

Administrative

Procedures

Manual

For

Channing Independent School District

2021-2022

Approved: July 19, 2021

Updated: _____

Channing Independent School District

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Channing Independent School District

Finance Manual

This manual provides guidelines and procedures for budgeting and expending District funds and Federal Grants. It is a compilation of State and Federal laws and local policies and procedures that are to be used for processing all financial and budget related items.

Although it is not all inclusive and cannot address all situations, the manual does provide general information to assist with normal, everyday financial transactions.

Channing Independent School District

Finance Manual

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Section I

Grant Management Responsibilities

Grants Management is under the direction of the Superintendent, the Channing Independent School District (“the District”, “CISD”) Board of Trustees and to the granting agencies for the financial and regulatory administration of all state and federal financial assistance to the District.

Overall responsibility for submitting proposals and for executing and administering awards rests with the Superintendent.

1. The Superintendent is the final approval authority for all grant activity.
2. Responsibility is defined as the authority to make a decision and be accountable for any outcomes associated with that decision.
3. Oversight is always distinct from the operating unit that makes the decisions.
The overall responsibilities of the Grants Management function include, but are not limited to:
 - a. Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the Superintendent;
 - b. Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations;
 - c. Providing assistance to project managers for the preparation of grant applications;
 - d. Exercising budgetary control of grant funds (Handled by the Region 16 ESC Business Services);
 - e. Providing overall financial support and monitoring
 - f. Providing overall compliance monitoring to include:
 - Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the state and federal regulations;
 - Coordinating formal agency audits or interim reviews of grants by federal or state agencies
 - Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

Staff Responsibilities

Superintendent – Is responsible for:

- Submitting all state and federal grant applications
- Monitoring finance and compliance of all state and federal grants
- Reporting unusual or irregular activities related to grants to the Superintendent
- Maintaining current knowledge of federal, state and District policies related to grants
- Providing central staff and campus training for federal and state grants, as appropriate

Business Manager (Channing ISD contracts for business services with Region 16 School Business Services for basic business services such as payroll and accounts payable. In this

document the terms “business manager” and “Region 16 School Business Services” are synonymous) - Reports directly to the Superintendent and is responsible for:

- Maintaining accurate & complete financial records.
- Submitting all expenditures via the TEA e-grants system.
- Maintaining spreadsheets for accurate 1512 reporting.

Department Responsibilities

Duties	Staff Responsible
Review DIP for compliance	Special Ed Director (Co-op) Superintendent
Conduct comprehensive needs assessment for District	Special Ed Director (Co-op) Superintendent
Develop plan from assessment, identified needs and prepare budget, staffing and program descriptions	Business Manager Special Ed Director (Co-op) Superintendent
Compliance reporting	Special Ed Director (Co-op) Superintendent
Training on budgeting, budget amendments, coding, time and effort, purchasing, purchasing cards, credit cards, split-funded salary allocations, contract monitoring (including debarred vendors), travel reimbursements and other employee reimbursements, and selected unallowable costs	Business Manager Special Ed Director (Co-op) Superintendent
Approval of all purchases to ensure compliance with grant requirements, coding, allowable costs, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, DIPs	Business Manager Special Ed Director (Co-op) Superintendent
Compliance reporting	Special Ed Director (Co-op) Superintendent
Periodic reporting (cash drawdowns)	Business Manager, Superintendent
Quarterly reporting	Business Manager Superintendent
Budget reporting to budget managers, campuses, and central administration	Business Manager Superintendent
Reconciliation of accounting records with expenditure reports to grantor agencies	Business Manager Superintendent
Annual review of code of ethics (34CFR Section 80.36), policies and administrative procedures for the above listed duties and responsibilities	Business Manager Special Ed. Director Superintendent

Section II

Finance and Budgeting

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I. Basic System Code Composition

Channing ISD uses the coding system from the Texas Education Agency's Financial Accountability System Resource Guide. This is available for viewing on the internet at <http://www.tea.state.tx.us/index4.aspx?id=1222>.

II. District Fixed Asset Guidelines (Local, Federal & Grant Funds)

The Government Accounting Standards Board requires state and local government agencies to report capital assets and depreciate all exhaustible capital assets in government wide financial statements. The Education Code requires local education agencies to maintain inventory records, which properly account for equipment.

In order to provide for the proper control and conservation of district property, as well as proper accounting for financial reporting, the Superintendent or designee shall maintain fixed asset capitalization and inventory items in accordance with the law.

A unit is defined as an individual and independent item (such as a computer, server, TV/monitor, mower, vehicle, building, etc.) that will retain its original shape and appearance with use, and does not lose its identity through incorporation with a different item.

While all fixed assets should be inventoried, not all inventoried items should be capitalized. All assets, whether capitalized or non-capitalized, will be inventoried through the central office. The specific criteria for capitalized and non-capitalized fixed assets are as follows:

A. Fixed Assets

1. Capitalized Fixed Asset

- a. Capital assets, including real and personal property, are assets, which have a useful life of more than one year and a unit cost of \$5,000 or more.
- b. Capital assets are charged to capital outlay accounts.
- c. Capital assets are inventoried and reported as assets rather than as expenses of the current period in the statement of net assets, as part of the government wide financial statements.
- d. Capital assets, with the exception of inexhaustible items such as land, are depreciated in the government wide financial statements. Capital assets should be depreciated over their estimated useful lives. The straight line depreciation method and full month convention should be used for capital assets. Under a full month convention,

an asset placed in service at any time during the month is considered to have been placed in service on the first day of the month.

2. Non-Capitalized Fixed Asset

- a. Non-capitalized assets are items which have a useful life of more than one year and a unit cost of \$100 or more, but less than \$5,000.
- b. Non-capitalized fixed assets are charged to non-capitalized equipment account.
- c. Non-capitalized assets are inventoried and include such items as furniture and equipment, vehicles under \$5,000, and library books.

