director of Finance shall maintain an up-to-date database of all fixed assets.
- ❑ All fixed assets transferred to the Warehouse as surplus or salvage shall be tracked on the database.
- ❑ A list of all salvage items shall be submitted to the Superintendent for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
- ❑ All fixed assets sold via a public sale, auction, or disposal shall be removed from the fixed assets database.

Monthly/Annual Reconciliation:

- ❑ All technology equipment with a unit cost over \$5000 (account codes 663X) should be tagged. All equipment shall be posted in the Fixed Asset System and posted to the general ledger. These items are defined as fixed assets for audit purposes.
- ❑ A capital outlay report shall be generated annually by the Assistant Executive Director of Finance for reconciliation.
- ❑ All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items tagged during the year.
 - ❑ The total 66XX expenditures should be added to the fixed asset system and general ledger.
 - ❑ The total 66XX expenditures should be added to the fixed asset inventory system.
- ❑ The Director of Transportation shall prepare all Applications for Vehicle, Title, and License Plate forms for all new transportation vehicles purchased by the district. The forms shall be submitted to the Assistant Superintendent for Financial Services for approval and signature of all forms. [The Application for Vehicle Registration, Titles, and License Plate procedures shall be followed in securing the documents.]
 - ❑ The Director of Transportation shall submit the forms to the Tarrant County Tax Office for processing.
 - ❑ The Director of Transportation shall notify the auto insurance carrier of the new transportation vehicles.
- ❑ The Director of Maintenance and Operations shall prepare all Applications for Vehicle, Title, and License Plate forms for all new M&O vehicles purchased by the district. The forms shall be submitted to the Assistant Superintendent for Financial Services for approval and signature of all forms. [The Application for Vehicle Registration, Titles, and License Plate procedures shall be followed in securing the documents.]
 - ❑ The Director of Maintenance and Operations shall submit the forms to the Tarrant County Tax Office for processing.
 - ❑ The Director of Maintenance and Operations shall notify the auto insurance carrier of the new M&O vehicles.
- ❑ All capital project construction expenditures should be recorded on a spreadsheet by project.
 - ❑ The total 66XX expenditures should be added to the fixed asset system and general ledger.
- ❑ All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant indicated on the item.
- ❑ The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- ❑ The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.
- ❑ Annually, by April 1st, a list [sorted by room #] of all inventory and fixed asset items should be sent to each campus and department for reconciliation purposes.
- ❑ The reconciliation process should be complete by May 1st, and all changes posted on the fixed asset system soon thereafter.
- ❑ All discrepancies and/or missing items should be compiled in a summary report and forwarded to the appropriate campus and/or department administrators.
- ❑ The staff members (teachers) should not be released for the summer until all missing items have been accounted for.
- ❑ A list of all fixed assets (over \$5000-unit cost) should be prepared by October 15th for audit purposes.

- ❑ A list of all capital project construction assets should be prepared by October 15th for audit purposes. The list should include all “construction in-progress” through August 31st, including accounts payables and retainage.
- ❑ The lists should be reconciled with the general ledger by the District Accountant.
- ❑ The fixed asset depreciation schedules and spreadsheet should be prepared by October 15th by the District Accountant for audit purposes.

Fixed Asset Disposal:

- ❑ All efforts will be made to obtain the best return value to Carroll ISD and consideration will be made to responsible protection of our environment.
- ❑ Carroll ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Carroll ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold, but would be destroyed to prevent any possible data recovery).
- ❑ Items will be designated as surplus, a list of these items will be presented to the Board of Trustees for approval.
- ❑ Surplus item will be sold through a bid process.
 - ❑ Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
 - ❑ Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
 - ❑ Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- ❑ All surplus sales shall be advertised via email and the Fort Worth Star Telegram, as appropriate.
- ❑ All items disposed of shall be removed from the inventory system by the District Accountant.
- ❑ The District Accountant shall reconcile and deposit all monies collected at the surplus sale.
- ❑ All surplus revenue shall be deposited to a sale of property revenue account in the General Fund or appropriate federal fund.

