

WATER VALLEY ISD

Water Valley I.S.D.



Fiscal Manual **(Fiscal Guide for District Staff)** **2023-2024**

July 2023

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Introduction

This Fiscal Manual has been prepared to provide general information about several Water Valley ISD business functions. Additional information is available within the district's Board Policies, Administrative Procedures, various sub-manuals, or other web resources. If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

Business Office Staff: Fabian Gomez and Bobbie Hughes

The Business Department staff performs multiple roles; however adequate controls and separation of duties shall be maintained at all times. The staff consists of:

Primary Duties

- Budget, Investments, Requisition and Budget Amendment Approvals,
- Campus and Student Activity Funds
- Purchase Orders, Accounts Payable, Grant Accounting, Cash Draws,
- Travel Arrangements
- Employee Benefits & Payroll

Business Office Mission Statement

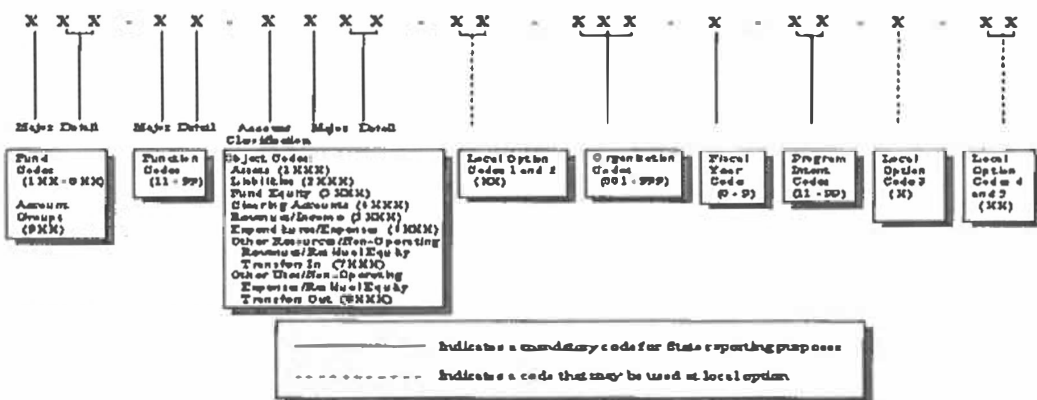
The Mission of the Water Valley ISD Independent School District Business Office is to ensure that all business operations are supportive of the instructional goals and objectives of the district and to provide support to all District students, staff, parents, and to the community. A primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Accounting Code Structure

The Financial Accounting & Reporting Module of TEA's Financial Accountability System Resource Guide (FASRG) contains the required accounting code structure. Use of the appropriate accounting code structure is mandatory. The code structure is available on the TEA website at <http://tea.texas.gov/Finance and Grants/Financial Accountability/Financial Accountability System Resource Guide/>.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system for the state. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure and the funds and codes listed are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

The Code Structure



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Activity Funds – Overview

According to the FASRG, Site-Based Decision Making Module, activity funds historically have been accounted for by school districts in various fund groups: general fund (Fund 19X), special revenue funds (Fund 461) and agency funds (Fund 865). A school district should consider the following questions to determine the proper method and fund in which activity funds should be accounted:

- Does local board policy allow for recall of excess or unused fund balances into the general fund for general school district use? If so, these activity funds should be accounted for in the *general fund*, and revenues and expenditures should be budgeted.
- Do other persons besides the students involved in the activity fund (teachers, sponsors, principals, administrators, etc.) have access to activity fund? If so, this money should be accounted for in *Fund 461 - Campus Activity Funds*.
- Do activity fund financial decisions rest solely with the students? If so, this money should be accounted for in *Fund 865 - Student Activity Account* which serves as an agency account for student club or class funds.

The district has made the determination that all Campus Activity Funds will be accounted for in Fund 461. This shall include the principal's activity account and any other non-student organization accounts such as the library, subject and grade level teachers, athletics, etc.

The district has also made the determination that all Student Activity Funds will be accounted for in Fund 865. This shall include all student organizations and clubs that meet the definition of a bona fide club or chapter, i.e. have elected officers and by-laws.

