

**HUGHES SPRINGS INDEPENDENT SCHOOL DISTRICT
BUSINESS OFFICE**

871 Taylor
Hughes Springs, Texas 75656



BUSINESS PROCEDURES MANUAL

PREFACE

This manual is designed to provide a set of standardized guidelines and procedures for the administration of the Hughes Springs Independent School District and its Funds. Principals, secretaries and clerks, teachers, sponsors and other personnel are responsible for following the guidelines and procedures prescribed in this manual.

This manual is a working document and is subject to change. Please follow the most current update.

This manual supersedes all prior publications regulating the administration of business procedures.

Updated, July 2013

Introduction

The Business Office is responsible for financial accounting for all school district funds, coordination of all financial sub-systems, maintenance of federal programs and grants, accounts payable, and investments of the district.

Hours & Location of Business Office

Hours: Monday-Friday, 8am-4pm

Physical Address: 871 Taylor, Hughes Springs, Texas 75656

Departments & Functions

Business Manager

Coordination and supervision of the Finance, Business, Payroll, Budget, Purchasing and Fixed Assets department. Responsible for the development and control of the school district budget.

Payroll Department

Responsible for the preparation and distribution of monthly payroll, substitute payroll and related employee benefits.

Accounts Payable Department

Responsible for receiving invoices and paying the school district's bills.

Staff Member	Title	Phone	E-mail
Derick Sibley	Business Manager	(903) 639-3804	sibleyd@hsisd.net
Mary Traveno	Payroll/Human Resources	(903) 639-3805	travenom@hsisd.net
Kathie Blackburn	Accounts Payable/Bookkeeping	(903) 639-3806	blackburnk@hsisd.net

Additional Resources

HELPFUL LINKS

Educational Service Center-Region 8

<http://www.reg8.net>

Financial Accountability System Resource Guide

<http://ritter.tea.state.tx.us/school.finance/audit/resguide13/far/FAR.pdf>

Financial Accountability System Resource Guide - Purchasing

<http://ritter.tea.state.tx.us/school.finance/audit/resguide13/purchase/pur.pdf>

Internal Revenue Service

<http://www.irs.gov>

Hughes Springs Independent School District

<http://www.hsisd.net>

Social Security Administration

<http://www.ssa.gov>

Texas Comptroller of Public Accounts

<http://www.window.state.tx.us>

Texas Education Agency

<http://www.tea.state.tx.us>

Texas Education Agency - School Finance and Grants

<http://www.tea.state.tx.us/finance.html>

Texas Education Agency - Texas Education Code

<http://www.tea.state.tx.us/juris/tec/html>

Teacher Retirement System

<http://www.trs.state.tx.us>

Texas Workforce Commission

<http://www.twc.state.tx.us>



2013-2014 School Calendar

Approved 02-11-13 (Waiver approved 02-13-13)

Hughes Springs ISD

Grading Periods

6Wks	Dates	Days
1	Aug 28- Oct 04	29
2	Oct 7 - Nov 15	30
3	Nov 18-Jan 17	30
4	Jan 21 - Feb 28	29
5	Mar 03 - Apr 18	30
6	Apr 21- May 30	29
Total Student Days		177

Holidays

Labor Day Sep 2, 2013
T'sgiving Nov 25-29, 2013
Christmas Dec 23- Jan 3
MLK Day Jan 20, 2014
Spring Brk Mar 10-14, 2014
Mem'l Day May 26, 2014
Independence Day July 4, 2014

Early Release Days

Dec 20, 2013
 Jan 21, 2014
 May 30, 2014

Bad Weather Days

Jun 2, 2014
 Jun 3, 2014

Staff Development Teacher Work Days and Student Holidays

New Teacher Aug 15, 2013
Staff Develop. Aug 19-23, 2013
 Jan 21, 2014 May 30, 2014
Camp Days Nov 25-26, 2013
 Jan 03, 2014
Early Out/Long Day Jan 21, 2014
Early Out/Long Day May 30, 2014

State-Testing Dates

Mar 03-07, 2014
 Mar 31-Apr 04, 2014
 Apr 21-25, 2014
 May 05-16, 2014

First/Last Day of Class

Aug 26, 2013
 May 30, 2014

August 2013

S	M	T	W	H	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2013

S	M	T	W	H	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2013

S	M	T	W	H	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2013

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3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2013

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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

January 2014

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12	13	14	15	16	17	18
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February 2014

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March 2014

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23	24	25	26	27	28	29
30	31					

April 2014

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27	28	29	30			

May 2014

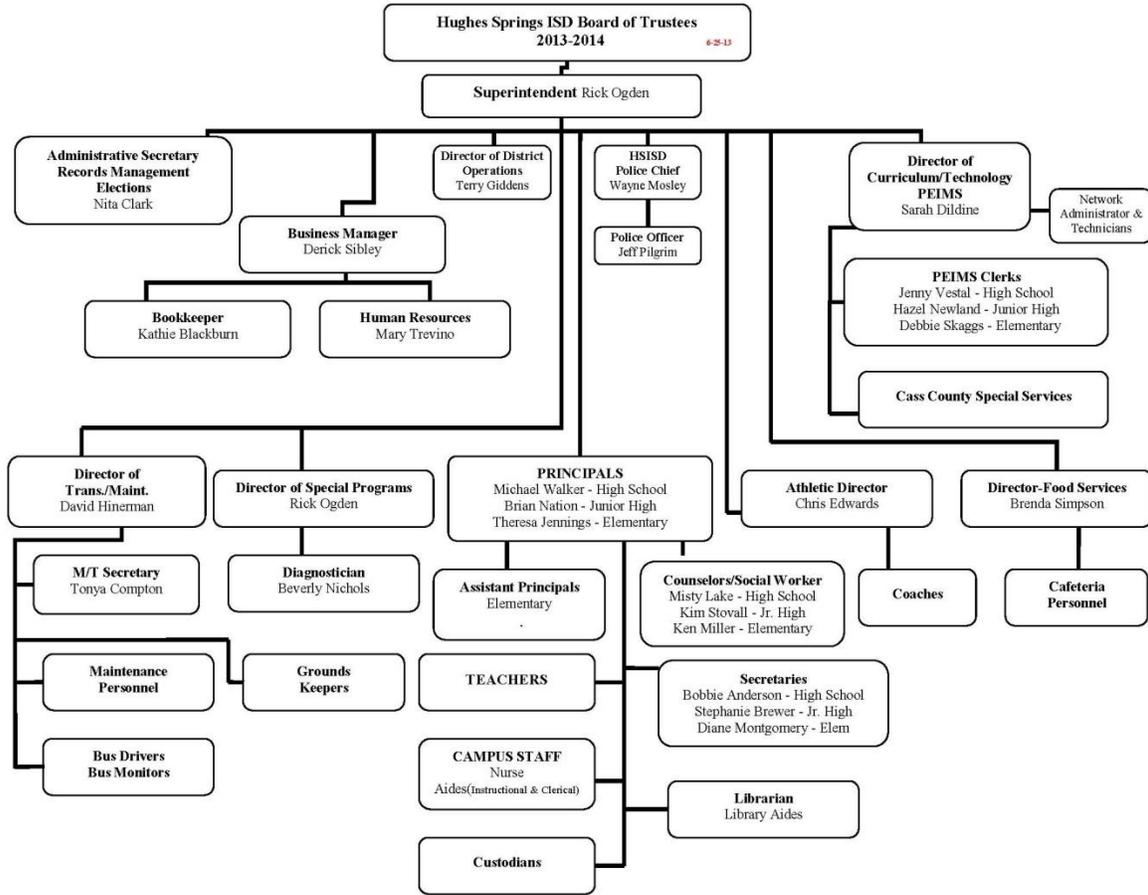
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June 2014

S	M	T	W	H	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2014

S	M	T	W	H	F	S
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GENERAL INFORMATION

Purpose

The Business Office is responsible for the direction, management and supervision of all aspects of the receipt, disbursement, reimbursement, investment, and control and reporting of the fiscal resources of the Board of Education of the Hughes Springs Independent School District. The Business Manager is also responsible for the development of long term financial plans for the allocation of resources projected for the district. An objective of this department is the implementation of computerized management techniques and services to improve budget preparation and financial control within the system.

Feedback

We desire feedback and direction from you so we can continue to improve and meet your needs. You can contact the Business Manager at sibleyd@hsisd.net to seek clarification, or to suggest additions or changes to the **Hughes Springs ISD Business Procedures Manual**. Additionally, **departmental specific surveys** are distributed annually to identify how we can better meet your needs. Your input is important to us, as we strive to make "Learning: A Life-Long Commitment."

Requirements

The Hughes Springs Independent School District (HSISD) Business Procedures Manual for schools and departments is a consolidation of updated guidelines and previously issued documents designed to provide a comprehensive presentation of standardized procedures that are mandated by state law, board policy, administrative directives and/or good business practices.

The Financial Accountability System Resource Guide (FASRG) describes the rules for financial accounting for all school districts in the State of Texas. Texas Administrative Code (TAC) 109.41

Compliance with these provisions is **mandatory** for all funds processed through the business office regardless of their source.

Conformation with these guidelines will allow prompt and accurate conducting of the district's business affairs in a responsive and progressive manner.

This manual can be found in its entirety on the Hughes Springs ISD website. Principals and department heads should inform their staff so that they are aware of the guidelines that may pertain to their particular area.

Information and procedures specific to activity funds can be referenced in the *Activity Funds Procedures Manual*.

District Policies

The following district policies apply to district funds:

- | | |
|------|--|
| BBFA | (Legal) Ethics: Conflict of Interest |
| BBFB | (Legal) Ethics: Prohibited Practices |
| BQ | (Local) Planning and Decision-Making Process |

BQA	(Local) Planning and Decision-Making Process: District-Level
BQB	(Local) Planning and Decision-Making Process: Campus-Level
CAA	(Local) Fiscal Management Goals and Objectives: Financial Ethics
CCA	(Legal) Local Revenue Sources: Bond Issues
CDA	(Local) Other Revenues: Investments
CE	(Legal) Annual Operating Budget
CFB	(Local) Accounting Inventories
CFD	(Local) Activity Funds Management
CH	(Legal, Local) Purchasing and Acquisition
CHE	(Legal) Purchasing and Acquisition: Vendor Relations
CHF	(Legal) Purchasing and Acquisition: Payment Procedures
CMD	(Legal) Equipment and Supplies Management: Instructional Materials Care and Accounting
CQ	(Legal, Local) Electronic Communication and Data Management
CV	(Local) Facilities Construction
DBD	(Legal, Local) Employment Requirements and Restrictions: Conflict of Interest
DBE	(Legal) Employment Requirements and Restrictions: Nepotism
DEE	(Legal, Local) Compensation and Benefits: Expense Reimbursement
DH	(Exhibit) Employee Standards of Conduct
DK	(Local) Assignment and Schedules
DMD	(Local) Professional Development: Professional Meetings and Visitations
EHBD	(Local, Legal) Special Programs: Federal Title I
FM	(Legal, Local) Student Activities
FMG	(Local) Student Activities: Travel
FP	(Legal, Local) Student Fees, Fines and Charges
GKB	(Local) Community Relations: Advertising and Fundraising in the Schools
GKD	(Local) Community Relations: Nonschool Use of School Facilities
GKDA	(Local) Nonschool Use of School Facilities: Distribution of Nonschool Literature

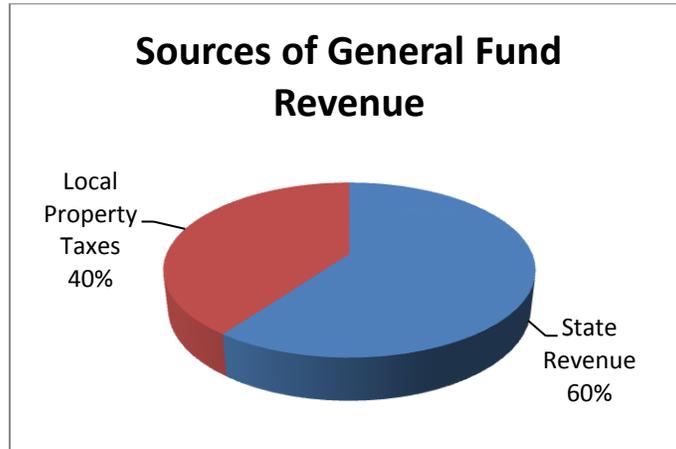
FINANCE INTRODUCTION

Financial Issues for Public Education

The Hughes Springs Independent School District is committed to providing its students with a quality public education in the most cost-effective manner possible. The district's primary financial focus is ensuring that maximum resources are directed toward the instructional effort, while minimizing administrative costs.

