



District Financial Procedures Manual

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ACCOUNTING REGULATIONS FOR SCHOOLS

The purpose of this manual is to assist the local board of education in establishing financial policies and procedures for financial operations. The local school board has a variety of requirements for overseeing the financial activity of the Clarke County School System subject to the following requirements:

- *Generally accepted accounting principles will not be diminished.*
- *Compliance with state and federal laws will be maintained.*
- *Internal accounting controls will allow the tracking of financial transactions to the responsible individual.*

The position of Principal carries with it full responsibility for all financial matters relating to the school. It is imperative that the Principal gives his/her personal attention to the collection, expending, reporting, and overall supervision of financial activity. The Principal has the responsibility for collecting and disbursing all monies in a manner approved by the Board of Education and in accordance with generally accepted accounting principles and procedures.

The following are some general rules regarding the financial affairs of the schools. These rules, as well as the accompanying procedures and policies, will be subject to continual audit by the Finance Department and the State Examiners of Public Accounts.

1. All money collected at the school or the central office for any purpose must be receipted and deposited on a daily basis.
2. All expenditures must be paid by check, purchasing card, or money transfer and supported by a valid invoice based on a purchase order issued and signed by the appropriate administrator prior to the purchase being made. All purchases must conform to the policies of the Board of Education and State Bid Law, when applicable.
3. Bank statements must be reconciled monthly.
4. Monthly financial reports reflecting accurate balances and activities of the accounts must be reviewed and approved by the Principal.
5. Schools must conform to all Board policies concerning local school funds and activities. The Principal must be familiar with all local school financial policies so that he or she will not permit practices contrary to the policies. The Principal is directly responsible in the handling of monies received at the school. It is the ultimate responsibility of the Principal for any shortages resulting from the failure to follow, or to require others to follow, the financial procedures for the handling of school monies. The Principal should work with members of the central administration staff who have general supervision of particular functions. The Finance Department or the Chief School Financial Officer should be consulted if accounting problems are encountered.

The Alabama Department of Education and the State Examiners of Public Accounts retain the authority to require local boards of education to modify forms and procedures for school financial operations.

ACCOUNTING POLICIES & PROCEDURES FOR HANDLING SCHOOL FUNDS

The following pertain to the handling of financial records for Clarke County Schools:

1. Funds are received, receipted, and deposited daily into the school's bank account. Deposits are entered and posted daily or regularly into the school's computerized local school accounting (LSA) program.
2. Expenditures are incurred only under the authorization of the principal. All expenditures are paid by check, purchasing card or money transfer and recorded in the computerized LSA program. The expenditures are posted and summarized at the end of each month and the month-end cash disbursement report is generated. The original is kept at the school and an electronic copy is sent to the Accounting Office.
3. The activity at the school/system is summarized at the end of every month and compiled into monthly financial statements. The financial statements report on transactions that affect accounts throughout the month. These monthly financial statements are submitted to the Board of Education according to a scheduled date each month.

The monthly financial reports serve as the source of information necessary for the Principals/Administrators to properly manage the schools and system. Because records are the basis of the monthly financial reports, it is essential that the system's records are accurate, current, and they exhibit the true financial position of the system funds. There is an established calendar of dates for when the monthly financial statements are due to the board. It is the responsibility of the finance department to meet this monthly deadline.

The school system operates under modified accrual accounting procedures where the revenue is recognized when it becomes available or measurable and expenditures are recognized when the encumbrance is entered or in the period the liability occurred as in the case of utility bills, salaries, telephone bills, and school paid travel.

Every school must maintain for reference a copy of the Alabama Department of Education's Financial Procedures for Local Schools Manual. The accounting procedures outlined in this publication have been approved by the Alabama Department of Education for use by local schools.

LEGAL COMPLIANCE GUIDELINES

The funds maintained at the local school level are divided into two main categories:

1. Public Funds – referred to as Fund 12
2. Non-Public Funds – referred to as Fund 32

Various factors must be considered in determining the proper classification, which affects the degree of expenditure restriction.

Public Funds

Public funds are restricted to the same legal requirements as board funds.

Funds received from public (tax) sources or used for public purposes are public funds subject to the control of the school principal.

Funds are generally classified as public funds when the following criteria are met:

- Money generated school-wide
- Money that can be used for all students
- Money controlled by the principal or any school employee

Examples of public funds:

1. General Fund - May consist of vending machine commissions, proceeds from school fundraisers (school pictures, coupon books, etc.), student parking, appropriations from the board, interest income, and other miscellaneous revenues. Its primary purpose is to pay for the general operations of the school and is totally controlled by the principal.
2. Library-Accounts for late charges on returned library books, funds collected for lost library books, and expenditures incurred for purchasing library books.
3. Athletic- May consist of income from gate receipts, parking at athletic events, advertising commissions, game program sales, and donations from athletic booster clubs. Separate accounts may be established for individual sports if desired. Expenditures include athletic uniforms, equipment and supplies, membership dues to athletic organizations, registration fees for coaching clinics, travel and transportation, game officials, and expenditures related to athletic events including expenses for practicing and preparing for athletic competitions and exhibitions.

4. Concession and Student Vending- May consist of concessions operated by the school at athletic events. May include vending machines or concessions for students operated at the school during the school day in conformity with the Child Nutrition Program guidelines.
5. Fees - School imposed course fees for certain non-required academic courses, field trips, workbooks, and supplemental instructional materials. These funds are used to cover the costs associated with the course or purpose for which the funds are collected.
6. Locker Fees - Funds collected from students that are used to cover the costs associated with maintaining the student lockers.
7. Appropriations-Funds such as maintenance, school allocation, helping school tag revenues, legislators', and other fees that are sent to the local schools to pay for expenditures incurred at the local school level.
8. Extended Day Program - Reflects revenues generated from the collection of fees, and expenditures that are directly related to the operation of the Extended Day Program.

Allowable expenditures from public funds include:

- Professional development training
- Refreshments expended for an open house at a school where the public would attend
- Pregame meals for student athletes and coaches
- Academic incentives for students
- Athletic and band uniforms for students to participate in school activities
- Membership in professional organizations (Membership dues for the local athletic association must be paid from an athletic account.)
- School landscaping, maintenance, furnishings, and decorations

Unallowable expenditures from public funds include:

- Food for faculty and staff
- Meals/Refreshments for volunteers
- Gifts/Flowers for faculty and staff
- Gifts/Donations to an individual or organization

Non-Public Funds

Non-public funds are restricted for expenditures subject to the intent and authorization of the organization's sponsors and officers and not used for general operations of the school.

The organization, not the principal, directs the use of these funds.

Non-public funds are subject to the same expenditure restrictions as public funds if separate accounting records are not maintained for each of the non-public funds.

Funds are generally classified as non-public funds when the following criteria are met:

- Money generated for a particular group
- Money used for that particular group
- Money controlled by the students and/or a parental organization

Examples of non-public funds:

1. Clubs and Classes - Student organizations may have self-imposed fees but not academic course fees. The participants often impose their own fees for participation in these clubs and classes. These student organizations often conduct fundraising events. Clubs and classes include FBLA, Senior Class, Student Government, Spanish Club, Choir, Beta Club, National Honor Society, etc. Student organizations are self-governed by officers elected by the participants.
2. Courtesy (Faculty)- Money collected from faculty/staff to purchase flowers or gifts and vending machines in the teacher's lounge.
3. Other School Related Organizations-Parent or parent/teacher organizations can have the organization's funds in the school accounts. These organizations are governed by officers elected by its members. PTO, PTA, Band Boosters, and various athletic booster support groups are considered school related organizations. (See Guidelines for School Related Organizations in the Alabama Department of Education's Financial Procedures for Local Schools Manual.)
4. Donations-If the donor issues a letter specifying funds may be used for non-public expenditures, these donations may be considered non-public.

Public And Non-Public Funding

Regulations concerning public and non-public funds are as follows:

Public funds cannot be transferred to non-public accounts. If funds are transferred from public to a non-public account, then funds are considered commingled and the non-public account becomes a public account.

Non-public funds can be transferred to a public account; however, once transferred, they become public funds, incurring all the legal restrictions.

Some of the expenditures not allowable from public funds that may be allowable from non-public funds include:

- Food for social gatherings
- Class prom entertainment
- T-shirts for club members or faculty
- Donations to various organizations
- Transfers to other non-public accounts
- Travel expenses to club events
- Championship rings
- Faculty appreciation gifts
- Scholarships
- Flowers for funerals/courtesy fund

If in doubt, consider the expense PUBLIC FUNDS.

BUDGETING PROCESS

The Board shall provide for the preparation and adoption of the annual budget for the school system. The Board delegates the responsibility for preparation of the budget to the Superintendent of Schools and appropriate members of his or her staff.

The Board shall hold at least two open public hearings pertaining to its proposed annual budget.

- Copies of the proposed budget shall be provided to the public at each hearing on forms provided by the State Department of Education.
- The Board shall seek input from the public concerning the proposed budget and the allocation of resources.
- Each hearing shall be held at times convenient for the general public to attend. The Board Chair shall publicize the date and time of each hearing in the local media in advance of the hearing. In addition, notice of each hearing shall be posted in a conspicuous place at the offices of the Board, the county courthouse, the main municipal building, and at each school.
- The proposed budget shall reflect
 - The total amount of resources available to the Board from all funding and revenue sources.
 - The projected enrollment and the total proposed expenditure by the Board and for each school shall be available at the public hearings.
 - The proposed budget shall clearly delineate the number of teachers, librarians, counselors, administrators, and other support personnel projected to be employed at each school.
 - The proposed budget shall clearly list the operating costs by category or function at each school.
 - The proposed budget shall delineate by school those operating resources earned, including, but not necessarily limited to, those items contained in the Instructional Support Program of the Foundation Program, designating the amount of funds earned at each school per item based on average daily membership.

After at least two public hearings have been held, the Board and Superintendent shall cause a final budget to be developed consistent with the laws of this state and shall make copies of the final budget available to the public upon request. Copies of the budget and other financial documents may be secured from the Superintendent at a cost not to exceed the cost of production of the document.

On or before September 15th of each year, or at a time determined by the State Superintendent, the Board of Education shall prepare and submit to the state Superintendent of Education the final annual budget adopted by the Board, which budget shall be prepared and submitted according to the classifications and items specified on forms provided and in accordance with the regulations of the State Board of Education.

The Board, or Superintendent, shall not approve any budget for operation of the school for any fiscal year which shall show expenditures in excess of income estimated to be available by the various state and other officials, as required in Sections 16-13-141 and 16-13-142, plus any balances on hand, except under conditions set forth by the laws of the state governing the issuance of school warrants.

The Board of Education recognizes that the establishment and maintenance of adequate fund reserves is necessary to avoid disruption in the educational programs in the schools. The Superintendent or Chief School Financial Officer will inform the Board, before the Board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month's operating balance.

RECEIPTING MONEY

Bank Accounts

Alabama banking institutions often accommodate local schools by waiving fees and providing banking features not available to individual customers. In some cases, an interest-bearing checking account has additional fees and charges that negate the interest income. Fortunately, many banks will waive the fees and charges upon request.

A school should have no more than one checking account. Establishing separate bank accounts is not necessary to avoid co-mingling of public and non-public funds. Funds not needed for current operations, whether invested in CD's, money market accounts, or savings accounts, must be recorded in the school's accounting records and included in the school's financial statements.

School funds must be maintained in a Qualified Public Depository (QPD). A QPD is an Alabama banking institution that provides protection for school funds under the Security for Alabama Funds Enhancement Program (SAFE), administered by the Alabama State Treasurer's office. At the end of each fiscal year, the bank should be required to provide a letter confirming all school funds are listed on the bank's records as SAFE Program Accounts.

Acceptance Of Checks

All checks issued to the school system should have adequate information on the checks before being accepted. This information is necessary should the check be returned.

1. Name, address, and phone number of the issuer should appear on the front.
2. The check should display a current date (no post-dated checks).
3. The check should be made payable to the school or system.
4. A two-party check should never be accepted.
5. The check must be signed.
6. The back of the check should have the proper endorsement stamp prior to being deposited.
7. The hand-written amount of the check should be used to determine the amount of the check, not the numeric written figure.
8. If a company's check is received, an owner's name will need to be noted on the check in case the check is returned.
9. The school office or lunchroom should never cash a check.

Cash Receipts

All monies must be receipted through input into the computerized Local School Accounting System, by the local school bookkeeper. Each school principal is responsible for obtaining and furnishing a pre-numbered carbon copy receipt book for use in the school office when the bookkeeper is out and pre-numbered receipt books for individual teachers and staff daily use.

A log will be kept by the school secretary of the pre-numbered receipts books and the personnel they are issued to. All receipts books (used and unused) must be returned at the end of school year checkout. Failure to return these books requires proper documentation for explanation.

Receipts must be input into the computerized Local School Accounting System and all funds deposited on the day received, if possible. Schools may establish a daily cut off time after which funds will not be received and receipted. Receipting procedures must be handled with the utmost accuracy.

Receipts are never to be destroyed or changed. If a mistake is made, write VOID on both copies and staple the original to the duplicate.

Receipts are to be issued only when money is received. Under no circumstances are receipts to be issued in advance. If time does not permit proper receipting, money should not be accepted.

Interest earned on bank accounts does not constitute "money received" in the school office, therefore, a receipt is not necessary. The amount of interest earned must be entered into the schools' LSA Cash Receipts Journal at the end of each month.

Receipts input/written MUST state the source of funds. Receipts must always be input/written to a person. Receipts must never be input/written to such things as "Picture Sales", "Coke Machine", "Candy Sales", "School Supply Store", "Junior Class", "First Grade Field Trip".

The school bookkeeper is directly responsible for the handling of the receipt books and/or monies received. The responsibility cannot be delegated unless written permission is secured by the Superintendent. **THE SCHOOL BOOKKEEPER IS RESPONSIBLE FOR ANY SHORTAGES RESULTING FROM ERRORS OR OTHERWISE IN THE HANDLING OF SCHOOL MONIES.** The school bookkeeper is responsible for the receipt input through the local school accounting system.

Teacher/Individual Receipts

The Bookkeeper may issue a receipt book to Teachers and other individuals who collect school funds (other than CNP funds). Receipt books should be secured, and a log should be maintained to track the receipt books by receipt numbers to the individual responsible for issuing the receipts. The receipt book must be prenumbered. A teacher is not to have more than one receipt book at a time. Receipts must be filled out completely including the date, to whom receipted, source of the funds, amount received and then signed by the person receiving the funds. The original copy of the receipt must be detached and given to the person turning in the monies.

Each principal has the option of waiving the requirement to write a receipt to each student in a class when the amount being collected from each person does not exceed ten dollars (\$10.00). If this option is used, the teacher must attach a list of the students and the amount paid by each. The designated office personnel will receipt to the teacher and will attach the list of students to the receipt.

Money received in the school office will be receipted through the online & payment receipting software by an individual assigned by the principal or designated by job description as responsible for collecting school funds. The receipt will be printed in duplicate. One copy should be given to the person turning in the money.

The person receipting the money must never write a receipt to his or herself.

Online Payment Program

An alternative option to the collection of cash and checks at the school is the online payment program. This program provides a convenient way to collect school-related dues and fees, uniform costs, etc. This program is offered at a minimum transaction fee for the parent. The online payment program is a preferred method for receiving funds to help alleviate fraud, returned checks, and trips to the bank.

Deposit Procedures

The District requires all schools to deposit funds collected in a timely and secure manner while maintaining proper separation of duties to safeguard assets and ensure accountability.

1. Collection of Funds

- Funds (cash, checks, and money orders) are collected by designated staff (e.g., teachers, sponsors, front office staff) for approved school activities.
- A pre-numbered receipt is issued for all funds collected, either through a receipt book or an approved electronic receipting system.
- Collections are recorded daily and supported by documentation (e.g., receipt copies, collection logs, fundraiser reports).

2. Remittance to Bookkeeper

- All collected funds are remitted to the school bookkeeper (or designated office personnel) daily, or as soon as practicable.
- Funds must not be held overnight in classrooms or unsecured locations.
- The individual remitting funds provides:
 - Total amount collected
 - Supporting documentation (receipt log, student list, etc.)
- The bookkeeper verifies the amount received and issues a receipt to the remitter.

3. Verification and Reconciliation

- The bookkeeper counts all funds received in the presence of the individual submitting the funds (when possible).
- Totals are reconciled to supporting documentation.
- Any discrepancies are documented and resolved immediately.
- The bookkeeper prepares a daily cash summary or collection report.

4. Preparation of Deposit

- The bookkeeper prepares the bank deposit slip, ensuring:
 - Accurate listing of cash and checks
 - Proper coding of funds to the appropriate accounts
 - A deposit report is generated from the accounting system to support the deposit.
 - All funds received are included in the deposit; no expenditures are made from collections prior to deposit.

5. Separation of Duties

- To the extent practicable, the following duties are performed by different individuals:
 - Collection of funds: teacher/sponsors/office staff
 - Receipt and recording: Bookkeeper or designated staff

- Deposit preparation: Bookkeeper
- Deposit verification and approval: Principal or designee reviews deposit documentation
- Transport of deposit to bank: A different individual than the preparer, when possible

If staffing limitations prevent full separation, the principal performs additional oversight, including periodic review of receipts, deposits, and reconciliations.

6. Deposit Approval

- The principal or designated administrator reviews the deposit packet, including:
 - Deposit slip
 - Supporting reports and receipts
- Approval is documented by signature and date prior to the deposit being taken to the bank.

7. Transport and Delivery to Bank

- Deposits are made daily when funds are collected.
- Deposits are transported to the bank in a secure manner (e.g., locked bank bag).
- Night deposit procedures may be used when the bank is closed.
- The individual delivering the deposit obtains a validated deposit receipt from the bank (or confirmation of night deposit).

8. Post-Deposit Verification

- The validated bank receipt is returned to the bookkeeper.
- The bookkeeper compares the bank-validated amount to the recorded deposit.
- Any discrepancies are investigated immediately and reported to the principal and Central Office.

9. Recording in Accounting System

- Deposits are recorded in the school's accounting system on the date of receipt or deposit.
- Entries are supported by:
 - Deposit slip
 - Receipt documentation
 - Collection reports

10. Safeguarding of Funds

- Funds awaiting deposit are secured in a locked safe with limited access.
- Access to safes and cash storage areas is restricted to authorized personnel only.
- Combinations and keys are changed periodically and upon personnel changes.

11. Monitoring and Review

- The principal reviews monthly financial reports to ensure all collections are deposited intact and timely.
- The Central Office may perform periodic audits of school collection and deposit procedures.

12. Prohibited Practices

- Delaying deposits beyond required timelines
- Making disbursements directly from collected funds
- Allowing one individual to control all aspects of collection, recording, depositing, and reconciliation without oversight

Child Nutrition Program Deposits

The following are the accounting procedures for balancing and depositing money collected in the lunchrooms.

1. Cashier closes POS at the end of lunch, counts money in drawer and enters amount onto the Cash Count. Money is then given to the lunchroom manager.
2. The manager recounts money and compares to Cash Count.
3. The manager prints the Building and Sales Reconciliation Report. Both the cashier and the manager sign the Building and Sales Reconciliation report.
4. The Building and Sales Reconciliation report is reviewed by the manager and cashier.
5. The bank deposit is completed by the manager/cashier and initialed and taken to the bank each day by a designated staff member.
6. The Building and Sales Reconciliation Report are sent to the CNP bookkeeper weekly.

Refunds

The term refund used here refers specifically to refunds from vendors and/or refunds for expenditures made or to be made on the school's books. It is imperative that a refund received by the school be handled properly to avoid inflating the expenditure or revenue.

A refund received should be credited back to the account that was expensed.

NOTE: If the refund is received for an expense that occurred in a previous fiscal period, the refund should be coded as other revenue and handled in the normal fashion.

When issuing a check for a refund, the journal code that was used to record the revenue should be used as the journal code when issuing a check.

To meet banking regulations, refunds may be made to the parent rather than the student to whom it is due. However, proper supporting documentation should accompany the request for a refund. The check should be signed for by a parent/guardian or mailed. Checks should not be given directly to students. For any individual refund greater than \$20, the parent/guardian should receive an individual check.

When issuing refunds to a large number of parents (i.e. a field trip was canceled) and the amount of each refund is less than \$20, the school may issue one check to the principal or school bookkeeper to receive cash from the bank. Each parent would be given a cash refund, but they must sign a log sheet indicating they received the refund and the amount they received. The log sheet should be attached to the purchase order as backup.

NOTE: If the refund is paid for a revenue that occurred in a previous fiscal period, the refund should be coded as other expense and handled in the normal fashion.

Returned Checks

- The Board will take action to collect the amount of a returned check in accordance with such corresponding rules, regulations and procedures.
- For checks written for school payments or meals, such as the Child Nutrition Program, the Bookkeeper should lower the cash account (0112) and increase Returned check receivable (0137) by journal entry and notify the person who issued the check in writing to bring cash to the school to cover the check.
- After ten (10) days, if no response has been received, a certified letter should be sent as per Clarke County District Attorney's office requirements. When money is received, write a new receipt for the cash received and mark it re-deposited. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount. The name on the returned check should be entered on the deposit ticket.
- Returned checks not promptly redeemed by cash must be collected by legal means. Assistance should be obtained from the District Attorney's office in the Clarke County Courthouse. The fee charges by the system for a returned check shall be \$15.00 and a separate receipt shall be written for this amount

Transfers

Public funds cannot be transferred to non-public accounts. If funds are transferred from public to a non-public account, then funds are considered commingled and the non-public account becomes a public account.

- **Between Activities**

Transfers made between activities at the local school should be made only with the permission of the Teacher/Sponsor and with the Principal's approval. Transfers of this nature should be processed only if the money is to be moved permanently and not as a loan. A 'Transfer Voucher' should be completed and turned in to the Bookkeeper for processing. The Bookkeeper should check the balance in the activity that monies are being transferred from, to ensure funds are available. When entering a transfer in the computer, cash will be moved between public and nonpublic funds.

- **Between Local School and Central Office**

- Transfers received from Central Office should be receipted in the Cash Receipt's Journal using journal number, ACTV 12-4-9230-000-CCTR-7101-0-0000-(0000, 0001, 0003, 0004, 0005).
- Transfers from the local school to Central Office should be remitted using journal number, ACTV 12/32-5-9910-923-CCTR-7101/7501-0-9700-0000.

