

Always Innovating

South Texas ISD

RIO GRANDE VALLEY | GRADES 6-12

BUSINESS OFFICE

PROCEDURES MANUAL

2026-2027

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Administration

Sandra Garza Ochoa, Ph.D., CSC, LPC, CRC, BCBA – Superintendent

Efrain Garza - Deputy Superintendent

Marla R. Knaub - Assistant Superintendent for Finance & Operations

Lissa Frausto, MBA, SPHR - Assistant Superintendent for Human Resources

Sylvia Garza – Chief Financial Officer for Federal Programs

Brenda De La Garza – Executive Director for Special Programs

Steven Cortez – Chief of Police

Frank Trevino – Executive Director of Facilities and Construction

Amanda Odom – Executive Director for Public Relations & Marketing

Michelle Guajardo, Ph. D. – Principal of South Texas ISD Health Professions

Jose Lucio – Principal of South Texas ISD Medical Professions

Marco A. Zamora – Principal of South Texas ISD Preparatory Academy

Reynaldo Rodriguez, Ed.D. – Principal of South Texas ISD Rising Scholars Academy

Eric Gutierrez – Principal of South Texas ISD Science Academy

Eric Gutierrez – Principal of South Texas ISD Virtual Academy

Cynthia Chairez, Ed.D. – Principal of South Texas ISD World Scholars

Business Office Staff

Marla R. Knaub
Assistant Superintendent for Finance & Operations

Sylvia Garza
Chief Financial Officer for Federal Programs

Estefana Saldivar
Secretary to the Assistant Superintendent for Finance & Operations

Amanda Sauceda
Secretary to the Chief Financial Officer for Federal Programs

Delia Garcia – Finance Director

Gerardo Salinas – Director of Payroll & Employee Benefits

Luis Flores – Accountant

Marissa Garza – Accountant

Reynaldo Cantu – Purchasing Agent/Accountant

Sydney Cavazos – Payroll Specialist

Sandra Rios – Employee Benefits Specialist

Ermelinda Regalado – Accounting Specialist

Miriam Jimenez – Accounts Payable Specialist

Yolanda Olivo – Accounts Payable Specialist

Maricruz Moreno – Accounts Payable Specialist

Ramon Longoria – Technology/Purchasing Support Specialist

General Information

Introduction

This Business Office Procedures Manual has been prepared to clarify district procedures for the purchasing of goods and services and to provide assistance in the proper handling and accounting of district funds. The procedures and guidelines outlined in this manual provide both administrative and accounting internal controls to safeguard district assets and ensure reliability of the financial records. It is a compilation of state and federal laws as well as local board policies and procedures.

The policies and procedures outlined in this manual apply to the expenditures of all local and state funds, state grants, and federal funds and grants. Please refer to the guidelines for specific state and federal grants to determine allowable use of funds and other reporting requirements.

Each section of this manual includes adopted board policies, district guidelines, and instructions. Please refer to the South Texas Independent School District website for downloadable forms: https://www.stisd.net/facultystaff/resources-logins

Upon receiving and reading the Business Office Procedures Manual, please sign and return the attached acknowledgement form to Marla Knaub, Assistant Superintendent for Finance & Operations. The campus/department secretary/purchasing clerk in charge of purchasing and the campus/department administrator who will be authorizing purchases should sign the form. We also recommend that these procedures be reviewed with any other teachers/staff members who will be initiating purchases. All personnel with financial duties are responsible for the contents of this manual. We recommend printing one copy for reference; the manual will be posted on https://www.stisd.net/facultystaff/business-office

This manual will be continually updated and improved with more detailed guidelines and up-to-date information. While no manual can address every situation that may arise, this manual does provide general information to assist district personnel with routine financial transactions.

If you have any questions or would like to schedule a training session for your staff on any Business Office function, please feel free to contact me.

Marla R. Knaub

Assistant Superintendent for Finance & Operations

Acknowledgement Form

2026-2027

I have received and reviewed the Business Office Procedures Manual for the 2026-2027 school year. I agree to follow all district policies and procedures, local board policies, state laws, and federal laws for all financial transactions.

_____

Campus/Department

_____

Print Name

_____

Signature

_____

Date

Please email completed form to Delia Garcia, Finance Director, by e-mail at delia.garcia@stisd.net

Payroll Introduction

The Payroll Department ensures that employees are paid correctly and on a timely manner. South Texas ISD processes and procedures are in accordance with Board Policy and Procedures. We are guided by the Financial Accountability System Resource Guide (FASRG) in all processes.

For information on Payroll or Insurance Services contact the following:

Payroll Staff

Gerardo Salinas	Payroll Director	Ext 4215
	Payroll (Monthly)	Ext 4261
Sydney Cavazos	Payroll/Attendance (Semi-monthly)	Ext 4251

Applicable Board Policy

CFEA (LEGAL)	PAYROLL PROCEDURES – SALARY DEDUCTIONS AND REDUCTIONS
CRD (LEGAL)	INSURANCE AND ANNUITIES MANAGEMENTS –HEALTH AND LIFE INSURANCE
CRE (LEGAL	INSURANCE AND ANNUITIES MANAGEMENT – WORKERS' COMPENSATION
DEA (LOCAL)	COMPENSATION AND BENEFITS – WAGE AND HOUR LAWS
DEC (LOCAL)	COMPENSATION AND BENEFITS LEAVES AND ABSENCES

The above policies are not all inclusive; others may apply to payroll services.

Payroll - General

Proper payroll procedures are based on calendar days worked. South Texas ISD utilizes a Time Clock system for recording hours worked for non-exempt employees. Payroll is based on attendance.

Employees are paid based on their own employment type and category. Salaries are calculated based on District's yearly approved Compensation Schedule.

All payrolls should be generated through the Business office. Payroll records are kept by the Payroll office. They should reflect an accurate history of the compensation paid.

Hours of Work

The District has adopted an eight-hour workday and a five-day workweek of 39-40 hours/week. This translates to an 8-hour workday. The workweek is from Sunday to Saturday.

Paydays

All employees are paid monthly on or around the 20th of the month. Hourly employees are paid every 2 weeks.

Unauthorized Work

The Administrator is responsible for ensuring that classified employees adhere to their assigned work schedule and do not work excess hours without authorization.

Classification of Positions

The Superintendent or designees shall determine the classification of position "**exempt**" or "**non-exempt**"; reference Board Policy **DEA (LOCAL) - COMPENSATION AND BENEFITS – WAGE AND HOUR LAWS**.

- **Non Exempt Employees**

  The District's **DEA (LOCAL)** Board Policy states, "Non-exempt employees may be compensated on an hourly basis or on a salary basis. Employees who are paid on an hourly basis shall be compensated for all hours worked. Employees who are paid on a salary basis are paid for a 40-hour work week and do not earn additional pay unless the employee works more than 40 hours."

  All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime/comp-time shall be pre-approved by the immediate campus or department supervisor. Board Policy **DEA (LOCAL) – COMPENSATION AND BENEFITS WAGE AND HOUR LAWS** states, "A Non-exempt employee shall have the approval of his or her supervisor before working overtime. An employee who works overtime without prior approval is subject to discipline but shall be compensated in accordance with the FLSA."

Every Non-exempt employee shall "clock-in" and clock-out" daily through the Time Clock System. Failure to "clock-in" or "clock-out" may result in non-payment of unverified work time.

Non-exempt employees shall review and sign approved time sheet

- **Exempt employees**

Every exempt employee must comply with their annual contract regarding days and hours worked. Exempt employees are exempt from overtime pay as per; **DEA (LOCAL) - COMPENSATION AND BENEFITS – WAGE AND HOUR LAWS.**

The District relies and complies with the Fair Labor Standards Act for compensation.

Payroll Calendar

A calendar of monthly pay dates is approved by the Board of Directors. South Texas ISD has two payroll periods bi-weekly and a monthly. The District pays all salaried employees over 12 months, regardless of the number of months employed during the school year. A salaried employee shall receive his or her salary in equal monthly payments, beginning with the first pay period of the school year.

Payroll Payment Option

All new employees to the District have the option to choose their annual salary be divided in 12 or 13 payments. A form must be signed by the employee electing the number of payroll checks.

Payroll Deductions

The District makes periodic deductions from employees' salaries or wages in accordance to state law. Also the District may reduce salary upon agreement executed between the District and its employees or by agreed salary deductions such as annuities or deferred compensation plans.

- **Taxes**

South Texas ISD must comply with the Federal Tax System and must deduct income, Social Security tax and Medicare tax accordingly. A **W-2** Form must be prepared by District each year for employees, showing the employee's total gross earnings, Social Security earnings, Medicare earnings, and federal and state taxes withheld for its employees. W 2s are included with January paychecks. Requests for duplicates should be directed to the Payroll office.

- **Tax Withholding**

Federal tax withholding will follow the W4 filed with the Payroll office. A new W4 must be filed before an employee's tax status will be changed.

- **Teacher Retirement System**

South Texas ISD is under the Teacher Retirement System of Texas and must comply with applicable laws and rules under the Gov't Code Title 8; 34 TAC Chapter 25. A deduction for the required contribution to TRS will be deducted.

TRS is now requiring for school districts to report number of days worked per month per employee. This will be used to determine if a certain employee has worked the required 90 days per year to earn one year's service credit. If an employee is out due to injury, maternity, or other reason and is not paid, the day that is not paid will be reduced from the number of days worked for that particular month.

- **Annuities/Section 403(b)**

Reference Board Policy **CRG (LEGAL)** as it states that the "District may enter into an agreement with an employee to reduce the employee's salary for the purposes of making direct contributions to or purchases of an annuity or investment product that meets the requirements of Internal Revenue Code Section 403(b) and otherwise satisfies the definition of "qualified investment product." The District may enter into a salary reduction agreement only if the qualified investment product is an eligible qualified investment and is registered with the Teacher Retirement System (TRS) under V.A.T.S. Article 6228-5, Section 8A. *Art. 6228a-5, Sec. 4(7), 5(a), V.A.T.S."*

- **Other Deductions**

The District must comply with other deductions mandated. Contact the Payroll Department for more information regarding individual deductions that may apply to you. Reference **CFEA (LEGAL) Payroll Procedures Salary Deductions and Reductions:** For a complete list of TAX DEDUCTIONS that might apply to you; such as deductions for student loan, divorce, etc.

Meal Periods for Non-exempt Employees

- **Meals**

  Bona fide meal periods are not work time. An employee who does not have a duty-free lunch will be compensated for time worked. In order to qualify as duty-free, a meal must be twenty minutes or longer. The employee must be entirely free from work responsibilities such as answering the phone, making copies or performing any work.

Overtime Defined

Overtime should have prior Administrative approval. Unauthorized overtime will result in disciplinary action; reference Board Policy **DEA (LOCAL) – COMPENSATION AND BENEFITS WAGE AND HOUR LAWS.**

Overtime includes any hours worked in excess of forty (40) hours in the same workweek. All overtime must be reflected on the employee's timesheet/timecard. Overtime cannot be waived. Classified employees cannot "donate" overtime or agree to reduced rates of pay or other types of payment for their time worked. Administrators allowing employees to work overtime without appropriate pay will be subject to disciplinary action.

The payroll department will not process payment for overtime hours without an appropriate budget code and/or pre-approval signatures.

For exempt employees, overtime does not apply unless the employee meets the overtime pay requirements under the FLSA.

Compensatory Time

The District's option; nonexempt employees may receive compensatory time off, rather than overtime pay, for overtime work. All compensatory time must have prior approval. The employee shall be informed in advance if overtime hours will accrue compensatory time rather than pay.

Compensatory time may be used at either the employee's or the District's option. An employee may use compensatory time in accordance with the District's leave policies and if such use does not unduly disrupt the operations of the District. Reference Board Policy **DEA (LOCAL) - COMPENSATION AND BENEFITS – WAGE AND HOUR LAWS** for complete disclosure.

Pay Increases

The Superintendent shall recommend to the Board an amount for employee pay increases as part of the annual budget. Compensation plans may include wage and salary structures, stipends, benefits and incentives. Compensation Plans are prepared by the Assistant Superintendent for Finance and Operations yearly. Compensation plans are presented to the Board for approval of annual increases. Annual increases should be budgeted accordingly.

Time Clock System

Time Clock reports are required for non-exempt employees and must be turned in on a timely manner in order to be paid on schedule.

For monthly payroll employees, time-sheet deadline will be the 5th of the month. If paperwork is not in the payroll office by the 5th of the month it will not be processed. The employees will have to get compensation on the next payroll cycle.

A designee at each campus/location should review time sheets and absences prior to getting approval to forwarding to the Payroll Office.

Documentation such as time sheets, prior authorization absence forms and absence duty forms must be submitted to the Payroll Department on a timely manner. If late, the Payroll Department has the right to process payment in the next pay period.

"Complete Payroll Reports" need to be turned in on a monthly basis with an absence attached if applicable every month. All Para-professionals should turn in this report except nurses both (LVN&RN).

The South Texas ISD requires that the authorized administrator or supervisor at each campus approve payroll. All timesheets must be signed in order to be processed.

Prior Approval Form

For known absences such as personal leave, jury duty, travel, etc., must have Prior Authorization. A Prior Authorization/Absence Form must be submitted for approval to Administrator. After the absence has taken effect, the date can be posted and the Prior can be forwarded to the Payroll office. For unforeseen absences, an absence form should be submitted the day the employee comes back to work. Forms must be turned in to the Payroll office along with the timesheet for proper processing.