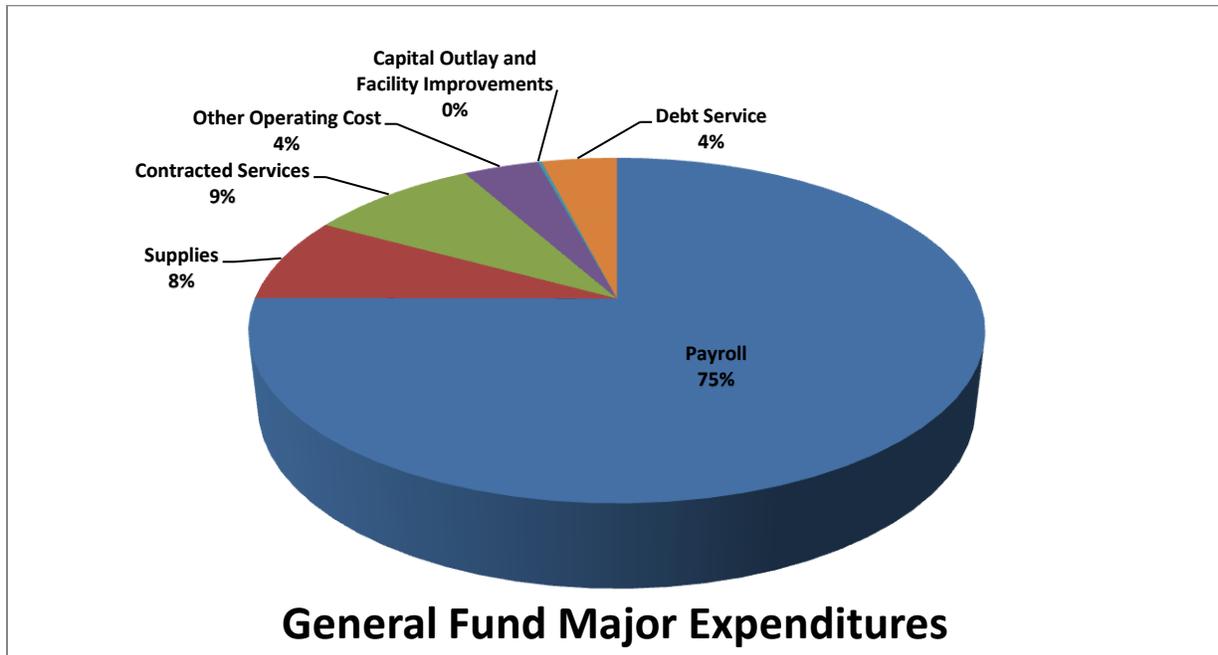
Where does the district's money come from?

The budget is funded primarily by state revenue. State revenue is approximately \$5.7 million (60%) of the local budget. Local property taxes and related revenues fund approximately \$3.7 million (40%). The figure below illustrates the district's sources of general fund revenue. In addition to the general fund, the district receives other funds to operate special programs, such as, special revenue funds.



What are the major expenditures of the district?

Public education is a labor-intensive activity. Approximately 75% of the general fund budget is for payroll costs. Other significant expenditure categories include supplies (8%), contracted services (9%), other operating costs (4%), and capital outlay and facility improvements (4%). The charts below graphically depict the major expenditures of the district.



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.

All invoices for goods received before August 31st, shall be submitted to the Business Office by September 10th) for processing and payment.

Fraudulent or Other Dishonest Acts

All Board of Trustees, employees, vendors, contractors, consultants, volunteers and other parties involved with the district shall act with integrity and diligence in duties involving the District's financial resources. Fraud and other dishonest acts will not be tolerated by the district. Violators shall be disciplined, may be terminated and may be reported to the appropriate authorities

Any and all concerns about potential fraudulent activities should be reported to any supervisor, the Superintendent or designee, the Board President, or local law enforcement. Neither the Board, nor any district employee, shall unlawfully retaliate against a person who in good faith perceived fraud or financial impropriety.

Fraudulent acts may include, but are not limited to the following:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or other financial document.
- Misappropriation of funds, securities, supplies, or other district assets, including employee work time.
- Impropriety in the handling of money or reporting of district financial transactions.
- Profiteering as a result of insider knowledge of district information to outside parties.
- Unauthorized disclosure of confidential or proprietary information.
- Unauthorized disclosure of investment activities engaged in or contemplated by the district
- Accepting or seeking anything material value from contractors, vendors, or other persons providing services or materials to the district, except as otherwise permitted by law or district policy.
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
- Failure to provide financial records required by state or local entities.
- Failure to disclose conflicts of interest as required by law or district policy.
- Any other dishonest act regarding the finances of the district.

The Superintendent or designee shall be responsible for conducting all fraud investigations. If an investigation substantiates fraud, the report shall be provided to the Superintendent and the Board of Trustees. The report shall include the findings, action(s) taken and/or recommendation(s) for action. If any employee is found to have committed fraud, they shall be subject to disciplinary action, up to and including termination of employment and referral to law enforcement or regulatory agencies, as appropriate.

FINANCIAL ACCOUNTING AND REPORTING

Financial Accounting Structure

The purpose of financial accounting and reporting by state and local governmental entities is to accumulate and provide information to facilitate decision making by various user groups. Hughes Springs ISD is required to maintain proper budgeting and financial accounting and reporting systems and adhere to principles and policies to ensure uniformity in accounting.

GAAP and Legal Compliance

Guidelines for financial accounting and reporting are derived from generally accepted accounting principles (GAAP).

The annual operating budget is one of the most important of all legal documents governing Hughes Springs ISD and its financial transactions. Upon board approval, the expenditure requests in the budget become binding appropriations that may not legally be exceeded by the District without an amendment.

Legal Requirements

The legal requirements for the District's finances, accounting, budgeting and reporting are spelled out in the Texas Education Code (TEC). The legal requirements of the District are:

Accounting – A standard school fiscal accounting system must be used by the District. The accounting system must conform to GAAP and meet the minimum requirements prescribed by the state board of education.

Auditing – The accounting documents and records must be reviewed annually by an independent auditor.

Hughes Springs ISD's annual audit is performed during the first semester of the school year and the findings typically reported to the board in December or January of each year.

Budgeting – The Superintendent or his or her designee must prepare a budget for the school year annually. The budget must be approved by the Board of Trustees before any expenditure can be made and prior to the setting of the tax rate for the budget year. The budget is itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the board of education.

Hughes Springs ISD holds an annual budget workshop with the Board of Trustees to get their feedback in regard to expenditures and revenue. A public hearing is also required to allow all stockholders to view and commit on the proposed budget.

Reporting – The District’s annual budget and audit must be reported to the Texas Education Agency (TEA) on a yearly basis. TEA reviews and analyzes the documents to determine whether all legal requirements have been met and to collect data needed in preparing reports for the governor and legislature.

The District submits its annual audit to TEA via the Texas Education Agency Secured Environment (TEASE). The budget is submitted to TEA through the mid-year PEIMS collection.

Expenditures – In some areas, the laws are specific in restricting expenditures. Restrictions are placed on expenditures in the areas of special education, compensatory education, career and technology, gifted and talented, and bi-lingual education. Restrictions are also placed on federal grant program expenditures received from TEA.

Other financial matters – Hughes Springs ISD also operates under specified authorizations and restrictions concerning financial matters such as taxes, depositories, issuance of bonds and warrants, loans, investments, etc.

Accounting Principles and Policies

Hughes Springs ISD adheres to the following accounting principles and policies:

Generally accepted accounting principles (GAAP) – Hughes Springs ISD’s accounting system must be kept in accordance with generally accepted accounting principles and shall present fairly and with full disclosure the funds and activities are results of financial operations in such a manner to determine and demonstrate compliance with finance-related legal and contractual provisions.

Fund Accounting – Hughes Springs ISD’s accounting system is organized and operated on a fund basis. All funds are accounted for and included on the end-of-year combined balance sheet. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances. Hughes Springs ISD establishes and maintains a minimum number of funds required for efficient operations.

Capital Assets – Hughes Springs ISD accounts for capital assets at a historical cost. Donated capital assets are recorded at the estimated fair market value at the time they are received. Capital assets include land, buildings, and improvements other than buildings, vehicles, machinery, and infrastructure, works of art and historical treasures, furniture and equipment that meets the following:

- Are not consumed as a results of use
- Have a useful life of at least one year and a per-unit cost of \$5,000 or more
- Can be controlled, identified by a permanent or assigned number or label, and be reasonably accounted for through a fiscal inventory system.

Depreciation – Hughes Springs ISD depreciates capital assets over their estimated useful lives unless they are inexhaustible.

A depreciation schedule of capital assets is reported in the annual financial report.

Basis of accounting – Hughes Springs ISD follows the generally accepted accounting principles (GAAP) for financial budgeting, accounting and reporting purposes in PEIMS except for foundation school program (FSP) revenues. FSP revenues are accounting for under a budgetary basis of accounting and reported in the annual financial report and reconciled to GAAP in the notes of the financial statements.

Modified accrual or accrual method – Hughes Springs ISD uses a modified accrual method. Revenues and expenditures of Hughes Springs ISD are budgeted, recorded and recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measureable. FSP revenues that are earned for days of instruction for the new academic year occurring prior to the close of the current fiscal year are accrued as a ratio to the total days of instruction if the revenue is collected within 60 days of the fiscal year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred (i.e. a purchase order is initiated). The District’s annual financial reports are prepared on this same basis of accounting.

Budgetary control/encumbrance accounting – Hughes Springs ISD records the official district budget in the general ledger. Revenues and expenditures authorized in the budget are controlled in the accounting records and reported in the financial statements. Only the General Fund, Debt Service Fund, and Food Service Fund are included in the official school budget.

The District employs a method of encumbrance accounting in order to control budget fund commitments (i.e. unperformed contract for good or services). Hughes Springs ISD must honor the encumbrance contracts in progress at year end or cancel them. In the event the District honors the contracts, the encumbrances outstanding at year end shall be a reservation of fund balance and the subsequent year’s appropriations shall provide the funds to complete the transaction.

Uniform classification and terminology – Hughes Springs ISD uses a standard set of fund codes and mandatory account classifications and terminology, as prescribed in the Account Code section of this manual. Funds are classified and identified on the financial statements by the same code numbers and terminology.

Revenues are recoded on a gross basis and are classified by fund and source (object code). Expenditures are classified by fund, function, object, organization, program intent, and fiscal year.

Campus Finances Introduction/Organizational Chart

The school principal is primarily responsible for all site-based accounting procedures. Assistant principals, secretaries, clerks and teachers often assist the principal. All personnel performing site-based accounting procedures should be familiar with district guidelines. Stakeholders are to be included in the budgeting process. Everyone should strive for the correct, consistent and concise application of site-based accounting procedures.

There are five major fund groups that are the responsibility of the principal. They are Principal’s Budget, Principal’s Activity Fund, Activity Funds, State Compensatory Education Fund (State Comp Ed), and Special Revenue Funds.

Each of these funds is intended for different uses and has unique spending guidelines. The campus principal is ultimately responsible for ensuring that all funds are used within the guidelines of the funding source, and in accordance with all federal, state, and local regulations.

A major obstacle for the campus principal is to decide which fund to use for different expenditures.

The following pages of this manual are intended to assist the principal and his/her staff in operating their campus funds in the most efficient manner possible. Each section will have a short explanation of the fund, acceptable uses of the funds and detail any applicable district guidelines that impact your expenditures of these funds.

Principal's Budget

- Funds should only be used to support the **instructional** program.
- Unexpended funds **do not roll** to the next year
- Budget year begins **September 1st** and ends **August 31st**
- **Communicate** with stakeholders the **objectives** of this money and give periodic **reviews of progress** toward goals.
- Possible uses of funds [All uses must be **instructional**]
 1. Instructional supplies
 2. Furniture (instructional only)
 3. Equipment (instructional only)
 4. Non-cash instructionally related awards/incentives (for students and teachers)
 5. Teacher Training
 6. Travel to instructional training
- **No** personal type gifts
- Only inexpensive, instructional items are allowable
- Gift certificates are only allowable for **teachers** to purchase instructional materials at a teacher supply store

Principal's Activity Fund

- Funds used at the **principal's discretion**
- Unexpended funds **roll** to the next year.

- Possible uses of funds

1. Supplies

2. Furniture

3. Equipment

4. Non-cash instructionally related awards/incentives (for students and teachers)

- **No** personal type gifts

Allowable items include: umbrella, desk accessories (calendars, calculators, desk clocks, and mouse pads), lanyards, book bags, teacher supply gift certificates, etc.

