

Business Office Procedures Manual



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RECORDS RETENTION	Error! Bookmark not defined.

LOS LUNAS SCHOOLS RECORD RETENTION PROGRAM FOLLOWS THE GUIDELINES ISSUED TO PUBLIC SCHOOLS PURSUANT TO PSAB, SUPPLEMENT 21. ADDITIONALLY LOS LUNAS SCHOOLS ADHERES TO NMAC 1.21.2, GENERAL GOVERNMENT RETENTION AND DISPOSITION OF PUBLIC RECORDS. RETENTION PERIODS MAY BE EXTENDED UNTIL ALL LITIGATION, CLAIMS AND AUDIT EXCEPTIONS INVOLVING A RECORD ARE EITHER RESOLVED OR CONCLUDED. PUBLIC RECORDS MAY BE PHOTOGRAPHED OR REPRODUCED ON FILE. SPECIFIC FEDERAL OR CONTRACTUAL AGREEMENTS MAY REQUIRE A RECORD TO BE MAINTAINED FOR A LONGER PERIOD OF TIME, AT WHICH TIME THAT AGREEMENT WILL SUPERSEDE STATE REGULATIONS. RETENTION REQUIREMENTS ARE REVIEWED ANNUALLY AND LLS DISTRICT RETAINS THE PAPERWORK PER THE NMAC 1.21.2 AT A MINIMUM.

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INTRODUCTION

This manual has been prepared in conformity with the Manual of Procedures for Uniform Financial Accounting and Budgeting for New Mexico School Districts prepared by the Office of Education of the State Department of Education. It will serve as a reference guide to site accounting procedures, and shall be maintained at every school and site.

These procedures are applicable to all Los Lunas Schools, and all school sites must adhere to them. It is the responsibility of all Principals to ensure that proper accounting procedures are practiced. It is the responsibility of the secretary/bookkeeper/financial specialist to carry out the particular accounting activities as stated in this manual.

Keep this manual up to date by placing any memorandums received from Central Office with the corresponding subject matter. We hope you will find this manual helpful, and we welcome your comments and suggestions.

ACCOUNT CLASSIFICATIONS

There are two basic types of accounts that the LLS District employs. They are Operational accounts and Activity Fund Accounts. They are used and accounted for in different manners.

Operational Accounts

Classification

Governmental monies fund these accounts. No deposits will be made into these accounts. At the beginning of each fiscal year, the Business Office will send each site a list of operational accounts and their corresponding budgets for the entire fiscal year. These accounts may include the following accounts: office supplies, instruction, nursing supplies, library, bilingual, postage, maintenance, employee/student travel.

Responsibility

It is the responsibility of each site supervisor/principal to oversee expenditures and account balances from operational accounts to ensure that a deficit is not incurred. Requisitions are reviewed to see if they go over the allocated budget once submitted to the Business office. If they go over the allocated budget it is noted in the "Internal Notes" section of the requisition process for the Chief Finance Officer to decide if the expense is allowed to go over budget. Deficit balances are discouraged in the LLS District. Sites/Departments are allowed to request budget balances to be moved by sending an email or filling out a Transfer Form but are not guaranteed to be approved.

Procedures

Procedures for processing operational requisitions for purchase and other expenditures follow the guidelines listed in Procedures and Disbursements.

Activity Accounts

Classification

Activity funds are considered governmental funds. LLS District allows schools to fund raise for those activities aimed at improving the overall academic environment for all students within the District. LLS District uses two types of activity funds which are (1) Principal's activity funds and (2) Student Activity funds.

Principal's Activity Funds – These funds are raised to generate revenue for the campus general fund.

Student Activity Funds – These funds are owned, operated, and managed by the student body, under the guidance of a staff member or other adult, for educational recreational or cultural purposes. Examples of these funds are yearbook, athletics, or various student clubs.

For more information on Activity Accounts, how to create and account for them, see the and **Cash Receipts and Receipting** section in the procedure manual.

Responsibility

Principal's Activity Funds

These funds are administered and overseen by the principal. The secretary/bookkeeper can find their balance on the Visions system but are encouraged to track and plan their balances on Excel. The Business Office reviews activity reports monthly for negative balances. The LLS District discourages deficit balances and will work with the sites to see how they will be fixed.

Student Activity Funds

These funds are administered and accounted for by the sponsor. They are approved by the principal and handled through the

secretary/bookkeeper at the site. Same as the Principal's Activity Funds the secretary/bookkeeper can find their balance on the Visions system but are encouraged to track and plan their balances on Excel. The Business Office reviews activity reports monthly for negative balances. The LLS District discourages deficit balances and will work with the sites to see how they will be fixed.

Procedures

Procedures for processing requisitions for purchase, and other expenditures follow the guidelines listed in Procedures and Disbursements.

Transfers to/from Funds

Transfers of funds must be made in writing, by form or email to the attention of a Business Office Supervisor. It must be approved by the Principal or Principal Assistant, and a Business Office Accountant before the transfer will be made.

CASH RECEIPTS AND RECEIPTING

Accurate records shall be maintained on all monies collected and disbursed. This includes, but is not limited to, the following:

- Fund raising activities
- Sales of merchandise
- Raffles
- Vending machines
- Concession
- Fees, fines, and deposits subject to return in whole or part
(ex. Lockers, locks, lab fees, shop deposits, parking permits)
- Money for loss or damage to school property (ex. Lost textbooks)
- Money collected from students for special drives or campaigns;
(ex. United Way, Red Cross etc.)
- Money collected for school pictures, yearbooks, athletic playoffs
- Athletic gate receipts (Deposited into the Athletic Fund)

To ensure that all schools benefit from the receipts they are collecting, there are the following procedures in place which meet the guidelines set forth by the State of New Mexico Public Schools Accounting and Budgeting Standards. If donations are received for a specific purpose, records must be kept to ensure that they are spent properly. If donations are to be received on a regular basis, a separate account may be set up to make transactions easier to track and process.

Receipting Money

Pursuant to PSAB Supplement 7, it is required that pre-numbered, triplicate, receipts be used to receipt funds received. The receipt needs to indicate the following:

- The date.
- The name of the person being receipted, if money is received by mail then it needs to be receipted to the person sending it in with the word "MAIL" next to the person's name.
- The total amount of money being receipted.
- The total amount of cash (currency and coin).
- The total amount of checks.
- The account name that the funds are being deposited into.
- The account fund that the funds are being deposited into.
- Signature of the secretary/bookkeeper accepting funds.
- The original receipt should go to the person making the deposit.
- The duplicate receipt should be attached to the Collection Report, in addition to a copy of the bank deposit slip, and copies of the checks that were deposited.
- The triplicate copy should stay in the receipt book. When a receipt book is almost full, you may request another receipt book from the Business Office. When a receipt book is full, it is to be submitted to the Business Office for audit purposes.

Receipting is to be done in front of the person bringing the deposit, to serve as a dual check, and to make sure that the amount receipted agrees with both parties. All checks received should be paid to the order of the school site name. If the check is made out to a teacher, then the teacher must endorse the check over to the school so that the monies can be accounted for properly. If monies come by way of mail, then all supporting documentation must be date stamped, with the site location listed on the stamp as well. This documentation should be attached to the site copy of the collection

report. ***Once checks are received and receipted, they should be stamped with the endorsement stamp provided by the Business Office immediately.***

If an error is made on a receipt, it must be voided and a correct receipt must be issued. Erasures are not allowed. If a receipt is voided, all copies are to be marked "VOID" and white receipt is to be sent to Business Office with the deposit. Copies of Void stays in the receipt book. Cash payments from receipts are forbidden by law, and is an unacceptable practice. Reimbursements should be made from petty cash or by submission of a Requisition for Purchase.

Depositing Money

PSAB Supplement 7 requires that all money received and receipted should be deposited within 24 hours of receipt. This applies to all funds, including those collected by teachers or other staff, and it also applies to athletic gate receipts. Money is not to be left at a site overnight. It is up to each site to determine how to best handle this, but it is advisable for sites to set a specific time each day that deposits must be due into the secretary/bookkeeper so that deposits may be made in a timely manner.