General Ledger Maintenance Functions:

- ❑ All journal entries [except system-generated Payroll journal entries] should be entered by the GL Accountant and approved by the Executive Director of Finance.
- ❑ The Payroll Supervisor shall prepare and submit all manual payroll journal entries to the GL Accountant for posting to the general ledger.
- ❑ All other payroll journal entries shall be interfaced to the finance system by the Payroll Supervisor.
- ❑ All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable.
- ❑ Within 30 days after the end of the month, the GL Accountant shall print and verify all end-of-month reports and the end-of-month posting processed in accordance with the Finance EOM Checklist.
- ❑ The Executive Director of Finance shall prepare the School Board Reports [Financial Statement and Investment Report] and forward to the Assistant Superintendent for Financial Services for board approval.
- ❑ The GL Accountant shall file all finance reports for audit purposes to include:

- ❑ Cash Receipts
- ❑ Journal Entries
- ❑ The Accounts Payable Specialists shall file all check payments and check registers.
- ❑ A capital outlay report [all 66XX accounts] should be printed by the GL Accountant and forwarded to the District Accountant.
- ❑ The District Accountant shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.
- ❑ The Executive Director of Finance shall review and approve both PEIMS submissions with budget and actual expenditures data. Corrections, if any, to the general ledger to adhere to PEIMS coding guidelines shall be prepared by the Executive Director of Finance and posted by the GL Accountant.

Grants and Entitlements:

- ❑ All grant applications shall be prepared by the appropriate grant manager (Executive Director for Special Programs or Assistant Superintendent for Student Services and approved and submitted by the Superintendent. A copy of all grant applications shall be forwarded to the Executive Director of Finance and District Accountant for accounting and budgeting purposes.
- ❑ All grant awards [including the NOGA] shall be maintained by the appropriate grant manager, the Executive Director of Finance and the District Accountant.
- ❑ The Executive Director of Finance shall coordinate the budgets received from grant administrators and/or campus principals to ensure compliance with grant award documents.
- ❑ The Executive Director of Finance shall prepare the grant budget in accordance with the grant requirements and post to the general ledger.
- ❑ The Executive Director Special Programs and Assistant Superintendent for Student Services shall prepare and submit all grant program reports such as evaluations for their respective grant programs.
- ❑ Grant reporting timelines shall be monitored by the Executive Director of Finance and all financial reports prepared and submitted via paper form or electronic submission in accordance with grant requirements.
- ❑ The Executive Director of Finance shall establish purchasing deadlines to ensure that all grant purchases and payments are settled prior to the end of the grant period.
- ❑ All grant receipts shall be posted to the general ledger by the GL Accountant on a quarterly basis and monitored by the Executive Director of Finance.

Payroll:

Salary Calculations—Personnel Function:

- ❑ The Director of Personnel should determine the placement of professional staff, support staff and administrative staff on the appropriate pay scale. Final approval will rest with the Superintendent.
- ❑ The Administrative procedure for placement on a pay scale should be utilized for all staff.
- ❑ The Director of Personnel shall verify the years of experience for pay purposes as calculated by the Personnel Department.

Leave Processing—Personnel Function:

- ❑ Most employees should complete a Time Off transaction in Skyward Employee Access and/or AESOP absence tracking for all absences. Employees who are not setup to report absences electronically, should follow the process as given to them by their supervisor. Unless an employee elects otherwise, the order of use as stated in Board Policy DEC (Local) will be adhered to. Non-exempt staff shall use compensatory time off before any available state or local leave.
- ❑ All employee absences should be approved by the campus/department administrator once a week at a minimum.
- ❑ Payroll personnel will verify that all leave transmittals entered into the Payroll system are correct before posting to master file.
- ❑ A Leave Status Report shall be reviewed by the Executive Director of Finance on a monthly basis.
- ❑ A Leave Status Report will be provided to the campus/department administrator monthly.

