



Guide to Financial Accounting & Internal Controls

Written/Compiled by: Katrina London, Chief Financial Officer

REVISION HISTORY

Manual Effective Date – July 1, 2026 (updated 6/30/26)

TABLE OF CONTENTS

Page Number

INTRODUCTION

I. GOVERNMENTAL ACCOUNTING

A. Purposes of Accounting	I-1
B. Generally Accepted Accounting Principles (GAAP)	I-1
C. Basic Accounting Theory	I-2
D. Fund Accounting	I-2
E. Basis of Accounting/Measurement Focus	I-3
F. Budgetary Accounting	I-4
G. Budget Transfers and Amendments	I-4

II. INTERNAL CONTROLS

A. Overview	II-1
B. Components of Internal Control	II-1
C. Responsibility	II-2

III. CHART OF ACCOUNTS

A. Chart of Accounts Overview	III-1
B. Control of Chart of Accounts	III-1
C. Account Definitions	III-1

IV. GENERAL LEDGER

A. General Ledger Overview	IV-1
B. Fiscal Year of District	IV-1
C. Journal Entries	IV-1
D. Trial Balance	IV-1

V. REVENUE AND CASH MANAGEMENT

A. Revenue Recognition	V-1
B. Cash Receipts	V-1
C. Central Office Cash Receipts	V-1
D. Central Office Deposits	V-2
E. School Pupil Activity Fund Cash Receipts	V-2
F. Collections by Staff	V-2
G. Ticketed Events	V-3
H. Miscellaneous Receipts	V-3
I. School Pupil Activity Fund Deposits	V-4
J. School Nutrition Receipts	V-4
K. School Nutrition Deposits	V-5
L. Accounts Receivable	V-5
M. Accounts Receivable Credits and Write-off Procedures	V-5
N. Cash Accounts	V-5
O. Investments	V-6
P. Wire Transfers/EFT Batch Transfers	V-7

Q.	Cash Flow Management	V-7
R.	Bank Reconciliations	V-7
S.	Stale Checks	V-7
T.	Change Fund	V-8
U.	Gift Cards	V-8
V.	Internal Revenue Service W-9 Form	V-8
VI.	<u>EXPENDITURES AND DISBURSEMENTS</u>	
A.	Purchasing Policies and Procedures	VI-1
B.	Purchasing Responsibility	VI-1
C.	School Purchasing	VI-1
D.	Management of the Vendor Master File	VI-2
E.	Use of Purchase Orders	VI-2
F.	Advance Payment to Suppliers	VI-3
G.	Bids and Quotations	VI-5
H.	Ethical Conduct and Conflict of Interest	VI-7
I.	Receipt and Acceptance of Goods	VI-7
J.	Independent Contractor (Non-Employee Compensation)	VI-8
K.	E-Verify	VI-10
L.	Sales and Use Tax	VI-11
VII.	<u>ACCOUNTS PAYABLE MANAGEMENT</u>	
A.	Accounts Payable Cut-offs	VII-1
B.	Establishment of Control	VII-1
C.	Processing of Invoices	VII-1
D.	Payment Discounts	VII-2
E.	Employee Expense Reports	VII-2
F.	Reconciliation of Accounts Payable to the General Ledger	VII-2
G.	Cash Disbursements	VII-2
H.	Check/Electronic Funds Transfer Preparation	VII-3
I.	Check Signing	VII-3
J.	Distribution of Checks	VII-4
K.	Void Checks and Stop Payments	VII-4
VIII.	<u>TRAVEL AND MISCELLANEOUS REIMBURSEMENTS</u>	
A.	Mileage Reimbursement Form Clarifications	VIII-1
B.	Travel Reimbursement Form Required Information	VIII-2
C.	Employee Group Meals	VIII-3
D.	Hospital/Homebound Guidelines	VIII-4
E.	Miscellaneous Reimbursements/Refunds	VIII-4
IX.	<u>PAYROLL AND BENEFITS</u>	
A.	Payroll Schedules	IX-1
B.	Compensation Guides and Contracts	IX-1
C.	Timekeeping	IX-2
D.	Overtime/Compensatory Time for Non-Exempt Employees (Board Policy – GCRD)	IX-2
E.	Leave and Absences (Board Policy – GARH)	IX-5

	F. Payroll Cut-offs	IX-8
	G. Direct Deposit	IX-9
	H. Payroll Taxes/IRS Form W-2	IX-9
	I. Payroll Deductions and Employee Benefits	IX-9
	J. Athletic/Activity Workers	IX-9
	K. Salary Supplements/Bonuses/Loans/Gifts/Advances	IX-10
	L. Resignations and Terminations	IX-10
	M. Altering, Falsifying, or Tampering with Time Records	IX-10
X.	<u>PROPERTY AND EQUIPMENT</u>	
	A. Capitalization Policy	X-1
	B. Depreciation Policy	X-2
	C. Disposition of Assets	X-3
	D. Intangible Assets	X-3
	E. Authorization for Purchase of Capital Assets	X-3
	F. Establishment and Maintenance of the Capital Asset Listing	X-4
	G. Insurance and Reporting of Theft	X-4
	H. Movement of Assets	X-4
	I. Disposal or Trade-In of Capital Assets	X-4
	J. Donated Property	X-5
XI.	<u>PUPIL ACTIVITY FUNDS (SPECIAL GUIDELINES)</u>	
	A. Introduction	XI-1
	B. Management of Pupil Activity Funds	XI-1
	C. Pupil Activity Fund Account Definitions	XI-2
	D. Internal Control	XI-2
	E. Audit	XI-3
	F. Account Transfers	XI-3
	G. Donations to Schools	XI-4
	H. Lost and Damaged Textbooks	XI-4
	I. Charitable/Needy Family Funds	XI-4
	J. Field Trips	XI-5
	K. Fundraising/Enterprise Funds	XI-5
	L. PTO/Booster Clubs	XI-5
	M. Financial Records	XI-6
	N. Adult vs. Student Generated Funds	XI-6
	O. Facility Rental	XI-6
	P. Ice Cream Sales	XI-7
	Q. Sunshine Club Funds	XI-7
XII.	<u>RECORD RETENTION</u>	
		XII-1
XIII.	<u>YEAR-END CLOSE AND AUDIT</u>	
	A. Fiscal Year-end Close	XIII-1
	B. Annual Audit	XIII-2
XIV.	<u>GRANTS</u>	
	A. Application and Administration	XIV-1

	B. Indirect Cost Plan	XIV-1
	C. Consolidated Application for Grants	XIV-1
	D. Cash Reimbursement/Draw Down	XIV-2
	E. Completion Reports	XIV-2
	F. Budget Review	XIV-2
	G. Time and Effort Certification	XIV-3
	H. Cross Functional Monitoring	XIV-3
XV.	<u>FINANCIAL REPORTING</u>	
	A. CS-1 Salary and Travel Report	XV-1
	B. DE046 – Budget and Financial Data	XV-1
	C. Audit History File – Payments and Obligations Data	XV-1
	D. Schedule of SPLOST Expenditures	XV-1
	E. Comprehensive Annual Financial Report	XV-1
	F. TED House Bill 122 Operating Budget Submission	XV-1
	G. Illegal Immigration Reform and Enforcement Act	XV-1
	H. Federal Audit Clearinghouse	XV-2
	I. Pre-K Reconciliation Report	XV-2
	J. IRS Form 941 – Employer Quarterly Federal Tax Return	XV-2
	K. Georgia Employer’s Quarterly Tax Return	XV-2
	L. Georgia Unemployment Tax Return	XV-2
	M. Head Start Reports	XV-2
XVI.	<u>FORMS</u>	
	See the BCSD website https://www.baldwincountyschoolsga.org (Departments, Finance) for all forms referenced in this manual.	XVI-1

INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures that have been established for Baldwin County School District (BCSD) and to serve as a valuable reference guide. A system of accounting practices and procedures is necessary for the District to account for the receipt and disbursement of funds in an accurate and efficient manner, as well as, providing for the safeguarding of the District's assets.

This manual shall document the financial operations of the District. Its primary purpose is to formalize accounting policies and selected procedures for central office and school staff and to document internal controls.

The District is responsible for compliance with both federal and state regulations that govern aspects of operations, recordkeeping, and financial reporting. The Financial Management for Georgia Local Units of Administration Manual published by Financial Review at the Georgia Department of Education provides guidance and serves as a useful training and reference source for District fiscal personnel. LUAs are required by Georgia Law [O.C.G.A. 20-2-167 (b) (1)] to comply with uniform regulations established by the State Board of Education relative to the statewide uniform computerized budget and accounting system. Rule 160-5-2-.23, of the Georgia Board of Education incorporates this manual by reference. Additionally, Unified Grant Guidance (UGG) and related compliance supplements issued by the Federal Government's Office of Management and Budget provide guidance with federal regulations.

This manual has been prepared by the Finance Department for use in the schools and departments of Baldwin County School District. The policies and procedures in this manual have been developed in accordance with Board Policy and other State and Federal Regulations. All Baldwin County School District personnel should adhere to these established policies and procedures.

All procedures are subject to change. Changes will be approved and made in writing through the Finance Department. Any changes will be noted on the Revision History page and will be posted on the Baldwin County School District website <https://www.baldwincountyschoolsga.org> under the Finance Department section. Any questions with regard to interpretation should be directed to the Chief Financial Officer.

I. GOVERNMENTAL ACCOUNTING

Purposes of Accounting

Maintaining accounting records is an important function in the day-to-day operation and administration of the Baldwin County School District (BCSD). Adequate records summarizing the financial transactions and other activities of BCSD assist administrators in making wise and informed financial decisions. School district personnel who systematically record information about the various financial activities provide a basic and indispensable service.

Accounting includes planning (budgeting), doing (bookkeeping), and disseminating (reporting). The primary purposes of accounting are to:

- Safeguard the assets of BCSD.
- Report on stewardship responsibility for individual resources.
- Provide financial information for decision-making.

Accounting records must provide meaningful, reliable, accurate, and timely information to the many persons and groups with legitimate interests in BCSD's financial affairs. These can include:

- The professional management of BCSD, including the superintendent and assistants, principals, program managers, and other individuals who must evaluate past performance, make current decisions, and plan future operations.
- The school board, which sets policy for BCSD and has the final responsibility for compliance with legal provisions and budgetary restrictions.
- The public, composed of residents, taxpayers, and political groups, who concern themselves with the cost and the quality of education.
- Grantor agencies including the Georgia Department of Education (GADOE), interested in determining eligibility for grant resources.
- Oversight bodies, primarily the GADOE and the federal government departments which have statutory responsibilities to regulate various aspects of BCSD's operations and to provide source material for research and statistical purposes.
- The business community, including bond purchasers and potential bond purchasers, other creditors, investment bankers, bond-rating agencies, and general vendors, who must decide whether or not to provide resources to BCSD.

Systematic and well-kept records also are invaluable to the persons responsible for maintaining them. Systematic records summarize and bring into orderly arrangement the many and relatively unpredictable details of day-to-day financial operations. When maintaining records in an orderly manner, it is possible to trace information on individual transactions to supporting source documents and to prepare reliable, accurate and timely financial reports. Quality recordkeeping provides an effective audit trail for use by the Georgia Department of Audits or an independent auditor. Improved quality and decreased costs of audits usually result.

Generally Accepted Accounting Principles (GAAP)

The art of recording, classifying, summarizing, reporting, and interpreting the results of financial activities is the accounting process. The Generally Accepted Accounting Principles (GAAP) is the accounting rules that state and local governments, including public school districts, should follow. GAAP provides a set of uniform minimum standards and guidelines for financial accounting and

reporting that most accountants follow. Adherence to GAAP implies that financial reports of different school districts contain the same types of financial statements, for the same categories and types of accounting funds.

The Governmental Accounting Standards Board (GASB) establishes GAAP for governmental entities. GASB assumed this responsibility from the National Council on Governmental Accounting (NCGA) in 1984. GASB publishes the *Codification of Governmental Accounting and Financial Reporting Standards* which includes all governmental GAAP.

Basic Accounting Theory

Basic financial statements present information concerning the financial position as of a certain date, changes in that financial position, and the results of operations (i.e., revenues and expenditures) during a period ending on that date. Balance sheets are financial statements that present the financial position at a certain date. Operating statements are statements reflecting changes in the financial position and results of operations during a period ending on a certain date.

Balance sheets show what is owned (assets), what is owed (liabilities) and the difference (net worth or equity) as of a particular date. This is usually expressed in the form of the equation:

Assets	what is owned
- Liabilities	what is owed
= Equity	net worth

Operating statements show the change in equity that occurs as a result of revenues (receipts) and expenditures (disbursements). This is usually expressed in the form of the equation:

Fund Balance	at start of period
+ Revenues	during period
- Expenditures	during period
= Fund Balance	at end of period

Fund Accounting

Often different functions of BCSD activities require different controls for management purposes. To accommodate this need, separate funds are established to account for resources affected by different types of spending restrictions. The Georgia Department of Education (GADOE) requires separate funds for certain activities when unique accounting and reporting requirements exist. Fund accounting is this process.

Accounting records are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures (or expenses), as appropriate.

All individual funds are classified broadly into three categories: governmental, proprietary and fiduciary. Account groups supplement these funds. Account groups are self-balancing sets of accounts established to account for certain transactions not reflected in the primary categories, namely general fixed assets (furniture, equipment, and vehicles) and general long-term debt (bonds issued for school construction).

BCSD organizes its accounting records on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The relationship to the three broad categories and account groups is reflected as follows:

Governmental Funds

- **General Fund** – accounts for all resources not required to be reported in another fund.
- **Debt Service Fund** – accounts for resources used to repay the principal and interest on general long-term debt such as general obligation bonds.
- **Capital Projects Funds** – accounts for resources which are restricted for major capital outlays.
- **Special Revenue Funds** – accounts for resources which are legally restricted for specific purposes. Federal and state grant funds are usually classified here. However, GADOE has required some state grants to be reported in the General Fund.
- **Pupil Activity Funds (500 funds)** – accounts for resources generated from school-approved student activities which are dispersed with principal approval only.

Fiduciary Funds

- **Agency Funds** – such funds are holding accounts for assets belonging to someone other than BCSD.
- **Pupil Activity Funds (700 funds)** – accounts for resources generated from school-approved student organizations which are dispersed with organization/sponsor approval. These funds are considered Agency Funds.

Basis of Accounting/Measurement Focus

The basis of accounting refers to the timing of the recognition of revenues and expenditures. This in turn affects the timing of recognition of related assets and liabilities. Three bases of accounting in common use in governments: cash, accrual, and modified accrual. The measurement focus determines what is measured in the financial statements. Two types of measurement focus that governments use are current financial resources and economic resources.

The cash basis of accounting recognizes transactions only when cash is received or disbursed. Cash basis accounting permits distortions in financial statement representations due to shifts in the timing of cash receipts and disbursements relative to underlying economic events near the end of a fiscal period.

The accrual basis of accounting recognizes transactions when they occur without regard to the timing of the related cash flows. Revenue is earned when the goods or services have been provided. Expenditures are recognized when goods or services have been received and consumed.

BCSD uses the modified accrual basis of accounting at the fund level reporting. This method is used by all funds, whereby revenues are recognized when they become measurable and available. Available means collectible within 60 days. Expenditures are recognized when they are measurable, incurred and current resources will be used to liquidate the liability. The most notable exception to this rule for expenditure recognition is the payment of principal and interest on general long-term debt. These payments are recognized when they are due and paid.

Budgetary Accounting

Under GAAP, the adoption of an annual budget is required for every governmental unit. Georgia Law (O.C.G.A. 20-2-167) also requires each school district to adopt an annual budget for all funds, except capital projects and trust and agency funds. A budget estimates proposed expenditures and how they will be financed. The annual budget adopted by the Board serves as the legal control for the District's expenditures.

The budget should serve two primary purposes. It provides an authorization to spend resources, and provides a vehicle to control spending. The budget is an instrument for securing efficiency. To ensure that the goal of enacting the budget prior to the beginning of the fiscal year is met, a budget calendar is prepared each year that establishes all key dates.

BCSD prepares a zero-based budget each year for all governmental fund types. BCSD Policy – DCK establishes the legal level of budgetary control at the aggregate level.

Budget Transfers and Amendments

The annual budget is the financial plan for the operation of the school district. The general operating budget provides the framework for both expenditures and revenues for the school year. The Board approves the general fund budget on an annual basis. Annual general fund allocations are made to each school based on the projection of students, faculty and staff, and operating expenditures. State and federal program budgets are approved by the Georgia Department of Education and developed in accordance with guidelines provided in grant documents.

On occasion, budget transfers of general fund or federal fund budgets are needed by schools and/or departments at the object level. Generally, budget transfers should not be made at the function level. However, Grant Program Managers are authorized to adjust expenditures budgets at the function level in an effort to match the Consolidated Application or other approved grant budget.

II. INTERNAL CONTROLS

Overview

Internal control is the key element necessary for effective financial management of Baldwin County School District. Internal control is the integration of the activities, plans, attitudes, policies, and efforts of the employees of the district working together to provide reasonable assurance regarding the achievement of defined objectives. Effective internal controls ensure that the district's resources are used in a manner consistent with federal, state, and local regulations and policies. It is essential to sound financial practices and minimizes the risk of fraud, abuse, or misuse of the district's assets.

Components of Internal Controls

The evaluation of internal controls includes identifying the framework used by administration to determine the effectiveness of the internal controls. The internal control framework consists of five essential components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control Environment – The control environment is the foundation for all other components of internal control. The control environment is influenced by management's philosophy, operating style, integrity, ethical values, and commitment to competence. If the foundation is strong and the control environment is positive, the overall system of internal control will be more effective.

Risk Assessment – Risk assessment is the identification, analysis, and management of risks relevant to the achievement of the district's goals and objectives. Risks include internal and external events or circumstances that may occur and adversely affect operations. Once risks are identified, management should consider their impact or significance, the likelihood of their occurrence, and how to manage them.