All checks issued to the Clarke County Board of Education should be sent to the finance department at the central office.

Journal Entries

Journal Entries are used to correct posting entries and to post the monthly checking account interest. Journal Entries may be processed at the local school using the 'Journal Entry' form with the Principal's approval.

A separate form 'Change Cash Deposit Journal Entry' should be used when depositing the change cash from an athletic event. Proper completion of this form will ensure that the change cash is debited and credited to the correct fund and activity. If a Journal Entry is made between public and non-public funds it is necessary to move the cash between the funds as well.

It is not necessary to receive permission from Central Office to process a Journal Entry. However, if you are uncertain or uncomfortable with the process please contact the finance department at the central office for assistance.

School Income

Student Fees

State laws and administrative rules of the State Board of Education restrict the collection of fees from students:

Alabama Code 16-13-13 Fees for Courses. It is the intent of the Legislature that no fees shall be collected in the future in courses required for graduation. In courses not required for graduation, local school boards may set reasonable fees for courses requiring laboratory and shop materials and equipment, provided, however, that such fees shall be waived for students who cannot afford to pay the fee. Any funds collected in fees shall be spent on the course for which the fee was levied. This section shall not be construed to prohibit community groups or clubs from fundraising activities, provided, however, those students shall not be required to participate in such fundraising activities.

Alabama Code 16-6B-2 Core Curriculum. (a) The following words and phrases used in this section shall, in the absence of a clear implication otherwise, be given the following respective interpretations: (1) REQUIRED COURSES. Courses which are required to be taken by every student enrolled in public schools in the State of Alabama.

Alabama Code 16-10-6 Incidental fees in elementary schools. No fees of any kind shall be collected from children attending any of the first six grades (K-5) during the school term supported by public taxation; provided, that any county or city board of education shall be authorized to permit any school subject to its supervision to solicit and receive from such children or their parents or guardians voluntary contributions to be used for school purposes by the school where such children are attending; provided further, that the provision of this section shall in no way affect or restrict the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under the jurisdiction of school board but who live outside the territory over which such board has jurisdiction.

AAR 290-3-1-.02 Driver Education. (a) No fee shall be charged any child whose family is unable to pay the fee. (b) Thirty dollars (\$30) per student, per semester, is the maximum driver education fee to be charged by local boards of education without approval from the State Superintendent of Education. (c) The State Superintendent of Education may approve a higher fee upon the request of a local superintendent approved by the local board of education with sufficient documentation of actual costs in excess of the maximum. (d) Each board of education shall establish criteria by which the ability of families to pay the fee may be determined and submit same to the State Superintendent of Education for approval. (e) Local boards of education shall take reasonable steps to insure that students for whom no fee is required shall not be identified.

In reading the guidance above, it can be noted that academic fees during the regular school term (excluding driver education) may only be charged for materials and equipment used in instructional courses, and that the fees collected may only be used in the course for which the fee was collected.

Actions against a non-paying student, such as withholding grades, report cards, transcripts, academic recognitions, and graduation activities, are prohibited. However, state laws governing textbooks may require the withholding of additional textbooks for a student due to unpaid lost or damaged textbook fines. (Alabama Code 16-36-69)

- Procedures for Waiver of Fee or Reduced Fee and Application for Waiver of Fees or Reduced Fee are available for your use. The Application for Waiver of Fees or Reduced Fee should be completed, signed by the Principal, and forwarded to the Fee Waiver Committee for approval.
- Parking Fees—Students will be charged a non-refundable \$20 per year fee for student parking. If the permit is lost, stolen, or otherwise needs to be replaced an additional \$5.00 fee may be charged. Due to student safety issues with bumper and window stickers, hang tags are suggested. The costs of the hang tags will come from fees collected from the students. Proceeds collected from parking can only be used to maintain school parking lots. Parking fees cannot be reduced or waived with a fee waiver. Parking is a privilege and may be revoked at any time. The board is not responsible for loss, damage, or theft of student vehicles during the school day or during extra-curricular activities.

Donations and Voluntary Contributions

Voluntary contributions may be requested for various items purchased by the school that are used by students in academic courses and classes including workbooks, science lab materials, supplemental instructional materials, lockers, sheet music, and other academic purposes. Donations may also be requested for specific school purchases, including janitorial products, cleaning supplies, paper products, copier expenses, software maintenance, and other school purposes. The voluntary nature of the contribution must be clearly stated in the request for the contributions. **Non-Payment of requested contributions cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.**

The Principal or the Local Superintendent should approve requests to collect school fees, contributions and donations.

Actions taken against a student for non-payment of student fees, contributions, or donations including the withholding of grades, report cards, transcripts, diplomas, honor rolls, participation in graduation events and student recognition events, membership in honors organizations, and other actions that would subject the student to embarrassment or ridicule, are prohibited.

State Ethics ACT

Clarke County Board Employees have NO AUTHORITY to request or accept student fees, contributions, or donations.

The Principal and other employees should adhere to the State Ethics Act, particularly Code of Alabama (1975), Section 36-25-5, which provides that “no public official or employees shall use an official position or office to obtain direct personal financial gain for him/herself, or his/her family, or any business with which he/she or a member of his/her family is associated unless such use or gain is specifically authorized by law.” Section 36-25-5 provides that “expense associated with social occasions afforded public officials and employees shall not be deemed a thing of value within the meaning of this section or prohibited thereby.” There is general agreement that the acceptance of items donated to the school such as pens, pencils and note pads, which are distributed for advertising purposes, would not violate the Ethics Act as long as such items are used by the school and are considered to be the property of the school. This section has been generally interpreted to mean that public officials or employees should not solicit or accept a thing of value that would influence their official actions.

The local school board office can provide guidance on collections from students for meals, snacks, and refreshments; library fines; student parking; charges for participating in extra-curricular activities; summer school; day care; weekend, before school and after school programs; dual enrollment programs; tutoring; and requests for donations from school vendors.

Fundraisers

The Principal must approve each school fundraising activity conducted by students, teachers, school employees, or school-related organizations. Before approving a fundraising activity, the Principal should consider the safety of students involved in the activity. Standing on roadways at Stop signs and other traffic signals is not permissible because it is a safety hazard for students. Also, students should not be involved in any door-to door solicitations or sales.

Fundraisers may not involve the sale of foods of minimal nutritional value during the school day.

The potential profitability for the efforts expended on a fundraising activity should also be considered. Students will not be allowed to sell items or products during instructional time. Selling by students that is a required component of a specific class or organization and /or part of the educational process will be permitted with the approval of the Principal.

- a. Approved fundraising activities must comply with financial procedures for school funds, including:
 - All funds collected must be delivered to the Principal’s office for a Master Receipt. Do not cash checks from collections.

- Income from fundraisers must be deposited on a timely basis. Teachers and Sponsors of fundraisers should be reminded not to hold fundraiser income until the fundraising project is complete. All fundraising expenses, including sales awards to students, must be presented to the Principal for payment by check.
- A school employee cannot receive a gift or gratuity from the fundraising vendor.

Within a reasonable time after completion of the fundraising activity, a form should be submitted to the Principal that documents the result of the activity. Any funds raised by a group associated in any way with the school should be under the control of the school Principal and be an integral part of the school's accounting system with the same constraints and requirements of other accounts of the school.

Best Value for Items Purchased or Sold

The Clarke County School System will make use of a selection process when choosing items for purchase or sale in order to ensure the best product value to students, parents, and the public. The school Principal and other board employees shall be able to support decisions made regarding items purchased or sold at individual schools.

Crowd Funding Alternatives

The following procedures are required for crowd funding alternatives that include My School Fees, Donors Choose, Go Fund Me, and Snap Raise.

- All platforms, for whatever purpose, must be set up in the name of the local school with the principal as the contact and administrator for the account or project.
- The principal should pre-approve any project or request prior to it being posted under any platform. (Personal social media accounts are not permitted)
- The principal, bookkeeper, and sponsor or faculty member should understand the terms prior to the start of the project or request, and set a time frame as far as a projected date for when the event or request should be completed and taken off the site.
- All monetary donations should be made by check to the local school and recorded by the bookkeeper in the appropriate activity for its intended purpose. (No school banking information should ever be given out. Again, a check should be requested and mailed to the school in the name of the school, and the intent of the request must be followed).
- Non-monetary items (supplies, equipment, etc.) received are the property of the CCBOE and all inventory procedures apply. These are considered donations.
- Technology equipment must follow the computer purchasing policies set by the Information Technology Department.
- A file should be maintained at the local school with the approved written project details as well as a final activity summary.

Note: Venmo App, PayPal, or any other personal platform cannot be used to collect money for fundraisers or fees and local school receipts of any kind.

Procedures for Fundraisers

- A 'Fundraiser Authorization Form' must be completed and approved by the Principal at least 30 days prior to the activity. A 'Report of Fundraising Activity' must be completed at the conclusion of the activity and filed for audit purposes.
- A School wide fundraiser is defined as a fundraiser that covers all grades with the proceeds benefiting general purposes and /or Teacher activities.
- Proceeds from school sponsored fundraisers are for school purposes only.
- The following are not considered School wide Fundraisers:
 - Yearbook Sales
 - Fall and Spring Pictures
 - Charitable Organizations (MDA, MS, Jump Rope for Heart, etc.)

Commissions and Vending

The local school may enter into contracts with vendors in which the vendor will issue the local school a check representing profits from a particular activity. The local school bookkeeper does not issue a purchase order or a check to the vendor, nor does the bookkeeper receipt the monies collected at the local school. For these reasons it is in the schools best interest to contract with vendors on a commission basis.

Examples of commissions are:

- School Pictures (mandatory)
- Vending Machines (mandatory)
- Yearbook Sales
- Class Rings
- Magazine Sales

The check stub or copy of the check issued for commissions should be kept on file at the local school for audit purposes.

All vending machines must be full service. The vendor is responsible for extracting the money from the machines and issuing the local school a commission check.

A vending contract should require the vending company to furnish statements that identify the count of items stocked in the machine with each delivery. A school employee will verify the stocked items. The use of the statement of stocked items to calculate the expected profit from the machines will determine if the school is receiving the expected income from the vending company.

Because the vending machines are on public property using electricity paid with public funds, as well with the Principal (a public employee) directing the use of the vending machine proceeds, the profits are considered Public Funds.

Concessions

Concessions include event concessions, school concessions, and school stores. Because all concessions involve cash, and neither cash receipts nor tickets are used to control the exchange of money, proper accounting for the sale products and income is essential. Ideally, a cash register would be used to account for the cash collected. The purchaser would receive a cash register receipt and the cash register would generate a record of sales. An inventory of items purchased, items sold by sales price, and items unsold should reconcile to the cash collected.

The following procedures are recommended:

- Do not cash checks with concession funds. Deposit funds intact.
- Do not make payments from cash collected. Payments must be made by check.
- Funds should be collected on a timely basis.
- A Master Receipt should be issued after counting or verifying the amount of the receipt at the time the funds are received. The person presenting the funds for receipt should wait for a Master Receipt to be prepared and verify the information on the Master receipt before leaving the office.
- Supporting documentation of items sold should accompany the funds collected.

Foods of minimal nutritional value may not be sold during the school day.

Internal Control Procedures

The following procedures need to be followed when establishing a school store and/or operating concessions or vending machines at a school or any athletic event. All areas should be covered as far as putting proper controls in place for cash receipts and inventory.

- Two people should count the cash collected each day before it is turned in to the Bookkeeper (then reconciled with the Bookkeeper).
- If cash registers are used, the register tape should be reconciled to receipts and deposits and attached to them.
- Deposits should be made on a daily basis.
- A separate activity code for school vending (concessions) should be used to track receipts and disbursements (separate from school supplies). Receipts and disbursements should be compared on a regular basis.
- A beginning inventory should be taken for whatever month selected to begin. Purchases for the month should be added to the beginning inventory, and at the end of the month, another inventory should be taken and subtracted to have an idea of the number of items that were sold for the month. Take projected items sold and multiply by the price (easier if one price for all items or one price for drinks and one price for all other items). Take this total to determine the amount of revenues/ receipts you should have for that month. Compare to actual revenues/receipts for the month (investigate differences if it is a material amount). OR
- A separate School Store or Concessions activity may be set up to quickly compare expenses against revenues to determine if a profit is made.
- Also a profit analysis should be prepared on a regular basis, at least quarterly. Costs vs. sales (less any overhead). Usually the concessions are run by teachers or Aides and no overhead is calculated.

Admissions/Ticket Sales

Tickets should be sold at all events where admission is charged. Admission events include football, basketball, baseball, softball, volleyball, soccer, wrestling, swimming, track, and other athletic events, as well as beauty pageants, dances, theatrical performances, talent shows, carnivals, festivals, and other school-related events. Proms and other events are excluded when advance admission payments are received on a teacher receipt sheet and no admission is collected at the door. The use of tickets for admission events, when properly managed, assures that entrants to events paid the admission fee and that all admission charges are deposited in the school's bank account. Pre-numbered tickets may be printed for a specific event or may be sold from a roll of generic tickets. If generic tickets are sold for seasonal events, such as football or basketball games, ticket colors should be alternated. Security practices, such as having a ticket collector tear tickets in half, may be necessary at some events to avoid the re-use of tickets by entrants to the event. The ticket collector should not be the ticket seller.

When tickets for events are issued, a 'Report on Sale of Tickets' and an 'Activity Verification Report' should be prepared for each seller to whom tickets are issued.

The Bookkeeper should complete the top portion of both forms, the tickets issued section and complimentary section on the Report on Sale of Tickets. Tickets and a copy of both forms should be given to the designated person(s).

When the event is over, the tickets returned section should be completed and the report on Sale of Tickets should be signed. The money should be counted and the Activity Verification Report completed and signed. The unused tickets, Report on Sale of Tickets, and the Activity Verification Report should be turned in to the Bookkeeper. The money should be dropped at the bank in a 'Hold for Pick-Up – Not for Deposit' bank bag. The Bookkeeper should pick up the money the following morning, prepare the deposit and complete the reconciliation of the tickets. All cash collected must be deposited intact. Do not use cash collected or change cash to cash any checks including school checks issued for officiating, security, ticket sellers, or ticket collectors.

Upon completion of the ticket reconciliation, the Bookkeeper should sign the Report on Sale of Tickets and then forward it to the Principal for his/her signature. The report on Sale of Tickets, Activity Verification Report, and all unused tickets must be kept on file at the school with the school bookkeeper.

An employee with a valid Clarke County Schools Identification badge will be admitted free of charge to any athletic event sponsored by Clarke County Schools (State Playoffs are excluded). Under the Alabama Ethics Law, 1st Extraordinary Session 2010, Act No. 2010-764, Acts of Alabama under Section 36-25-1 (33) (b), subsection 8, free admission to a sporting event offered by an educational institution is allowed for faculty, staff, and administration of the institution. The Ethics Law does not include family members or guests.

The sale of season tickets should be reported on a separate Report for Sale of Tickets. The face value of the ticket for each game is to be recorded as admission. Admission to athletic events is considered public money.

Participation Fees are not allowed for athletics; however, athletic events such as swimming, golf, etc. that do not charge admissions may collect a participation fee from students to cover event expenses. However, schools may charge a rental fee or equipment usage fee to cover the necessary repairs and upkeep of the equipment for safety purposes. The schools may also charge for personal items that the students will keep once the athletic event is over.

PURCHASES

To maintain separation of duties while working with limited personnel, the Clarke County Board of Education Finance Department will practice the following procedures for issuing purchase orders, verifying satisfactory completion of received shipments, preparing invoices for payment and processing accounts payable checks.

Plans for proposed land improvements, building improvements, repairs, renovations, or construction of buildings or facilities on school property should be submitted to the School Superintendent. Approval, notification, or inspection by State or local agencies may be required, even if expenditures are paid by other organizations or individuals.

The Alabama Competitive Bid Law requires that all purchases and/or contracts for labor, services, materials, equipment, and supplies for such amounts as set by the State of Alabama (currently \$40,000 or greater) shall, except as otherwise provided in the law, be let by free and open competitive bidding, or sealed bids, to the lowest responsible bidder. Competitive sealed bids shall be requested by the Finance Department. Clarke County Schools is authorized to use all State of Alabama contracts when they are advantageous to the board.

The State of Alabama Bid Law does not apply to purchases made by individual schools of the county or municipal public-school systems from monies other than those raised by taxation or received through appropriations from state or county sources.

Contracts, including service contracts, must have the approval of the school board.

Determination Of Allowable Costs

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the Chief Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

1. The proposed expenditure is included in the federal program budget;
2. The proposed expenditure is reasonable and necessary for the federal program;
3. The proposed expenditures is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;
 - Applicable competitive purchasing procedures and;
 - Documentation supports allow ability of transaction.

Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

Procurement Policy

The board will follow state laws of the procurement of property and services. The primary state procurement laws for Alabama school boards are:

Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975);
Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16 Code of Alabama 1975); and,
Public Works law (Title 39 Code of Alabama 1975).

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board's Conflict of Interest Policy and the procurement decisions of the board will:

- Avoid acquisitions of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contacts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Maintain records sufficient to document the history of the procurement; and,
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement of property and services.

The board will request proposals for those professional services contracts (excluding architectural and engineering services) that are exempt under state procurement laws if the contracts exceed \$250,000 and will be paid from federal or child nutrition program funds. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's Conflict of Interest Policy.

The System for Award Management (SAM) is utilized for certain Federal Grant awards. SAM.gov is the official portal. The CSFO and/or designee will maintain a login and access in SAM.gov. Suspension and debarment monitoring of vendors doing business as part of Federal Grant awards will be performed periodically in SAM.gov. Recipients and subrecipients are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 CFR part 180 restrict making Federal awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in Federal awards.

Requisitions & Purchase Orders

Purchase of goods and/or services by the school system should follow these procedures:

1. A 'Requisition' should be completed by the Teacher/Sponsor specifically identifying items to be purchased, the price of each item, and the vendor information from which the purchase is to be made. Do not order by item number alone.
2. A verification of the activity should be completed to ensure fund availability prior to the purchase order being issued.
3. The requisition must be submitted to the Administrator for his/her signature **prior** to a purchase order being issued.
4. A computer-generated purchase order that flows sequentially in numeric order should be completed for each purchase. **All purchase orders must be signed by the Administrator prior to the purchase being made.** The CNP Director will authorize all purchase orders for the Child Nutrition Program that do not exceed \$15,000.00. In instances where the purchase order exceeds \$15,000.00 the Superintendent will authorize.
5. Copies of the purchase order should be distributed as follows:
 - a. COPY 1 – Vendor copy; to be attached to requisition, if applicable.
 - b. COPY 2 – Sponsor/Teacher copy, verification upon receipt of merchandise.
6. When the copy of the purchase order is received by the Bookkeeper, it should display the signature of the Teacher/Sponsor verifying that the merchandise was received and the order is complete. The signed copy will then be attached to the original purchase order and filed until the invoice is received.
7. The invoice should be matched with the related purchase order and placed in a file for payment processing.
8. **A purchase order MUST be issued for all goods and services.** Exceptions such as recurring monthly bills do not require a purchase order (i.e., telephone bills, utility bills, travel reimbursements, registrations, etc.)
9. **No employee should have authorization to purchase or order goods or services without proper approval from the Administrator in the form of a purchase order. Reimbursements should not be made to any Teacher/Sponsor who purchases goods in the school's name without a purchase order.**

Schools that make numerous purchases with a given vendor during the month will be permitted to issue the vendor a purchase order at the beginning of the month, with a specified dollar limit that is to be used during the month. This arrangement is to be used on a very limited basis. (*Example: A school purchases many small items at a hardware store where obtaining a purchase order would delay the work of the custodian or others. The hardware store should write a sales ticket (invoice) with all the items listed in legible form with prices included. The school employee picking up the items must sign the invoice, which must also have the purchase order number recorded on it.*) The Administrator must approve such purchases. Students should never be allowed to purchase items on such purchase orders.

It is the responsibility of the Bookkeeper to check open purchase orders monthly. If a purchase order remains open after a reasonable period of time, the Bookkeeper should investigate, and VOID the purchase order and reissue if needed. In the event a purchase order is cancelled for any reason, the purchase order is to be voided in the accounting system.

Procedures For Expenditures of Classroom Instructional Support Funds

Budget Requirements:

Classroom instructional support may be defined as library enhancement, classroom materials and supplies, professional development, technology, and other classroom instructional support approved by the State Board of Education.

Budget Committee:

- Composed of five members and consisting of four Teachers and Principal or Principal's designee.
- Teachers on committee shall be elected annually by secret ballot by majority vote of the teachers voting at each school
- Committee must elect Chairperson and Secretary
- Minutes must be kept of the meetings
- Budget committee shall propose budget for classroom instructional support
- Budget for technology and professional development shall be consistent with latest plan developed at local school level and submitted by the Board to the State Superintendent of Education
- Media specialists must be consulted in budgeting library enhancement funds.
- School/District Technology Coordinator must be consulted in budgeting technology funds and it must support the school Technology Plan.

Budget:

- Must outline the items which may be purchased
- Must specify the amount to be allocated for each teacher
- "Proposed Budget" must be submitted to all Teachers at Faculty Meeting
- Majority of the Teacher's must vote for "Budget Approval" by secret ballot
- Must have at least two work days to review proposed budget before vote
- Any budget not approved by majority of the Teachers must be returned to the budget committee for revision

Reports:

- Original certifications on approved Proposed Budgets must be kept on file with the local school bookkeeper
- Copies of the signed certification sheets must be submitted to the CSFO and kept on file with the Finance Department at the Central Office.
- The local superintendent shall submit a notarized affidavit to the State Superintendent of Education. The affidavit shall certify that all funds allocated for classroom instructional support have been properly spent and that all legal requirements have been properly observed and implemented. On the affidavit, the superintendent shall certify the amount of monies expended at each school, delineating the amounts spent for collective purchases and the amounts received by the teachers at each school. The local superintendent shall take care to ensure that each teacher employed is able to order and receive his or her allocation of classroom instructional support during each year as provided in this section.