Longevity Incentive

Employees who have been with the district at least 5 years and are retiring through TRS are eligible to have their local and state days paid (at the current daily rate) with their final paycheck. Employee must provide appropriate notice in order to be eligible (see Human Resources for additional information)

Direct Deposit

All employees will be under direct deposit, and must complete the District Direct Deposit form. Should any banking information changes be requested, they will only be completed in person with two forms of identification; banking information will not be modified via email. One form of identification must be a valid Texas driver's license. Please provide a voided check or an official bank routing and account letter. Bank information changes will be authorized after all documentation has been reviewed and approved. Only one bank account allowed per employee.

Upon receipt of the completed authorization form the District will put the payroll check through a "pre-note" process.

If the Payroll Department is not notified that an account is closed prior to forwarding funds, the employee will be issued a check after the financial institution returns the funds.

Form W-4

All employees are required to prepare and submit a Form W-4 when hired. A new W-4 is required whenever the employee has a change in status.

When requesting a name change the employee must submit a copy of a new Social Security card with the new name.

The filing of a false W-4 may be seen as tax evasion. [U.S. v. Williams (5th Cir, 1991) No. 90-5569]

Verification of Check Run

South Texas ISD verifies all check runs as part of a payment process to employees. This serves as a control for accuracy of payment.

Local Days

Five local days will no longer be reflected on your paycheck in September. The local day will be added in .5 increments on your paycheck. Employees will earn .5 day per month from September – June following **Policy DEC (Local).** Local days may only be advanced by the Superintendent.

Available Leave –
10-month – 5 days
11-month – 6 days
12-month – 7 days

Accounts Payable

Accounts Payable Objective

The Accounts Payable department mission is to pay all invoices promptly in an accurate and efficient manner. The school district is on a net 30 days' payment terms; therefore, it is very important to submit all required documentation promptly after making purchases so payment may be processed on a timely manner.

Accounts Payable Staff

The primary responsibility is to pay all invoices in a timely and accurate manner. The three specialist are assigned vendors by alphabetical order in equal amount of workload. All documentation received by accounts payable, i.e. purchase order, packing slips, paying copy, invoices, and statements, must be stamped "Received" and dated. After reviewing the documents, the clerks shall identify which orders are complete and ready to be paid and the ones that will be processed in the future. When payment is made, the AP clerk should stamp all documents as Paid.

The files are to be maintained in the same order by both clerks and filed in the filing room by "alphabet letter". Each purchase order filed consists of:

1. Accounts Payable Copy
2. Invoice
3. Copy of Requisition
4. Copy of Quote
5. Packing Slip, when applicable
6. Travel Only – Copies of approval forms

It is the responsibility of the Accounts Payable Specialist to obtain the invoices from the vendors and the approval for payment from the purchasing/bookkeeper clerk so that a check can be generated.

All invoices received are to be screened for accuracy and should reflect the exact merchandise that was described in the purchase order. If the invoice includes state taxes or finance charges, they shall not be paid; the assistant will call or e-mail the vendor notifying them of the tax exemption status of the District and request an adjustment on the invoices. All communications with the vendors shall be noted on the purchase order along with the vendor's name, the contact person, the time and date and any topic of discussion. In case that the invoice totals more than the purchase order amount, a new PO will be generated for the difference, and only 10% of the PO amount will be approved for freight charges.

There is a two-week deadline to submit complete paying copies to Accounts Payable for payment. Any travel advances for staff that do not meet the established deadlines, will be treated on a reimbursement basis, after the traveler returns.

The AP specialist are also responsible for paying all utility bills (Water, electricity, gas and telephone).

AP Specialists are required to send a semi/monthly Open PO Reports to Campus/Department.

AP Specialists/Accounting Specialist are required to rotate and prepare Board Check Register on a monthly basis and turn in to the Purchasing Agent/Accountant for review.

Check Processing

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

Checks not cashed by the expiration date (3 months from date of issue) will be voided. A new check will be reissued. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

Invoices

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

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

Purchasing

The Purchasing Department of the South Texas Independent School District is a part of the Business Office and is responsible for the organization and administration of the purchasing/procurement functions for the District in accordance with the authority delegated by the Superintendent and Board of Directors.

The primary function of the District's Purchasing Department is to meet the products and service needs of the District by:

1. Obtaining the best product at the lowest cost to the taxpayer while complying with all federal, state and local laws as well as District policies and guidelines.
2. Achieving a reliable and timely delivery for the requesting school or department.
3. Promoting competition among bidders.
4. Insuring an equal opportunity for all vendors to secure District business.
5. Educating and informing all vendors about District rules, regulations, and methodology that for the basis for bid awards.

As a support department of the District charged with the acquisition of goods and services requested by instructional and administrative departments, the Purchasing Department will function in a manner consistent with applicable laws, School Board policies, the Uniform Commercial Code and other sound business practices.

The Purchasing Department shares with the Business Office and other fiscal offices the responsibility of the expending District funds in such a manner that will meet all requirements of the State, Federal, and District procurement regulations and safeguard the public trust.

Effective purchasing is a cooperative venture between the Purchasing Department and the schools and other departments within the District. The purpose of this manual is to provide guidelines and procedures for the Purchasing Department staff and others involved in the procurement process throughout the District.

Situations will undoubtedly arise which are not fully covered by these procedures. The Purchasing Department staff is available to discuss and/or assist in any special situations or needs that are in the best interest of the students and staff of South Texas ISD.

The purchasing procedures contained in the document are intended to comply with all applicable laws, policies, and procedures. In the event of conflict, the appropriate law or policy shall prevail.

General Standards & Ethics

Ethics relating to conflicts of interest, financial interests in firms conducting business with the district, kickbacks, gratuities and improper use of a position or confidential information are clearly communicated throughout the District.

Additionally, District personnel shall be aware that under the School Law, Chapter 44.031, as well as other state or federal statutes regarding the expenditure of public funds, there are penalties for violations of purchasing processes which can include criminal prosecution and loss of employment opportunities.

There are certain common standards of ethics which govern the conduct of employees involved in the purchasing function. The fundamental standards for the South Texas ISD purchasing processes are as follows:

1. It is a breach of ethics to attempt to realize personal gain through public employment with a district by any conduct inconsistent with the proper discharge of the employee's duties.
2. It is a breach of ethics to attempt to influence any public employee of a district to breach the standards of ethical conduct set forth in this code.
3. It is a breach of ethics for any employee of a district to participate directly or indirectly in a procurement when the employee knows:
    a. The employee of any member of the employee's immediate family has a financial interest pertaining to the procurement.
    b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
    c. Any other person business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

Integrity

Fairness and impartiality in all phases of the process are an essential part of any transaction in public purchasing. Dealings with vendors and peers must be open, honest, and objective.

Like all service functions, the Purchasing Department's objective is to provide quality service for the District's schools and departments.

Purchasing Authority

South Texas ISD Board Policy Manual lists the following under **CH (LEGAL)** and **CH (LOCAL):**

The Board may adopt rules and procedures for the acquisition of goods and services. **Education Code 44.031(d).**

The Board may delegate its authority regarding an action authorized or required to be taken by the District by **Education Code Chapter 44, Subchapter B** to a designated person, representative, or committee.

The Board may not delegate the authority to act regarding an action authorized or required to be taken by the Board by Education Code Chapter 44, Subchapter B.

Authorized District employees in charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative procedures.

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted budget, state law, Board policy and the district's purchasing procedures.

The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control; persons making unauthorized purchases shall assume full responsibility for all such debts.

All purchase commitments shall be made by the Superintendent in accordance with administrative procedures, including the District's purchasing procedures, on a properly drawn and issued purchase order.

Accordingly, the District has established the South Texas ISD Purchasing Department under the direction of the Superintendent to assist the Board in the procurement function, and to assure such function is within compliance of all applicable statutes, Board policies, and Administrative Regulations.

Authorized Purchases

For a purchase to be considered an authorized purchase of the District it must have been made in accordance with the procedures outlined in this manual. The following is required prior to committing the District for any expenditure:

1. A properly completed Purchase Order
    a. All requisitions must be accompanied by a quote. Requisitions with more than one quote need the District Quote Form to be filled out and attached to the requisition. District Quote Form, can be accessed via DocuSign.
    b. Prior Authorization/Approval Form for travel with principal's or supervisor's signature.
    c. Travel Advance Request must accompany request for all travel advancements, with required signatures
    d. Reimbursement Form must accompany requests for all travel reimbursements, with required signatures.

    The district does not reimburse sales tax or gratuities.
2. Emergencies must have approval of the responsible District Senior Staff, and/or Campus Administrator, along with a memo explaining the emergency accompanied with the request the next business day. Emergencies must be communicated to the Assistant Superintendent for Finance & Operations immediately.
3. Employees should not purchase materials with their own money with the intention of being reimbursed by the district. Instead, purchasing procedures outlined in this section should be followed.
    a. District employees shall not be permitted to make purchases for personal use through the District's business office CH(local)

Non-Compliant Purchases

Definition of a Non-Compliant Purchase

A non-compliant purchase is any purchase of goods or services that is made outside the District's established procurement procedures, Board Policy, administrative regulations, or applicable state or federal laws. A purchase may be considered non-compliant when, including but not limited to:

- A purchase is made before an approved Purchase Order has been issued.
- Goods or services are ordered without proper authorization.
- An employee signs a contract or agreement without delegated authority.
- Required competitive procurement procedures or quotations are not followed.
- Purchases are intentionally divided into multiple transactions to avoid competitive procurement requirements.
- An unauthorized purchasing method is used.
- District funds are used for purchases that are not allowable under District policy or grant requirements.
- Purchases exceed approved budget authority or delegated purchasing authority.
- Required supporting documentation is incomplete or not submitted.

Submission of a Request for Payment of a Non-Compliant Purchase Form does not guarantee payment. Approval of payment is at the discretion of District administration and does not waive future compliance requirements

Consequences for Repeated Violations

Failure to comply with District purchasing procedures places the District at financial and legal risk. Employees are expected to follow all purchasing requirements before committing District funds.

Repeated violations may result in one or more of the following administrative actions:

1. Written counseling or documented coaching.
2. Required attendance at additional purchasing and procurement training.
3. Increased supervisory review or approval of future purchasing requests.
4. Temporary or permanent suspension of purchasing privileges.
5. Removal of delegated purchasing authority.
6. Written reprimand placed in the employee's personnel file.
7. Personal responsibility for unauthorized purchases when permitted under District policy and applicable law.
8. Disciplinary action, up to and including termination of employment, when violations are repeated, intentional, or involve misuse of public funds.
9. Referral to appropriate state or local authorities when required by law.
10. This form may be considered as part of the annual performance evaluation for the

Principal, Director, Supervisor, and/or employee when non-compliance with District purchasing procedures is documented

The District reserves the right to determine the appropriate corrective action based on the circumstances of each violation, including the severity of the violation, prior history of non-compliance, and applicable Board Policy and state law.

Corrective Action Process

When a non-compliant purchase occurs:

1. The employee shall immediately notify his or her supervisor and the Business Office.
2. A Request for Payment of a Non-Compliant Purchase Form shall be completed with all required supporting documentation.
3. The Principal or Department Director shall review the incident and recommend corrective actions to prevent future occurrences.
4. The Finance Director and Assistant Superintendent for Finance & Operations shall determine whether payment is appropriate and whether additional corrective action is necessary.
5. Documentation shall be maintained by the Business Office for audit and internal control purposes.

Commitment of Funds

The signature of the Assistant Superintendent for Finance & Operations or designee on an official purchase order is the only legal binding commitment to purchase. No employee has the authority to enter into purchase contracts or in any way obligate South Texas Independent School District for procurement debt.

Purchasing Approval

A purchase for goods and services cannot be made using District funds without prior approval from the Purchasing Agent in the form of an approved Purchase Order. The Board delegates to the Superintendent or designee the authority to determine the method of purchasing, in accordance with **CH (Legal) Policy**. The Designee must approve any exceptions to this policy prior to committing any District funds. Prior to the approval from Purchasing Agent, District staff must adhere to the following guidelines:

- Purchase requisitions shall not be prepared and entered online unless the purchase is necessary to the instructional program or the operation of the District.
- The release of an online requisition by the approving authority verifies the necessity of the purchase.
- The user department/campus is responsible for checking the accuracy and completeness of the information on the purchase requisition entered in the online purchasing system and ensuring that the request complies with established purchasing policies and procedures.
- Each online requisition must be approved online by the person who has final approval authority for the funds associated with the purchase. This authority cannot be delegated.
- Guidelines for the use of activity funds for purchases of goods and services are available from the accountant's office.
- The purchasing department staff will review the purchase requisition and the Purchasing Agent will provide final approval after verifying compliance with the District's purchasing guidelines.

Approving Authorities

The **Purchasing Agent** is delegated the authority to act as an agent for South Texas ISD in carrying out the purchasing activities of the district:

Each principal, administrator, or coordinator act as purchasing agents for all expenditures made from his/her campus/department funds.

Purchasing Staff

The purchasing staff is responsible for the procurement process and that they are in accordance with the district, state, and federal guidelines. The staff provides information, specifications, and price quotes. They also prepare formal and informal bid packages, bid tabulations and awarding contracts as related to the procurement process. They also assist in solving issues regarding shipment problems, payment problems, and return of goods.

Once the procurement process begins, purchasing staff should handle all contact or correspondence with vendors. It is important for departments to keep purchasing staff well informed of changes or events that may affect a purchase and/or payment.

The following are the areas of responsibility for each staff position.

Purchasing Agent

The Purchasing Agent is responsible for major procurement negotiations of all major contracts, responsible for the overall procurement process of the district, and departmental operations.