Control Activities – Internal control activities are tools, such as policies and procedures that are in place to ensure that management's directives are carried out. Control activities help identify, prevent or reduce the risks that can impede accomplishment of the district's objectives. Control activities occur throughout the district, at all levels and in all functions: they include activities such as approvals, authorization, verifications, reconciliations, documentation, separation of duties, and safeguarding of assets.

Information and Communication – For internal control to function properly, it is essential that there be clear lines of communication throughout the district. Management must be able to obtain relevant, reliable, and valid information to make informed business decisions, determine their risks, and communicate policies and other important information.

Monitoring – The district's internal control system needs to be monitored to assess whether controls are effective and operating as intended. On-going monitoring occurs through routine managerial activities such as supervision, reconciliations, checklists, comparisons, performance evaluations, and status reports. Monitoring may also occur through separate internal evaluations or from use of external sources. Deficiencies found during monitoring need to be reported to those responsible for the function, with serious deficiencies being reported to top management. In addition, it is important that the administration carefully monitor the resolution of audit findings to ensure that any weaknesses, once identified, are promptly and effectively corrected.

Responsibility

The superintendent of schools and/or designee has the primary responsibility of establishing, maintaining, and evaluating the internal controls for the district. The monitoring and reporting of the adequacy of internal control procedures will be reviewed at least annually and anytime circumstances dictate. Changes in personnel or regulations are examples of these circumstances. Corrective action will be taken as necessary. Internal controls are the structure, policies, and procedures used to ensure that management accomplishes its objectives and meets its responsibilities.

A Comprehensive Annual Financial Report that complies with the Single Audit Act will be produced by the Finance Department and audited by independent auditors annually. Any findings will be published and disseminated to the appropriate personnel.

III. CHART OF ACCOUNTS

Chart of Accounts Overview

The chart of accounts is the framework of the general ledger system, and therefore the basis for BCSD's accounting system. The chart of accounts consists of account titles and account numbers assigned to account titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and fund balance account.

Baldwin County School District's chart of accounts is comprised of the following types of accounts:

- Assets
- Liabilities
- Fund Balance
- Revenues
- Expenditure
- Control Accounts

Control of Chart of Accounts

The chart of accounts is the heart of the accounting system. Within these accounts, transactions of the district are classified and summarized. Baldwin County School District's chart of accounts is monitored and controlled by the Chief Financial Officer to ensure that the chart of accounts is consistent with the district's organizational structure. Additions to, deletions from, or any other changes to BCSD's standard chart of accounts shall only be made by the Chief Financial Officer and lead accountant.

Account Definitions

The District's accounting structure was developed on a governmental fund basis. The Georgia Department of Education has mandated the account structure used by all school districts in the state of Georgia in order to provide a level of consistency and comparability statewide.

The District's account structure is comprised of two account groups, Org and Object. The Org contains 8 digits, which include the facility/department code, fund, program and function. The Object contains up to 6 digits, which begins with the digit 5 for expense accounts and 4 for revenue accounts. The last two digits may be used to designate a sub-object account for specific purposes on operating expense accounts. The following information outlines the account structure and explains each component in detail:

ACCOUNT NUMBER STRUCTURE

8 – DIGIT
ORG CODE

6 – DIGIT
OBJECT/SUB-OBJECT

XXXXXXXX - XXXXXX

Part 1: Organization ("Org") Code (8 Digits)

Used to condense and simplify the coding of numerous segments of an account number into a unique code.

Part 2: Object Code/Sub-object Code (6 Digits)

Used to distinguish a type of asset, liability, revenue, or expense.

4XXXXX – Revenue Accounts

5XXXXX – Expense Accounts

IV. GENERAL LEDGER

General Ledger Overview

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions for BCSD and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Fiscal Year of District

Baldwin County School District shall operate on a fiscal year that begins on July 1st and ends June 30th each year.

Journal Entries

All general ledger entries that do not originate from a subsidiary ledger (accounts payable, payroll, etc.) shall be supported by General Journal Entry form, which shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Cash Receipt Deposits
2. Bank Service Charge
3. Interest Income
4. Corrections to postings
5. Transfers

Supporting backup is required for all journal entries and should be scanned into the journal entry screen under TCM (Tyler Content Manager) and attached to the hard copy.

Manual journal entries, not originating from subsidiary ledgers, shall be authorized in writing by the Chief Financial Officer by initialing or signing the journal entries.

Trial Balance

A Trial Balance Report is a report that contains all of the subsidiary ledgers and manual general journal entries in debit and credit columns used periodically to determine if all of the funds and accounts are in balance and mathematically correct. The Trial Balance Report should be run at least monthly for review. The Trial Balance Report is also used at month end during the bank reconciliation process.

V. REVENUE AND CASH MANAGEMENT

Revenue Recognition

Under the accrual basis of accounting, revenue recognition occurs in the accounting period in which the revenue becomes objectively measurable and earned. “Objectively measurable” means the amount can be determined accurately.

BCSD’s revenue is derived from various sources including state QBE revenue, local property and other taxes, SPLOST sales taxes, federal and state grants, local grants and contracts, private gifts, investment income, and miscellaneous income. School related revenue is generated through such sources as miscellaneous sales (fundraising), facility rental, athletic ticket sales, concessions, student dues and fees, etc.

Cash Receipts

Cash is the most liquid asset of an organization. Therefore, it is the objective of BCSD to establish and follow the strongest possible internal controls in this area. Internal controls related to cash are policies and procedures that serve to safeguard cash. Because of the risks inherent in cash collections, these controls are essential. Internal controls related to cash receipts are proper authorization of transactions, segregation of duties, and security of records. As cash, checks and electronic transfers (ACH) are received, the staff has two responsibilities:

1. Accountability must be established.
2. Receipts must be deposited as quickly as possible.

BCSD has three main cash collection areas. These are Central Office, Schools, and School Nutrition.

Central Office Cash Receipts

Cash receipting is centralized at the central office. All monies collected and/or received daily in the postal mail are immediately delivered to the Financial Department for receipting. As monies are received, a Check Log is completed to include the check/cash receipt date, check/cash receipt number, payer source, amount, and a brief description. The recording of the receipts is prepared in an open area, in the presence of other employees, and under the supervision of the Chief Financial Officer. Checks are endorsed with **“FOR DEPOSIT ONLY”**.

A pre-numbered cash receipt is written to the individual delivering the cash to the Finance Department. A three part cash receipt book is used. The white (top) copy of the receipt is given to the person delivering the cash. The second (yellow) copy is attached with the deposit backup. The third (pink) copy is maintained in sequential number in the receipt book for audit purposes. Cash Receipt Forms and pre-numbered receipts should be completed in **pen**. Under no circumstance should the receipt amount or signature be altered. If either of these occurs in the preparation of a receipt, mark the form as **“VOID”** and complete a new form. All voided forms should be retained for audit purposes. ***Cash collected should never be used to cash checks, make change (unless noted), or purchases.***

Central Office Deposits

All funds must be kept secure in the Finance Department safe at all times. Safe access is limited to the Chief Financial Officer and department staff. Deposits must be made at a minimum of every 3 **business days**. If large tax collection checks are received, a deposit may be made earlier.

Finance staff will tally and initial the Check Log, run a tape of checks and cash, and reconcile to the cash and checks on hand on the day of deposit. The Check Log and receipts are then passed over to Accountant to prepare the deposit and enter it into the Munis Financial Accounting System. The Accountant will run a separate tape with the deposit preparation and reconcile to the totals on the Check Log. ***Copies are made of all checks, cash receipts, and deposit receipt prior to delivering to the bank. All backup documentation is maintained with the Journal Entry documentation for audit records.***

Finance staff physically delivers the deposit to the bank and obtains a confirmation receipt. The deposit receipt is returned to Accountant for filing. A folder is prepared for each deposit which includes the deposit receipt, backup, and hard copy of the journal entry. The journal entry is signed off by the preparer and reviewed and approved by the Chief Financial Officer.

The District also receives the majority of federal and state funds electronically from the Georgia Department of Education. The Accountant checks the on-line banking system for the general operating account for electronic deposits received. As funds are received, a confirmation page is printed. This page is noted with the account number, description of source, initialed and processed. The same procedures noted above for entering and maintaining the deposit information are completed with these receipts.

School Pupil Activity Fund Cash Receipts

All funds received by the school should be documented by a cash receipt. Monies received (donations, fundraisers, field trips, coke/snack commissions, etc.) by school personnel, with the exception of the bookkeeper, should be recorded on a Cash Receipt Form. All monies received directly by the bookkeeper should be recorded using a system generated, pre-numbered receipt. Cash Receipt Forms should be completed electronically and signed in **pen**. Pre-numbered receipts must be generated by the bookkeeper using the school activity account accounting software. Under no circumstance should the receipt amount or signature be altered. If either of these occurs in the preparation of a receipt, **“VOID”** the receipt and complete a new form. All voided forms should be retained for audit purposes.

All monies received should be recorded and turned into the bookkeeper intact. ***Cash collected should never be used to cash checks, make change (unless noted), or purchases.*** School volunteers are not authorized to make collections and issue receipts. Cash collected for miscellaneous sales (ice cream, athletic games, dances, etc.) should be counted with a second person present and the Cash Receipt Form signed by both parties.

Collections by Staff

- Teachers/Advisors should complete and sign a Cash Receipt Form daily for any funds received from students, and forwarded to the bookkeeper with the funds. After verifying the funds, the bookkeeper should record the receipt in the school activity account accounting software and print a three part, system generated, pre-numbered receipt. The first part of the receipt should be given to the teacher/advisor. The second part of the receipt should be attached to the Cash Receipt Form. The final receipt copy should be maintained by the bookkeeper, along with any voided receipts for review. ***The bottom of the Cash Receipt Form should be completed with the account information.***

Checks, pre-numbered cash receipt copies, deposit receipt, Cash Receipt Form, and other backup is copied and maintained prior to delivering the checks to the bank.

Ticketed Events

Pre-numbered admission tickets are to be used at any school activity or athletic event where an admission fee is charged or donation accepted for admittance. Each school will be held accountable for the number of tickets used.

Since large amounts of money are collected at ticketed events, the following procedures should be followed:

- Assign two people to each gate. One person to sell tickets and collect money; the other person to collect the tickets at the gate. If it is necessary to sell tickets at more than one location (such as two or more gates at a football game), separate cash boxes and reconciliations should be completed. Also, ticket sales and collections for each individual event should be accounted for and kept separate. For example, proceeds for a dance that is held after a football game should be collected and accounted for separately.
- Appropriate security measures should be established for the collection of cash and followed by the ticket sellers.
- A Ticket Sales Cash Reconciliation Report must be completed for all ticket sales from ticketed events. The gate collections should be reconciled to the number of tickets sold. The money should be counted and verified under dual control at the end of the event. A Cash Receipt Form should also be completed for the total amount of the ticketed event collections. Both verifying parties should also sign the Cash Receipt Form.
- Collections from an afternoon/night activity should be dropped in the school vault or night depository at the bank, and retrieved by the bookkeeper for regular deposit the following working or banking day. It is a good idea to have a security person accompany the deposit, if possible. Collections that are kept in the school overnight should be in the school safe or vault. ***Gate receipts should never be taken home for safekeeping.***
- The bookkeeper should verify the collections, sign the Cash Receipt Form, and generate a pre-numbered receipt. The Ticket Cash Reconciliation Form should be verified and signed by the bookkeeper and attached to the original Cash Receipt Form. A form received unsigned by the ticket seller and gatekeeper should be copied and retained and the original sent back for signature. A follow-up log should be maintained to ensure receipt of the original signed form. ***Checks, pre-numbered cash receipt copies, deposit receipt, Cash Receipt Form, and other backup is copied and maintained prior to delivering the checks to the bank. The bottom of the Cash Receipt Form should be completed with the account information.***
- All monies collected for ticketed events should be receipted and deposited intact and no payments should be made in cash to officials, security personnel, workers, or other employees. Checks should not be cashed from gate receipts. ***All employees must be paid through payroll.***
- It is recognized that errors may occur in making change and that the actual cash collected may not agree with the number of tickets sold. For this reason, any difference in the potential cash and the actual cash in the cash box should be shown on the Ticket Cash Reconciliation Form with an explanation. All forms with this difference ***must be signed by the principal.***

Miscellaneous Receipts

The bookkeeper should complete a pre-numbered receipt for any miscellaneous receipts received by the school such as vending commission checks or donations. The bookkeeper should not complete Cash Receipt Forms or pre-numbered receipt for monies that were initially received by another individual.

School Pupil Activity Fund Deposits

Principals are responsible for the timely deposit of money into the bank. This responsibility may be delegated to the school bookkeeper. In order to safeguard our financial resources, it is recommended that bank deposits be made on a daily basis. A bank deposit **must** be made at a minimum of every **3 business days**, regardless of the amount of the collections. Bank deposits **must** be made whenever total collections on hand exceed **\$250**, or before any weekend or extended school holiday. The bookkeeper should endorse all checks received immediately **“FOR DEPOSIT ONLY”** with school name and bank account number. All money or checks on hand **must** be kept in a safe or locked file cabinet inside a locked room/office at all times. Undeposited receipts are the responsibility of the principal and the bookkeeper. Other school personnel should **not** have access to the collected funds.

The bookkeeper will prepare a system generated bank deposit ticket for each bank deposit. Multiple cash receipts can make up one deposit and can be detailed on the system generated bank deposit ticket. Cash Receipt forms, pre-numbered cash receipt copy # 2, and the Deposit backup, which includes a copy of the bank deposit ticket, bank deposit record receipt, and check stubs, should be attached to the applicable system generated revenue report.

Deposits should never be left with a bank teller at the bank to process later. The bookkeeper should always wait on a deposit ticket receipt from the bank teller. After hour deposits may be made in a night depository.

School deposits should be entered into the Financial Accounting System on a **daily** basis. It is extremely important to keep all accounting records current at all times.

School Nutrition Receipts

The primary cash collectors at BCSD are the School Nutrition Program employees at the cafeteria lines. The greatest risk of loss is through negligence. All efforts should be made to ensure that each location that is collecting cash provides adequate physical security and that proper cash handling procedures are followed. All money is to be placed in the cash drawer at the time it is received and tendered in the correct category. Under no circumstances is money to be kept any place other than the cash drawer. If it becomes necessary to leave the register during serving time, the cash drawer must be closed, locked, and the key removed.

Under no circumstances are payments of any kind to be made out of daily receipts. If a refund of prepaid meals is necessary, the student's parent/guardian will notify the School Nutrition Department in writing to request a refund. With authorization from the School Nutrition Program Director, the bookkeeper will process a refund check to the parent.

Checks received should be immediately endorsed **“FOR DEPOSIT ONLY”** with School Nutrition Program and bank account number included in the endorsement. The monies received each day should be counted by two people, each in the presence of the other. The total money is compared to the cash register total less the money used daily to make change. ***Under no circumstances should personal money be placed in the cash drawer to force a balance.***

A Weekly Cash Income Report is used to record the monies received by category (student breakfast sales, student lunch sales, adult sales, etc.). At the end of each week the report is signed by the cafeteria manager and corresponding deposit slips and bank receipts are forwarded to the School Nutrition Bookkeeper. The bookkeeper checks the reports for accuracy, initials for any corrections, and enters the receipts into the Munis Financial Accounting System.

School Nutrition Deposits

Deposits are prepared and physically delivered to the bank by the cafeteria manager. Cashier, plus a second party, will count the cash drawer at the end of each shift. Both parties will sign/initial the Cash Counter Sheet. \$100 or more will require a trip to the bank for deposit. Anything less than \$100 will need a deposit slip completed, but may be kept under lock and key in a designated area. Deposits must be made at a minimum of every three (3) days and/or in excess of \$100 combined. No monies are to be kept over the weekend.

Accounts Receivable

Accounts Receivable is booked at year-end for all funds except School Nutrition Program funds. Those funds are booked on a monthly basis as required by GADOE. An Accounts Receivable notebook is prepared at year-end with backup to support the receivable entry for audit purposes. A detail Trial Balance Report is also used to reconcile the balance sheet receivable totals. During the subsequent fiscal year the receivables are monitored to ensure the receipt of all funds. Accounts Receivable balances are tracked in the following object categories:

1. 10121 – Taxes Receivable
2. 10141 – Inter-governmental Accounts Receivable – State
3. 10142 – Inter-governmental Accounts Receivable – Federal
4. 10143 – Inter-governmental Accounts Receivable – Local
5. 10153 – Accounts Receivable – Individuals, Firms, Corporations

Accounts Receivable Credits and Write-off Procedures

From time to time, credits against Accounts Receivable from transactions other than payments and bad debts occur. Examples of these credits include returned products and adjustments for errors. All credits are processed by the Lead Accountant, who is separate from the cash receipt function.

It is the policy of BCSD to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are processed by the Lead Accountant, with approval from the Chief Financial Officer.

Cash Accounts

All accounts are opened under the District's Federal Tax Identification Number. ***School Booster Clubs, Parent Teacher Organizations, or other organizations are not allowed to set up bank accounts under the District's Federal Tax Identification Number or in the school name.***

1. **General Operating Account** – The primary operating account provides for routine business check disbursements. Most district level routine operating cash deposits, with the exception of School Nutrition cafeteria sales, are made to this account. Excess funds in this account are transferred into the Savings, Georgia 1 Fund or other investment accounts to maximize investment income.
2. **Payroll Account** – Zero balance account linked to the General Operating Account. This account provides for payroll check and/or direct deposit disbursements.
3. **SPLOST Accounts** – These accounts provide for ongoing SPLOST receipts and disbursements.
4. **School Nutrition Account** – This account provides for the School Nutrition Program disbursements and daily cash deposits.