All fundraising activities through Activity Funds shall meet the sales tax rules as established by the State Comptroller's Office. Sales tax for all applicable fundraisers shall be reported and paid to the Comptroller by the Business Office on a quarterly basis. Fundraisers that meet the "one day tax free day" will not be subject to sales tax. Specifically, each school district, every campus and every bona fide student club or organization with an 865 Fund may conduct two (2) tax free fundraisers per calendar year. The Comptroller's School Fundraisers "Texas Sales Tax [July 2009] provides an excellent resource regarding what sales are taxable or non-taxable. Approval of the "tax free" status shall be indicated by the Business Office on the Activity Account Fundraising Application Form. For more detailed information concerning either Campus or Student Activity Funds, please contact the business office. All Activity Account Fundraising forms can be located at the campus office.

Activity Funds (Campus or Department –Fund 461)

Campus activity funds (under the control of the principal) shall be collected, receipted, and deposited by the school secretary on a daily basis. Refer to cash/check handling procedures.

Campus activity funds are managed using a centralized system. All expenditures under a centralized system shall be made using a purchase order issued by the district business office.

Campus activity funds shall be primarily used to benefit students in accordance with School Board Policy. [Refer to School Board Policy CFD Local] Typical uses include field trip fees, awards, and incentives. These funds shall not be used for "gifts" to students and/or staff. Budgeted funds shall not be used to generate activity funds, nor shall staff (administrative/support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with the district food service activities. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

Campuses may establish a staff account (Hospitality, Cake and Flowers, or Sunshine) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds shall be deposited and expended from an Agency Fund 899.

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Activity Funds (Student Organizations – Fund 865)

Student activity funds (under the control of the principal) shall be collected, receipted, and deposited by the school secretary on a daily basis. Refer to the cash/check handling procedures. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts] or on the Fundraising Collections Record form (refer to Fundraising Documentation Forms).

Student activity funds are managed using a centralized system. All expenditures under a centralized system shall be made using a purchase order issued by the district business office.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include travel, awards, banquets, and supplies. These funds shall be used at the discretion of the student organization.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An Activity Account Fundraising Application form should be submitted to the principal in advance of the scheduled activity. Fundraising Application forms also require the approval of the business office to ensure that sales taxes are being handled properly. In addition, at the end of the fund raising activity, a profit loss statement should be filed with the Business Office. Activity funds shall be audited and must adhere to accepted business practices.

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

To establish an activity account, an organization should have approved by-laws and elected officers. The treasurer and/or president of the organization shall sign-off on all purchases and submit those requisitions to the School Secretary for entry into the Ascender system. Minutes of the organization must be submitted to document the organization's approval. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training should be scheduled to assist the organization sponsors in managing their respective student activity account(s). Every sponsor should complete and submit a Sponsor Responsibility Affidavit to their principal.

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of 5 years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the principal or designee, as part of the closeout procedures, shall collect all club records for storage on the campus for the archival period of time. New receipt books should be issued to staff members for each fiscal year.

Budget Amendments

A budget amendment is a transfer of funds across different functions. For example: a budget amendment would result when instructional funds (function 11) are requested to be transferred to the library (function 12). Budget amendment line items are to be stated in whole dollars.

Budget amendments must be approved by the School Board. Amendment Requests should be submitted through the Ascender system, approved by the Business Office and placed on the Board Agenda by the Superintendent. Remember that if a purchase requisition is pending the outcome of a budget amendment, the requisition will not be processed until after the School Board has approved the request.



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Budget Transfers

A budget transfer is a form of a budget amendment that transfers funds within a single function. Budget transfers do not require School Board approval. Budget transfer line items are to be stated in whole dollars.

To keep budget transfers to a minimum, each budget manager should review his/her budget on at least a monthly basis to determine if any budget transfers are necessary.

Budget transfers are approved by the Superintendent and posted by the business manager and requests shall be submitted through the Ascender Budget Amendment system.

All budget transfers and/or amendments in state or federal grants shall be approved by the Superintendent to ensure that a grant amendment is filed with the granting agency (usually TEA).

Cash/Check Handling

A receipt shall be issued for all cash collections, except for minor sales from fundraisers (candy, ice cream, etc.) or library fines. Generally, a receipt shall be issued for all collections from an individual that equal or exceed \$10.00. A Collections Log shall be generated for non-receipted cash collections and submitted with the cash deposit to the campus secretary.