Direct Deposit—Payroll Functions:

(Payroll)

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

(Deductions)

- ❑ The Payroll Supervisor will reconcile and verify payroll deductions to be sent via ACH, and will also send reconciled deduction file via e-mail to the district's third party ancillary insurance billing department.
- ❑ A Journal Voucher for the amount of any overages or shortages due to adjustments will be prepared and submitted to the Assistant Executive Director of Finance for approval and posting by the GL Accountant to the general ledger.

Supplemental/Overtime Pay:

- ❑ All Extra Duty / Overtime pay will be paid from a supplemental pay forms submitted by the department supervisors.
- ❑ Department/Campus administrators will complete and approve the supplemental payment form. Payment information will include:
 - ❑ Employee Name
 - ❑ Reason for supplemental pay and amount
 - ❑ Budget code
 - ❑ Date employee worked
 - ❑ Amount to be paid
 - ❑ Employees signature & date
 - ❑ Campus administrator approval & date

- ❑ The Payroll Supervisor will review and enter all overtime and supplemental payments.
- ❑ A copy of the supplemental payment form will be filed and the original form will be filed in the employees' individual payroll file.
- ❑ Board approved stipends shall be paid based on the approved payroll calendars.
- ❑ The Payroll Supervisor shall ensure that all payrolls (Bi-weekly and Monthly) are processed and submitted to the depository bank at least 2 days before pay date.
- ❑ The Payroll Supervisor shall input and/or interface (from Skyward Employee Access and/or AESOP) all transmittals for payroll processing to include – hours worked, supplemental pay, substitute pay, leave used and update employees' deductions when needed and any comp time earned.
- ❑ The Payroll Supervisor will verify all Payroll reports for each payroll processed should be filed for audit purposes to include:
 - ❑ Payroll Journal
 - ❑ Account Distribution
 - ❑ Bank Account Listing
 - ❑ Deduction Register Report
 - ❑ Check Register
 - ❑ Calendar & School Year to Date Reports
 - ❑ Workers Comp Reports
 - ❑ Gross Pay/FICA Distribution Reports
 - ❑ Leave Days Posted Report
 - ❑ Report shall be prepared in a PDF format and filed electronically.
 - ❑ All reports shall be filed on the Payroll Shared Files folder for access by the Executive Director of Finance.

Quarterly/Annual Functions:

- ❑ Quarterly 941 Employer Federal Tax Returns shall be reconciled with the 941 Worksheet Report (Skyward), EFTPS Payment Worksheet and Payroll Excel File Spreadsheet each quarter.
- ❑ The Payroll Supervisor will complete & sign the 941 Quarterly Tax Return after approval by the Assistant Superintendent for Financial Services.
 - ❑ The reconciliation process shall include a 3-way match of the following:
 - 941 electronic return
 - 941 spread sheet for Calendar Year (input data from Payroll Earning Registers for each pay date)
 - 941 Worksheet generated from Skyward
- ❑ Unemployment Quarterly Reports processed and filed via the Internet.
- ❑ Reconcile and ensure W-2s are processed and sent via the Internet and mailed to employees. Employer's copy shall be filed for a period of 5 years.

Journal Vouchers and Employer Tax Payments:

- ❑ A Payroll General Journal Report shall be created after every payroll and a General Journal Voucher that has been approved by the Payroll Supervisor will be prepared and submitted to the GL Accountant for posting to the general ledger.
- ❑ Payroll employer taxes will be filed online via the EFTPS at least 1 day before each pay date and a Journal Voucher that has been approved by the Payroll Supervisor will be prepared and submitted to the GL Accountant for posting to the general ledger. A copy of the General Journal Report, the

Journal Voucher and the EFTPS will be filed in the 941 Information Folder and the originals will be filed for audit purposes.