5. **School Principal Accounts** – These accounts provide for school Pupil Activity Fund disbursements and cash deposits.
6. **Georgia Fund 1** – Local government investment pool managed by the Office of the State Treasurer. Funds are transferred from the General Operating Fund into the Georgia 1 Fund in an effort to maximize investment income.

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times. All public funds on deposit in a bank or credit union must be protected by deposit insurance or pledged collateral. Collateral represents protection for public funds in the event of bank failure. Public entities should develop procedures to monitor the amount of collateral pledged throughout the year. The Chief Financial Officer monitors deposit amounts against the amount of pledged collateral on a monthly basis with a report provided by the bank.

Approved authorized check signers for BCSD shall be as follows:

1. Central Office Accounts – Superintendent
2. School Pupil Activity Fund Accounts – Principal and Superintendent & Assistant Principal (***other school personnel are not authorized to be check signers***)

No other individuals are authorized as check signers on BCSD accounts. It is the policy of BCSD to promptly notify the District's financial institutions of changes in authorized signatures upon the departure of the authorized signer.

A facsimile signature key is used at the central office only to affix the signature of the Superintendent. The signature key is kept secured under lock and key at all times in the vault in the Finance Department. Access to the vault and signature key is limited to the Chief Financial Officer, Lead Accountant and other Finance Department staff. Facsimile signature or signature stamps are not authorized for use by the school accounts.

Investments

The Chief Financial Officer is responsible for investing district funds to secure, without risking financial jeopardy, a maximum yield of interest revenue to supplement other district revenues. Funds shall be invested according to current state law.

Georgia law authorizes public schools to invest in the following:

- Obligations issued by the State of Georgia and other states
- Obligations issued by the United States Government
- Obligations fully insured or guaranteed by the United States government or a United States government agency
- Obligations of any corporation of the United States
- Prime banker's acceptances
- Georgia Fund 1
- Repurchase agreements
- Obligations of political subdivisions of the state of Georgia.
- Certificates of Deposits

Wire Transfers

The Chief Financial Officer shall be the only individual authorized to process wire transfers from BCSD bank accounts. As an added level of security, security tokens are used with the bank online system to process wire transfers. The security tokens provide an additional passcode used during login on the bank system. The security tokens are provided by the bank. Wire transfers are set up with dual control for the entry and release of files.

Cash Flow Management

The Chief Financial Officer monitors cash flow needs and bank account balances on a daily basis. The online banking websites are utilized for ongoing balance monitoring. Cash transfers between accounts are processed on an as needed basis to cover cash flow needs and to maximize investment earnings by the Chief Financial Officer.

Bank Reconciliations

Bank statements should be delivered directly and unopened to the Chief Financial Officer or school principal each month for review. All bank balances must be reconciled with the general ledger book balances on a monthly basis. Reconciliations should be completed by the 15th of the month for the preceding month. Copies of school reconciliations, along with a copy of the bank statement, outstanding check listing, activity ledger by group, extended code report for checks paid, journal entries and receipts, and sequential lists of checks paid and receipts should be forwarded to the Finance Department by the 15th of the month. The original copies should be retained by the school for audit purposes.

Bank reconciliations should be signed and dated by the preparer. The preparer's supervisor or supervisor's designee must also sign and date the bank reconciliation, indicating their review of the reconciliation.

Segregation of duties is important in the bank reconciliation process. Individuals preparing bank reconciliations should be independent of check signing authority, issuing checks, or preparing and making bank deposits for that account. Bank reconciliations are prepared by the following individuals:

- **General Operating Account, Payroll Account, Georgia Fund 1 Accounts, SPLOST III and SPLOST V Accounts, Special Account**
Finance Staff
- **School Nutrition Account**
School Nutrition Free and Reduced Clerk
- **School Pupil Activity Fund Accounts**
School Bookkeeper

Cancelled checks are not received with bank statements but are available upon request at each banking institution. A sequential listing of all checks issued for a month is printed and verified each month with the reconciliation process.

Stale Checks

Outstanding checks that are more than 6 months old are considered stale. Outstanding checks should be reviewed by the bookkeepers and reconciliation preparers monthly for security purposes and to eliminate potential fraud. Stale checks should be researched, voided, and replacement check issued as necessary.

Change Fund

A change fund should be established and used for making change for ticket sales and athletic events, cafeteria cash registers, or other cash sales functions. The following procedures and guidelines should be followed with the use of a change fund:

- The principal should approve the amount of the fund and the person to be in charge of the change fund.
- The change fund should be safeguarded at all times. When not in use, the change fund should be stored in a safe or drawer under lock and key.
- Personal checks may **NOT** be cashed from the change fund.
- To establish the fund, the bookkeeper should enter a purchase requisition for a check to be issued in the responsible person's name.
- The change fund may be retained throughout the year and re-deposited at the end of the year, or when no longer needed. Athletic event cash fund requirements should be reviewed throughout the year. The school should only keep on hand change fund levels that will adequately cover current ticketed events and re-deposit excess funds.

Gift Cards

Gift cards may be purchased for students with student generated funds as a means of recognition of scholastic, attendance or money raising achievement. Student generated funds may **not** be used to purchase gift cards for faculty/staff or other adults. Gift cards may be purchased for faculty/staff or other adults with adult generated funds.

All gift card purchases (student and adult) must be documented with a signed receipt form. Each recipient of a gift card must sign to acknowledge receipt of the gift card. The signed receipt form should be maintained with the paid invoice file. The limit for each gift card amount is \$25. One gift card per individual per event.

Gift cards may not be purchased in advance and held for future use. Holding cards presents a security issue with the chance of unused cards being stolen or used for unauthorized purposes. It also creates an accounting posting issue because Accounts Payable must maintain a tickler file to monitor the use of the cards to ensure the acceptance of appropriate receipt documentation.

Internal Revenue Service

IRS W-9 Form (Request for Taxpayer Identification Number and Certification)- Requests for a **W-9 Form** for Baldwin County School District, or one of the individual schools, should be forwarded to the Chief Financial Officer for completion.

VI. EXPENDITURES AND DISBURSEMENTS

Purchasing Policies and Procedures

It is the policy of BCSD to follow a practice of ethical, responsible and reasonable procedures related to purchasing agreements, contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities. Generally, all purchases and expenditures of District funds must meet the ordinary business standard of reasonable and necessary, with prudent consideration of the District's limited financial resources. Expenditures must be for educational purposes and to further the educational process.

Purchasing Responsibility

All principals and department heads shall have the authority to approve purchases on behalf of their school or department, within the guidelines described in this policy manual. For federal program expenditures, Munis workflow routes all requisitions to the applicable Program Director for approval before requisition is converted to a P.O. Purchases should not exceed approved budgeted amounts, or in the case of restricted accounts, should not exceed the restricted fund balance. Every reasonable effort should be made to obtain the best possible quality, service and price. Purchases should be examined to determine if it is reasonable, allowable and necessary. For larger non-routine purchases and contracts, competitive proposals should always be solicited and evaluated according to the BCSD Policy DJED - Bids and Quotations, discussed later in this manual.

School Purchasing

School principals are responsible for all purchases made with Pupil Activity Fund monies, and for ensuring that these purchases are used for the benefit of the students. They are also responsible for expending funds only for the purpose for which the funds were collected. Monies collected for restricted account funds must be expended for the restricted purpose.

The principal must approve all purchases made in the name of the school prior to the purchase being made. Each principal shall establish written procedures for school staff to request purchases and obtain prior authorization for the purchase. This may be accomplished by the use of a Purchase Order or Check Request Form that would be completed by the staff/advisor and submitted to the school bookkeeper. Purchases should not be made unless adequate funds are available in that particular program/project.

Expenditures must be for educational purposes and to further the educational process at the school level. That end may be met through a variety of activities specific to the needs of each school. These activities may cover student achievement incentives, student motivational materials, small maintenance projects, beautification projects, and needs which may be specific to the individual school. The Pupil Activity General Fund monies, which may include ice cream, picture, school store, vending, and unrestricted fundraiser funds may be used for these activities. Staff/faculty incentives must be purchased with adult-generated funds only (see Adult vs. Student Generated Funds).

No attempt to by-pass District procedures for expending budgeted county funds or school Pupil Activity Funds shall be made.

Management of the Vendor Master File

Before a purchase can be made or a payment can be issued to a vendor, the vendor master file must be set up in the Munis Financial Accounting System. The vendor master file maintenance is maintained by the Procurement Coordinator, whose duties are separate from the cash disbursement process. The following information is needed to set up a new vendor or make changes to a vendor master file:

- Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) must be completed. This form will determine if the vendor should be set up as a 1099 vendor and gather information for 1099 purposes, such as Federal Tax Identification Number, vendor legal name and address. **Miscellaneous income payments in excess of \$600 per year for “services rendered” must be reported to the Internal Revenue Service.**
- A Vendor Application Form must be completed. This form will include the preferred method of payment by the vendor, remittance addresses, EFT banking information, demographic information, applicable references, etc.
- E-Verify Affidavit Form is required from any vendor providing services with charges \$2,500 or greater district-wide. Therefore, E-Verify verification will be required on all purchases of services rendered in order to ensure that the \$2,500 threshold is met district-wide.

The above referenced forms may be found on the BCSD website <https://www.baldwincountyschoolsga.org> (Departments, HR). The completed documentation should be forwarded to the Procurement Coordinator, with advance notice. Vendor set up or change should not be requested without the pertinent information for tax reporting purposes.

Periodically, the vendor master file should be checked for vendors that have not been utilized in a 24 month period and flagged as “STOP” in the vendor master file.

Use of Purchase Orders

The primary method for the procurement of goods and services for the District is through a purchase order. A purchase order that is issued and accepted by a vendor constitutes a legal binding contract. **Telephone or other verbal orders are strictly prohibited.** We understand that emergencies sometimes arise. In the event of an emergency, contact the Chief Financial Officer for guidance on handling the emergency situation. Please note – ***emergencies should not be a regular occurrence.***

Blanket purchase orders should be used for on-going purchases only (e.g. ice cream, bus shop parts, utilities, etc.). Blankets should not be used for individual purchases that will be for a single invoice amount or only occur sporadically. **The amount of the purchase order should be determined based on the amount expended the prior year.** The blanket purchase order should be carefully estimated to eliminate frequent changes. The principal or department head must sign off on the invoice for goods or services purchased with a blanket purchase. **If the blanket purchase order is for \$999 or under (i.e., Walmart, Food Depot, etc.), a list of what is being purchased should be emailed to the Chief Financial Officer, for approval, prior to making the purchase. The approved email should be attached to the receipt once the purchase is made as backup documentation for the payment.**

Freight needs to be included on each purchase order that requires shipping of the purchased goods, including blanket purchase orders. Freight should be added as the last line of the purchase order. If shipping is free, please show the freight line with a zero dollar amount on a separate line. This will alert Accounts Payable that the vendor is waiving the freight cost in an effort to minimize invoicing errors.

The schools and departments should keep the pick tickets and packing slips for future reference. These documents should NOT be forwarded to Accounts Payable.

The Purchasing Director reviews all purchase requisitions for adequate pricing. A requisition must be completed prior to **ALL** purchases. A purchase should not be made without written approval from the Chief Financial Officer. The Chief Financial Officer reviews all purchase requisitions for account number accuracy, backup documentation, and other required information. The Purchasing Director and the Chief Financial Officer have the right to change a vendor on a purchase requisition to obtain a lower price on purchased goods. **The Finance Department has two weeks to process requisitions. Therefore, staff must plan purchases accordingly. No, invoices will be paid without proper prior written approval from the Chief Financial Officer.** All ordered goods must be received and services rendered by June 30th of each fiscal year if the expenditure is to be charged to that fiscal year.

Expenditures, which represent an accommodation or loan to students, parents, employees, or others, are prohibited. Expenditures for private club memberships, alcoholic beverages, personal gain and other similar/related expenses are not allowed. Purchases should never be made from non-deposited cash on hand.

Advance Payments to Suppliers

Generally, goods and services provided to Baldwin County School District (BCSD) are paid for within 30 days after the items or services are received. On occasion, it may be necessary to provide a known and reputable supplier with an advance payment to pay for goods or services before delivery. This Policy describes the general provisions regarding advance payments including the requirement for Purchase Order notation, the submission of invoice, accounting reconciliation, receiving and documentation, and required approvals.

Advance payments should be avoided whenever possible. It is a prudent business practice not to pay for goods or services until they have been received in good order or rendered satisfactorily. BCSD may suffer loss or interest on funds used to make advance payments, especially if delivery of materials or performance of services is to take place at some future date. Prepayments are inappropriate for the purchase of routine consumable supply products, are prohibited for the purposes of extending purchasing power past the expiration of a funding source, and should not be made when there is no justifiable benefit to BCSD or requirement by the vendor. However, if deemed necessary, advance payments are acceptable for the following products or services:

- Books, periodicals and newspapers, including special order items for trade and professional publications
- Caterers for food and beverage services for functions requiring a deposit
- Professional membership fees/dues
- Seminars and conference registration fees (with appropriate supervisor approval)
- Performing artists, when contract requires payment before performance begins
- Consultants, Speakers, DJ's, when contract requires advance payment
- Rental of special equipment, when contract requires advance payment and payments are not more than one month in advance
- Reservations for group transportation and/or expenses
- Postage
- Athletic entry fees

As with any other payment issued by BCSD, standard purchasing procedures apply to all advance payments. All procedures, coordination and approvals are required to take place in order to comply with policies and procedures. A purchase requisition should be entered into the Munis Financial Accounting System for the full amount of the contract, which includes the advance payment(s). The Purchasing Director will review prepayment requests for reasonableness and ensure that the request follows this Policy and all standard purchasing procedures. Standard purchasing procedures of BCSD cannot be circumvented merely because the method is an advance payment.

Purchase Orders

The total amount of the Purchase Order shall include the full value of the contract, including the advance payment(s), and a full description of the refund Policy offered by the supplier. A description of each payment should be noted in the description field. By accepting the Purchase Order, the supplier signifies this as acceptance of the contract and agrees to perform in accordance with the term and conditions of the order.

Invoice

Appropriate invoices must be sent to the Finance Department by the supplier:

- Deposits, Partial, Progress, and Down Payments – Suppliers to which partial advanced payment is issued (i.e. down payments, progress payments, deposits, etc.) should provide an invoice for the issuance of the partial advance payment. A copy of the contract may be used as supporting documentation for the advance payment. ***It is the responsibility of the requester to email Accounts Payable to request the issuance of each advance payment.*** A final invoice must be submitted for final payment. The Purchase Order description field or “Vendor/Sourcing Notes” should note the advance payment schedule. If “Vendor/Sourcing Notes” is used, please check “Print on PO”.
- Advance Payment in Full – Suppliers to which a full advanced payment is issued must provide a complete and final invoice for the full amount of the advance payment prior to the issuance of payment. The invoice must contain the confirmation of total cost, including freight, handling, etc. Estimates are not acceptable.

Receiving and Documentation

- Pre-Receipt of PO for Payment Processing – In order for an advance payment or deposit to be processed, the full contract amount must be submitted through a standard purchase requisition to the Finance Department. ***It is the responsibility of the requester to email Accounts Payable to request the issuance of the advance payment.***
- Physical Receipt of Goods and Services – It is the responsibility of the requester to verify the actual receipt of goods or services and that the goods or services provided by the supplier meet quality expectations and contract specifications. Once the actual goods or services are received and verified, the purchase should be receipted in the Munis Receipting Module. Requesters should collect all supporting documentation to substantiate the delivery and acceptance of goods or services for audit purposes. Verification includes the inspection of goods to ensure that they have been delivered timely and in acceptable condition.

Supplier Performance

When a prepayment in advance of the performance or delivery is issued to a supplier, then the right of BCSD to obtain such service or property on behalf of or in the service of BCSD shall constitute a claim against the supplier to satisfactorily provide said goods or services. Failure of the supplier to perform will constitute a default on the contract. If a supplier fails to perform according to the specifications or the time frame provided for in the Purchase Order or contract, the requesting department or school will contact the supplier. If there is a continued lack of performance from the supplier, BCSD may declare the supplier in default and may exercise appropriate legal remedies.

Process Workflow

- Requesting department or school shall submit a Purchase Requisition to Finance for processing for the total amount of the contract. The advance payment schedule should be included in the description field or the “Vendor/Sourcing Notes” with “Print on PO” checked.
- The Purchasing Director or Chief Financial Officer may attempt to source the goods or services from a provider not requiring payment in advance and willing to extend terms to BCSD, if deemed necessary.
- A Purchase Order will be converted by Finance, as outlined in standard purchasing procedures, if the advance payment is approved.
- A complete invoice or copy of the contract which specifies the total amount of each separate advance should be submitted to Accounts Payable by the vendor or requesting department or school.
- Requesting department or school shall notify Accounts Payable by email when advance payment is due and payable.
- Accounts Payable will generate and submit payment to the vendor.
- The requesting department or school will monitor the delivery of the goods and services to ensure the delivery takes place timely and that the goods or services comply with their requirements. The purchase order should be receipted in the Munis Receipting Module once the actual goods or services are received. Accounts Payable will also maintain a file to monitor the final payment process.
- When payment and receipt of goods or services cross fiscal years, Accounts Payable will coordinate a review of the invoice with the Lead Accountant to book the appropriate Prepaid Expense entries.

Exceptions

Any exceptions or requirement that requires deviation from this Policy shall be reviewed and approved by the Chief Financial Officer.

Bids and Quotations

General

The procurement of goods and services must be in accordance with BCSD Policy DJED – Bids and Quotations. Title to all school property is held by the Baldwin County School District. Operations related to the normal acquisition of materials and services shall reside in the Finance Department unless further delegated.

When spending School District funds – including Pupil Activity Funds and Grant Funds – employees who have been delegated the responsibility for the purchase of goods and services shall utilize the highest standards for proper and ethical purchasing procedures.