Unallowable items include: candles, plants (unless as an instructional tool), jewelry, candy, massage/manicure gift certificates, etc.

- Only inexpensive, instructional items are allowable

- Gift certificates are only allowable for:

- **Teachers** to purchase instructional materials at a teacher supply store, or

- **Students** to make purchases at bookstores, clothing stores, theaters, restaurants that do not serve alcohol, or for movie rentals

5. Teacher Training

6. Travel to instructional training

7. Food/Hospitality for

- parents

- staff

- students

8. Flowers

9. Fees related to providing scholarships for Hughes Springs ISD students (i.e., Founder's Day Banquet, Scholarship Golf Tournament)

Activity Fund – Funds of a **campus organizations** or **clubs**.

- As a matter of general policy, each club or organization will be limited to one major money making project and two minor projects each school year. A major project is one that is carried out for several days and usually involves the community. A minor project is one that is carried out on campus usually for one day or less.

- The **organization decides** how funds will be spent.

- The **principal must sign-off** on all purchases
- Unexpended funds **roll** to the next year
- Possible uses of funds
 1. Expenditure of funds must be **in compliance** with applicable Federal, State, or local board policy. These are funds and can be expended for almost any **items** that are **appropriate** for the **organization**.

State Compensatory Fund – Funds for students identified as being in a **situation** making them **at-risk of dropping out of school** (based on the state at-risk criteria)

Unexpended funds **do not roll** to the next year

Budget year begins **September 1st** and ends **August 31st**

Possible uses of funds (must be **supplemental** and **instructional**)

1. Supplemental instructional supplies, equipment, furniture
2. Extended Day/Week/Year salaries
3. Skills Specialist, Teacher, or Aide (supplemental & instructional only)
4. Non-cash student instructionally related awards (value less than \$5 per student– e.g., books, rulers, pens)
 - No gift certificates
 - Door prizes cannot be purchased with Comp Ed funds.
5. Teacher Training (related to improving instruction for at-risk students)
6. Snacks for Extended Day/Week/Year (Students only)

Special Revenue Funds – Funds for Special Programs (Title Programs, Grants, etc.)

Look at the Notice of Grant Award (NOGA), the program application, the program regulations, etc., or contact the Curriculum Director to determine:

- If the funds roll forward to the next year,
- The beginning and ending dates of the program/grant
- The possible uses of the grant

Funds are **not** to be spent prior to receiving the NOGA for the grant, without prior written approval from the Business Manager.

Call the Business Manager and the Curriculum Director for your assigned special program for directions in how to budget and spend special revenue funds.

You must **confer with the directors** during your grant writing process to verify your budget complies with district, state, and federal regulations. Your district-level supervisor, the Business Manager, and the Superintendent must sign-off on all grants before applications are submitted to funding agencies.

The funds must be **set-up** by the Business Manager, **before** the funds can be **spent**.

You are responsible for **knowing** and **following** the **guidelines** pertaining to any funding sources you use.

You are responsible for **notifying the district director** of the program and the **human resources department** when **staffing changes** are needed, **before the changes occur**. (e-mail)

Most special programs and grants have an **evaluation component**, which requires student counts, performance data, and financial records to be maintained/ reported. You are responsible for identifying what records need to be collected throughout the term of the program, and reporting the data accurately and timely.

Do creative spending, **ONLY** if you have **written approval** from the director of the program (seek permission, not forgiveness . . . many of the programs do not allow for expenditures that vary from the program guidelines and regulations). We trust your professional judgment, but we are responsible for making sure all expenses are legal.

Be aware of all reporting and spending deadlines (**Beat the deadlines**, don't meet the deadlines . . . If everyone waits until the deadline date, the processing of reports and your orders will be delayed.)

Use of Assigned Funds

Funds that are generated based on your student population can only be used for your student population. Funds allocated to or generated for students who attend your campus cannot be used for students who attend another campus.

For example:

Title I/Title I ARRA allocations are based on the number of free/reduced students who reside in your attendance zone, and as a school wide campus, your Title I/Title I ARRA I allocation can only benefit students enrolled at your campus. (Exception: In the summer, you can use your Title I funds to serve the students who will be attending your campus in the fall.)

State Comp Ed allocations are based on the number of at-risk students who are enrolled at your campus, and as a school wide campus, your State Comp Ed funds can only benefit students enrolled at your campus.

Principal's Budget allocations are based on the number of students who are enrolled at your campus so your Principal's Budget allocation can only benefit students enrolled at your campus. (Exception: In the summer, you can use your Principal's Budget allocation to serve the students who will be attending your campus in the fall.)

Principal's Activity Funds are based on funds generated by your students, parents and staff through fundraisers, vending machine sales, etc. and can only benefit students enrolled at your campus. (Exception: In the summer, you can use your Principal's Fund to serve the students who will be attending your campus in the fall.)

Finance: Frequently Asked Questions

1. How often do we process checks?

Checks are run once a week – usually on Thursday mornings at 10:00am.

Any Checks requested must be submitted no less than two (2) days prior to the date needed

2. When can I pick up a check or when will it be mailed?

Checks may be picked up any time after noon on the day in which they are processed, typically on Thursdays. Normally checks will be mailed after being printed.

3. Can I find out if a check has cleared the bank and if it hasn't, can you issue a stop-pay?

Let us have the check number and the name of payee. Normally we must wait 10 business days for a stop-pay to be placed on a lost check. A stop pay request form must be completed. Exceptions may occasionally apply such as if the check was mailed to an incorrect address.

The Business Office can validate whether or not a check has been cashed and if issuing a stop pay is appropriate.

4. What do I do if I need to void a check?

Let the Business Office have the check to void to determine what needs to be done with the check. We will have to void the check in the computer system. The Business Office will decide whether the check should have void written across it and shredded.

5. When can I expect my deposit or transfer to be posted?

If the deposit has been submitted with appropriate paperwork it should be posted within three (3) days. If there is a special circumstance or urgent situation where funds are needed to be posted for an immediate expenditure you can speak to the Business Manager to post immediately, which can be done providing the money has been posted to the bank.

Transfers are done as soon as time allows – within ten business days unless there is a specific need for funds to be spent sooner.

6. Who can we speak to about budget information and setting up budget lines?

The Business Office can answer questions about your local budget or budget lines.

If referring to special revenue funds contact the Curriculum Director.

Basic Records

Cash Receipts

Receipts are the means of accurately recording cash received and provide support for each bank deposit.

Purchase Orders

A purchase order is a contract issued by the school district for the purchase of goods and/or services at a specified price.

Checks

Checks are used to disburse all funds. Checks are printed with the District name.

Bank Deposit Slips

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited for the bank account. Deposit slips are obtained from the business office as needed and are printed with the Districts name.

Monthly Bank Statements

The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. All bank statements are processed at the Central Office and reconciled by the Business Office. When properly reconciled, the statement serves as official support for the cash balance in the districts bank accounts.

General Ledger - Reports

The General Ledger for all funds is maintained on the District's computer system. The General Ledger summarizes all transactions of the funds during the month. A monthly General Ledger Audit Trail, and Check Register, should be maintained or filed at the Central Office for audit purposes.

Preparation of Records

All records must be completed in **ink** or computer generated.

Audits

Audits may be conducted throughout the fiscal year by business office staff and/or regulatory agencies. Audits may include the annual financial audit, the Single Audit (federal grant funds), activity accounts, petty cash, payroll, attendance accounting, PEIMS, drop-out, state compensatory education, or other audits as deemed appropriate. The two most comprehensive audits are noted below:

Annual Financial Audit

An annual financial audit must be conducted by an independent CPA firm selected by the district [Board of Trustees] and reviewed by the TEA Division of Financial Audits. The annual financial audit must be submitted to the TEA Division of Financial Audits by the established deadline of 150 days after the end of the fiscal year, specifically for the district's fiscal year ending August 31st, the report shall be filed by January 28th. In addition, the audit report should be filed with the following: Municipal Advisory Council.

The district has engaged the CPA firm of Moore & Caver to conduct the annual financial audit for fiscal year(s) 2012-2013. The role of the CPA firm is to conduct a district-wide audit of the district's financial statements, internal control procedures, and to test transactions to determine compliance with local, state and federal regulations.

All financial transactions shall be in accordance with local, state and federal audit guidelines. The Financial Accountability System Resource Guide (FASRG) posted on the TEA website shall be utilized to ensure awareness of audit compliance areas. In addition, the OMB Circular A-133 shall be utilized to ensure awareness of audit compliance areas for all state and federal grant funds.

The Business Manager is responsible for coordinating and overseeing the annual financial audit.

Single Audit

The Single Audit Act and OMB Circular A-133 require school districts that expend total federal financial assistance (FFA) equal to or in excess of \$500,000 in a fiscal year to have an audit performed in accordance with the Act. School districts expending less than \$500,000 in federal financial assistance in a fiscal year are not required to have either an audit under the Single Audit Act and OMB Circular A-133 or a *program audit*, however, they must maintain records to support federal financial assistance programs and must have a financial audit performed under generally accepted auditing standards (GAAS) and *Government Auditing Standards* (GAS), also referred to as the Yellow Book. The single audit must be conducted in accordance with United States Office of Management and Budget, OMB Circular A-133 and the OMB A-133 Compliance Supplement. [Excerpt from TEA FASRG Audit Module]

The district has engaged the CPA firm of Moore & Caver to conduct the single audit for fiscal year(s) 2012-2013. The role of the CPA firm is to determine the major program(s) for the fiscal year and to issue an opinion on the federal statements for the federal program(s) and test transactions to determine compliance with internal controls and federal program guidelines.

The Business Manager is responsible for coordinating and overseeing the single audit.

CREDIT CARDS

Purchasing Rules and Procedures

The following points should be reviewed before using a school issued credit card or purchasing card:

- All purchases made on the card must be only for authorized school purposes. You are responsible for the security of the card and the transactions made with it.

- The card may only be used to purchase items that are included in a currently approved purchase order.
- All receipts must be turned in along with the card immediately to the central office as soon as you make the purchase or return from a trip.
- The card is not intended to bypass or avoid appropriate purchasing or payment procedures as outlined in the Board Policy of this Business Office Procedures Manual. Credit Card purchases follow the same approval process, and purchases must be entered in the Skyward requisition system PRIOR to a purchase being made.
- Purchases made with federal funding should only be made for allowable costs relevant to the program guidelines.
- The card is to be returned to the central office the first business day after being used for approved purchase or travel expenses.

Duties and Responsibilities

The Superintendent's Secretary and Accounts Payable Clerk are designated to answer questions, address issues and oversee the administration of the credit cards and purchasing cards.

Security

The purchaser is responsible for the security of the card. Guard the card account number carefully. The only person authorized to use the card is the purchaser to whom the card is signed out. This card is to be used for school purposes only. The card is not intended for personal use. Personal purchases will be considered misappropriation of District funds, a criminal offense, and will be reported to the proper authorities. Accidental use of a school-issues card for personal use must be reported to your supervisor immediately and repaid to the District within five (5) business days of discovery.

Lost or Stolen Cards

If a card is lost or stolen, immediately contact your Principal, or Department Head and the Accounts Payable Clerk. Prompt action can reduce the District's liability for fraudulent activity.

Debit Cards

The use of debit cards is not allowed on any District owned bank accounts.

BUDGET

District Policy CE (Local)

General Information

The annual operating budget is the foundation on which annual school district activities are dependent.

Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.

The budget is reflective of the district's educational plan and should be viewed as an operating subset of a more comprehensive financial plan that directly correlates to the goals and objectives established to achieve the district's mission. Listed below are the HSISD mission statement, vision, and beliefs.

Mission Statement:

The mission of the District is to prepare our children to live and work in the changing future. All students need to master the knowledge, skills, and competencies necessary to interact productively and successfully in a democratic society. Inherent in this purpose is the belief that all students need to develop essential academic skills and acquire a knowledge base on which to build life-long learning. All students can learn if provided an environment of high expectations for academic achievement. Educating our children to be productive in a changing future necessitates an excellent education system.

Vision:

Our students respect themselves and others. They have very strong academic, social, and emotional skills allowing them to be happy and responsible citizens. These skills enable them to be productive and make a positive contribution to the District. Our students succeed because we care. We are a family where every person is important. Through open and honest communication, we unify the campus, classroom, and community to support students in their pursuit of success. As positive role models, we support learning through total participation in all areas of education. Our example leads to the success and achievement of this community.

Beliefs:

We believe in challenging students to be life-long learners.