All cash and checks shall be deposited to the campus secretary on a daily basis. No post-dated checks should be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home. No cash purchases should be made – every dollar collected should be receipted and deposited to the campus secretary. The campus secretary shall receipt [in a bound, pre-numbered receipt book] and deposit the money at the business office on a daily basis, or secure overnight in a locked campus safe if the deposit cannot be made the same day. A Cash Transfer form should be included with all deposits.

Athletic event gate receipts (admission tickets) shall be recorded on Ticket Sale Reconciliation form and submitted by the Ticket Taker to the Athletic Secretary. Funds shall be deposited to the appropriate athletic events revenue account(s). The same procedure applies to non-athletic events that sell admission tickets. However, the revenue and the form would be submitted to the business office. Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

Check Payment Processing

Business Office checks will be printed, endorsed, and released on a monthly basis. Generally, checks will be generated on the 15th of each month. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All check requests, including supporting documentation, such as travel reimbursements shall be processed and approved by the appropriate principal or administrator through the Purchasing Requisition system in Ascender such that it reaches the Purchasing/Accounts Payable Clerk by 12:00 noon on Wednesdays. Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements. Appropriate forms shall be used for travel reimbursements and shall be submitted to the Purchasing Clerk.

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

Checks not cashed by the expiration date (90 days from date of issue) will be voided. A new check will be reissued if the payee is located and requests a reissue. Otherwise, the funds will be distributed in accordance with the State of Texas Unclaimed Property Guidelines.

Conflicts Disclosure Statements: Form CIS (for Local Government Officers)

The governing body (School Board), the Superintendent, and the Business Manager shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the Superintendent's Office.

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Contracts for Consultants or Contracted Services

Consultants are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, etc. A Consultant Service Contract or similar form is required for every consultant. The Superintendent is the only individual authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** Contracts that exceed \$ 20,000 shall be approved by the School Board.

All contracts that exceed \$50,000 shall be procured using the competitive procurement requirements established in the appropriate state law (TEC or the Government Code). The evaluation criteria [such as cost and prior performance] for the review of the proposals shall be determined prior to the solicitation for proposals/bids. The review and recommendation process shall include a separation of duties: the originator of the contract request should work collaboratively with the business office to evaluate the proposals/bids.

The approval path for all contracts shall be in accordance with the work flow illustrated below:



If a contract for a consultant or contracted services will be funded through a federal grant, the Superintendent shall approve the contract to ensure that it is: 1) included in the grant application; 2) budgeted in the grant; 3) verify that the contracted services is allowable under the grant; and 4) approved by the granting agency (usually TEA).

The contract originator (campus or department administrator) shall be directly responsible to ensure that the contractor performs the services covered by the contract.

Please follow these procedures when submitting a Consultant Service Contract or similar document:

- Submit a completed Consultant Service Contract or similar document to the Business Manager for review. The Business Manager forwards the contract to the Superintendent for final approval.
- Obtain the following documents from the consultant:
 - A completed W-9 form
 - Conflict of Interest Questionnaire
 - A Felony Conviction Form
 - If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.
- Submit a requisition to encumber the funds required for the contract. The contract will not be released to the consultant, nor will the consultant be allowed to begin work for the district, until a purchase order is approved by the final approver.

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Water Valley ISD" as additional insured.

Contracts for Service Agreements

All contracts for rentals, service agreements, etc. must be signed by Superintendent. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$20,000 shall be approved by the Board of Trustees per Board Policy CH Legal/Local.

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Copiers

The district leases several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. Personal copies should not be made on school district copiers unless previously authorized by the superintendent or campus principal.

Credit Cards – Selected Merchants (Lowe’s, Office Depot, Sam’s Club, United)

The district utilizes several credit cards for purchasing of fuel, food, supplies, and travel if approved vendor requires. Selected merchant cards shall be maintained by the business office and distributed to staff upon prior approval of a purchase order.

All credit receipts (detailed, itemized) shall be submitted to the business office within three (3) days of purchase to ensure prompt payment to the vendor. If receipts and credit card receipts are not submitted on a timely basis, these charges will be subject to payroll deduction from employee monthly paycheck. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

All district employees that have been authorized to utilize a credit card for purchases shall sign acknowledgement form indicating they have received the credit card. At no time shall a credit card number be kept or saved on any electronic device. Use of a credit card for non-approved purchases will result in disciplinary action, up to and including employment termination.