The same standards which apply to outright purchases shall be utilized in accepting donated goods or services in order to protect the integrity of the process.

Competitive purchasing shall be used whenever possible, and prospective vendors shall be given equal consideration to compete for the provision of goods and services to the School District. The right of any vendor to compete shall not be unreasonably withheld.

Solicitation Methods

Low-Dollar Purchases: Purchases of less than \$5,000 may be made using the discretion of the buyer. Unless otherwise directed by the Superintendent or his/her designated representative, no formal competition is required – but is recommended when circumstances make it practical to do so.

Telephone/Internet Quotations: Purchases of at least \$5,001 but less than \$10,000 may be solicited by telephone or Internet search. At least two vendors known to be able to supply the needed goods or services must be contacted and a written log of the request and the quotations must be made and retained.

Telephone/Internet Quotations: Purchases of at least \$10,001 but less than \$100,000 may be made on the basis of three or more written quotations and must be on letterhead from the vendor. Faxed or emailed quotations qualify as written quotations. These quotes, as well as a purchase justification form must be scanned into TCM and attached to the purchase requisition. Principals or Department Heads will develop specifications and bids and obtain written quotes or will send specifications to Purchasing for Purchasing to obtain written quotes. With input from originator award is made and Purchase Order generated. If lowest bid not chosen Dept. Head/Principal will justify in writing on the purchase justification form.

Written Quotations: Purchase of items with a total estimated value of above \$100,000.00 require sealed competitive bids and Board approval. Faxed or e-mail bids are not accepted. Specifications from the using school/department shall be sent to Purchasing.

An Invitation for Bid (IFB), or a Request for Proposal (RFP) will be prepared and mailed to vendors by Purchasing. Vendors will be given a minimum of twelve (12) working days from the date of the bid document to complete the bid and return it to the purchasing department by the date and time requested. All IFB's and RFP's will be advertised in the legal ads of the local or area newspaper two (2) times during the twelve (12) day period or placed on the school web site to allow for the widest dissemination of solicitations. IFBs and RFPs will be opened and publicly read aloud at the time and date stated. A higher precedence procedure than is required by the dollar amount – or elements normally associated with a higher precedence procedure – may be used if circumstances indicate it would be advisable to do so.

See the Federal Programs Handbook or School Foods Handbook for purchases using federal funds. If purchase is over \$10,000 and utilizing Head Start Funds, prior approval from Head Start is required.

Goods and services offered through RESA, Statewide Contract, General Services Administration Contract, Western States Contracting Alliance, US Communities, Omnia Partners, or similar organizations are considered to be the result of proper competition and may therefore be purchased without the need for additional quote, bid, or proposal.

Sole Source

Examples of sole source includes but not limited to:

- ***Only one supplier can satisfy the technical requirements because of unique technical competence or expertise.***
- ***Only one supplier possesses patents or exclusive rights to manufacture or to furnish the item or service.***
- ***Only one supplier can furnish the services because of the supplier's previous state entity experience and having an alternative source duplicating these capabilities would result in excessive costs to the District.***

The item does not satisfy any of the justifications noted above, but the use of any other manufacturer's good or equipment would result in excessive costs to the District.

The sole source process does not apply to any of the following purchases:

- ***Purchases which are exempt from the competitive solicitation process***
- ***Purchases from mandatory or convenience statewide contracts,***
- ***Purchases from existing District contracts***

Once research has been completed (through requests for goods/services) and it has been determined that only one vendor can supply goods/services, written documentation/justification should be retained. Any responses whether vendor can supply the goods/services or can not supply the goods/services should be scanned into Munis with the requisition of the sole source vendor. A hard copy of responses should be available and retained in designated Sole Source File.

Ethical Conduct and Conflict of Interest

Ethical conduct in managing the District's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board and share a professional trust with other staff and Baldwin County taxpayers.

No officer, board member, employee, or agent of BCSD shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Officers, board members, employees and agents of BCSD shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties of sub-agreements.

All employees of the Baldwin County School District shall maintain integrity with students, colleagues, parents, patrons, or businesses when accepting gifts, gratuities, favors, and additional compensation. Employees must not engage in unethical conduct which includes, but is not limited to, activities prohibited by The Code of Ethics for Educators as adopted by the Professional Standards Commission.

Unless otherwise specifically approved by the Board of Education, employees shall not accept any gift or compensation in excess of \$100.00 in value from any vendor, booster club, parent organization or group, student or parent of a student. In addition, employees shall not accept payment from booster clubs, parent organizations or groups, students or parents of students for moving or other relocation expenses without the express prior approval of the Board of Education.

Unless otherwise specifically approved by the Board of Education, employees may not tutor, instruct, or coach their own students for pay. In addition, unless otherwise specifically approved by the Board of Education, school district facilities may not be used by employees to tutor, instruct, or coach any student or other individual for pay.

Employees shall not coach, instruct, conduct clinics, camps, summer leagues or perform other activities that involve students in the Baldwin County School District and receive remuneration without the express prior approval of the Board of Education. These types of activities must be in compliance with all rules and regulations of the Georgia High School Association.

Employees shall not solicit sales from students or their parents or advertise or endorse products or services aimed at students or their parents.

Receipt and Acceptance of Goods

Any individual receiving goods shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall be taken:

1. Verify the quantity of boxes/containers with the packing slip.
2. Examine boxes/containers for exterior damage.
3. Compare the description and quantity of goods received to the packing slip and purchase order.
4. Examine goods for physical damage.
5. Notify vendor and Accounts Payable in writing of any discrepancies.

Received goods should be receipted into the Munis Financial Accounting System on a ***daily*** basis. The receipting module records the date the item is received as of the date it is keyed into the system. The date cannot be modified. ***All goods and services received must be receipted in the Munis Financial***

Accounting System by June 30th. Goods and services not receipted in the Munis Financial Accounting System by June 30th will be paid from subsequent year funds. This procedure also applies to any 15 month federal grants.

Please notify Accounts Payable in writing when returning items to vendors that result in a credit (e.g. duplicates, damaged items, etc.) to assist with minimizing losses. Please contact the vendor and request a “Call Tag” for returns as most vendors will pay for freight to return the item(s).

Open purchase orders should be monitored regularly. It is the responsibility of the initiator to monitor outstanding purchase orders. Orders that are not received timely should be reviewed and cancelled if necessary. Textbooks and other deliveries should be checked and receipted timely during the summer.

Independent Contractor (Non-Employee Compensation)

At various times, BCSD requires services that cannot be performed by regular staff personnel. The District must obtain these services by contracting with an individual for the performance of these services. All relevant facts and circumstances should be considered regarding the relationship between BCSD and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between BCSD and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by BCSD in making employee/contractor determinations shall include:

1. Behavioral Control:
 - a. Instructions given by BCSD to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 1. When and where to work
 2. What tools or equipment to use
 3. What workers to hire or to assist with the work
 4. Where to purchase supplies and services
 5. What work must be performed by a specified individual
 6. What order or sequence to follow
 - b. Training provided by BCSD to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training).
2. Financial Control:
 - a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor).

- b. The extent of the worker's investment in the facilities/assets used in performing services for BCSD (greater investment associated with contractors).
 - c. The extent to which the worker makes services available to the relevant market.
 - d. How BCSD pays the worker (payment by the hour, week or month generally points to employment status; payment by the job or a commission indicates independent contractor status).
 - e. The extent to which the worker can realize a profit or loss.
3. Type of Relationship:
- a. Written contracts describing the relationship that BCSD and the individual intend to create.
 - b. Whether BCSD provided the worker with employee-type benefits, such as insurance, paid leave, etc. Providing employee-type benefits indicates that the worker is an employee.
 - c. The permanency of the relationship. A continuing relationship, and therefore an employee-employer relationship, exists when work is performed at frequently recurring, although irregular intervals.
 - d. The extent to which services performed by the worker are a key aspect of the regular business of BCSD. Integration of the worker's services into the business operations generally shows that the worker is an employee.

There are 3 documents required for payment for non-employee services to occur. First, an **Internal Revenue Service W-9 Form (Request for Taxpayer Identification Number and Certification)** must be completed and on file in the Accounts Payable Department. Payment will not proceed without the **W-9 Form** on file. Second, an E-Verify affidavit, driver's license/state issued I.D., or a Georgia Professional License Number Certificate, as appropriate, is required by state law to verify work eligibility of public contracts. Please see **E-Verify** section below for detailed information. Third, there should be a written contract between BCSD and the independent contractor. ***No services shall occur until after all signatures are obtained on the contract and a purchase order is issued. A copy of the contract must be attached to the purchase requisition. A purchase requisition will not be converted to a purchase order until all required documentation is received.*** The contract should provide the following information:

- 1. The contractor's exact legal name (this should match the IRS Form W-9).
- 2. The contractor's address.
- 3. The contractor's social security number or Federal Tax Identification number (this should match the IRS Form W-9).
- 4. The date(s) of service to be performed. This should always be a future date.
- 5. The type of services to be performed.
- 6. The amount to be paid. If business expenses are to be included, they should also be specified.
- 7. The contractor must sign and date the contract.
- 8. The superintendent or designee must sign and date the contract.

Payments to these individuals are made through the Accounts Payable Department on the weekly disbursement schedule just as any other vendor. Payments made to an independent contractor in the amount of **\$600** or more in any calendar year will be reported to the Internal Revenue Service on an Internal Revenue Service Form 1099-Misc.

E-Verify

Effective July 1, 2013, E-Verify affidavits will be required from vendors for all contracts and bids for services if the amount is **\$2,500** or greater district-wide. E-Verify is used to verify the employment eligibility of U.S. and non-U.S. citizens. Please note that this applies to services and not the simple purchase of goods.

The Association of County Commissioners (ACCG) has published a model E-Verify affidavit (attached) that can be accessed here:

[http://www.audits.ga.gov/NALGAD/Files/Section_3 - Affidavit - OCGA_13-10-91xbx1x.pdf](http://www.audits.ga.gov/NALGAD/Files/Section_3_-_Affidavit_-_OCGA_13-10-91xbx1x.pdf)

The affidavit is not required for services contracted to and provided by individuals in the following categories:

1. Persons licensed under Title 26
2. Persons licensed under Title 43
3. Persons licensed by the State Bar

Although the affidavit is not required for those licensed by the Secretary of the State as noted above, the Professional License Number must be obtained. Either have the contractor provide a copy of the certificate to you or you may go online at <http://www.sos.georgia.gov/> and go to the tab labeled Search for Professional License Online.

Individual contractors that do not have employees or subcontractors working for them are only required to provide a copy of a driver's license or other state-issued ID from one of the following states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

The District must file an annual report with the Georgia Department of Audits and Accounts that lists certain information for every such contract so it is important that this affidavit or professional license number be received. ***The individual who is securing these contracts must make sure that this affidavit (notarized) is received and sent to the Procurement Coordinator in the Budget and Finance Department before payment may be sent to the vendor.***

To see if a vendor already has an E-Verify number or a Secretary of State Professional License Number, please go to the Vendor Inquiry screen in the MUNIS Financial Accounting System. Look under the User Defined tab to see if either of these numbers have already been obtained.

Contact the Procurement Coordinator or Chief Financial Officer for questions concerning E-Verify.

Sales and Use Tax

Georgia Law O.C.G.A 20-2-411 states that, “public school funds shall be used for educational purposes and none other and the paying of state sales taxes out of public school funds could not conceivably be considered a payment for educational purposes.” Items purchased by a public school for the school’s own use qualify for an exemption from sales tax, if the items purchased relate to the educational process. The Georgia Sales and Use Tax Certificate of Exemption (ST-5) and Certificate of Exemption of Local Hotel/Motel Excise Tax Forms should be used. The forms may be obtained on the BCSD website <https://www.baldwincountyschools.org> (Departments, Finance). To qualify for the exemption the merchandise being purchased must be paid by check directly from school district funds. ***Sales tax will not be paid on invoices for items purchased by employees, which are submitted for reimbursement.***

Georgia Law O.C.G.A 48-3-3, section 39 exempts from sales tax all “sales by any public or private school containing any combination of grades kindergarten through 12 of tangible personal property, concessions, or of tickets for admission to a school athletic event or function, provided that the net proceeds from such sales are used solely for the benefit of such public or private school or its students.” Schools do not have to pay sales tax on items purchased for resale as long as the proceeds from the resale are used for school purposes, and deposited into the school’s account. Vendors should be presented with the Georgia Sales and Use Tax Certificate of Exemption Form ST-5. Sales tax does not have to be collected on Book Fair sales if the sale is conducted by the school, deposited into the school account, and the net proceeds benefit the school and/or students. However, if the book company conducts and collects the sales and just sends us a check for the net proceeds, then sales tax must be collected. ***PTO’s and Booster Clubs do NOT qualify for the sales tax exemption.***

VII. ACCOUNTS PAYABLE MANAGEMENT

BCSD strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation. A strong foundation in accounts payable can be achieved by establishing strong controls, best practices, as well as, regulatory compliance practices.

It is the policy of BCSD that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The principal and department head electronic purchase requisition approval and receipt of received goods in the Munis Financial Accounting System indicates approval to pay a vendor invoice. Federal Program Director approves all purchase requisitions before purchase is made. For those purchases that are made without a purchase order, the invoice must be signed by the principal and department head indicating authorization to pay and receipt of goods and services. A written explanation of why a purchase requisition was not entered is also required on these types of purchases.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized,
2. Invoices are processed in a timely manner,
3. Vendor credit terms and operating cash are managed for maximum benefits.

Accounts Payable Cut-offs

The Finance Department has at least two weeks to process checks; therefore, staff must plan accordingly. Accounts Payable check payments are issued **only** on Thursday of each week. **Inquiries regarding checks should be directed to each school's Bookkeeper, not Central Office.** Electronic Funds Transfer vendor payments are processed on Thursday of each week for a Friday effective date. All required supporting backup documentation and receipt of received goods and services must be received prior to issuing any payment.

Establishment of Control

Control of invoices is established by the Accounts Payable Clerk as soon as invoices are received. All vendors will be instructed to mail all invoices directly to the Accounts Payable Department. Invoices should never be sent directly to the school or department.

Processing of Invoices

Account Payable is responsible for the timely payment of properly transmitted vendor invoices. Additionally, Accounts Payable is responsible for issuing employee travel and miscellaneous reimbursements. Accounts Payable strives to ensure expedient and accurate processing of all payables. The following procedures shall be applied to each invoice by the Accounts Payable Clerk:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order and receiving module in the Munis Financial Accounting System.
3. Verify and document the general ledger distribution, using the District's current chart of accounts.

4. Verify the invoice approval. Purchases made by purchase order indicate acknowledgment of approval based on the electronic purchase requisition approval and receipting within the Munis Financial Accounting System. Purchases made without a purchase order require principal or department head written approval on the invoice, along with a written explanation as to why a purchase requisition was not entered.
5. Ensure that all invoice and backup documentation is scanned into the Munis Financial Accounting System.

Payment Discounts

To the extent practical, it is the policy of BCSD to take advantage of all payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts. Otherwise, invoices will be paid within 30 days of receipt of invoice in the Accounts Payable office.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or miscellaneous reimbursements will be made only upon the receipt of a properly approved and completed Travel Reimbursement Form, Mileage Reimbursement Form, or Miscellaneous Reimbursement Form. All receipts must be attached, and a brief description of the business purpose of the trip, meeting, or expenditure must be noted on the form. Expense reports will be processed as soon as possible in the order in which they are received.

Reconciliation of Accounts Payable to the General Ledger

During the year-end close out process, the total amount due to vendors per the accounts payable subsidiary ledger is reconciled to the total amount per the accounts payable general ledger account. All differences are investigated and adjustments are made as necessary by the Chief Financial Officer.

Additionally, on a monthly basis, the Accounts Payable Clerks shall perform the following procedures:

1. Check all vendor statements received for unprocessed invoices and credits.
2. Check the Open Purchase Order Report and follow up on any purchase orders that are more than 60 days old to ensure that all purchase orders are liquidated and closed by year-end.

Cash Disbursements

BCSD disburses cash to acquire goods or to pay for services. Disbursements are made by means of either a commercial bank check or an electronic transfer. The Accounts Payable Department is responsible for payments for goods, non-employee services, and employee reimbursements. These are known collectively as vendor payments.

The process of paying vendors is the end product of the purchasing system. Normally, the purchasing process starts when:

1. A properly completed purchase order is issued to the vendor.
2. The vendor delivers the goods or services.
3. BCSD staff receives the goods.
4. School or department staff receipts the received goods or services into the Munis Financial Accounting System.

5. The Accounts Payable Department matches the purchase order and electronic receiving confirmation to the invoice.
6. The Accounts Payable Department initiates the payment process.
7. Paid invoices should be filed with proof of payment.

Check/Electronic Funds Transfer Preparation

It is the policy of BCSD to print vendor payments and expense reimbursement payments on a weekly basis. Accounts Payable check payments are issued on Thursday of each week for a Thursday distribution. All supporting backup documentation required and receipt of received goods and services must be received and/or entered by each Tuesday at 12:00 noon to meet the disbursement deadline. All vendor and expense reimbursement payments shall be produced in accordance with the following guidelines:

1. Payments shall be prepared by persons independent of those who initiate or approve expenditures, prepare bank reconciliations, or those authorized to sign checks.
2. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel policies described in this manual.
3. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors.
4. Generally, all vendors shall be paid with 30 days of submitting a proper invoice upon delivery of the requested goods and services.
5. Total cash requirements associated with each check or EFT batch is monitored in conjunction with available cash balance in the bank by the Accountant.
6. All supporting documentation is attached to the corresponding check copy and scanned into the system.
7. Payments shall be utilized in numerical order, which is automatically assigned by the Munis Financial Accounting System. Unused check stock is stored in a locked file in the vault in the Finance Department.
8. Electronic Funds Transfer batches are submitted to the bank under dual control.
9. Checks shall never be made payable to “*Bearer*” or “*Cash*”, but should be made payable to the individual, institution, organization, or company to which the money is being paid.
10. Manual Pupil Activity Fund checks shall never be signed prior to being prepared. Blank checks should never leave the school premises.