- ❑ All payroll journals created by the Payroll Supervisor shall be approved by the Executive Director of Finance, and posted to the general ledger by the GL Accountant.

Payroll Deductions:

- ❑ The Payroll Supervisor shall enter the payroll deductions for each employee into the Skyward payroll system.
- ❑ Reconcile and ensure that all payroll deductions are correct before submission of payroll.
- ❑ Reconcile all payroll deductions to billings and post amounts to Monthly Checklist for Checks.
- ❑ Prepare and submit to the GL Accountant a Check Payment Voucher for deduction payments of Dental, Life, United Way, Child Support, Professional Dues, Vision, etc.
- ❑ Deduction checks with billings to the appropriate vendor upon receipt of the checks will be mailed by the Payroll staff.

Updates:

- ❑ Any mass updates to the Skyward Payroll system will be processed and approved by the Payroll Supervisor and Executive Director of Finance to include:
 - ❑ Next Year Files – Salary, Years of Experience, Beginning/Ending Dates, Payoff Date....
 - ❑ Deductions
 - ❑ Distribution

TRS Reporting:

- ❑ The Payroll Supervisor shall prepare and submit all TRS reports via the Internet.
- ❑ Before the 6th of each month, the Payroll Supervisor shall prepare the TexNet form and submit via TexNet the amount due to TRS and TRS-ActiveCare Health Insurance.
- ❑ The Payroll Supervisor shall approve and submit a TRS general journal to the GL Accountant for posting to the general ledger.
- ❑ TRS Internet Reporting Checklist will be attached to copies of each report submitted to TRS via the internet, TRS Member Detail Data Report, TRS 2 Report, TRS 372 Report, TRS 4 Report, TRS 488 Report, TexNet Form, and the Journal Voucher. These reports will be filed for audit purposes.
- ❑ The Journal Voucher, TexNet Form TRS2 Report, TRS 372 Report, TRS 4 Report and TRS 488 Report will be filed.

TRS Retirement Procedures:

- ❑ The Payroll Supervisor shall meet with the retiring individual to provide guidance as noted below:
 - ❑ The employee should contact the Texas Teacher Retirement System and request a retirement packet. Some forms should be completed by the employee and TRS7 form sent to the Payroll Supervisor for completion.
- ❑ Employees retiring at the end of their work calendar will be subject to payoff dates that are in accordance with normal pay period cycles. The dental, vision and health insurance coverage will lapse at the end of the retirement month.

Purchasing Functions:

Purchase Requisitions

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

Purchase Orders (Electronic System – Skyward)

- ❑ User profiles should be created in the Skyward system, to include clerical, teaching, and administrative staff, as appropriate. The appropriate restrictions to account codes and functions should be established. Global access and override functions shall be limited to the Assistant Superintendent for Financial Services or Executive Director of Finance.
- ❑ Approval paths shall be established which will dictate the electronic flow of the purchase order. The Assistant Superintendent for Financial Services shall approve all purchase orders. The Executive Director of Finance is a backup approver.
- ❑ Assistant Superintendent for Financial Services shall approve all PO's over \$5,000.
- ❑ Any authorized user may create a purchase requisition using their authorized accounts. Any paper documentation that is related to a purchase requisition should be uploaded into Skyward.
- ❑ Copies of all purchase orders or direct pay documents (including backup documentation) should be maintained by the campus/department for the entire fiscal year (Sept. 1, YYYY – August 31, YYYY).
- ❑ If a vendor does not exist in the finance system, the Coordinator of Purchasing should add the vendor with all appropriate information such as: vendor name, SSN or TIN, address, phone, W-9 information, and 1099 eligibility after receipt of the W-9 Form, CIQ and Felony Conviction Form, SB9 packet (**if appropriate**) from the campus. [If a W-9 is not submitted with the purchase order, a form should be mailed or faxed to the vendor. After receipt, the vendor tax information should be entered into the vendor database. Payments for services should not be made until the W-9 is received.]
- ❑ Ensure that item(s) do not exceed bidding and/or quoting thresholds. If quotes were obtained, the quotes should be attached to the purchase order. If bids were obtained, a tabulation sheet should be attached to the purchase order.
- ❑ All purchase orders that exceed \$50,000 individually, or cumulatively must reflect the bid number, purchasing Co-Op contract number, etc. to document that the purchase meets the state purchasing laws.
- ❑ All purchasing contracts, that exceed \$50,000, must be approved by the Board of Trustees. If appropriate, the Assistant Superintendent for Financial Services shall submit an agenda item for the next regularly scheduled meeting to the Superintendent.
- ❑ The approver may approve the entire requisition, or approve/disapprove line items.
- ❑ The final approval will be the Assistant Superintendent for Financial Services.
- ❑ After the approval of the Coordinator of Purchasing, Executive Director of Finance, or Assistant Superintendent for Financial Services; the purchase orders will be printed and distributed to vendors via email, fax or US mail. Mailing of POs shall be the last resort if the other methods are not available.
- ❑ Copies of the purchase order will be distributed to the schools since they cannot review and track signed purchase orders on-line.
- ❑ Throughout the fiscal year, on at least a quarterly basis, and ant August 31st the physical outstanding purchase orders should be reconciled with an Outstanding Purchase Order report from the finance system.