Capital assets include the following real and personal properties:

3. Real Property

a. Land

1. All expenditures incurred to acquire land and to place it ready for use should be capitalized. The acquisition cost of land should include:
 - i. The purchase price
 - ii. Professional fees and closing costs
 - iii. Cost incurred in preparing the land in condition ready for its intended use
 - iv. Assumption of any liens or mortgages on the property
 - v. Improvements made to the land that have indefinite lives and are permanent in nature.
2. When land is acquired with buildings erected thereon, total cost is allocated between land and building 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.
3. Land is **not** a depreciable asset.

b. Land Improvements

1. Land improvements include improvement of new and old sites and adjacent ways and acquisition of physical property of a permanent nature attached to land.
Examples:
Excavation, non-infrastructure utility installation, driveways, parking lots, playground surfacing, fixed playground apparatus, flagpoles, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended purpose, and removal, relocation, or reconstruction of property of others.
 - i. Land improvements are depreciated if they are exhaustible, such as parking lots, landscaping, and/or fencing, which are parts of a site.
 - ii. Land improvements that are not depreciated are expenditures to bring land into condition to commence erection of structures, and expenditures for improvements not identified with use or passage of time, such as excavation.

c. Buildings

1. Buildings include all permanent structures and all integral fixtures, machinery, and other appurtenances that cannot be readily moved without disrupting the basic building structure or services to the building.
2. Buildings are recorded at either, construction cost or acquisition cost including advertising costs, architectural and engineering fees, blueprints, inspection tests and examinations, demolition, the razing of existing obsolete or old buildings to clear sites for new buildings, building fixtures and service systems, and any other expenditures directly related to the construction or acquisition of buildings.
3. When buildings are constructed, the cost of each phase of the project should be evaluated separately because each phase may have a different useful life and salvage value.
4. Construction in progress is **not** depreciated, but the cost is included as an asset in the government wide financial statements.

d. Building Improvements

1. Building improvements that extend the useful life or increase the capacity of the building are capitalized, such as roofing projects, major energy conservation projects, or remodeling and replacing major building components.
2. Maintenance projects that do not extend the useful life or increase the capacity of the building are expensed, such as painting and plumbing repairs.
3. To be classified as either a building fixture or a service system, as opposed to maintenance, and item must conform to five criteria:
 - i. The item is attached permanently to the building
 - ii. The item functions as part of the building
 - iii. Removal of the item would result in appreciable damage to the building or would impair the designed use of the facility.
 - iv. The item is generally accepted as real property (not personal property).
 - v. The item loses identity as a separate unit.

e. Personal Property

1. Furniture and Equipment over \$5,000

- i. Furniture and equipment are items of movable tangible assets of a relatively permanent nature having an estimated useful life greater than one year and an acquisition cost per unit of \$5,000 or more.
- ii. For furniture or equipment purchased, the valuation is the net amount paid through Accounts Payable, which is the invoice price less all discounts (except trade-in allowances). Freight and installation costs are also included if they are shown on the original invoice, or if they are readily available on related freight bills. If furniture or equipment is constructed by employees, the costs of the materials and labor as well as indirect costs should be recorded as the total costs of the item that is produced.

2. Vehicles over \$5,000

- i. Vehicles include school buses, trucks, vans, pick-ups, and cars that have a useful life greater than one year, and have an acquisition cost per unit of \$5,000 or more.
- ii. The cost of a capitalized vehicle includes the purchase cost, expenditures for significant improvements and any other necessary expenditure required to place the asset into its intended state of operation.

3. Capital Leases

- i. Leased equipment is capitalized if the lease-purchase agreement meets the capitalization criteria and any one of the following criteria as required by Governmental Accounting and Financial Reporting Standards (GASB Codification) Code Section L20.109:
 - (1) The lease transfers ownership of the property to the lessee by the end of the lease term.
 - (2) The lease contains a bargain purchase option.
 - (3) The lease term is equal to 75% or more of the estimated economic life of the least property.
 - (4) The value at the beginning of the lease's term of the minimum lease payments, excluding that portion of the payments representing executor costs to be prepaid by the lesser but including any profit thereon, equals or exceeds 90% of the excess of the fair value of the leased property to the lesser or at the inception of the lease.
 - a. The lease equipment is recorded at the total cost net of interest expense (the present value at inception of the lease).
 - b. Leases that do not meet any of the above requirements should be recorded as operating leases and should not be capitalized.

4. Federal and Grant Funds

This guidance refers to capitalization of cost with times purchased with Federal and Grant Funds. As a general rule this refers to equipment or software that exceeds \$5,000 and has a shelf life of more than 12 months.

• Software:

- Life of less than 12 months but more than \$5,000 in cost. In this case the initial set up fee would be capitalized, but the subscription fee would not be capitalized.
- Any maintenance fee would also not be capitalized.
- Both subscription and maintenance fee would be coded to 6200 or 6300 depending on the arrangement.
- Slightly different for web-based software:
 - This may be one web-site with individual passwords
 - If the per unit cost is \$500 and there are 10 users, then the cost is \$5,000. You may have to capitalize this.

- **Data Management Systems**
 - Maintenance fees that do not last longer than 12 months are not capitalized.
 - However, if the relationship (even informally) continues past 12 months, it needs to be capitalized.

B. Surplus Equipment/Sale

1. Items which are no longer working or have become obsolete.
2. Any computer or computer equipment must be verified non-repairable by Technology Department before it is sent to the surplus sale.
3. Disposal of equipment purchased with Federal or Grant Funds, that have completed their useful life, must be recorded and maintained.

C. Donations

1. Donations of items to the District come in two forms: new items and used items. Items donated to the school or purchased from Activity Funds will be added to the District's fixed asset records and must be accounted for by the school superintendent and properly noted as Channing ISD property. All fixed assets are considered Channing ISD property, but will remain on the campus under the control of the superintendent.
2. Whether new or used, each item that is donated to the district must have the approval of the administration. A person in the department normally responsible for purchases of this type of fixed asset (i.e., Technology, Maintenance, Custodial, etc.) must be contacted to see if the item meets the following criteria:
 - a. Safe and acceptable for use by students and employees
 - b. Meets the requirements of the instructional program (if applicable)
 - c. Justifiable need for the item
 - d. Item is in good working order and is compatible with related equipment
 - e. Within the guidelines of the district technology plan (if applicable)
 - f. Meets the district criteria for a fixed asset as defined in the current Finance Manual of Channing ISD
3. If the item is new at the time of donation and meets all criteria listed above, then:
 - a. The district will accept responsibility for maintaining and repairing the item.
 - b. Installation of permanent equipment, such as playground equipment, shelving, etc., should be coordinated with the Maintenance Department.
 - c. You should write a letter to the organization or individual thanking them for their donation. A copy of this letter should be forwarded to the Finance Office to be filed with the fixed asset records.
4. If the item is used at the time of donation and meets all criteria listed above, then:
 - a. These items will not be added to the district's fixed asset records.
 - b. The district will not replace the items.
 - c. The campus or department may still accept the donated items.
 - d. The district will not accept responsibility for maintaining or repairing the item.

- e. You should be willing, if requested, to provide a letter to the organization or individual making the donation stating the fair market value of the donation. Keep in mind that “fair market value” is a reasonable approximation of the market value at the time of donation (not the original price paid for the item).