We believe parents and staff lead by example and should continue to learn.

We believe all students are unique and deserve the opportunity to achieve their potential.

We believe staff, parents, students and community members are responsible for the learning and success of each student.

We believe parental and community involvement are vital to student success.

School districts are labor-intensive organizations. As such, salary and benefits constitute the major portion of the annual operating budget (approximately 70%).

The budget is prepared in accordance with generally accepted accounting principles and state guidelines.

- State guidelines are administered and monitored by the Texas Education Agency (TEA). Detailed information can be obtained at <http://www.tea.state.tx.us/school.finance/audit/resguide12/far> by referencing the Financial Accountability System Resource Guide (FASRG).

The budget is adopted by the Board of Trustees prior to the beginning of the fiscal year (September 1 – August 31).

Listed below is the budget calendar followed by the district:

Budget Calendar

September

Post current school year budgets
Provide campuses and departments with account detail
Budget Review by Board of Trustees
Roll prior year purchase orders with goods not received by 8/31

October

Present Budget Review to Board of Trustees
Load current school year PEIMS budget file
Update Five Year Financial Forecast
Budget Review by Board of Trustees

November

Evaluate prior year ending budget vs. audited actual
Calculate roll-forward amounts from prior year on dedicated funding sources
Begin decision-making process regarding mandated TEC and TEA changes
Budget Review by Board of Trustees

December

Submission of PEIMS budget information to TEA
Study current year payroll budget based on September - November expenditures
Calculate revised per pupil allocations based on actual enrollment variances
Budget Review by Board of Trustees

January

Budget Review by Board of Trustees
Conduct budget workshop for next school year with Board of Trustees and administration
Initial next school year state aid projection prepared

February

Prepare budget gathering documents for next school year
Update and load crosswalk tables for next school year
Budget Review by Board of Trustees

March

Budget gathering documents/manual sent to campuses and departments
Budget Review by Board of Trustees
Next school year payroll estimates prepared
Next school year salary schedules developed
Preliminary local property tax values are estimated

April

Extract current year budget data into next year budget preparation module
Review and load campus and department budget requests
Budget Review by Board of Trustees

May

Conduct comprehensive analysis of current year budget vs. actual
Budget Review by Board of Trustees
Budget gathering documents sent to special revenue program directors

June

Budget Review by Board of Trustees
Present next school year Preliminary Budget overview to Board of Trustees
Modifications continue with state aid, local revenue and expenditure projections
Submit next school year Working Budget document to Board of Trustees

July

Conduct budget workshop with Board of Trustees
Perform final analysis of current school year budgets to estimated year-end expenditures/accruals
Budget Review by Board of Trustees

August

Complete Truth In Taxation calculation
Final Budget Review to Board of Trustees
Submit next school year Proposed Budget to Board of Trustees after final budget review
Adopt next school year budget
Adopt current year tax rate

Budget Preparation for Campuses

Budget gathering documents/manuals are sent to the campuses in February/March for the next fiscal year.

Staff participation in the budget process is appropriate.

- It is now a requirement of the Texas Education Code that your Campus Improvement Council (CIC) also participate in the budget process.

Budgets are set according to need and resources. It is the responsibility of each campus principal/department head to evaluate his or her budget yearly to determine whether funds are being used in the most prudent manner.

Salary costs will be added when the final budget is prepared and will not come from your campus budget. Additional funds may also be provided to secondary campuses to offset student costs in extracurricular accounts. These budgets must be spent for their intended purpose and cannot be commingled with other campus funds.

The business office will contact each campus relative to your participation in district-wide programs including, but not limited to, special education, vocational, technology, bilingual, gifted and talented, staff development, and compensatory education.

All budget increases, from fiscal year to fiscal year, must be justified on the forms provided in your budget gathering documents.

Current personnel listings will be included so that each employee, his or her stated job classification, assignment and budget code can be verified for accuracy.

Health services (function 33) expenditures for nurses' supplies and travel costs are to be budgeted separately.

Funds may be transferred between budget accounts within the same function code at any time during the year using a Budget Change Request (BCR).

- Transfers between function codes should be submitted on a separate BCR form for processing at the next available Board of Trustees meeting. Funds will be encumbered until Board of Trustee approval has taken place.

Budget Preparation for Departments and Special Revenue Funds

Budget gathering documents are sent to the departments in February/March for the next fiscal year. Special revenue gathering documents are sent in April/May to allow for receipt of Notice of Grant Awards (NOGA).

Department budget gathering documents include the following:

- Budget Input Document (Budget Worksheet)
- Staffing Verification Document

Detailed instructions/manual will be provided by the Business Office regarding the preparation of your budget worksheet.

- New program needs should be explained in detail and reference the related accounts.
- Salaries and related benefit accounts are calculated by the business office.
- Supplemental pay, part-time pay and substitutes should be budgeted by your department, if applicable.
- The budget amount is for accounts 6200-6600 and the items noted in above.

The Staffing Verification Document should be reviewed by line item to verify accuracy of data. The document will only reflect filled positions. Any funded but unfilled positions should also be noted on return documents.

- If you are proposing to increase the number of positions, please submit detailed explanations and/or justifications to the Superintendent for approval and attach a copy to the Staffing Document.

Amounts budgeted for professional services should be included on the budget worksheet and properly supported on the form provided in the budget gathering documents.

Budget Amendments

There are two ways in which budget accounts may be amended/changed: internal amendments and organizational changes.

Internal amendments are initiated by the organization director and involve the transfer of appropriations from one object account to another without increasing or decreasing the total budget for that particular organization. For example, monies budgeted for travel (6411) may be transferred to a supply (6399) account.

- These amendments apply only to 6200, 6300 and 6400 series of object accounts. They may not be used for payroll except budgets for overtime, part-time and extra duty pay provided by campus or department allocation. Transfers to/from 66XX require written justification for administrative review and approval.
- To initiate a request for an internal amendment, the organization director should complete a BCR and submit it to the business office. The BCR form can be found on the Hughes Springs ISD website under forms.
- Internal amendments between function codes should be submitted on a separate BCR form for processing at the next available Board of Trustee meeting.

Organizational changes are initiated by the organization director and involve an increase or decrease in the total amount budgeted for a particular organization, or an increase or decrease in the 6100 or 6600 series of object accounts.

- To initiate a request for an internal amendment, the organization director should complete a BCR and submit it to the business office. The BCR form can be found on the Hughes Springs ISD website under forms.
- This type of change, if approved by administration, will be processed at the next available Board of Trustee meeting.

Periodically all budget accounts will be reviewed by the business office. Amendments may be necessary when over or under estimates have been made relative to revenues or expenditures, or when general budgetary cutbacks become necessary.

- These types of changes will be processed at the next available Board of Trustee meeting.
- The organization director will be notified of changes to be made to their budget accounts.

When submitting BCR's, please note the following guidelines:

- Use the current BCR form on Hughes Springs ISD website
- Review account balances.
- Prepare transfers using whole numbers (no pennies), except for special revenue funds needing to spend 100% of grant, and include written explanation for change.
- Obtain necessary signatures prior to submission.
- Plan BCR's to include all foreseeable transfers.
- Plan ahead to avoid "emergency" transfers.
- Plan ahead for transfers requiring Board of Trustee approval.
- The correcting of an actual expenditure (not the budget) that was recorded in the wrong account should not be done on a BCR. These types of changes should be done via a journal voucher. For assistance, please contact the business office at (903) 639-3804.

Fiscal Authorization

The person in charge of the budget, approving expenditures, BCR's, etc. is considered the primary fiscal authorization.

Account Code Structure

The overall account code structure is designed to serve as both an efficient account code facility and a basic management tool. It creates a common language for use in controlling, recording, accumulating and reporting the activities of the school district.

XXX-	X-	XX-	XXX-	XX-	XXX-	X-	XX-	XXX-
Fund Code	Account Type	Function Code	Object Code	Sub-Object Code	Organization Code	Fiscal Year	Program Intent Code	Local
(1XX-8XX)	(E) Expense	(11-99) 11- Instruction 12 - Library 13 - Curriculum 23 - Principals 31- Counselors 32 - Social Worker 33 - Health Services 34 - Transportation 35 - Food Service 36 - Extracurricular 41- Admin 51- Maintenance 52 - Security 53 - Technology 71- Debt Service 81- Facilities	(1xxx) Assets (2xxx) Liabilities (3xxx) Fund Equity (4xxx) Clearing Accounts (5xxx) Revenues (6xxx) Expenditures (7xxx) Other Resources Non-operating Revenues (8xxx) Other Uses Non-operating Expenses	(xx)	(001-999) 101- Elem 041- Jr. High 001- High School 999 - District Wide	(0-9)	(11-99) 11- Instructional 21- Gifted and Talented 22 - Career and Tech 23 - Spec. Ed. 24 - Comp. Ed 25 - Bilingual 28 - DAEP 30 - Comp. Ed 91- Athletics 99 - Misc.	000

BASIC SYSTEM CODE COMPOSITION

Fund Code

A mandatory three-digit code is used for all financial transactions to identify the fund group and specific fund. The first digit refers to the fund group, and the second and third digit specifies the fund.

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

Account Type

A one-letter code used to identify the account as an expense account, revenue account, liability, etc.

Function Code

A mandatory two-digit code applied to expenditures/ expenses that identify the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.

- Example: The function "Health Service" is coded 33. The first 3 specifies Support Services - Student (Pupil) and the second 3 is Health Services.

Object Code

A mandatory four-digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

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

Sub-Object Code

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

Organization Code

A mandatory three-digit code identifying the organization, i.e., High School, Middle School, Elementary School, Superintendent's Office, etc. An organization code does not necessarily correspond with a physical location.

The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory.

- Example: Expenditures for a high school might be classified as 001. This is a campus organization code that is defined in the Texas School Directory for that high school.

Program Intent Code

A two-digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students.

The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served.

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

Fiscal Year

An optional one-digit code used to identify the year an account code is used.

Local Code

An optional three-digit code used to identify account codes on a local level. Currently, this code is only used for activity fund accounts.

FINANCIAL ACCOUNTABILITY SYSTEM RESOURCE GUIDE

Expenditure Object Codes

Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained.

An expenditure/expense account identifies the nature and object of an account, or a transaction. The school district's accounting records are to reflect expenditures/expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenditures/expenses are reported to the second digit of detail (6100, 6200, etc.) If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

6100 – Payroll Cost

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The school district acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.

6110 Teachers and Other Professional Personnel

These account codes are to be used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by the school district to be a professional staff member. Substitute teachers and/or other professional personnel are also classified in these account codes

6116-6118 Salaries or Wages for Teachers and Other Professional Personnel - Locally Defined

These codes are used, at the option of the school district, to classify salaries or wages not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6119.

6119 Salaries or Wages - Teachers and Other Professional Personnel

This code is used to classify the gross salary and wage expenditures/expenses for teachers and other professional exempt personnel as defined by the Fair Labor Standards Act. This includes:

- Gross salary and wage expenditures/expenses
- Wages paid to employees for performing duties beyond the normal working day
- Amounts above the school district's standard pay for additional certification requirements, such as a Bilingual teacher

- Amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring and department heads

6120 Support Personnel

This code is used to classify the gross salary and wage expenditures/expenses for support personnel.

6121 Extra Duty Pay/Overtime - Support Personnel

This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or for amounts above the school district's standard pay for additional qualifications.

6122 Salaries or Wages for Substitute Support Personnel

This code is used to classify the gross salary and wage expenditures/expenses for substitute support personnel and should be used with the function code being used for payroll record purposes.

6125-6128 Salaries or Wages for Support Personnel - Locally Defined

These codes are used, at the option of the school district, to classify salaries or wages not defined elsewhere.

6129 Salaries or Wages for Support Personnel

This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff defined as non-exempt by the Fair Labor Standards Act.

6130 Employee Allowances

Employee allowances are amounts paid to employees for which the employee is not required to render a detailed accounting.

6131 Contract Buyouts

This code is used to identify expenditures/expenses for employee contract buyouts. Such expenditures may include direct payments made by a school district as severance and any other benefits extended as part of a contract buyout agreement. Such costs should be recorded in the function(s) in which the individual was classified. These payments are subject to federal withholding, social security (if applicable) and Medicare (if applicable). These payments are not subject to TRS.

6134-6138 Employee Allowances - Locally Defined

These codes are used, at the option of the school district, to classify other employee allowances not defined elsewhere.

6139 Employee Allowances

This code is used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting. Examples include:

6140 Employee Benefits

Employee benefits are those amounts paid by the school district to provide benefits to employees. This does not include the amount deducted from the employee's salary or wages, which are considered employee contributions toward a benefit.