Accounting Specialist

The Accounting Specialist is responsible for assisting purchasing agent, accountants, and Finance Director. The Specialist is also responsible for, but not limited to, secretarial duties, handling communications between departments, and coordinating training of district staff. The Specialist is also responsible for implementing the district's procurement procedures, maintaining adequate supplier information, entering and updating vendor information, maintaining procurement records and providing assistance to district staff in this area. The Specialist is to post cash receipts and prepare Account Payable Board Check Register monthly.

Campus/Department - Bookkeeper/Purchasing Clerk

The campus/department - bookkeeper/purchasing clerk will be the point of contact for his/her school or department regarding the purchase of materials and supplies that come into the school/department. Their daily work will consist of reviewing and editing purchase request orders from campus or department staff and entering requests into the Ascender system.

Responsibilities

- Process purchase requisition orders and follow up on the purchase order.
    1. Verify account codes
    2. Verify product description, part number, and obtain price quote from vendor
    3. Follow up on Principal/Supervisor approval
- Match packing slips to appropriate purchase orders
- Maintain accurate records and reports on all orders
- Follow up on order status
    1. Communicate with vendor any issues with order.
    2. Keep staff informed on order and any issues that need to be resolved.
    3. Alert Business Office on any issues with vendors that cannot be resolved at their level.

Contracts and Agreements

Only the Board President, and the Superintendent, or their designees may sign contracts or agreements requiring payment from any South Texas Independent School District funds. Contracts or agreements not signed by the approved authorities will not bind the District financially and will be the personal responsibility of the individual who did sign the agreement or contract. The budget authority granted to a Principal, Administrator, or Coordinator in no way authorizes them to execute contracts or make purchases in the name of the District. All contracts and/or agreements must have a purchase order in place before any goods or services are rendered.

Purchasing Process

The purchasing process begins when the department/campus determines a need for goods or services and ends when that need is met. The purchasing department provides support to the schools and departments by monitoring or handling purchases in order to ensure compliance with all applicable statutory and legal requirements, STISD Board Policy, best practices, and adherence to the ethical standards advocated by the Texas Association of School Business Officials.

The following criteria are used by South Texas ISD to evaluate the overall "best value" when awarding a bid:

1. The purchase price;
2. The reputation of the vendor and of the vendor's goods or services;
3. The quality of the vendor's goods or services;
4. The extent to which the goods or services meet the district's needs;
5. The vendor's past relationship with the district;
6. The impact on the ability of the district to comply with the laws and rules relating to historically underutilized businesses;
7. The total long-term cost to the district to acquire the vendor's goods and services; and
8. For a contract that is not for goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company of majority owner has its principal place of business in this state or employs at least 500 persons in this state; and/or
9. Any other relevant factor specifically listed in this bid.

This criterion is required under the Texas Education Code §44.031.

Schools and Departments are encouraged to utilize planning activities for anticipated needs. Lead times vary for different purchasing methods so the administrator should consult with the Purchasing Department to determine the proper purchasing method. Items requiring Board action must be formally placed on the agenda. Principals and department heads are responsible for the funds under their control. Requests for additional funding or transfers from one budget category to another must be directed to the Assistant Superintendent for Finance & Operations.

All district contacts for the purchase of goods and services, except contracts for the purchase of product or vehicle fuel, valued at $50,000 or more in the aggregate for each 12-month period, shall be made by the method that provides the best value for the district TEC 44.031

The district defines the term "aggregate, as the total sum of demand for "like" goods or services made in a 12-month period for all campuses and departments within the school district. The aggregate amount is based on a pre-determined set of categories or commodity codes by fiscal year.

Procurement Levels

Schools and departments are encouraged to use vendors currently under contract with the District or cooperative agencies for all procurements. If the District does not have a current contract for the commodity or service needed, the following procedures apply.

- For purchases of personal property or services totaling less than $50,000 in the aggregate for the fiscal year, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:
- When utilizing a vendor that is not part of a purchasing cooperative, purchases of $1,000 or more require three written quotes. District quote form must be completed as supporting documentation (DocuSign)
- Purchases up to $50,000 may be made in the most expeditious manner possible in order to meet the needs of the schools and departments. Approved and awarded vendors shall be used for these purchases.
- When utilizing Federal Funds, purchases between $10,000 to $50,000 require three written quotes. The District Quote Form must be completed as supporting documentation. The requisition will not be processed until written documentation of the quotes is provided.
- Purchases that exceed $50,000 per single item require board approval. The Purchasing Department should be contacted so that best value practices can be followed in the procurement process. The Purchasing Department can provide lists of potential vendors and identify any potential problems or pitfalls that might occur with the procurement.
- All federal purchases require written documentation justifying the purchase to be reasonable, necessary, allowable, and allocable. The campus improvement plan and district improvement plan shall be documented as well.
- Exception purchases for the purchase of snack items, drinks, restaurants, dance halls, and flower arrangements.

The Purchasing Department maintains lists of vendors who have expressed interest in doing business with the District. It is recommended to seek assistance from the Purchasing Department in obtaining information on potential vendors.

Failure to follow these guidelines could result in a delay in processing your request. For assistance in this process, or obtaining quotes, please contact the Purchasing Department.

Produce and Fuel

There is an exception for produce and fuel that allows the District to use any method listed above or those in School Code, 44.034 for these purchases.

Cooperative Purchase Programs

All items and services available through the Board approved cooperative have satisfied all procurement regulations for competitive procurement. These items or services do not require further bidding before being procured

Cooperatives award best-value contracts based on quality, proven performance, customer satisfaction, and most importantly, pricing.

STISD currently belongs to the following co-ops:

- Texas Association of School Boards – Buy-Board
  - https://www.buyboard.com
    Phone: 800-695-2919
- Texas Department of Information Resources – DIR
  - http:/www.dir.texas.gov
    Phone: (512) 475-4700
- Texas SmartBuy Membership Program (formerly known as TPASS & TXMAS)
  - https://comptroller.texas.gov/purchasing/members/
    Phone: (512) 463-3368
- OMNIA (National IPA & US Communities)
  - https://www.omniapartners.com/publicsector
    Phone: 866-875-3299
- Region 1, Purchasing CO-OP, Child Nutrition and Library Services
  - http://www.esc1.net/Page/917
    Phone: 956-984-6178
- Region 3, Purchasing Cooperative of America - PCA
  - www.pcamerica.org
    Phone: 844-722-6374
- Region 13 & 20, Purchasing Association of Cooperative Entities – PACE
  - https://programs.esc20.net/page/pace.home
    Phone: (210) 370-5204
- Region 19, Allied States Cooperative
  - http://www.alliedstatescooperative.com
    Phone: (915) 780-5021
- TIPS- USA
  - https://www.tips-usa.com/
    Phone: 866-839-8477

- Choice Partners
    - https://www.choicepartners.org
      Phone: (877)696-2122
- Houston-Galveston Area Council
    - https://www.h-gac.com/coop/default.aspx
      Phone: (713)499-6665
- 791 Purchasing Cooperative
    - https://www.791coop.org/index.html
    - Phone: (210)757-3775
- Sourcewell
    - https://www.sourcewell-mn.gov/
    - Phone: (877)585-9706
- GoodBuy
    - https://www.esc2.net/apps/pages/goodbuy
    - Phone: (361)561-8400
- Equalis Group
    - https://equalisgroup.org/
    - Phone: (844)289-6728

Purchases under these contracts may expedite portions of the procurement process for District departments and schools.

Professional Services

An additional exception applies to professional services as defined under Government Code, Section 2254.003. These services include, but are not limited to, professionals such as attorneys, architects, fiscal agents, or licensed medical professionals. Contracts for professional services are not procured through competitive bids. Rather such services are chosen through a process of selection involving the review of professional qualifications.

Sole Source Exception

As allowed under School Code, 44.031, the District is allowed to purchase items available from a s ingle source without complying with the competitive procurement provisions.

Sole source items are defined as follows:

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
2. A film, manuscript, or book;
3. A utility service, including electricity, gas, water (if available through a single source) or;
4. Captive replacement part of component for equipment.

These exceptions do not apply to main-frame data-processing equipment and peripheral attachments with a single-item purchase price of $15,000 or more.

Vendors claiming sole source status will be asked to provide written, signed, and notarized documentation stating the reason for the sole source status. Departments or schools may be requested to document the reason why the particular product is required. A statement from the campus must be attached to the requisition, that indicates a sufficient number of vendors have been contacted to determine that only one practical source of supply exists or provides the reasons only one source exists.

Invoice Dates

Invoices shall not reflect a billing date earlier than the date printed on the purchase order.

Written Specifications

It is important for the requesting department to write specifications that correctly fulfill their needs. Specifications are the basis by which vendors prepare their bids. Specifications should be functional describing performance and design. Care should be taken not to intentionally or needlessly specify features or functions that may mislead a vendor or limit the purchase to one vendor. Departments are urged to contact the Purchasing Department if assistance is needed.

Bids and Awards

The purpose of bidding is to purchase goods and services through fair competition. Awards are made to the bidder whose bid complies with specifications, terms, conditions, and any other requirement stipulated in the bid and is the best value to the District.

Separate, Sequential, or Component Purchases

When preparing requisitions, the requesting department must be aware that the employee shall not intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the competitive bidding requirements.

- Component purchases means purchases of the component parts on an item which in normal purchasing practices would be made in to one purchase.
- Separate purchases mean purchases made separately of items that in normal purchasing practices would be made in to one purchase.
- Sequential purchases mean purchases over a period of time that in normal purchasing practices would be made in to one purchase.

Violation of this provision is a Class B or C misdemeanor. Conviction may result in confinement in a penitentiary, removal from office or dismissal from employment. **Texas Education Code-Subchapter B. - Sec. 44.032**

Pre-Paid Purchases

No pre-payment for equipment or services will be allowed.

Generally, payment to a vendor is made when goods have been received or services performed. Advance payments are not allowed except for certain purchases with extenuating circumstances. In either case, the proper level of management approval must be obtained before the District is obligated in any way.

Computers-Hardware and Software Purchases

Requests for computers and related equipment, such as software licenses and software maintenance agreements must be submitted through a tech request using FMX or district software of choice. If questions please contact Technology/Purchasing Specialist. When submitting Purchase Orders to vendors please “cc” Technology/Purchasing Specialist.

Curriculum Items/Material/Textbooks

Requests will need to be made through Executive Director for Academic Excellence.

Special Programs - Student Services and Counseling

Requests will need to be made through Special Programs Executive Director, Special Education Dept.

New Vendors

Requests to add new vendors shall be submitted to the Business Office with proper supporting documentation. The supporting documentation includes a Form W-9, Conflict of Interest Questionnaire (CIQ), Vendor Certification, Certification of Criminal history Record Information, and ACH Form (Optional). Please find New Vendor Packet on Business Office section of our website.

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ with the business office. The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.

ACH/Direct Deposit Authorization and Banking Information Changes

Purpose

To protect the security and integrity of employee and vendor financial information, South Texas Independent School District (STISD) requires all ACH/Direct Deposit authorizations and banking information changes to be completed in person.

Policy

Effective July 20, 2026, the District will only process ACH/Direct Deposit authorizations and banking information changes in person. Requests to establish or modify banking information will not be accepted by email or any other electronic means.

Required Documentation

Individuals requesting to establish or change ACH/Direct Deposit banking information must provide the following:

- A completed and signed South Texas ISD ACH/Direct Deposit Authorization Form.
- Two (2) valid forms of identification, one of which must be a valid Texas driver's license.
- A voided check or an official bank letter verifying the account holder's name, routing number, and account number.
- Any additional information required on the District authorization forms, including a Social Security number where applicable.

Verification and Approval

Business Office personnel will review all documentation for completeness and accuracy before processing any ACH/Direct Deposit request.

Banking information will not be added, changed, or activated until all required documentation has been received, verified, and approved by the Business Office.

Employees and Vendors

These requirements apply to all District employees and vendors requesting:

- Initial ACH/Direct Deposit enrollment.
- Changes to existing banking information.
- Updates resulting from account closures, new financial institutions, or other banking changes.

Location

All ACH/Direct Deposit authorizations and banking information changes must be completed at:

South Texas Independent School District

Administration Building

7001 E. Expressway 83

Mercedes, Texas 78570

Exceptions

No exceptions to this procedure will be made unless authorized in writing by the Superintendent or designee.

Responsibility

The Business Office is responsible for administering this procedure, verifying all required documentation, maintaining supporting records, and ensuring compliance with District internal controls and applicable laws and regulations.

Vendors

The addition, deletion, and update of vendors shall be in accordance with the District Procedures. The district shall ensure that all vendors are capable of providing the intended goods or services.

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

Cancellation of a Purchase Order

In the event it is necessary to cancel a Purchase Order, the school or department must advise the Accounts Payable Department. The Accounts Payable Department will close the purchase order, and liquidate the funds encumbered. The school or department placing the order must also notify the vendor of the cancellation of the purchase order.

Open Purchase Orders – When Approved

NOTE: Do not use open purchase orders when you know the quantity and unit price per item to be purchased or one-time purchases.

An open purchase order is issued to an approved vendor authorizing purchases from that vendor over a specified period of time. Open purchase orders are valuable, because they allow the purchase of items quickly. Both paperwork and related processing costs usually are reduced by open purchase orders. However, open purchase orders must follow certain criteria: approved vendors, limitation on the maximum amount for purchases, a specific time frame for purchases covered by the open purchase order (usually one month), and identification of authorized purchasers.

Open purchase orders are issued so that supplies, materials, or services are available "as needed" by end users. These purchase orders eliminate numerous individual purchase orders for small dollar-value items.