D. Repair and Replacement

1. The district will repair, as necessary, items that were purchased with district funds which are fixed assets or which cost \$100 or more. Please keep the following guidelines in mind when considering an item for repair or replacement.
 - a. Repair
 1. All items submitted for repair will be reviewed on an individual basis. The district typically provides funds for the repair of instructional items or items critical to the operation of a campus which cost \$100 or more; however, budget constraints will be considered.
 2. If the item requiring repair is a fixed asset, it must be properly tagged and on the district’s fixed asset inventory before any repairs can be made.
 - a. Items purchased directly from an activity fund will not be repaired by the district as they will not be tagged.
 - b. Any donated items requiring repair must meet the district guidelines for donations.
 - c. Fixed assets requiring repair will be evaluated to determine if it is more feasible to replace the item than to continue to repair it.
 3. Repair and/or replacement of items costing \$100 or more or fixed assets will be limited to problems that have occurred during the normal operation of the equipment.
 - b. Replacement
 1. Items that are considered to be fixed assets and items costing \$100 or more purchased with district funds will be considered for replacement using district funds.
 2. If an item is to be replaced, only the original amount or the replacement cost for a similar item, whichever is less, will be provided by the district. Should the campus or department wish to “upgrade” the item being replaced, the campus or department will be responsible for providing the additional funds to purchase the “upgrade.”
 - c. Stolen
 1. A police report must be filed with the Channing County Sheriff’s Office on any item costing \$100 or more or a fixed asset item before the district will replace it. In addition, a detailed list of stolen items including serial numbers should be turned into the superintendent’s office. This information will be used to file a claim through the district’s insurance policy. Stolen items that are not a fixed asset or cost less than \$100 will be the responsibility of the department.
 2. Only the original amount or the replacement cost for a similar item, whichever is less, will be provided by the district. Should the department wish to “upgrade” the item being replaced; the department will be responsible for providing the additional funds to purchase the “upgrade.”

E. Purchase of Real Property

The Channing ISD guidelines for purchasing real property can be found in Board Policy CHG (Legal) or by accessing the following website:

<http://www.tasb.org/policy/pol/private/103901/>

F. Inventory Control

1. A standard requisition must be issued for all fixed assets. Include complete specifications, description, manufacturer name, and part numbers to properly identify an item.
2. The location assignment information must be specified on the requisition for annual inventory purposes. Include the room number, building, site or department location that will be recorded in the fixed asset record.
3. If a fixed asset is transferred to another location, the superintendent's office should be notified immediately.
4. Each classroom must maintain a fixed asset inventory sheet on an annual basis that will be reviewed by the central office.
5. Fixed assets should be accounted for at historical cost – cost at the time of original construction or purchase.
6. The cost of the assets includes all necessary charges to acquire the assets, e.g. transportation costs, site preparation costs, installation costs, and etc.
7. Donated assets should be recorded at estimated fair market value at the time of donation.
8. Physical inventory should be conducted annually.
9. The following information is needed for inventory record.
 - a. Description
 - b. Date of inventory
 - c. Location – building and classroom
 - d. Function/program that uses the asset

III. Budget Process

Budget requests are compared with the needs obtained from the comprehensive needs assessment. The business manager and the superintendent then draft a preliminary budget that is presented to the board members at a preliminary budget workshop held at the end of July and again during the regular monthly board meeting. The budget is then adopted by the board before the tax rate is set. This is usually done at a special called board meeting at the end of August.

Budget process for Federal and Grant Funds

The superintendent is responsible for overseeing the budget process for all Federal Grants received by Channing ISD. A comprehensive needs assessment is conducted annually and is used for developing all Federal and Grant budgets.

Channing ISD evaluates the local comprehensive needs assessment and evaluates the programs and needs of the district. After prioritizing these needs, the superintendent meets with Channing ISD's assigned Federal Programs specialist through Educational Service Center XVI to discuss which funding categories the needs should be assigned to within the budget.

The superintendent has budget planning meetings with the various departments involved with the grant. Budget amendments are done with the input from the superintendent and the teachers involved.

If a budget amendment is necessary during the plan year, the superintendent will submit an amendment to the appropriate entity. The following reasons are allowable for all Federal and Grant Funds:

1. 25% rule
2. Change in the number of funding positions
3. Change in program intent
4. Change in funding amount.

IV. Budget Transfer Instructions

Pre-approved Budget Transfers

This type of transfer does not require approval from the Board of Trustees. This type of budget transfer involves moving funds within the same function only.

Transfers Requiring Board Approval

Any transfers requiring moving funds between functions must be approved by the Board of Trustees.

V. Records Management

Requirements

Record retention ensures that critical records are identified and retained in accordance with State and Federal guidelines. The Local Government Records Act establishes the primary requirements for records retention policies and plans. These record retention guidelines are specified in Channing ISD's Board Policy – CPC (Legal). This can be found on the internet at <http://www.tasb.org/policy/pol/private/103901/>.

There is also information that can be found at the Texas State Library website at <http://www.tsl.state.tx.us/slr/recordspubs/sd.pdf>.

The district records are stored onsite as paper records at Channing ISD. At this time Channing ISD has not digitized past records. After the time period for retention has passed, the business manager will oversee the destruction of the records. The business manager will keep a list of what has been destroyed.

GRANT RECORDS - The 5-year retention period frequently established for records of school districts in this schedule and Local Schedule GR derives from federal requirements in 34 CFR 80.42(a)(1) and (c), which declares the following: —Starting date of retention period—(1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or sub-grantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due. These requirements involve the retention of financial and programmatic records, including supporting documents, statistical reports, and other records pertinent to program regulations or the grant agreement relating to projects or programs funded by the U.S. Department of Education through sub-grants using federal funds from the Texas Education Agency.

These federal regulations require that all records of the types mentioned must be available for audit for 3 years after the date of submission of the single or last expenditure report by the Texas Education Agency as sub-grantor, **not** by the school district. Because final expenditure reports are submitted by the Texas Education Agency **after** all reports from districts are received, a 5-year retention period for many records of school districts is necessary to satisfy this requirement adequately.

If an audit is pending in which an expenditure, or the eligibility of a student to participate in a federal program is questioned, then all records affecting the outcome of the audit must be retained until the audit is settled.

Copies of reports or records submitted to the Texas Education Agency must be retained by school districts in accordance with this schedule

VI. Supplement vs. Supplant

Channing ISD adheres to the Texas Education Agency policy regarding supplement vs. supplant. Supplement means to add to; to enhance; to expand; to increase; to extend; to create something new. Supplant means to take the place of; to replace by something else.

Federal funds may be used only to supplement or augment the educational programs generally offered with state and local funds.

Federal funds may be used only to provide supplemental services that would not have been provided had the federal funds not been available.

Federal funds may not be used to employ staff that the district employed with non-federal funds in the prior fiscal year.

State or local funds which previously funded activities may not be diverted to another purpose simply because federal funds are now available to fund those activities.

In other words, the use of federal funds may not result in a decrease in state or local funds for a particular activity, which, in the absence of the federal funds, would have been available to conduct the activity.

Federal funds must supplement or augment that which must be provided by state law or SBOE rule, or any activities which have been adopted as policy by a local school board of education to fund from non-federal sources.