Check Signing

Central Office checks may only be signed by authorized signers or with an authorized facsimile signature stamp. School Pupil Activity Fund checks may only be signed by authorized signers. Facsimile signature stamps are not allowed for use on these accounts. ***No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).***

Approved authorized check signers for BCSD shall be as follows:

1. Central Office Accounts – Superintendent and CFO
2. School Pupil Activity Fund Accounts – Principal and Superintendent (***other school personnel are not authorized to be check signers***)

The central office utilizes an electronic facsimile signature key for the Superintendent’s signature. The electronic key is kept under lock and key in the vault in the Finance Department. Due to the fact that an electronic key is used to affix the Superintendent’s signature to the checks and he/she does not review the checks.

Distribution of Checks

Regular vendor payments for vendors that have chosen to receive checks for payment method are mailed in the postal mail on the date of the check run each week. Regular vendors are not allowed to pick up checks. Each vendor check also contains a check stub with the payment information.

Void Checks and Stop Payments

Occasionally, checks may need to be voided due to being lost in the mail or to processing errors. When a check is voided, it should be clearly marked **“VOID”**, signature removed if check is present, and check register noted of void. All voided checks should be retained and filed in the Accounts Payable paid check file in numerical order.

Stop payment orders may need to be made for checks that are lost in the mail or other valid reason. Stop payments are processed by the Accounts Payable Clerks through the bank’s on-line banking system. Once the stop payment order is placed and verified, the payment may be voided and reissued in the Accounts Payable System, if necessary.

VIII. TRAVEL AND MISCELLANEOUS REIMBURSEMENTS

Employees of BCSD (this ***does not*** include ESS employees) will be reimbursed for actual and necessary travel expenses incurred in the performance of their official duties. Employees will also be reimbursed for travel expenses incurred while participating in staff development activities approved by the school district. Reimbursements for travel expense will be made in accordance with the Statewide Travel Policy published by the State Accounting Office of Georgia. A copy of these regulations may be found online at <http://sao.georgia.gov>. It is the employee's responsibility to be knowledgeable of the travel regulations and procedures so that information may be submitted accurately.

On occasion, employees of BCSD may find it necessary to make business related purchases from personal funds for supplies and/or materials for use within the school district. Additionally, non-employee refunds may also be necessary. Purchases using personal funds should be kept to a minimum, as purchase orders are the preferred method for purchasing.

All travel and miscellaneous reimbursements must be sent to Accounts Payable for processing. The appropriate reimbursement form should be ***typed***, signed by the employee, and signed/approved by their supervisor. Itemized detailed original receipts should be attached to the form for miscellaneous reimbursements and travel expenses requiring receipts.

Travel and miscellaneous reimbursement requests should be completed within ***10 business days*** after the return to work or expense is incurred. In an effort to expedite payment, completed forms should be forwarded to the school bookkeeper or department secretary to double check for accuracy and completeness and to assign the appropriate account number to charge the expense. ***Travel expenses, related to an advance, which are reconciled, substantiated, submitted, and approved more than 60 days after the conclusion of the travel or event will be included in the Traveler's IRS Form W-2 as taxable income.***

All reimbursements will be paid within ***30 days*** of Accounts Payable receiving a complete, non-problematic form. The 30 day reimbursement window will start again if a form is returned for a correction or missing documentation. Additionally, if expenses are shared between employees, the reimbursement forms from ***all*** employees traveling must be received before the 30 day window begins. ***All reimbursement requests for a fiscal year ending June 30th are required to be submitted by July 31st. Reimbursement requests that are received after that date will not be reimbursed.***

Mileage Reimbursement

The Travel Expense Form is used to obtain reimbursement for mileage. When traveling between BCSD facilities, the BCSD Mileage Grid should be used to determine the mileage. When traveling to any location not listed on the BCSD Mileage Grid, a detailed location should be listed and actual odometer reading should be used to determine the mileage. Please note that trip meter readings are not acceptable. Normal commute miles must be deducted if the employee's home is listed as the origin or destination. A ***Traveler's commuting miles are considered personal mileage and, as such, are not reimbursable. Thus, when a Traveler attempts to claim reimbursement for their personal commuting mileage, the total amount of commuting Miles (one-way or round trip) must be deducted when calculating total mileage reimbursement. Commuting miles is defined as the actual mileage travelled by the Traveler between their Residence and Primary Workstation (PWS is defined as the location an employee is considered to report to for work and has been declared as such by the BCSD). If a Traveler's travel begins or ends at their Primary Workstation AND they are not attempting to claim their Commuting Miles between Residence and Workstation or vice-versa, then commuting miles would not be deducted. The PWS shall***

be used for ALL required travel calculations. BCSD will not reimburse mileage if the District transportation is provided.

Travel Expense Form Required Information

1. Itinerary of the event attended (This should include the daily schedule of the individual)
2. Registration receipt
3. Meal expenses (Reimbursed on a per diem basis, receipt not required)
4. Lodging receipt
5. Mileage, airfare receipt, rental car receipt, or a description of transportation used (i.e. bus with students)
6. An explanation of any unusual expenses or expenses which exceed the established limits
7. Explanation of the purpose of the trip
8. Account numbers
9. Employee signature and date
10. Approval signature and date (From each department being charged)
11. All Travel Reimbursement Forms must be typed

The Travel Reimbursement Form should list expenses the employee is seeking reimbursement for. Receipts and/or documentation for each expense should also be attached. All receipts should be originals, itemized and show the method of payment used.

If expenses are incurred by more than one employee on a trip together, each employee is required to complete a Travel Expense Form. Shared expenses should be split by all of the employees and documented on each employee's reimbursement request with notation of whom all shared the expense. Notation of how/who paid the expense will also need to be noted. Copies of required receipts and/or documentation should be attached to each employee's reimbursement request. The 30 day reimbursement window will not begin until Accounts Payable receives forms from all employees participating in the trip.

Employees who travel more than **50 miles** from their home **and** headquarters may be reimbursed for lodging expenses associated with approved overnight travel, according to the Statewide Travel Policy. Google Maps may be used to determine the mileage by selecting the "shortest route" option. The employee is responsible for obtaining the lowest rate possible by avoiding the "deluxe" hotels and motels, such as those with ocean view rooms. ***Hotels should be booked directly with the hotel because third party booking sites charge hotel/motel taxes and sales tax. It is the employee's responsibility to download the Certificate of Exemption of Local Hotel/Motel Excise Tax Forms and The Georgia Sales and Use Tax Certificate of Exemption (ST-5) which may be obtained on the BCSD website <https://www.baldwincountyschools.org> (Departments, Finance) to ensure these taxes are not charged/paid.***

Eligible meals are reimbursed on a per diem basis designed to cover the cost of the meals (including the taxes and tips), based on the number of meals per day for which the employee is eligible. Meal costs in excess of the per diem amount will not be reimbursed. Meal allowance is not reimbursable if meals are provided as part of the workshop/conference.

Employees traveling within the State of Georgia are eligible for up to \$50.00 of per diem to cover the cost of three (3) meals per day. Incidentals are not included in the per diem rate. The per diem rate applies to all cities in Georgia. Per Diem Allowance are set forth by the Statewide Travel Policy and will follow the "Standard" GSA per diem rates.

Breakfast = \$13.00 Lunch = \$14.00 Dinner = \$23.00

Employees traveling overnight, either in-state or out-of-state, are eligible for 75% of the total per diem rate on the first and last day of travel. For example, if the per diem rate allows a \$50 total reimbursement, \$37.50 would be allowable on a travel departure or return day ($\$50 \times .75 = \$37.50$) As a result, the time of departure and time of return are not considerations for calculating the Meal Per Diem when associated with overnight travel.

When meals are provided to an employee in conjunction with out-of-state travel events on a travel departure or return day, the meals per diem reimbursement rate is reduced by the amount of the provided meal(s) after the 75% proration. For example, if the per diem allows a \$50 total reimbursement, and lunch was provided at no cost on a travel departure or return day, the total allowable reimbursement for that day would be \$23.50 [$\$50 \times .75 = \$37.50$ less \$14 lunch = \$23.50].

The per diem allowance for Georgia is \$50. Out-of-State per diem allowances follow the GSA rates.

For trips involving multiple travel destinations, base the reduction on the per diem rate in effect where the night was spent, as follows:

- Departure Day: Where the Traveler spends that night.
- Return Day: Where the Traveler spent the night before returning to their Residence or Primary WorkStation.

As a reminder, the time of departure and time of return are not considerations for calculating the Meal Per Diem when associated with overnight travel.

For additional information regarding out-of-state per diem, contact the Central Office Finance Department.

As a governmental entity, BCSD is exempt from paying sales tax in the State of Georgia. It is the employee's responsibility to ensure that no local taxes are charged for lodging. The sales tax exemption forms may be found on the BCSD website.

Employee Group Meals

Under certain ***infrequent*** circumstances, employees may be required to remain at the work site during mealtime. Such circumstances may include emergency situations and intra-departmental meetings or training sessions, where the meeting or training session continues during the meal and the employees are not permitted to leave the premises of the meeting site. Such expenditures are limited to the purchase of meals only (***this does not include snacks***). ***Meal limits outlined in the Statewide Travel Policy must be followed. Meal expenses associated with meetings/training sessions must be documented by a copy of the formal written agenda, and a sign in sheet of the employees for whom meals were purchased must be retained and a copy forwarded to Accounts Payable.***

Faculty/staff banquets or dinners may ***NOT*** be purchased with public funds, including Pupil Activity Funds, with the exception of adult generated funds.

Hospital/Homebound Guidelines

The following guidelines should be followed for hospital/homebound reimbursement, in addition to the normal travel reimbursement procedures:

1. The Hospital/Homebound Time and Mileage Log for hospital/homebound mileage should not include any ***non-hospital/homebound*** mileage.
2. The students first and last name must be listed on each Hospital/Homebound Time and Mileage Log submitted.
3. All Hospital/Homebound Time and Mileage Logs should be forwarded to the principal's office for approval and account number designation.

Miscellaneous Reimbursements/Refunds

Occasionally it may be necessary to reimburse an employee for goods purchased with personal funds, or refund a parent for fees paid due to a cancellation or overcharge. Miscellaneous reimbursements to an employee should be kept to a minimum to safeguard against unauthorized purchases.

The following clarifications are made for miscellaneous reimbursements/refunds:

1. A Munis requisition should be completed detailing the expense.
2. Original itemized receipts indicating the method of payment must accompany the requisition.
3. Sales Tax will not be reimbursed on any non-food purchases made with personal funds.
4. For reimbursement of meals not associated with travel, please see the Statewide Travel Policy for Group Meals. A copy of these regulations can be found at <http://sao.georgia.gov>.
5. Requisitions for reimbursement should be initiated within **10** business days from the date of the purchase or refund request.

IX. PAYROLL AND BENEFITS

Employee salaries and benefits constitute the single largest cost for a public school system. Payroll is the sum of all financial records of salaries of an employee, wages and deductions. BCSD hires employees to provide services on a regular and continuing basis.

The Payroll Department strives to ensure that all employees are paid according to approved pay and salary schedules and that necessary data, records, and reports are maintained and submitted in compliance with acceptable business and regulatory standards. A quality payroll system should provide the basis for:

1. Accurate work and time reporting
2. Accurate and timely issuance of payroll checks
3. Distribution of salary costs to the appropriate program
4. Accurate and timely tax and benefit reporting

Payroll administration is closely related to both human resources and financial management. Human resource management is involved because personnel actions are necessary to place an employee on the payroll or to modify an employee's status. Personnel policies on such matters as leave, compensation, and benefits are the basis for payroll actions. Adherence to these policies requires that those responsible for timekeeping and payroll be familiar with the policies, and be notified of all changes in an employee's status. Payroll preparation and disbursement, as well as accounting for payroll expenditures, are all financial activities. Adequate controls should be in place to prevent errors and abuse. This control extends through all phases of the payroll administration from timekeeping to proper expenditure account posting. The Finance Department is concerned with the accuracy of payroll calculations, adherence to the budget, and the maintenance of proper accounting records.

Payroll Schedules

The BCSD payroll schedule is based on 12 monthly payments, to be paid on the last day of each month. When the pay date falls on the weekend or holiday, payroll will be paid on the previous business day. Pay schedules are established for 3 groups of employees:

1. 12 month employees (240 Days) – Paid July 01st – June 30th
2. 11 month employees (210 Days) – Paid August 01st – July 31st
3. 10 and 10.5 month employees (190/200 Days) – Paid September 01st – August 31st
4. 49% Employees – Paid over 12 months

Compensation Guides and Contracts

All employees of BCSD are hired upon the recommendation of the Superintendent and approved by the Board of Education. All determinations of compensation are the responsibility of Human Resources. No employee may be compensated for personal services without express written confirmation from Human Resources.

Certificated and classified personnel employed by BCSD will be compensated based upon the salary schedules approved during the annual budget approval process. For certified personnel, the total salary will be composed of the state salary and local regular supplement, as a minimum. Additional supplements may be paid for position, coaching, and extended day or year when authorized by contract. Classified personnel will be paid from the approved classified and clerical schedules.

All payments to employees must be made through payroll. Manual check and cash payments may NOT be used for services rendered.

Timekeeping

All employees must sign in and out daily and are expected to arrive and depart at the time specified by the District, or complete the appropriate leave request form for absences.

Overtime/Compensatory Time for Non-Exempt Employees (BCBSD Policy – GCRD)

Rationale/Objective

Baldwin County School District complies with the provisions of the Fair Labor Standards Act which established a minimum wage and overtime pay requirement for non-exempt employees.

Notification

This Overtime/Compensatory Time policy is part of the board policies and procedures of Baldwin County School District, which is available on the website at <https://www.baldwincountyschoolsga.org>.

Applicable Employees

This policy only applies to non-exempt employees.

Work Week

The Baldwin County School District work week is from Monday through Sunday. Time keeping for purposes of calculating overtime will be accumulated beginning on Monday at 12:01 a.m. and ending Sunday at midnight of every week worked.

Work Day

The work day will be defined for each job description and job code. A work day will consist of 8 hours of work unless noted on the job description or stipulated by the employee's supervisor. Every work day for an employee shall consist of at least 30 minutes of unpaid duty-free lunch, which is not considered to be "working time" for purposes of the Act.

Rule

A. Fair Labor Standards Act Provisions:

For non-exempt employees the Act provides, in part:

1. An employer must pay at least one and a half times an employee's regular rate for work in excess of 40 hours in a workweek; and
2. A public employer, under certain circumstances, may grant compensatory time off in lieu of overtime compensation; provided that the compensatory time must be earned at a rate of at least one and a half hours of compensatory time for each hour worked over 40 hours in a workweek.

It is the policy of the Baldwin County School District to use compensatory time in lieu of pay for overtime in all cases. However, the Superintendent reserves the right to compensate employees in the form of cash payments for overtime in special circumstances.

B. Responsibility:

1. In Baldwin County School District, “all hours worked” in the workweek that are used to determine overtime hours include the sum of actual hours worked. Vacations, Holidays, Sick or Personal leave, Short-term leave, Administrative leave with pay or any other type of leave with or without pay are not considered to be “hours worked” and are not included in the calculation of overtime hours.
2. Supervisors are responsible for:
 - Communicating overtime requirements to non-exempt employees under their supervision.
 - Enforcing overtime requirements for non-exempt employees under their supervision.
 - Monitoring overtime pay and employee accumulation of compensatory time, and to assure that expenditures do not exceed their budget.
 - Ensuring that non-exempt employees understand that they must request and receive prior approval to work overtime.
3. Employees are responsible for:
 - Complying with use of time clocks or any other time-tracking device identified by the District to accurately record the start of their work day, start of lunch, end of lunch and end of their work day. Failure to comply with usage of time clocks may result in disciplinary action up to and including termination.
 - Obtaining authorization from their supervisor before working overtime hours at any time. Failure to obtain such authorization may result in disciplinary action up to and including termination.

C. Guidelines:

1. Work Time:
All non-exempt employees’ time spent doing work for the employer is counted as work time. This includes the time a non-exempt employee spends performing work for the District when he/she is:
 - Away from his/her work site;
 - On lunch or an authorized break;
 - Working for the District in an extracurricular activity.
2. Compensatory Time:
 - a. Accumulation:
 1. The supervisor should ensure the employee understands that compensatory time off will be granted instead of overtime pay before the extra time is worked, and must maintain a record of this agreement, such as a memorandum to the employee’s personnel file.
 2. The supervisor should ensure that non-exempt employees who work more than 40 hours in a workweek receive 1 and ½ hours of compensatory time for each hour worked over 40 hours.

3. Employees are encouraged to only accumulate 24 hours of earned, unused compensatory time before scheduling the use of compensatory time.
 4. No employee shall accrue more than 40 hours of compensatory time.
- b. Use:

Supervisors should ensure the following requirements are met with respect to employees' use of compensatory time:

1. Compensatory time should be used by each employee within thirty (30) days of earning it, so that a large amount of compensatory time does not accumulate.
 2. Compensatory time must be exhausted before vacation leave is taken.
 3. Any employee who has accrued twenty-four (24) hours of compensatory time will immediately meet with his or her supervisor and identify a time to use the compensatory time. While compensatory time may be used anytime with a supervisor's approval, after earning 24 hours it is requested that a written plan be developed to show future usage.
 4. Employees having compensatory time shall be allowed to request use of such compensatory time at their discretion.
 5. Employees requesting use of compensatory time shall make the request in writing to the employee's principal or supervisor.
 6. An employee who has accrued comp time and requests to use it will be permitted to use such time within a reasonable period after making the request, unless such request causes an undue disruption to the operation of the School District. An undue disruption is not a mere inconvenience.
 7. All compensatory time must be used by June 30 of each fiscal year. Failure of an employee to schedule the use of any accumulated compensatory time by this date may result in disciplinary action.
- c. Payment for Compensatory Time:
1. If an employee changes from a non-exempt to an exempt job, or if an employee changes from one non-exempt job to another non-exempt job for another supervisor, all attempts should be made to use all compensatory time before changing jobs. If all compensatory time cannot be used then the employee will be paid for any earned but unused compensatory time at the employee's then current rate of pay.
 2. At the end of an employee's employment with the District, the employee will be paid for any earned but unused compensatory time at a rate equal to the final regular rate earned by the employee upon termination of employment, or the average rate of pay for the employees last 3 years of employment with the District, whichever is higher.