- ❑ The Coordinator of Purchasing shall print an Aged PO report on at least a quarterly basis. All POs greater than 90 days shall be cleared, as appropriate.

On-line Purchasing:

- ❑ On-line purchasing has been established for various vendors, such as: Office Depot, School Specialty, Staples, Lakeshore Learning and Child Craft.
- ❑ The pricing is under the most competitive Co-Op program.
- ❑ The campus secretaries, principals, Coordinator of Purchasing, and Executive Director of Finance are authorized users of the on-line account.
- ❑ All purchases entered on-line by campus staff should be followed by a purchase order for the amount of the total purchase.
- ❑ All on-line purchases shall be forwarded to the Purchasing Specialist for electronic approval.

Petty Cash:

- ❑ The general ledger should reflect the amount of petty cash issued to each department and/or campus at all times.
- ❑ The District Accountant shall verify all Petty Cash Reimbursement Reports as noted below:
 - ❑ Expenditures shall not exceed the threshold limits established in the Fiscal Manual.
 - ❑ All petty cash vouchers shall have an original, detailed receipt signed by the purchaser
 - ❑ An account code shall be recorded on each petty cash voucher
 - ❑ All documentation to support the purchase shall be attached to the petty cash voucher
 - ❑ The campus or department administrator signature of approval must be on all petty cash voucher.
- ❑ After verification of the Petty Cash Reimbursement Report, the Executive Director of Finance shall approve the reimbursement request.
- ❑ After approval, the campus/department shall enter the check payment transaction in Skyward.
- ❑ The petty cash check shall be issued to the appropriate campus or department administrator.

Receiving Functions:

- ❑ The Accounts Payable Specialist shall review the Skyward receiving system prior to making any payments.
- ❑ On a quarterly basis, Outstanding Requisition Report may be utilized to monitor orders that have not been received and/or approved for release.
- ❑ Upon receipt of a package/box from a vendor, the requestor should inspect the package/box for damage. If damages have occurred, the vendor should be promptly notified.
 - ❑ All items should be "checked-off" on the receiving report. The vendor shall be promptly notified of any discrepancies.
 - ❑ The quantity of items received shall be entered on the SKYWARD receiving system.
- ❑ At the end of the month, the Coordinator of Purchasing shall generate and review an Aged Purchase Order report [over 90 days].
- ❑ All orders that have been outstanding for more than 90 days should be researched and cancelled, if appropriate, by the requestor. All order cancellations should be relayed to the campus/department and the Accounts Payable Specialist.