If federal funds are used to enhance or expand a state mandate, SBOE rule, or local board policy, the federal supplementary activities must be separately identified and clearly distinguishable from the activities identified as necessary for implementing a state mandate, SBOE rule, or local board policy as outlined in the implementation plan.

Section III

Accounts Payable

- I. Accounts Payable Guidelines
 - a. Purchase Orders
 - b. Pre-approved Vendors
 - c. Consultants
 - d. Payment for Contract Services
 - e. Returned Merchandise
 - f. Use of School Credit Cards
 - g. Employee Reimbursements

- II. Travel Guidelines
 - a. General Travel Guidelines
 - b. Registration
 - c. Employee Travel – Extended Stay
 - d. One Day Trips
 - e. Student Travel Guidelines
 - f. Channing ISD Bus Service Guidelines
 - g. School Vehicles
 - h. Additional State and Federal Financial Requirements

I. Account Payable Guidelines

Federal and Grant Funds must be expended for programs, activities, and strategies that are scientifically based on research and that meet the needs for the students served. All applicable requirements of the Federal and Grant Funds regulations, other applicable laws and regulations, and Office of Management and Budget (OMB) circulars apply to the use of these funds. All costs must be reasonable and necessary to carry out the intent of the program.

A. Purchase Orders

1. Verify vendor address is correct. This will ensure that your order will go to the proper place/department.
2. Add a line for shipping, if applicable.
3. No changes, substitutions, or increase of funds can be made to a purchase without prior approval. Purchases may only be made from budgeted funds.
4. No purchase order can be cancelled without confirmation from vendor of cancellation.
5. A purchase order MUST be done prior to a purchase being made.
6. Preview items must be done as a purchase and will be paid as such if not returned by terms.
7. Purchase orders for items to be paid with federal funds or State Compensatory Education Funds must have an attached corresponding justification from the District Improvement Plan.
8. Purchase orders will be approved by the superintendent.

B. Pre-approved Vendors

1. Channing ISD has membership in several purchasing cooperatives through interlocal agreements approved by the Board of Trustees. Vendors who are members of these purchasing cooperatives are considered “pre-approved” and the district may purchase from them without using bidding procedures.

C. Consultants

1. All consulting agreements must go through the business office/superintendent’s office.
2. Consultants are never paid in advance. This should not be reflected in any agreement made with consultant.
3. Before a payment can be made to a consultant their Taxpayer Identification Number must be on file. This can be either a social security number or a corporate tax identification number.
4. Payment can only be made from an original agreement not from a copy and must follow the steps below:
 - a) Fill out a purchase order including all pertinent information
 - b) Must be approved by the superintendent
 - c) If grant funds are used, it must be approved by the superintendent.

D. Payment for Contract Services (Applies to Local and Federal Funds)

1. Contractor sends invoice.
2. Invoice should list date of service, what the service was, and dollar amount.
3. Information from vendor must be complete by listing vendor name, address and social security number or Tax ID number.
4. Payment must follow the steps below:
 - a) Fill out purchase order including all pertinent information
 - b) Must be approved by superintendent

E. Returned Merchandise

Any merchandise returned must be reported to the superintendent/business office within two working days so that we may check to see if proper credit is issued.

F. Use of School Credit Cards (For Local, Federal, and Grant Funds)

The following procedures must be followed when issued a school credit card. When a credit card is checked out to an employee they must follow these procedures:

- 1) Provide a copy of the approved order form to central office.
- 2) Check out card from central office.
- 3) Card must be checked in the next day or the first day back from trip with all original receipts attached.
- 4) The superintendent will retain a district credit.

Each charge on the statement must have a receipt. **If for some reason an employee fails to turn in a receipt, it will be the employee's responsibility to cover the charge.**

G. Employee Reimbursements

Whether being travel related or general expense, **ANY** expenditure by the district employee/sponsor with the intent of being reimbursed by the district **MUST** be pre-approved by the superintendent before the purchase or service will be considered for reimbursement.

If reimbursement is to occur, the following conditions must be met:

1. The original detailed receipts must be submitted attached to a reimbursement request form describing the use of materials and location of materials.
2. All forms and receipts will be turned in within five days of purchase or within five days of returning from out of town (if expense was incurred while on trip).

II. Travel Guidelines (For Local, Federal, and Grant Funds)

A. General Travel Guidelines

1. In general, "travel" is defined as travel outside the district boundaries when you are acting as a representative of the district. In this case the district may reimburse you for some or all of your qualified expenses. Approval to travel must be obtained before taking any trip as noted above,

- regardless of expenses requested.
2. A request will need to be filled out at least three days before travel. The reason, location, dates, and times of the event(s) must be included.
 3. Mileage Reimbursement
 - a) A completed mileage reimbursement form should accompany mileage reimbursement.
 - b) The district will reimburse employees at the mileage rate approved by the state. For out-of-district travel, use Google maps to calculate distance. Mileage will only be paid if school vehicles are not available for use.
 4. Registration and other non-travel expense must be paid by purchase order.
 5. If the employee/sponsor plans to use their own vehicle and seeks reimbursement, the following steps must be followed:
 - a) Approval of the superintendent must be received before traveling.
 - b) After travel, the employee must submit a purchase order along with documentation of mileage (Google maps, etc.)
 - c) Payments are payable only to the employee/sponsor noted on the purchase order.
 6. Travel expenses are composed of the costs incurred to reach a destination and return. These costs are as follows:
 - a) Lodging
 - i) This is the cost of the rental of a room or rooms for district employees, students, or administrators. The original hotel bill or receipt must be furnished after the trip. The hotel bill should clearly indicate the cost assigned to the “in-charge/district representative” and the cost assigned to the students. Texas hotel occupancy tax will not be paid, as well as the Texas state sales tax on hotel parking. The district is exempt from this. The district will pay state sales tax on out of state travel and no other individual should be included. An exemption form will be supplied from the Superintendent’s office. Room service, laundry, phone calls, internet service, etc. should not be claimed as trip/travel expenses.
 - ii) Hotel accommodations should be at the promotional event/school rate. Multiple rooms should be booked at the best rate possible.
 - b) Meals
 - 1) This is the cost of obtaining food during the trip for the “in-charge,” or students. The costs assignable to the “in-charge” and the students must be clearly indicated on the bill. Per diem allowances for meals are only allowed during the time periods listed below:

Employee

Meal allowances are \$10.00 per meal

If meals are to cost more than that, superintendent approval is required. The cost of alcoholic beverages is not a reimbursable expense.

Students

The following system outlines when and how much Channing ISD will pay for student meals when participating in extracurricular activities.