Note: Transfer with Teacher Disallowed

(Please refer to Section 16-1-8.1 Code of Alabama and HB215 found in section XII Attorney General Opinions)

Purchasing Card Procedures

- A. Purchasing Card Procedures-The Clarke County Board of Education and its Local Schools will follow the purchase card guidance outlined by the Alabama State Department of Education.
- Purchasing Card Guidelines-<https://www.alabamaachieves.org/wp-content/uploads/2021/07/Purchasing-Card-Guidelines.pdf>
 - Purchasing Card Guidelines for LEA Employees-<https://www.alabamaachieves.org/wp-content/uploads/2021/07/Purchasing-Card-Guidelines-for-LEA-Employees.pdf>
 - Before purchasing cards are issued to an employee, the Purchasing Card Agreement must be signed by the employee as an acknowledgement of understanding.
- B. Purchase Card Procedures – For LSA Bookkeeper
1. Teachers will be issued a pre-loaded declining balance purchase card upon acknowledging the terms and conditions of the purchase card agreement by signature.
 2. Teachers will be required to turn in all original legible itemized receipts daily to the bookkeeper. When receipts are turned in, the teacher will sign the receipt log kept by the school bookkeeper. The bookkeeper will place the log and receipts in their respective folder in the school office. Receipts and receipt logs should be kept with the same security protection as cash receipts. The receipt log serves as documentation that items have been received and as an audit trail for receipts.
 3. Teachers will have three business days from the date of notification to validate all charges shown on the purchasing card statement if receipts are missing. All invalidated purchases will be subject to the terms outlined in the Teacher Fee Purchasing Card Agreement.
 4. Bookkeepers will verify all purchases to ensure compliance with Board Policy and the Financial Procedures Manual. Bookkeepers will reconcile the receipts, check for unauthorized purchases, and verify that no sales tax was charged.
 5. Bookkeepers will reconcile the master monthly card reconciliation to the receipt logs and then submit to the Central Office Bookkeeper for payment to be made.
 6. The Central Office Bookkeeper will reconcile the receipt logs with the summaries of the teacher’s charges and submit to the CSFO & Superintendent for approval prior to payment being made.
- C. Purchasing Card Procedures for Central Office
- There are two Purchasing Card statements from PNC:
 - General Purchases from central office
 - Teacher Fee purchases (Classroom Instructional Support)
- D. Each statement is to be reconciled with all the charges made. Each charge is to have documentation of approval. Detailed order/invoice information, receipt of product or service, professional development registration, and travel charges with agenda of professional development should be included.

- E. In the event of travel, allowable documentation for meals should be an itemized restaurant receipt, not just a credit card receipt. Lodging expenses should have a receipt from the hotel of the amount paid for the entire stay. All travel expenses, including parking fees, should be accompanied by an agenda, certificate of attendance, or other documentation stating the purpose of the trip and dates.
- F. Summary spreadsheets are used for allocation of charges of CIS money to the Local Schools.
- G. Invoice batch(s) are pulled to one check batch per the AP procedures for credit cards. When applicable, multiple checks are printed to separate payment for CIS funds and other board expenditures. All checks generated will reconcile to the total of all statements due. The payment is auto drafted from the General Bank Account. CNP's portion is transferred from CNP to the General Account. The checks printed are marked 'Void' and put in the batch file.

Federal Programs

Determination Of Allowable Costs

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the Chief Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

1. The proposed expenditure is included in the federal program budget;
2. The proposed expenditure is reasonable and necessary for the federal program;
3. The proposed expenditures is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;
 - Applicable competitive purchasing procedures and;
 - Documentation supports allow ability of transaction.

Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

Procurement Procedures

Introduction

This procurement manual sets forth the policies and procedures used by the Clarke County School District to administer Federal funds pursuant to the Uniform Guidance 2 CFR Part 200, which took effect for non- federal entities on December 26, 2014. It also includes requirements and references from the Federal regulations in EDGAR (Education Department General Administrative Regulations) as well as state laws applicable to Alabama school districts.

New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and procedures.

Objective of procurement

The primary objective of effective procurement is to assist schools and departments by purchasing goods and services best suited to their specific needs and to buy these goods and services as economically as possible. To achieve this objective, procurement requires the cooperation of the schools and the central office.

Procurement Authority and Responsibilities

1. The authority to initiate purchases rests with the following positions:
 - Superintendent – Holds ultimate authority over all district purchases.
 - Chief School Financial Officer (CSFO) – Oversees financial compliance and approves purchases for budget alignment.
 - Principals/Department Directors – Authorized to initiate purchase requests for their respective schools or departments.

These individuals are responsible for ensuring that all requested purchases support instructional or operational needs, are allowable under applicable funding sources (local, state, federal) and are within the approved budget

2. Principals and Department Directors may delegate the authority to initiate purchase requests to responsible staff within their school or department, such as:
 - Bookkeepers
 - Administrative Assistants
 - Program Coordinators
 - Conditions for delegation:

Delegation must be documented in writing and approved by the Superintendent or CSFO. The delegating authority retains full responsibility for all purchases initiated under their supervision. All delegated individuals must be trained in procurement policies and procedures.

3. The Central Office Finance/Procurement Department is responsible for processing all purchase orders and contracts. Responsibilities include:
 - Reviewing purchase requests for completeness and compliance
 - Verifying availability of funds
 - Ensuring adherence to applicable procurement laws and bid requirements
 - Issuing official purchase orders prior to any purchase commitment
 - Coordinating contract preparation, review, and execution

No purchase shall be made, nor obligation incurred, without an approved purchase order issued by the Central Office.

4. Final approval authority is as follows:
 - CSFO – Reviews and approves purchases for budgetary compliance and funding availability
 - Superintendent – Has final authority to approve or deny any purchase, particularly when:
 - Budget constraints exist
 - The purchase falls outside normal operations
 - There are legal, policy, or compliance concerns

If a proposed purchase is denied due to budgetary or other conditions, the Superintendent's decision shall be final.

5. All employees involved in the procurement process must comply with:

- District procurement policies
- State and federal regulations
- Internal control procedures, including segregation of duties

The CSFO and Finance Department will monitor procurement activities to ensure adherence and may reject any request that does not meet established requirements.

Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased.

Thresholds (for application)

- Thresholds exclude sales tax, but include all other charges such as shipping, installation, etc.
- Thresholds must include the total potential value of the purchase. For example, on a term contract that has renewal options for a total of 5 years, the total potential for the entire five (5) years must be considered.
- Anticipated purchases over a relatively short period of time must be combined to determine the appropriate threshold.
- Purchases must not be split to circumvent the stated thresholds.

Below \$15,000 utilizing Federal funds (Micro-Purchases)

Micro-purchase means the aggregate amount of the procurement transaction does not exceed the micro-purchase threshold defined in 2 C.F.R. § 200.1, currently set at \$15,000. The micro-purchase method is used to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the District distributes micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the District considers the price to be reasonable based on research, experience, purchase history, or other information and maintains documents to support its conclusion. Purchase cards can be used as a method of payment for micro-purchases. The District maintains evidence of this reasonableness in the records of all micro-purchases.

Under 2 C.F.R. § 200.320(a)(1)(iv), the District may increase its micro-purchase threshold up to \$40,000 through yearly self-certification. Self-certification from the District must be made on an annual basis and must include justification and identification of the increased threshold and supporting documentation of any of the following:

1. The District is a low-risk auditee for the most recent audit in accordance with 2 C.F.R. § 200.520.
2. The District receives an annual internal institutional risk assessment that identifies, mitigates, and manages financial risks.
3. The increased threshold is consistent with State Bid law.

These records must be maintained and made available for review, as the ALSDE will evaluate self-certification and supporting documentation during monitoring.

Purchase requisitions

All purchase requisitions greater than \$40,000 must have approved procurement documentation or referenced solicitation contact information to attach to the Purchase Order, RFP (Request for Proposal), or Competitive Sealed Bid.

Simplified Acquisitions

(Purchases at \$15,000 - \$40,000/\$350,000 utilizing Federal funds) The type of procurement that must be followed at and above \$15,000 depends on whether an AL State Competitive Bidding exception applies. There are 15 exceptions (Code of Alabama 1975, Section 16-13B-2, located at: <https://law.justia.com/codes/alabama/title-16/chapter-13b/section-16-13b-2/>). A list of exemptions is found in Appendix A of this manual.

Purchases from \$15,000 up to \$40,000 utilizing Federal funds (Applicable if no AL Exception Applies)

If no AL exception applies, then the District must obtain an adequate number of price or rate quotations as noted below for all procurement transactions up to \$40,000. If no AL exception applies, then any procurement at or above \$40,000 must follow State and UGG competitive procurement requirements.

Purchases from \$15,000 up to \$350,000 utilizing Federal funds (Applicable if an AL Exception Applies)

If an AL exception applies, then the District must obtain an adequate number of price or rate quotations as noted below for all procurement transactions up to \$350,000.

When simplified acquisition procedures are used, price or rate quotations are obtained from an adequate number of qualified sources.

The type of procurement that must be followed at and above \$15,000 depends on whether an AL State Competitive Bidding exception applies. There are 15 exceptions (Code of Alabama 1975, Section 16-13B-2, located at: <https://law.justia.com/codes/alabama/title-16/chapter-13b/section-16-13b-2/>). A list of exemptions is found in Appendix A of this manual. Below are three alternatives/exemptions unique to Alabama for purchases between \$15,000 and \$350,000:

1. State of Alabama Contracts:

The Alabama Joint Purchasing Program (ALJP), established under Title 16, Chapter 61E of the Code of Alabama 1975 and administered by the Alabama State Department of Education (ALSDE), is one of many state contracts the District may use. The program facilitates the joint procurement of IT hardware, software, and related product lines for eligible educational institutions to leverage collective purchasing power and secure better pricing. ALSDE manages the Request for Proposal (RFP) process, evaluates bids, and awards contracts. Participation in these contracts is optional for LEA Group members.

2. National Purchasing Cooperative:

The provisions of the Act have been codified in the Code of Alabama 1975, Section 16-13B-2. Among other things, the Act provides that the purchases of goods may be made if they are part of any purchasing cooperative sponsored by the National Association of Counties, its successor organization, or any other competitive bid nationwide cooperative purchasing program, or other national or regional governmental cooperative purchasing program. The competitive bid process used by the cooperative must be approved by the Alabama Department of Examiners of Public Accounts.¹

¹ Section 16-13B-2 Code of Alabama 1975

3. Regional Purchasing Cooperative:

The governing bodies of two or more city or county boards of education, or any combination of two or more city or county boards of education, counties, municipalities, or instrumentalities thereof, may provide, by joint agreement, for the purchase of labor, services, or work, or for the purchase or lease of materials, equipment, supplies, or other personal property for use by their respective agencies.

All Purchases \$350,000 or More utilizing Federal funds (Formal Procurement)

For all procurement transactions at or above \$350,000, the District must follow state and Federal competitive bid requirements, whichever is most restrictive.

Competitive proposals must be awarded in accordance with the following requirements:

- Requests for proposals require public notice, and all evaluation factors and their relative importance must be identified. Any response to publicized requests for proposals must be considered to the maximum extent practical.
- Proposals must be solicited from multiple qualified sources.
- There are written procedures for conducting technical evaluations and making selections of proposals.
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the recipient or subrecipient considering price and other factors.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. The method may not be used to purchase services provided by A/E firms that are a potential source to perform the proposed effort.

Formal Bidding & Proposal Evaluation Procedures

The District utilizes a formal, competitive procurement method (e.g., Request for Proposals (RFP) or Invitation for Bids (IFB)) when required by law, policy, or when the purchase involves complex services, expenditures over \$350,000 or where factors other than price must be considered. This method ensures fairness, transparency, and the selection of the most advantageous vendor.

1. Solicitation and Receipt of Proposals

- The Central Office Finance/Procurement Department is responsible for issuing all formal solicitations.
 - Solicitations will include:
 - Detailed specifications and scope of work
 - Required vendor qualifications
 - Evaluation criteria and scoring methodology
 - Submission deadlines and instructions
- All proposals must be:
 - Received by the stated deadline
 - Sealed (if applicable) and time-stamped
 - Secured until the official opening or evaluation process begins

2. Establishment of Evaluation Committee

- An Evaluation Committee will be appointed by the Superintendent or designee.
 - The committee will typically consist of:
 - At least three (3) qualified individuals
 - Representatives from the requesting department/program
 - At least one Central Office administrator (e.g., Finance, Curriculum, or Operations)
- The Procurement/Finance Office will coordinate the evaluation process but will not score proposals unless designated.

3. Conflict of Interest Assurance (Best Practice)

- Prior to reviewing proposals, each evaluation committee member must:
 - Sign a Conflict of Interest and Confidentiality Assurance Statement
 - Affirm that they:
 - Have no financial or personal interest in any vendor submitting a proposal
 - Will evaluate proposals impartially and maintain confidentiality
- Any member with a potential conflict must recuse themselves and be replaced.

4. Evaluation of Proposals

- Evaluations will be conducted using a standardized scoring rubric included in the solicitation.
- Factors Considered (depending on the nature of the procurement):
 - Cost/price (may be weighted but not necessarily the sole factor)
 - Vendor qualifications and experience
 - Technical approach and understanding of the scope
 - Past performance and references
 - Compliance with specifications
 - Delivery timelines or implementation plan
 - Quality of goods/services

5. Number and Method of Evaluations

- Each proposal will be independently evaluated and scored by each committee member.
- A minimum of one complete evaluation per evaluator per proposal is required.
- Scores will be compiled and averaged (or totaled) to determine rankings.
- The District may also include:
 - Consensus meetings to discuss scoring
 - Vendor interviews, presentations, or demonstrations if outlined in the solicitation
 - Best and Final Offers (BAFOs), when appropriate

6. Timeframe for Evaluation

- The evaluation process will generally be completed within:
 - 5 to 15 business days following the proposal submission deadline, depending on complexity
- Any additional steps (e.g., interviews or BAFOs) will be conducted within a reasonable timeframe to avoid undue delays.

7. Selection of Vendor

- The vendor selection will be based on:
 - The highest-scoring proposal or
 - The proposal determined to be most advantageous to the District, considering all evaluation factors
- A written Evaluation Summary and Recommendation will be prepared by the Procurement/Finance Office or Evaluation Committee Chair, documenting:
 - Scores and rankings
 - Justification for the recommended vendor
 - Any relevant discussion or considerations

8. Review of Evaluation and Award Approval

- The completed evaluation and recommendation will be reviewed by:
 - The Chief School Financial Officer (CSFO) for budget and compliance verification
 - The Superintendent for final approval
- For purchases requiring Board approval, the recommendation will be submitted to the Board for action.
- This secondary review ensures:
 - Consistency with procurement policies
 - Adequate documentation and justification
 - Compliance with applicable laws and regulations

9. Documentation and Record Retention-the Finance Department will maintain complete documentation, including:

- Solicitation documents
- All proposals received
- Individual score sheets
- Conflict of interest statements
- Evaluation summary and final recommendation

All records will be retained in accordance with the District's records retention policy and applicable state and federal requirements.

10. Ethical Standards and Compliance-All participants in the procurement process must:

- Adhere to the District's conflict of interest policy
- Avoid acceptance of gifts or favors from vendors
- Maintain confidentiality throughout the process

Noncompetitive Proposals (Sole Sourcing)

There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurements may only be used if one of the following circumstances applies:

- The aggregate amount of the transaction is under the micro-purchase threshold.
- The procurement transaction can only be fulfilled by a single source.
- The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation.
- The recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval.
- After solicitation of several sources, competition is determined inadequate.

Procurement Items	
\$0 - \$15,000	Generally, procurements that do not exceed \$15,000 do not require competitive quotes if the price is considered fair and reasonable.
\$15,000 - \$40,000	Must obtain a minimum of two (2) quotes.
Greater than \$40,000	
\$40,000 - \$350,000 If no exception	Must be processed by the Procurement Department as a solicitation (Sealed Bid/ RFP)
\$40,000 - \$350,000 With an exception	Must use the following: <ul style="list-style-type: none"> - <i>State Bid/Contracts,</i> - <i>Regional/National Purchasing Cooperative(s), or</i> - <i>Note that one of the fifteen exceptions applies.</i>
Any cost that exceeds \$350,000	
\$350,000 and Higher Exception & Not-exempt	Must be processed by the Procurement Department as a solicitation (Sealed Bid/RFP).

Contract/Price Analysis

The District performs a cost or price analysis for every procurement action in excess of \$350,000, including contract modifications. 2 C.F.R. § 200.324(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation (for example, the District should consider potential workforce impacts in their analysis if the procurement transaction will displace public sector employees); however, the Superintendent or designee, must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.324(a). The process of doing this is as follows:

1. Responsibility for Conducting the Analysis-the Chief School Financial Officer (CSFO) or designee is responsible for overseeing the cost or price analysis process.
 - The Procurement/Finance Department will perform or coordinate the analysis in collaboration with:
 - The requesting department
 - Program administrators (as applicable)

The Superintendent or designee is responsible for ensuring that an independent cost estimate is completed prior to the receipt of bids or proposals.

2. Independent Cost Estimate (ICE) – Pre-Solicitation Requirement-before issuing any solicitation (RFP, IFB, or similar), the District shall develop a documented Independent Cost Estimate (ICE). The process for developing the ICE is as follows:
 - The Superintendent or designee, with assistance from the CSFO and requesting department, will:
 - Define the Scope of Work
 - Clearly outline the goods or services to be procured
 - Identify quantity, quality, and performance expectations

- Collect Relevant Cost Data
 - Historical pricing from prior District purchases
 - Published price lists, catalogs, or market indices
 - Quotes from vendors (for estimation purposes only, not formal bids)
 - Cooperative purchasing agreements or state contract pricing
 - Industry standards or benchmarks
- Consider Market Conditions
 - Supply chain conditions
 - Inflation or volatility in pricing
 - Geographic cost differences
- Assess Workforce and Operational Impacts
 - Evaluate whether the procurement may displace existing public sector employees
 - Consider costs associated with transition, training, or reassignment
- Estimate Total Project Cost
 - Include all anticipated components such as:
 - Base price
 - Delivery/shipping
 - Installation or implementation
 - Maintenance or ongoing service
 - Contingencies
- Document Assumptions and Methodology
 - Clearly record how the estimate was developed
 - Identify data sources and any assumptions used

The ICE must be completed and approved prior to receiving bids or proposals and retained as part of the procurement file.

3. Determination of Cost Analysis vs. Price Analysis-after proposals or bids are received, the District will determine the appropriate method of analysis.

A. Price Analysis (Most Common)-Used when:

- Adequate price competition exists
- Multiple responsive bids or proposals are received

Process:

- Compare total prices submitted by vendors
- Evaluate price reasonableness based on:
 - Competition
 - ICE comparison
 - Market research

B. Cost Analysis-Used when:

- Price competition is inadequate or absent
- A sole source procurement is conducted
- The District must evaluate the reasonableness of individual cost elements

Process:

- Review and evaluate individual cost components, including:
 - Labor rates
 - Materials
 - Overhead
 - Profit margins

- Verify that each element is:
 - Allowable
 - Allocable
 - Reasonable
- The District may request:
 - Vendor cost breakdowns
 - Supporting documentation

4. Evaluation and Comparison

- The Procurement/Finance Department will:
 - Compare submitted bids/proposals to the ICE
 - Identify any significant variances
 - Document explanations for differences
 - If pricing appears unreasonable the District may:
 - Request clarification from vendors
 - Negotiate pricing (if allowable)
 - Reject all bids and re-solicit

5. Documentation of Analysis-a written Cost/Price Analysis Summary will be prepared and included in the procurement file. This summary will include:

- Type of analysis performed (cost or price)
- Description of the procurement
- ICE amount and methodology
- Summary of bids/proposals received
- Comparison of pricing
- Justification for determining price reasonableness
- Explanation of any variances or negotiations

6. Review and Approval

- The completed analysis will be reviewed by:
 - The CSFO for financial accuracy and compliance
 - The Superintendent or designee for final approval
- No contract award shall be made until:
 - The cost or price analysis is complete
 - Price reasonableness has been adequately justified

7. Record Retention and Compliance-all documentation related to the ICE and cost/price analysis will be:

- Maintained by the Procurement/Finance Office
- Retained in accordance with federal, state, and local record retention requirements

8. Ongoing Monitoring (Contract Modifications)-For contract modifications exceeding \$350,000:

- The District will repeat the cost or price analysis process
- An updated ICE may be developed if necessary
- Documentation must reflect the basis for the modification and price reasonableness

These procedures ensure that the District consistently applies sound financial practices, maintains compliance with federal requirements, and safeguards public funds.

Purchase Cards

1. Purchasing Card Procedures-The Clarke County Board of Education and its Local Schools will follow the purchase card guidance outlined by the Alabama State Department of Education.
2. Purchasing Card Guidelines- <https://www.alabamaachieves.org/wp-content/uploads/2021/07/Purchasing-Card-Guidelines.pdf>
3. Purchasing Card Guidelines for LEA Employees-<https://www.alabamaachieves.org/wp-content/uploads/2021/07/Purchasing-Card-Guidelines-for-LEA-Employees.pdf>
4. Before purchasing cards are issued to an employee, the Purchasing Card Agreement must be signed by the employee as an acknowledgement of understanding.

Purchase Card Procedures – For LSA Bookkeeper:

- A. Teachers will be issued a pre-loaded declining balance purchase card upon acknowledging the terms and conditions of the purchase card agreement by signature.
- B. Teachers will be required to turn in all original legible itemized receipts daily to the bookkeeper. When receipts are turned in, the teacher will sign the receipt log kept by the school bookkeeper. The bookkeeper will place the log and receipts in their respective folder in the school office. Receipts and receipt logs should be kept with the same security protection as cash receipts. The receipt log serves as documentation that items have been received and as an audit trail for receipts.
- C. Teachers will have five business days from the date of notification to validate all charges shown on the purchasing card statement if receipts are missing. All invalidated purchases will be subject to the terms outlined in the Teacher Fee Purchasing Card Agreement.
- D. Bookkeepers will verify all purchases to ensure compliance with Board Policy and the Financial Procedures Manual. Bookkeepers will reconcile the receipts, check for unauthorized purchases, and verify that no sales tax was charged.
- E. Bookkeepers will reconcile the master monthly card reconciliation to the receipt logs and then submit to the Central Office Bookkeeper for payment to be made.
- F. The Central Office Bookkeeper will reconcile the receipt logs with the summaries of the teacher's charges and submit to the CSFO & Superintendent for approval prior to payment being made.