Travel Expenditures

Travel Authorization Forms:

- ❑ All staff wishing to travel away from work shall enter a trip request to their immediate supervisor/budget manager. Campuses and departments shall forward all travel authorization forms to the Financial Services Administrative Assistant. After approval by the Budget Manager and review of the Financial Services Administrative Assistant, the travel authorization forms shall be routed to the appropriate Assistant Superintendent and/or the Superintendent for approval.
- ❑ Upon approval, all travel authorization forms are routed to the Financial Services Administrative Assistant, to file electronically. Copies are sent to the traveler, secretary, and Assistant Executive Director of Finance. Copies of all documents are saved to the "I" drive for future reference.
- ❑ Original forms for those travelers receiving credit cards are returned when card is issued to the traveler. All other forms are returned via interoffice mail.
- ❑ The campus/secretary shall also enter an on-line requisition for all of the requested travel expenses to include: traveler per diems, field trips, lodging, registration fees, airline or other transportation costs.
- ❑ Requisitions shall be submitted for each of the following, as appropriate:
 - ❑ Registrations: Payable to the vendor with supporting document such as conference schedule that reflects the start/stop dates and agenda outline that indicates if meals are provided as part of the registration cost.
 - ❑ Commercial transportation (flights): Payable to the districts travel credit card. Travelers are responsible for reserving their flights.
 - ❑ Meals payable to the traveler; Lodging payable to Commerce Bank; Rental Cars payable to Enterprise Rental Car; fuel payable to Commerce Bank; student meals payable either to the traveling sponsor or Commerce Bank. A Travel Card shall be issued to the traveler with the approved dollar amount and specific travel dates preloaded on the card as needed.
- ❑ The Financial Services Administrative Assistant shall match the travel authorization form with the on-line requisition(s) submitted for the various vendors, i.e. traveler, registration fees, entry fees, lodging, etc. and will attain the appropriate assistant superintendent or superintendent approvals as necessary.
- ❑ The Financial Services Administrative Assistant shall route, for approval, all travel requisitions if the following criteria is met, otherwise the campus/department shall be notified to correct the deficiency.
 - ❑ Ensure that all travel authorizations are signed by the traveler and appropriate administrator (principal/director/budget manager)
 - ❑ Ensure that funds are appropriate to the expense
 - ❑ Ensure that the travel dates, description of training, and city/location are noted on the travel requisitions.
 - ❑ Ensure that all travel with state and federal grants comply with the TEA guidelines related to allowable costs (TEA Website: Grant Management Resources).
 - ❑ Ensure that all travel expenditures comply with the district's Travel Guidelines for Employees.
- ❑ All check advances should be processed through and posted to the finance system.
 - ❑ Payments for flights shall be made upon receipt of the travel credit card billing.
 - ❑ Payments for registrations shall be made upon receipt of supporting document that reflects the registration cost.

- ❑ No advance checks should be issued to a traveler more than 15 days prior to their trip (IRS Regulation).
- ❑ The “paid” copies of travel advances should be filed in a pending alpha file by month until the Travel Settlement Form is received.
- ❑ All travel advances not settled within 5 business days shall be followed-up with the traveler. If the traveler does not respond or timely submit the documentation, the travel advance shall be processed through payroll, taxed, and deducted from the employee’s pay. The Assistant Executive Director of Finance shall notify the Executive Director of Finance immediately when the 5 business day deadline has not been met by a traveler.