The district allows the use of the selected merchant credit cards for purchases from federal grants. Expenditure of federal funds with a credit card shall be allowable under the grant program. Approval of expenditures using a credit card shall follow the same approval process for all other purchasing documents such as purchase orders and travel reimbursements.

Annual training related to credit cards shall include: 1) allowable purchases; submission of detailed receipts; transaction limits; security of the credit card; and return of the credit card upon completion of the approved purchase and/or employment with the district, as appropriate.

Donations and Gifts

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

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

Donated equipment shall have an inventory tag affixed to it if the unit value is greater than \$4,999. In addition, the equipment shall be added to the district fixed asset tracking system.

All donations shall be approved by the Superintendent.

All donations for technology equipment shall be approved by the Superintendent prior to School Board approval if donations exceed \$4,999.

Field Trips

All field trips shall be submitted to the principal for approval at least ten (10) days prior to a field trip. Out-of-State field trips require the approval of the Superintendent. A purchasing requisition shall be submitted for admission fees, meals, etc., if any. In addition, if lunch is being requested from the Food Service Department, arrangements should be made with the school’s cafeteria manager at least the (10) days prior to the field trip.

If a district-owned vehicle or school bus is requested, details regarding the destination, type of vehicle, departure and return times shall be submitted at least (10) days prior to the field trip to the Transportation Director. Athletics would also use the same system when requesting a bus for

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their trips. If the requestor will be driving a district-owned vehicle, he/she must be listed on the Authorized Driver List.

Fiscal Year

The fiscal year begins on September 1st and ends on August 31st. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds. Invoices for such items shall be promptly forwarded to the Business Office for payment.

Fixed Assets & Inventory

Fixed assets [capital assets] are defined as equipment with a unit value over \$5,000. These assets are tracked and recorded on the district's financial general ledger. Fixed assets that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Office for removal from the district's financial records. All fixed assets must be purchased through the use of an Object Code 663X.

Inventory items are defined as items with a unit value less than \$5,000 that are prone to disappear or be stolen. This would include items such as: TVs, VCRs, digital cameras, camcorders, tools, and other items that may have a personal use. These assets are tracked and recorded on the district's inventory tracking system. Inventory items that are stolen, obsolete, damaged beyond repair, etc. should be reported to the Business Office for removal from the district's inventory tracking system. Inventory items are tracked for insurance purposes and must be purchased through the use of Object Code 6395.

If a Fixed Asset is moved from one room to another, one campus/dept. to another, or to transfer obsolete equipment to the storage area, that move should be reported to the Business Office. The loss or theft of inventory and fixed asset items should be reported immediately to the business office.

All staff will be provided an inventory list for their respective classroom, office, or work area at the beginning of the school year. After verifying the list, each employee shall return the verified list to his/her immediate supervisor.

At the end of the school year, the same process will occur. The end-of-the-year list should include all items that were assigned at the beginning of the year, plus any items purchased throughout the school year. Staff will not be released for the summer until their inventory list has been verified and submitted to the immediate supervisor. Missing items, if any, must be indicated on the inventory list. In addition, an explanation regarding why the item(s) is missing shall also be submitted with the list.

Items lost due to theft or vandalism must be reported immediately for police report and insurance claim purposes.

Fixed assets will be disposed of on at least an annual basis after determination that the assets are obsolete or surplus (have no useful value to the district). The Superintendent shall approve the disposal of all assets, including the method of disposal, i.e. auction, garage sale, etc. No employee shall remove surplus or obsolete assets for personal use. If an asset purchased with a federal grant is scheduled for disposal, the federal grant process shall be coordinated with the Assistant Superintendent or Special Education Director.

The Receipt and Use of District Property Form will be used to assign district property, such as cameras, PDAs, laptops, etc. to district staff for business purposes. The receiver should read the form carefully due to the potential tax and financial impact of using the assigned property for personal benefit.

Gift Cards

District funds shall not be used to purchase gift cards. Gift cards shall not be issued to staff without prior approval from the Business Manager. Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck.

Gift cards donated to the district by outside sources and given to employees as a reward or incentive are also taxable to the employee according to IRS regulations.