6141 Social Security/Medicare

This code is used to classify expenditures/expenses required to provide employee benefits under the Federal Social Security program. This excludes employee contributions.

6142 Group Health and Life Insurance

This code is used to classify expenditures/expenses made to provide personnel with group health and life insurance benefits. This excludes employee contributions but includes benefit amounts transferred to an Internal Service Fund

6143 Workers' Compensation

This code is used to classify expenditures/expenses made to provide personnel with workers' compensation benefits. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

6144 Teacher Retirement/TRS Care - On-Behalf Payments

This code is used to classify expenditures/expenses from "On-Behalf" payments of matching teacher retirement paid for active members of the school district in accordance with GASB Statement No. 24. A school district contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The school district also provides certain employer contributions for the retired teachers' health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of school district contributions are to be recorded here. An equal revenue amount should be recorded in account 5831, Teacher Retirement - On-Behalf Payments.

Medicare Part D payments made by the federal government to TRS are also recorded to this account with an equal revenue amount to account 5831, Teacher Retirement – On-Behalf Payments. See sections 1.2.5.2 and 1.3.3 for additional information.

6145 Unemployment Compensation

This code is used to classify expenditures/expenses made to provide personnel with unemployment compensation. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

6146 Teacher Retirement/TRS Care

This code is used to classify expenditures/expenses made from local, state and federal program funds and/or private grants to pay state matching of teacher retirement on the above state minimum contribution or the required matching amount from federal funds. Also included in this account is any employer contribution for the retired teachers' health insurance plan.

6148 Employee Benefits - Locally Defined

This code is used, at the option of the school district, to classify employee benefits not defined elsewhere.

6149 Employee Benefits

This code is used to classify expenditures/expenses made to provide personnel with other employee benefits not detailed above. This excludes employee contributions but includes any benefit amounts transferred to an Internal Service Fund.

6200 – Professional & Contracted Services

6210 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the professional services contract.

6211 Legal Services

This code is used to classify fees, associated travel and other related costs for legal services. However, legal fees, associated travel and other costs related to the collection of taxes are to be classified in account 6213, Tax Appraisal and Collection. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure. All expenditures/expenses coded to object code 6211 are to be coded to function 41, General Administration.

6212 Audit Services

This code is used to classify fees, associated travel and other related costs for audit services. All expenditures/expenses coded to object code 6212 are to be coded to function 41, General Administration.

6213 Tax Appraisal and Collection

This code is used to classify fees, associated travel, and other related costs for the appraisal of property and the collection of taxes, including attorney fees directly related to the collection of taxes. This account is also to be used by the school district to record its pro rata share of the administrative cost of the Consolidated Taxing District. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure. This code is only to be used in the General Fund.

6214 Lobbying

This code is used to classify fees, associated travel and other related costs for lobbying services. Refer to the [Texas Ethics Commission](#) for guidelines regarding what is lobbying.

6216-6218 Professional Services - Locally Defined

These codes are used, at the option of the school district, to classify professional fees and related costs not defined elsewhere.

6219 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. Government Code 2254.002 defines professional services to be the following:

Architecture Optometry; Landscape architecture, Professional engineering, Land surveying, Real estate appraising,

Medicine, Professional nursing, Accounting

These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures/expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

6220 Tuition and Transfer Payments

Tuition payments are made when the school district pays for tuition to institutions of higher education on behalf of a staff member or a student. Transfer payments are made when the school district pays for students to attend another school district, either private or public.

6221 Staff Tuition and Related Fees - Higher Education

This code is used to classify expenditures/expenses for services rendered by institutions of higher learning for the benefit of school district personnel. Expenditures/expenses classified in this account are excluded from the calculation of indirect cost rates.

6222 Student Tuition - Public Schools

This code is used to classify expenditures/expenses for tuition if a school district is under contract with public schools to provide instructional services to students. This includes payments made to school districts under Section 29.201, TEC, Public Education Grant Program, and transfer students under Section 21.082 of the TEC where one school district transfers entire grades of students to another school district.

6223 Student Tuition - Other than to Public Schools

This code is used to classify expenditures/expenses for tuition if a school district is under contract with an institution of higher learning or with non-public schools to provide instructional services to students. This includes payments made to Juvenile Justice Alternative Education Programs (Function Code 95).

6224 Student Attendance Credits

This code is used to classify expenditures/expenses for the purchase of tuition credits from the state or from other school districts under Subchapter 5 D and/or E, Chapter 41, Texas Education Code (TEC), including Career and Technology Education programs under TEC 41.125. This code may only be used with Function Code 91, Contracted Instructional Services Between Public Schools.

6227-6228 Tuition - Locally Defined

These codes are used, at the option of the school district, to classify expenditures/expenses for tuition not specifically defined elsewhere.

6229 Tuition and Transfer Payments

This code is used to classify expenditures/expenses for tuition and transfer payments not detailed above.

6230 Education Service Center Services

Each school district is a member of an education service center that provides various services to the school districts. The function code in conjunction with the expenditure object code defines the type of service provided.

6234-6238 Education Service Center Services - Locally Defined

These codes are used, at the option of the school district, to classify services provided by the education service center not defined elsewhere.

6239 Education Service Center Services

This code is used to classify all contracted services provided by the education service center. Included in this account are:

- Data processing services
- Accounting services
- Media services
- Special education services
- Career and Technical education services
- Staff development
- Curriculum development
- Drug training
- Grant writing services, etc. that the education service center provides to school districts

This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center, but does include a fee assessed for providing the service.

6240 Contracted Maintenance and Repair Services

These expenditure object codes are used to classify expenditures/expenses for maintenance and repair services rendered by firms, individuals, or other organizations, other than the school district. Maintenance and repair services are for normal upkeep, repair and minor restorations, but do not include such costs as new building construction, renovating and remodeling of buildings, etc. When contracted maintenance and repair services are rendered, the total cost of the service, including labor

and parts, is to be included in the appropriate contracted services account. Maintenance contracts are to be included in the appropriate expenditure object codes defined below.

6244-6248 Contracted Maintenance and Repair - Locally Defined

These codes are used, at the option of the school district, to classify expenditures/expenses for contracted maintenance and repair not specifically defined elsewhere.

6249 Contracted Maintenance and Repair

This code is used to classify expenditures/expenses for normal contracted maintenance and repair of items.

6250 Utilities

Utilities are comprised of water, electricity, gas for heat, cooking and cooling, ongoing telephone (including telecommunications and cellular telephones) and facsimile charges.

6255-6258 Utilities - Locally Defined

These codes are used, at the option of the school district, to classify expenditures/expenses for utilities not specifically defined elsewhere.

6259 Utilities

This code is used to classify expenditures/expenses for utilities. All expenditures/expenses coded to object code 6259 are to be coded to either function 51, Facilities Maintenance and Operations or 81, Facilities Acquisition and Construction. This includes:

- Water, wastewater treatment, and sanitation (garbage disposal)
- Telephone services and telecommunication charges for cellular telephones, pagers, modem line charges, facsimile charges, etc.
- Electricity
- Natural gas, propane, coal and any other fuel used for the heating and cooling of buildings

6260 Rentals - Operating Leases

These codes are used to record expenditures/expenses for renting or leasing either equipment or property under operating lease agreements.

6264-6268 Rentals - Operating Leases - Locally Defined

These codes are used, at the option of the school district, to classify expenditures/expenses for rentals under operating leases not specifically defined elsewhere.

6269 Rentals - Operating Leases

This code is used to classify expenditures/expenses for other rentals - operating leases. This includes, but is not limited to, rental or lease of:

- Furniture
- Computers
- Telecommunications equipment
- Audio-visual equipment
- Vehicles (including buses)
- Land
- Buildings
- Space in buildings

- Grounds

6290 Miscellaneous Contracted Services

These expenditure object codes are used to classify expenditures/expenses for miscellaneous contracted services not included above.

6291 Consulting Services

This code is used to classify expenditures/expenses for consulting services. Consulting services refer to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and cross-fertilization of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider's perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration. Consulting does not include a routine service/activity that is necessary to the functioning of a school district's programs, such as hiring additional people on contract to supplement present staff. It also does not apply to services provided to conduct organized activities (such as training or other similar educational activities.)

6294-6298 Miscellaneous Contracted Services - Locally Defined

These codes are used, at the option of the school district, to classify contracted services not defined elsewhere.

6299 Miscellaneous Contracted Services

This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere.

6300 - Supplies & Materials

6310 Supplies and Materials for Maintenance and/or Operations

This group of accounts is used to classify expenditures/expenses for supplies and materials necessary to maintain and/or operate furniture, computers, equipment (including telecommunications equipment), vehicles, grounds and facilities of the school district. Normally expenditures/expenses in this group of accounts arise when school district employees purchase supplies for use by the school district as opposed to supplies that are provided by a contractor as part of a contracted service.

6311 Gasoline and Other Fuels for Vehicles (Including Buses)

This code is used to classify expenditures/expenses for gasoline, motor oil and other fuels required for operating vehicles.

6315-6318 Supplies for Maintenance and/or Operations - Locally Defined

These codes are used, at the option of the school district, to classify supplies and materials for maintenance and/or operations not defined elsewhere.

6319 Supplies for Maintenance and/or Operations

This code is used to classify expenditures/expenses for supplies and materials necessary for maintenance and/or operations not detailed above. Expenditures/expenses in this account include, but are not limited to:

- Janitorial or custodian supplies
- Building maintenance supplies for minor repairs and upkeep by maintenance staff
- Supplies for upkeep of furniture and equipment

6320 Textbooks and Other Reading Materials

This group of accounts is used to classify expenditures/expenses for textbooks purchased by the school district and magazines, periodicals, newspapers and reference books that are placed in the classroom or in an office. Expenditures/expenses in this group of accounts do not meet the capitalization criteria.

6321 Textbooks

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

6325-6328 Reading Materials - Locally Defined

These codes are used, at the option of the school district, to classify reading materials that do not meet the capitalization criteria.

6329 Reading Materials

This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries whether in print or electronic format. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. Additionally, this code also includes library books and media that do not meet the capitalization criteria of the school and have a per unit value of less than \$5,000 and/or a useful life of one year or less.

6330 Testing Materials

This group of accounts is used to classify expenditures/expenses for testing materials such as test booklets. Test scoring is not to be classified here, but rather, in the 6200 series of accounts, Professional and Contracted Services.

6334-6338 Testing Materials - Locally Defined

These codes are used, at the option of the school district, to classify testing materials.

6339 Testing Materials

This code is used to classify expenditures/expenses for testing materials including test booklets and study materials related to those tests.

6340 Food Service and Other Resale Items

These expenditure object codes are used to classify supplies and materials for the operation of the food service program of the school district. Also included are items for sale through vending machines, school stores, etc., that are not related to the regular food service program.

6341 Food

This code is used to classify expenditures/expenses for food, including related costs such as transportation, handling, processing, etc.

6342 Non-Food

This code is used to classify expenditures/expenses for non-food items such as napkins, straws, brooms, etc.

6343 Items for Sale

This code is used to classify expenditures/expenses for such items as soft drinks, food, or other goods to be sold through vending machines, school stores, etc., not related to the regular food service program.

6344 USDA Commodities

This code is used to classify the costs of commodities. The portion of expenditures/expenses attributed to the USDA value of commodities in this account should agree with the revenue realized in account 5923, USDA commodities for school districts that utilize the General Fund or Special Revenue Fund. For school districts utilizing an Enterprise Fund, non-operating revenue account 7954, USDA commodities is to be used.

- Purchased products for which you receive no USDA commodity equivalent. An example of products that a school would purchase commercially but would not receive as a USDA commodity would be condiments such as catsup and mustard. It is suggested that you base the inventory value for such items on the net purchase price for that item.
- USDA commodity products for which you purchase no commercial equivalent. Examples of USDA commodities that schools receive but usually do not purchase commercially include pouched salmon, frozen diced chicken and prune puree. TDHS will continue to provide you with the value of USDA commodities, which is based on the actual cost per pound.
- Products that you purchase as well as receive as commodities. Canned fruits and vegetables are examples of such products. You may base the value of these products on the net cost to purchase such products, on the commodity value provided by TDHS, or you could also use an average of weighted average of the two values.

6348 Food Supplies - Locally Defined

This code is used, at the option of the school district, to classify food supplies not defined above.

6349 Food Service Supplies

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere.

6390 Supplies and Materials - General

These expenditure object codes are used to classify general supplies and materials not specified in other supplies and materials accounts.