D. Definitions:

All hours worked: All hours worked for the District in any capacity, including all supplemental work, such as the After School Program, Facility Use Program, local school extracurricular events, etc., but does not include time spent by an employee as a bona fide volunteer in the District.

Non-exempt employees: Employees, such as clerical, hourly, paraprofessionals, and custodians, etc., must receive at least the minimum wage and are eligible to receive overtime pay and/or compensatory time off.

Leave and Absences

It may be necessary on occasion for an employee to be absent from work. A time off request should be completed to request time off with or without pay. Leave requests for leave other than personal illness should be submitted in advance and approved by the employee's immediate supervisor. The taking of unauthorized or disallowed leave will result in a reduction of pay.

Leave and Absences (BCSD Policy GARH)

This policy shall apply to all benefits-eligible employees of the Baldwin County School District. All employees are required to follow the appropriate work calendar established for their positions and may take leave from work only in accordance with this policy or other leave policies enacted by the Board. Unless otherwise provided by the District, principals and other supervisors are not authorized to rearrange the work calendars of employees. Deductions in pay will be made for absences not covered by this policy.

ACCRUAL OF SICK LEAVE AND ABSENCE FOR MEDICAL AND RELATED REASONS

Each benefits-eligible employee of the District shall be allowed to earn sick leave, with full pay, computed on the basis of one and one-fourth (1 1/4) working days for each completed month of service. All employees may accumulate unused sick leave benefits from one fiscal year to the next, up to a maximum of 45 days, although the Teacher Retirement System of Georgia allows participating employees to accumulate an unlimited number of unpaid sick leave days for credit toward retirement. (O.C.G.A. § 20-2-850 for teachers and O.C.G.A. § 20-2-1110 for bus drivers.)

Sick leave accumulated by a certificated employee or bus driver is transferable from one school system to another, up to a maximum of 45 days.

Accumulated leave earned by a certificated employee must be forfeited if such employee withdraws from service for twelve or more consecutive months, but such forfeited leave may be reinstated in accordance with the provisions of O.C.G.A. § 20-2-850.

Accumulated leave earned by a bus driver under O.C.G.A. § 20-2-1110 must be forfeited if the driver withdraws from service for 24 or more consecutive months.

Sick leave may be used upon the approval of the Superintendent or designee for absence due to personal illness or injury, exposure to contagious diseases, or for absences necessitated by illness or death in the employee's immediate family.

PROFESSIONAL PERSONNEL SICK LEAVE BANK

The Sick Leave Bank has been established to provide additional sick leave days for employees who have exhausted their accrued leave due to catastrophic or life-threatening personal illness. A catastrophic illness is defined as a severe illness that may require prolonged hospitalization or the recovery from which involves impairment of daily living activities. Examples of catastrophic diseases include heart attack, stroke, and recipients of major organ transplants, end-stage renal failure, internal cancer, or a diagnosis that may result in death. Outpatient procedures, elective surgeries, mental health conditions, or non-life-threatening illnesses are not eligible for Sick Leave Bank funding.

ELIGIBILITY:

Participation in the Sick Leave Bank will be available to Board-approved positions that earn sick leave. Once an employee has been enrolled as a member, the employee continues as a member from year to year. No refund of sick leave contribution shall be made if the employee cancels membership in the Sick Leave Bank. Employees who wish to join the Sick Leave Bank for the first time must have 48 hours (6 days) of accrued sick leave. All new members shall be assessed one month's sick leave accrual.

ADMINISTRATION:

The Human Resources and Finance Departments shall administer the Sick Leave Bank. The Director of Human Resources shall be authorized to approve Sick Leave Bank benefits for qualifying employees according to this Procedure. Employees denied benefits from the Sick Leave Bank may appeal the denial in writing within 30 calendar days to the Superintendent. If the Superintendent upholds the denial of benefits, the decision of the Superintendent shall be final, and the employee will have no further right of appeal.

APPLICATION FOR SICK LEAVE BANK BENEFITS:

Application for Sick Leave Bank benefits shall be made through a completed Sick Leave Bank Benefits Request Form, submitted to the Human Resources Department. The request form must be submitted within 12 months from the beginning date of the disability.

CONDITIONS:

The following conditions apply to the Sick Leave Bank: The maximum benefit a member may receive in a 12-month period is 60 days. The 12-month period is calculated from the last day of prior Sick Leave Bank benefits usage. All Sick Leave Bank benefits granted, but not needed by members, are returned to the Sick Leave Bank. Sick Leave Bank benefits granted and used by a member are not to be repaid except as members are uniformly reassessed. If a member is physically or mentally unable to request the Sick Leave Bank, a family member or agent may file the request on the member's behalf. The Director of Human Resources will render a decision on an application when all accrued leave has been exhausted. An employee shall not accumulate additional sick leave while receiving Sick Leave Bank benefits.

MEMBERSHIP ASSESSMENT:

If there is a need to replenish the Sick Leave Bank through a special assessment due to an inadequate balance of unused Sick Leave Bank days, members of the Sick Leave Bank will be informed of the number of hours each member will be assessed. Existing members will be given the option to discontinue membership during a special assessment. Assessments will not be taken from members discontinuing the Sick Leave Bank during a special assessment. Assessed sick leave hours are not refundable or transferable.

SICK LEAVE BANK BENEFITS:

Members may apply for Sick Leave Bank benefits if:

- (a). The member has exhausted all accrued leave,
- (b). The employee-requesting leave is a member of the Sick Leave Bank.
- (c). Benefits are not requested prior to a three month waiting period.
- (d). The member is on an approved Leave of Absence and is projected to be absent by their health care provider for an extended period of time due
 - to catastrophic or life- threatening personal illness, or meets the definitions of the COVID-19 expanded eligibility.
- (e). The member has exhausted all accrued leave and is not be expected to return to work within 30 working days from the day benefits are to begin; and

(f). The member is not receiving Workers' Compensation or Long-Term Disability benefits, or any other payment for absences other than Short-Term Disability benefits.

VALUATION:

The daily rate for the Sick Leave Bank cannot exceed the rate of the average teacher salary as published in the adopted budget.

DONATION OF SICK LEAVE TO A SPOUSE:

An employee may donate up to a total of 10 sick leave days to his or her spouse if the spouse is also an employee of the district. The donation of sick leave to a spouse may require proper documentation confirming the marriage in the form of a marriage certificate. Both employees must be members of the BCSD Sick Leave Bank to donate sick leave to a spouse. Sick leave may be used for maternity leave, illness, illness of a family member, or death of a family member. The family includes the employee's spouse, children, grandchildren, parent, brothers, sisters, grandparents, in-law equivalent of the above, and any relative residing in the employee's home or any dependent as shown in the employee's most recent tax return.

PERSONAL LEAVE

Personal leave is granted to all employees. Employees will be allowed three days of personal leave each year. These three days count as part of regular sick leave days.

Employees must secure permission of their principal/supervisor prior to their absence. If prior approval has not been received, a full day's salary will be deducted for each day absent.

Employees using more personal days than they have will be docked a pro-rated portion of their annual salary for each day absent.

Employees may not take personal leave during state mandated testing, or professional learning days or days prior to or following a holiday unless there is an extenuating circumstance for the absence, and it is approved by the building principal.

All decisions made by an employee's principal/supervisor regarding personal leave are final and non-appealable.

PROFESSIONAL LEAVE

Professional leave taken at the request of the school district or when required in conjunction with the district's routine professional development or training activities will not be charged against the employee's sick leave.

OBSERVANCE OF RELIGIOUS HOLIDAYS

If an employee desires to take leave for the observance of recognized religious holidays in excess of the three days allowed for personal leave, the employee may take unpaid leave for such purposes, provided that such leave is not excessive and does not interfere with fulfilling the obligations of his or her job.

JURY AND WITNESS LEAVE

Each employee shall be allowed leave with pay for the purposes of serving as a juror in any court or when attending a judicial proceeding in response to a subpoena or other court order or process that

requires the employee's attendance at the judicial proceeding in a work-related matter. Jury and/or witness leave shall not be deducted from an individual's accumulated sick leave. No employee utilizing jury or witness leave shall be required to pay the cost of employing a substitute to serve during his or her absence for such leave. Employees who serve on juries or who are subpoenaed to attend a judicial proceeding in a work-related matter must remit to the Superintendent's office any jury/witness pay they receive, or have deducted from their check the amount paid, whichever is best.

MILITARY LEAVE

All employees are entitled to paid leave not to exceed eighteen days in any one federal fiscal year (Oct 1 – Sept 30) for the purpose of complying with ordered military duty with the armed forces of the United States or State of Georgia, including duty as a voluntary member of the National Guard or any reserve component of the United States or State of Georgia. In the event the Governor declares an emergency that results in an employee being ordered to military duty as a member of the National Guard, the employee is entitled to leave not exceeding thirty days in any one federal fiscal year. Employees who have military commitments shall inform the Superintendent or designee annually, provide a copy of the official military orders, and cooperate to the extent possible in scheduling such leave so as to minimize the disruption in those employees' duties and the mission of the Board of Education.

Professional Personnel Vacation

All twelve (12) month employees of the Baldwin County School District shall earn vacation leave according to the number of years of continuous and credible service rendered in this school district. Annual leave for full time twelve-month employees shall be allowed as follows:

Less than five (5) years of service: Employees may earn leave at the rate of one day of leave per month.

Five, but less than ten years of service: Employees may earn leave at the rate of one and one-fourth (1 1/4) days per month.

Ten or more years of service: Employees may earn leave at the rate of one and one-half (1 1/2) days per month.

Annual leave will be earned on a fiscal year basis. Annual leave cannot be expended until earned unless approved in advance by the superintendent. A maximum of 45 working days of unused annual leave, not including designated holidays, may be accumulated and carried forward from one fiscal year to the next fiscal year. One or more days of earned annual leave may be used at any time during the year subject to the approval of the employee's immediate supervisor. Requests for leave must be made in writing in advance and approved by the appropriate supervisor. Annual leaves will operate on the fiscal year of July 1 through June 30.

Payroll Cut-off

Time and attendance entry is entered into Meals Plus, Front Line and Employee Self Service at the school or department level. Time and attendance deadlines are established annually and published on the BCSD website at <https://www.baldwincountyschoolsga.org> (Departments, Finance). ***It is imperative that this cut-off time be adhered to in order not to hold up the payroll process.***

Direct Deposit

It is the policy of BCSD that all employee pay is made by direct deposit. All employees must complete a Direct Deposit Enrollment Form to activate direct deposit or change bank account information. ***It is the employee's responsibility to notify payroll whenever changes to the direct deposit bank account occur.***

Employee pay will be credited to the employee's bank account on the effective payroll date. If payday falls on a weekend or holiday, the employee pay will be credited on the preceding business day.

BCSD utilizes an Employee Self-Serve Module with the Munis-HR-Payroll System that enables employees to view and print paycheck copies, W-2 forms, and leave records. The employee can view and/or print a copy of their paycheck stub on each payday from Employee Self-Serve Module.

Payroll Taxes/IRS Form W-2

The Payroll Coordinator is responsible for ensuring that all monthly, quarterly, and annual state and federal tax form and reports are properly completed and submitted, and that all required taxes are withheld and paid.

BCSD is required by the Internal Revenue Code to submit IRS Form W-2 to each employee on or before January 31st each year for salary and tax information for the preceding calendar year. BCSD will electronically distribute to the employees, as well as, make these forms available through the Employee Self-Serve Module.

Payroll Deductions and Employee Benefits

When an employer/employee relationship has been established, federal and state laws dictate some deductions from the pay of the employee. These mandatory deductions are social security tax (FICA), Medicare tax, federal income tax, state income tax, and either teacher's retirement (TRS) or public school employees' retirement (PSERS). Other deductions are at the discretion of the employee. Those deductions that provide tax relief are the Cafeteria Plan (exempt under IRC Sec 125), which includes health, dental, vision insurance, dependent care spending account, and general purpose health care spending account, Georgia Teachers Retirement (exempt under IRC Sec 501c), and various tax sheltered annuities (exempt under IRC Sec 401(K) or IRC Sec 457) that the Board approved for employee participation. The deductions that are for the convenience of the employee include dues to professional organizations, credit union deposits and payments, United Way contributions, supplemental life, short and long term disability, specified illness, legal, and long term care insurance.

Sometimes the courts or the IRS impose liens on employee wages. These liens consist of garnishments and tax levies. Garnishments consist of such things as commercial debt, child support, and bankruptcy payments. BCSD is required to withhold a portion of the employee's wages from each paycheck that exceeds a specified minimum until notified that the garnishment or tax levy has been satisfied.

For more information regarding payroll deductions, please contact the Human Resources or Payroll Department.

Athletic/Activity Workers

All athletic or other school activity workers who are employees of the BSCD ***must*** be paid through payroll, including security officers, gatekeepers, ticket sellers, clock workers, announcers, custodians, etc.

Employees that work athletic events and other activities are not working in the capacity of an independent contractor and may not be paid through Accounts Payable, or with Pupil Activity Fund manual checks.

Salary Supplements/Bonuses/Loans/Gifts/Advances

All wage payments to employees regarding any supplements or bonuses, including those payments from Pupil Activity Funds, must be paid through payroll and coded with the appropriate expenditure account number. Salary supplements are not to be paid from Pupil Activity Funds, unless approved by the Department of Human Resources.

The following payments are **strictly prohibited**:

- Salary advances
- Bonuses
- Personal loans
- Loans or payments to any PTA or Booster Club organization
- Gifts/gratuities to employees or non-employees
- Expenditures for purposes other than for which the revenues or receipts were solicited or collected

Resignations and Terminations

When an employee resigns or otherwise leaves the District, it is imperative that the appropriate supervisor immediately notify the Human Resources and Payroll Departments. Payroll requires an immediate notification in order to prevent an employee from being overpaid. It is the supervisor's responsibility to ensure that all District property (e.g. keys, uniforms, equipment, and I.D. card) is collected from the employee.

Altering, Falsifying, or Tampering With Time Records

Altering, falsifying, or tampering with time records, recording time on another's employee's time record, or willfully violating any other time record policy or procedure may result in disciplinary action, up to and including discharge.

X. PROPERTY AND EQUIPMENT

Capitalization Policy

The Baldwin County School District has invested in a broad range of capital assets that are used in the school system's operation. Capital assets are real or personal property that have a value greater than the capitalization threshold for the particular classification of the asset and have an estimated life greater than one year. A capital asset is a piece of property that meets all of the following requirements:

1. The asset is tangible and complete.
2. The asset is used in the operation of the school system's activities.
3. The asset has a useful life of longer than the current fiscal year.
4. The asset is of significant value.

The following significant values will be used for different classes of assets:

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Machinery and Equipment	\$25,000 or more
Building Improvements	\$50,000 or more
Buildings & Building Additions	\$50,000 or more
Land Improvements	\$50,000 or more
Land	Any Amount
Construction in Progress	\$50,000

Note: See the Federal Programs Handbook or School Foods Handbook regarding capitalization thresholds when utilizing federal funds.

Fixed assets may be acquired through donation, purchase or may be self-constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets will include all costs of construction.

Capitalizing Bulk Purchases of Small Value Items

The district shall capitalize assets purchased in a group, according to GASB Implementation Guide 2021.1, whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The district will determine if any bulk purchases of small-value items over 5% of total capital assets of the prior year will be considered significant and will be recorded as a group asset. Examples include, but are not limited to, computers, classroom furniture, and library books.

Land

Land acquired by purchase is recorded at cost to include the amount paid for the land itself and all incidental costs.

Land acquired by gift or bequest is recorded at the fair market value at the date of the acquisition.

When land is acquired with buildings erected thereon, total cost is allocated between the two in reasonable proportion at the date of acquisition. If the transfer document does not show the allocation,

other sources of the information may be used such as an expert appraisal or the real estate tax assessment records.

Land is not depreciable.

Land Improvements

This category will include parking lots, outdoor lighting, covered walkways, fences, tennis courts, running tracks, and grandstands, etc. BCSD does not capitalize landscaping. Land Improvements will be depreciated over their estimated useful lives.

Buildings

Buildings will be recorded at either their acquisition cost or construction cost. If a building is acquired by purchase, the capitalized cost should include the purchase price and other incidental expenses at the time of acquisition. If a building is constructed, the capitalized cost should include all construction costs. The constructed building will be capitalized upon completion of the project. For the first year, all the component units of the building, such as HVAC, plumbing system, sprinkler systems, elevators, etc. will be included in the capitalized cost of the building.

Building Additions

Building additions will be recorded at their construction cost. Building additions will be capitalized separately and depreciated over their useful life.

Building Improvements

A. Component Units – (HVAC, plumbing systems, sprinkler systems, elevators, etc.)

When building component units are replaced, the new component unit will be capitalized separately, and the old component (if it was capitalized separately from the original construction) will be removed from the property report. However, if the original component unit was included in the original construction, it will not be removed since it was not a separately valued component and the new component unit will be expensed in the current year.

B. Major Renovations or Alterations

Any major renovations or alterations within an existing building will be added to the cost of the original building. These renovations/alterations will be depreciated over the remaining life of the building/structure.