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Grant Management

All state and federal grants shall be managed by the Superintendent. TEA-managed grants shall meet the Grant Management guidelines established by TEA. Specifically, grant fund expenditures must meet the following guidelines:

- Reasonable and necessary
- Supplemental to state and local funds
- Strategies identified in the District Improvement or Campus Improvement Plans
- Supported by original source documentation (invoices, receipts, etc.)
- Comply with Federal Cost Principles (Allowable expenditures)

The Assistant Superintendent or the Special Education Director shall approve all expenditures made using grant funds.

On an annual basis, all staff paid from federal grant funds shall sign a job description each school year. The job description must include the source of funds, job duties related to the federal grant program, and a statement regarding Executive Order 13513 which prohibits texting while driving a district owned vehicle or a personal vehicle on grant-related business.

All non-state or non-federal grant applications shall be submitted to the Business Manager and First Assistant for review and approval prior to submission. This requirement includes all grant applications to merchants, foundations, etc.

All grant funds will be budgeted, expensed and monitored through the district's finance system. All grant reimbursement requests shall be prepared and submitted by the business office.

Grant applications are to be amended prior to processing changes requested by staff and approval is to be received from the grantor agency, in accordance with the TEA requirements.

Hotel Occupancy Tax Exemption Form

This form shall be used for school-related travel to conferences, workshops, etc. Copies may be obtained from the business office. Lodging taxes in the state of Texas, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any. The Hotel Occupancy Tax Exemption applies only to lodging in the state of Texas.

Invoices

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

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

The Business Office issues invoices for reimbursement requests for services provided to outside entities as needed. The invoices are tracked so that funds are collected on a timely basis.

Long Distance Calls

Long distance phone calls on school district phones shall only be made for school district business. Personal long distance calls should be made on personal phones.

On-Line Purchasing

To ensure necessary internal controls such as the verification of available funds are followed, on-line ordering with an external vendor will be limited to specific vendors and will only be made by or at the direction of the Superintendent.

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Payroll Procedures

Every non-exempt employee shall “clock-in” and “clock-out” daily. Failure to clock-in or out may result in non-payment of unverified work time. All administrative supervisors shall approve on the the time submitted by their respective paraprofessional and support employees. All corrections to times entered should be submitted via a Correction Form.

All non-exempt employees shall comply with the work schedule assigned by their respective supervisor. All overtime shall be pre-approved by the Superintendent. All overtime will be compensated via compensatory time rather than paid time, approval must be obtained from the supervisor 72 hours prior and must be documented on overtime/compensatory time form. Coming in early and leaving late does not qualify for this time if the above procedure is not followed.

An employee who repeatedly works in excess of his/her assigned work schedule, without authorization, will be subject to disciplinary action, including termination.

Hourly employees who have their pay annualized and paid over a twelve (12) month period must work at least 40 hours per week or either utilize leave time or have their pay reduced for that week.

All employees shall complete an Employee Absence from Duty Report form when absent from work to ensure that the time off is recorded in their respective leave record. Staff members shall report all absences and leave requests to their immediate supervisor. Employee Absence from Duty Reports shall be printed, and the employee and supervisor shall sign the form and submit it to the Payroll Department immediately after the payroll cut-off date, normally the 15th of the month.

Supplemental payment forms for Saturday School and for tutorials will be generated by the campus, approved by the Superintendent and submitted to the payroll clerk by the 15th of the month for payments being requested for the previous month. The supplemental payments will be processed for the next pay period. Supplemental payments should include the following: employee name, reason for pay, payment amount, budget code(s), date(s) worked, and be supported by sign-in sheets (attached to payment form).

All staff paid from federal grant funds shall comply with the Time & Effort Certification Requirements. The Time & Effort Certification Form shall be completed on a bi-annual basis and submitted to the immediate supervisor. The supervisor shall review and approve the certification. After approval of the certification form, it shall be forwarded to the Assistant Superintendent or the Special Education Director who shall verify that the “actual” time worked on grant activities matches the “budgeted” salary. If a variance exists, the certification form shall be forwarded to the business office to reallocate the actual expenditures based on the certification form. For example, if a teacher is paid 50% from the Title I grant and 50% from local funds but in a given month the teacher works 20% on Title I activities and 80% on locally-funded activities, the actual salary expense for that given month must be reallocated to 20% Title I and 80% local.