Open purchase orders are limited to the following departments:

- Food Service
- Maintenance/Custodial
- Transportation

However, the district may enter an open purchase order for lease payments, such as copiers, and the like.

Certain controls shall be in place for the use of open purchase orders:

- The number of vendors to whom open purchase orders are issued is limited.
- Those who can make purchases under open purchase orders shall be clearly designated.
- Dollar limits shall be carefully observed.

Reimbursement s (Non-Travel) needs prior approval from Assistant Superintendent for Finance & Operations

Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only.

When entering a requisition, in the description area, always enter the brand and model number of the equipment, serial number of equipment and location of equipment and number of months in lease.

An open requisition should be for the number of months remaining in the fiscal year ending August 31.

Credit Cards

The district allows the use of vendor purchasing cards for approved expenditures. Cards are not issued to individuals – all eligible employees may check out cards from their school office with an approved purchase order. We currently have vendor credit cards for the following vendors:

- HEB
- Wal-Mart (Trevi Pay)
- Sam's Wholesale Club
- Hobby Lobby
- Lowe's
- Home Depot
- Barnes & Noble
- Fuelman

1. An approved purchase order MUST accompany the credit card to make purchases.
2. It is important that requisitions submitted for approval be itemized as much as possible. Please include ALL items that your campus representative intends to purchase with that credit card on the purchase order.
3. After the purchase is made, the employee must return the card, purchase order, and receipt to the campus Bookkeeper/Purchasing Clerk. Employee must sign log book verifying the card has been returned.
4. All credit cards must be returned to the campus office within 24 hours of checkout.
5. Vendor credit cards shall NOT be passed around on your campus to be used by multiple people. The person that signed the card out is responsible for that credit card until it has been returned.
6. Each campus or department that is entrusted with credit cards shall properly secure the cards [when not in use] in a locked safe.

Sales Tax Exemption

Provisions under Article 21.023 of the Federal Statues provide tax exemption to the school district. Exempt organizations are entitled to an exemption only on items purchased and used directly and exclusively in pursuit of the exempt purpose. For school districts, items purchased must relate to the educational process.

Gift Cards

South Texas ISD does not permit the use or purchase of gift cards with local, state, or federal funds, unless specifically authorized by a grant program.

Purchase of gift cards for students is allowable out of student activity funds when approved by the Assistant Superintendent for Finance & Operations.

Insurance Requirements

State law requires that any contractor entering a building or construction contract must certify in writing that he provides worker's compensation insurance coverage for each employee of the contractor employed on the public project. This extends to any subcontractors. All certificates must be on file at the District before work commences.

The District has chosen to extend this requirement to any contractor of the District. Additionally, general liability and automobile coverage is required for any contractor performing services on District property. Insurance certificates must list South Texas ISD as an additional insured and should be on file at the District before work commences.

Failure to produce proof of satisfactory insurance coverage will be a consideration for non-award or contract termination.

Travel

Reimbursements for travel related expenditures will only be made for expenditures related to conferences, workshops, meetings, etc. as outlined in board policy **DEE (Local) and BBG (Local).**

Only necessary and actual expenses of travel by employees and board members of the District will be paid by the District. All requests for travel reimbursement for district business are expected to be reasonable and take into consideration limited District resources.

All travel must be at the lowest available commercial rates: GSA rates will apply to out of state travel and for hotel accommodations (for local or out of state). The maximum per diem reimbursement rate for the first and last day of travel are at 75% of the GSA meal amount including the incidentals fee. The entire receipt is reimbursable as long as the amount does not exceed the 75% of the GSA amount. For out of state student travel, sponsor must use the 58.33% approved percentage.

For example: The GSA rate approved for a trip to Florida is $56.00, per day (including the $5 incidental). To calculate the per diem per student you would take the $56.00 X 58.33 = $32.66. The $32.66 is your student per diem rate. However, the first and last day is at 75% of the calculated GSA rate. You would take the $32.66 X 75% = $24.50. This will be your new per diem rate for the first and last day regardless of time of travel.

The District reimburses on actual incidentals such as taxi fare, parking fees, and extra luggage. The District will pay the $5 incidental without a receipt.

Travel Allowances

Travel allowances for in-state and out-of-state travel, in which the traveler receives a flat per diem for lodging and/or meals, regardless of the actual amount expended, are not allowable in Texas. Grantees must adhere to the guidelines stated above in lieu of a travel allowance.

Travel Documentation

Travel costs must be properly documented to be reimbursable. The employee must document travel costs with the Reimbursement Form. Auditable documentation must include the following at a minimum:

- Name of the individual claiming travel reimbursement
- Destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- Dates of travel
- Actual mileage (not to exceed reimbursement at the maximum allowable rate)
- Actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)

- Actual amount expended on meals per day (may not exceed the maximum allowable; taxes, tips and gratuities are not reimbursable)
- Actual amount expended on public transportation, such as taxis and shuttles
- Actual amount expended on a rental car, with a receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation; receipts for any gasoline purchased for the rental car must be attached (mileage is not reimbursed for a rental car—only the cost of gasoline is reimbursed). Car rentals must receive prior approval by the Superintendent.
- Actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- Total amount reimbursed to the employee

Travel costs that are not supported by proper documentation as described above are not allowable to be charged to TEA grants, and are subject to disallowance by state and federal auditors and monitors.

Overnight Accommodations

The employee shall make every effort to schedule meetings and related travel times so that overnight accommodations are not needed. Reimbursement for overnight accommodations will only be made when travel time to the conference, meeting, etc. from the home, school, or office would make it unreasonable for the employee to travel to and/or from the business meeting or conference on the same day.

1. Employee traveling is responsible for presenting the Hotel Occupancy Tax Exempt Form.
2. Any state taxed charged, will become the personal responsibility of the employee.
3. Verify the hotel receipt that the credit card used to make reservation is not charged.
4. If hotel charges your personal credit card, it is the employee's responsibility to dispute the charges.
5. Hotel receipts must be turned in to Accounts Payable. Other reimbursements will not be processed until we receive the hotel receipt.
6. If hotel receipts are not submitted, the employee will become personally liable for the entire hotel amount.
7. Entertainment and/or alcoholic beverage expenses are not reimbursed by the District.
8. Early bird check-in or any additional services requested for flights or car rentals are not reimbursed by the District.
9. Valet parking is reimbursable at the standard parking rate, if standard parking is available

The employee shall contact the hotel directly to make hotel reservations instead of using

third party companies. At times, when booking through a third party company, like reservation counter, booking.com, hotels.com, etc., third party companies do not honor the Hotel Occupancy Tax Exempt Form, charge service fees (which are non-reimbursable by the district), or may charge the credit card in full, instead of placing a "hold" on the card.

Hotel Occupancy Tax Exemption Form

This form shall be used for school-related travel to conferences, workshops, etc. Copies may be obtained from the business office or via the web at the link below. Lodging taxes, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any.

The **Hotel Occupancy Tax Exemption Form** applies only to lodging in the state of Texas.

Meals

Meals must include overnight stay. No receipts required for the business office; however, a campus can require receipts to be submitted. Meals will still be reimbursed depending on the times of departure and arrival, the only difference being that the daily rate will be divided into thirds. State law prohibits reimbursement for alcoholic beverages. If meals are included with conference registration fees, additional reimbursement for meals will not be made to the employee if he/she chooses to go out for meals.

Employee/Sponsor allowance by meal		**Student allowance by meal**	
Breakfast	$12.00	Breakfast	$10.00
Lunch	$18.00	Lunch	$12.00
Dinner	$20.00	Dinner	$15.00
Daily Total:	$50.00	Daily Total:	$37.00

Note: State law does not allow reimbursement for gratuity.

Mileage

Mileage is currently reimbursed at $.725 per mile from January 1, 2026 – December 31, 2026. South Texas ISD follows the State rate for mileage reimbursement. All mileage reimbursements must include a copy of an online mapping service identifying the total miles driven or vehicle odometer reading.

Mileage rate is subject to change in accordance with the State mileage reimbursement rate.

Mileage reimbursement shall be submitted on a **monthly basis**.

Transportation costs

Means of transportation must be at the best value for the district. The employee and his/her supervisor shall consider the expense of driving versus purchasing an airline

ticket, taking into consideration the time savings of flying, to determine which method of travel shall be used. If flying, the employee shall plan for travel and purchase airline tickets far enough in advance to secure the best possible fare.

Documentation from the campus must be provided, that shows a sufficient amount of research was done when considering driving vs flying or flying vs driving.

The location from which the employee is flying must be at the best value for the district.

Use standard parking instead of valet parking

Travel Agency

In an effort to facilitate and expedite commercial air transportation at a reasonable price the business office is allowing the following methods of booking a plane reservation. Employees who require air travel should make every effort to obtain the lowest possible airfare.

Use of own credit card - Employees will be reimbursed for expenses incurred for air travel, provided these expenses were approved prior to the purchase.

Use of Travel Agency – employee is responsible for contacting the authorized travel agency and obtaining a price quote for the most economical airfare reservation, regardless if the airport location is more convenient. After obtaining a quote the employee must submit to the campus/department bookkeeper for a requisition to be generated. It is the responsibility of the bookkeeper to track the requisition until it becomes a purchase order. The travel agency will not make any reservations without a purchase order number.

If a purchase order cannot be generated on time, it is the responsibility of the Bookkeeper/ Purchasing to contact the Assistant Superintendent for Finance & Operations at the Business Office for approval. They will call the travel agency and authorize the request. However, the requisition needs to be in the system before approval can be done. When calling in for approvals have the requisition number and reservation number available.

Flight reservations should be made as far in advance as possible. By booking early you are more likely to reserve a lower airfare and seat of your preference. If employee books closer to departure, there is a greater chance of paying a higher airfare and obtaining a less desirable seat selection. Reimbursement of first-class air travel is not permitted.

Prior to Travel

1. The employee shall complete a "Prior Authorization/Absence Form for permission to attend conference or workshop." (Form is available through DocuSign via the District website).
2. Request is approved by principal/administrator, signatures are required
3. Submit Prior Authorization Form along with requisition, and supportive documentation for District approval
    a. The Bookkeeper/Purchasing Clerk and the employee are responsible for making hotel reservations and submitting a requisition to pay hotel directly. Note: State Tax Exempt
    b. The bookkeeper and the employee are responsible for the conference/workshop registration and submitting requisition to pay the registration.
        i. NOTE: Advancements on lodging and registration fees are discouraged and should only be requested as a last resort.
    c. The employee is responsible for submitting a Travel Advance Request Form for the following: meals and mileage. All other travel expenses will be reimbursed upon return, with original receipts:
        i. NOTE: 80% advancement at time of travel, 20% when the reimbursement is turned in.
        ii. 100% advancement when traveling with students.

After Travel:

1. Within ten days of return from travel, the employee completes the Reimbursement Form.
2. Attach original receipts to the form – (for payments) no copies or faxes. For expenditures made by credit cards, the original credit card slip must be attached – Monthly statements are not accepted.
3. Submit Reimbursement Form with Actual Expenses, along with the signed Prior Authorization form to attend, to Business Office for reimbursement.

Entering a Requisition:

1. If a staff member would like to purchase something, a request will be made to the Purchasing Clerk/Bookkeeper.
2. The Purchasing Clerk/Bookkeeper should check the account code in the General Ledger in Ascender to ensure that funds are available.
3. The Purchasing Clerk/Bookkeeper will obtain all necessary quotes and information from the vendors.
4. The purchase requisition must now be generated in Ascender and submitted for approval by the Campus principal/administrator, and anyone in the approval path.
5. All supporting documentation must be uploaded Ascender for review

   Not doing this will only delay the requisition process.

7. The Principal/Administrator must now review the purchase requisition and click "Approve" before it can be processed by the Purchasing Department. It is advisable for each approver to set aside a certain time each day, every day to review and approve purchase requisitions.
8. Once approved by the Principal/Administrator, and anyone in the approval path, the Purchasing Agent will review the purchase requisition for accuracy, proper account codes, approved vendors, and legal purchases. If any information is incorrect, the Purchasing Department will enter comments in the comments section and send it back so that the purchase requisition can be edited and corrected in the system.
9. Purchasing Department will review and approve purchase requisitions each business day. Please call if you need a requisition approved immediately.
10. The purchase order is released by the Purchasing Agent. After this step is done, the campuses may print their own purchase orders.

Requisition Format

In order to avoid delays in processing, requisitions shall include all information necessary to clearly define the needs of the user department or campus. The information required includes the following:

- Vendor name and address
- Indicate if requisition has attachments in the attachment field
- Indicate if a check is required
- Quantity needed
- Price (per unit and in total)
- Purchase orders are to be input by line item
- Complete and accurate description of items to be purchased
- Requested by
- Reason – Specify what you are purchasing
- Payment terms, if any
- Discounts, if any
- Account code to be charged
- Transportation arrangements (shipping/freight costs, if any)
- Any special instructions must be typed in the body of the requisition
- Cooperative contract number must be typed in the body of the requisition
- Bid/Proposal number, if any (i.e. Bid/RFP 26-001, Buyboard 750-24, DIR-SDD 1951, etc.)
- In the bid field the following format is required
  - ➢ Travel request - Travel
  - ➢ Quotes - Quotes
  - ➢ Sole Source - SS
  - ➢ STISD RFP - Number assigned i.e. RFP 26-001
  - ➢ Manufacturer Part - OEM
  - ➢ Region One - ESC1
  - ➢ Buy – Board - BuyBoard
  - ➢ Department of Information - DIR
  - ➢ National IPA - NIPA
  - ➢ TXMAS - TXMAS
  - ➢ US Communities - USC
  - ➢ OMNIA - OMNIA
  - ➢ PACE - PACE
  - ➢ Choice Partners - CP
  - ➢ Region 19 Allied States - ESC 19

- TIPS-USA/TAPS - TIPS/TAPS
- Sourcewell - SW
- 791 Cooperative - 791
- GoodBuy - GB
- Equalis Goup - EG
- Other - MP
- Professional Services - PS

Requisitions received by the Purchasing Department are reviewed for the following items prior to approval of a purchase order.