Construction in Progress

This includes all projects for buildings or land improvements construction that are not completed at the end of the fiscal year.

Machinery and Equipment

Expenditures for machinery, equipment or furnishings costing \$5,000 or more per item and have an estimated life of more than one year will be capitalized. Library books will not be capitalized.

Depreciation Policy

The “straight line” method of depreciation should be utilized to depreciate capitalized fixed assets, except for land, over the estimated useful lives of the related assets principally as follows:

Buildings	
Permanent Buildings	50 to 80 years
Building Additions	Remaining Useful Life up to 80 years
Building Improvements	Remaining Useful Life up to 80 years
Machinery and Equipment	5 to 15 years
Land Improvements	50 years

Disposition of Assets

When fixed assets are sold or otherwise disposed of, the property report should be relieved of the cost of the asset and the associated accumulated depreciation. Items will be removed on an annual basis in conjunction of the annual update. The appropriate depreciation will be taken the year of disposal. The district will request disposition approval from the Office of Head Start when disposing of Head Start equipment with a fair market value in excess of \$10,000.

Intangible Assets

For an intangible asset to qualify for capitalization purposes, it must meet all of the following requirements:

1. The acquisition cost is at least \$550,000.00.
2. The intangible asset has a useful life greater than one year.
3. The school district has the ability to sell, transfer, license or rent the asset to another party OR the asset arises from contractual or legal right.
4. The asset is non-financial in nature and not acquired or created primarily for the purpose of generating income or profit, the result of a capital lease transaction, or goodwill.

All intangible assets meeting the capitalization requirements specified above will be amortized unless the intangible asset has an indefinite life.

Authorization for Purchase of Capital Assets

Purchases of capital assets should be made in accordance with purchasing procedures described in the Expenditures and Disbursements section of this manual. The Superintendent or Chief Financial Officer must approve all purchases of capital assets that exceed budgeted amounts. Purchases of capital assets that affect the physical plant of the District should be reviewed and approved by the Deputy

Superintendent. Purchases of technology related assets should be reviewed and approved by the Director of Technology.

Pupil Activity Funds may be used to purchase capital assets, which meet the District's capitalization policy. All capital assets are property of BCSD and are catalogued in the District's capital asset records.

Establishment and Maintenance of the Capital Asset Listing

All capitalized property and equipment shall be recorded in the Capital Asset Listing. The Chief Financial Officer shall maintain the capital asset listing. The following information with respect to each asset shall be maintained:

1. Date of acquisition
2. Cost
3. Brief description
4. Estimated useful life
5. Accumulated depreciation
6. Physical location

Depreciation is processed and reviewed annually. Any obsolete, disposed of, destroyed, or fully depreciated property shall be removed from the schedule and appropriate adjusting entries to the general ledger shall be made. All adjustments resulting from this review shall be approved by the Chief Financial Officer.

Insurance and Reporting of Theft

All thefts, damage or destruction of District assets should be reported promptly to the Deputy Superintendent. The Deputy Superintendent will report the loss to our insurance company if it is considered an insurable loss. The Chief Financial Officer will remove the asset from the fixed asset listing. The District is a member of the of Georgia School Boards Association (GSBA) Workers' Compensation and Risk Management Funds who provides insurance coverage and risk management services to the BCSD.

Movement of Assets

Whenever a capital asset is moved from one facility to another or from one department to another, the Chief Financial Officer should be notified. This will help in the tracking of assets in our accounting system.

Disposal or Trade-In of Capital Assets

No District assets of value should be sold, traded-in, or otherwise disposed of without the approval of the Superintendent. See BCSD Policy DO below. The Chief Financial Officer should be notified of any disposals or trade-ins of capital assets.

Disposal of School District Property (BSCD Policy – DO)

Ownership and management of Baldwin County School District property is a public trust and it is the policy of the Baldwin County Board of Education that the disposal of surplus properties shall be executed in a manner which protects the interest of citizens of the District. The Board recognizes that in some instances, private sale of school properties will obtain the highest price, while in other instances, public sale to the highest bidder will be most advantageous to the District. Accordingly, the Board approves the following rules in connection with the disposal of school properties:

Disposal Procedures

A. Classification of School Property

The Superintendent shall charge the Facilities Director with the responsibility of classifying school property as: (1) usable; (2) unusable; or (3) future use. Property which is unusable and is not practicable to sell, shall be destroyed.

B. Sale of Surplus School Property

1. The Board shall by resolution declare all surplus school property, including schoolhouse sites, unnecessary and inconvenient for school purposes and specify the terms and manner of sale.
2. Unless the Board makes the determination that private sale of surplus property is more appropriate, taking into consideration all of the circumstances, the sale of said property shall be advertised for public sale to the highest bidder for cash only. Provided, however, that the Board shall reserve the right to reject all bids.
3. If the Board determines that private sale of surplus property is more appropriate, taking into consideration all of the circumstances, the Superintendent shall invite private bids or offers to purchase and the Board shall accept the highest offer or bid for cash. Provided, however, that the Board shall reserve the right to reject all bids or offers.

C. School Buses

When school buses owned by the District are declared to be unnecessary and inconvenient for school purposes and are approved for sale by the Board, the Superintendent or his designee shall require that the buyer execute an acknowledgement of receipt of a copy of Code Section 40-8-116.

D. Leased Surplus School Property

1. School property that has been declared no longer necessary or convenient for school purposes may be leased for a period not longer than fifty (50) years.

The Baldwin County Board of Education shall reserve the right to reject all bids or offers on the sale of all property, real and personal, offered for sale to the public.

Donated Property

Donations of equipment or other property to a school or department will remain at that location, but will become the property of Baldwin County School District. Equipment or property will be added to the capital asset listing relative to the market value of the item and the capitalization policy. It is the principal/supervisor's responsibility to notify the Chief Financial Officer of any donated acquisitions.

XI. PUPIL ACTIVITY FUNDS (SPECIAL GUIDELINES)

Introduction

Extracurricular activities are those organized school-approved student activities that do not fall within the scope of the regular district curriculum. The monies collected for student activities are to be maintained separate and distinct from school district funds. Pupil Activity Fund accounts includes all funds derived from any and all activities of the school, which are collected by school district personnel from students and adults, and held in trust for the benefit of the student body.

All funds collected from school sponsored activities, such as concession sales, book fair sales, fundraising projects, athletic events, contributions, vending machine sales, picture sales, school store, and other similar activities, shall be accounted for in accordance with the procedures contained in this manual.

This manual has been developed and designed to assist bookkeepers and principals in administering an efficient and effective accounting system at the local school level. In order to protect school resources and personnel, uniform accounting procedures are essential for the management and accounting of school funds.

The primary objectives of these uniform accounting procedures are as follows:

- To meet the standards set by the local and state Board of Education.
- To provide essential procedures to school principals for receipt, control and expenditure of school generated funds.
- To establish a standard for school principals and bookkeepers in maintaining accurate records of all financial activities.
- To assure uniformity of accounting records for comparison between schools.
- To provide written standards against which school accounting records will be reviewed and audited.

Management of Pupil Activity Funds

The school principal and bookkeeper is responsible for the management of all Pupil Activity Funds, which includes the proper collection, disbursement, and control of all school activity monies relative to the fund in his/her trust. Management of these funds requires compliance with federal and state laws and school board policies and procedures (BCSD Policy DK). The principal must ensure that all appropriate staff members have reviewed the policies and procedures of the Baldwin County School District Guide to Financial Accounting & Internal Controls.

The school bookkeeper also has the primary responsibility for the proper control, supervision, and safekeeping of the Pupil Activity Funds for their respective schools. The Finance Department highly recommends cross-training for the bookkeeper position. Each school should have a designated person cross-trained to back-up the bookkeeper in their absence.

Georgia Law O.C.G.A. 20-2-962 – Quarterly reports by principals; audits by local boards – “The principal of each public school shall make a quarterly report to the local board of education immediately upon the end of each quarter of the fiscal year, and such report shall contain an account of all receipts and expenditures of such funds during the past quarter. The principal shall also make an annual report of the complete property inventory of the school.”

The local board may at any time during the school year inspect all receipts, expenditures, and property of each public school.

Pupil Activity Fund Account Definitions

Upon the passage of GASB 84, with an effective date of December 15, 2018, Pupil Activity Fund accounts are divided into two fund types, **Custodial** and **Governmental**. The determination of the fund type is based on the concept of “Administrative Involvement”. Administrative Involvement by the government is determined as follows: (a) monitoring compliance with requirements, (b) determining eligible expenditures, and (c) the ability to exercise discretion over how assets are allocated. Funds where disbursements of funds are approved by the principal would usually be classified as Governmental Funds. Those funds controlled by a student organization and its sponsor would be considered Custodial Funds.

Baldwin County School District has reviewed the Pupil Activity Accounts and has determined that it is appropriate to recognize each one, unless specifically identified as Custodial, as Governmental in nature. The classification of Pupil Activity Accounts as Governmental in nature is based on each club or organization having the Principal or his/her designee being assigned the power to meet the criteria established by the Standard.

Internal Control

The principal should review the school activities and the books maintained on the Pupil Activity Funds at a minimum of monthly, if not more frequently, to determine that employees are following established policies and procedures. A predominant control procedure is the principal’s oversight of school activities and the proper accounting of those activities.

Because of the large sums of monies that flow through the accounts, precautions must be taken to protect school monies from loss and limit the liability of persons handling the funds. All transactions should be recorded in a timely manner and adequately supported by documentation, such as receipts, invoices, delivery reports, purchase orders, etc.

Any adequate system of internal accounting control is based on segregation of duties. Where two or more persons have separate responsibilities in the accounting process and their activities provide for a check on prior activities, we have a system of check and balance. With the limited staff available and the difficulty involved in the process, attempts should be made to segregate duties if at all possible. The following examples may assist in the process:

Receipts and Deposits

Person #1 (Secretary or Teacher/Advisor)

- Opens the mail but does not open the bank statement.
- Receives cash and completes Cash Receipt or Cash Receipt Form.

Person #2 (School Bookkeeper)

- Verifies monies with Cash Receipt Forms and completes a pre-numbered receipt and sends to Person #1 (Secretary/Advisor).
- Prepares deposit ticket.
- Records revenue in the Financial Accounting System to agree with the deposits tickets.
- Takes deposit to the bank. Always wait on a deposit receipt. Never leave a deposit with a bank teller to process later.

Person # 3 (Principal)

- Ensures that receipts are collected, receipted, and deposited safely and in a timely manner.

Disbursements

Person #3 (Principal)

- Approves all purchases prior to purchase.
- Signs printed checks after reviewing original invoice.

Person # 2 (School Bookkeeper)

- Receives approved request for funds.
- Enters manual check invoices. Every invoice paid should contain an invoice, signed authorization, and a receipt of goods/packing slip initialed by the purchaser confirming receipt.
- Prepares checks when original invoice and payment approval is received.

Person # 1 (Teacher/Advisor)

- Prepares Request for Funds Pre-Approval to give to bookkeeper.

Bank Reconciliation

Person #3 (Principal)

- Opens bank statement. The principal or CFO should receive the bank statement, directly and unopened or electronically from the institution, each month and should review and initial the statement. Canceled check copies in the statement should be reviewed for signatures, inconsistent check numbers or abnormal transaction amounts before forwarding to the bookkeeper for reconciliation.
- Signs-off on completed bank reconciliations.

Person #2 (School Bookkeeper)

- Clears checks in the Financial Accounting System.
- Reconciles bank statement to books.
- Signs-off and dates completed bank reconciliations.
- Sends monthly reports to the central office for review by the 15th of the month.

Audit

The Board of Education shall provide for an audit of Pupil Activity Funds as deemed necessary by school district officials by either an internal or external auditor. A written report of each audit will be presented to the Superintendent and the Chief Financial Officer. If an external auditor is used, the cost of the audit shall be paid from the funds being audited.

Records needed for an audit include, but are not limited to, the following:

- Reconciled bank statements with cancelled checks
- Check stubs (if available) or duplicate checks
- Invoices paid with printed checks and documentation
- Cash Receipt Forms and pre-numbered receipts
- Journal Entries
- Deposit tickets

Account Transfers

On occasion it may become necessary to transfer monies between schools, departments, or programs. All Pupil Activity Fund account transfers must be approved by the principal and the CFO.

Revenue Transfers – Pupil Activity Fund program/project accounts should always maintain a positive balance. Sound activity fund management dictates that expenditures must be equal to or less than generated revenues. Account balances should be monitored **weekly**.

Expenditure Transfers – Reimbursements or payments to other BCSD departments, schools, funds, or programs should be processed through an Expenditure Transfer. The school bookkeeper will prepare the transfer request and forward the check, with supporting backup documentation attached, to the Finance Department to process.

Donations to Schools

Cash donations to the school, including booster clubs and PTOs, for a specific purpose should be set up in a separate restricted fund and expended as indicated by the donor. School records should reflect that expenditures meet the donor's specific purpose.

Cash donations to the school for general school use (undesignated purpose) may either be deposited into the General Fund account or set up in a separate fund. The principal will decide if expenses need to be shown separately or not.

Donations of equipment or other property to the school will remain at the school, but will become the property of Baldwin County School District. It is the principal's responsibility to notify the Finance Department to add the donated property to the District's fixed asset records.

Receipt of donation of equipment or property may be made to the donor by sending a letter of appreciation for the donation. The item(s) donated should be described in the letter. The market value of the item(s) should **not** be included. It is the donor's responsibility to assess the market value of the donated property for tax purposes.

Lost and Damaged Textbooks

Funds are collected throughout the year from students for lost and damaged textbooks. These funds should be credited to a Lost and Damaged Textbook account. Before June 30th of each year, the balance in the Lost and Damaged Textbook account must be transferred to the central office for textbook replacement.

Charitable/Needy Family Funds

Charitable Organizations – When money is collected from students/faculty for a specific outside charitable organization (e.g. Cancer Fund, United Way, March of Dimes, etc.), it should be receipted separately, kept intact, and deposited into a separate fund set up in the charity's name. When remittance is made to the organization, the account balance should be zero.

Needy Family – A separate fund should be established for collecting money for a student or a student's family that may need financial aid. The need(s) should be documented by the local school administrators. The fund must be approved by the principal. Monies from the fund may be used for medical services, food, clothing, toys (Christmas), utilities, or any other support needs. Purchases for needy families may be made with a procurement card by the principal or bookkeeper.

Profits generated by and for students should not be contributed to charities. These funds are for educational purposes only. Club or organization monies may be donated if so directed by the

membership. For example, the Beta Club membership may vote to give \$50 of its monies to the United Way.

Field Trips

Funds may be collected from students for field trips throughout the year. These funds should be deposited into the separate field trip accounts. These accounts should not carry substantial balances from year to year. Field trips should be budgeted accurately so that after any admission fees and the transportation invoice is paid, the fund is as close to zero as possible. The Department of Transportation will invoice each school monthly for field trips and athletic trips. This expense should be paid from the Pupil Activity Funds.

Fundraising/Enterprise Funds

All school-wide fundraising projects must be approved by the Baldwin County Board of Education. This includes all school or school-sponsored organization fundraising. The request for approval of all fundraising activities to be conducted during a school year must be submitted in writing to the Superintendent for presentation to the Board of Education (See BCSD Policy JKB).

School-wide fundraising should be recorded in the Fundraising account. School Store funds should be recorded in the School Store account. Only receipts and disbursements pertaining directly to the activity should be recorded in the transactions of this fund. This allows the school to determine the amount of profit (or loss) realized from the activity. It also allows the school to determine if theft has occurred, if sales are too low, or if the mark-up is sufficient to allow a suitable profit. Club or class fundraisers may be handled within the club or class's fund.

Profits from a school-wide fundraiser or on-going enterprise activity may be transferred to the General Fund account at any time during the school year. Expenditures of a general nature should be made from the General Fund account and not directly from the profit-making fund.

PTO/Booster Clubs

Organizations such as PTOs or Booster Clubs, although they are school-related, are **separate** entities. School administration is not responsible for funds collected, disbursed and controlled by parent or alumni organizations (i.e. Parent Teacher Organizations, Booster Clubs, Alumni Organizations, etc.), and these funds should not be accounted for in a school district's activity funds. They should raise their own funds, keep their own books, and be accountable to their respective memberships.

It is strongly recommended that parent organizations and booster clubs follow standard accounting procedures described in this manual and their books be examined annually by an independent accountant. Invoices for goods and services purchased and paid by the PTO/Booster Clubs on behalf of the school should list the PTO/Booster Club as the purchaser and not the school.

When parent organizations or booster clubs give equipment or real property to the school, it becomes the property of the Baldwin County School District and is recorded in the District's fixed asset records.

PTO and Booster Club organizations are NOT authorized to use the school district's federal tax identification number or sales tax exemption.

Financial Records

Pupil Activity Fund records need to be maintained consistently with the school district. It is important that we maintain a uniform system for the management and accounting of these funds, which are derived from school sponsored activities. Each school's Pupil Activity Fund records should be kept in a three-ring binder and divided by monthly tabs. Behind each monthly tab the following sections should be designated by tabs:

Monthly Statements – System generated bank reconciliation, **original** bank statement, outstanding check listing, activity ledger by group, extended code report for checks paid and receipts collected during the period, journal adjustments, and ACH payout reports. The bookkeeper and principal's signatures are required on the monthly checklist.

Journal Entry Proof Report & Deposits – Cash receipt documentation should be attached with system generated receipts to the system generated deposit voucher and deposit receipt from the bank.

Printed Checks – A copy of the check request, check, invoice, and receiving documents should be included.

Adult vs. Student Generated Funds

Money generated by adults for the purpose of funding activities for adults only, must be kept separate from student generated funds. Adult funds have more latitude for expenditures since they are not required to be spent for educational purposes. Adult generated funds are tracked separately. These funds may be used for staff/faculty incentives, flowers, spirit wear, dinners/banquets, coffee, snacks, etc.