Petty Cash Accounts

The Food Service Department and the district business office are authorized to manage petty cash accounts. Petty cash accounts are provided for convenience when minor emergencies arise unexpectedly and when it is necessary to make change. The maximum authorized expense is \$100. The department administrator shall be responsible to ensure that funds exist in the account(s), which will be utilized to pay for the petty cash expenditures. Only the General Fund (Fund 199) and the Food Service Fund (Fund 240) may expense petty cash. Petty cash requests for reimbursement shall be submitted to the business office as needed to replenish the cash balance.

The petty cash account must always be in balance, i.e. the total cash on hand plus the receipts on hand must equal the total petty cash account. The chart below illustrates a balanced \$120 petty cash account.

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Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for purchases of **supplies and equipment** from General Funds or Grant funds shall be the Friday prior the last day of school. Purchases from Activity Funds shall be **May 1st**. Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Purchasing documents for **services and travel** should be submitted by **May 31st**. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates.

Purchase of Food and Food Related Items

Food and food related items (such as paper plates, cups, silverware, etc.) shall be for instructional purposes (Food Science & Nutrition, science projects, etc.), for meetings/training sessions, or other approved functions. These food and non-food items may not be consumed or used for personal use. Excess prepared food items may be consumed or disposed of as appropriate. Food purchases for the Child Nutrition Program shall be subject to the U.S. Department of Agriculture guidelines.

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a "working lunch". Documentation to support the "working lunch" shall include a meeting agenda with the inclusion of a "working lunch".

When these items are utilized for faculty, site-based meetings, etc., the expense shall be code to the Campus Activity Account (fund 461). All other uses should be coded to the appropriate account code.

The purchase of breakfast or refreshments/snacks are strictly prohibited with state and federal grants. Meals may be allowable on a limited basis if the meal meets the "working lunch" or "light lunch" exceptions as described in TEA's Guidelines Related to Specific Costs (located at www.tea.state.tx.us).

Purchase Requisitions and Purchase Orders

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created in the ASCENDER Requisition system by the business office for approval of a purchase order. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. If adequate funds do not exist in the appropriate account, the originator shall submit and receive approval of a budget transfer or amendment.

The Financial Accounting & Reporting Module of the Financial Accountability System Resource Guide (FASRG) contains the required accounting code structure. Use of the appropriate accounting code structure is mandatory. The code structure is available on the TEA website at www.tea.state.tx.us.

After the requisitions pass all electronic approval paths, the purchase order form is automatically numbered for audit tracking purposes. No employee shall order or receive goods without an approved purchase order. A system requisition cannot be used to place an order. All purchase orders are mailed, emailed or faxed to vendors by the Business Office. According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

Purchasing Laws

All school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method that provides the best value for the district in accordance with the Texas

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Education Code (TEC 44.031). According to Board Policy CH Local, any single, budgeted purchase of goods or services that costs \$50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place. All purchases, which may exceed these limits, should be brought to the attention of the Purchasing Department well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

Exceptions to the procurement methods described in TEC 44.031 include the following:

Sole Source

A school district may purchase an item that is available from only one source, such as an item with an existing patent, book, film, utility service, or replacement/component part. A common sole source purchase for school districts is the purchase of iPads, which shall be purchased only from Apple, Inc.

School Bus

The purchase or lease of one or more school buses, including a lease with an option to purchase, must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

Professional Services

The services of an architect, attorney, certified public accountant, engineer, or fiscal agent must be procured according to state statute. A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Government Code, Section 2254.003 in lieu of the methods provided by TEC 44.031.

Construction

The procurement of construction is governed by the Government Code, Chapter 2267. This section addresses the selection of the architect, engineer and contractor; the evaluation criteria, advertising requirement, and methods of procurement.

Change Orders

Change orders require more formal procurement processes in certain situations when “a change in plans or specifications is necessary after the performance of a contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the district may approve change orders making the changes,” in accordance with subsection 44.0411(a), Texas Education Code. Requirements related to change orders changed significantly following the enactment of new statutory provisions by the 82nd Legislature in 2011.

Change orders that exceed 25% on original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in policy CV (legal) in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when “a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$999,999.

Change orders that exceed 25% on original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in policy CV (legal) in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when “a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price,” in accordance with subsection 44.0411(d), Texas Education Code.

Change orders that exceed 25% on original contract amount of \$1 million or more will require the district to apply competitive procurement processes in policy CV (legal) in accordance with Chapter 44 of

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the Texas Education Code and/or Chapter 2269 of the Government Code.