1. Meal allowance is \$8.00 per meal.
 2. Hotel rooms will only be provided only with superintendent approval.
 3. Meals provided by hotel must be used if at all possible.
 - 2) When an overnight stay is not required, the district will reimburse employees for business meals and mileage after returning from the trip, providing original itemized meal receipts are submitted. The employee will be reimbursed the actual cost, not to exceed the above rates. There is no advance to employees on one day trips. Trip expenses must be recapped after trip with all necessary receipts to be reimbursed.
- c) Transportation
- 1) This is the cost of traveling to a destination and returning while on district business. For all travel expense claims, Channing ISD will use the local mileage schedule and rates. The standard miles indicated on the mileage chart/destination maps times the mileage rate is the allowance for transportation. Transportation claims in excess of the allowable mileage must be explained and documented. In determining total mileage, the starting point is the individual's school or office, even though the individual may actually leave from his/her residence. If travel will occur by airline, then it will be approved through the superintendent/business office.
 6. Registration fees, seminar tuitions, and any other cost incurred relating to a trip are not travel expenses and should be paid with a purchase order after the trip has been approved. It is district policy that no reimbursement is allowed for registration fees paid in advance by an employee. Only the trip expenses of the district employees, students, or administrators should be requested to be paid or reimbursed on travel forms. The district does not pay travel expenses for spouses, or other related guests.

B. Registration

1. Registration can only be paid by purchase order or by superintendent using procurement card.
2. When doing your purchase order for registration, state date of conference, number of attendees, and their names in the body of your requisition.
3. Attachment should include two copies of each person's registration; one copy is sent to the vendor, the other is filed with payment records.

4. Registration is paid in advance of the conference, and is sent directly to the vendor of conference.

C. Employee Travel – Extended Stay

1. Must be approved by superintendent
2. Request must be made ten days prior if possible.
3. State date and time of departure, as well as return on request.
4. Registration must be paid in advance and will not be paid on travel.
5. Business office will supply a Hotel Occupancy Tax Exempt form, several sales tax exemption forms, and state procurement card.
6. When traveling, the expectation is that one car is used for mileage reimbursement, and those individuals traveling to the same event are to carpool when possible. There may be exceptions from time to time, but these will have to be approved by the superintendent.
7. Use of school vehicle is mandatory, unless one is not available.
8. Original hotel receipt must be returned with recap. Online sources such as Expedia, etc., are not acceptable.
9. Parking and other miscellaneous expenses will be paid by returning the receipts and accompanied by recap.
10. Travel must be recapped within five business days of return.
11. Phone calls are not a reimbursable expense.

D. One Day Trips

1. Trips in which you leave and return in the same day are considered one day trips. When preparing a travel request for a one day trip, you must use the following guidelines:
 - a) Prepare vehicle request form
 - b) State date and time of departure and return, as well as where you are going.
 - c) You must keep all receipts for meals in order to be paid for them. You will be paid up to but not over the allotted amount, but only with receipts.
 - d) Turn in any toll road or parking receipts, as well as mileage.
 - e) Complete travel reimbursement form; attach all receipts.
 - f) Allow ten days for processing
 - g) Registration is to be paid on purchase order to conference/event only and will not be reimbursed to employee.
 - h) Travel request forms and purchase orders must be approved by the superintendent.
 - i) One day trips are only reimbursed after the fact, and only with original receipts.

E. Student Travel Guidelines

1. Include a list of students that states date(s), time of departure, and return.
2. Include a copy of registration, itinerary, and list all other activities.
3. Hotel expenses are to be paid by procurement card. Original hotel receipt

must be returned with recap.

4. Phone calls, internet services, and movies are not reimbursable expenses.
5. Students attending an overnight trip must be approved by the superintendent.

F. Channing ISD Bus Service Guidelines

A request for Channing ISD bus travel must be submitted to the transportation department two days prior to the trip.

G. School Vehicles

1. Only Channing ISD full-time employees may drive vehicles without the prior consent of the superintendent.

H. Additional State and Federal Financial Requirements

1. In addition to the District Purchasing Requirements, when purchasing with Federal Funds and State Compensatory Funds, all purchases:
2. Must meet needs identified in the District Improvement Plan.
The District Improvement Plan:
Must state the particular curriculum issue the purchase will address.
Must account for all funds through detail budgets.
3. Must be reasonable and necessary for accomplishing the objectives of the program as defined in the Grant Guidelines and for implementing activities as described.
4. Must be an allowable cost per OMB Circular A-87, Cost Principles for State and Local Governments.
5. All vendors must be eligible to do business with the federal government and not on the Excluded Parties List (EPL).
6. Must impact students during the grant period in which it was purchased.
7. Must be supplemental, therefore must insure that all federal expenditures were not paid for in previous years with local dollars.
8. All goods must be received and all services must be provided or delivered in time to substantially benefit the current grant period and in no case after the ending date of the grant.
9. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments.
10. Federal funds shall not be used to pay for promotional items or entertainment of any kind.
11. Federal funds shall not be used to pay for food unless directly related to parent involvement activities, where light refreshments are necessary to encourage participation/attendance by parents; and snacks for tutoring
12. Encumbrances will not be considered or reflected as expenditures within a grant period. Therefore, all items must be received by the end of the grant period to be an allowable expenditure.
13. Software that is web-based, rather than in the form of a CD or other tangible object, is considered one unit, regardless of the number of

licensees that may use the software. The total cost of the software will determine if the capitalization threshold has been met.

14. A group of like items that will be housed in the same location (i.e. computers and accessories for a computer lab) are considered one unit and the aggregated cost of the items will determine if the capitalization threshold has been met.

Section IV

Payroll

- I. Leave Policy
- II. Reporting absences
- III. Timesheet procedures & Semi-Annual Certification
- IV. Time and Effort
- V. Overtime
- VI. Taxes, TRS, and Other Deduction Information
- VII. Highly Qualified Procedures

I. Leave Policy

See District Policy DEC Legal and DEC Local located on the internet at the Channing ISD Board Policy Manual web page at <http://www.tasb.org/policy/pol/private/103901/>.

II. Reporting Absences

Employees must report their absences to the principal as soon as possible. All absences recorded will follow the district policy at DEC Legal and DEC Local located on the internet at the Channing ISD Board Policy Manual web page at <http://www.tasb.org/policy/pol/private/103901/>.

III. Timesheet Procedures

All employees will be required to sign in when they arrive at work.

IV. Time and Effort & Semi-Annual Certification Reporting

A payroll summary report is given to all employees to verify at the beginning of each school year. School districts are required to maintain auditable “time and effort” documentation that show how each employee paid with federal funds spent his or her compensated time. Such documentation is written, after the fact (not estimated or budgeted) documentation of how the time was spent. Time and effort reports should be prepared by any staff with salary charged (1) directly to a federal award, (2) directly to multiple federal awards, or (3) directly to any combination of a federal award and other federal, state or local fund sources. An example of this internal auditing record can be found in the Forms section.