Adult funds are generated from the following revenue source percentages:

After School Program	100%
Facility Rental	100%
Ice Cream Sales	50%
Vending Machines (if applicable)	50%

School funds that are raised for and by the students are considered student generated funds and must be used for educational purposes for the benefit of the students. Student funds may be used for merit certificates, gift certificates, trophies, plaques or other means of recognition of scholastic, attendance or money raising achievement for students. Student generated funds may **not** be used to purchase staff/faculty incentives or rewards.

Facility Rental

According to BCSD Policy KG – Use of School Facilities, the Baldwin County Board of Education is vested with the title care and custody of all school buildings and their property with the power to control the same in a manner they think will best serve the interest of the schools. As a service to the people of the school district, the Board may permit use of school facilities by non-school groups during non-school hours for the purpose of legal assembly.

Facility usage fees should be paid directly to the schools by the renter/lessee at least 3 days prior to the event and routed to the Finance Department for deposit into the special activity account. All related expenses will be paid from the general fund, using program code 6090 and reimbursed from the special

activity account using revenue source code 41910. The remaining rental proceeds shall benefit the BCSD special activity fund and may be shared with the participating school's principal account (upon the discretion of the Superintendent). 100% of funds generated from facility rental may be considered as adult generated funds.

A Permit for Use of School Facilities form must be completed by each renter/lessee. A copy of each Permit for Use of Facilities form should be forwarded to the Finance Department before the date of use by an outside group is to begin, whether the application is one the principal can approve or one that requires the superintendent/designee to approve.

Ice Cream Sales

The following procedures should be followed for the sale of ice cream in the schools:

- A separate change funds should be established for each person selling ice cream in the cafeteria. Multiple individuals should not sell from the same cash box.
- The ice cream monies should be safeguarded and kept in a secure place at all times.
- The ice cream collections should be counted in the presence of two individuals at the end of the lunch period. A Cash Receipt Form should be completed and signed by both individuals. The monies should be turned in to the bookkeeper immediately for verification.
- All monies collected from ice cream sales should be deposited intact. No payments shall be made from ice cream monies collected. Checks should not be cashed for individuals from ice cream monies.
- If ice cream is sold in the classroom, the normal "Collections by Staff" procedures should be followed, which are outlined under the Revenue and Cash Management section of this manual.

Sunshine Club Funds

Sunshine Club funds generated by faculty and staff should be maintained separately from the school activity account's general fund. A Sunshine Committee should be appointed to oversee and approve expenditures.

XII. RECORD RETENTION

The principal and/or department head is responsible for the maintenance and security of school financial records. The school district follows the state Retention Schedules for Local Government Paper and Electronic Records, which is maintained by The Georgia Archives and found at the following website:

http://www.georgiaarchives.org/records/retention_schedules

XIII. YEAR-END CLOSE AND AUDIT

Fiscal Year-End Close

The District's fiscal year ends on June 30th. This means all revenues earned and all expenditures incurred after June 30 are recorded in the next fiscal year. A purchase made and received by June 30th would be recorded in the current fiscal year, even if the invoice is received after June 30th. Therefore, all purchases should be entered as requisitions on or around June 1st of each fiscal year to ensure that the goods are received by June 30th. The Finance Department will notify all staff of the final cut-off date for entering purchase requisitions each year.

Goods and/or services received or rendered by June 30th for a fiscal year must be receipted in the Munis Financial Accounting System by June 30th of each year. The Munis Financial Accounting System records the receipt date as of the date actually entered into the system. Goods and/or services receipted into Munis after June 30th will be charged to the next fiscal year.

Specific year-end procedures and cut-offs:

1. All invoices and check requests pertaining to the current fiscal year should be submitted to Accounts Payable by June 30th or as soon as possible thereafter. Travel and miscellaneous reimbursement requests should be submitted to Accounts Payable for payment by July 31st of each year. All schools and departments should review their open purchase orders and other expenditures at June 30th and inform the Accounts Payable office if a purchase order should be cancelled.
2. Grant income, tax revenue, and other miscellaneous income is reviewed and booked into accounts receivable for all revenue due at June 30th by the Accountant. Ad Valorem and property taxes are accrued for 60 days past year-end. SLOST revenue is accrued for 30 days past year-end.
3. Open purchase orders are reviewed and canceled before year-end close, with the exception of capital equipment or construction purchase orders, which are carried forward into the next fiscal year.
4. Accounts Payable and Account Receivable is reconciled to the general ledger after all entries have been made into the system by the Accountant.
5. Completion Reports are completed for all state and federal grants by the Accountant. Completion Reports are due by July 31st for state grants and October 31st for federal grants. Final Head Start reports will be submitted no later than 120 days after the fiscal year end (semi-annual reports will be submitted no later than 90 days after December 30th).
- 6.
7. Capital Assets and Construction in Progress is calculated and booked by the Chief Financial Officer. Spreadsheets are prepared and reconciled to the General Ledger. Depreciation is processed through journal entry into the Munis Financial Accounting System.
8. Long term debt is verified and reconciled. Journal entries are made to the accounting records for any bond sales, redemptions and payments.
9. The vacation accrual is prepared by the Time and Attendance Secretary.
10. Salary and benefit accruals for July and August payrolls are processed manually and recorded within the Munis Payroll System via journal entry. The salary and benefit accrual is reconciled to the general ledger after all entries have been made into the system by the Accountant.
11. The School Nutrition Department must take an annual physical inventory as of June 30th of each year. The principals are responsible for the physical inventory of equipment at each school by June 30th.

12. All year-end state reporting is prepared by the Chief Financial Officer on or before the due date of each report.

Annual Audit

It is the policy of Baldwin County School District to arrange for an annual audit of the District's financial statements to be conducted by the Georgia Department of Audits and Accounts (DOAA).

The Finance Department shall be actively involved in planning for and assisting DOAA in order to ensure a smooth and timely audit of its financial statements. The Chief Financial Officer and Accountant shall provide assistance and work closely with DOAA to make every effort to provide schedules, documents and information requested by the auditors in a timely manner. The Chief Financial Officer will prepare the Management Discussion and Analysis (MD&A) and provide required audit schedules and documents as requested.

Alongside the annual financial audit, DOAA will also conduct an annual Single Audit of federal programs, selected by the auditor. The Program Manager will be responsible for overseeing the audit, communicating with the auditors, and providing any documentation requested by the auditors.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board upon completion and preparation of the audited financial statements.

It shall also be the responsibility of the Chief Financial Officer to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by DOAA.

XIV. GRANTS

Application and Administration

The District receives grants that are funded through federal, state, and local sources. These funds typically have legal restrictions and are to be used for specific purposes based on grant provisions. Grants can be applied for or awarded to schools, teachers, or the district as a whole. Each project or grant is accounted for in a designated fund and/or program, generally determined by the Georgia Department of Education.

The Finance Department is generally responsible for the administration of the fiscal aspects of grants and contracts such as grant accounting, development of indirect cost rates and review of budget proposals. All other programs' aspects of grant and contract application and administration are coordinated by the Grant Program Managers. The Superintendent shall have final approval of all grants and contracts.

The District must follow all Office of Management and Budget (OMB) circulars applicable to local governments (i.e. OMB Circulars A-87, A-110, and A-133). All laws and regulations must also be adhered to by any sub recipient of federal funds. The Grant Program Managers are responsible for ensuring that sub recipients follow all grant guidelines.

As soon as a grant has been awarded to the District, the Grant Program Manager shall forward to the Accountant the final budget along with the original application and all supporting rules, regulations, procedures, accountability requirements and assurances relating to the grant. The appropriate fund and program number will be assigned to new grants and communicated to the Grant Program Manager.

For each grant, the person responsible for assuring compliance with the guidelines of the granting agency or foundation is the Grant Program Manager. Some grants allow wide latitude in making budgetary changes during the grant period, while others require advance approval by the agency or foundation. It is essential that these guidelines be followed accurately.

Indirect Cost Plan

The indirect cost rate is applicable to federal grants and is prepared for each school district by the Georgia Department of Education. GADOE calculates a Restricted Indirect Cost Allocation Plan and an Unrestricted Indirect Cost Allocation Plan for each fiscal year and posts on the Financial Review Application on the portal. The Restricted Indirect Cost Allocation Plan is used for federal grants that flow through the Georgia Department of Education. The Unrestricted Indirect Cost Allocation Plan is used for federal grants that are received directly from the federal government. The Unrestricted Indirect Cost Allocation Plan is used to compute the indirect cost for the School Nutrition Program, which is calculated and booked annually at year-end. The Accountant will compute the indirect cost for federal programs on a semi-annual basis, with the exception of the 21st Century Program, which is computed on a monthly basis. There is no indirect cost or Modified Total Direct Cost (MTDC) extended to the Head Start grant. Head Start's administrative cost cannot exceed 15% of their total approved program costs. Administrative cost is tracked monthly to ensure the percentage is not exceeded. Refer to Head Start's Cost Allocation Plan for further guidance.

Consolidated Application for Grants

The Georgia Department of Education's Consolidated Application allows local education agencies to submit one comprehensive application for funding for several federal and state programs. Each year, the

District must submit this application to GADOE in order to receive federal funds. The Superintendent is required to sign off on the plan. This signifies that all federal and state program assurances have been accepted. The GADOE website has guidance on the application process and various programs.

Each Grant Program Manager is responsible for developing the budget and submitting it through the Consolidated Application process. Once the budget is approved by GADOE, the expenditure budget is entered into the Munis Financial Accounting System by the Grant Program Manager or designee. It is extremely important for this process to be completed timely for cash flow purposes because GADOE will not release funds for drawdown until after the budget is approved in the Consolidated Application.

Throughout the grant period, budget amendments may need to be processed. All major amendments need to be inputted into the Consolidated Application for approval. The budget in the Munis Financial Accounting System should match the approved budget at all times. It is the Grant Program Manager's responsibility to ensure the accuracy and timeliness of all budget amendments.

Cash Reimbursement/Draw Down

Most federal and state grants are administered on a cash reimbursement or draw down basis. The District does not receive the actual cash in advance. Reimbursements or drawdown are made based on actual expenditures incurred for a reporting period.

Federal and state grants with the Georgia Department of Education are reimbursed through the Grants Accounting Online Reporting System (GAORS). The Accountant will submit drawdown requests each month for all state and federal grants. A Year-to-Date Budget Report is run after the final monthly payroll is posted to confirm expenditure draw amounts and used to submit the monthly draw request through GAORS. The draw request forms are approved by the Chief Financial Officer.

Federal, state, and local grants received directly from the issuing agency are also submitted for reimbursement of actual expenditures on a monthly basis. The appropriate reimbursement request form is used for each grant along with a Year-to-Date Budget Report to confirm actual expenditures for the month. The reimbursement request forms are approved by the Chief Financial Officer.

It is important to remember that all federal, state, and local grant monies should be spent or obligated before the ending date of the grant. ***A legal obligation to the District occurs on the date an item is received or a service is rendered, not when a requisition or purchase order is processed.*** The District is typically given 90 days after the ending date of a grant to pay out the grant funds.

Completion Reports

The Finance Department is responsible for preparing the required financial and expenditure reports for all federal, state, and local grants and contracts. The Accountant will complete all Completion Reports and the Chief Financial Officer signs off as the approving authority. These expenditure or completion reports must equal the Year-to-Date Budget Reports in the Munis Financial Accounting System. The Grant Program Manager is responsible for preparing any program reports required for a grant or contract. No Grant Program Manager shall submit any report of expenditures or request for cash reimbursements. All financial reports must be submitted by the Finance Department.

Budget Review

It is crucial that Grant Program Managers review all grant expenditures on a monthly basis to determine accuracy of personnel and other expenses being charged to the grant. Grant budgets should also be

monitored routinely. Monthly draw requests of cash by the Finance Department are based on the expenditures that are being charged to the grant. If this information is incorrect, the District will be requesting funds in error and will be in jeopardy of violating federal cash management legislation. It is the Grant Program Manager's responsibility for verifying all transactions charged to their grant. If any errors are detected, they are to immediately notify the Finance Department and initiate any and all paperwork to correct the error.

Time and Effort Certifications

Recipients of federal grants must conform to the regulations stated in the Federal Office of Management and Budget (OMB) Circulars A-87, Cost Principles for State, Local, and Indian Tribal Governments, and A-102, Grants and Cooperative Agreements with State and Local Governments. These circulars state that we must have documentation to support any compensation charges made to a grant. Professional staff working solely on a single federal grant must complete semi-annual certification reports that are signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Professional staff working on multiple grants or programs must complete and sign monthly certification reports verifying actual time worked on each grant or program.

The completion and retention of the time and effort certification reports is the responsibility of the Grant Program Managers. The reports should be kept in each Grant Program Manager's office for audit purposes. During the audit process, the salary expenses could be determined as unallowable if the District does not have the time and effort certification reports on file. The money for the expenses would have to be returned to the federal government. Thus, it is absolutely vital that the time and effort reports be completed and returned to the Grant Program Manager as requested.

Cross Functional Monitoring

All federal programs are subject to cross functional monitoring by the GA Department of Education on a rotating basis. The Georgia Department of Education will contact the Program Manager of the upcoming monitoring. The federal Program Manager will be responsible for providing any documentation requested by the monitors. The Program Manager will also be responsible for responding to any findings and creating a Corrective Action Plan.

XV. FINANCIAL REPORTING

Financial Reporting is the process of communicating information concerning the school district's financial position and the results of its operations. Financial information often is disseminated through financial reports, which can be classified according to their content and the purposes for which they are issued.

Georgia public school districts are required to complete and transmit the following annual reports:

CS-1 Salary and Travel Report – Georgia Law O.C.G.A. 50-60-27 requires Local Units of Administration to submit to the state auditor a listing of all personnel showing name, title or functional area, salary, and travel expenses incurred by each individual by August 15th of each year. Salary is recorded on a cash basis and should reconcile to the general ledger. Travel is reported on an accrual basis and should reconcile to the general ledger.

DE046 – Budget and Financial Data – Georgia Law O.C.G.A. 20-2-167 requires Local Units of Administration to submit annual financial operating data and approved annual budgets to the Georgia Department of Education. The GADOE provides an electronic means for submission of current year financial data, current year final approved budget and new fiscal year approved budget, which is due by September 30th of each year.

Audit History File – Payments and Obligations Data – Georgia Law O.C.G.A. 50-6-32 and 45-7-74 requires Local Units of Administration to submit to the state auditor a list of payments, obligations, and professional services expenditures incurred by October 15th of each year.

Schedule of SPLOST Expenditures – Georgia Law O.C.G.A. 50-6-32 requires Local Units of Administration to submit to the state auditor a report identifying each SPLOST project or purpose in the resolution that shows the original estimated cost, the current estimated cost, if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year by December 15th of each year.

Georgia Law O.C.G.A. 48-8-122 requires local school boards receiving proceeds from SPLOST to publish the SLOST Schedule of Expenditures in the newspaper of general circulation within the city or county and on the local school board's website by December 15th of each year.

Comprehensive Annual Financial Report – Annual financial report that provides a thorough and detailed presentation of financial condition and operations, as well as the activities and balances of the fiscal year in accordance with generally accepted accounting principles. A complete set of audited financial statements must be submitted to the state auditor and the Georgia Department of Education as soon as the report is completed. The state auditor will also provide a copy of the annual audit to the Carl Vinson Institute of Government at The University of Georgia as soon as practicable.

TED House Bill 122 Operating Budget Submission – Local school districts with an annual budget in excess of \$1 million are required to submit a copy of the annual operating budget electronically to the Carl Vinson Institute of Government at The University of Georgia no more than 30 calendar days following the adoption of the budget by the Board.

Illegal Immigration Reform and Enforcement Act (2011 House Bill 87) – Georgia Law O.C.G.A. 13-10-97(7)(A) states, in part, "Not later than December 31st of each year, a public employer shall submit a compliance report to the state auditor certifying compliance with the provisions of this subsection. Such

compliance report shall contain the public employer's federal work authorization program verification user number and date of authorization and the legal name, address, and federal work authorization program user number of the contractor and the date of the contract between the contractor and public employer." The reporting period is from December 1st of the previous year through November 30th of the current year.

Federal Audit Clearinghouse – The Office of Management and Budget (OMB) designated the Census Bureau as the National Clearinghouse (or Federal Audit Clearinghouse – FAC) for the receipt of Single Audit Reports from state and local governments. Data is provided to the public through a data dissemination/query system at the Federal Audit Clearinghouse website. BCSD uses Digital Assurance Certification, LLC as a disclosure dissemination agent for electronically posting and transmitting financial and bond information to repositories and other required governmental agencies.

Pre-K Reconciliation Report – Bright from the Start: Georgia Department of Early Care and Learning requires local Pre-K providers to complete an annual reconciliation of total expenditures for state approved Pre-K programs. The reconciliation report is due on or before September 30th of each year.

Other Miscellaneous Reports

IRS Form 941 – Employer's Quarterly Federal Tax Return – A quarterly report required by the Internal Revenue Service to report wages, federal income taxes withheld, and FICA withheld (Social Security and Medicare) on employees. The employer's liability for the matching portion of FICA is also included on this report.

Georgia Employer's Quarterly Tax Return – An electronic report of employee wages and state income tax withheld completed on a quarterly basis.

Georgia Unemployment Tax Return – A quarterly report of unemployment tax due by the district for state unemployment tax.

Head Start Reports – Annual reports to be completed via GrantSolutions.com include Real Property Status Report SF-429 (due September 30th) and Federal Financial Report Standard Form SF-425 (due September 30th). The semi-annual and annual Federal Financial Report Standard Form SF-425 is submitted via pms.gov and is due January 30th and July 30th respectively.

XVI. FORMS

See the BCSD website <https://www.baldwincountyschoolsga.org/> (Departments, Finance) for all forms referenced in this manual.