Purchasing Card Procedures for Central Office

- There are two Purchasing Card statements from PNC:
 - General Purchases from central office
 - Teacher Fee purchases (Classroom Instructional Support)
- A. Each statement is to be reconciled with all the charges made. Each charge is to have documentation of approval. Detailed order/invoice information, receipt of product or service, professional development registration, and travel charges with agenda of professional development should be included.
- B. In the event of travel, allowable documentation for meals should be an itemized restaurant receipt, not just a credit card receipt. Lodging expenses should have a receipt from the hotel of the amount paid for the entire stay. All travel expenses, including parking fees, should be accompanied by an agenda, certificate of attendance, or other documentation stating the purpose of the trip and dates.
- C. Summary spreadsheets are used for allocation of charges of CIS money to the Local Schools.
- D. Invoice batch(s) are pulled to one check batch per the AP procedure for credit card, and one check is printed for the total of all statements due. The payment is auto drafted from the General Bank Account. CNP's portion is transferred from CNP to the General Account. The check printed is marked 'Void' and put in the batch file.

Full and Open Competition

All procurement transactions for the acquisition of property or services required under the Federal award must be conducted in a manner that provides full and open competition consistent with 2 C.F.R. §§ 200.319 and 200.320. In order to ensure objective vendor performance and eliminate unfair competitive advantage, vendors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing on those procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Prequalified lists must not preclude potential bidders from qualifying (200.319(e));
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
 - Detailed product specifications should be avoided if at all possible (200.319(d))
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition:

➤ **Contractor Preferences**

The District must award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of a proposed contract. Recipients and subrecipients must consider:

- Contractor integrity
- Public policy compliance
- Proper classification of employees (see FLSA)
- Past performance record
- Financial and technical resources

The District may develop written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work or products providing services on a contract, and other worker protections. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

➤ **Domestic Preference for Procurement**

The District should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, and materials produced in the United States. The District must include this preference in all subawards, contracts, and purchase orders under Federal awards.

➤ **Contracting with Small, Minority, Women’s, or Veteran-Owned Businesses**

When possible, the District should consider small businesses, minority businesses, women’s businesses, veteran-owned businesses, and labor surplus area firms. Consideration means:

- Including these businesses on solicitation lists
- Soliciting whenever deemed eligible as potential sources
- Dividing separate procurements and establishing delivery schedules to permit maximum participation
- Use organizations like the Small Business Administration and the Minority Business Development Agency of the Department of Commerce
- Requiring contractors under a Federal award to apply these conditions to subcontracts

➤ **Prohibition on Certain Telecommunications Companies**

The District will not procure, enter into a contract to procure, or extend or renew a contract to procure covered telecommunications and video surveillance equipment or services described in Public Law 115-232, section 889. Covered telecommunications and video surveillance equipment or services are those produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any subsidiary or affiliate of such entities. 2 C.F.R. § 200.216. To meet this requirement, the District will follow the debarment and suspension requirements for all telecommunication and video surveillance equipment procurements, as noted in this manual. *See OMB 2 C.F.R. Frequently Asked Questions, Q-47* https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf

➤ **Prequalified Lists**

The District must ensure that all prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, the recipient or subrecipient must consider objective factors that evaluate price and cost to maximize competition. Also, the District must not preclude potential bidders from qualifying during the solicitation period.

➤ **Recovered Materials**

The District should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, Section 101.

➤ **Solicitation Language**

The District must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such descriptions must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2 C.F.R. § 200.319(d)(1)– (2).

Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

The District must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis should be made between leasing and purchasing property or equipment to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

Use of Intergovernmental Agreements

When appropriate for the procurement or use of common or shared goods and services, the District is encouraged to enter into State and local intergovernmental agreements for procurement transactions. These or similar procurement arrangements using strategic sourcing may foster greater economy and efficiency. Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the competition requirements of the UGG.

Use of Federal Excess and Surplus Property

The District considers the use of excess and surplus Federal property instead of purchasing new equipment and property when it is feasible and reduces project costs.

Debarment and Suspension

The District awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, public policy, compliance, proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), past performance record, and financial and technical resources.

The District may not subcontract with or award subgrants to certain parties that are debarred or suspended in accordance with 2 CFR Part 180 and 2 CFR Part 3485. 2 C.F.R. § 200.214. 2 C.F.R. § 200.215.

Accordingly, for all contracts over \$25,000 and any contracts for telecommunications and video surveillance equipment (regardless of the amount), the District will ensure the vendor is not suspended or debarred by either:

- a. Checking SAM at <http://www.sam.gov/>;
- b. Collecting a certification from that person; or
- c. Adding a clause or condition to the covered transaction with that person.

Maintenance of Procurement Records

The District must maintain sufficient records to detail the history of all procurements. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred. Records are maintained in accordance with this manual.

1. Responsibility for Record Maintenance

- The Central Office Finance/Procurement Department is responsible for maintaining official procurement records.
- The Chief School Financial Officer (CSFO) shall ensure records are complete, accurate, and retained in accordance with applicable requirements.
- Schools and departments initiating purchases must submit all supporting documentation to the Finance/Procurement Department in a timely manner.

2. Required Procurement Documentation-Each procurement file must include documentation sufficient to detail the full history of the transaction, including, but not limited to:

- Rationale for the Method of Procurement-Justification for small purchase, formal bid, competitive proposal, or sole source method
- Selection of Contract Type-Explanation of contract structure (e.g., fixed price, cost-reimbursement) and why it was appropriate
- Solicitation Documentation-Bid/RFP documents, specifications, and addenda or Proof of public advertisement (if required)
- Vendor Responses-All bids, proposals, or quotes received and documentation of late or non-responsive submissions
- Evaluation and Selection-Scoring sheets and evaluation summaries, rationale for contractor selection or rejection and documentation of any negotiations
- Cost or Price Analysis-Independent Cost Estimate (ICE) and analysis performed and determination of price reasonableness
- Contract Award Documentation-executed contract or purchase order and board approval (if applicable)
- Debarment and Suspension Verification-Verification that the selected contractor is not suspended or debarred through the federal System for Award Management (SAM) or other required sources; Documentation of the verification date and method
- Contract Administration Records-Invoices and payment records, Delivery receipts or proof of service, Contract amendments or modifications, Monitoring and performance documentation

3. Record Retention Requirements-Procurement records shall be retained in accordance with:

- District records retention policies
- State of Alabama records retention schedules
- Federal requirements, including those applicable to grant-funded programs

At a minimum, records for federally funded procurements shall be retained for five years from the date of final expenditure report submission, unless a longer retention period is required due to: Audit findings, Litigation, Claims or disputes

4. Record Storage and Accessibility-Records may be maintained in:

- Electronic systems
- Physical files
- Or a combination of both
 - The Finance/Procurement Department shall ensure records are organized and easily retrievable, access is limited to authorized personnel and documents are protected from loss, damage, or unauthorized alteration.
 - Procurement records must be made available upon request for audits, monitoring reviews, public records requests, as applicable.

5. Compliance with Other Policies and Procedures-Procurement records shall be maintained in accordance with this manual and all other applicable District policies and procedures, including but not limited to:

- Financial management procedures
- Internal control policies (including segregation of duties)
- Records retention and destruction policies
- Grant management procedures (for federally funded purchases)

6. Periodic Review and Monitoring-The CSFO or designee will periodically review procurement files to ensure:

- Completeness of documentation
- Compliance with procurement requirements
- Adequate audit trail

Deficiencies identified during reviews must be corrected promptly and may result in additional training or corrective action. These procedures ensure that the District maintains transparent, well-documented procurement processes that withstand audit scrutiny and support responsible stewardship of public funds.

Time and Materials Contracts

The District may use a time-and-materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time- and-materials type contract means a contract whose cost to the District is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

If a District elects to use this type of contract, prior approval is required.

Pre-Procurement Documents

In accordance with 2 C.F.R. § 200.325, the District will make available upon request from ALSDE or other awarding agency all procurement documents for pre-procurement review, such as requests for proposals or invitations for bids, or independent cost estimates. The District must submit the technical specifications of proposed procurements when requested by the Federal agency or pass-through entity.

Settlements of Issues Arising Out of Procurements

The District is responsible for the settlement of all contractual and administrative issues arising out of its procurement transactions. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. The District must report violations of law to the local, State, or Federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

The District maintains formal protest procedures to ensure that all procurement-related disputes are handled in a fair, transparent, and timely manner, in accordance with applicable State of Alabama law, local board policy, and federal requirements. The District shall disclose all protest activity and outcomes to the awarding agency, when applicable.

1. Right to Protest-Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with a solicitation or contract award may file a formal protest with the District.

Protests may be filed regarding:

- The content of a solicitation (e.g., specifications, scope, or requirements)
- The evaluation or scoring of bids or proposals
- The award or intended award of a contract
- Alleged violations of procurement laws, regulations, or District procedures

2. Protest Submission Requirements-All protests must be submitted in writing to the Chief School Financial Officer (CSFO) or designee and must include:

- Name, address, and contact information of the protestor
- Identification of the solicitation or contract at issue
- A detailed statement of the legal and factual grounds for the protest
- Supporting documentation or evidence
- The specific relief requested

3. Timeframe for Filing a Protest

- Solicitation Protests must be filed prior to the bid/proposal opening date.
- Award Protests must be filed within five (5) business days after the notice of intent to award or contract award is issued.

Failure to file within the required timeframe shall result in dismissal of the protest.

4. Acknowledgment and Initial Review

- The CSFO or designee will:
 - Acknowledge receipt of the protest in writing within three (3) business days
 - Review the protest for completeness and timeliness
- If the protest is incomplete or untimely, it may be rejected with written explanation.

5. Stay of Procurement (If Applicable)

- Upon receipt of a timely protest, the District may:
 - Suspend the procurement process or contract award, if necessary, to ensure a fair review
- However, the Superintendent may authorize continuation of the procurement if:
 - There is an urgent and compelling need, or
 - Delay would be detrimental to the District

Such determination shall be documented.

6. Evaluation of Protest

- The protest will be evaluated by:
 - The CSFO and Procurement/Finance Office, and
 - Other appropriate personnel not directly involved in the original procurement, as needed
- The review will include:
 - Examination of procurement records
 - Review of applicable laws, policies, and procedures
 - Consideration of the protestor's claims and supporting documentation

7. Decision and Response-A written decision will be issued by the Superintendent or designee within ten (10) business days, unless additional time is required due to complexity. The decision will include:

- A summary of the issues presented
- Findings of fact
- Conclusions based on applicable laws and policies
- The final determination (upheld, denied, or partially upheld)
- Any corrective actions, if applicable

The Superintendent's decision shall be final at the District level.

8. Disclosure to Awarding Agency

- For procurements involving federal or state funding:
 - The District shall promptly disclose:
 - The existence of the protest
 - A summary of the issues
 - The final resolution
- Documentation of the protest and resolution will be maintained in the procurement file and made available for monitoring or audit.

9. Appeals and External Remedies

- Nothing in these procedures shall limit the protestor's right to pursue:
 - Remedies under State of Alabama law
 - Review by the awarding agency, if applicable

10. Record Retention-All protest-related documentation, including: the original protest, supporting materials, correspondence & final decision shall be maintained by the Finance/Procurement Department in accordance with the District's records retention policies and applicable federal and state requirements.

11. Ethical Standards-All individuals involved in the protest review process must:

- Act impartially and avoid conflicts of interest
- Maintain confidentiality of sensitive information
- Comply with all District policies and legal requirements

These procedures ensure that procurement disputes are resolved in a consistent, legally compliant manner while maintaining transparency and accountability in the District's procurement processes.

Contract Provisions

In all Federally-funded contracts, the District includes the required Federal, State, and local provisions including the applicable provisions described in [Appendix II to 2 C.F.R. Part 200](#) – Contract Provisions for the District's Contracts under Federal Awards. 2 C.F.R. § 200.327.

- a. Contracts for more than the simplified acquisition threshold
- b. All contracts in excess of \$15,000 must address termination
- c. Equal Employment Opportunity
- d. Davis-Bacon Act
- e. Contract Work Hours and Safety Standards Act
- f. Rights to Interventions Made Under a Contract or Agreement
- g. Clean Air Act and the Federal Water Pollution Control Act
- h. Debarment and Suspension*2
- i. Byrd Anti-Lobbying Amendment
- j. Procurement of recovered materials*
- k. Prohibition on certain telecommunications and video surveillance equipment or services*
- l. Domestic preferences for procurements*

Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 C.F.R. § 200.318(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

No employee, officer, agent, or board member may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, board member, or agent, any member of his or her immediate family, his or her partner, or an organization which 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, board members, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts less than \$25 are allowable.

1. Definition of Conflict of Interest-A conflict of interest exists when an employee, officer, or agent, or any member of their immediate family, partner, or organization with which they are affiliated, has a financial or other personal interest in, or may benefit from, a vendor considered for a procurement transaction.

Conflicts may be:

- Actual – A direct financial or personal interest exists
- Potential – A situation that could develop into a conflict
- Perceived – A situation that may appear to be a conflict to a reasonable third party

2. Duty to Disclose-All individuals involved in procurement must:

- Disclose any real or potential conflict of interest immediately upon discovery
- Disclose prior to participating in any procurement activity, including planning, evaluation, selection, or contract administration

3. Methods for Reporting Conflicts of Interest-Conflicts must be reported in writing using a Conflict of Interest Disclosure Form or similar documentation.

- Primary Reporting Channels
 - Immediate Supervisor
 - Chief School Financial Officer (CSFO)
 - Superintendent or designee
- Alternative Reporting Methods (If Conflict Involves Supervisor or Finance Personnel)-If the individual who would normally receive the report is involved in the potential conflict, the employee must report to an alternative authority, such as:
 - The Superintendent
 - The Human Resources Director
 - The Board Attorney or designated legal counsel
 - The Board of Education (through its established reporting process)

At no time should an employee refrain from reporting due to uncertainty about the appropriate reporting channel.

4. Review and Determination-The CSFO, in consultation with the Superintendent and/or legal counsel, will:

- Review the disclosure
- Determine whether a conflict exists
- Determine appropriate action

All determinations will be documented and maintained in the procurement file and/or personnel records, as appropriate.

5. Recusal and Removal from Procurement Activities-If a conflict of interest is identified, the employee must immediately cease involvement in the procurement process, including:

- Planning or developing specifications
- Reviewing or evaluating bids/proposals
- Participating in discussions or decisions
- Administering or monitoring the contract
- The Supervisor or Superintendent will:
 - Remove the employee from the procurement activity
 - Assign a qualified, non-conflicted individual to assume responsibilities

6. Documentation of Recusal-The District must maintain clear documentation demonstrating that the employee properly recused themselves. This documentation will include:

- A completed Conflict of Interest Disclosure Form
- A signed Recusal Statement indicating:
 - The nature of the conflict
 - The date of recusal
 - A statement that the employee will have no further involvement
- Written acknowledgment by:
 - The employee's supervisor
 - The CSFO or Superintendent
- Updated records reflecting reassignment of duties

All documentation shall be retained in the procurement file and made available for audit or review.

7. Monitoring and Compliance-The Procurement/Finance Department will monitor procurement activities to ensure:

- Conflicted individuals are not involved
- Proper documentation of disclosures and recusals is maintained
- Periodic training will be provided to employees regarding conflict of interest requirements.

8. Disciplinary Actions for Violations-Failure to comply with conflict of interest standards may result in disciplinary action, up to and including termination of employment.

- Disciplinary actions may include:
 - Verbal or written warning
 - Mandatory retraining on procurement and ethics policies
 - Removal from procurement responsibilities
 - Suspension without pay
 - Termination of employment
- Additional actions may include:
 - Referral to appropriate authorities if laws or regulations have been violated
 - Recovery of improperly awarded funds or damages, if applicable

9. Ethical Standards-All employees must:

- Act impartially and in the best interest of the District
- Avoid any activity that could compromise, or appear to compromise, the integrity of the procurement process
- Refrain from accepting gifts, favors, or anything of monetary value from contractors or parties to subcontracts

These procedures ensure that conflicts of interest are promptly identified, properly managed, and fully documented, thereby protecting the integrity of the District's procurement processes and maintaining public trust.

Whistleblower Protections

² *Addressed fully in previous sections*

An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.

The District must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712. See statutory requirements for whistleblower protections at 10 U.S.C. 4701, 41 U.S.C. 4712, 41 U.S.C. 4304, and 10 U.S.C. 4310. This guide provides District employees, contractors, and subrecipients with a clear summary of their rights and protections when reporting suspected wrongdoing related to federally funded contracts or grants. It is intended as a quick-reference document and should be used in conjunction with District policies on ethics, reporting, and non-retaliation.

1. Who Is Protected-The following individuals are protected under 41 U.S.C. § 4712 when working on or related to a federal contract or grant:

- District employees
- Contractors and subcontractors
- Subrecipients and their employees

2. What Can Be Reported (Protected Disclosures)-Protected disclosures include information that the individual reasonably believes is evidence of:

- Gross mismanagement of a federal contract or grant
- Gross waste of federal funds
- Abuse of authority related to a federal contract or grant
- Substantial and specific danger to public health or safety
- Violations of law, rule, or regulation related to a federal contract or grant

3. Where to Report Concerns-Protected disclosures may be made to:

- A Member of Congress or a congressional committee
- An Inspector General
- The Government Accountability Office (GAO)
- A federal employee responsible for contract or grant oversight
- An authorized official of the Department of Justice
- A court or grand jury
- A management official or other employee of the District who has responsibility to investigate, discover, or address misconduct

² Section 16-13B-2 Code of Alabama 1975

4. District Reporting Channels (Internal)-Employees are encouraged to report concerns through District channels, including:

- Immediate Supervisor (unless involved)
- Chief School Financial Officer (CSFO)
- Superintendent
- Human Resources Department
- Board Attorney or designated legal counsel

Alternative Reporting Option:

If the concern involves any of the above individuals, employees may report directly to another listed authority or external entity without fear of retaliation.

5. Protection from Retaliation-The District strictly prohibits retaliation against any individual who makes a protected disclosure. Prohibited retaliation includes:

- Termination, demotion, or suspension
- Harassment or discrimination
- Reduction in pay or benefits
- Reassignment or unfavorable job changes
- Any other adverse employment action

These protections apply even if the reported concern is ultimately unsubstantiated, provided the report was made in good faith.

6. Filing a Whistleblower Complaint-If an individual believes they have been subjected to retaliation, they may:

- File a complaint with the appropriate Office of Inspector General (OIG) for the federal agency involved
- Submit the complaint within three (3) years of the alleged retaliation

The complaint should include:

- Description of the protected disclosure
- Description of the retaliatory action
- Names of individuals involved
- Supporting documentation, if available

7. Investigation Process

- The Inspector General will investigate the complaint
- If retaliation is substantiated, the matter may be referred for corrective action
- The complainant may have the right to seek relief in federal court if administrative remedies are not completed within required timeframes

8. Available Remedies-If retaliation is confirmed, remedies may include:

- Reinstatement to the same or equivalent position
- Back pay with interest
- Compensatory damages
- Reimbursement of attorney's fees and costs

9. District Responsibilities-The District will:

- Inform employees of their whistleblower rights and protections
- Include this cross-reference in procurement and grant-related procedures
- Ensure that contractors and subrecipients are aware of these protections
- Cooperate fully with any authorized investigation
- Prohibit and address any form of retaliation

10. Related District Policies and Procedures-Employees should also refer to:

- Conflict of Interest Policy
- Procurement Procedures Manual
- Employee Code of Conduct
- Anti-Retaliation and Ethics Policies
- Complaint and Grievance Procedures

11. Acknowledgment and Access-This document shall be made available to all employees through:

- Employee handbooks
- District website or internal portal
- Procurement and grant management materials
- Employees involved in federally funded programs may be required to acknowledge receipt and understanding of these protections.

Mandatory Disclosure

Per 2 C.F.R. § 200.318, the District must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through in accordance with the Federal awarding agency's conflicts policies.

Also, the District must promptly disclose whenever it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations under Title 18 or Civil False Claims Act (31 U.S.C. 3729–3733). Failure to report can result in remedies for noncompliance per 2 C.F.R. § 200.339.

- Includes both criminal and civil false claims actions
- Must be made in writing to the Federal agency, the agency's Office of Inspector General, and the pass-through entity (if applicable)
- Also required to report matters to recipient integrity and performance (i.e., SAM and FAPIIS)
- Includes any activities or subawards in connection with the Federal award

Potential conflicts or violations of law should be disclosed within 72 hours.

Contract Administration

The District maintains the following oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. These procedures are to ensure that all goods and services are received, verified, and accepted in accordance with contract terms prior to the issuance of payment. These procedures are designed to safeguard public funds, ensure compliance with procurement requirements, and maintain proper internal controls.

1. Responsibility for Verification

- The requesting school or department is responsible for verifying that:
 - Goods have been received in acceptable condition, or
 - Services have been performed in accordance with the contract or purchase order
- The Principal/Department Director or designee (e.g., bookkeeper or program manager) shall oversee and document this verification.

2. Receipt of Goods-Upon delivery of goods:

- The designated staff member will:
 - Inspect items for accuracy, quantity, and condition
 - Compare delivered items to the purchase order and packing slip
 - Note any discrepancies, damages, or shortages

- Documentation required:
 - Signed and dated receiving report, packing slip, or invoice indicating receipt
 - Notation of any issues and steps taken to resolve them
- If discrepancies exist:
 - The vendor must be notified promptly
 - Payment will be withheld until the issue is resolved

3. Verification of Services-For contracted services:

- The responsible administrator will:
 - Confirm that services were performed in accordance with the scope of work
 - Verify completion milestones, deliverables, or timelines
- Documentation required:
 - Signed service completion report, invoice approval, or certification statement
 - Supporting documentation such as logs, reports, or deliverables
- For ongoing or multi-phase services:
 - Payments may be made on a pro-rata or milestone basis, provided performance is verified for each payment period

4. Invoice Review and Approval

- All invoices must be:
 - Matched to an approved purchase order or contract
 - Reviewed for accuracy in pricing, terms, and quantities
- The following approvals are required prior to payment:
 - Requesting department/school – Confirms receipt and acceptance
 - Principal/Department Director – Approves for payment
 - Finance/Accounts Payable Department – Verifies compliance and funding availability

5. Three-Way Match Requirement-Before payment is issued, the District will perform a three-way match, ensuring consistency between:

1. Purchase Order or Contract
2. Receiving Documentation (goods or services)
3. Vendor Invoice

Payment shall not be processed unless all three components align.