The following should be followed when preparing the daily deposit:

- All daily receipts should be deposited using one deposit slip only.
- The name of the school site needs to be placed on the deposit slip along with the site sequence number (should be placed above the bank account number). The site sequence number is composed of the last two digits of the Fiscal Year, followed by the two-digit school site number, followed by a three-digit sequence number. For example, 21-085-133, would be a deposit in Fiscal Year 2020-2021, for Los Lunas High School, and this deposit slip is the

133rd deposit made during that Fiscal Year. At the beginning of each Fiscal Year the sequence number should begin with 001, ex. 21-085-001.

- The date the deposit is being made should be listed at the top.
- Each check that is being deposited needs to be listed on the deposit slip. You may use the back of the deposit slip if needed. The person's name should be listed (First initial and full last name), along with the full amount of the check.
- Make copies of all checks before depositing.
- When making the daily deposit, ensure that the deposit amount the bank has coded matches your deposit amount, before leaving the bank.
- Upon return to your site, attach the encoded bank deposit slip, the duplicate receipts, and the copies of the checks deposited, to the site collection report, in accordance with PSAB Supplement 7 – Cash Controls, and forward to the Business Office. Make sure to keep copies for the site's records.

* All cash deposits are to include a Los Lunas Deposit Worksheet (Exhibit A)

Collection Report

The site collection report is filled out using the triplicate receipt portion that remains in the receipt book. For each bank deposit slip, there needs to be a respective collection report submitted to the business office. Each site will have a password for their Ivisions Deposit Report supplied by the Business Office. Using this template, the following information needs to be input:

- The deposit sequence number (from the bank deposit slip), needs to be listed next to *Report #*.
- The date the deposit was made.
- Beginning with the first receipt issued on the day of the deposit you need to list who the receipt was issued to. If a receipt was voided, then it needs to be listed in sequential order and under the description you need to list the

words “VOIDED”. The description and receipt number are the only items you fill out for a voided receipt.

- A description of what the deposit was for (ex. Payment for lost library book).
- The account number line item the deposit should go into. If it is being abated, it should reference an expenditure using 06, instead of 00.
- The receipt numbers.
- The amount of cash and checks needs to be listed separately, as well as the total of both check and cash.
- This needs to be done for each receipt number. Once this has been done, iVisions will automatically total the day’s receipts which should be equal to the deposit slip total.
- Print the collection report. The bookkeeper/secretary needs to sign and date the report, and needs to forward it to the Principal for a signature as well.
- When signatures have been obtained, the collection report needs to be sent to the Business Office with the following attachments: the duplicate deposit slip, the duplicate receipts, and copies of the checks.

Revenue Earning Activity – (Scholastic Book orders, Lost Textbooks etc.)

No money is to be collected at the site by any teacher or anyone else who does not have prior approval from the site supervisor. Please see Fund Raising Procedures for additional information.

Use of School Facilities

(All Use of School Facilities shall be in accordance with Board Policy K-1650)

The use of school facilities by non-school organizations is permitted when proper procedure is followed to utilize the facilities. Please see the Facility Use page on

the Los Lunas Schools website. Fees are required to be submitted when an Application for Use of School Facilities is completed and submitted. These funds are receipted and deposited by the site whose facility the organization is using, and is listed on the site's collection report for that day.

Nonsufficient- Fund Checks

The Business Office will make two (2) attempts to collect on a returned check through the bank. After that, each site will get a copy of the check for the site to try to collect on. The site must collect **either cash or a money order**, and then will forward it directly to the Financial Specialist who sent the site the copy of the NSF check. **Never issue a receipt on the collection of a bad check unless the original receipt has been cancelled.** The Financial Specialist will send the original check back so that the site can return it to the payer. If desired, the person can come in and pay the funds directly to the Business Office, who can then hand back the original check. An adjustment to the original revenue account, to which the deposit was made for the NSF amount, does not take place until the final audit has been approved by the board following the close of the fiscal year, per the Constitution of the State of New Mexico.

Athletic Gate Receipts

Athletic gate receipts are collected using <https://gofan.co>. Go Fan automatically deposits online sales and summary sheets are provided to the district. Go Fan Summary sheets will be provided to the Finance Office to support tickets sold to reconcile to deposit.

Cash sells are highly discouraged, however, if cash is collected pre-numbered tickets must be issued for all admissions and a reconciliation should be made between cash collected and tickets used. The gate cash box should always have a set predetermined amount in it for all athletic events, any monies over this

predetermined amount should equal to the amount being deposited, and receipted. A separate file should be maintained on all reconciliation sheets. See Fund Raising Procedures, Ticket Reconciliation Worksheet (Exhibit B), for further information on reconciling gate tickets and for the reconciliation form that should be used.

Per PSAB Supplement 7, all money received and receipted should be deposited within 24 hours of receipt. It is up to each site to determine how best to handle this. Normal cash receipting procedures should be followed, as outlined above, for all gate receipts.

Sunshine Accounts

These accounts are ones that staff members contribute money to on a regular basis. These accounts are permissible as long as only staff contributions are deposited. Staff determines how the funds are to be spent. It is recommended that accurate records be kept for these accounts to avoid mix-ups and conflict.

Cafeteria Collections

Cafeteria collections must be turned into the Business Office daily. Cafeteria collections are itemized on a Student Nutrition daily deposit worksheet by the cashiers/managers, and each site makes their own daily bank deposits. The amount listed as deposited on the Student Nutrition worksheets must match the actual deposit slip. The worksheet and triplicate copy of the bank deposit slip are then forwarded to the Business Office and the Student Nutrition Office. Any questions regarding cashiering and its processes need to be directed to Student Nutrition.

PURCHASING AND DISBURSEMENTS

Purchasing, or procurement, as defined by New Mexico State Public School Budgeting and Accounting (PSBA) Supplement 13, means “the purchasing, renting, leasing, or otherwise acquiring items of tangible personal property, services or construction and all procurement functions, including but not limited to preparation of specifications, solicitation of sources, qualification or disqualification of sources, preparation and award of contract and contract administration”. The purchasing policy of the Los Lunas School District follows NMSA 1978 Chapter 13 guidelines and supplements, along with existing District policies already in place.

When making any purchase using federal funds such as Title I, Idea B, CARES, etc., you must verify with www.sam.gov to make sure the vendor you are purchasing from is registered and has not been debarred, suspended or have any exclusions. Please also check the expiration date to ensure the vendor verification is current. Use the snipping tool application and attach a picture of the verification to your requisition (see example attached). For federal fund compliance, any purchase over ten thousand dollars (\$10,000) requires three quotes or a valid price agreement (must be noted on the quote). In addition, all proposed vendor(s) must sign a Conflict of Interest/Debarment/Suspension Certification Form. The signed certification must also be included with your requisition. Please request a copy of the certification form from the Purchasing Department.

A purchase order is required for the purchase of all goods and services by the Los Lunas School District. No employee may commit to, create an obligation, or obtain any goods or services on behalf of the School District without first obtaining an approved purchase order. This pertains to all district funds including grants, activity funds, and any other allocations of public funds. No site will be authorized to give a requisition number to a vendor as representation for a purchase order. No employee will direct a vendor or contractor to work without having a signed contract and purchase order in place prior to the performance of work. You must submit a requisition and have an approved purchase order before ordering by telephone, internet, mail or fax.

Beware of telephone solicitors who will try to have you commit to an order over the phone – this is not condoned by LLS. Failure to comply with these procedures may result in disciplinary action.

The purchasing cycle consists of:

1. Preparation of a Requisition for Purchase.
2. The issuance of a Purchase Order.
3. Receiving Merchandise/Order Verification.
4. Payment for Goods and Services.

Requisition for Purchase

Before you submit a requisition for purchase for basic equipment such as desks, bookshelves, and chairs, etc., first check with the Inventory Control Specialist in the Business Office, as there may be items available for use in the warehouse.