6395-6398 Supplies and Materials - Locally Defined

These codes are used, at the option of the school district, to classify supplies and materials.

6399 General Supplies

This code is used to classify expenditures/expenses for those items of relatively low unit cost (even though used in large quantities) necessary for the instruction process and/or for administration.

6400 – Other Operating Cost

6410 Travel, Subsistence and Stipends

These expenditure object codes are to be used to classify travel, subsistence and stipends to both employees and non-employees.

6411 Travel and Subsistence - Employee Only

This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business. Travel expenses must conform to IRS and 2 CFR Part 225 (OMB Circular A-87) regulations. Any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act.

The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, inservice training, etc. Membership dues are classified in account 6495, Dues.

6412 Travel and Subsistence - Students

This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events. (Do not use function 34)

6413 Stipends - Non-Employees

This code is used to classify stipends paid to individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities. Expenditures/expenses relating to travel for individuals not employed by the school district should be classified in account 6419, Travel and Subsistence. Expenditures/expenses classified in this account are excluded from the calculation of indirect cost.

6417-6418 Travel and Subsistence - Locally Defined

These codes are used, at the option of the school district, to classify travel and subsistence not specifically defined elsewhere.

6419 Travel and Subsistence - Non-Employees

This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. This includes expenditures/expenses for the following groups:

- Travel for individuals not employed by the school district

This includes travel expenses incurred while traveling to school district authorized activities, including transportation expenditures/expenses paid:

- To parents
- For board member travel
- For individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities

Registration fees associated with attending conferences, including seminars, inservice training, etc. are also classified in this account.

Travel expenses must conform to IRS and 2 CFR Part 225 (OMB Circular A-87) regulations and any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act.

6420 Insurance and Bonding Costs

This code is used to classify expenditures/expenses for insurance and bonding costs. Property insurance should be classified in Function 51, Facilities Maintenance and Operations, including building insurance and property insurance for band and athletic/UII equipment. Other types of insurance are to be classified in the appropriate function. For example, insurance to cover student injuries that take place while participating in athletics are classified in Function 36, Cocurricular/Extracurricular Activities. Textbook custodian and administrative bonding expenses are classified in Function 41, General Administration. School bus driver bonding and liability insurance are classified in Function 34, Student (Pupil) Transportation.

6425-6428 Insurance and Bonding Costs - Locally Defined

These codes are used, at the option of the school district, to classify insurance and bonding costs.

6429 Insurance and Bonding Costs

This code is used to classify costs for insurance, including property insurance, liability insurance, bonding costs, athletic insurance, etc.

6430 Election Costs

This code is used to classify expenditures/expenses for conducting an election. The costs of printing ballots, election officials who are not school district employees and legal notices, etc., are to be charged to this classification.

6434-6438 Election Costs - Locally Defined

These codes are used, at the option of the school district, to classify election costs.

6439 Election Costs

This code is used to classify expenditures/expenses to cover costs incurred in connection with elections, including election officials who are not school district employees, legal notices, etc.

6440 Depreciation Expense of Proprietary and Nonexpendable Trust Funds

This code is used to classify depreciation expense of capital assets in the Proprietary Fund Types or Nonexpendable Trust Funds of a school district. Capital assets of the Governmental Fund Types and Expendable Trust Funds are not depreciated.

6444-6448 Depreciation Expense - Locally Defined

These codes are used, at the option of the school district, to classify depreciation expense.

6449 Depreciation Expense

This code is used to classify depreciation expense of capital assets owned by Proprietary Fund Types or Nonexpendable Trust Funds.

6490 Miscellaneous Operating Costs

This code is used to classify expenditures/expenses for operating costs not mentioned above.

6492 Payments to Fiscal Agents of Shared Services Arrangements

This code is used to classify expenditures/expenses for amounts paid to a fiscal agent of a shared services arrangement in which the school district is a participant. The expenditure is to be classified in Function 93, Payments to Fiscal Agent/Member Districts of Shared Services Arrangements.

6493 Payments to Member Districts of Shared Services Arrangements

This code is used to classify expenditures/expenses for amounts paid to a member district of a shared services arrangement in which the school district is a participant. The expenditure is to be classified in Function 93, Payments to Fiscal Agent/Member Districts of Shared Services Arrangements.

6494 Reclassified Transportation Expenditures/Expenses

This code can be used as an option to identify expenditures/expenses for transportation costs other than those incurred for the purpose of transporting students to and from school. Expenses from various expenditure object codes for salaries, fuel, etc., in Function 34 (Student Transportation) should be reclassified to this expenditure object code with the appropriate function assigned. Examples of such costs include those associated with field trips (Function 11) and cocurricular/extracurricular activities

(Function 36). Identification of the costs of transporting students for any purpose other than to and from school is required under Section 34.010, TEC.

6495 Dues

This code is used to identify expenditures/expenses for dues paid to clubs, committees, or other organizations. Examples of organizations are TASA, TASP, TASB, Lions Club, Rotary Club, local chambers of commerce and other associations. This does not include any registration fees associated with attending conferences or seminars, which are coded to account 6411. Dues paid on behalf of an employee should be coded to that employee's function code; dues paid on behalf of the district should be coded to function 41. Prior to this change, dues were included in object code 6499.

6497-6498 Miscellaneous Operating Costs - Locally Defined

These codes are used, at the option of the school district, to classify miscellaneous operating costs.

6499 Miscellaneous Operating Costs

This code is used to classify expenditures/expenses for all other operating costs not mentioned above. This account includes:

- Fees (not associated with travel)
- Awards
- Bid notices
- Graduation expenses
- Food/refreshments for school-related meetings
- Newspaper advertisements, etc.

6500 – Debt Service

6510 Debt Principal

These expenditure object codes are used to classify all expenditures to retire debt principal in Function 71, Debt Service.

6511 Bond Principal

This code is used to classify expenditures to retire the principal of bonds.

6512 Capital Lease Principal

This code is used to classify expenditures to retire the principal of long-term capital leases.

6513 Long-Term Debt Principal

This code is used to classify expenditures to retire the principal of long-term debt (except bond and capital lease principal), using dedicated tax proceeds and other revenue. This includes non-voter approved debt repaid using tax proceeds dedicated to debt repayment. Long-term debt is defined as any debt that will not be paid with current available financial resources.

6517-6518 Debt Service - Locally Defined

These codes are used, at the option of the school district, to classify principal on debt service not defined above.

6519 Debt Principal

This code is used to classify expenditures to retire the principal of debt not specified elsewhere.

6520 Interest Expenditures/Expenses

These expenditure object codes are used to classify all interest expenditures/expenses in Function 71, Debt Service.

6521 Interest on Bonds

This code is used to classify expenditures/expenses to pay interest on bonds.

6522 Capital Lease Interest

This code is used to classify expenditures/expenses to pay interest on capital leases.

6523 Interest on Debt

This code is used to classify expenditures/expenses to pay interest on debt.

6524 Amortization of Bond and Other Debt Related Costs

This code is used to classify expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds.

6525 Amortization of Premium and Discount on Issuance of Bonds

This code is used to classify expenses amortized as debt premium and/or discount in connection with the issuance of debt.

6527-6528 Interest Expenditures/Expenses - Locally Defined

These codes are used, at the option of the school district, to classify interest expenditures/expenses not specified elsewhere.

6529 Interest Expenditures/Expenses

This code is used to classify expenditures/expenses to pay interest not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6529 for PEIMS reporting.

6590 Other Debt Service Expenditures/Expenses

These object codes are used to classify all debt service expenditures/expenses other than debt principal and interest in Function 71, Debt Service.

6594-6598 Other Debt Service Expenditures/Expenses - Locally Defined

These codes are used, at the option of the school district, to record debt service expenditures/expenses, excluding principal and interest.

6599 Other Debt Service Fees

This code is used to classify expenditures/expenses for issuance costs, and/or any allowable fees related to debt service activity, including fiscal agent fees and payment to an escrow agent from sources other than proceeds from the new debt.

6600 – Capital Outlay – Land, Buildings & Equipment

6610 Land Purchase and Improvement

These expenditure object codes are used to classify the acquisition or major improvement of a school district's land.

6614-6618 Land Purchase and Improvements - Locally Defined

These codes are used, at the option of the school district, to classify expenditures for land purchases and improvements.

6619 Land Purchase and Improvement

This code is used to classify expenditures for the purchase of land, land improvements other than buildings and any associated fees. This includes any other costs necessary to alter the land for its intended purpose.

6620 Building Purchase, Construction or Improvements

These expenditure object codes are used to classify the purchase, construction, or substantial improvement of buildings, and any related fees, including architect fees.

6624-6628 Building Purchase, Construction or Improvements

These codes are used, at the option of the school district, to classify expenditures for building purchases, construction, or improvements.

6629 Building Purchase, Construction or Improvements

This code is used to classify expenditures to purchase buildings or for materials, labor, etc., to construct new buildings. This account also includes expenditures for substantial alteration or remodeling of existing buildings that materially increase building life and/or usefulness. All associated fees are included in this account.

6630 Furniture and Equipment

This code is used to classify expenditures for the purchase of furniture and equipment having a per-unit cost of \$5,000 or more and a useful life of more than one year as listed below. If the per-unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

6631 Vehicles per unit cost of \$5,000 or more

This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of \$5,000 or more and a useful life of more than one year. If the per-unit cost is less than \$5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

6635-6638 Furniture and Equipment - Locally Defined

These codes are used, at the option of the school district, to classify expenditures for furniture and equipment.

6639 Furniture, Equipment and Software

This code is used to classify expenditures for all equipment, furniture, technology equipment and capital outlay items having a per-unit cost of \$5,000 or more and a useful life of more than one year not classified elsewhere.

- Telephone systems
- Intercommunication and telecommunication systems
- Mainframe and mini-computers
- High-capacity copy machines
- Purchase of site licenses, single use software, etc., if more than \$5,000 or more per unit costs

6640 Capital Assets - District Defined

These expenditure object codes are used to classify any items that do not meet the individual \$5,000 capital asset criteria, but by school district policy, are required to be recorded as capital assets either (1) when the school district policy requires an item costing less than \$5,000 to be defined as a capital asset; or, (2) when aggregate amounts purchased equal or exceed \$5,000.

6641 Vehicles per-unit cost of less than \$5,000

This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of less than \$5,000 and a useful life of more than one year.

6644-6648 Capital Assets - Locally Defined

These codes are used, at the option of the school district, to classify expenditures for capital assets groupings.

6649 Capital Assets - Other - Locally Defined Groupings

This code is used at the discretion of the school district if the school district policy requires the capitalization of items that individually or, as a group, are less than the \$5,000 criterion identified in the 6630 series of accounts. If a school district does not account for these items under object code 6649, then the items are to be classified under object code 6399, General Supplies.

6650 Capital Assets Under Capital Leases

These expenditure object codes are used to classify capital assets under capital leases.

6651 Capital Lease of Buildings

This code is used to classify capitalization of movable buildings and major repairs to buildings under a capital lease arrangement. The contra entry is to other resources.

6654-6658 Capital Assets Under Capital Lease - Locally Defined

These codes are used, at the option of the school district, to classify expenditures for capital assets under capital lease.

6659 Capital Lease of Furniture, Equipment and Software

This code is used to classify capitalization of furniture, equipment and software under a capital lease arrangement. The contra entry is to other resources.

6660 Library Books and Media

This account classification is used to account for the acquisition of library books and media that meet the capitalization criteria of the school. Library books and media such as CDs/DVDs, software, learning diskettes and film may be recorded in a capital assets system as a block of items purchased; however, the library should maintain an acquisition ledger that records the detailed cost of each book.

6665-6668 Library Books and Media - Locally Defined

These codes are used, at the option of the school district, to classify expenditures for library books and media.

6669 Library Books and Media

This code is used to classify expenditures for books and film that meet the one year or more useful life criteria; and meets the capitalization criteria of the school or have a per unit value of equal to or greater than \$5,000 whichever is less; (Effective September 1, 2001); and are to be catalogued and controlled by the library. All expenditures/expenses coded to object code 6669 are to be coded to function 12, Instructional Resources and Media Services.

- Contract programming non-ownership (Object 6219)
- Lease purchases with \$5,000 or more per unit costs (Object 6659)
- Maintenance fees and/or upgrades (Object 6249)

- Purchase of site licenses, single use software, network fees, etc. (Object 6399 or 6659)
- Items that don't meet the individual \$5,000 capital asset criteria, but by school district policy are defined to be a capital asset or aggregated items equal or exceed \$5,000 (example: library books) (Object 6649 or 6669)

CASH RECEIPTS

Cash receipts, excluding payment of property taxes, consist of checks, money orders and/or cash received from various sources such as individual patrons, campuses and other departments or organizations.