Monthly reports are required for personnel whose time is charged in part to more than one revenue source (split funded staff). These reports document the portions of time and effort dedicated to each revenue source. Such records must (1) be completed after-the-fact, (2) account for the total time for which the employee is compensated, (3) be prepared at least monthly, (4) coincide with one or more pay periods, and (5) be signed by the employee and countersigned by an administrator or supervisor.

Semi-annual certifications are required for personnel whose compensation is funded solely from federal funds. These certification documents show that he/she has been working solely in activities supported by the federal funds. The certification must (1) cover a semi-annual period (e.g., September-January and February-June, or September-February and March-August), (2) identify the program, and (3) be signed and dated by an employee and supervisor having firsthand knowledge of the work performed by the employee.

NOTE: If a school operating a school wide program consolidates Federal, State, and local funds in a consolidated school wide pool, an employee who is paid with funds from that pool is not required to file a semi-annual certification. Because Federal funds are consolidated with State and local funds in a single consolidated school wide pool, there is no distinction between staff paid with federal funds and staff paid with state or local funds. A school that consolidates federal funds in its school wide program is not required

to meet most of the statutory and regulatory requirements of the specific federal programs included in the consolidation. However, the school must ensure that it meets the intent and purposes of the federal programs included in the consolidation so that the needs of the intended beneficiaries are met. If funds are not consolidated in a school-wide pool, then time and effort reporting must be maintained for federally funded personnel.

Time and effort reporting guidelines are specified in the U.S. Office of Management and Budget (OMB) Circulars A-87 and A-133. The circulars provide instructions to auditors performing Single Audits of state, local governments, and non-profit organizations. OMB-87 establishes standards for charging employee compensation for federal grants. OMB A-133 lists the compliance requirements for federal education programs, including Title I Part A.

V. Overtime Compensation

Channing ISD compensates overtime for non-exempt employees in accordance with Federal Wage & Hour laws. All employees are classified as exempt or non-exempt for purposes of overtime compensation. Only non-exempt employees are entitled to overtime compensation. Please contact your immediate supervisor/manager for further information.

Overtime is legally defined as all hours worked (leave days do not count toward hours for overtime) in excess of 40 hours per week and is not measured by the day or by the employee's regular work schedule. Employees who are approved to work beyond their normal schedule, but less than 40 hours per week will be compensated at straight time. Employees approved to work more than 40 hours in a week, will be paid for hours over 40 at time and one-half.

VI. Taxes, TRS, and Other Deduction Information

W-4 Procedures

Employees must complete a W-4 form so that the payroll department can withhold the correct federal income tax from wages. Because tax situations can change, a new form may be necessary. Please consult a tax advisor with any questions regarding withholding.

A new W-4 form is available in the business office. A new properly executed form will replace all prior forms received.

Earned Income Credit

If you are eligible and want to receive and advanced Earned Income Credit, a W-5 must be completed and forwarded to the business office each year.

Medicare Tax Information

Employees hired by Channing ISD after March 31, 1986 are required to contribute 1.45% of their gross pay to the Medicare program operated by the Social Security Administration.

Social Security Information

Channing ISD does pay the 6.2% social security tax on the gross pay on all auxiliary personnel.

Teacher Retirement (TRS)

Texas public school employees employed in a TRS eligible position must contribute to the TRS system. The total deduction is 7.00% of TRS-eligible wages. This deduction consists of a 6.4% pre-tax deduction and a .65% after tax deduction for the TRS-Care program.

Each employee that is participating in the TRS program will receive an annual statement of their account showing all deposits made from September through August. The annual statement is provided from TRS. Please keep your address updated to ensure receipt of your statement. If you have moved, you can obtain a change of address form from the business office. If you are planning to retire under TRS, you should notify TRS as soon as possible to obtain a retirement packet. You can request this packet and other information from TRS. Contact information for TRS is listed below.

Teacher Retirement System of Texas
1000 Red River Street
Austin, Texas 78701-2398
1-800-223-8778
<http://www.trs.state.tx.us/>

W-2 Forms

W-2 forms will be sent on or before January 31st each year. It is very important to keep your mailing address updated. If you have moved, contact the business office with your new address. To replace a lost W-2 form, contact the payroll department.

VII. Highly Qualified Procedures

The following standards are required to be considered a *Highly Qualified* teacher:

- Has obtained full Texas teacher certification
- Holds a minimum of a bachelor's degree
- Demonstrates subject matter competency in each of the academic subjects taught
- Competency is obtained by passing the Texas content exam and/or completing 24 college hours at the subject areas being taught
- Teachers funded with Federal monies will have a signed job description.

Channing ISD follows the following procedures to verify that all teachers are highly qualified.

1. Upon application, Channing ISD requires a copy of applicant's Texas teacher certification or paperwork showing they are currently enrolled in an alternative placement program and what certificate the applicant is working towards.
2. Superintendent verifies with Educational Service Center XVI staff that applicant will be considered highly qualified.

Section V

Purchasing Guidelines

- I. Responsibility for Purchasing
 - a. Purchasing Policy
 - b. Purchasing Authority
- II. Legal Basis for Bids, Proposals and Quotations
- III. Purchasing Principles
 - a. Purchase Orders
 - b. Reporting
 - c. Cash Management
- IV. Internal Procedures
 - a. Specifications
 - b. Vendor List
 - c. Equipment Warranty, Maintenance, Repair
 - d. Open Records
 - e. Sales Taxes
 - f. Delivery and Receipt of Orders
 - g. Verification of District Data
- V. Board Policies Concerning Purchasing

I. Responsibility For Purchasing

A. Purchasing Policy

1. Complete purchasing policy and procedures followed by the district may be found in the Texas Education Agency Financial Accountability System Resource Guide (FASRG) in the purchasing module.
2. FASRG can be accessed through the TEA website at <http://www.tea.state.tx.us/index4.aspx?id=1222>
3. Board policies of CH (Legal) and CH (Local) pertaining to purchasing can be accessed through the Channing ISD Board Policy Manual at <http://www.tasb.org/policy/pol/private/103901/>

B. Purchasing Authority

The Board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$10,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place. Taken from policy CH (Local) at <http://www.tasb.org/policy/pol/private/103901/>

II. Legal Basis For Competitive Bids & Quotes

A. Bids, Proposals and Quotes

1. Purchases greater than \$50,000
 - a. All school district contracts for the purchase of goods and services valued at \$50,000 or more in the aggregate during a 12 month period must be competitively bid. EC 44.031
Exceptions:
 - i. Professional Services – architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser. EC 44.031f
 - ii. Sole Source Goods – items only available from one source covered by a patent, copyright, or monopoly; films, books, manuscripts; utility services; and captive replacement or component parts for equipment repair. EC 44.031j
 - iii. Emergency repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. EC 44.031h
 - iv. Computers with an annual aggregate value greater than \$15,000. EC 44.031k
 - v. School buses with an annual aggregate value greater than \$20,000. EC 44.031 l
 - b. These contracts must be preceded by a competitive pricing mechanism. EC 44.031 l
 - i. Competitive bids