- Accuracy
- Adequate description
- Proper account coding
- Overall completeness
- Compliance with competitive procurement as established on Education Code 44.031.

Checking Purchase Order Status

You have the ability to check the status of the purchase order using the Purchase Order Requisition Status. The Purchasing Department uses requisition comments to enter comments regarding incorrect or missing information that the end user needs to correct or provide in order for the requisition to be approved.

It is the end user's responsibility to monitor purchase order status.

Receiving Orders:

1. Upon receipt of ordered supplies, the campus/department Purchasing Clerk/Bookkeeper shall check the packing slip to ensure that everything ordered was received.

2. If the order is complete, the Purchasing Clerk/Bookkeeper needs to submit the packing slip to Accounts Payable for processing. If any items were not shipped yet show on the packing slip, the Purchasing Clerk/Bookkeeper is responsible for contacting the vendor to arrange proper shipment. If any items are on backorder, the Purchasing Clerk/Bookkeeper must make notes of what was received and leave the remaining items "open".

   It is very important to itemize and specify all of your purchase orders. If you don't know exactly what was ordered, you have no way of knowing whether or not the purchase order is complete.

3. If the invoice arrives with the shipment, the Purchasing Clerk/Bookkeeper needs to forward it immediately to Accounts Payable. (ALL invoices come directly to the Business Office.)

4. Detailed invoices must be received in order for payment to be authorized and

information on invoice must match the packing slip of items received.

5. When the invoice arrives, Accounts Payable will then match the invoiced items to the purchase order.
6. If everything matches and all requested items were received, the invoice is paid and Accounts Payable closes out the purchase order in the system.
7. If items were received in the shipment that were not ordered, it is the responsibility Purchasing Clerk/Bookkeeper to contact the vendor, return the items, and obtain a credited invoice.
8. If all items were not received, the purchase order will remain open, encumbered and on the system until all items are received or Accounts Payable is notified by the campus/department that the purchase order is finished and needs to be closed. If merchandise is not received within 30 days of partial shipment, the bookkeeper needs to cancel back order items with vendor and notify Accounts Payable to close purchase order.
9. Purchase orders must be for the exact items listed and freight must be included. If the purchase order is not for the correct amount or freight was not included, the Purchasing Department must authorize the increase before the goods are shipped.

It is the responsibility of each campus/department to check open purchase orders weekly and close out those that are no longer needed.

PURCHASING AND ACQUISITION CH(LOCAL)

Purchasing Authority

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any purchase that exceeds $50,000 per item shall require Board approval before a transaction may take place.

Purchasing Procedures

The Superintendent shall develop purchasing procedures to implement the requirements of state and federal law. [See also CB, CBB, CH(LEGAL), and COA]

Purchasing Method

The Board delegates to the Superintendent the authority to determine the method of purchasing in accordance with CH(LEGAL) or CBB(LEGAL), as appropriate.

Competitive Bidding

If competitive bidding is chosen as the purchasing method, the Superintendent shall prepare bid specifications. All bids shall be in accordance with administrative regulations, and the submission of any electronic bids shall also be in accordance with Board-adopted rules. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered.

The District may reject any and all bids in accordance with state or federal law, as applicable.

Competitive Sealed Proposals

If competitive sealed proposals are chosen as the purchasing method, the Superintendent shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be in accordance with administrative regulations, and the submission of any electronic proposals shall also be in accordance with Board-adopted rules. Proposals received after the specified time shall not be considered. Proposals shall be opened at the time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened.

The District may reject any and all proposals in accordance with state or federal law, as applicable.

Electronic Bids or Proposals

Bids or proposals that the District has chosen to accept through electronic transmission shall be administered in accordance with Board-adopted rules. Such rules shall safeguard the integrity of the competitive procurement process; ensure the identification, security, and confidentiality of electronic bids or proposals; and ensure that the electronic bids or proposals remain effectively unopened until the proper time.

Responsibility for Debts

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District's purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

Purchase Commitments

All purchase commitments shall be made by the Superintendent in accordance with administrative procedures, including the District's purchasing procedures.

Personal Purchases

District employees shall not be permitted to make purchases for personal use through the District's business office.

Account Codes

South Texas ISD uses a basic, 20-digit account code that is required for all purchases, in accordance with the Financial Accountability System Resource Guide from TEA. The composition of the code structure is as follows:

199	11	6395	00	001	7	11000
Fund	**Function**	**Object**	**Sub-Object**	**Org**	**Year**	**Program Intent**

In the example above, the expenditure would be for classroom supplies and materials for the regular education program at BETA High School from the general fund.

Fund Codes

Governmental fund types for Texas school districts consist of four governmental fund groups (General, Special Revenue, Capital Projects, and Debt Service) that account for the acquisition, use and balances of expendable financial resources and related liabilities as required by law or rule. The fund code designates the fund to which the expenditure will be charged.

Example:

> Special Revenue Fund could be coded 211. The 2 indicates the Special Revenue Fund, the 11 specifies ESEA Title I Part A - Improving Basic Programs.

Function Codes

A function represents a general operational area in a school district and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students.

Example:

> The function “Health Service (Nurse)” is coded 33. The first 3 specifies Support Services - Student (Pupil) and the second 3 is Health Services.

Object Codes

Expenditures and expenses shall be classified by the major object classes according to the types of items purchased or services obtained. Object codes for expenditures always begin with the digit “6” and are used to describe exactly what is being purchased.

Example:

> Money received for current year taxes is classified in account 5711. The 5 denotes revenue, the 7 shows Local and Intermediate Sources, the 1 denotes local real and personal property taxes revenue, and the final 1 specifies current year levy.

Sub-Object Codes

Sub-object codes provide the option for special or separate accountability for expenditures at the local level.

Example:

A high school might set up sub-object codes to distinguish expenditures of specific instructional activities, like science, math, etc. A business department budget might set up different sub-object codes to differentiate expenditures between supplies and non-consumable supplies.

Organization Codes

A mandatory 3-digit code that identifies the organization (i.e., High School, Middle School, Elementary School, Superintendent's office, Campus, Department, etc.). An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory.

Example:

Expenditures for World Scholars is classified as 001. This is a campus organization code that is defined in the Texas School Directory for that high school.

Fiscal Year Code

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Examples:

For the 2026-2027 fiscal year of the school district, a "6" would denote the fiscal year.

Program Intent Codes

The program intent code is used to designate the intent of a program/purchase provided to students. These important codes are used to classify expenditures under specific budgets for special student programs. Examples include bilingual, special education, career & technology, and gifted & talented.

Example:

An entire class of physics is taught at the basic level. Program intent code 11 would designate Basic Educational Services.

Optional Code 3

A single code that is used at the local option.

Optional Codes 4 and 5

An optional 2-digit code that may be used by the district to further describe the transaction.

GENERAL OPERATING FUNDS (1XX)

(State and locally funded)

1XX General Fund - This fund classification is used to account for transactions in which the local governing board has wide discretion to use as provided by law. The majority of the transactions handled by the District are accounted for in this fund.

101 Cafeteria

199 Local Maintenance

(2XX, 3XX, 4XX) SPECIAL REVENUE FUNDS

(State, Local, and Federal Programs)

211 Title I Regular

212 Title I Migrant

244 Federal Vocational

255 TPTR Title II Part A

263 Title III, Bilingual

214 Title IV-Part A

289-02 UTRGV Mental Health Grant

313 IDEA - Part B, Formula

397 Advanced Placement Incentives

410 Textbooks

429 Jet Grant

437 Special Education (CO-OP)

485 STISD Donation & Gift Funds (District Use)

DEBT SERVICE FUND

(Locally funded)

5XX Debt Service Fund - This fund must be used to account for general long-term debt

principal and interest for debt issues and other long-term debts for which an ad valorem tax has been dedicated.

516 Debt Service

CAPITAL PROJECTS FUND

(Funded through bond proceeds)

6XX Capital Projects Fund - This fund must be used to account, on a project basis, for projects financed by the proceeds from bond issues, or for capital projects otherwise mandated to be accounted for in this fund.

699 Capital Projects Serie

PROPRIETARY FUND TYPES

(Funded from various sources)

7XX Proprietary Fund - These funds are used to account for a school district's ongoing organizations and activities where net income and capital maintenance are measured.

753 Internal Service Revenue

TRUST AND AGENCY FUNDS

(Funded from various sources)

8XX Activity Funds - These funds are held in a custodial capacity by a school district, and they consist of clearing accounts and funds that are the property of students or others.

Locally raised revenues used for general operating purposes, such as certain principal's activity accounts, are not agency funds and are to be budgeted and accounted for in the General Fund.

863 Payroll Clearing Fund

865 Student Activity Fund

GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS

(Memorandum only)

9XX General Fixed Assets and General Long-Term Debt Account Debt – These codes are used to record general capital assets and long-term debt involving governmental activities.

901 General Fixed Assets - This set of self-balancing accounts is to account for those general fixed assets. This account group is for specific pieces of property such as equipment, land, building and all associated costs.

902 General Long-Term Debt - This set of self-balancing accounts is to account for debts of a non-current nature.

FUNCTION CODES

R 11 Instruction
This function is used for activities that deal directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations.

R 12 Instructional Resources and Media Services
This function is used for expenditures/expenses that are directly and exclusively used for resource centers, establishing and maintaining libraries and other major facilities dealing with educational resources and media.

R 13 Curriculum Development and Instructional Staff Development
This function is used for expenditures/expenses that are directly and exclusively used to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students. Expenditures and expenses include in-service training and other staff development for instructional or instructional-related personnel (Functions 11, 12, and 13) of the school district.

R 21 Instructional Leadership
This function is used for expenditures/expenses that are directly used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services.

R 23 School Leadership
This function is used for expenditures/expenses that are used to direct and manage a school campus. They include the activities performed by the principal, assistant principals and other assistants.

R 31 Guidance, Counseling and Evaluation Services
This function is used for expenditures/expenses that are directly and exclusively used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes costs of psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

R 32 Social Work Services
This function is used for expenditures/expenses that are directly and exclusively used for activities such as:
• Investigating and diagnosing student social needs arising out of the home, school or community
• Casework and group work services for the child, parent or both
• Interpreting the social needs of students for other staff members

R 33 Health Services
This function is used for expenditures/expenses that are directly and exclusively used for providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.

R 34 Student (Pupil) Transportation
This function is used for expenditures/expenses that are incurred for transporting students to and from school.

R 35 Food Services
This function is used for food service operation expenditures/expenses, including the cost of food, labor, and other expenditures/expenses necessary for the preparation, transportation and storage of food to provide to students and staff.

R 36 Extracurricular Activities
This function is used for expenditures/expenses for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting.

R 4l General Administration
This function is for expenditures/expenses that are for purposes of managing or governing the school district as an overall entity. This function covers multiple activities that are not directly and exclusively used for costs applicable to specific functions. General administration is an indirect cost applicable to other expenditure functions of a school district.

R 51 Facilities Maintenance and Operations (New title effective September 1, 2005)
This function is used for expenditures/expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair, and insured. This function is used to record expenditures/expenses for the maintenance and operation of the physical facilities and grounds.

R 52 Security and Monitoring Services
This function is used for expenditures/expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

R 53 Data Processing Services
This function is for expenditures/expenses for data processing services, whether in-house or contracted. Examples of Function 53 costs are costs for computer facility management; computer processing; systems development; analysis of workflows, processes and requirements; coding, testing, debugging and documentation; systems integration; design of applications supporting information technology infrastructure; maintenance of programs; maintenance of networks; and those interfacing costs associated with general types of technical assistance to data users.

R 61 Community Services
This function is used for expenditures that are for activities or purposes other than regular public education and adult basic education services. These types of expenditures are used for services or activities relating to the whole community or some segment of the community.

R 71 Debt Services

A function for which expenditures are for the retirement of service fees and for all debt interest.

R 81 Facilities Acquisition and Construction

A function for which expenditures are for acquiring, equipping, and/or additions to real property.

R 95 Payments to Fiscal Agent/Member Districts of Shared Services

This code is for costs to provide financial resources for juvenile justice alternative education programs (JJAEPs) under the TEC, Chapter 37.This code is used to account for payments from your school district to a JJAEP in connection with students who are placed in discretionary or mandatory JJAEP settings.

R 99 Other Intergovernmental Charges

This code is for recording intergovernmental charges not defined by any of the preceding codes. Costs classified with this code include the following:

- costs to obtain instructional services from another public school for grade levels not offered by your school district
- set-aside amounts for private school service

EXPENDITURE OBJECT CODES

R 6219 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. These professionals are required to be licensed or registered with the state (Engineering, Architect, Medical, etc.).

R 6223 Student Tuition - Other than to Public Schools

This code is used to classify expenditures/expenses for tuition if a school district is under contract with an institution of higher learning or with non-public schools to provide instructional services to students.

R 6239 Education Service Center Services

This code is used to classify all contracted services provided by the education service center.