Checks/Cash are received at the Central Office to be deposited into budget accounts for a variety of reasons.

For example:

- Cell phone usage
- Reimbursement for excess travel advances
- Cobra Payments
- Rental of facilities
- To cover all or part of a purchase order/direct pay/extra pay/warehouse requisition
- Vendor rebate checks

Funds received in person must be counted in front of the individual turning in the funds.

A HSISD official cash receipt should be completed in its entirety and cash and/or check amounts must be indicated at the bottom of the cash receipt. Cash receipts should be signed by the individual receiving the money and initialed and dated by the individual turning in the money.

Instructions on handling cash receipts associated with school activity funds are located in the *Activity Funds Procedures Manual*.

Checks received/issued by campuses/employees

Checks received by campuses/employees from, other organizations or individuals that will be coded as a cash receipt to a budget account should be sent to the Business Office with documentation regarding the budget coding.

If a hand written Cash Receipt is needed, send the check along with documentation regarding budget coding to the Business Office. A hand written Cash Receipt will be sent to the appropriate person via inter-office mail.

The check is coded with the budget number indicated and sent to the bank for deposit.

Transactions involving Cash (coin/currency)

At times it will be necessary to accept cash from various sources. It is very important that appropriate procedures be followed to ensure the proper handling of cash. **Cash should not be sent through the inter-office mail.**

- Cash should be delivered to the Business Office along with the proper budget coding. Once the cash amount is verified, a Cash Receipt will be issued to the person turning in the money.
- If a transaction involves both cash and checks, it should also go to the Business Office. Once the total amount is verified, a Cash Receipt will be issued to the person turning in the funds.
- Cash and/or checks are coded to the budget number indicated and sent to the bank for deposit.
- All deposits should be accompanied with a Deposit Transfer form when delivered to the Business Office. Failure to include or correctly complete a Deposit Transfer form will result in the deposit not being accepted.

Accepting a Check

District Attorney **Acceptance Policy:**

- The check should contain a complete, permanent address, and phone numbers.
- Written amounts and numbers should correspond.
- The following information **MUST** be on each check:
 1. Driver's License Number (even if pre-printed)
 2. Date of Birth
 3. Expiration Date of License
- LEGIBLE SIGNATURE - The checks should be signed in your presence. Print the check writer's name on business account checks OR if you cannot read the signature.

DO NOT rely on information on pre-printed checks nor on the check writer providing or filling in the information their self. The person taking the check must verify the information by actually examining the identification in order to prove that the person identified on the check is the same as the person writing it.

The District Attorney **CANNOT** accept for prosecution:

- Post-dated checks
- Checks for service that are returned from the bank marked 'Stop Payment'.
- Checks that are more than two year old (unless the amount is more than \$1,000.00).

- Reimbursement checks or checks given in return for a check.
- Checks not presented to the bank within 30 days of the date written.

DO NOT accept restitution after a worthless check is filed with the DA's office. Refer check writers to the District Attorney for payments.

If the check is returned 'Stop Payment' and the merchandise is returned, notify the DA's Office immediately.

Cass County District Attorney, (903) 756-7541, PO Box 839, Linden, Texas 75563

Check Acceptance Policy

In the event that a check written to any Hughes Springs ISD campus, club or organization is returned unpaid, Hughes Springs ISD or its agent (CHECKXCHANGE) will redeposit the check electronically. Additionally, a returned check fee of \$30.00 plus applicable sales tax will be electronically collected. The use of a check for payment is acknowledgment and acceptance of policy and its terms.

Cashing of Personal Checks

The practice of cashing personal and/or payroll checks is not permitted. This includes district personnel. The cashing of personal checks is similar to making the person a loan until the check clears.

Procedures for the Preparation of Deposits

A "Deposit Transfer" form shall be correctly completed for each deposit. The "Deposit Transfer" form must be signed and dated by at least two full-time school employees and accompany the deposit to the Central Office.

The designated Central Office employee shall count the deposit in the presence of one of the full-time school employees that signed the "Deposit Transfer" form and verify that the amount of the deposit is equal to the amount on the "Deposit Transfer" form. The designated Central Office employee shall also sign the "Deposit Transfer" form, verifying funds. Individual deposits should be completed for funds going into separate accounts. Failure to include or correctly complete a Deposit Transfer form will result in the deposit being rejected.

A receipt in duplicate shall be prepared for each deposit. The yellow copy of the HSISD receipt remains in originators receipt book for their record. The white copy of the HSISD receipt shall be given to the remitter for their record. The receipt should be signed by the individual accepting the funds and initialed and dated by the individual relinquishing the funds.

Deposit slips in duplicate shall be prepared for each deposit. The white and yellow copy of the HSISD deposit slip must accompany deposit funds to the bank. The yellow copy is then retained by the Business Office for their record. Deposit slips shall be initialed by the individual accepting the funds and the individual relinquishing the funds.

Deposits slips and receipts should be legibly completed. When possible, deposit slips and receipts should only have one activity per slip.

Example: If monies for yearbooks, fieldtrips, planners, rental fees and cookie dough are deposited, five separate slips should be completed.

The following information must be written on the deposit slip and receipt:

- The date and the amount of the deposit.
- The listing of each check in the deposit showing the maker's name, check # and the amount of the check. When this is impractical due to the volume of checks, an adding machine tape may be substituted. Include no more than 150 checks per deposit slip.
- A notation of the cash receipt numbers issued in support of the bank deposit, for example, receipts numbered 500-525 inclusive.
- The revenue or expenditure budget account code number(s).
- Proper coding of fund raising/sales receipts is critical to ensure accurate reporting to the State of Texas.
- A description of funds being deposited. A general description of the sub-account and the item(s) the money was received for should be listed.

Activity Examples

Drill Team/uniforms
Book Fair/Scholastic
Field Trip/Tyler Zoo

Operating Examples

Summer School/tuition
Entry fees/HSISD event
Fee/cell phones

- The total amount of the supporting cash receipts must be in agreement with the total monetary amount of the deposit.
- PROCEDURES FOR DELIVERY OF DEPOSITS TO BANK should be followed from this point.

Deposit Guidelines

- Face currency up and in the same direction.
- Put only like denominations in a currency strap.
- Count currency/coin twice before strapping/rolling.
- Refer to guidelines below for currency strap/coin roll instructions.
- Items should be clear of all staples, tape or any attachments.
- Write campus and purpose on all items (field trips, library, club #, etc.)
- Stamp items above the endorsement line

- Run item tape twice to ensure check total is correct and include with deposit.
- Do not submit more than 150 items per deposit.

Currency Strap Guidelines

Denomination	Quantity	Total	Quantity	Total
\$20	100	\$2,000	50	\$1,000
\$10	100	\$1,000	50	\$500
\$5	100	\$500	50	\$250
\$1	100	\$100	50	\$50

Coin Roll Guidelines

Coin	Amount	Quantity
Quarter	\$10.00	40
Dime	\$5.00	50
Nickle	\$2.00	40
Penny	\$0.50	50

Delivery of Deposits to Bank

All deposits must be delivered to the bank by the Payroll Clerk or other designated Business Office personnel on a daily basis.

RETURNED CHECKS AND RE-DEPOSITS

NON-SUFFICIENT FUNDS

Returned Checks

Checks deposited and declared worthless are forwarded directly to ChecXchange (Money Transfer Systems Inc.) from HSISD’s bank. Reasons for return could be non-sufficient, stop payment, account closed, etc.

Upon receipt of a returned check/worthless item, ChecXchange Recovery will:

- Email an acknowledgment of the check to the district
- Redeposit the check
- If the check is returned again, ChecXchange will forward the check to their verify funds department which will contact the bank the check is drawn on every day until there is a sufficient balance in the account to cover the amount of the check. ChecXchange will redeposit the check a second time once funds are available.
- If the check is returned a second time, ChecXchange will begin contacting the writer of the check
- Uncollectable/unworkable items will be returned to the Business Office after 60 days for collection and/or prosecution

Upon acknowledgement of a returned check, the Business Office will **subtract** the amount of the check from the account code where the item was originally deposited.

Payment Arrangements

Payment arrangements must be made directly with ChecXchange at 877-343-1823. Do not accept direct payment for a returned check at your campus/department. When a returned check is collected and paid to the District by ChecXchange, the resulting deposit is classified as a RE-DEPOSIT and deposited to the original deposited account code.

DO NOT ACCEPT PAYMENT FOR RETURNED CHECKS
unless you have the worthless item in hand!

Uncollected Checks

The failure of the campus/department to make a timely deposit (within 30 days from date of check) and missing information can render a returned check uncollectible.

If ChecXchange is unable to collect on a check after 60 days the item is returned to the district for a final collection attempt. Charges may be filed with the Cass County District Attorney if the district is unable to collect AND acceptance guidelines were followed. Write-offs for uncollectible items require approval from the Principal/Department Administrator and the Business Manager.

ChecXchange Website

The inventory of current checks is updated daily on the ChecXchange website. The website will include all checks received, paid or designated as uncollectible or unworkable during the month.

In order to protect the privacy of check writers, access to the ChecXchange website is only made available to business office personnel.

Once access has been granted to the ChecXchange website, business office personnel are able to view the check writer's name, check number and amount, status of all checks currently in collections, images of checks in collections and action that has been taken to collect on active checks and collection history.

Returned Checks

Returned checks are checks previously deposited which are returned unpaid by the bank because of insufficient funds, account closed, stop payment, etc.

BANKING

Bank Accounts

The school district shall have separate bank checking accounts for activity funds, accounts payable, payroll and worker's compensation, which shall be, entitled "Hughes Springs ISD." These account titles must be imprinted on all checks and deposit slips. All monies received will be deposited into the appropriate account and all disbursements will be made by a check drawn on the appropriate account.

Reconciliation

One of the most important aspects of the Superintendent's Secretary's job is the prompt reconciliation of Funds.

- Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the General Ledger as of the last day of the month.
- The Business Manager and Superintendent should document approval of the bank reconciliation by signing and dating the bank reconciliation.
- All bank statements are processed at the Central Office and reconciled by the Business Office.

ISSUING RECEIPTS

General Procedures

Cash should be organized when it is submitted to the school office. Teachers, club treasures, and other sponsors should be instructed to issue receipts for money collected or prepare a tabulation of monies collected. At least two persons must be involved in the functions of collecting cash, receipting cash, and depositing cash. This is accomplished by having teachers and club sponsors collect from the students and they in turn receive a receipt from the school's Accounts Payables Clerk or other designated Central Office personnel when funds are turned in for deposit.

- A pre-numbered duplicate receipt book is to be maintained by the school's Business Office with the school name stamped or written on the cover.
- An official receipt shall be prepared immediately by the Accounts Payables Clerk or other designated Central Office personnel when receiving cash. Cash receipts must be prepared in and issued in numerical sequence.
- The receipt must be prepared in ballpoint ink and include the following information:
 - Date: The month, date and year.
 - Received From: An individual, a firm or I.S.D. (show check number). A receipt may not be issued to more than one person.
 - Amount: The amount both written and numeric.
 - For: An explanation of the source of the money.
 - Account: The fund account code and account title.
 - School: Name of the school-may be manual or stamped.

- Signature: The signature of the Accounts Payables Clerk or other designated Central Office personnel (person receiving the money) - must be manual: signature stamps are not acceptable. The employee relinquishing the funds must also initial and date each receipt.
- All collections must be turned in to the Accounts Payables Clerk or other designated Central Office personnel daily.
- An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money before the Accounts Payables Clerk or other designated Central Office personnel accepts it.
- The original copy of the receipt shall be given to the teacher or organization sponsor at the time the money is turned in, or if that is not feasible, within twenty-four hours from the time it is submitted for deposit. If currency or coin is received by mail, it is necessary that the original receipt be mailed to comply with this procedure. If a check is received by mail from an outside source for commission, interest, refund, etc., it is not necessary that the original receipt be mailed to comply with this procedure since that person or vendor will have a canceled check to serve as their receipt. In these cases, the original receipt may be kept on file for review purposes.
- Under no circumstances should a receipt be altered. If an error occurs in the preparation of a receipt, void both the original and the duplicate of the incorrect receipt and issue a new receipt.
- The original of a voided receipt must be attached to the copy and clearly marked as "void". The voided receipts should be kept in the receipt book.
- Receipts are not to be pre-signed or pre-dated.

Receipts for Person Other than Central Office Staff

Occasionally an authorized individual other than the Accounts Payables Clerk or other Business Office personnel (teacher, secretary, clerk, etc.) may collect monies for such items as books, student fees, pictures, etc. In such instances, the following operation procedures shall be applicable in addition to the provisions in the information above.