Each site will submit a requisition for proposed purchases. Trip Requests must be paid through a Purchase Order, so a Requisition for Purchase must be filled out for these trips as well. The Transportation Department has a list of estimated trip costs. A Trip Request Form must be included with the requisition when applicable. **The requisition must be prepared in iVisions.** Please take the time to ensure that all required fields are filled out correctly and completely. Incomplete requisitions will be returned. The following must be included:

1. The requisition number will be automatically assigned. This will always be an eight-digit number. The first four digits consist of the current fiscal year (ex. 2021) and the next four numbers will be the sequence number of your requisitions. Example 20210011. If it is for a Trip Request, then this requisition number needs to be referenced on the Trip Request form when it is sent to Transportation.

2. Requisition information must be populated (vendor name, DAC/site, requester).
3. Order information must be populated (order via, order type and reference).
4. Account number to be charged from the school's chart of accounts.
5. Quantity, unit of measure, part #, brief description explaining purpose of purchase followed by description of first item (line 1 only), unit price, tax and freight amounts (if applicable). Save new data entered.
6. Proceed to itemize remainder of order (quantity, unit of measure, part #, description of item, unit price, tax, freight and save.
7. Apply discount if applicable. (Very few vendors give discounts – check with vendor to verify.)
8. Once the order has been itemized, the secretary/bookkeeper verifies that sufficient funds are in the listed line item to cover the expenditure. Stay within your allotted budgets, as there are no additional funds available.
9. Notes. In PO Notes reference supporting documentation (ex. quotes, registration forms, etc.), Wal-Mart account info (if applicable) and/or list any special instructions for the vendor, accounts payable or warehouse.
10. In Append Internal Notes list any special instructions not intended to be printed on purchase order (ex. corrections to line item and/or cost, additional order via instructions such as fax # or email address, etc.). This information will be moved to the Internal Notes once the requisition is saved.
11. Proposed Vendor (if applicable) – Order Information. Must list the full name of the company, with the complete address. List the telephone number and fax number if you want the purchase order faxed to the company or PO Email if you want the purchase order emailed to the company. Please add website, comments, contact, and contact's email (if applicable).
12. If it is a new/proposed vendor, a new W-9 needs to be filled out by the vendor. If you are requesting a new vendor, a Vendor Registration Form needs to be attached in Tyler Content Manager (see Exhibit C), in addition to a completed W-9 and documents supporting your order (ex. cost estimate, order form, etc.).

13. Once the requisition is complete, the secretary/bookkeeper must attach all supporting documentation in Tyler Content Manager.
14. The requisition is then sent to the Finance Office using the option to submit for approval. The secretary/bookkeeper may print a copy for their site file if desired.

Do not assume that just because a requisition for purchase has been completed that a Purchase Order will be automatically approved. You must wait until you have an approved purchase order before placing your order.

Purchase Orders

Plan ahead for your purchases. There are several times of the year when the Finance Office receives an influx of “RUSH” requests. Most of these are due to the lack of planning at the site, and we ask that each site make it a priority to keep these requests to a bare minimum. Purchases relating to the health, safety, and welfare of students, staff, or safe upkeep of property will be processed first, as well as those relating to emergency community situations. All other purchase orders will be processed on a “first come, first served basis”.

1. Once approved by the Finance Office, the original purchase order will be sent to the vendor/recipient by means of the order via instructions provided. The file copy is printed and kept in the Finance Office for their records, the receiving copy is printed and sent to Accounts Payable. A receiving copy is printed by the Inventory Control Clerk (who then forwards it to the warehouse for verification of receipt of items).
2. The Chief Financial Officer makes final approval of all purchases not requiring School Board approval. The site manager or assistant site manager approves all site purchases. The designated special fund manager makes approval of special fund purchases. For example, the director of Instruction approves all

Instructional Materials purchases. The director of Technology approves Technology purchases, etc.

Purchasing

Los Lunas Schools has adopted the Manual of Procedures PSAB Supplement 13 Purchasing issued by the New Mexico Public Education Department (Exhibit D). School districts and charter schools may participate in a cooperative procurement agreement for the purchase of goods, services, or construction with any other district or state government entity. School districts and charter schools state-wide can pool their needs which would thereby increase the volume of purchases and that would generally yield better overall pricing and long term contracts. As with piggybacking, this method of purchasing lessens the need for advertising, development of specifications, and the time and effort to process bids or proposals. Cooperative Educational Services (CES) provides this type of service to districts in New Mexico and secure bids on behalf of the districts or charter school. Districts may also communicate their needs to CES to secure bids on their behalf for selected vendors that can offer desired goods or service. It is recommended that districts and charter schools pay particular attention to the pricing of the goods or service offered through cooperative agreements as selected items may not always reflect the best pricing opportunities.

New Vendors

When using new vendors, several guidelines need to be followed to keep the district in compliance with IRS regulations. Before the LLS District can issue a Purchase Order to a new vendor, we must have a signed W-9 form from the vendor and a Vendor Registration Form. The only exception to this policy is when the vendor is going to be a reimbursement type vendor.

The Tax ID number should be either a Federal ID number (9 digit number only), or a Social Security number if they are doing business as an individual. If doing business using a Social Security number, then the name belonging to that Social Security number needs to be listed first, and on the second line the d.b.a. (doing business as) name should appear. The signature on the bottom of the W-9 needs to be the one of the named individuals whose Social Security number is listed. The W-9 and Vendor Registration Form must be attached to a "Proposed Vendor" requisition when submitted for approval. If you have any questions you can contact the Buyer in the Finance Purchasing Office.

Small Purchase Regulations

Direct or small purchases of goods, services and construction -Dependent on the limits set in the New Mexico Procurement Code Section 13-1-125. NMSA 1978.

A small purchase of goods, services, or construction is any single purchase that is estimated to be \$20,000 or less, exclusive of gross receipts tax. A small purchase of professional services is any single purchase that is estimated to be less than \$60,000, exclusive of gross receipts tax. This type of purchase is considered a “direct purchase” and does not require a formal solicitation or invitation to bid or an RFP as described above. A district or charter school must follow the limits set by the Board of Education of Governing Council for limits less than the statutory thresholds.

Section 13-1-125 NMSA 1978 has set a limit for a small purchase that does not require districts to obtain three quotes to determine the best price. Purchase orders may be issued for the amounts up to the limits set by the Board or Council. For purchases estimated to be more than \$20,000, three written quotes must be sought. The purchase order is then issued to the vendor that has offered the lowest price per district or charter school specifications.

Professional services which can be obtained informally generally do not require quotes because of the nature of the purchase including qualifications, abilities, and company history to perform the work. Either verbal or written communication with known firms or individuals is typical. Contracts define the scope of services and payment terms and conditions along with a timeframe for the work to be performed. These must be documented as attachments in TCM on Ivisions. This must be submitted with your requisition. Please refer to LL Board Policies D-0050, D-2450, and D-2750.

Purchases from Price Agreements

Purchases may be made from Price Agreements and Cooperative Purchasing Agreements. The use of Cooperative and Price Agreements

from which purchases in excess of \$60,000.00 will be made, must be approved by the School Board. Notification must be made to the Purchasing Department for the requested purchase to be added to the Finance Committee agenda.

The Procurement Code, Section 13-1-71 NMSA 1978, allows for Price Agreements which constitute a definite quantity contract or indefinite quantity contract and requires the contractor to furnish items of tangible personal property, services or construction to a state agency or a local public body. The purchase order must be within the limitations of the existing contract

Cooperative Purchasing Contracts

School districts and charter schools may participate in a cooperative procurement agreement for the purchase of goods, services, or construction with any other district or state government entity. School districts and charter schools state-wide can pool their needs which would thereby increase the volume of purchases and that would generally yield better overall pricing and long term contracts. This method of purchasing lessens the need for advertising, development of specifications, and the time and effort to process bids or proposals. Cooperative Educational Services (CES) provides this type of service to districts in New Mexico and secure bids on behalf of the districts or charter school. Districts may also communicate their needs to CES to secure bids on their behalf for selected vendors that can offer desired goods or service. It is recommended that districts and charter schools pay particular attention to the pricing of the goods or service offered through cooperative agreements as selected items may not always reflect the best pricing opportunities.