R 6248 Building Repairs/Grounds Upkeep (Locally Defined)-Contracted Maintenance and Repairs

R 6249 Contracted Maintenance and Repair

This code is used to classify expenditures/expenses for normal contracted maintenance and repair of items. This includes but is not limited to expenditures/expenses for normal contracted upkeep, repairs of: (Furniture, Computers, Copiers, District-owned telephone systems, Facsimile machines, Software upgrades, and Maintenance agreement fees.

R 6269 Rentals - Operating Leases

This code is used to classify expenditures/expenses for other rentals - operating leases. This includes, but is not limited to, rental or lease of: (Furniture, Computers, Telecommunications equipment, Audio-visual equipment, Vehicles (including buses), Land, Buildings, Space in buildings, Grounds).

R 6295 Uniform Rentals (Locally Defined)

R 6299 Miscellaneous Contracted Services
This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere. These individuals are not licensed or registered by the State (performers, bands, disk jockeys, athletic officials, etc.).

R 6321 Textbooks
This code is used to classify expenditures/expenses for textbooks purchased by the school district and furnished free to students, certain classes or grades.

R 6329 Reading Materials
This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries whether in print or electronic format.

R 6395 Materials & Supplies-Consumable (Locally Defined)
This code is used to classify expenditures/expenses for those items of relatively low unit cost (even though used in large quantities) necessary for the instruction process and/or for administration. These items include: Consumable teaching and office items such as paper, pencils, forms, postage, etc.

R 6398 Materials & Supplies-Non-Consumable (Locally Defined)
This code is used to classify expenses for furniture and equipment with unit costs of $500-9,999.99 and with a useful life of one or more years. These are the items are tagged and controlled.

R 6411 Travel and Subsistence - Employee Only
This code is used to classify the cost of: transportation; meals; room; registration fees associated with virtual and in-person trainings, conferences, seminars, and in-service trainings; and other expenses associated with professional development and traveling on official school business.

R 6412 Travel and Subsistence - Students
This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events.

R 6419 Travel and Subsistence - Non-Employees
This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. Travel for individuals not employed by the school district. Registration fees associated with attending conferences, including seminars, in-service training, etc. are also classified in this account. This includes travel expenses incurred while traveling to school district authorized activities, including transportation expenditures/expenses paid:
− To parents
− For board member travel
− For individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities.

R 6495 Dues (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year.
This code is used to identify expenditures/expenses for dues paid to clubs, committees, or other organizations. Examples of organizations are TASA, TASP, TASB, Lions Club, Rotary Club, local chambers of commerce and other associations. This does not include any registration fees associated with attending conferences or seminars, which are coded to account 6411.

R 6499 Miscellaneous Operating Costs
This code is used to classify expenditures/expenses for all other operating costs not mentioned above. This account includes: Fees (not associated with travel), Awards, Bid notices, Graduation expenses, Food/refreshments for school-related meetings, Newspaper advertisements, etc.

R 6631 Vehicles per unit cost of $10,000 or more
This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of $10,000 or more and a useful life of more than one year.

R 6639 Furniture, Equipment and Software
This code is used to classify expenditures for all equipment, furniture, technology equipment and capital outlay items having a per-unit cost of $10,000 or more and a useful life of more than one year not classified elsewhere.

ORANGIZATION CODES

001 World Scholars
003 Medical Professions
004 Health Professions
005 Science Academy
009 Virtual Academy
041 Preparatory Academy
042 Rising Scholars Academy
701 Superintendent Office
702 School Board
720 Administration
730 Public Relations
740 Human Resources
750 Business Office
751 SSA – Shared Services Arrangement
999 District Wide

PROGRAM INTENT CODES

R 11 Basic Educational Services
The costs incurred to provide the basic services for education/instruction to students in grades PK-12 prescribed by state law as well as adult basic and secondary education services. Basic is defined as the curriculum provided for those students that are not in special education. Basic educational services include the costs to evaluate, place, and

provide educational services to students in honors, college preparatory and advanced placement courses. Costs incurred relating to:
• Basic services for education/instruction (PK-12) prescribed by Texas law, including:
- Regular education program for limited English proficiency students
• District/campus improvement plan
• Honors, college preparatory courses
• Advanced placement courses not designated as part of a gifted and talented program
• Adult basic and secondary education services

R 21 Gifted and Talented
The costs incurred to assess students for program placement and provide instructional services (which are guided by the state plan) beyond the basic educational program and that are designed to meet the needs of students in gifted and talented programs. Costs incurred relating to:
• Gifted and talented programs
• Advanced placement courses designated as part of a gifted and talented program

R 22 Career and Technical
The costs incurred to evaluate, place and provide educational and/or other services to prepare students for gainful employment, advanced technical training or for homemaking. This may include apprenticeship and job training activities.

R 23 Services to Students with Disabilities (Special Education)
The costs incurred to evaluate, place and provide educational and/or other services to students who have Individual Educational Plans (IEP) approved by Admission, Review and Dismissal (ARD) committees. These plans are based on students' disabilities and/or learning needs.

R 24 Accelerated Education
Costs incurred to provide compensatory education and accelerated instruction to identified at-risk and low socioeconomic status students

R 25 Bilingual Education and Special Language Programs
The costs incurred to evaluate, place and provide educational and/or other services that are intended to make the students proficient in the English language, primary language literacy, composition and academic language related to required courses.

R 37 Dyslexia or Related Disorders
Dyslexia General Education, for services provided by LEAs using *(HB3) dyslexia state* allotment funds to each general education student who has been identified as having dyslexia or a related disorder under TEC, Section 48.103.

R 38 College, Career, or Military Readiness Outcomes Bonus
Funds allocated must be used in grades 8 through 12 to improve college, career, and military readiness outcomes as described by TEC Section 48.110, Subsection (f)

R 43 Dyslexia – Special Education

The costs incurred for each student that a school serves who has been identified as having dyslexia or a related disorder under the TEC, §48.103, and who has an Individualized Education Plan (IEP) that specifically states that dyslexia services are required and the school district uses the state allotment to serve that student.
Costs incurred for dyslexia or dyslexia related disorders coded to this PIC will be included in the calculation for ESSA maintenance of effort calculation.

Dyslexia therapists training for teachers
Services for dyslexia or a related disorder

Modifications in the classroom or accommodations in the administration of assessment instruments under the TEC, §39.023

Dyslexia therapist positions and/or stipends for dyslexia therapists
Dyslexia specialist
Dyslexia screening, progress monitoring, and/or evaluation tools

R 91 Athletics or Related Activities
The cost used for the costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf, swimming, wrestling, gymnastics, baseball, tennis, track, volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad, or any other organized activity to support athletics. However, this does not include band.

R 99 Undistributed
All charges which are not readily distributed to program intent codes are classified here. Program intent code 99 may be used when recording substitute teachers and on-behalf teacher retirement payments in all function codes. This code may be used for costs not clearly attributable to a specific program intent.

Guidelines for Cash Handling Procedures

Strong internal controls for cash collection are necessary to prevent mishandling of funds and are designed to safeguard and protect employees for inappropriate charges of mishandling funds by defining their responsibility in the cash handling process.

South Texas ISD Separates the components of cash handling – collecting, depositing, and reconciling – so that one individual does not have responsibility for more than one component.

Campus and Department procedures for handling of cash

1. Cash is to be counted by two people, who will verify the amount being sent in for deposit. Make sure to fill out the *Deposit Verification Form*. The form must be signed by both the individual who prepared the deposit and the individual verifying the deposit.
2. All cash must be reconciled to its source. If the cash received is a result of ticket sales, the cash received must be reconciled to the ticket count. If

the cash is a result of the sale of product, cash must be reconciled to the change in inventory, as well as to the tape in the cash register if one was used to record the sale. If the cash was the result of other orders for events or merchandise, the cash must be reconciled to receipts or to a receipt log.

3. Administrators will identify the staff to be responsible for cash handling procedures, for example; sponsor, cafeteria manager, etc. Procedures should include “backup” for situations when the primary staff are absent, or unavailable. However, at no point may the bookkeeper receive or handle cash.
4. Cash must be reconciled monthly, in all areas, to the district’s reconciliation reports, to commercial bank accounts authorized and maintained by the district.
5. If the reconciliation is to the district’s reconciliation report (for student body accounts), the principal must review and sign the reconciliation report. Reports shall be available for audit.
6. No cash or checks shall be forwarded through mail or messenger service except in locked or sealed moneybags.
7. Funds belonging to the school district and funds belonging to the student bodies shall not be intermingled, but shall be receipted for, stored and otherwise handled as completely separate funds.
8. The cashing of personal checks from district or student activity funds is prohibited.
9. The deposit of district or student body funds into any bank account that has not been approved by the District Board of Education is prohibited.

10. Principals and other district personnel delivering monies to the District Office shall deliver the money directly to a designated member of the Business Office staff.
11. All checks shall be stamped for deposit.
12. Deposits shall be made intact, accompanied by deposit slip(s) and/or supporting documentation from the school or department. Direct payment out of receipts is prohibited.
13. Funds will not be taken home by employees of the District for "safekeeping".
14. Schools will identify areas to be used for counting and handling funds with limited access and out of view of traffic.

Procedures for Storage of Cash

1. Each school shall store all money in the commercial safe with access limited to a few (2 or 3) designated individuals. If money needs to be stored overnight a deposit verification form should be prepared for record of actual cash stored. In the event cash is stored overnight, it is limited to only one night.
2. In the case of those schools and offices having facilities for keeping money overnight, daily deposits should be made in order to reduce cash on hand to an absolute minimum.
3. Money shall not be left in desk drawers, file cabinets, or other unprotected places.
4. Notify campus Administrator and Assistant Superintendent for Finance & Operations of any loss or theft of cash immediately upon its discovery and provide written notice of such loss immediately after of occurrence.

Procedures for Receipt of Cash

1. All cash and check collections shall be recorded by the person receiving the money. A cash receipt is to be prepared immediately upon receipts of funds. An actual cash count should be made by the person receiving the cash in the presence of the person turning in the money.

2. Under no circumstances shall a cash receipt be changed. If an error occurs in the preparation of a cash receipt, void it and re-issue a new cash receipt. Voided cash receipts should be kept in the receipt book.

Deposit of Funds

Bank deposit slips serve as receipt for all monies deposited and are vital supporting documentation of accurate cash records and are prepared in triplicate form.

1. Bank deposit slips shall be prepared in triplicate for each deposit.

   The original deposit slip will be retained by the bank; the duplicate copy will be validated by the bank and returned to the depositor; the triplicate will be kept for school/department records

2. The following information must be indicated on the bank deposit slip:
   - The date and amount of deposit
   - The listing of each check in the deposit and amount of the check
   - The cash receipt number corresponding to the bank deposit must be referenced
3. The person making the deposit slips, shall not be the person taking the deposit to the bank.

   All checks received for deposit must be made payable to the School District and must be endorsed as follows:

   - **FOR DEPOSIT ONLY - (School Name & Bank Account #)**

Petty Cash

Each school site maintains a petty cash of $300 or less for small, incidental purchases. With prior principal approval, staff members may use this cash for small (less than $25) expenditures.

All items purchased is to be used for an emergency, and in the event a purchase order cannot be generated. Petty cash is to be used as a last resort. All reimbursements to petty cash must be done on a monthly basis.

All expenditures must be supported by an original receipt. The following are NOT acceptable forms of back-up: photocopies of receipts, faxes, credit card statements, or other non-original receipts.

Expenditures and Reimbursements

1. Original receipts must be obtained for each petty cash expenditure. Such receipts normally include cash register or point-of-sale receipts, or properly approved "Received of Petty Cash" slips. For each disbursement, the following information must be documented.
   - Payee
   - Date of purchase

- Amount
- Business purpose and description of purchase

2. To obtain replenishment of petty cash funds, a Petty Cash Reimbursement Form must be used. The form, with all applicable receipts attached, shall be submitted according to processes defined by the Business Office.
    - Reimbursement requests must be signed by the custodian of petty cash.
    - Reimbursement requests should be submitted in a timely manner.
3. Prohibited Uses
    - Petty cash funds may not be deposited into personal bank accounts or commingled with other funds.
    - Petty cash funds may not be expended for:
        - ➢ Salaries, wages, or similar payments to individuals.
        - ➢ Payroll advances, travel advances, and loans to employees or students
        - ➢ Cashing checks for employees or other individuals.
4. Maintenance and Security of Funds
    - Petty cash funds should be properly secured at all times. Access to the funds should be restricted to one person (e.g., the petty cash custodian or a specified cashier).
    - Cash on hand and receipts for disbursements made should always equal the assigned amount of the petty cash fund.
    - Petty cash funds are subject to unannounced verifications by the Business Office. At the time of the audit, the petty cash custodian must provide a full accounting of the fund.
5. Monthly Review of Petty Cash Funds
    - Monthly, the petty cash custodian and department head, or designee (other than the custodian), are required to review each petty cash fund under their control and verify the following:
        - ➢ The fund is still needed for the amount authorized.
        - ➢ The sum of cash on hand and receipts for unreimbursed expenditures is equal to the amount which has been authorized.
        - ➢ The funds are secured and not deposited in a separate bank account.
        - ➢ This petty cash policy and supplemental guidelines have been reviewed and the fund is being used in compliance with this procedure.
        - ➢ Failure to complete the monthly review may result in the closure of the petty cash fund.

Internal controls

1. Receipt monitoring
2. Spontaneous cash counts
3. Review the nature and extent of daily overages and shortages
4. Limited access/segregation of duties
5. The person taking the cash shall not be the same person making the deposit
6. Reconciliations shall be done daily, weekly and/or monthly
7. Reconciliations shall be performed by someone other than the person performing the activity

Fixed Assets

Policy/Purpose

The general purpose of this policy is to provide guidance and procedures for the safeguarding, stewardship, and accountability of school district fixed assets.