- ii. Requests for proposals
- iii. Catalog purchase
- iv. State Contracts
- v. Department of Information Resources (DIR)
- vi. An inter-local agreement based on bids or proposals (cooperatives, such as Region 16 ESC, Buy Board, etc.)
- vii. Reverse auctions
- c. Notice is required for bids and requests for proposal:
 - i. To be published once a week for at least two weeks prior to the deadline for receiving responses.
 - ii. In a newspaper for the county in which the school district's central office is located. EC 44.031g
- 2. For Food Service purchases over \$3,500, but less than \$50,000 will use the procurement plan below:

Procurement Plan

The Channing ISD will purchase food and other items for use in the Child Nutrition Program in compliance with federal regulations in Super-Circular 2 CFR 200, state and local law, using procurement procedures outlined on this and attached pages.

A. Procurement Management – Channing ISD and Governing Body

The superintendent is primarily responsible for overseeing all procurement for Channing ISD food service department including any procurement conducted on behalf of the Channing ISD. This responsibility includes, but is not limited to, the responsibilities set forth below:

- Ensures that all SFA procurement transactions are conducted in a manner that provides full and open completion in accordance with federal law.
- Managing contracts and overseeing vendors and/or ensuring that vendors perform in accordance with the terms, conditions, and specifications of vendor contracts and/or purchase orders.
- Ensuring that vendors who develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals are **excluded** from competing for such contracts and/or purchase orders.
- Ensuring that all contractual and administrative issues arising out of procurements for the SFA's food service department is handled in accordance with good administrative practice and sound business judgment.
- Ensuring that sufficient records detailing the SFA's procurement history as well as the procurement history of all other entities procuring on behalf of the SFA are maintained.

The records maintained for contracts include, at a minimum, the following records:

- Rationale for methods of procurement
- Selection of procurement type
- Selection or rejection of vendor
- Basis for contract price

These records are maintained for at least 5 years after submission of the final claim for reimbursement for the fiscal year or longer if otherwise required by law.

- Ensures that the LEA maintains policies and/or procedures that govern the conduct of employees who are engaged in the selection, award, and administration of contracts for the SFA. These policies and procedures meet the minimum requirement set forth in federal law.

B. Channing ISD Procurement Methods

1. Micro-Purchase

Channing ISD acquires supplies or services that do not exceed the current Micro-Purchase Threshold of \$3,500.

The Food Service Director is responsible for procuring goods and/or services for Channing ISD food service department using micro-purchase process. Price comparisons are not required, but the price should be considered reasonable. Documentation must be kept for all purchases.

2. Informal/Small Purchase

Channing ISD acquires supplies or services that do not exceed the Simplified Acquisition Threshold of \$10,000. If purchase of single item is above \$10,000, but below \$50,000, purchase must have board approval.

The Superintendent is responsible for making purchases using the Small Purchase Procedure. Responsibilities include, but are not limited to the following:

- Contacting potential vendors when price quotes are needed from at least 3 qualified sources. Documentation will be needed if 3 sources are not available. Price quotes can be verbal or written; documentation of the responses is required.
- Ensuring the confidentiality of price quotes are maintained until purchase is made.
- Ensuring documentation is maintained and includes at least the written specifications used, identification of vendors contacted, vendor price quotes received, and vendor selected.

3. Formal/IFB or RFP

Procurement for services, supplies, or other property exceeding the SFA's Simplified Acquisition Threshold of \$50,000 are conducted by formal procurement. The superintendent is responsible for procuring goods and/or services for the SFA using formal procurement. The procedure will be followed.

4. Non-competitive negotiation

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
3. The Texas Department of Agriculture expressly authorizes noncompetitive proposals in response to a written request from the SFA; or

4. After solicitation of a number of sources, competition is determined inadequate.

The superintendent is responsible for handling non-competitive negotiation.

Responsibilities include, but are not limited to the following:

- Ensuring that a record of non-competitive negotiation is maintained including, at a minimum, the following:
 - Item Name,
 - Dollar Amount,
 - Vendor,
 - Reason for non-competitive procurement
- Ensuring documentation that the actual product or service specified was received.

The Food Service Director or the Superintendent will monitor the contract, invoices, product quality, product quality, prices, terms and conditions for compliance depending on the purchase.

Channing ISD will award the contract to the most responsive (able to meet the requirements of the solicitation) and responsible (able and willing to furnish the goods or services solicited) vendor with the lowest price.

a.

III. Purchasing Principles

General Guidelines

- Approval by the superintendent for purchases must be made prior to purchase.
- Before approval the superintendent will review purchase request to see if expenditures are based upon identified needs from the comprehensive needs assessment or the district improvement plan and check to see if it could be a supplant issue in regards to federal grants.
- Request for payment without a purchase order approved by the superintendent's office will become the responsibility of the person ordering the merchandise.
- The superintendent/business office must approve purchases via a purchase order number before purchases are to be made.
- Materials for preview must follow the same purchasing procedures as detailed in this section.
- Employees should not purchase materials with their own money with the intention of being reimbursed by the district. Instead, the purchasing procedures outline in this section should be followed.

A. Purchase Orders

No purchases are authorized without issuance of a purchase order, as payment will not be made for such purchases. Anyone creating or authorizing such a commitment prior to securing a purchase order number will be held personally liable for payment

of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01.

General Purchase Order Procedures

1. Purchase orders are processed on a daily basis. Once a purchase order is approved by the business office the budgeted funds are encumbered at the same time.
2. A purchase order is considered to be only a purchase request until approved by the superintendent.
3. Contracts for purchase will be put into effect by means of a purchase order(s) executed by the business office after bids have been awarded to purchase goods or services.
4. The merchandise should not be ordered until the purchase order has been approved by the superintendent's office.
5. Purchase orders are not to be modified with the vendor or by departments directly. If it becomes necessary to change the terms of a purchase order (including price), the department must advise the business office. The business office has the responsibility to adjust the encumbrance on the purchase order.
6. Once a purchase order is issued, the same purchase order number cannot be used for reorders.
7. In the event it is necessary to cancel a purchase order, the requisitioner is notified. The business office will liquidate the encumbrance.
8. The business office will:
 - a. Verify compliance with bid laws
 - b. Verify correctness of coding according to the finance manual, and
 - c. Give final approval if everything is in order or reply via email to the requisitioner if a problem exists.
9. Following final approval, the order may now be placed.
10. When all merchandise/goods/services have been received on the purchase order, turn in all invoices to the business office so that they can verify receipt and pay the invoices.