School Nutrition Programs Procurement Procedure and Code of Conduct

A. General Procurement

1. All procurement transactions will comply with Federal, State, and Local procurement regulations.
2. The procurement procedures outlined in this plan are designed to maximize full and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
3. Los Lunas Schools will avoid purchasing unnecessary or duplicative items.
4. The procurement of food will be compliant with the Buy American Provision as outlined in 7 CFR 210.21.
5. For purchases up to \$10,000, Los Lunas Schools will use informal procurement procedures as outlined below.
6. For purchases over \$60,000, Los Lunas Schools will use formal procurement procedures as required by 2 CFR 200.318-200.326.
7. Los Lunas Schools will take steps to assure that small, minority, and women's businesses and labor surplus firms are used when possible.

B. Informal Procurement

1. *Micro-purchase Procedures* - When purchasing an item or items with an aggregate total of \$10,000 or less, Los Lunas Schools will follow micro-purchase procedures. To the extent practicable, Los Lunas Schools will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded if the price is considered reasonable as required by 2 CFR 200.67.
2. *Small Purchase Procedures* - If the total amount of purchases for items is less than \$60,000 the following small purchase procedures can be used:
 - a. Quotes will be requested from an adequate number of qualified sources.
 - b. Written specifications will be prepared and shared with potential vendors.
 - c. Potential vendors will be given an opportunity to provide a price quote on the same specifications.
 - d. The price quotes will be kept confidential before award.
 - e. Quotes will be awarded to the most responsive and responsible vendor with price being the primary consideration.
 - f. Los Lunas Schools will be responsible for documentation of records to show selection of vendor, reasons for selection, all vendors contacted, price quotes from each vendor, and written specifications. If the awards to a vendor that is not the

lowest price quote that met the specifications, a written explanation must be documented as to why.

- g. Bids will be awarded to a responsive and responsible bidder with the lowest price.
- h. Los Lunas Schools will sign all quote tabulations, signifying a review and approval of the selections. Documentation will be retained for three years.

C. Formal Procurement

When a formal procurement method is required Los Lunas Schools must solicit through an Invitation for Bid (IFB) or a Request for Proposal (RFP) following a cost/price analysis being completed.

1. A solicitation of an IFB or an RFP will be placed in a public news publication in order to publicize the intent to purchase needed items. The solicitation will include:
 - general description of goods/services to be purchased;
 - contact information where potential vendors can get more information/bid packet;
 - date of pre-bid meeting (if applicable) and if attendance is a requirement for bid award;
 - deadline for submission of sealed bids or proposals.
 - time and location of bid opening
2. Vendors will be given an opportunity to bid on the same specifications.
3. The developer of written specifications or descriptions for procurements is **prohibited** from submitting bids or proposals for such products or services.
4. The IFB or RFP will clearly define the purchase conditions. The following list includes requirements, not exclusive, to be addressed in the procurement document:
 - Contract period;
 - For IFB only, the date, time, and location of the public opening;
 - How vendor is to be informed of bid acceptance or rejection;
 - Delivery schedule;
 - Requirements (terms and conditions) that the bidder must fulfill in order for the bid to be evaluated;
 - Benefits to which the SFA will be entitled if the contractor cannot or will not perform as required;
 - Statement assuring positive efforts will be made to involve minority and small businesses;
 - Statement regarding the return of purchase incentives, discounts, rebates, and credits to the SFA's nonprofit school food service account;
 - Contract provisions as required in Appendix II to 2 CFR 200;
 - Contract provisions as required in 7 CFR 210.21 (f) for all cost reimbursable contracts;
 - Contract provisions as required in 7 CFR 210.16 (a)(1-10) and 7 CFR 250.53 for food service management company contracts;

- For fixed-price contracts, a price adjustment clause (tied to a standard index, i.e., consumer price index, or other as stated in terms and conditions for pricing and price adjustments);
 - Method of evaluation and type of contract to be awarded (solicitations using an IFB are awarded to the lowest responsive and responsible bidder; solicitations using an RFP are awarded to the most advantageous bidder/offeror with price as the primary factor among factors considered);
 - Method of award announcement and effective date;
 - Method of shipment or delivery upon contract award;
 - Provision requiring the contractor to maintain all required records for three years after final payment and all other pending matters (audits) are closed for all negotiated contracts
 - Description of process for enabling vendors to receive or pick up orders upon contract award;
 - Signed Debarment/Suspension Certificate;
 - “Buy American” as outlined in 7 CFR Part 210.21 (d) and SP 24-2016; and
 - Specifications and estimated quantities of products and services prepared by Los Lunas Schools and provided to potential contractors desiring to submit bids/proposals for the products or services requested.
5. The following criteria will be used in awarding contracts as a result of bids/proposals. The price must be the highest weighted criteria. Examples of other possible criteria include quality, service, delivery, and availability.
- | |
|-----------------|
| 1. Price |
| 2. Quality |
| 3. Availability |
| 4. Delivery |
6. In awarding a RFP, a set of award criteria in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. Price alone is not the sole basis for award but remains the primary consideration among all factors when awarding a contract. Following evaluation and negotiations, a firm fixed price or cost reimbursable contract is awarded.
- The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and is most advantageous to the Los Lunas Schools price as the primary and other factors considered. Any and all bids or proposals may be rejected in accordance with the law.
 - A representative of Los Lunas Schools is required to sign on the bid tabulation of competitive sealed bids or the evaluation criterion score sheet of competitive proposals signifying a review and approval of the selections.
 - Substitutions – if an item is not available, Los Lunas Schools will select the acceptable alternate. The contractor must inform the district if a product is not available. In the event a nondomestic agricultural product is to be provided to the Los

Lunas Schools, the contractor must obtain, in advance, written approval for the product. The vendor must comply with the Buy American Provision.

- Full documentation regarding the reason an accepted item was unavailable, and the procedure used in determining acceptable alternates, will be available for audit and review.
- Los Lunas Schools is responsible for maintaining all procurement documentation.

D. Additional SFA Responsibilities:

The Los Lunas Schools shall agree to retain all books, records, and other documents relative to the award of the contract for three (3) years after final payment. If there are audit findings that have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit. Specifically, the Los Lunas Schools shall maintain, at a minimum, the following documents:

- a copy of the original solicitation;
- the selection of contract type (fixed/cost-reimbursable);
- pre-bid meeting attendance logs (if applicable);
- the basis for vendor selection;
- the basis for award cost or price;
- the terms and conditions of the contract;
- billing and payment records;

E. Code of Conduct

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal, State, or local award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the Los Lunas Schools may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the Los Lunas Schools may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value.

The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Los Lunas Schools. Based on the severity of the infraction, the penalties could include a written reprimand to their personnel file, a suspension with or without pay, or termination.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](http://www.ascr.usda.gov/complaint_filing_cust.html), (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

The New Mexico Human Rights Act prohibits discrimination because of race, color, sex, sexual orientation, age, physical or mental disability, genetic information, religion, ancestry or national origin.

Contracts

All contracts for general services in excess of \$60,000.00 must be approved by the School Board. All contracts for professional services in excess of \$60,000.00 must be approved by the School Board.

All purchases for services, construction, or items of tangible personal property shall be made in accordance with LLS Purchasing Policy 3.15 and the NM Procurement Code Chapter 13.1.1 through 199 NMSA 1978.

Quotes that include terms and conditions, must be reviewed and signed by Chief Procurement Officer or per by LLS policy 3.15.2.

Purchases over \$60,000.00 must be reviewed and the Chief Procurement Officer who will decide whether purchases will be made by a formal Invitation for Bid, Request for Proposal or established price agreement. The handling of contracts will

be done by the Chief Procurement Officer. For more information contact the Chief Procurement Officer/Purchasing Agent and review PSAB Supplement 13 (Exhibit D).