6. Finance Office Review-The Finance/Accounts Payable Department will:

- Verify:
 - Proper approvals and documentation are in place
 - Compliance with procurement policies and contract terms
 - Availability of funds
- Ensure:
 - Payment terms (e.g., net 30) are followed
 - Discounts, if applicable, are taken

7. Approval for Payment

- Final approval for payment will be made by:
 - The Chief School Financial Officer (CSFO) or designee
- No payment will be issued:
 - In advance of receipt of goods or completion of services (unless specifically allowed by contract and approved in advance)

8. Discrepancies and Disputes

- If discrepancies are identified:
 - Payment will be placed on hold
 - The requesting department will work with the vendor to resolve issues
- Documentation of the issue and resolution must be maintained in the procurement file.

9. Documentation and Record Retention-The following documents must be retained:

- Purchase orders or contracts
- Receiving reports or service verification documentation
- Approved invoices
- Payment records

All records will be maintained in accordance with the District's records retention policies and applicable federal and state requirements.

10. Internal Controls and Segregation of Duties-To ensure proper internal controls:

- Different individuals should be responsible for:
 - Ordering goods/services
 - Receiving and verifying goods/services
 - Approving invoices
 - Processing payments
- The Finance Office will monitor compliance and may conduct periodic audits.

11. Monitoring and Compliance

- The CSFO or designee will periodically review transactions to ensure:
 - Payments are only made after proper verification
 - Documentation is complete and accurate
- Noncompliance may result in corrective action, including retraining or disciplinary measures.

Appendix A

Exceptions to competitive bidding requirements listed in the Code of Alabama 1975.³

Competitive bids shall not be required for utility services for county or city boards of education, the rates for which are fixed by law, regulation, or ordinance, and the competitive bidding requirements of this chapter shall not apply to:

1. The purchase of insurance
2. Contracts for securing services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part
3. Contracts of employment in the regular civil service
4. Contracts for fiscal or financial advice or services
5. Purchases of products made or manufactured by the blind or visually handicapped under the direction or supervision of the Alabama Institute for Deaf and Blind in accordance with Sections 21-2-1 to 21-2-4, inclusive
6. Purchases of maps or photographs from any federal agency
7. Purchasing manuscripts, books, maps, pamphlets, or periodicals. (Act 2022-80)
8. The selection of paying agents and trustees for any security issued by a public body
9. Existing contracts up for renewal for sanitation or solid waste collection, recycling, or disposal and those providing the service
10. Purchases of computer and word processing hardware when the hardware is the only type that is compatible with hardware already owned by the entity taking bids and custom software.
11. Contractual services and purchases of commodities for which there is only one vendor or supplier and contractual services and purchases of personal property, which by their very nature are impossible to award by competitive bidding
12. Contractual services and purchases of products related to, or having an impact upon, security plans, procedures, assessments, measures, or systems, or the security or safety of persons, structures, facilities, or infrastructures

³ Section 16-13B-2 Code of Alabama 1975

2022 Legislative Action Taken

i. Act 2022-80

a. “Purchases of manuscripts, books, instructional materials, maps, pamphlets, or periodicals, or the electronic version thereof. The exemption for the purchase of instructional materials shall only include those purchases from a current vetted and approved list published by the State Department of Education.” (§ 16-13B-2(a)(7), Code of Alabama 1975.)

ii. Act 2022-264

b. This bill adds a new provision to the bid law (§ 16-13B-2.1, Code of Alabama 1975): It authorizes the local board of education (BOE) and other public educational entities to purchase goods or services related to the Child Nutrition Program without advertising or bidding during an emergency or unanticipated event affecting public health or safety or causing supply chain disruptions, upon the recommendation of the State Superintendent of Education and approval of the Department of Public Accounts.

13. Purchases, leases, or lease/purchase of goods or services made as a part of any purchasing cooperative sponsored by the National Association of Counties, its successor organization, or any other national or regional governmental cooperative purchasing program. Such purchases, leases, or lease/purchase may only be made if all the following occur:

c. The goods or services being purchased, including those purchased through a lease/purchase agreement or lease, are available after a competitive bid process approved by the Department of Examiners of Public Accounts for each bid.

d. The goods or services are either not at the time available to local boards of education on the state purchasing program or are available at a price equal to or less than that on the state purchasing program.

e. The purchase, lease, or lease/purchase is made through a participating Alabama vendor holding an Alabama business license if such a vendor exists.

14. Purchases of unprocessed agricultural products as defined in subsection (b) of Section 16-1-46 and the cost of the food purchased is equal to or less than the federal simplified acquisition threshold set in 2 C.F.R. §200.88.

15. Purchase of goods or services other than voice or data wireless communication services from vendors that have been awarded a current and valid general services administration contract. Prices paid for the goods or services may not exceed the lowest competitively bid price for these goods or services, other than voice or data wireless communication services, and may not exceed the price on an existing state purchasing program.

⁴Section 16-13B-2 Code of Alabama 1975

EXPENDITURES

Vendors/1099 Vendors:

All vendors should have a W9 on file with the system prior to purchase and payment. Payments made to non-employee individuals, independent contractors, non-corporation business structures, lawyers, and medical groups may receive a 1099 at calendar year-end. These vendors must be marked as a 1099 vendor in the district's accounting software program and have a taxpayer identification number (TIN). The TIN should be marked as a social security number (SSN) or taxpayer identification number (TIN). Payments made to any employee for services must be processed through payroll.

Invoices

An invoice must be obtained for each purchase order before payment is made. An original or emailed invoice must be secured to serve as a basis for issuing any check. Statements are not acceptable documentation. The invoice must include the name and address of the vendor, full description of items purchased, an itemized listing of prices, and the total. If the vendor does not have an invoice, the district/school may furnish an invoice to the vendor to be completed. Payment of an invoice will not be made before all merchandise or services have been received.

Each invoice must be stamped with the date paid and marked with the number of the check/statement written to pay the invoice. The invoice must be stapled to the top of the purchase order and filed in numerical order by check/statement number.

Check Procedures

All obligations of the system are to be paid by a computer-generated check. Off-line checks are prohibited unless under extenuating circumstances. Only authorized system expenses are to be paid in this manner. Checks should be properly safeguarded when not in use (stored and locked in a secure place). All checks written, including voided/spoiled checks, should be kept on file in numerical order. A check should never be destroyed when an error is made; the check should be marked "VOID", and the signature portion of the check should be cut out. All checks require one signature, that of the principal or Chief Financial Officer for schools, and that of the Chief Financial Officer or Assistant Superintendent for central office. No signature stamp may be used in place of signatures on the check. (Checks are signed electronically in the accounting software system at central office only.) Payments are made by check or electronic payment (central office only). The proper handling of the district bank accounts is the primary responsibility of the Chief Financial Officer.

The following procedures are recommended:

1. Do not write checks to "Cash".
2. Do not pay for items in advance of receipt of materials, supplies, or equipment.
3. Invoices and supporting documents should be attached to the check copy for filing.
4. Vendors should be paid on a timely basis. Late charges, penalties, and interest should be avoided by making payments by the due date.
5. Checks should be used in numerical order.
6. Checks must be secured at all times.
7. Voided checks must be retained for audit purposes.
8. Sales tax should not be paid on purchases from in-state vendors unless the items do not qualify for the sales tax exemption (school pictures, class rings, etc.).
9. School employees may not use the school's sales tax exemption for personal purchases.
10. Checks outstanding more than 60 days should be investigated.

PAYROLL

Payroll checks are issued on the last working day of each month. All full-time employees are paid over a 12-month period. Employees who start in August and are new to public school systems may choose 12 or 13 payments for the first year. Employees hired mid-year will be paid on a pro-rata basis according to the number of days to be worked and the number of months remaining in the contract year. Payroll checks are direct deposited. Pay stubs are available through Employee Self Service (ESS) and a quick link can be found on the home page of the Clarke County School System Website.

Questions regarding payroll checks should be directed to the Local School bookkeeper. The Bookkeeper should then contact the Payroll Department. The Payroll Department/CSFO should be contacted immediately if an employee resigns.

Payroll Procedures

The Clarke County School System utilizes paper time sheets as the time management system. The Payroll Service Report and a deadline will be sent to the local school each month.

Payroll Time Sheets

- Time Sheets are the responsibility of the employee to be maintained daily. Time Sheets should be thoroughly examined for accuracy.
- Each day listed on the time sheet should include the time in/time out or the appropriate leave taken. If leave is taken, the substitute's name, employee identification number, and time in/time out should be indicated.
- An employee must take some form of leave when not performing his/her job functions.
- An approved "Professional Leave Request" or other documentation is required for each professional leave taken. After time sheets are checked for accuracy, they should be submitted to the appropriate supervisor or administrator for approval.

Payroll Reconciliation Procedures

School bookkeepers are responsible for reconciling payroll service reports to paper timesheets to ensure accuracy, proper coding, and compliance with federal and state requirements.

1. Receipt and Organization of Documents

- Obtain the payroll service report for the applicable pay period.
- Collect all corresponding employee timesheets, leave forms, and any supplemental pay documentation (stipends, extra duty, etc.).
- Organize records by employee name and/or department for efficient review.

2. Verification of Employee Information

- Confirm that each employee listed on the payroll report has a corresponding timesheet.
- Verify employee names, position titles, and pay rates match approved personnel records.
- Identify any employees paid who do not have supporting documentation.

3. Review of Time Worked (Calculations)

- Compare hours reported on each timesheet to hours paid on the payroll report.
- Recalculate total hours worked for each employee, including:
 - Regular hours
 - Overtime (if applicable)
 - Leave time (sick, personal, vacation)
- Ensure mathematical accuracy of timesheets (totals and subtotals).
- Verify that leave balances and usage align with District records.

4. Verification of Pay Calculations

- Confirm that pay amounts on the payroll report are accurate based on:
 - Approved pay rates
 - Verified hours worked
 - Stipends or supplements authorized
- Investigate and document any discrepancies between calculated pay and reported pay.

5. Coding Review (Funding Sources)

- Verify that each employee's salary and benefits are charged to the correct funding source(s), including:
 - State, local, and federal programs
- Ensure payroll coding aligns with approved budgets and, where applicable, time and effort documentation requirements.
- Confirm that split-funded employees are coded proportionally and supported by appropriate documentation.

6. Signature and Approval Verification

- Ensure each timesheet includes:
 - Employee signature certifying accuracy of time worked
 - Supervisor/administrator signature approving the time
- Verify dates of signatures are appropriate for the pay period.
- Return incomplete or unsigned timesheets for correction prior to final reconciliation.

7. Documentation of Discrepancies

- Note any discrepancies identified during reconciliation, including:
 - Missing timesheets
 - Incorrect hours or pay
 - Coding errors
- Communicate discrepancies to the appropriate supervisor or payroll office for correction.
- Maintain written documentation of all corrections and adjustments made.

8. Final Reconciliation and Sign-Off

- After corrections are made, confirm that payroll report totals agree with:
 - Verified timesheets
 - Approved pay rates and funding codes
- Sign and date the reconciliation to document completion.
- Obtain review and approval from the principal and submit all reports to the Director of Personnel Services at the Central Office

Central Office Payroll Processing Procedures

After school bookkeepers submit payroll service reports and supporting documentation, the Central Office is responsible for reviewing, processing, and issuing employee compensation in a timely and controlled manner.

1. Receipt and Logging of Payroll Reports

- The Central Office (Payroll Department/CSFO office) receives payroll service reports and supporting documentation from each school.
- Incomplete submissions are flagged and returned to the school for correction.

2. Review for Completeness and Accuracy

- Payroll staff reviews each submission to ensure:
 - All required reports are included
 - Reconciliations have been completed and signed by the school bookkeeper
 - Required employee and supervisor signatures are present
- Any discrepancies or missing documentation are communicated to the school for resolution prior to processing.

3. Data Entry and Verification

- Approved payroll data is entered or imported into the District's payroll system.
- Payroll staff verifies:
 - Employee pay rates and contract information
 - Hours worked, leave taken, and supplemental pay
 - Proper coding of expenditures to funding sources (state, local, federal)
- Automated and manual checks are performed to identify unusual variances (e.g., excessive hours, duplicate payments).

4. Pre-Payroll Review and Approval

- A preliminary payroll register is generated and reviewed by designated personnel (e.g., Payroll Supervisor, Chief School Financial Officer).
- The review includes:
 - Total payroll amounts by fund and cost center
 - Changes from prior pay periods
 - Exception reports or flagged items
- Final approval is documented prior to payroll processing.

5. ACH (Direct Deposit) Processing Procedures

- Employees enrolled in direct deposit are paid via Automated Clearing House (ACH) transactions.
- The District maintains secure banking information for each participating employee.
- Prior to transmission:
 - A direct deposit register is reviewed for accuracy
 - Changes to banking information are verified and require proper authorization
- ACH files are generated by the payroll system and securely transmitted to the District's financial institution.
- Access to ACH processing is restricted to authorized personnel and protected through secure login credentials and, where available, multi-factor authentication.
- A prenote (pre-notification) process is utilized for new or updated accounts when required by the financial institution.

6. Paper Paycheck Issuance Procedures

- Employees not enrolled in direct deposit are issued paper paychecks.
- Paychecks are:
 - Printed in a secure environment with restricted access
 - Reviewed for accuracy prior to distribution
- Check stock is safeguarded and access is limited to authorized personnel.

7. Payroll Posting and Financial Reconciliation

- After payroll is processed:
 - Payroll expenditures are posted to the general ledger
 - Employer-paid benefits and withholdings are recorded
- Payroll totals are reconciled to:
 - Bank funding transfers (including ACH totals and check totals)
 - General ledger accounts
- Any discrepancies are investigated and corrected promptly.

8. Reporting and Compliance

- Required payroll reports are generated for internal and external use, including:
 - Federal and state reporting
 - Retirement system reporting
 - Tax filings
- Payroll records supporting federally funded salaries are maintained in compliance with 2 CFR 200 and applicable requirements.

9. Record Retention and Documentation

- All payroll records, including:
 - Payroll service reports
 - Timesheets
 - Payroll registers
 - ACH confirmations and check logsare maintained in accordance with federal and state retention requirements.
- Records are organized and accessible for audit and monitoring purposes.

10. Segregation of Duties

- Duties are segregated to the extent possible to ensure internal control:
 - Schools prepare and reconcile payroll documentation
 - Central Office processes and approves payroll
 - Separate personnel handle ACH transmission, check distribution, and reconciliation
- No single individual has control over all aspects of the payroll process.

Salary Deductions

- a. All employees of the Clarke County Schools have the benefits of social security under the Federal Insurance Contributions Act. Salary deductions shall be made according to federal law. It is the responsibility of each employee to become familiar with the provision of this law.
- b. As a service to staff personnel, the Board of Education allows payroll deductions for insurance and savings which have been adopted as group plans. A minimum participation of twenty percent (20%) of personnel is required before any additional group deduction can be added. Contributions shall be made constant during the school year, except by the authorization of the Superintendent.

4. Overtime/Compensatory Work

- a. See CCBOE Policy Manual

5. Supplements

- a. See CCBOE Policy Manual

6. Sick Leave Transfers/Sick Leave Bank

- a. See CCBOE Policy Manual

Additional Procedures

- a. Salaries paid by the local schools must include gross pay and matching benefits. If the person is a regular employee of the board, the stated percentage should be remitted in addition to the gross to cover FICA, retirement and unemployment. If the person is not an employee, the stated percentage in addition to the gross to cover matching FICA and unemployment should be remitted. Central Office will issue an invoice to the school for payment.
- b. Extra Pay must be approved by Central Office prior to the employee performing the work. The request should state the reason for payment, the employee's name, the amount of pay for the employee, a breakdown of the matching benefits, and the total amount due from the local school. Central Office will issue an invoice to the school for payment.

Federal Programs Compensation Guidelines

Introduction

This compensation procedures manual sets forth the policies and procedures used by Clarke County Board of Education (the District) to administer federal funds pursuant to the Uniform Guidance 2 CFR Part 200, which took effect for non-federal entities on December 26, 2014. It also includes requirements and references from the federal regulations in EDGAR (Education Department General Administrative Regulations) as well as state laws applicable to Alabama school districts.

New employees of the District, as well as incumbent employees, are expected to review these procedures to gain familiarity and understanding of the District's rules and procedures.

Time And Effort Standards

All employees who are paid in full or in part with Federal funds must keep specific documents to demonstrate the total time for which they are compensated. This includes an employee whose salary is paid with State or local funds but is used to meet a required "match" in a Federal program. These documents, known as time and effort records or certifications, are maintained in order to accurately charge the costs of personnel compensation to Federal grants. 2 CFR 200.430(g).

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. *Be supported by a system of internal controls.* Records should be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Signatures and affirmations are good examples of internal controls.
2. *Be incorporated into official records.* The District must implement and follow a formal, District-wide process for time and effort reporting. All practices must be official, consistent across the District, and accessible to all employees. Written policies and procedures are critical for effective time reporting. Clear instructions should be developed for the following:
 - Completing time and effort reports
 - Approving time and effort reports (required approval cycle)
 - Processing personnel charges to Federal awards
 - Conducting internal reviews to ensure accuracy
3. *Reasonably reflect the total activity for which the employee is compensated.* Time and effort documentation of employee work must include 100% of the activities for which they are compensated.
4. *Encompass all activities in time and effort documentation.* Time and effort records must encompass both federally assisted and all other activities compensated by the District on an integrated basis. The documentation must reflect the actual time spent by the employee on activities of the Federal program(s) being charged and any other activities. One hundred percent (100%) of effort must be recorded regardless of Federal vs. Non-Federal time. This applies whether documentation is for a part-time or full-time employee. All documentation must be completed after-the-fact.

5. *Comply with established accounting policies and practices.* Time and effort records must align with the same standards used for all other compensation-related documentation to ensure consistency, accuracy, and audit readiness. The District should ensure salary expenses are tracked and that reconciliation processes follow internal accounting practices.
6. *Support the distribution of the employee's salary or wages among specific activities or cost objectives.* Records should show that Federal funds are used to pay for work on specific cost objectives required by the program and should reflect how activities are charged to Federal grants. Some examples of cost objectives for Title I programs might include administrative costs, the equitable services program, and parental and family engagement.

Ensure that budget estimates alone are not used to support charges to Federal awards. Budget estimates may be used if the District establishes the estimates based on reasonable approximations, promptly identifies and enters in the records any changes in an employee's work activities and periodically performs after-the-fact reviews of charges based on budget estimates.

Identifying Cost Objectives

Time and effort documentation is not based on how an employee is paid (funding source), but it is based on the work performed (cost objectives). A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired. 2 CFR 200.1

Some employees work on a single cost objective. Examples include:

- A teacher who spends 100% of his/her time providing only schoolwide program services under Title I, Part A.
- A counselor who spends 100% of their time working on Title IV, Part A is funded 50% from Title IV, Part A and 50% from General Funds. Since the District could support the teacher's entire salary with either funding source, the counselor is said to be working on a single cost objective.

It is possible to work on a single cost objective even if an employee is paid from more than one Federal award or from a Federal award and a non-Federal award. The key to determining whether it is a single cost objective is whether the employee's salary and wages can be supported in full from each of the Federal awards on which the employee is working.

Examples of employees working on multiple cost objectives include:

- A teacher who provides instruction to students 50% of the time (funded by General Funds) and spends the remaining 50% providing professional learning to teachers (funded by Title II, Part A).
- A Title I-A coordinator who spends 20% of his/her work on administrative tasks and 80% providing supplemental instructional services directly to eligible students.

Time and Effort Procedures

Employee Identification and Coding

The Federal Programs Director and Chief Financial Officer will:

1. Identify all employees paid with Federal funds prior to the start of each fiscal year
2. Assign proper funding codes in the payroll system
3. Maintain a master list of federally funded employees by program (Title I, IDEA, etc.)

Required Documentation

A. Semi-Annual Certifications (Single Cost Objective)

- Must be completed at least twice per year
- Must cover the entire certification period
- Must state that the employee worked solely on the identified program
- Must be signed and dated by the employee and a supervisor with first-hand knowledge of the work performed

B. Personnel Activity Reports (PARs) or Equivalent (Multiple Cost Objectives)

- Must be completed monthly (at a minimum)
- Must reflect after-the-fact actual work performed (not budget estimates)
- Must Account for 100% of the employee's compensated time
- Must be signed and dated by the employee
- Must coincide with one or more pay periods

Internal Controls and Review

The School System shall implement the following controls:

- A. Supervisor Review-Supervisors must review and approve all time and effort documentation for completeness and accuracy. The approved forms at the end of this section of the manual will be used for documentation and only original signatures will be allowed. Electronic signatures will not be accepted.
- B. Finance Office Oversight-The Federal Programs/Finance Department will:
 - Monitor compliance
 - Conduct quarterly audits of records
 - Ensure proper allocation of salaries to funding sources
 - Reconciliation Procedures
 - Payroll charges will be periodically compared to time and effort records
 - Any variances must be corrected promptly through journal entries
- C. Adjustments and Corrections-If actual work activity differs from budgeted allocations:
 - Adjustments must be made in a timely manner (within the same or next reporting period when possible)
 - Corrections must be supported by written documentation
 - Retroactive changes must include justification and approval
- D. Record Retention-All time and effort documentation must be retained for at least 5 years after the final expenditure report is submitted or longer if required due to audit, litigation, or state policy. Signed and verified documentation is housed in the Federal Programs Department at Central Office.
- E. Prohibited Practices-the following are not allowed:
 - Budget estimates used as final documentation
 - Pre-filled or pre-signed reports
 - Incomplete or unsigned certifications
 - Failure to account for 100% of employee time

- F. Training and Compliance-all applicable employees and supervisors will receive annual training
- Documentation templates and guidance will be provided by the Federal Programs Office
 - Noncompliance may result in:
 - Disallowance of costs
 - Repayment of funds
 - Disciplinary action

G. Responsibility

- Employees: Complete accurate time and effort records
- Supervisors: Verify and approve documentation
- Federal Programs Director/Finance Office: Monitor compliance and maintain records
- Superintendent/Designee: Ensure system-wide adherence

Documentation for 100% of Time Spent on a Single Cost Objective

Documentation is required of employees who spend 100% of their time working on a single cost objective. For employees who work solely on a single cost objective, charges for their wages or salary must be supported by periodic certifications that the employee worked only on that cost objective for the period covered by the certification. These can be completed at any reasonable time interval, as long as this is identified in the District's written policies and procedures. Documentation must be signed after-the-fact by the employee and supervisor with firsthand knowledge of the work performed by the employee.