Travel Settlement Forms:

- ❑ The traveler should complete their travel settlement form within 5 business days after returning from the business trip. The immediate supervisor should sign the travel settlement form, if the expenses exceed the estimated amount by \$100 or more.
- ❑ Campuses and departments should forward all travel settlement forms to the District Accountant for reconciliation. The reconciliation shall include the following:
 - ❑ Ensure that the settlement does not include expenditures in excess of the per diem limits
 - ❑ Ensure that non-allowable expenditures such as entertainment, alcohol, guest costs, or other expenditures are not included in the settlement.
 - ❑ Violations of the district Travel Guidelines shall be reported immediately to the Executive Director of Finance.
- ❑ The District Accountant shall approve all travel settlements.
- ❑ The travel settlement forms should have all required receipts attached to the form.
- ❑ The settlement funds, if any, should be receipted to the traveler by the respective campus secretary/employee and submitted to District Accountant for deposit.
- ❑ If no funds are due to the traveler or CISD:
 - ❑ the travel settlement shall be attached to the advance check copy
 - ❑ the note “completed by _____” should be written on the advance check copy, and
 - ❑ both should be filed in the accounts payable files
- ❑ If funds are due from the traveler:
 - ❑ the traveler should submit cash or a check for the entire amount with the settlement form,
 - ❑ the funds should be receipted and deposited to the appropriate budget code
 - ❑ the travel settlement shall be attached to the advanced check copy
 - ❑ the note “completed by _____” should be written on the advance check copy, and
 - ❑ both should be filed in the accounts payable files
- ❑ If funds are due to the traveler:
 - ❑ ensure that funds exist in the designated account(s)
 - ❑ the note “completed by _____” should be written on the advance check copy,
 - ❑ the settlement check should be processed and forwarded to the traveler after approval through the normal Accounts Payable procedures.
 - ❑ a copy of the travel settlement should be returned to the originator with their settlement check
 - ❑ each check disbursement should be filed in the accounts payable files separately
- ❑ The traveler must submit the Travel Card, if any, with the Travel Settlement Form. The actual receipts shall be submitted with the Travel Card. The District Accountant shall reconcile the actual receipts with the monthly billing from the credit card company.

Travel Card Issuance Guidelines:

- ❑ After approval of the travel authorization, a travel card shall be issued by the Financial Services Department Administrative Assistant to the traveler for the approved dollar amounts as noted below:
- ❑ The total approved dollars amounts, shall be preloaded on the travel card.
- ❑ The specific travel dates (start and stop) shall be preloaded on the travel card through the bank
- ❑ The traveler shall be required to sign a Travel Card Request form prior to receiving the travel card

Vendor Maintenance:

- ❑ All vendors shall be approved for addition to the vendor database in Skyward. The Coordinator of Purchasing shall verify that all required vendor documents are on file prior to adding the vendor on the vendor database. The required vendor documents include:
 - ❑ Current W-9 Form (signed and fully completed)
 - ❑ The Coordinator of Purchasing shall add the vendor in the database. The data entry shall include, but not be limited to:
 - ❑ Vendor name (as it appears on the W9 Form)
 - ❑ Vendor address under order address. If a different address is provided for remittances, that address shall be enter, too
 - ❑ EIN/SSN (as it appears on the W9 Form)
 - ❑ Flags: 1099 Eligible, Bid Eligible, Local Vendor, and Minority Owned (if documentation has been received from vendor)
 - ❑ W9 Date: date the W9 Form was mailed and received
 - ❑ Phone number, email address, contact name
 - ❑ Comments: Enter any other related information such as change in vendor name.

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

Confidentiality

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

Consequences for Inappropriate Behavior (zero tolerance)

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

Notification/Communication of fraudulent activities:

- ❑ We all have a duty to report certain matters such as theft, fraud, and dishonest in the workplace.
- ❑ Actual or suspected fraud should be reported to the Executive Director of Finance.
- ❑ Any and all concerns about potential fraudulent activities should be reported to the Executive Director of Finance.

Training—Financial Services Staff:

- ❑ Every staff member will be scheduled to attend at least one training and/or conference opportunity per year.
- ❑ Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through an approved CEU provider.
- ❑ Additional training requests should be submitted to the Executive Director of Finance. It is the employee’s responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks.

Records Management & Security of Data

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

Suggestions for Improvement:

- ❑ Suggestions to improve Financial Services operations and/or internal controls are welcome and encouraged
- ❑ Submit any suggestions to the Executive Director of Finance