Purchasing Quotes

The district has implemented an administrative procedure to solicit quotes for purchases which exceed \$20,000 but fall below the \$50,000 bidding threshold. The written (faxed or emailed) quotes should be attached to the purchase requisition.

Additional information about the district's purchasing procedures can be found in the Water Valley I.S.D. Purchasing Guidelines.

Receiving of Goods

The district uses a decentralized receiving system – all goods are delivered to the campus or department of the originator. A copy of every purchase order will be forwarded to the campus/department secretary for use in receiving the goods. Upon receipt of the goods, the campus/department secretary shall promptly verify that the order was received complete and in good condition. Discrepancies, if any, should be reported to the vendor. The signed receiving report, packing list and invoice shall be forwarded to the business office within 5 days of receipt. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order. Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation of receipt to the secretary of the campus or department. All items that require an inventory or fixed asset tag will be tagged at the campus or department.

Rental of Facilities

The Athletic Director shall execute all Facility Rental Agreements. The Campus Principal shall coordinate the rental of all campus facilities and notify the Athletic Director by forwarding a completed rental agreement. All rental fees shall be deposited to the district's miscellaneous revenue account. Refunds, if any, due to overpayment by the renter shall be processed for reimbursement through the district's on-line requisition system.

District employees assigned to work in support of a rental agreement must be paid through the payroll department. The fees charged to the renter will be noted on the rental agreement. The renter shall not be allowed to pay district employees directly with cash, check, or other method.

A Rental Agreement is required for all rentals of facilities by outside organizations. Facility Rentals are controlled by Board Policy GKD (Local). The Rental Agreement form and the current fee schedule are attached.

Returned Checks

All makers of returned checks will be charged a \$35.00 fee. The fee is subject to increase based on the district's depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Sale of Surplus District Personal Property

All supplies and equipment which are deemed to be surplus [not of any use to the district], will be in accordance with board policy, CI(LOCAL).

Sales Tax Exemption Certificate

The sales tax exemption form shall be used for school-related purchases only. Misuse of the

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exemption form for personal purchases constitutes a misdemeanor.

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

Purchase of personal items for staff or students are not eligible for the sales tax exemption.

Travel Expenses

All non-student related travel requests shall be made by submitting an Employee Travel Permission Form at least two (2) weeks prior to the travel event (meeting, conference, workshop, etc.). The travel request will be forwarded to the appropriate administrator for approval. The final approval will rest with the Superintendent.

Expenses for lodging, conference registration, airfare, car rental, and shuttle expenses may be paid in advance by submitting a requisition for these expenses. With the exception of conference registration, arrangements for these travel expenses will be made by the Purchasing Clerk with input from the traveler. Conference registrations will be made by the traveler after the Purchase Order has been approved. The same approval requirements are utilized for travel expenses as are used for other purchases, regardless of funding source.

The travel rates for meals are limited to the rates and amounts stated in district procedures. Meals will be reimbursed after the fact provided itemized receipts are submitted. If lodging is paid from Federal Funds, then GSA limits exist to what may be charged to those funds.

The Travel Authorization form for Student Travel Expenses shall be utilized by campus staff to request travel funds for student travel expenses such as registration, meals, transportation, lodging, etc. The current student travel is up to \$13.00 per meal and actual lodging costs. Registration and lodging may be paid in advance through the purchasing requisition system. A check may be issued prior to the trip for the approved meal per diem, however it is preferred that arrangements be made with restaurants to provide the meals and then to invoice us for the actual cost of the meals.

The TEA Travel Guidelines for state and federal funds shall be utilized to ensure that the locally funded maximum travel expenditures are not exceeded. The guidelines may be found at the TEA website: <http://ritter.tea.state.tx.us/taa/plangraneval013111.html>. Travel expenses paid with state or federal grants shall not exceed the maximums allowable by TEA. The excess travel expenditures beyond the allowable amounts, if any, must be paid from local funds. A more detailed explanation of travel can be found in the Employee Travel Procedures manual linked below.

Vendors

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

Requests to add new vendors shall be made to the Purchasing Clerk or the Business Manager. Such requests must be accompanied by a Form W-9, a Felony Conviction Notification Form and a Conflict of Interest Questionnaire (CIQ).

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ with the business office.