Instructional Materials

It is Los Lunas School's procedure to regularly exercise the use of the exemption on instructional materials per the definition and exemption below:

"13-1-63.1. DEFINITION--INSTRUCTIONAL MATERIALS.-- "Instructional materials" means school textbooks and other educational media that are used as the basis for instruction, including combinations of textbooks, learning kits, supplementary materials and electronic media."

"13-1-98. EXEMPTIONS FROM THE PROCUREMENT CODE.—The provisions of the Procurement Code shall not apply to: E. purchases of books, periodicals, instructional materials and training materials in printed, digital or electronic format from the publishers, designated public education-department-approved instructional material depositories or copyright holders thereof and purchases of print, digital or electronic format library materials by public, school and state libraries for access by the public"

Emergency Purchases

An emergency purchase may be made when the existence of a situation is such that there is a serious threat:

- To the function of government.
- To the preservation or protection of property.
- To the health or safety of any person.

In the case of an emergency purchase, contact the Central Purchasing Office immediately. As per Section 3-1-128 (D &E) NMSA 1978, written justification must be posted to the LLS website within 3 business days describing the emergency, the name of the selected vendor and the services or tangible goods procured. This information must be included with the requisition for approval.

Preview of Items

Previewing of items is not allowed unless the site manager gives prior approval. Once approved, a requisition needs to be processed with the site supervisor's signature.

Miscellaneous Vendors

There are several approved vendors for different commodities. Please inquire with the Central Purchasing Office.

Purchases Requiring Checks

You are not to commit to, or promise, a check payment date without first having the commitment of the Business Office. Requisitions for purchases that require checks must be given to the Business Office at least 10 days prior to the date it is needed, and the requisition must indicate that a check is required and when it is needed. Supporting documentation for payment is due in Accounts Payable by Wednesday morning for availability by Friday of each week. In the event of an emergency, invoices are still required and must be submitted within 24 hours of purchase or event.

Cash Advance –

When a check is issued in advance to pay for goods and services it is considered a cash advance. When the check is picked up a Cash Reconciliation Form – Pink form (see Exhibit E) is attached to the check. All receipts/invoices must be returned, along with a completed Cash Reconciliation Form within 48 hours of completion of purchase.

Changes to Purchase Orders

The changing of a purchase order or substituting of an item on a purchase order must be submitted via request for Addendum and requires signature approval from the Central Purchasing Office and Chief Financial Officer. If additional items are needed, a new purchase order must be processed.

Cancellation of Purchase Order

When the cancellation of a Purchase Order is necessary, can be done by the Central Purchasing Office or Finance Office Financial Specialist. A written notice must be sent by the Site Secretary requesting the cancellation, stating the reason why, including the vendor name, purchase order number, and all other pertinent information.

Transportation Purchase Order

A purchase order is needed for all bus transportation for students.

1. Fill out a Trip Request and a Requisition for Purchase using School ERP Pro. The trip request number must be listed on the requisition. The requisition number must be listed on the trip request. Since the Business Office does not have a P.O. number to reference, we **must** have the trip request number and the requisition number referenced.

2. Send to Transportation Financial Specialist, the original trip request only.
3. Send to the Finance Office Financial Specialist, the Requisition and a copy of the trip request.
4. Once the Chief Financial Officer approves the trip the requisition will be converted into a purchase order and sent along with the trip request form to Transportation.
5. Financial Specialist in the Business Office will be given a receiving copy of the purchase order to be matched with your activity report along with the final charge of that trip.

Receiving of Merchandise/Order Verification

All shipping is done through our District Service Center Warehouse unless the Purchasing Dept. makes other arrangements. All equipment must be shipped through our warehouse. When an order is received, the warehouse verifies the order against their copy of the purchase order. When receiving an order, the site representative must sign for the items received.

When receiving a textbook order for Instructional Materials (Textbook Depository), it is imperative that all orders are verified upon receipt **before** stamping books. The depository will not accept returned merchandise that is stamped.

Payment for Goods and Services

There are several scenarios for receiving items and for submitting proof for payment to Accounts Payable. In order for LLS District to pay our vendors in a timely fashion, it is requested that sites have 5 days to send invoices and receiving documents to the Business Office for processing. The Business Office will keep logs of all “reminders” made to sites.

1. When receiving an item from the warehouse, you must sign for it, write “received”, date it, and then you need to send the approved “receipt slip” to Accounts Payable at the Business Office immediately, noting the Purchase Order it corresponds to, so that payment can be made. Notify Accounts Payable when a Purchase Order needs to be closed after payment. You may note this on the receipt you send them.
2. Original invoices are always mailed or emailed directly to LL Schools Central Office, attention Accounts Payable Department. Mailed invoices are processed through mail room and distributed to Accounts Payable Department. Vendors are split by alphabet. Vendor names beginning with “A - L” are paid by one Financial Specialist and vendor names beginning with “M - Z” are paid by the other Financial Specialist. E-mailed invoices are received directly from vendors to each Financial Specialist in Accounts Payable for processing.
3. Upon receiving original invoices, each invoice is stamped by Accounts Receivable with a “Received Date”. Then the invoice is sent to the school site or department that needs to approve payment. Once the approved invoice is returned to Accounts Payable, payment is made within 5 to 7 days. Check runs are usually every Friday. Check batches are prepared starting at the beginning of each week, check batches are turned in to Supervisor for review, upon approval, checks usually run Friday.
4. When you receive goods immediately, through a direct P.O. or a blanket P.O. (ex. Albertsons, Wal-Mart, Learning is Fun) you need to send the invoice or receipt you are given, sign it authorizing that goods were received, write the word “received”, date it, and forward it to Accounts Payable for payment. The invoice/receipt needs to have the corresponding Purchase Order referenced as well. Payment will not be made from Statements or Work Orders. Notify Accounts Payable when a Purchase Order needs to be closed after payment. You may note this on the receipt/invoice you send them.

5. Reimbursements – These items include the following: payment to athletic officials, mileage reimbursements, per diem, class tuition reimbursements, expense reimbursements, petty cash replenishment, and per capita expenditures.

* *The financial specialist for Special Services must approve and sign all reimbursements coming from that department and their line items.

- a. Athletic Officials – At the beginning of the fiscal year the site secretary/bookkeeper needs to submit a Requisition for Purchase to encumber salaries for all ticket takers, clock workers, and score keepers. When an event is complete, all persons working the event need to be paid by voucher.

1. Fill out the payee's name, social security number, address, city, state, zip code and whether he/she is a school employee. List the referencing Requisition/P.O. number.
2. List the event and date of the event, as well as time in and out, and the total number of hours worked.
3. Fill in the pay rate and the total amount due.
4. Have the payee sign that the above listed services rendered were actually performed.
5. Have the School Administrator sign and forward to the Business Office for payment.
6. If the payee is an employee then Payroll will process it, if the payee is not an employee then payment will be rendered through Accounts Payable.

- b. Mileage Reimbursements – The Mileage Reimbursement Form (Exhibit F) form is used for mileage reimbursement for short local trips. The name of the person seeking reimbursement

must be included, dates of travel, odometer readings, line items to be paid from, and approval from site supervisor. Mileage is currently paid at a rate set by the Internal Revenue Service and in accordance with New Mexico Department of Finance and Administration Section 2.42.2 NMAC.

- c. Per Diem & Mileage from Travel – A Travel Authorization and Reimbursement Request form (See Exhibit G) must be filled out completely and the Chief Finance Officer must approve payment.

- d. Course Tuition Reimbursements –
Tuition reimbursements are processed through the Visions Software. Instructions for the employee's portion can be found on the Employee Access Page. For district portion of procedures please refer to the attached "Course Reimbursement Flow Chart" for course reimbursements procedures (Exhibit H).

- e. Expense Reimbursements – These are expenses incurred by Individual employees. A requisition must be filled out, accompanied by a receipt, line item(s) to be charged, and must be approved by both a site supervisor and a business office official.