As used herein, the term “fixed assets” refers to the land, buildings, improvements, machinery, equipment, furnishings, facilities, intangible assets, property, and other resources purchased or otherwise acquired by the district.

Fixed Assets Definitions

1. State defined fixed assets: items that have a useful life of one or more years and a unit of $10,000 or greater (capital assets).

2. Locally defined fixed assets: items that have a useful life of one or more years and a unit cost of $500 and above (inventoried/controlled). Any electronic/handheld devices that would be considered highly walkable items are also tagged (iPads, laptops, digital cameras, tablets of all kinds, chrome books, etc.)

Asset Valuation

Fixed assets shall be recorded at historic cost. Cost shall include applicable ancillary costs. In the case of gifts, the fixed asset should be recorded at fair market value at the date of receipt.

1. Purchased Assets – The recording of purchased assets shall be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation.
2. Constructed Assets – All direct costs (including labor) associated with the construction project shall be included in establishing the asset valuation.
3. Donated Assets – Fixed assets acquired by gift, donation, or payment of a nominal sum not reflective of the asset’s market value shall be assigned cost equal to the fair market value at the time of receipt.

Fixed Assets Threshold

All fixed assets valued at $10,000 or more per unit shall be purchased using the 6639-object code.

Items with a unit cost of $500 to $9,999.99 shall be purchased using object code 6398.

Electronic/handheld devices with a unit cost less than $500 shall also be purchased using object code 6395. Any electronic/handheld devices that would be considered highly walkable items are also tagged (iPads, laptops, digital cameras, tablets of all kinds, chrome books, etc.)

Fixed Assets Estimated Useful Life

Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was acquired.

Transfer of Fixed Assets or Equipment

The Fixed Asset Transfer Form is used to transfer any fixed assets or equipment from one location to another, whether for temporary assignment, permanent assignment or disposal for auction.

Fixed assets or equipment may be transferred to surplus for auction or to another campus or location within the district.

A completed transfer form must be filled out by the campus or department initiating the transfer. The form is then sent to the receiving campus or department for proper signatures. The original form with all required signatures should be sent to the Business Office/Fixed Assets Department to make appropriate changes to the Fixed Assets inventory.

No items will be deleted from your custody nor transfer changes be made from the Districts fixed assets inventory without a completed transfer form.

1. Make sure you list the S T I S D Fixed Asset # (barcode number). Do not list the manufactured barcode number.
2. Include the description of the item being transferred or disposed (i.e. computers, laptops, printers, etc.).
3. Include the serial number of the items.
4. Transfer of assets or equipment (chairs, desks, monitors, keyboards, overhead projectors, etc.) may be written together on the transfer form with a combined quantity.
5. Make sure your Campus Technician has approved the transfer of all computers, printers and other technology equipment. The Campus Technician must also remove or destroy all information on CPU's & laptop's hard drive before disposing or sending to auction.

Surplus/Auction of Equipment

Items which are no longer needed or functional and cannot be used by another campus or department can be sent to surplus for auction. Any computer or computer equipment must be sent to the campus technician to remove or destroy all information stored on the hard drive, before it is sent to surplus.

A completed Fixed Asset Transfer Form must be filled out by the campus or department initiating the surplus. The completed form with both signatures should be sent to the Business Office. The Accountant at the Business Office will review the form and send it to the Assistant Superintendent for Finance and Operations. Upon board approval, the Finance Director will release the form back to the campus. Campus technician will receive the form for technology items and campus bookkeeper will receive the form for non-technology items. The technician or bookkeeper will contact the maintenance department to notify for the items to be picked up. Upon pick up from maintenance, the technician or bookkeeper will confirm the pick up through DocuSign and everyone will receive a final copy.

Equipment purchased with federal or grant funds must follow grant guidelines for proper equipment disposal.

Stewardship/Custodial of Equipment

Principals and department supervisors are responsible for the accountability of fixed assets/equipment assigned to their campus/department. The Principals may assign an individual at their campus to safeguard and account for the fixed assets at their campus; however, the principal/department head remains accountable for all fixed assets assigned to their school/department.

Physical Inventory of Fixed Assets

A periodic physical inventory is necessary for accountability and control. It confirms the reliability (or lack of reliability) that can be placed on the fixed asset accounting system by verifying the actual existence of the items represented by the fixed asset records.

The Business Office shall conduct inventory verifications of all fixed assets assigned to the campuses at least once a year. The results of the inventory shall be recorded to the Fixed Assets system. A Fixed Assets Transfer Form should be prepared and sent to the Business Office/Fixed Assets Department for any fixed assets lost, stolen, or determined to be missing during the course of the year or physical inventory.

All staff should report any lost or missing fixed assets assigned to them or their area immediately to their principal/department head using a transfer form. If equipment was stolen or lost, submit a transfer to the Business Office within 3 days of the incident.

The Business Office/ Fixed Assets Department may conduct a random physical inventory of campus/department fixed assets.

Receiving and Tagging of Fixed Assets

Since STISD does not have a centralized receiving warehouse, each campus/department is responsible for assuring that all fixed assets that meet the threshold be **tagged** with a STISD asset tag.

Each campus is responsible to coordinate with the Business Office/Fixed Assets Department for the tagging of their fixed assets at least once a month or when receiving a large number of fixed assets that meet the thresholds as described above, the following information will be needed for all fixed assets for your campus:

1. STISD Asset Tag #
2. Description of item/equipment
3. Serial #
4. Model #
5. Vendor #
6. Purchase Order #
7. Room # or location of asset
8. Custodial or individual asset assigned to

Activity Funds Defined

HB 3646, 81st Regular Legislative session, requires school districts to adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts, or other local sources of revenue over which the district has direct control. The policy must require discretionary expenditures of local funds to be related to the district's educational purpose and provide a commensurate benefit to the district or its students and meet the standards of Section 52, Article III, of the Texas Constitution regarding expenditure of public funds. The South Texas ISD School Board of Directors adopted policy CFD Local in response to this legislative change.

The Financial Accountability System Resource Guide (FASRG) has been used as a resource to compile this Activity Fund Manual.

If assistance is needed in any area of our business operations, please contact the Business Office.

Activity funds consist of resources received by student groups or campus administration. All funds must be held by each school and must be expended in accordance with conditions of the fund. That fund will encompass the care and administration of those activities and functions relating to student and faculty programs. ***THE SCHOOL PRINCIPAL IS PERSONALLY RESPONSIBLE FOR THE PROPER COLLECTION, DISBURSEMENT, AND CONTROL OF ALL ACTIVITY MONIES RELATED TO FUNDS IN HIS/HER TRUST***.

The Activity Fund includes both Campus Accounts and Student Accounts and it is intended to account for campus funds held by an individual campus. Activity Funds are used to promote the general welfare of each campus and the educational development and morale of all students. The accounting function for the Activity Fund is delegated to each campus. Compliance to the established policies and/or procedures described in this manual is mandatory.

Non-Activity Funds are assets of external groups (Education Foundation, etc.), not considered Activity Funds and are not the accounting responsibility of the Campus.

Campus Accounts Vs Student Accounts

A distinction exists between monies benefiting student groups (Student Accounts) and monies benefiting the district (Campus Accounts).

Campus Accounts – contains money raised locally at the campus or donated to the campus. Campus Activity Fund Accounts belong to the Campus and/or District and the transactions are to be segregated from Student Accounts and separately accounted for.

Campus Activity Fund Accounts are considered administrative accounts and must adhere to State and Board Policy, District Regulation, and are thus subject to the procurement laws of the State of Texas. See **CH (LEGAL) – Purchasing and Acquisition** and **CH (LOCAL) – Purchasing and Acquisition.** Campus Activity Fund Accounts must be treated in the same manner as the General Fund campus accounts (budgeted allocated accounts).

CFD (LOCAL) Activity Funds Management requires the district establish regulations governing the expenditure of campus activity fund account accounts. They must ensure expenditures:

1. are expended for the benefit of the district
2. and they must be related to the district's educational purpose

Student Accounts – contain monies accumulated from the collection of student fees and approved fund-raising activities. Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor, **CFD (LOCAL) – Accounting: Activity Funds Management**.

To establish a student activity account:

1. Annual Budget Form
2. Club Constitution/bylaws
3. Club Responsibility Affidavits
4. Elected Officers
5. Fundraiser Application Form
6. Profit and Loss Statement (Once Fundraiser Ends)

Student Activity Fund monies belong to the various student groups and not the Campus and/or District. The Club Account students have the sole responsibility for deciding how to spend the money.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include travel, awards, banquets, supplies, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. All expenditures drawn from Student Accounts must be approved in minute meetings, and as stated above, exclusively for the benefit of the students.

Requests for expenditures must be:

1. signed by the appropriate Club Account student officer,
2. signed by club sponsor
3. approved by campus administrator
4. signed for process by the campus bookkeeper.

The club minutes shall support all expenditures.

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

Club Sponsors for the Student Accounts must be faculty members who are full-time employees. Student activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district's depository bank at least 3 times per week.

An Authorization to Conduct a Fund Raiser shall be submitted to the campus principal in advance of the scheduled activity. In addition, at the end of the fundraising activity, a profit loss statement should be filed with the principal. The forms must have proper signatures.

Audit

Activity Fund files are audited every quarter for compliance to policy and procedures. All responsible personnel must comply with the fiduciary responsibility to the student's accounts and maintain proper documentation for receipts and disbursements.

Club folders should include the following documentation

- Approved annual budget
- Constitution and Bylaws
- Club Sponsor Affidavit
- Fundraising Application Form
- Profit and Loss Statements

Responsibility

Roles and Responsibilities – Campus Principal

- Has ULTIMATE responsibility for all Student Activity Funds
- Safekeeping of money
- Approval of fundraising activities
- Schedules fundraising activities appropriately so that they do not interfere with instruction
- Approval of disbursements in accordance with procedures manual
- Proper accounting and administration
- Manage fundraising activities
- To ensure proper handling of funds, the **principal or another authorized administrator** must be present at the concession stand to collect money no later than the 3rd quarter of games or by the designated closing time during fairs and other events. Keep in safe and deposit next morning.

Roles and Responsibilities – Club Sponsor

- Must signs a Responsibility Affidavit
- Attend training
- Maintain records
- Deposit funds collected ***daily*** to campus secretary
- Complete forms as needed by the club; requests to Conduct Fundraiser forms as required, Fundraiser Profit/Loss Report, Check Request Form, Deposit Verification Form
- Has ultimate Fiduciary Responsibility to club

Roles and Responsibilities – Campus Secretary

- Monitors approved fundraising activities and keeps calendar of scheduled fund-raising activities
- Provides Business Office with a copy of scheduled fundraising activities on a monthly basis
- Assists club sponsors with daily deposits; receives, counts, and verifies monies

Roles and Responsibilities – Campus Bookkeeper

- Monitors approved fundraising activities and submission of funds
- Processes check requests
- Reconciles accounts
- Prepares and distributes monthly club statements
- Informs Principal of problems and concerns
- Posts deposits and disbursements on a daily basis
- Keeps up to date ledgers of deposits and expenses for each club account
- Prepares for Audit of records

Bank Reconciliation

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the checkbook balance and general ledger cash-in-bank balance. The bookkeeper reconciles the Activity Fund accounts on a monthly basis, by the 10th of the following month. Once the reconciliation is complete, the bookkeeper should send a copy of the bank reconciliation and bank statement should be sent to the Business Office. Bookkeeper should also distribute monthly club statements so that sponsors verify ending cash balances. If balances agree, the Sponsor signs and returns the statement to bookkeeper agreeing to the balances. Any variance should be reviewed and settled. If an undetermined discrepancy occurs, the Business Office must be contacted immediately.

Cash Management

- All cash and checks shall be deposited to the campus secretary ***on a daily basis***.
- ***No post-dated checks will be accepted***
- Funds should not be kept in classrooms, drawers, personal wallets or purses, or any other undesignated area
- Monies kept overnight must be kept in a vault or safe. A Deposit Verification Form must be filled for accountability of monies being kept overnight. Monies kept overnight are limited to one (1) night. Money cannot be kept over weekends. Money must be taken to the night deposit in a sealed bank deposit bag.
- **DO NOT** comingle student activity funds with personal funds by using Venmo, CashApp, Zelle, etc. or by depositing into personal accounts. **This is strictly prohibited**.
- ***No cash purchases should be made*** – every dollar collected should be receipted and deposited to the campus secretary. The campus secretary shall receipt [in a bound, pre-numbered receipt book] and deposit all monies at least 3 times per week to the district's depository bank, or secure overnight in a locked campus safe if the deposit cannot be made the same day. A Deposit Verification Form should be included with all deposits.
- ***Receipts shall be issued for all money transactions***. The flow of money and the receipts must support all money collected and deposited.
- **All receipts issued shall follow the following guidelines:**

➢ An official receipt book with pre-numbered, bound receipts in triplicate.

➢ A copy of the receipt must be given to the person paying (sponsor).

- ➢ A copy of the receipt must remain in the receipt book.
- ➢ A copy of the receipt shall be attached to the deposit documentation.
- ➢ Receipts shall not be altered.
- ➢ Voided receipts (white original copy) must be attached to the receipt book.
- ➢ Receipts are not to be pre-dated or pre-signed.
- ➢ Receipt numbers must be used consecutively.

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

Check requests without all of the supporting documentation will not be accepted, nor processed.

State law requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices shall be submitted on a timely basis for payment.

Checks not cashed by the expiration date (3 months from date of issue) will be voided.