B. Reporting

Reporting of expenditures for monthly board meetings, eGrants, etc., is done through the business office using the following criteria.

1. Board Meetings – At the end of each month financial reports, presented by the superintendent, are created for approval at the next board meeting. Included in this financial report is:

- a. List of bills for the month
 - b. Statement totaling all expenses from general fund, and building fund
 - c. Investment reports
- 2. Federal Grants – Reporting to eGrants is conducted monthly by the business manager. All other special funds are reported as needed or quarterly. After each payroll the following procedures will be followed when compiling the reports for reimbursement.
 - a. A current ledger is created.
 - b. A detail expenditure report is created.
 - c. From the above two reports, expenditures from each object code (i.e., 6100, 6200, etc.) is recorded.
 - d. Login to the eGrants system and report the appropriate year-to-date expenditures for each grant.
 - e. All expenditures must be incurred before a request for draw down is submitted.
- 3. Receipts – For local, federal, and grant funds.
 - a. Cash/check deposits are conducted on a weekly basis.
 - b. Deposits from the State’s Comptroller’s office are monitored at least once a week via the TEA Payment Website by the business manager.

C. Cash Management

The business manager runs a cash position report after all receipts and disbursements are posted and is given to the superintendent. The Depository bank uses an aggregate balance of all accounts to determine the cash balance.

IV. Internal Procedures

- a. Specifications

Preparation of specifications shall be the responsibility of the using department. The responsibility of the business office is to review the specifications to ascertain whether competitive bids can be obtained and assure that board policies and state laws are followed regarding the purchase.

Specifications must contain adequate technical descriptions to clearly identify for prospective bidders the type of material, equipment, or services required. In addition to the detailed specifications, brand names, model numbers, and like descriptions may be referred to as product meeting specifications to inform prospective bidders of the type of quality required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where possible.

The business manager is responsible for payroll and accounts payable. The business manager and the superintendent are the only employees that have direct access through login’s and passwords to the district financial data.

 - i. Check signing is done by the superintendent and/or the board of trustees.

- ii. For accounts payable, the Superintendent's secretary inputs all invoices, verifies the check register for accuracy, writes checks and place in envelopes.
- iii. Bank reconciliations are completed every month. The business manager conducts reconciliations each month. The external auditor once a year conducts a random reconciliation check.

b. Vendor List

Channing ISD has inter-local agreements with TASB BuyBoard and Region XVI Regional-Purchasing Coop. Their website is:

- a. <http://www.buyboard.com>
- b. <http://www.escl6.net>
- c. [TEXBUY](#)

c. Equipment Warranty, Maintenance, and Repair

For repair of equipment that has been received and paid, a department has one of the following options:

- d. If the equipment is under warranty, contact the vendor from whom it was purchased. If the product was purchased through a district bid, contact the superintendent/business office. (Warranties start the day the equipment is received even if school is not in session and the item is not put in use right away.)
- e. If the equipment is no longer under warranty, contact the maintenance department for repair assistance.
- f. For those items covered by outside maintenance contracts such as copiers, contact the appropriate service company holding a maintenance agreement with the district.
- g. For all computer equipment, contact the technology department.

d. Open Records

All information collected, assembled or maintained by governmental bodies pursuant to law or ordinance or in connection with the transaction of official business is a public information and available to the public during normal business hours of any governmental body with certain exceptions.

Three exceptions clearly concern the purchasing operation found in: Texas Education Code Title 110A, 6252-17a, Section 3

- a. Information, which if released, would give advantage to competitors or bidders.
- b. Information pertaining to the location of real or personal property for public purposes prior to public announcement of the project, and information pertaining to appraisals or purchase price of real or personal

property for public purposes prior to the formal award of contracts therefore;

- c. Trade secrets and commercial or financial information obtained from a person and privileged or confidential by statute or judicial decision; The concern is that information is not disclosed at inappropriate times leaving the district unprotected.

e. Sales Taxes

- h. Channing Independent School District is exempt from the payment of state sales taxes by the fact it is an educational institution associated with the State of Texas.
- i. Staff members may not use the district's tax-exempt status for purchases of personal property. Anyone avoiding the payment of sales tax by using this exemption may be liable for prosecution under Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.
- j. All purchase orders notify vendors of the district's tax-exempt status. When placing a confirming purchase order with a vendor, the department should indicate to the vendor that the district holds this exempt status and should not be charged tax.

f. Delivery and Receipt of Orders

- k. Orders will be delivered to the district office.
- l. All orders must be inspected within five days. Claims for damages or incorrect orders need to be submitted promptly to the vendor.
- m. Returning orders – contact that vendor directly for pickup instructions.

g. Verification of District Data
Expenditures

Before checks are written the business manager matches purchase orders against invoices for amounts, vendor information and expenditure coding. Once the checks are signed the invoices are matched against the check before they are inserted in an envelope.

Each month the business manager creates financial reports for the monthly board meetings. In the reports includes a check register. The check register includes vendor information, description of items purchased and budget code information. The check register is reviewed again at this point for coding accuracy.

V. Board Policy Concerning Purchasing

Board policy can be found in CH (Legal) and CH (Local) at <http://www.tasb.org/policy/pol/private/103901/>.

Section VI

ARRA 1511 Certification

Channing ISD has a process in place to comply with certification requirements pursuant to section 1511 of ARRA for infrastructure projects paid with ARRA funds.

After signing onto the ER expense request website, you click on to the ARRA reporting tab then the ARRA 1511 report tab and enter the information requested such as project title, description of project, estimated cost of project, amount of ARRA funds to be used. Be sure that the certified box is marked and hit the save button. A message will appear when the report has been successfully submitted with time and date.

Section VII

Buy America Act

It is the policy of Channing ISD under Section 1605 of the Recovery Act which specifies that for ARRA funded project requiring the construction, alteration, maintenance, or repair of a public building, 100% of the iron, steel and manufactured goods used in the project must be produced in the U.S. Section 1605 also stipulates that the Buy America provision must be applied in a manner consistent with U.S. obligations under international agreements, such as the North American Free Trade Agreement and World Trade Organization Government Procurement Agreement. It also declares that exceptions to use of domestic products may be made by heads of federal departments or agencies through a waiver process.

The purpose of these procedures and guidelines are intended to provide direction to staff implementing these requirements and to ensure compliance with ARRA and the Buy America Act.

Section VIII

Davis-Bacon Act

The Davis-Bacon Act of 1931 is a United States federal law which establishes the requirement for paying prevailing wages on public work projects. All federal government construction contracts, and most contracts for federally assisted construction over \$2,000, must include provision for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects.

It is the policy and goals of Channing ISD to avoid wage exploration since public contracts usually go to the lowest bidder and to seek out the local prevailing wages for construction projects.