- f. Petty Cash Replenishment – A requisition must be submitted with supporting receipts and line items to be charged. The requisition must be signed by both the site supervisor and a

business office official. (Refer to Petty Cash and Change Fund in Procedures Manual.)

- g. Per Capita Reimbursements – Time cards need to be filled out by recipients, including their signature, and turned in to the Special Services financial specialist for approval. The financial specialist will then forward the time cards once a month for payment. The time cards should have an approval signature, along with a referencing purchase order.
- h. Contracted Employees – These are employees who provide special services to LLS. These employees must fill out time cards for payment, including their signature. Most of these services come from Special Services. A Requisition for Purchase should come from this department each fiscal year to cover these services. The time card must be approved and signed by the site supervisor **and** the financial specialist in the Special Services Department. The time card should reference the purchase order it corresponds to.
- i. Contractor Payments – Once a contract is approved, a Purchase Order is in place and the contracting work begins, some contractors will send monthly requests for payment to the site director, who then approves payment and forwards it to the Certified Purchasing Officer. The Purchasing Officer will retain one copy for permanent contract, maintains a reconciliation of all capital contract payments and forwards the request to Accounts Payable for payment.

- j. Meal Checks – (Applies to High School and Middle Schools)
- At the beginning of the fiscal year when athletic game schedules are released, the bookkeeper/secretary submits a blanket requisition for purchase for meal checks for the out-of-town games. This blanket requisition is based on the sum of the Meal Check Affidavit (Exhibit I) for the season. Coaches must fill out a meal check affidavit for each out of town game. The employee responsible for the meal check signs for it, and upon return fills out the Cash Advance Reconciliation Form (Exhibit E), which is attached to the meal check. Any cash remaining is then redeposited into the line item it was expended from, thus being abated. Attached to the Cash Advance Reconciliation form should be receipts totaling the amount of cash expended. This form needs to be filled out, and remaining cash deposited, within five (5) days of receiving the meal check

Check to Performers at Sites

When requesting, and expecting, payment for persons performing at a school site the same day of the performance, a Requisition for Purchase needs to be filled out and submitted two (2) weeks in advance to the Finance Office. A check can only be given to the performer when an invoice has been provided in return. The invoice is then submitted to Accounts Payable for backup to support the payment

TRAVEL

(IN-STATE AND OUT-OF-STATE)

All Travel Reimbursement is governed by the Per Diem and Mileage Regulations issued by the Internal Revenue Service and in accordance with New Mexico Department of Finance and Administration Section 2.42.2 NMAC.

Travel is defined by the LLS District as being on, or conducting, official LLS District business and/or must benefit LLS District, LLS employees, or LLS students depending on where the funds are coming from to pay for travel expenses.

Whether traveling in-state or out-of-state, a Travel Authorization and Reimbursement Request Form must be filled out. If seeking reimbursement for mileage traveled in-district only, then a Mileage Reimbursement Form needs to be completed.

In-District Travel

LLS District employees who use their own private vehicle to visit other district locations or local businesses, in accordance with fulfilling their job description/obligations, need to fill out a Mileage Reimbursement Form. It must be local travel that is approved by their supervisor. To complete the form:

1. List the name of the payee (the person requesting reimbursement).
2. List the purpose of the trips.
3. List the date and place visiting, what business was conducted, the beginning and ending odometer readings, and total miles traveled.
4. List total the miles in each row.
5. Sign the form and date it.
6. List the line item account number the reimbursement will be taken from, if unsure the supervisor will fill it out.
7. Obtain supervisor's signature, date, and title.

8. Submit the Mileage Reimbursement Form to the Business Office for processing.

Mileage reimbursement is calculated by using the Internal Revenue Service Standard mileage rate which is updated on January 1st of each year or upon special legislative request.

In-State Travel

When traveling In-State, a Travel Authorization and Reimbursement Request Form (Exhibit G) must be filled out in order to initiate the request.

1. Fill out section I of the Travel Authorization and Reimbursement Request form, and obtain the site Principal/Supervisor's approval. Remember to check off the In-State Travel box, as whether Operational or Federal funds will be used to finance the trip. Attach a copy of your registration/program form.
2. Once approved it will be sent back to the site. Please note the amount of funds that are authorized for the trip, as well as substitute authorization, which will be found in section II of the Travel Authorization and Reimbursement Request.
3. Once the trip is completed, complete section III of the Travel Authorization and Reimbursement Request form.
 - a. List the destination.
 - b. List the date and time of departure, and number of days away.
 - c. List the return date, the time, and the number of hours gone for that day.
 - d. List the method of travel.
 - e. List miscellaneous expenses individually and the amount of each and attach all supporting receipts as documentation.

- f. Sign and date the Travel Authorization and Reimbursement Request and forward to the Finance Office for approval, who will then complete and submit it to the Business Office for processing.

Payment are made using actual expenses.

Actual Expenses: (Actual receipts must be attached)

Reimbursement of actual lodging expenses requires prior written approval from the supervisor, which should be attached to the Travel Authorization when preliminary approval is requested.

Lodging: Not to exceed \$215.00 a day unless no options are available for less than that rate. If the rate has to exceed \$215.00/day it will need to be pre-approved by the responsible Administrator and signed by them on our travel form.

Meals: Not to exceed \$59.00 per day (24 hours), alcohol prohibited. Receipts with alcohol beverages will not be reimbursed.

Airfare: Paid in full. Attach ticket stub to form.

Out-of-State Travel

All employee and student out-of-state school related travel must have prior approval of the Los Lunas Board of Education Finance Committee. Out-of-state travel requests are reviewed by the Board of Education Finance Committee which generally meets on the second Tuesday of each month. In order to obtain approval, the following needs to be completed:

1. A written request using an Out of State Travel Coversheet (Exhibit J) must be submitted to the attention of:

Los Lunas Schools Business Office

The request must state:

- a. The place to be travel to.
 - b. The purpose of the travel.
 - c. The dates of the travel.
 - d. The total estimated cost of the travel, including registration fees.
 - e. The budget line item from which the travel will be paid.
 - f. If there is no cost to the School District that must be stated.
2. If the travel is for a conference, attach a copy of the agenda.
3. Attach a completed Request for Leave form approved by the appropriate supervisor.
4. Attach a completed Travel Authorization and Reimbursement Request form with Section I completed and approved by the appropriate site supervisor.
5. When the LLS Board has approved the request, then the Chief Finance Officer will complete the next section of the form and forward the form back to the requesting site.
6. Once prices are established, the site will submit a Requisition for Purchase to the Finance Office for airfare, hotel, and registration, if the district is going to prepay these items. Please state the date that Board Approval was granted on the requisition.
7. When the trip is completed, the final section of the travel reimbursement form needs to be completed and signed (as in In-State Travel Procedures), and submitted to the Business Office for processing. You must use the Travel Worksheet to calculate your reimbursement.

Payment are only made using actual expenses.

Actual Expenses: (actual receipts must be attached)

Reimbursement of actual lodging expenses requires prior written approval from the supervisor, which should be attached to the Travel Authorization when preliminary approval is requested.

Lodging: Not to exceed \$215.00/day unless no options are available for less than that rate. If the rate has to exceed \$215.00/day it will need to be pre-approved by the managing Administrator signed by them on the travel form.

Meals: Not to exceed \$59.00 per day (24 hours), alcohol prohibited.
Receipts with alcohol beverages will not be reimbursed.

Airfare: Paid in full. Attach ticket stub.

Driving: The Reimbursement will not be approved in excess of what a flight would cost at the time of processing.

Travel Advances

It is not the policy of the LLS District to give travel advances, but the right is reserved should a special situation arise that is deemed appropriate by the School Board and Superintendent.

PETTY CASH AND CHANGE FUND

Petty Cash Fund

The use of a Petty Cash Fund is discouraged. Seldom is it absolutely necessary for a cash payment to be made. If a cash purchase is necessary, it is recommended that it be handled by a reimbursement to the individual making the purchase through a requisition for purchase. If a school decides that it is necessary to keep a small amount of money available to facilitate small payments, then the following procedure is required.