The following must be included:

- a. School/District name
- b. Employee name
- c. A certification that 100% of the employees' time was spent on a noted cost objective
- d. Funding source
- e. Period covered, e.g., September 1, 2025 – December 22, 2025
- f. Signatures of the employee and supervisor after-the-fact

Documentation for Time Spent on Multiple Cost Objectives

This documentation summarizes an employee's total effort for the reporting period if an amount has been charged to a Federal award. It serves to record that work has been completed by an employee. It must account for 100% of the activities that the employee performed during a reporting period. They can be prepared at any reasonable time interval, as long as this is identified in the District's policies and procedures. Districts may adapt timesheets to meet time and effort documentation requirements, but they must contain all the requirements listed below. Generally, an employee is considered to work on multiple cost objectives if he or she works on:

- More than one Federal award;
- A Federal award and a Non-Federal award;
- An indirect cost activity and a direct cost activity;
- Two or more indirect cost activities which are allocated using different cost bases; or
- An unallowable activity and a direct or indirect cost activity

The following information must be included on the documentation:

- a. School/District name
- b. Employee name
- c. Employee position/title
- d. Percentage of time spent on each cost objective (total time must be 100%)
- e. Funding source(s)

- f. Period covered, e.g., September 1, 2025 – December 22, 2025
- g. Signatures of the employee and supervisor after-the-fact

All cost objectives must be included. Non-Federal cost objectives may be included as a single “Non-Federal activities” cost objective.

Blanket Certifications

A blanket certification is allowable by federal law, but is not recommended for use in Clarke County Schools. A blanket certification covers time and effort documentation for multiple employees. It can be utilized to identify multiple employees working on the same single cost objective. The blanket certification must be signed by the supervisor who has first-hand knowledge of the work performed by the employees. It must be completed twice a year. The blanket certification must include the following:

- a. School/District name
- b. Employee names
- c. Employee position/titles
- d. A certification that 100% of the employees’ time was spent on a noted cost objective
- e. Funding source(s)
- f. Period covered, e.g., PD Sessions September 13-15, 2025
- g. Signatures of the employee and supervisor *after-the-fact*

Stipend/Extra Duty Pay

If a stipend, supplement, or extra duty pay is paid to employees out of a Federal award in addition to an employee’s regular work, time and effort documentation is required. Stipend and extra duty work must be documented separately from an employee's regular work and preapproved. So, an employee’s regular work documentation would include 100% of his/her time and separate documentation for the stipend would include 100% of the time for the stipend. Documentation should be completed for a stipend, supplement, and extra duty work, even if for a single cost objective. If the stipend, supplement, or extra duty work is for multiple cost objectives, documentation must be completed that includes all cost objectives.

Stipends, supplements, and extra pay must include the following information:

- a. School/District name
- b. Employee names
- c. Employee position/titles
- d. A certification that 100% of the employees’ time was spent on a noted cost objective
- e. Funding source(s)
- f. Period covered, e.g., PD Sessions September 13-15, 2025
- g. Signatures of the employee and supervisor after-the-fact

Substitute Teachers

Substitute teachers, if paid as employees, must complete time and effort documentation. Essentially, if it counts on a W-2, he/she must complete time and effort documentation. The following information must be included:

- a. School/District name
- b. Employee names
- c. Employee position/titles
- d. A certification that 100% of the employees’ time was spent on a noted cost objective
- e. Funding source(s)
- f. Period covered, e.g., Professional Development Coverage September 1, 2025
- g. Signatures of the employee and supervisor *after-the-fact*

Reconciliation

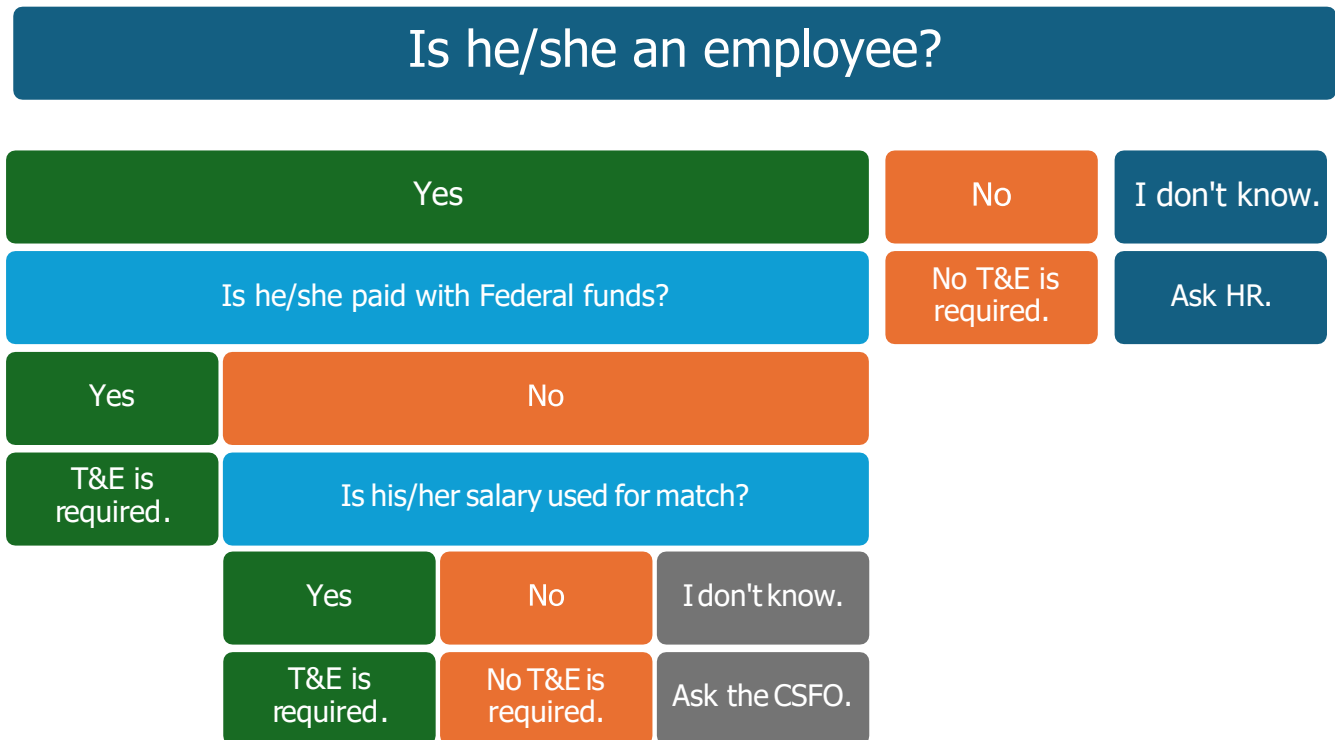
It is critical for payroll charges to match the actual distribution of time recorded on time and effort records. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

The Finance Department is responsible for:

- a. Reconciling Time & Effort reports to payroll expenditures
- b. Identifying variances between budgeted vs. actual time
- c. Process adjustments and journal entries as needed. If adjustments are needed, they must adhere to the following:
 - i. Corrections must be made in a timely manner
 - ii. Documentation must be written and approved by Federal Programs Director or Finance Officer
 - iii. Updates to payroll coding in accounting software
 - iv. Updated documentation method (semi-annual vs. PAR)

Flowchart

The following chart may be used to determine who must complete Time & Effort documentation.





Time & Effort – Certification of 100% Time Worked as a _____
(Job Title)

School Name: _____

I, _____, certify that for the period
(Employee Name)

beginning _____ and ending _____, I worked

100% time as a _____ in a _____ Program at

_____.

I hereby certify that the above is an accurate representation of the work performed during the period indicated.

Employee's Signature

Date

Supervisor's Signature

Date



Time & Effort – Certification of 100% Time Worked On A Single Federal Award (Or Cost Objective) Or State Funds if Required For Match

School Name: _____

I, _____, hereby certify that for the period
Principal/Supervisor
beginning _____ and ending _____, the
following employees at _____ worked solely on an allowable
activity, _____, under our schoolwide program.
School/Location

- (Employee Name)
- (Employee Name)
- (Employee Name)
- (Employee Name)
- (Employee Name)
- (Employee Name)
- (Employee Name)

Principal/Supervisor's Signature

Date

Property Management

Introduction

This property management manual sets forth the policies and procedures used by Clarke County Schools to administer federal funds pursuant to the Uniform Guidance 2 CFR Part 200. It also includes requirements and references from the federal regulations in EDGAR (Education Department General Administrative Regulations) as well as state laws applicable to Alabama school districts.

New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and procedures.

It is the responsibility of the District to ensure that federally funded property is maintained and repaired by qualified personnel and to keep suitable documentation of such actions when they occur. Therefore, the District shall not charge students/families for services or items provided with Federal funds.

Property Classifications

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$750 or more. 2 C.F.R. § 200.1 (*Equipment*).

Alabama laws further require that equipment:

1. Be visible/tangible – not installed in another piece of equipment;
2. Be non-consumable; and
3. Include weapons, regardless of cost.

Sensitive items mean computers, laptops, servers, notebooks, netbooks, iPads, external hard drives (anything with memory except flash drives), regardless of cost, are considered sensitive items, which must be inventoried. Other items deemed sensitive or important enough at a future date by the Property Inventory Control Division may be considered sensitive items.

Supplies mean all tangible personal property other than Equipment. 2 C.F.R. § 200.1 (*Supplies*).

Computing devices mean machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. § 200.1 (*Computing devices*).

Capital assets mean tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles (GAAP). Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or a lease accounted for as a financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Prior Approval Procedures

To ensure compliance with applicable regulations, including 2 CFR Part 200 (Uniform Guidance) prior written approval of equipment using federal and other restricted funds must be obtained before, purchase order issuance, obligation of funds or execution of any contract. Failure to obtain prior approval may result in the cost being deemed unallowable.

The requesting department or school must submit a written request that includes:

1. Description of equipment
2. Cost estimate or vendor quote
3. Funding source
4. Justification of need:
 - Educational or programmatic need
 - Alignment with grant or funding purpose
 - Explanation of how the equipment supports student achievement or operational efficiency
 - Statement confirming the purchase is necessary, reasonable, and allocable)
5. Location where equipment will be housed
6. Certification that the item is not currently available within the district

Certain items may require grantor approval (e.g., ALSDE or U.S. Department of Education), including:

- Equipment not explicitly included in the approved grant budget
- Special purpose equipment
- Technology infrastructure purchases (in some cases)
- Documentation must include:
 - Copy of submitted request (e.g., eGAP amendment, written approval email)
 - Approval confirmation from the granting agency

The following conditions require additional written justification:

- Equipment not listed in the approved grant application
- Technology purchases exceeding \$5,000
- Sole-source procurement requests
- Equipment with ongoing maintenance or subscription costs
- Purchases near the end of a grant period
- Equipment that could be shared across departments

Authorized Use of Equipment (Including Technology)

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the District will not encumber the property without prior approval of the Federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority: (1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then (2) activities under Federal awards from other Federal awarding agencies.

Procedures for the efficient reassignment of equipment when it is no longer needed by the original program or school, ensuring continued use, proper accountability, and compliance with federal and local requirements are as follows:

Guiding Principles to follow prior to the transfer of equipment

- Equipment should be utilized to the maximum extent possible.
- Transfers must maintain compliance with original funding source requirements.
- Accurate inventory records must be maintained at all times.

Identification of Surplus Equipment

When a school or department determines that equipment is no longer needed, the Principal or Department Head must complete documentation of the surplus equipment and submit it to Central Office. The documentation of equipment must include the following:

- Asset tag number
- Description of item
- Original funding source
- Current condition (excellent, good, fair, poor)
- Reason for transfer

The item must remain in secure storage until reassignment is completed.

Notification Process (Making Equipment Available)

To ensure all schools have equal opportunity to utilize available equipment, the Central Office (Finance or Technology Department) will post available equipment on a district-wide shared inventory list (e.g., Google Sheet, or internal system) and will also send out a district-wide email to Principals and Administrators that will include the following information regarding the equipment: item description, quantity, condition, location and deadline to request.

Interested schools/programs must submit a request that includes the intended use of the equipment, funding/program alignment (if federally funded) and confirmation of need. Requests will be reviewed by Federal Programs Director (if federally funded equipment), Technology Director (for tech equipment) and the CSFO or designee.

Reassignment/Transfers

Equipment will be reassigned based on, original funding requirements (must stay within program, if required), demonstrated need, condition, and suitability of equipment or first-come, first-served (if all else equal).

All transfers must be documented with completed equipment transfer form signed by sending school/department, receiving school/department and central office approval. Inventory records must be updated immediately upon transfer to reflect, new location, new responsible party, and the date of transfer.

If no requests are received, equipment may be reassigned by Central Office based on need or designated for surplus/disposal following district disposal procedures. Unauthorized transfer of equipment between schools, or removal of equipment without proper documentation is not allowed.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the Federal awarding agency that financed the equipment. Second preference is given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-Federally funded programs or projects is also permissible, provided such use will not interfere with the purpose for which it was originally acquired.

Inventory Records with Inventory Spreadsheet Management

Equipment and sensitive items purchased with Federal funds will be accounted for by the grant administrator until disposition takes place. Items will be tagged with an identification number upon receipt and will be added to the inventory list by the grant administrator. Records maintained will include the following:

- Serial number or other identification number
- Description of item(s)
- Source of funding for the property (including the FAIN)
- Who holds title
- Acquisition date and cost of the property
- Percentage of Federal contribution towards the original purchase
- Location, use and condition of the property
- Any ultimate disposition data including the date of disposal and sale price of the property

The grant administrator will perform a physical inventory check and reconcile inventory records at a minimum of once a year. Records will be kept on file at the Central Office. When inventory with federal funds is disposed of, the date of disposal will be noted on the inventory list, and the item will remain on the list for five years from the date of disposal. The District is responsible for maintaining and *updating* property records when there is a change in the status of the property.

Inventory Management Procedures

A physical inventory of the property must be taken, and the results reconciled with the property records annually¹. The inventory records should be signed and dated by an authorized agent with firsthand knowledge of the facts presented to verify that the physical inventory was conducted and completed.

Receiving Inventory

All equipment and inventory items are received at one of the following designated locations: Central Office (preferred for high-value items and bulk orders) or school site (only when direct shipment is required or pre-approved). Technology equipment should be delivered to the Technology Department when feasible for setup and inspection.

¹ Located in [2021's Property Inventory Manual](https://www.auditor.alabama.gov/PDFs/PropertyManualrevFeb2022.pdf) from the Office of the Alabama State Auditor-Andrew Sorrell (<https://www.auditor.alabama.gov/PDFs/PropertyManualrevFeb2022.pdf>)

- Inspection of Received Property: Upon delivery, the shipment is inspected by the designated receiving authority, typically: School Bookkeeper/Secretary (at school sites), Central Office Bookkeeper, or Technology Director/Staff (for IT equipment). The receiving authority must:
 - Verify contents against:
 - Purchase Order (PO)
 - Packing slip
 - Vendor invoice (if available)
 - Check for:
 - Damage
 - Correct quantities
 - Correct model/specifications

Any discrepancies must be reported immediately to CSFO/Finance Department or Purchasing Department. A Receiving Report is required for all equipment purchases. The Receiving Report must include:

- Purchase Order number
- Vendor name
- Date received
- Item description
- Quantity received
- Condition of items (acceptable/damaged)
- Asset tag numbers (if assigned at receipt)
- Signature of receiving official

Entry into Property Management System

The Finance Department is responsible for Logging equipment into the district's inventory/property management system. Data entered includes:

- Asset description
- Serial number
- Funding source
- Cost
- Location
- Responsible party

Record Retention

The Receiving Report is maintained in the Finance Department (central file or digital system) and attached to the purchase order, invoice & payment documentation. This information must be maintained for a retention period of 5 years.

Tagging of Equipment

The following items must be tagged:

- All Capitalized equipment with a value of \$5,000
- Technology devices over \$750
- Sensitive items (e.g., laptops, tablets, projectors)

Tagging is performed by the Property Control Clerk, or Technology Department (for IT equipment). The tagging process includes a unique asset tag number that is assigned. The tag is physically affixed in a visible location, and a tag number is recorded in the inventory system. For items that cannot be physically tagged (e.g., very small items, software, or delicate equipment), records must be maintained using: serial numbers, location tracking, custodian assignment. Labeling alternatives (e.g., etching, barcode sleeves, or digital tagging) may be used.

Physical Inventory Procedures

Physical inventory is conducted by the Finance Office / Property Control Clerk, and/or independent team (recommended for internal control). Schools assist but should not be solely responsible for verification. Physical inventory should be conducted annually. Inventory lists are generated from the property system.

- Teams physically locate and verify:
 - Asset tag
 - Serial number
 - Condition
 - Location
- Each item is marked as:
 - Found
 - Missing
 - Damaged
 - Transferred

Reconciliation Process

After physical inventory, the results are compared to the inventory system/spreadsheet and discrepancies are identified and documented. Formal reconciliation occurs after each physical inventory cycle. Ongoing reconciliation occurs when updates are made throughout the year as transfers, disposals, or purchases occur.

- For missing or inconsistent items:
 - Review transfer records and documentation
 - Contact responsible school/department
 - Conduct follow-up search
- If still unresolved:
 - Item is reported as missing
 - Documentation is prepared for:
 - Administrative review
 - Possible Board notification (if required)

Repeated issues may trigger an internal audit review or disciplinary action.

Internal Controls

Key internal controls include the following:

- Separation of duties: Receiving ≠ record entry ≠ inventory verification
- Pre-numbered asset tags
- Approval required for transfers/disposals
- Restricted system access
- Periodic audits and spot checks

Documentation Retention should include the following:

- Receiving Reports
- Inventory records
- Transfer documentation
- Disposal records
- Physical inventory results
- Retention period: Minimum 5 years after final disposition

Modular or Component Units

For equipment made of multiple components (e.g., computer lab systems, HVAC systems): Components may be tagged individually or grouped under a single parent asset. Records must clearly indicate all components included as well as location and use.

Inventory management procedures should follow guidance from the Alabama State Department of Education and adhere to the Alabama School Accounting Manual for: inventory thresholds and documentation standards. Procedures must also maintain compliance with state audit requirements and Federal regulations under 2 CFR §200.313 (Equipment)

Property Safeguarding

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Any loss, damage, or theft of equipment must be investigated. If theft, law enforcement must be notified, and a police report must be submitted to the Federal Programs Director. The District must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.

Physical Security Measures

The district maintains the following safeguards:

- Equipment is stored in secure, locked facilities when not in use
- Classrooms, labs, and offices containing equipment are locked after hours
- Limited access to storage areas (authorized personnel only)
- Surveillance systems and/or alarm systems where available
- Technology devices configured with:
 - Password protection
 - User authentication
 - Device tracking software (when available)

All applicable equipment is clearly marked as property of the district using Asset tags, engraving or permanent labeling (for sensitive items). Labels include the district name and asset identification number.

Off-Site Use of Equipment

District property may not be removed from school premises without prior authorization.

Off-site use is permitted only when it supports district business or instructional purposes.

- It is approved by:
 - Principal or Department Head
 - Technology Director (for devices)
- Off-Site Agreement Requirements:
 - Employees must complete an Equipment Check-Out Form including:
 - Employee name and signature
 - Description of equipment
 - Asset tag number
 - Date checked out and expected return date
 - Statement accepting responsibility for care and return

Sign-In / Sign-Out Procedures for Computing Devices

All portable computing devices (e.g., laptops, tablets) must be tracked using:

- A sign-in/sign-out log (paper or digital) that includes:
 - Device asset tag number
 - Serial number (if applicable)
 - Username
 - Date issued
 - Date returned
 - Condition upon return
- Inventory management system with check-out functionality

Lost or Stolen Property

Any employee who discovers or suspects that equipment is lost or stolen must immediately report to: Principal or Department Head, Technology Director (for devices) or Finance Office / Property Control Clerk. The Principal or Department Head will conduct preliminary fact-finding, interview staff and/or students as appropriate, review sign-out logs and inventory records. A **Lost/Stolen Property Report** must be completed and include the following information:

- Description of item
- Asset tag number
- Last known location
- Circumstances of loss

A police report must be filed with local law enforcement when:

- Theft is suspected
- Value exceeds \$750
- Required by insurance or audit guidelines

The incident must be reported to Chief School Financial Officer (CSFO) and Superintendent or designee. If the equipment was purchased with federal funds, the Federal Programs Director is responsible for determining if reporting is required. If required, the Federal Programs Director will report the loss to the Alabama State Department of Education.

Missing items are marked as “Lost” or “Stolen – Pending Investigation” in the inventory system.

Items remain in the inventory system until investigation is complete or until formally approved for removal (write-off). Items should remain in the inventory system for at least one (1) full inventory cycle or until disposition is approved.

After investigation, items may be:

- a. Recovered and reinstated
- b. Officially removed from inventory with documentation.
- c. Reported for insurance or audit purposes

Removal requires approval from CSFO and supporting documentation (incident report, police report if applicable).

Maintenance

In accordance with 2 C.F.R. § 200.313(d)(4), the District maintains regular, adequate maintenance procedures to ensure that property is kept in good and proper working condition.

General Responsibility for Care

All employees are responsible for the proper care and use of equipment assigned to them or under their supervision.

- The Principal or Department Head is responsible for ensuring equipment at their site is:
 - Maintained in good condition
 - Used only for authorized purposes
- The Technology Department is responsible for maintaining computing devices and related systems.
- The Maintenance Department is responsible for non-technology equipment requiring mechanical or facility-related repair.