Consultants or Contracted Services

Consultants are non-employees who are contracted to perform a personal or contracted service, include services such as repairs, DJ, judges, embroiderers or other performers. You must obtain a W-9 Form and a Conflict of Interest Form from the consultant and submit to the Purchasing Department.

Please review the District's Purchasing Manual for further guidance on qualifications for a consultant.

Disbursements

All expenditures drawn from Student Accounts must be approved in minute meetings. Disbursements for payment shall follow the approved check request and proper documentation alignment. Reimbursements to Sponsor should not be issued without the approval of Assistant Superintendent of Finance & Operations.

Activity Fund checks are the sole means of disbursement. Observe the following items:

- Checks must be generated by the Activity Fund Accounting System and must contain two authorized signatures.
- Authorized signatures are those of the Campus Principal and designee(s); two signatures are required on all checks.
- Under ***no*** circumstances shall Campus Bookkeeper/secretary be the authorized signer.
- Under ***no*** circumstances shall checks be pre-signed.

Lost or returned Activity Fund checks must be voided. Contact the Business Office for further assistance regarding “stop payment” on checks.

Check Request Form

Check Request Forms are the means by which disbursements are made and must:

- be completed by Club sponsor
- have required signatures (Club Sponsor and Club Officer or email from student)
- must have funds available before requesting a check
- must clearly describe the purpose, service or materials being purchased
- include all supporting documentation (original receipts, invoices, packing slips and student participation list if applicable)
- have final approval by the appropriate principal or administrator
- Under ***no*** circumstances shall Check Request forms be pre-signed
- An original form shall be used for every disbursement request NO COPIES

The Check Request Form shall not be altered. If an error occurs, initiate a new form.

Invoices

Vendors are required to submit all invoices to the Student Activity Campus Bookkeeper. Payment should be made on original not copies.

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

Deposits

Monies remitted for deposit may be in the form of cash and/or checks and are tabulated in the DEPOSIT VERIFICATION FORM. The Tabulation of Monies Collected from Students should also be attached to the Deposit Verification Form, with club sponsor and student officer treasurer signature. Deposits are to be processed ***daily***. They are to be verified and confirmed. One verification and one confirmation signature is required.

When accepting checks observe the following:

- Checks – All checks received for deposit must be payable to the campus and must be endorsed as follows:

- FOR DEPOSIT ONLY - (School Name & Bank Account #)
- Note the appropriate club account

Note: Post-dated checks shall not be accepted from any source.

Deposit Documentation

The Deposit Verification Form is used for tabulating cash and/or checks received.

- ALL deposits must include a completed DEPOSIT VERIFICATION FORM
- DEPOSIT VERIFICATION FORM is intended as cash distribution documentation
- DEPOSIT VERIFICATION FORM serves as receipt documentation
- DEPOSIT VERIFICATION FORM serves as verification and confirmation of deposit

The Deposit Verification form is to be filled out by a club officer or designee, signed by the club sponsor, principal and by the person verifying the deposit. The Deposit Verification form should not be ALTERED. If an error occurs, a new form shall be initiated.

All verification forms must be kept for audit purposes.

Bank Deposit Slip

Bank deposit slips serve as receipt for all monies deposited and are vital supporting documentation of accurate cash records and are prepared in duplicate or triplicate form.

1. White (original) – sent to Bank
2. yellow - Activity Fund Files
3. the confirmed bank deposit kept with reconciliation documentation
4. pink-remains in deposit book

The following information must be indicated on the bank deposit slip

1. date and amount of deposit
2. The listing of each check in the deposit and amount of the check
3. A notation of the cash receipt number issued in support of the bank deposit
4. The club the deposit belongs to

** The amount of the supporting cash receipts must be in agreement with the Deposit Verification Form and Deposit slip.

Bank Depository Bags

Disposable plastic bags are recommended for deposits.

1. Monies remitted for deposit must be placed in disposable plastic bags
2. Disposable plastic bags are intended to protect both Club Sponsors and Campus Secretary
3. Depository bags are available through the District-approved depository bank

Locked money bags are recommended for safekeeping of all monies. Campus should make efforts to acquire as needed.

Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Donation Form shall be completed by the donor. All donations shall be Board Approved prior to accepting any monetary or non-monetary donations. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

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

Donated equipment shall have an inventory tag affixed to it if the unit value is greater than $500, or if items is a highly walkable item, and in compliance with fixed assets procedures. In addition, the equipment shall be added to the district inventory.

Fixed Assets & Inventory

All fixed assets and inventory equipment purchased with Campus or Student Activity funds become the property of South Texas ISD. All assets and inventory shall be tagged and tracked in accordance with the district's fixed asset procedures. Notify the Business Office/Fixed Assets Department upon receipt of the receiving items that need tagging. For more information, please review the Fixed Assets Section of the manual.

Fundraisers

Fundraising activities by student groups and/or for school-sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades. However, fundraising should not be allowed without a budget approved by the Assistant Superintendent for Finance & Operations. The following guidelines must be followed:

1. All fundraising projects shall be subject to the approval of the principal
2. Fundraising form must have all supporting signatures before fundraising
3. A profit and loss statement shall be completed as the fund-raising ends
    - Receipts outlined in form should correspond to the fundraiser name on the form.
4. Fund-raising monies should be deposit daily
5. **NO CASH TRANSACTIONS** are allowed with fund-raising monies

6. All fundraising disbursements should be done by check
7. A calendar of events must be kept by Campus secretary and campus Bookkeeper
8. Only ***TWO fundraisers*** per club per year are allowed; Exceptions to the rule need to be approved by the Business Office.
9. Campus Principal should evaluate each fundraiser activity.
10. If activity is not profitable, fundraiser should not be done in the future.

Merchandise ordered for resale should be distributed to students on a written distribution log (refer to Fund-raising Documentation Forms). The merchandise distribution log shall reconcile with the corresponding invoice and/or packing list.

All fundraising documentation shall be subject to audit and must be kept on file for (5) years from the date of the fund-raising event.

It is important to remember that student participation in approved fund-raising activities shall not interfere with the regular instructional program.

A copy of all fundraising activities must be submitted to the Business Office.

Gift Cards

The purchase of gift cards through Campus funds is unallowable. Gift cards donated to the district by outside sources are also taxable to the employee according to IRS regulations. South Texas ISD discourages the use of Gift cards. If acquired through student activity accounts, proper documentation shall support their use. However, purchase of gift cards through student activity accounts require approval from the Assistant Superintendent for Finance and Operations.

Payroll Expenditures from Activity Funds

All South Texas ISD employees shall be paid for all work performed through the Payroll system. At no time shall a district employee be paid directly from an activity account, or with cash.

Schools and departments are encouraged to use vendors currently under contract with the District or co-op agencies for all procurements. If the District does not have a current contract for the commodity or service needed, the following procedures apply.

- For purchases of personal property or services totaling less than $40,000 in the aggregate for the fiscal year, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:
- Purchases up to $3,500 may be made in the most expeditious manner possible in order to meet the needs of the schools and departments. Approved and awarded vendors are encouraged to be used for these purchases.
- Purchases of $1,000 or more require three written quotes when utilizing a vendor that is not part of a purchasing cooperative.
- Purchases $3,500.01 to $49,999.99 require three written quotes if utilizing federal funds. The requisition will not be processed until written documentation of the quotes is provided.
- For all purchases over $50,000, board approval is required. The Purchasing Department should be contacted so that Best Value practices can be followed in the procurement process. The Purchasing Department can provide lists of potential vendors and identify any potential problems or pitfalls that might occur with the procurement.
- Purchases that exceed $20,000 per item require board approval.
- Exception purchases from HEB and Wal-Mart for the purchase of snack items, drinks, produce and foodstuff, restaurants, dance halls, and flower arrangements.

The Purchasing Department maintains lists of vendors who have expressed interest in doing business with the District. It is recommended to seek assistance from the Purchasing Department in obtaining information on potential vendors.

Failure to follow these guidelines could result in a delay in processing your request. For assistance in this process, or obtaining quotes, please contact the Purchasing Department.

Sole Source Exception

As allowed under School Code, 44.031, the District is allowed to purchase items available from a s ingle source without complying with the competitive procurement provisions.

Sole source items are defined as follows:

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
2. A film, manuscript, or book;
3. A utility service, including electricity, gas, water (if available through a single source) or;
4. Captive replacement part of component for equipment.

These exceptions do not apply to main-frame data-processing equipment and peripheral attachments with a single-item purchase price of $15,000 or more.

Vendors claiming sole source status will be asked to provide written, signed, and notarized documentation stating the reason for the sole source status. Departments or schools may be requested to document the reason why the particular product is required. A statement from the campus must be attached to the requisition, that indicates a sufficient number of vendors have been contacted to determine that only one practical source of supply exists or provides the reasons only one source exists.

Raffles - Unallowable

School districts are not allowed to conduct raffles. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold charitable raffles. An unauthorized raffle is considered gambling under the Texas Penal Code – Class C Misdemeanor.

Receiving of Goods

Upon receipt of the goods, the invoice along with the packing slip must be turned in to bookkeeper in order to process payment. All invoices shall be paid within 30 days.

Returned Checks

All returned checks shall be deducted from account balance until the outstanding amounts have been collected from the payee. To minimize returned checks all checks accepted must have proper identification. If a check is returned due to insufficient funds, the sponsor shall make efforts to restitute the check. When normal collection process has failed to resolve the insufficient check the Office of Criminal District Attorney | HIDALGO COUNTY, TEXAS recommends the following:

- The merchant must send written notification to the check writer informing check writer of the returned check.

- The written notice must be sent by certified mail or First-Class Mail to preserve the presumption of intent for prosecution. If the notice is sent via First Class Mail, then the merchant must also provide our office with a copy of the letter and an Affidavit of Service.

If no restitution was accomplished, the bad check will be written off by the activity fund sponsor with the approval of Student Officer. It is up to the discretion of the principal if the bad check will be forwarded to the District Attorney for action. If further action will be taken it is recommended that the bookkeeper:

- Take to the District Attorney's Office the original check as stamped by the bank, or a legible certified photocopy (of both the front and back) from the bank in lieu of the original.
- The signed return receipt from the certified letter, or the unopened unaccepted letter.
- A copy of the letter sent to the check writer, which should include the name, address, phone number, and any other identifying information on the check writer.

Student Trips

Planning is of importance when traveling:

- Staff and Student Travel Request must be approved by the Board before planning trips.
- Once approved, the campus administrator has the authorization to approve the trip and its expenditures.
- Monies must be in club funds prior to approval of expenditures.

For more travel guidelines, reference the District's Purchasing manual.

Transfers between Activity Accounts

Funds may be transferred between Campus Activity Funds at the discretion of the campus principal. Transfer of funds between Student Activity Funds shall be approved by the members of the student clubs, the club sponsors and the campus principal. A Transfer Form must be completed, approved and signed by appropriate students and personnel.

Sales Tax

- **Exemption Form**

The sales tax exemption form shall be used for school-related purchases only. All purchases made for the exclusive use of a campus must be tax exempt. A *Texas Sales and Use Tax Exemption Certification* must be remitted to the merchant.

Copies of the exemption form may be obtained from the business office or via the web at www.stisd.net. Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase.

Purchase of personal items for staff or students are ***not eligible*** for the sales tax exemption. ***Misuse of the exemption form for personal purchases constitutes a misdemeanor.***

Taxable Status of Purchases Revenue

Sale vs. Not a Sale

A determination must be made regarding the status of all revenues and whether-or-not they constitute a sale. A sale is the transfer of title or possession of tangible personal property for consideration, i.e., pencils, food, etc.

At times, the campus merely acts as a sales agent for a retailer; tax must be collected and remitted to the retailer who would claim the sale and remit the tax to the State Comptroller's Office.

Campuses do not need to report this type of revenue as a sale, i.e., vendor-owned vending machines, school pictures, book fairs, etc. Other examples include money collected for field trips, library fines, etc. Only when campuses purchase inventory/merchandise for resale are they considered the reseller.

Taxable Vs. Non-Taxable Sales

Texas Sales Tax Statutes impose tax on the sale, lease, or rental of tangible personal property that can be seen, weighed, measured, felt, touched, or that is perceptible to the senses in any other manner. Whenever an individual purchases a tangible, it becomes personal property and is taxable. It is irrelevant if the Campus/District logo is affixed to the item or in what capacity the item will be utilized.

Districts, campuses, and/or campus groups selling taxable items must collect and remit sales tax on a monthly basis. As a seller, you are responsible for collecting and remitting the correct amount to the Comptroller's Office. If you do not collect and remit the correct amount, you may owe any additional tax, plus, you may be assessed penalties and interest.

The items or activities on the following lists have been identified as being taxable or non-taxable by the State Comptroller's Office when sold or sponsored by a school. The lists are not all-inclusive but may help in making determinations on other similar items.

Non-Taxable Sales
Admissions - athletic, dances, dance performance, drama and musical performances
Admissions - summer camps, clinics, workshops, project graduation
Admission - banquet fees
Admission - bids, prom, homecoming
Admission - tournament fees, academic competition fees
Cosmetology services (products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fundraisers
Identification Cards - when they are sold to entire student body (not just the fine for a lost ID card)
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Services - car wash, cleaning

The following link from the Susan Combs, Texas Comptroller of Public Accounts website provides more information and guidance regarding this matter:

http://www.window.state.tx.us/taxinfo/taxpubs/tx94_183.pdf

FORMS

All forms are accessible on the District website and/or via DocuSign:

https://www.stisd.net/facultystaff/resources-logins
https://www.stisd.net/facultystaff/business-office