- The site must prepare a Requisition for Purchase and submit it to the Finance Office for approval. The Requisition must be made out to the custodian of the Petty Cash Fund. When creating a Petty Cash Fund there will be no attachments to serve as backup.
- Petty Cash may be issued after a purchase has been made (the preferable choice), or before a purchase has been made (try to avoid this).

Petty Cash given out before a purchase is made:

A **Temporary Petty Cash Voucher** (Exhibit K) needs to be filled out when petty cash is distributed before a purchase has been made. This is used only when it is for small amounts and the item needs to be purchased immediately, and the requestor/payee has no money available. The first two-thirds of the voucher needs to be filled out immediately when petty cash is requested. It is most important to obtain the signatures of the payee receiving the cash and of the person distributing the cash. The bottom 1/3 of the voucher needs to be filled out upon the payee's return with the receipt/invoice. The amount of cash returned and the amount on the receipt/invoice needs to equal the amount of petty cash that was given to the payee/requestor. The signature of the site supervisor/principal must be obtained. The voucher should be stapled to the receipt to serve as backup for when petty cash is replenished.

Petty Cash given out after a purchase has been made:

A **Petty Cash Voucher** (Exhibit L) needs to be filled out when petty cash is distributed after a purchase has been made. All of the fields need to be filled out when making a disbursement of petty cash.

- After the purchase has been made, the individual to whom petty cash was issued needs to provide the petty cash custodian with a receipt and/or invoice. Tax is reimbursable.
- The Petty Cash Custodian needs to stamp or mark the receipt/invoice “PAID” and must sign their name under the “PAID” stamp.
- A running **Petty Cash Log** (Exhibit M) to track payee’s, types of expenditures, amounts paid, and balance on account, needs to be filled out after every disbursement. All fields must be complete in the log.
- Once petty cash is created, in order to replenish it, supporting documentation (receipts) needs to be attached to the requisition on a **Receipt Sheet** (Exhibit N), along with the original petty cash log. A copy of the petty cash log should be kept by the petty cash custodian for their records. The amount of receipts, which is the amount of cash that has been disbursed, needs to match the amount of Petty Cash that is being replenished.
- When replenishing Petty Cash, code the requisition appropriately listing each account line item that was expensed, which is listed on each voucher and on the Petty Cash Log.

- At all times the Petty Cash Fund will contain cash and receipts/invoices totaling the full amount of the Petty Cash Fund.
- Once petty cash has been replenished, a new Petty Cash Log must be started to account for funds disbursed until the next time it is replenished.

The custodian is fully responsible for the petty cash fund. The custodian must insure that the funds can be fully accounted for at all times (cash + receipts = total petty cash fund). The funds must be held in a secure location, such as a lock box. Petty Cash is not to be used as a change box for employees' checks, for making change for others at the site, or for making loans. If there are any abuses by any individual requesting petty cash, that individual may be barred from using petty cash in the future, and may be subject to disciplinary action.

CHANGE FUND POLICY

Purpose and Overview

A change fund is intended to provide cash to a department for making change for a cashiering activity. The amount of a change fund remains constant. **Purchases or advances from this fund are prohibited.**

Establishing a Change Fund

To establish a change fund, a manual requisition must be submitted through school site secretary/financial specialist and be approved by site Administrator.

The requisition needs to include the following:

- An explanation of why the fund is needed and justification for the amount requested.
- The “Custodian” is an employee selected by the department to safeguard and account for the change fund. The Custodian's name and signature is required on the requisition, which represents the Custodian's agreement to accept responsibility for safeguarding the fund. There is only one Custodian per fund. The Custodian remains accountable for the fund until money is deposited with Los Lunas Schools. This person is whom the check will be made out to.

Duties

The Custodian is responsible for the safeguarding and accounting of the change fund. The cash balance remains constant. It is **not** used for the purpose of making purchases or advancing cash. When the change funds are not being used, they must be locked up in a secure place.

Audits

All change funds are subject to periodic audits. Finance and Internal Audit reserves the right to conduct surprise, onsite audits, as it deems necessary. A Verification Form (Exhibit O) will be used to verify cash on hand as well as a physical count

Revocation of Funds

Misuse or improper accounting of the fund will, at a minimum, result in the fund being closed permanently.

Closing the Change Fund

If it is deemed that, a Change Fund is no longer necessary, cash should be deposited using correct site fund accounting line item and normal Los Lunas Schools deposit procedures.

Change to Custodian

Los Lunas Schools Change Fund policy requires that any change in custody of an existing fund must be documented on the Change of Custodian Form (Exhibit P) in writing and the amount of the transfer verified. The present Custodian and New Custodian along with the Site Supervisor must verify that the funds are correct. Change Funds are discouraged in most instances, except for cafeteria and athletics, book fairs, as it is needed for gate receipts and change for lunch or book sales. The amount of the change fund is established using the same procedure as for petty cash. The payee should be the custodian of the change fund, who is responsible for the fund at all times. At all times cash and coin should equal the full amount of the Change Fund. The Change Fund should be kept in a secure location such as a lock box.

Forms associated with Petty Cash/Change Fund (attached):

Temporary Petty Cash Voucher Exhibit K

Petty Cash Voucher Exhibit L

Petty Cash Log Exhibit M

Receipts Sheet Exhibit N

Verification Form Exhibit O

Change of Custodian Form Exhibit P

The Change Fund is not to be used as a change box for employees' checks, for making change for others at the site, or for making loans. If there are any abuses by any individual regarding the use of the Change Fund, that individual may be barred from using the change fund in the future, and may be subject to disciplinary action.

PAYROLL PROCEDURES

1. Purpose

The purpose of the Payroll Procedure is to establish criteria for the proper control and handling of payments to Los Lunas Schools (LLS) employees.

2. Responsibilities

1. Human Resource Responsibilities

- a. Properly authorize and approve appropriate personnel action forms/ePars.
- b. Authorize formal transactions to hire new employees and adjust salaries and wages.
- c. Process personnel changes such as promotion, transfer, or terminations.
- d. Generate Employee contracts based on credentials under current District Salary Schedules

2. Payroll Staff Responsibilities

- a. Be familiar with the basic provisions of the Fair Labor Standards Act (FLSA) covering hours worked, meal periods, overtime pay, travel pay, weekends, and other record keeping.
- b. Ensure that employees are reporting hours worked and leave time through the appropriate method.
- c. Ensure employees adhere to the procedures as they relate to time recording and time worked.
- d. Certify employee's reported time worked, leave time, and overtime for accuracy.
Ensure certified time reports are submitted to payroll by required deadlines.
- e. Review payroll deductions for accuracy.
- f. Set up employee direct deposit upon receipt of a Request for Direct Deposit Form.

- g. Set and enforce employee's work schedule based on operational needs and personnel policies, procedures, and procedural guidelines.
- h. In coordination with Human Resources, communicate matters of significance to employees.
- i. Manage the payroll workflow to ensure efficient and timely payroll processing.
- j. Audit the entry of hours worked in the administrative system.
- k. Review completed payrolls.
- l. Report payroll deductions to various agencies, in accordance with federal and state laws (i.e. Federal/State Taxes, 941 Forms, and W2's).
- m. Act as a resource for employees and supervisors when there is a question about pay discrepancies
- n. Calculate termination payroll adjustments.

3. Employee Responsibilities

- a. Comply with policies and procedures as well as department rules with respect to time, attendance, and reporting.
- b. Accurately report time in and time out on a daily basis.
- c. Certify accurate hours worked and submit hours to immediate supervisor by the required time reporting due date.
- d. Review payments and deductions.
- e. Advise the immediate supervisor of any discrepancies in regards to time worked, leave hours, or deductions.
- f. Keep information current.

3. Procedures

1. Pay Schedule

- a. An annual staff calendar is published establishing payroll dates to ensure that pay is processed in a timely manner.
- b. Salaries and wages are paid on a bi-weekly basis, except for the last payday of the year will fall on June 30th, or the last business work day in the month of June.