Authorized Use Only

Equipment and computing devices shall be used solely for educational purposes & official district business.

The following are strictly prohibited:

- Personal or commercial use unrelated to district operations
- Unauthorized removal from campus without approval
- Installing unauthorized software or hardware on district devices
- Altering, disabling, or bypassing security settings
- Use that could result in damage, excessive wear, or security risk

Users must:

- Handle equipment with reasonable care
- Keep devices clean and free from food/liquid exposure
- Store equipment in secure locations when not in use
- Follow manufacturer and district usage guidelines

Routine Maintenance

The district will implement preventive maintenance schedules for:

- Technology equipment (updates, antivirus, system checks)
 - Perform system updates
 - Monitor device performance
 - Replace aging or failing devices as needed
- Mechanical or operational equipment (as applicable)
- Principals/Department Heads must:
 - Periodically review equipment condition
 - Ensure staff are following proper use procedures

Reporting Damaged or Malfunctioning Equipment

Any employee who identifies that equipment is damaged, malfunctioning, or unsafe must immediately report the issue.

- Technology Equipment should be reported to Technology Department. Information should include:
Asset tag number, Description of issue, Location of device
- Non-Technology Equipment should be reported to Maintenance Department

Equipment that is unsafe or not functioning properly must be, removed from use immediately and clearly labeled as “Out of Service”. The item must remain secured until repaired, or approved for disposal

The district will cover normal wear-and-tear repairs. Employees may be held financially responsible for damage resulting from: Negligence, Misuse, Unauthorized activity

Disposal of Equipment

When it is determined that original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the grant administrator will contact the awarding agency or pass-through entity for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency. If the item has a current FMV of more than \$5,000, the Federal awarding agency or pass-through entity is entitled to the Federal share of the current market value or sales proceeds. The District may retain \$1,000 to cover expenses associated with the selling and handling of the equipment.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Before federal funded capitalized assets are disposed of as surplus, the Superintendent should determine whether it may be utilized by another school or department. No federal funded capitalized assets of the school system may be disposed of without board approval. A request for disposal should be submitted in writing and should include the following:

1. Reason for removing item from fixed assets
2. Description of item
3. Asset Tag number
4. Serial number

Acceptable reasons for removing items from fixed assets:

- a. When any fixed asset reaches a point where it is no longer usable or when it is broken beyond repair, the grant administrator may ask permission to “scrap” the item.
- b. If the use of an asset is no longer needed because of the closure of a particular school program.
- c. When any fixed asset is stolen, the theft must be reported to the Central Office. Unless there is evidence of forced entry (visible signs of a break-in) a fixed asset cannot be classified as being disposed of by theft. Any break-in should be reported to the local law enforcement agency and a copy of their report sent to the Central Office. State property insurance requires a copy of the investigation report.

Procedures for Surplus Designation

When the Superintendent determines that property is no longer usable, procedures should be followed to have the property designated as surplus or obsolete, removed from the property records, and disposed of according to policy. The Chief School Financial Officer shall prepare a report of all requests for disposals and submit to the Superintendent for approval. Once approval is obtained, the property shall be scheduled for pickup and disposed of in a manner that is in the best interest of Clarke County Schools. The pickup of designated property shall be scheduled and coordinated with the Property Control Clerk. It is the school principal's responsibility to have all property designated for pickup, assembled and placed in an easily accessible location before the scheduled pickup time. Personnel will pick up only property that has been properly designated as surplus/obsolete. All tags, district insignia, and data need to be removed from the property before disposal.

Method of Disposal

The Finance Department shall be responsible for the sale of surplus and obsolete property. Sales may take place in one of the following manners:

- a. Sealed bids
- b. Public auction
- c. Sale to another local unit of government for a fair market price
- d. Gov Deals

Criteria for determining the manner of disposal shall include location of the property, quantity, quality, availability of clientele, and time limit in which the property must be moved. Clarke County Schools has the right to reject any or all bids for school surplus or obsolete property, subject to the following:

- a. Fair market value
- b. Retention cost
- c. Dynamics in the marketplace

Equipment Retention

When included in the terms and conditions of the Federal award, the Federal agency may permit the recipient to retain equipment with no further obligation to the Federal Government unless prohibited by Federal statute or regulation.

Disposal of Supplies

Supplies are an allowable direct charge (2 C.F.R. § 200.453). Title to supplies acquired under the Federal award will vest upon acquisition in the recipient or subrecipient. If there is a residual inventory of unused supplies at the end of the period of performance exceeding \$10,000 in total aggregate value, and the supplies are not needed for any other Federal award, the District may retain or sell the supplies. The Federal agency or pass-through entity is entitled to compensation in an amount calculated by multiplying the percentage of the Federal agency's or pass-through entity's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale. The District may retain \$1,000 to cover expenses associated with the selling and handling of the equipment.

- Unused supplies mean supplies that are in new condition, not having been used or opened before.
- The aggregate value of unused supplies consists of all supply types, not just like-item supplies.

The Principal or Department Head must periodically review inventory and Identify supplies that are in excess of current needs or no longer required for the original program. Before any sale is considered, the district must attempt to reassign supplies to other schools, other federally funded programs or other allowable district programs

- The district will distribute a district-wide notification (email or shared listing) including:
 - Description of supplies
 - Quantity
 - Condition
 - Original funding source
 - Deadline to request
- Interested sites must submit a request including Intended use and program alignment. Approval required from Federal Programs Director and CSFO must be obtained.
- Sale is only permitted when supplies are no longer needed for any federal or district program and reallocation efforts have been documented and unsuccessful. Prior to sale approval must be obtained from Federal Programs Director, CSFO and Superintendent or designee.
- Sales must follow district procedures, such as: Public auction, Sealed bids, Surplus sales
Sales must ensure:
 - Fair market value is obtained
 - Transparency and documentationIf total aggregate value of unused supplies exceeds \$10,000 the district must Compensate the federal government for its share of the supplies. Proceeds from sale must be recorded by the Finance Office and allocated in accordance with federal requirements.
- The CSFO and Federal Programs Director will determine:
 - Amount owed to the federal awarding agency (if applicable)
 - Proper accounting treatment
- The following documentation must be maintained:
 - Supplies Transfer/Disposition Form
 - Evidence of reallocation efforts (emails, postings)
 - Approval documentation
 - Sales records (if applicable), including:
 - Method of sale
 - Amount received
 - Date of transaction

All documentation must be retained for a minimum of 5 years after final disposition or longer if required by the funding source.

Equipment Use for Participating Private Schools

The District retains title and maintains accountability for all equipment and materials purchased with federal funds for use by eligible private school students. Although the equipment may be used at private school sites, it remains the property of the District and must be included in the District's inventory management system.

Procedures to ensure compliance with federal requirements

- All federally funded equipment remains the property of the District at all times. No equipment is owned, transferred, or permanently assigned to a private school. The District maintains title, control, and responsibility for all such equipment. All equipment placed in private schools must be clearly labeled with District asset tag that includes the school district name and asset identification number.
- Equipment must be recorded in the district's inventory system with:
 - Funding source (e.g., Title I)
 - Location (specific private school and room, if applicable)
 - Assigned program
- Equipment may only be used:
 - For the benefit of eligible students and program participants
 - For activities that are supplemental and aligned with the federal program
- Equipment may NOT be used:
 - For general school purposes unrelated to the federal program
 - By ineligible students or staff
 - For religious instruction or activities
- Equipment is used only during scheduled program services
 - Access is limited to:
 - District staff, or
 - Authorized personnel providing services under district supervision
- Periodic unannounced monitoring visits are conducted
- Federal Programs Director oversees compliance with federal requirements, approves placement and use of equipment
- Property Control Clerk / Finance Office maintains inventory records, tracks location and asset status
- When equipment is no longer needed for the original program, or at the private school location, the District will retrieve the equipment and reassign it to another eligible private school program, or a public-school program, if allowable.
- Equipment may be disposed of only when it is no longer needed for any federal program. Approval must be obtained from the Federal Programs Director and CSFO. Disposal must follow: District surplus/disposal procedures and Federal regulations (including potential reimbursement if required)

MISCELLANEOUS ITEMS

After-School Programs

After-school programs are sometimes provided by the local schools. These programs are additional ways to generate revenue for the school. Emphasis and attention are directed towards providing a safe and educational environment for the children.

Any school interested in providing an afterschool program must submit a written request to the Superintendent for approval each year.

A staff including a director is responsible for the daily operations of the after-school program. The responsibility of the director is to supervise the employees, coordinate the activities for the children, purchase supplies and materials needed for the program, and provide the necessary information to the appropriate parties. It is the responsibility of the director to make sure the after-school program employees' clock in and out and all time is accurate.

The principal is responsible and accountable for all funds received and expensed regarding the after-school program. All funds in the after-school program are public funds and fall under the guidelines and restrictions for public usage.

Clarke County Schools are authorized to operate after-school programs according to the following provisions:

- Each principal will assign a designee in charge of the program's operation.
- Students in the programs must be enrolled in Clarke County Schools.
- Applicants will apply directly with the principal. Workers will be selected by the principal, employed by the Board upon the recommendation of the Superintendent, and supervised by the principal and administrator in charge of the program. Current Clarke County School employees will not be resubmitted for additional Board approval to work after school.
- Workers 18 years and older will undergo a criminal background check. Workers under 18 years of age (ages 16-17) will not work alone with students.
- All parents/guardians will be provided with a statement of after school payments made each calendar year no later than January 31st following the calendar year.

Payment Receipts

A pre-numbered duplicate receipt book is to be used for collected funds. Receipt books should be secured, and a log should be maintained to track the receipt books by receipt numbers to the individual responsible for issuing the receipts.

Receipts are to be completed and issued in numerical order at the time funds are received. All pre-numbered receipts in a receipt book should be issued before another receipt book is put in use. Do not pre-sign receipts. An original signature is required. Signature stamps are not acceptable.

The following procedures are recommended for receipting money:

1. A receipt should be issued after counting or verifying the amount on the receipt at the time the funds are received.
2. The manually prepared receipt should contain the following information:
 - a. name of the individual delivering funds
 - b. amount of the funds
 - c. purpose for the funds received
 - d. date funds are received
 - e. indication of whether cash or check (indicate check number on receipt)
 - f. original signature of individual receipting the funds
3. The original receipt should be given to the person submitting funds.
4. Voided receipts must be retained with the receipt book.
5. Do NOT use correcting fluids or erasures for mistakes.
6. Do not cash checks with funds received.
7. Funds received MUST be secured.
8. No money should be left in an unsecured area overnight. Money collected should be dropped at the bank in a 'Hold for Pick-Up – Not for Deposit' bank bag.
9. The receipt book MUST be turned in.
10. The Master Receipt must be stapled to the receipt book daily.
11. Receipt books containing receipt copies and unused receipts are to be returned to the principal or designee at the end of the school year or program.

Payments Made to Teachers/Front Office

1. Payments made to teachers and/or the school office are to be placed in a locked drop box located in the front office.
2. These payments are to be receipted by the person responsible for receipting funds for this program.
3. Receipts are to be given to the individual submitting the funds. In the event the receipt is not given to the individual, it should be maintained with the program's financial records.

Posting Payments

Payments are to be posted daily to the individual accounts. Posting should include:

1. Date payment made
2. Receipt number
3. Check or cash indication
4. If check, check number posted next to receipt number

End of Day

1. Balance receipt book to cash and checks received. Run adding machine tape to verify it is balanced.
2. Balance receipt book, cash, and checks to Deposit Report.
3. All deposits are to be submitted to the bookkeeper as follows:
 - a. currency by denomination, from largest to smallest
 - b. change in coin envelopes
 - c. checks in order from least amount to greatest; student name should be written on the memo line (Checks MUST have full name, current address (no P.O. boxes), telephone numbers, and driver's license number if you can obtain it. No counter checks should be taken.)
4. Place the report, monies, adding machine tape, and receipt book in the school safe. Money MUST be secured in the school safe daily.
5. No money should be left in an unsecured area overnight. Money collected should be dropped at the bank in a 'Hold for Pick-Up – Not for Deposit' bank bag.

Online payment program

Each school is strongly encouraged to utilize the online payment program. In the event your school is not enrolled in the online payment program, contact the Accounting Department for assistance in utilizing this program. The online payment program simplifies the accounting procedures for the school while enabling parents to make payments on-line.

Field Trips/Activity Runs

Teachers often request approval to take students off campus during the school day as enhancement of academic content in fulfilling the course curriculum. Voluntary contributions may be requested to pay the costs of transportation, meals or admission charges. The voluntary nature of the contribution must be clearly stated in the request for the field trip costs. Non-payment of requested contributions cannot be used against a student, and the student must be provided with the same participation as if payment was made on behalf of the student.

Field trips during the school day cannot generate a profit but may establish a per student amount that exceeds the individual student costs to provide the funds for the non-paying students, if the costs for the non-paying students are not paid by private sources or non-public school funds. Additional costs should be considered in establishing the per student field trip amount to accommodate for special-needs students.

Documents providing information about the field trip to parents and guardians should include information on the disposition of excess field trip funds paid for by the students including:

1. The cancellation or postponement of the field trip
2. A student's inability to participate in the field trip due to absence, illness, or disciplinary action
3. Requirement to receive a refund for the field trip payment

The local school board office can provide guidance on student meals, transportation, and approval procedures. School board policies may place limitations and restrictions on school field trips.

Student trips that extend overnight, are held outside of school hours, or are held on a day that school is not in session are considered extra-curricular activities. Generally, extra-curricular activities are not subject to the requirement to provide participation for non-paying students.

Field Trip - during the school day

Extra-Curricular Activity - After school hours at night or on weekends

A Field Trip Transportation Request Form should be completed and forwarded to the Superintendent for approval prior to the date of the activity. Transportation requests should be completed and approved by the Transportation Department ten working days prior to the date of the activity.

A monthly invoice will be issued to the school for reimbursement on the activity trips that are to be paid by the local school.

Academic Incentives for Students

Amendment 558 of the Alabama Constitution permits the use of public funds to promote educational excellence by students. Students may receive food items (but not foods of minimal nutritional value), school supplies, admissions, t-shirts publicizing school academic accomplishments, and other tangible incentives for attendance, honor rolls, test scores, and other academic achievements. Academic excellence may also be recognized with plaques, trophies, and award banquets. Academic incentives with a significant monetary value may be provided to a group of students or by selecting individual recipients. (Scholarships and tuition for programs outside of the school's academic program are not permitted unless non-public funds are used.)

Academic incentives, whether purchased with school funds or donated by other entities or private sources, should be secured until provided to the incentive recipients. The student receiving the incentive should sign a form documenting the student's receipt of the academic incentive, excluding those items of insignificant value. The school official that is giving the incentive to the student, along with a witness, should also sign and date the form.

Guidelines For School Related Organizations

Student Organizations

Student clubs and classes are recognized as school activities. The student officers and faculty sponsor operate the organization while the school principal acts in a fiduciary capacity over the organization's funds. The school's accounting records contain a separate account to record the financial operations of each student organization. Income from the student organization is recorded by receipts and deposited in the school bank account. The school principal approves the purchase orders, signs the checks, and maintains the supporting documents for the expenditures.

Some organizations consisting of students from the school may not be school activities. Some students belong to social organizations that operate off campus. Community recreation leagues may consist solely of the school's students and operate under other entities that are not under the control of the school. Although the activities of these organizations may benefit the school's students, these organizations have a separate employer identification number (EIN), a separate mailing address, and maintain their own records and accounts.

Athletics

School athletics are extracurricular activities that must be under the control of the school principal. Coaches and other school employees cannot maintain a separate bank account that supports, or benefits from, a school extra-curricular activity. Funds received to support an athletic activity at a school from sponsors, vendors, or other sources must be included in the school's financial records under the fiduciary control of the school principal. Funds from gate receipts and other sources may be recorded in one or more separate accounts for a particular sport in the school's financial records. However, a separate account for each sport is not required. When athletic events are held on locations other than school property, the school principal's control over the financial operations of the event, including ticket sales, concessions and parking fees, will be determined by agreement with the entity in control of the event location.

Parent Organizations (PTA/PTO)

Parent and parent/teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and the PTO are the most common parent organizations. Many parent organizations join a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

1. Both parties mutually assent to the fiduciary control of the principal
2. A school employee leads the fundraising or maintains the accounting records for the organization

If the PTA/PTO becomes a school activity, the activity must be assigned a sponsor. The sponsor should be a parent, teacher, or employee of the school. The PTA/PTO officers and sponsor operate the organization while the school principal acts in a fiduciary capacity over the organization's funds. Income from the PTA/PTO is recorded by receipts and deposited into the school bank account. The school principal approves the purchase orders, signs the checks, and maintains the supporting documents for the expenditures.

Specific Requirements

Parent organizations (PTA/PTO) that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting controls. Accountability for the funds these organizations control includes an agreement between the school and the organization that:

1. The organization has obtained an employer identification number from the IRS.
2. The organization provides a report of the annual audit of the organization to the school.
3. The organization makes its financial records available to the school's auditors and authorized school employees upon request.
4. The organization provides required financial reports.
5. The organization provides proof of a fidelity bond for the treasurer.
6. The organization will not provide any payment or benefit to a school employee (or a family member of a school employee) in violation of the State Ethics Law.

Booster Organizations

All school sponsored extracurricular activities must be under control of the school; however, booster organizations are often formed to support the operations of these activities in a variety of ways. While providing additional financial support for a particular extracurricular activity, the volunteers in the booster organizations also enhance community support that often extends to benefit all the students at a school. Generally, the activities for booster organizations are considered non-public funds. However, these organizations will become public school funds if:

1. A school employee serves/holds a leadership position in the organization.
2. A school employee is involved with fundraising or maintains the accounting records for the organization.

If the booster organization becomes a school activity, the activity must be assigned a sponsor. The sponsor should be a parent, teacher, or employee of the school. The booster officers and sponsor operate the organization while the school principal acts in a fiduciary capacity over the organization's funds. Income from the booster organization is recorded by receipts and deposited into the school bank account. The school principal approves the purchase orders, signs the checks, and maintains the supporting documents for the expenditures.

Loans

Bank Loans

- The school board is not liable for unauthorized loans negotiated by a school principal. Only the board can approve and borrow money for a school.
- School loans will be considered for approval by the board on a case by case basis. The Superintendent will consider projects/facility needs and funding sources for each request before a recommendation is made to the board.
- Amendment No. 558 of Section 94 of the Constitution of Alabama prohibits county, city, or other subdivisions of the state to lend credit or grant public money to any individual, association, or corporation. Therefore, loans for Booster clubs and other school affiliated organizations cannot be authorized by the principal and submitted to the board for approval. These organizations may obtain a bank loan to be paid from non-public school activity funding sources.

Employee Loans

Schools are expressly prohibited from making loans to employees.

Disposition Of Records

All records of the school must be filed and retained in compliance with the requirements of the most recent edition of the State Records Commission, Local Government Records Commission, Functional Analysis and Records Disposition Authority. Additionally, all financial transactions of the school system should be retained upon the release of three audit reports and settlement of any claims due before being destroyed.

The following must be maintained permanently:

1. General ledger/trialbalance
2. Inventory records

The Finance Department is responsible for filing the proper paperwork to get preapproval from the State Records Commission before disposition of records can occur. Please do not dispose of any documents until the approval is received.

Investment Policy

This investment policy applies to all financial assets of Clarke County Schools. These funds are accounted for in the district's Comprehensive Annual Financial Report. In addition, any new fund titles created by the board, unless specifically exempted, will be covered by this policy. This local policy pertains to the funds and investment instruments permitted by the law of Alabama as relates to local boards of education. In the State of Alabama, boards of education generally follow the guidance found in the Code of Alabama 1975, Section 19-3-120 and 19-3-120.1.

Objectives

The objectives of the district's investment policy are as follows:

- Safety of principal is the foremost objective of the investment policy of Clarke County Schools. Each investment transaction shall seek to first ensure that principal losses are avoided.
- The district's investment portfolio shall remain sufficiently liquid to enable the district to meet all operating requirements which might be reasonably anticipated.
- The investment program shall seek to augment returns while being consistent with risk limitations of the district, the state law restrictions, the cash flow characteristics of the district, and prudent investment principles.
- The district's investment portfolio shall be diversified with respect to maturity, security types, and/or financial institutions to avoid incurring unreasonable or avoidable risk to principal or liquidity of the investments.

Delegation Of Authority

Management responsibility for the investment program is hereby delegated to the Chief School Financial Officer. In the event of the extended absence or replacement of the investment official, the Superintendent or his designee shall conduct the district's investment operations. A system of internal controls shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees of the district.

Permissible Investments/Depository Instruments

Investment instruments authorized for purchase by the district are limited to:

1. Certain obligations of the United States or its agencies
 - a. treasury bills with maturities of twelve months or less
 - b. treasury notes with maturities of eighteen months or less for investment funds from debt service and capital improvement accounts, and with maturities of twelve months or less for all other investments
 - c. bonds or other interest-bearing obligations of the United States of America, or payment of which the United States of America has guaranteed as to both principal AND interest
 - d. bonds issued by the Federal Land Bank
 - e. bonds or other interest-bearing obligations of any state of the United States of America
2. General obligation bonds of any county of the State of Alabama
3. Interest-bearing general obligation bonds/warrants of any board of education of any county or municipality of the State of Alabama secured by pledge of the three-mill school tax
4. Promissory notes, bonds, or other indebtedness secured directly or collaterally by mortgage or trust deed which is a first lien
5. Insured or collateralized certificates of deposit with maturities of twenty four months or less
6. Overnight repurchase agreements with approved master repurchase agreement
7. Fully collateralized interest-bearing sweep accounts
8. Common trust fund or other collective investment fund agreements maintained by any national or state-chartered bank, trust company, or savings and loan association

Diversification

It is the policy of the district to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

Competitive Selection of Investment Instruments

All investments of Clarke County Schools will be on a competitive basis. Competitive quotes for various investments will be obtained from qualified financial institutions. Clarke County Schools will then choose what best fits its portfolio based on the maturity required, liquidity requirements, the current makeup of the portfolio and the offered rate.

Collateralization

All deposits of Clarke County Schools must be secured by pledged collateral in an amount greater than the highest balance during any month, or deposited with a Qualified Public Depository of the Security for Alabama Funds Enhancement (SAFE) Program, according to Sections 41-14A-2 through 41-14A-6, 41-14A-8, and 41-14A-9, Code of Alabama 1975, as amended.