- c. Contract Payments, including contract stipends, will be calculated by taking the contract amount and dividing equally amongst the remaining checks based on staff calendars.
- d. Additional timecard payments are processed on a two week delay based on the dates associated with the annual "Substitute Calendar". (Payday being the cut-off date for the proceeding Payroll)
- e. Under no circumstance will Los Lunas Schools make advance payments to any employee.

2. Direct Deposit Delivery

- a. Payments are issued to the designated financial accounts on the scheduled pay date. Fund availability may vary by institution.
- b. Employees may designate no more than four (4) bank accounts into which their net pay can be electronically deposited.
- c. Enrollment/changes to direct deposit can be done by the employee in the Payroll office by completing a corrected Direct Deposit Form. Must be submitted by Tuesday, prior to Payday Friday to take effect.
- d. Direct deposit elections remain in effect until the employee files a change or cancellation.
- e. Direct deposit payments may be pulled during a payroll process if a legal garnishment is served.
- f. Direct Deposit Receipts are available for viewing via the Ivisions Employee Access Portal.

3. Check Delivery

- a. Checks are available for pick-up by the start of business hours on the scheduled pay date.
- b. Checks not picked up from the Payroll Office by 4:00 pm on the scheduled pay date will be mailed out.
- c. If a pay date falls on a Los Lunas Schools Closure date, pay checks will be mailed out on the date the check is written.
- d. A paycheck will not be released to anyone but the employee without written authorization.

- e. A photo ID is required for check release.
- f. Checks will not be distributed prior to the scheduled pay date.

4. Time and Attendance Reporting

- a. All benefit eligible employees are required to account for their approved FTE hours in each workweek through hours worked or approval of leave.
- b. Leave will be tracked through Frontline Absence Management System or Divisions Self Service Portal based on Position Description.
- c. Employees with multiple jobs are responsible for the accurate recording of their time for each position. Hours worked will not overlap with each other.
- d. Employees are required to enter time only for themselves, and only from the locations approved by their supervisor.
- e. Additional pay (outside of contract) must be approved and submitted on a completed LLS District issued timecard.
- f. Reported timecard is rounded to the nearest quarter hour.
- g. Employees and/or supervisor found to be improperly reporting work time and attendance information will be reported to their immediate supervisor for appropriate disciplinary actions.
- h. Designated types of work such as grant funded projects may require additional supervisor approvals and additional recordkeeping of hours worked.
- i. If an error is caught by the employee or payroll after a pay period is processed, corrections will be made in the next payroll run.
- j. If a supervisor or approver feels a change to reported hours is required, they will obtain an employee's initials on the change before submitting time to payroll whenever possible. All supervisor changes to reported time will be communicated to the employee by the supervisor.

5. Calculation of Overtime

- a. Employees must have prior approval from supervisor to work any Overtime.
- b. Overtime compensation results only in those cases when the actual hours "worked" exceeds forty (40) hours during the established FLSA work week.

- c. Non-exempt employees who work in excess of forty (40) hours per workweek will be compensated at time and half the employee's regular rate of pay. If employee holds more than one position, hours worked in excess of forty (40) will be compensated at the combined average of the rates.
- d. For FLSA purposes, holiday pay does not count towards hours worked.

6. Separation Pay-Out

- a. Contract Payment for work separation due to resignation or retirement is paid no later than the regular pay date for the pay period during which the separation occurs.
- b. Any Vacation or Sick Leave payout will be processed on the proceeding payroll following the contract payoff.
- c. If employee has any outstanding balances, LLS, may process separation pay via check, even if the employee has an established direct deposit set-up.
- c. For final pay-out due to the death of an employee, LLS will follow the established procedural guidelines and all IRS reporting regulations related to deceased employee pay.
- d. Any debts or credits to individual benefit accounts will be settled with final pay.

7. Pay Corrections and Adjustments

- a. Due to cost and complexity of running a complete payroll process, adjustments are rare and may require special approval.
- b. Adjustments are a manual process which runs outside a regular scheduled payroll run.
- c. Payroll adjustments will generally be processed during the next scheduled pay period, unless exception is made by Payroll Supervisor.
- d. Overpayment is a legal debt and must be repaid.

GIFTS AND DONATIONS

Los Lunas School District always welcomes gifts and donations in accordance with Board Policy J-6900. We appreciate any support from the community. However, acceptance of gifts and donations are contingent upon whether they can increase educational and instructional opportunities within our District and comply with federal law. Please use Gifts and Donations Policy Form located on attachment Exhibit Q.

This form will state who the gift or donation is from, detailed description, a picture if possible and any conditions or limitations.

If applicable, Business Office/Fixed Assets will tag the gift or donated item with a LLS barcode and it will be included in inventory.

Technology Gifts and Donations

If the gift or donation is for Technology, then that department will make the determination as to its usefulness and if it will meet the current or future needs of Los Lunas School District by the Director of Technology.

Gifts and Donations of Structures or Land

If the gift or donation is a structure or land, a copy of the title, latest survey, title search and appraisal will be needed. The survey would reveal any hindrances or encroachments on the property that would make it unsellable or unusable. The title search would reveal any problems regarding the donor's ability to transfer ownership properly to the Los Lunas School District. The appraisal would determine fair market value. If applicable, a cost analysis to maintain or fix the gift or donation to make it

useful to Los Lunas School District. Upon approval by the Chief Finance Officer and Superintendent, it will be submitted to the School Board for approval. The School Board will vote on the final acceptance or rejection of the gift or donation. If rejected, the Chief Finance Officer will notify the proposed donor of the situation. If accepted, the Chief Finance Officer would contact the proposed donor to proceed with the transfer of ownership.

INVENTORY AND PROPERTY MANAGEMENT

- Purchases over \$1,000.00
- Object codes: 54500 construction, 56118 and 57332 purchases over \$1,000 up to \$5,000, 57111 land, 57112 land improvements, 57200 building purchase, 57311 vehicles, 57312 buses, 57313 heavy equipment, 57331 over \$5,000.
- Other items identified by the Fixed Assets Department.

Inventory Purchases

All deliveries are shipped to the District Service Center Warehouse, 1262 Hwy 314 SW, Los Lunas, NM 87031. Warehouse personnel delivers to designated site personnel for receipt of item(s). Exceptions that include installation are coordinated through our Purchasing Department with Warehouse and Site personnel notified. Warehouse personnel or Inventory Control personnel will tag the item with a Los Lunas Schools barcode at the Warehouse before delivery or on site after delivery depending on the packaging of the item(s).

If a purchase order is walked through (ex. Wal-Mart) then Inventory Control must be notified to inventory the item purchased if applicable.

Transfers of Property/Equipment

Notify the Fixed Assets Department when assets are transferred within and outside of sites.

Disposal of Fixed Assets

Do not throw anything away without prior approval. Contact the Fixed Assets Department to submit a work order to pick up any obsolete, worn-out or unusable

tangible items. Items with LLS barcodes will be retired from the database followed by established disposal procedures.

Annual Inventory

District-wide inventory is conducted each fiscal year. The District hires an independent company to complete a district wide physical inventory of all assets and equipment with a unit cost of \$1,000 and above, excluding band instruments and Technology related assets. The Technology Department conducts a separate annual inventory.

Furniture Requests

Contact the Fixed Assets Department for furniture requests. District stock may be able to fill request prior to ordering new through the Purchasing Department.

LOS LUNAS SCHOOL DISTRICT RECORDS RETENTION

Los Lunas Schools Record Retention Program follows the guidelines issued to Public Schools pursuant to PSAB, Supplement 21. Additionally Los Lunas Schools adheres to NMAC 1.21.2, General Government Retention and Disposition of Public Records. Retention periods may be extended until all litigation, claims and audit exceptions involving a record are either resolved or concluded. Public records may be photographed or reproduced on file. Specific federal or contractual agreements may require a record to be maintained for a longer period of time, at which time that agreement will supersede State regulations. Retention requirements are reviewed annually and LLS District retains the paperwork per the NMAC 1.21.2 at a minimum.