Acceptable collateral would be:

United States

- Any direct obligation
- Any agency or instrumentality of the United States (this includes Commodity Credit Corporation Certificates)

Other States

- Any general obligation bonds or securities issued by any state of the Continental United States
- Any instrumentality of any state in the Continental United States having a rating of "A" or better by Moody's (this does not include political subdivisions such as counties, cities, etc.)

State of Alabama

- Any general obligation bonds
- Any agency or authority of the State of Alabama

Alabama County

- Any general obligation issue
- Gas tax warrants
- County board of education warrants
- Obligations secured by pledge of the special road, bridge, and public building tax

Alabama Municipality

- Any general obligation issue
- Electric, natural gas, water, and sewer revenue bonds issued by the city or any board created by the city
- Board of education

Fund Balance Reporting and GASB Statement No. 54

Purpose

The following policy is necessary to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer classifications and consistency among governmental agencies.

Governmental Fund Definitions

The following definitions will be used in reporting activity in governmental funds. Based on actual circumstances and activity, the board may or may not report all fund types in any given reporting period.

- The General Fund is used to account for the general operations of the board and to report all financial resources not accounted for and reported in another fund.
- Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, both current year and the carryover or accumulation for future years' payments. Debt Service Funds are used to report resources that are legally mandated.
- Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

1. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include inventories, prepaid items, and long-term receivables.
2. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments or through constitutional provisions or enabling legislation. Examples of restricted fund balances include restricted grants and bond indebtedness.
3. Committed fund balances consist of amounts that are subject to a purpose or constraint imposed by formal action of the board before the end of the fiscal year and require the same level of formal action to remove the constraint.

4. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The board authorizes the Superintendent or Chief School Financial Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
5. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

When expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the board to consider restricted amounts first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The board of education along with the Superintendent and Chief School Financial Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Financial Officer will prepare and submit an annual report of all restricted, committed and assigned funds for the board of education.

Reporting Fraud

According to the School Fiscal Accountability Act No. 2006-196, the Chief School Financial Officer has a responsibility to “personally notify, in writing, each board member and the local Superintendent of Education of any financial transaction of the local board of education which the chief school financial officer deems to be non-routine, unusual, without legal authorization, or not in compliance with the fiscal management policies of the board. The notification shall be recorded in the minutes of the board by the president of the local board of education.”

It is the responsibility of the principal and/or bookkeeper of each school to notify the Chief School Financial Officer of any questionable financial transaction at the local school level.

Non-Compliance

Strong controls over finances allow for accountability to students, parents, employees, taxpayers, bondholders, vendors, and regulatory bodies. An “Acknowledgment of Procedural Non-Compliance” form will be completed by the principal or bookkeeper when a policy or procedure has not been properly followed.

The “Acknowledgment of Procedural Non-Compliance” form is to be attached to the originating document. The form should be scanned and sent to 1) the employee’s principal or supervisor and 2) the Chief School Financial Officer.

Examples of non-compliance:

1. An officer/sponsor submits an invoice for payment at the same time a purchase order is requested for the expense. The policy violated should read, “Prior approval not received for the purchase of goods or services.”
2. An officer/sponsor submits monies for receipting after having them in his/her possession for several days. The policy violated should read, “Money was not turned in for safekeeping and timely deposit.”

Reminder: If an organization does not adhere to the policies and procedures set forth in the Clarke County Board of Education’s District Financial Procedures Manual, all receipts will become public funds under the control of the principal.

Gifts

Gifts of money or school property to any individual or organization are prohibited. This includes floral arrangements. A flower fund may be operated by the school provided complete and accurate records are kept to verify that all such purchases are paid for by contributions from employees and/or students. The school will not be permitted to contribute to this fund. An exception to this regulation will be made when a class, organization, or the school purchases floral arrangements for such events as proms, beauty contests, graduation exercises, etc.

It shall be permissible for a student club, organization, or class to expend non-public funds collected from fundraising activities and membership dues for such things as:

1. Sending flowers to a funeral or hospital for a student, teacher, or someone else
2. Food or clothing for a needy family or individual
3. Contributing to the state or national student organization foundation
4. To pay state and national dues for such organizations

FEDERAL PROGRAMS FINANCIAL MANAGEMENT

Budget Reconciliation and Expenditure Tracking Procedures

Clarke County Schools currently uses the NextGen Financial Accounting System. The Chief School Financial Officer (CSFO) enters federal programs budgets into this accounting system. The CSFO and Coordinator of Federal Programs review budget expenditure reports on a monthly basis to ensure that funds are being coded correctly into the correct programs and line items within the budgets. The budget analysis reports are reviewed monthly to ensure budget coding is matching the funding application, the correct monetary amount of funds is drawn down, payments are not duplicated, or any other inappropriate changes to federal grant programs does not occur.

The Coordinator of Federal Programs will approve all requisitions for coding and allowable costs prior to the purchase of any goods or services using federal funds managed by the federal programs department. The process is as follows: Quote provided by staff (school and/or central office to Coordinator of Federal Programs with explanation of purchase (rationale), Coordinator decides if purchase is allowable, necessary, and reasonable and tied to the ACIP (if applicable), Coordinator responds to email with allowable or not-allowable and copies the CSFO and district bookkeeper in email.

The Coordinator of Federal Programs, in collaboration with the CSFO, will review the budget analysis report and other reports related to the expenditure of federal funds on a monthly basis. The purpose of this review is to ensure that all transactions have been recorded accurately and in a timely manner in accordance with the approved LEA funding application for each appropriate federal programs fund.

The CSFO is responsible for entering the federal programs budgets into the district financial software (NextGen) based on the approved budget per approved funding application for each program. The Coordinator of Federal Programs will review the budgets after these have been entered into the district financial software (NextGen) and prior to entering fund requests, to ensure they are aligned with the approved ALSDE budgets and applications. Each federal program budget will be coded in the financial software (NextGen) using separate budget fund codes to ensure that each program can be tracked separately by award year.

At least quarterly, the CSFO and the Coordinator of Federal Programs meet to review all federal programs budgets, expenditure reports, and general ledgers. These are compared to the approved federal programs' funding applications and federal programs internal budget records. If any coding or other errors are found, these are communicated and corrected at that time.

If federal funds need to be transferred, the following will occur:

- From Fund Source to Fund Source - The Coordinator of Federal Programs will meet with the appropriate Advisory Council to make a transfer decision. If in agreement, the Superintendent, CSFO, and Coordinator of Federal Programs meet to adjust the eGap application.
- From within one fund source - The Coordinator of Federal Programs and the CSFO will meet to discuss necessary budget transfers to meet the needs of the served school. The CSFO will enter the transfer into the NextGen accounting system.

The Coordinator of Federal Programs in collaboration with the CSFO will complete all amendments or revisions to the federal programs budgets as needed to expend funds as deemed necessary by the comprehensive needs assessment or changes in areas of budget in which there is little or no control, i.e., salaries and benefits. The CSFO will be responsible for entering the amended budget into the financial software (NextGen). The CSFO and Coordinator of Federal Programs will review NextGen to ensure all funds are coded correctly and according to SDE approved plans.

The table below indicates the person/persons responsible for ensuring this procedure is followed within Clarke County Schools

Action	Person(s) Responsible
Creating the Federal Programs Budgets	Coordinator of Federal Programs Director of Secondary Education CSFO
Entering budget in the LEA Application (eGap 2.0)	Coordinator of Federal Programs CSFO
Entering budgets into financial software (NextGen)	CSFO
Verifies allowability of costs, responds to allowability questions	Coordinator of Federal Programs CSFO
Determines if amendments are necessary for the Federal Programs budgets	Coordinator of Federal Programs CSFO
Completes amendments/revisions in eGap 2.0	Coordinator of Federal Programs CSFO
Enters amended budgets and journal entries as needed into financial software	CSFO
Communicates budget and revisions to schools within the LEA or other people who need this information	Coordinator of Federal Programs Director of Secondary Curriculum CSFO
Completes transfers between Federal Program Grants in eGap 2.0	Coordinator of Federal Programs CSFO
Enters line item transfers and transfers between major budget categories into financial software (Nextgen)	CSFO

Process to Transfer Federal Funds

The purpose of transferability is to allow states and local educational agencies the flexibility to target Federal funds to the programs and activities that most effectively address the unique needs of all children.

District Funds May Be Transferred Out Of:	District Funds May Be Transferred Into:
<ul style="list-style-type: none"> ● Title II, Part A ● Title IV, Part A Section 5103(b)(2) <p><i>NOTE: A local education agency may transfer all or any lesser amount of the funds allocated to it from these two programs to any program listed in the next column. Section 5103(b)(1)(A)</i></p>	<ul style="list-style-type: none"> Title I, Part A Title I, Part C Title I, Part D Title III, Part A Title V, Part B Section 5103(b)(1)(B) <p><i>NOTE: Funds cannot be transferred out of any of these programs. Section 5103(c)</i></p>

What does an LEA need to do to transfer funds?

Each local education agency that makes a transfer of funds under [the transferability provision] shall –

- (A) modify, to account for such transfer, each local plan, or application submitted by the agency, to which such funds relate;
 - (B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the State; and
 - (C) not later than 30 days before the effective date of such transfer, notify the State of such transfer.
- ESEA Section 5103(d)(2).

In the State of Alabama this is completed in eGAP 2.0 on the allocation page and should be approved by the State.

What happens to the identity of the funds that are transferred?

Funds transferred under [the transferability provision] are subject to each of the rules and requirements applicable to the funds under the provision to which the transfer funds are transferred. (ESEA Section 5103(e)(1))

How do transfers affect equitable services to Non-Public School Students?

Each local education agency that transfers funds under the [the transferability provision] shall conduct consultations [with non-public schools] prior to the decision to transfer any funds, in accordance with section 8501, if such proposed transfer transfers funds to/from a program that provides for the [participation] of students, teachers, or other educational personnel, from nonpublic schools. (ESEA Section 5103(e)(2))

Cash Management of Federal Funds

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of those federal funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed, such as monthly program salaries and benefits. Disbursements will be made within thirty business days after receipt of funds. Clarke County Schools uses the reimbursement method (ES-2 in eGap) for requests for federal funds. These request must be approved by the CSFO and by the Superintendent.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program fund and for the aggregate of all federal programs will be monitored frequently by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year, if maintained in interest-bearing accounts. The federal program funds will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

Process for Reporting Expenditures and Reimbursement

Expenditure reports will be created and approved by the Chief School Financial Officer. The CSFO shall be responsible for gathering the applicable data and preparing the required expenditure reports for all Federal awards. The Chief School Financial Officer shall be responsible for reviewing and approving required Federal expenditure reports and for ensuring that these reports are submitted before the required deadline.

The Chief School Financial Officer will grant final approval for drawdowns through the certification process of the ALSDE. The CSFO will review cumulative expenditures for Federal grants and request any necessary drawdowns on a monthly basis. This review should occur after the processing of monthly payroll. The CSFO will ensure the drawdown request will not exceed the threshold amount established by ALSDE.

The CSFO will generate a General Ledger Summary report for each Federal grant. The actual expenditures will be totaled by object code. Any payroll liabilities that appear in the balance sheet accounts will be deducted. This will prevent drawing more cash than has actually been expended.

The CSFO will keep records of Cash Receipts for the district and will be informed of each draw and to which account code(s) to post the revenue. Audit trial ledgers will be reconciled by the CSFO to confirm that expenditures only are requested.

A final expenditure report will be submitted on the ALSDE Grant Expenditure Reporting website by the deadline set for each program. The final expenditure report for federal grants will be performed by the Chief School Financial Office. The expenditure monitoring for the federal grants will be performed by the Chief School Financial Officer, Federal Programs Director, Career Tech Director and Special Education Coordinator.

Returning Federal Funds & Interest

The U.S. Department of Health and Human Services, Payment Management System – Program Support Center (PSC) has recently updated information addressing the return of Federal funds and interest earned from Federal grant drawdowns. Below is summary of this process, followed by information about how to obtain more details and who to contact regarding this notice.

1. The preferred method to return funds or interest is through Automated Clearing House (ACH) Direct Deposit or FedWire.
 - a. When returning funds or interest through ACH Direct Deposit or Fedwire, grantees must include the following in their return transaction:
 - PMS Account Number (PAN). NOTE: The PAN is the same series of alpha-numeric characters used for payment request purposes (e.g.: C1234G1). This is important to indicate whom to credit the funding.
 - PMS document number.
 - The reason for the return (e.g. Excess cash, funds not spent, interest, part interest part other, etc.).
 - If sending interest earned, an explanation stating that the refund is for interest payable to the Department of Health and Human Services, and the grant number(s) for which the interest was earned.
 - b. U.S. Department of Education grantees are generally located and operate domestically and return funds domestically. Below is PSC ACH account information for funds returned domestically. For international ACH funds returned, account information is available at: Returning Funds & Interest:
 - PSC ACH Routing Number is: 051036706
 - PSC DFI Accounting Number: 303000
 - Bank Name: Credit Gateway - ACH Receiver
 - Location: St. Paul, MN
 - c. Service charges may be incurred from a grantee's financial institution when a FEDWire to return funds is initiated. For FedWire returns, FEDWire account information is as follows:
 - FedWire Routing Number: 021030004
 - Agency Location Code (ALC): 75010501
 - Bank Name: Federal Reserve Bank
 - Treas NYC/Funds Transfer Division
 - Location: New York, NY
2. Funds may be returned by check using only the U.S. Postal Service; however, returning funds via check may take 4-6 weeks for processing before a check payment may be applied to the appropriate PMS account.
 - a. Returns by check are to be mailed to:

HHS Program Support Center PO Box 979132
St. Louis, MO 63197

A brief statement explaining the nature of the return must be included. To return interest on a grant not paid through the PMS, make the check payable to the Department of Health and Human Services, and include the following with the check:

- An explanation stating that the refund is for interest
- The name of the awarding agency
- The grant number(s) for which the interest was earned
- The return should be made payable to: Department of Health and Human Services.

For detailed information about how to return funds and interest, please visit the PSC Retuning Funds/Interest page at: [Returning Funds/Interest](#). Questions about this notice may be directed to the Education Program Contact found in Box 3 of the Grant Award Notification issued by the Department of Education.

Record Keeping Procedures

The primary objective of effective record keeping is to ensure that all federally related documentation is accurate, complete, accessible, and maintained in compliance with federal regulations.

While every effort has been made to include guidance on the most common record-keeping scenarios, these procedures are not all-inclusive. If you are unable to find instructions for your specific situation, please consult with your local school board attorney, or other relevant office/personnel which may include the Chief School Financial Officer, State Examiners of Public Accounts, Office of the State Attorney General, Alabama Ethics Commission, or the Alabama State Department of Education (ALSDE).

Record Retention

The District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with Federal program requirements. 34 C.F.R. §§ 76.730–.731 and §§ 75.730–.731. The District also maintains records of significant project experiences and results. 34 C.F.R. § 75.732. These records and accounts must be retained and made available for a programmatic or financial audit.

The U.S. Department of Education is authorized to recover any Federal funds misspent within five (5) years before the receipt of a program determination letter. 34 C.F.R. § 81.31(c). Consequently, the District retains records for a minimum of five (5) years from the date on which the final Financial Expenditure Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.334; [State Board of Education/Department of Education Functional Analysis & Records Disposition Authority \(RDA\) \(Rev. 07/22/2003\)](#)(pages 32-44); [Code of Alabama 1975 §41-13-21](#).

Districts are required to follow the procedures set forth by the Alabama State Records Commission. To determine which public records shall be preserved permanently because of historical value and which records may be destroyed or otherwise disposed, districts should refer to [Code of Alabama 1975, Section 41-13-21](#) and the [Local Boards of Education Functional Analysis and Records Disposition Authority](#), or follow the procedures outlined by [Archives Alabama under the Records Destruction](#). This page is a part of the Manage Records section under Archives Alabama and provides guidance on proper records destruction procedures.

Collection & Transmission of Records

When practicable, the District must collect, transmit, and store Federal award information in an open and machine-readable format. A machine-readable format is a format in a standard computer language (not English text) that can be read automatically by a computer system. The District may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to quality control reviews. Quality control reviews must ensure that electronic conversion procedures provide safeguards against the alteration of records and assurance that records remain in a format readable by a computer system. 2 CFR §200.336; [State Board of Education/Department of Education Functional Analysis & Records Disposition Authority \(RDA\) \(Rev. 07/22/2003\)](#) (pages 12-13).

1. Types of Records to be Maintained:

- Financial Records:
 - Budget Reports
 - General ledgers
 - Purchase orders and invoices
 - Payroll records
 - Grant financial reports
 - Bank statements and reconciliations
 - Audit reports

2. Storage and Security

- Records will be stored in secure physical or electronic formats that prevent unauthorized access, alteration, or destruction.
- Digital records will be backed up regularly and stored in a secure database. Confidential records will be maintained with appropriate access restrictions.

3. Disposal of Records

- Upon reaching the retention period, records will be reviewed for destruction. Paper records will be shredded, and electronic records will be permanently deleted following best practices.
- Records involved in ongoing investigations, audits, or legal cases will not be destroyed until official resolution is documented.

4. Compliance and Oversight

- Clarke County Schools Finance Department and Administration Departments are responsible for overseeing record retention compliance.
- School administrators and department heads must ensure proper documentation and secure storage of records.

Provision of Records to Awarding Agencies, Auditors, and Monitors

The District ensures timely, accurate, and secure access to records for awarding agencies, auditors, and monitors in accordance with federal regulations, including 2 CFR 200, and applicable state requirements.

1. Responsibility and Oversight

- The Superintendent or designee (e.g., Federal Programs Coordinator, Chief School Financial Officer) is responsible for coordinating all requests for records.
- School-level staff must route all external requests for documentation to the District office unless otherwise authorized.
- A designated point of contact is assigned for each audit, monitoring review, or reporting request.

2. Identification and Collection of Records

- Upon notification of a request, the District identifies all relevant records, which may include:
 - Financial records (general ledger, invoices, purchase orders, payroll documentation)
 - Programmatic records (plans, applications, evaluations, inventory records)
 - Time and effort documentation
 - Contracts and procurement records
- Records are reviewed for completeness, accuracy, and alignment with reported data prior to submission.

3. Format of Records (Paper and Electronic)

- Records may be provided in paper or electronic format, depending on the request and availability:
 - Electronic Records: Preferred when allowable; provided via secure methods such as encrypted email, secure file transfer systems, or read-only access to shared platforms.
 - Paper Records: Provided as organized hard copies or scanned into electronic format when required.
- All records are clearly labeled, indexed, and organized to facilitate review.

4. Verification and Approval Prior to Release

- All records are reviewed and approved by appropriate District personnel prior to release.
- Sensitive or personally identifiable information (PII) is evaluated to ensure disclosure is permissible under the Family Educational Rights and Privacy Act and other applicable laws.
- Redactions are made when necessary to protect confidential information not relevant to the request.

5. Secure Transmission of Records

- The District uses secure methods to transmit records, including:
 - Encrypted email or password-protected attachments
 - Secure file-sharing platforms approved by the District
 - Hand delivery or certified mail for sensitive paper documents, when necessary
- Passwords for protected files are transmitted separately from the files themselves.

6. On-Site Reviews and Monitoring

- For on-site audits or monitoring visits:
 - Records are made available in a secure, designated location.
 - Access is supervised by District personnel.
 - Original documents remain under District control; copies may be provided upon request.
- The District ensures that visiting auditors or monitors have appropriate workspace and access to requested documentation.

Clarke County Schools' personnel will receive training on record retention policies as needed.

Access to Records

The District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award to perform audits, execute visits, examinations, excerpts, other official use, and transcripts. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents or the Federal award in general. 2 CFR §200.337;

Privacy

The District maintains strict safeguards to ensure that personally identifiable information (PII) of both students and employees is protected in accordance with federal and state laws, including the Family Educational Rights and Privacy Act, 2 CFR 200, and applicable Alabama State Department of Education requirements.

1. Access Controls and Password Security

- All electronic systems containing sensitive information (e.g., student information systems, financial software, HR records) are password-protected.
- The District enforces strong password requirements, including minimum length, complexity, and periodic password changes.
- Multi-factor authentication (MFA) is implemented where available.
- User access is limited based on job responsibilities (role-based access control), and permissions are reviewed periodically.
- Accounts are promptly disabled upon employee separation or role change.

2. Employee Training and Awareness

- All employees receive annual training on data privacy and security, including requirements under Family Educational Rights and Privacy Act.
- Training includes guidance on:
 - Identifying and protecting PII
 - Proper handling and storage of records
 - Recognizing phishing and cybersecurity threats
 - Procedures for reporting potential breaches
- Documentation of training completion is maintained by the District.

3. Physical and Electronic Record Security

- Physical records are stored in locked file cabinets or secure offices with limited access.
- Electronic records are stored on secure servers with encryption and firewall protections.
- The District uses secure data backup procedures and maintains disaster recovery protocols.
- Sensitive documents are not left unattended in public or shared workspaces.

4. Procedures for Records Requests and Disclosure

- The District has formal procedures for responding to requests for records to ensure compliance with Family Educational Rights and Privacy Act and other applicable laws.
- Prior to releasing any records, the District:
 - Verifies the identity of the requester
 - Confirms the requester's legal right to access the information (e.g., parent/guardian, eligible student, authorized employee, or authorized agency)
 - Requires written consent when applicable
- A log is maintained of requests and disclosures of sensitive information, when required.
- Requests for federal program documentation are reviewed by appropriate administrative staff to ensure compliance with grant requirements and privacy protections.

5. Data Minimization and Retention

- The District limits the collection and retention of personal information to what is necessary for operational and compliance purposes.
- Records are retained and disposed of according to approved records retention schedules and federal/state guidelines.
- When records are destroyed, the District ensures secure destruction methods (e.g., shredding of paper records, secure deletion of electronic files).

6. Incident Response and Breach Procedures

- The District maintains procedures for responding to suspected or confirmed data breaches.
- Incidents are reported immediately to designated personnel (e.g., technology coordinator or superintendent's office).
- Appropriate steps are taken to contain, investigate, and remediate any breach, including notification when required by law.