- The Accounts Payables Clerk or other Business Office personnel shall be responsible for maintaining an adequate supply of alternate receipt books. The Accounts Payables Clerk or other Business Office personnel shall issue pre-numbered duplicate receipt books as needed to teachers or sponsors. The Accounts Payables Clerk or other Business Office personnel must keep a distribution record of all pre-numbered receipt books issued showing inclusive receipt numbers in each book distributed.
- A pre-numbered duplicate receipt should be issued immediately by the person receiving the cash to the person turning in the money. Pre-numbered receipt books shall be obtained from the Accounts Payables Clerk or other Business Office personnel.

Receipts shall be issued for:

- Tuition (General Operating Fund)
- Textbooks (Campus Activity Fund)

- Lost library books (General Operating Fund)
- Fee/fine library books (Campus Activity Fund)
- Club or class fees and dues (Student Activity Fund)
- Collections for yearbooks and other commemorative items. (Campus Activity Fund)
- Any other collection requiring a payer record for future reference

DEPOSIT OF FUNDS

General Operating Policies

- Deposits should be made whenever cash collections exceed \$300.00 or on the last day of the school week even though the cash on hand does not exceed the maximum allowable. Receipts that are not deposited at the close of the school week should be kept to a minimum. Holding checks can cause a problem for the district as well as the check writer.
- Checks should be made payable to Hughes Springs ISD or the complete campus name.
- All checks to be deposited should be endorsed with an endorsement stamp provided by the Business Office.
- Personal checks will not be cashed from school receipts.
- All requests for refunds must include a copy of the receipt.
- All monies on hand at the end of the school year must be deposited.
- The Principal (if theft is involved) shall promptly report to the Superintendent and Business Manager and to the appropriate law enforcement authority, any loss of cash or checks. A written report shall subsequently be submitted to the Superintendent and Business Manager. The report shall include a recitation of the facts and circumstances, steps taken to affix responsibility for the loss, if it can be determined, and steps taken to prevent a recurrence of the loss.

VENDING MACHINES

General Policy

Revenue from vending machines situated in all areas of the school shall be controlled by the school principal and processed through the Activity Fund. Funds used to stock vending machines shall also be processed through the Activity Fund.

School-Serviced Vending Machines

The school agrees to load product in vending machine and collects money from machine for deposit into the Activity

Fund Account established for this purpose.

Profits resulting from vending machine sales may be transferred, at the option of the principal, to accounts related to the supporters/payers from whom the profits were generated.

The method of entitling the individual Activity Fund Accounts should relate directly to the location of the machines and the intended purpose of the profits.

The principal is responsible for providing the maximum available security for vending machine inventories and collections.

REQUEST FOR REIMBURSEMENT FORM

General Policy

This form is to be used for reimbursement only (Example: Reimbursement of business meals and Hughes Springs ISD reimbursements.) Only complete forms should be submitted to the Business Office for processing. Incomplete forms may be returned to you, which will delay payment.

- Used for travel reimbursements only AND one-time reimbursements/refunds.
- Purchase of supplies should go through the purchasing process (purchase order).
- Must use approved vendors.
- The payee's complete address must be indicated on the form. This helps to verify current information.
- Advise if the payment needs to be sent to an alternative location (i.e.: campus).

To reimburse an account, you will need to put the payee as the school or department with the vendor number and the payee account number to be reimbursed. (Example: Payee: Hughes Springs ISD Payroll Vendor #00052400 Account #461X-XX-XXX-XX-XXX-XXXXXX.)

Proper supporting documentation shall accompany the Request for Reimbursement Form and shall include:

- Vendors' original invoices. Periodic statements are not adequate supporting documentation.
- Original itemized receipts from teachers or other employees who request reimbursement for items purchased from their own funds. Sales receipts should be taped to a sheet of plain paper being careful to not place tape over print. Credit card statements and customer copy of charge slips are not adequate supporting documentation.

- Other supporting documentation may include letters, announcements and renewal notices when the vendor does not provide invoices.

All invoices shall be checked to ascertain that sales tax has not been charged since most purchases made by schools are tax exempt. Reimbursement for sales tax will be deducted in most cases.

A completed Request for Reimbursement Form shall include:

- Date and amount
- The Payee
- Organizational Approval
- A brief description of the reason
- Account number to be charged
- Receipt page(s) paper clipped to Request for Reimbursement

All completed Request for Reimbursement Forms should be sent to the Business Office. Incomplete forms will be returned to the originator for completion which will delay payment.

NOTE: The purchase of supplies should go through the proper purchasing procedures to take advantage of bid vendor discounts. They should not be submitted on Request for Reimbursement Form for reimbursement.

PURCHASING

General Guidelines

Public purchasing differs distinctively from private sector purchasing. Private businesses can purchase from only one vendor and their choice may be made on the basis of price, convenience, or on personal considerations. In sharp contrast, public entities must conduct all dealings in the public eye and must adhere to strict legal guidelines.

As a public entity, HSISD must make its purchases within relevant statutes and policies. Although bound by these constraints, the school district's objective is to purchase the best products, materials and services at the lowest practical prices.

The District's policies and procedures pertaining to purchasing are derived from state law. Statute and Board of Trustees policy requirements outline how school districts procure goods and services, the types of competitive processes that must be used, and the exceptions to these requirements.

HSISD does not have a purchasing department. Responsibility for purchasing and adhering to Texas law and Board Policy rest with each campus or department. Questions about purchasing laws and policies

can be directed to the Business Manager or Superintendent. If formal bid or quote processes are required by state law, please contact the Business Manager or Superintendent.

It is important to remember that individual schools and departments are not separate legal entities. When determining what sort of competitive process will be required for the purchase of quantities of an item or a category of similar items the entire district's purchases are considered.

Generally speaking, the aggregate purchases of a particular category of related items such as office supplies, athletics supplies or instructional supplies must be submitted to competitive bidding when the aggregate purchase will total \$50,000 or more over a twelve-month period.

The Texas Education Code provides for criminal penalties for persons who intentionally circumvent the purchase contracts law by making split, separate, sequential or component purchases.

The purchasing process begins with the identification of goods or services that the district intends to acquire. The procurement of these goods or services is monitored in the Business Office.

The objective of procurement is to obtain services or to buy materials; supplies and equipment of the right quality, the right quantity, from the best source, at the best price and in compliance with all applicable legal requirements, thus ensuring taxpayer dollars are well spent.

The organization director/principal is responsible for all expenditures made from budgets assigned to him/her.

Budget allocations are intended for expenditures for goods and services to be used during the current school year.

Unused budget appropriations lapse at year-end.

Legal Requirements/Local Requirements

The Business Office will make the initial determination as to whether competitive bidding is required. A bid is required when over the course of a twelve-month period; the district will spend in excess of the competitive bidding thresholds for the same or similar commodities/items or services other than construction. Local/state policy dictates the requirements for purchases of similar commodities/services valued under \$50,000.00. Exceptions to this rule are as follows:

- Sole/only source items that have no reasonable equivalent, and are, in fact, available only from one source; and captive replacement or component parts for equipment repair. A notarized sole source affidavit form is required. Each sole source purchase will require an affidavit. The sole source affidavit form is available at the Business Office.
- Emergencies that arise out of an accident or other unforeseen occurrence or condition where delay would endanger the public welfare, such as a sewer and water failure, gas leaks, light and power failure, fuel shortage, transportation delay, fire and health hazards, etc. The Business Office should be contacted so that they can instruct you on the best procedures to follow in this situation.
- State/County Contracts

- Purchases from a Correctional Institution (TDCJ)
- Purchases from an Interlocal Agreement with a Purchasing Cooperative (HCDE, TCPN, etc.)
- Purchases from a State Purchasing Cooperative (TASB, TBPC, HGAC, etc.)
- Purchases to match an existing product such as replacement uniforms for band, choir, athletics, etc.
- Professional services such as attorneys, fiscal advisor fees, architects, physicians, certified public accountants and engineers

Purchases of similar commodities/services valued at \$50,000.00 or more in the aggregate during a twelve-month period, require a competitive bid processed in the Business Office and approved by the Hughes Springs Board of Trustees.

Similar commodities/services valued at \$10,000.00 or more up to \$49,999.99 require a competitive/formal quote processed in the Business Office and approved by the Hughes Springs Board of Trustees. Items may **NOT** be "split" on two or more orders to circumvent this law.

Similar commodities/services valued at \$3,000.00 or more up to \$9,999.99 require three written informal quotations initiated by the budgetary authority or support person for that purchase. Items may **NOT** be "split" on two or more orders to circumvent this policy.

Purchases that exceed \$200.00 up to \$ 2,999.99 do not require written quotes. Sound business practices should be used when making these purchases and are subject to internal audit. Competitive bid laws are designed to guard against favoritism, improvidence, extravagance, fraud, conflict of interest and corruption and to foster honest competition so that a political subdivision obtains the best goods and services at the lowest possible price. All purchases regardless of dollar amount should follow this rule.

Orders must **not** be split to circumvent any of the above requirements. A trustee, officer, agent, or employee of a school district who intentionally, recklessly, or with criminal negligence makes or authorizes split, separate, sequential, or component purchases with intent to avoid the competitive bidding requirements commits an offense. The offense is a Class B misdemeanor and is an offense involving moral turpitude.

Purchases of \$10,000 to \$99,999.99 from cooperatives, interlocal agreements and sole sources require approval of the superintendent or designee before the purchase can be made or funds encumbered. If these types of purchases are \$100,000 or more, Board of Trustee approval is required before the purchase can be made or funds encumbered.

District Policy CH (Local), states, "Persons making unauthorized purchases shall assume full responsibility for all such debts."

No personal purchases of any nature may be made through or from the District.

Purchasing Process

Once the need for a particular good or service has been identified, a purchase requisition should be prepared.

- The principal, department head, or designee is responsible for approving purchases.

Purchase Requisitions/Purchase Orders

A purchase order (PO) serves as the contract between the District and a vendor. In most cases, vendors will be happy to wait on a purchase order before placing an order because it is a binding contract. An order that is placed without a valid PO may not be enforceable in court and further, employees may be personally responsible for items ordered without a PO.

Purchases should be made with an on-line purchase order.

- Skyward is the financial software used for on-line purchase orders.
- The Texas Computer Crime Law (Section 33.02 of the state Penal Code) states, “a person commits an offense if the person intentionally or knowingly gives a password, identifying code, personal identification number, or other confidential information about a computer security system to another person without the effective consent of the person employing the computer security system to restrict access to a computer, computer network, computer system, or data.”
- District policy states that willful or intentional violations, regardless of the number of violations, may result in disciplinary action up to and including dismissal. Disciplinary measures may also require restitution for costs associated with system restoration, hardware, or software costs.

The purchase requisition is entered on-line by the individual requesting the goods or services, approved by the authorized department head or school principal and then approved and converted to a purchase order by the Business Office.

- The budget account the goods or services will be charged to on the purchase requisition must have sufficient funds in order to complete the requisition.
- Applicable freight charges should be listed on the purchase requisition.
- If, in the opinion of the principal or department head, the items or services are not needed or if budgeted funds are limited, the purchase request should be denied.
- Attachments for the purchase requisition should be faxed to (903) 639-2624 or sent through inter-office mail to the Business Office.
- The Business Office will examine the request to determine if the best quality goods are being obtained for the price. They will also make certain that organization directors are taking advantage of existing bids. The Business Office will also insure that the proper account codes are being used. They will deny and return purchase requisitions that do not comply with legal/local requirements.

If a vendor cannot be located in Skyward for the vendor you will be using, a “New Vendor Request Form” must be completed and faxed to the Business Office at (903) 639-2624 before the purchase requisition can be entered into the system. This form can be found on the Hughes Springs ISD website.

In the event it is necessary to cancel a purchase order, the originator must advise the Business Office in writing as to why they are canceling the order.

Purchase orders are not to be modified with the vendor by schools or departments directly. If it becomes necessary to change the terms of a purchase order, the school or department must contact the Business Office.

Training is available for entering and approving a purchase requisition in Skyward through the Business Office. To schedule training, contact the Business Office at (903) 639-3804.

Receiving Product

Once a product is received by the original purchaser, a packing slip or other form of documentation stating that the product has been received (i.e. signed and dated copy of PO with the word "received" written on PO) should be faxed to the business office at (903) 639-2624, or sent via inter-office mail. Invoices will not be paid until proof of receipt is received by the Business Office.

All invoices must be sent to the Business Office.

The Bid Process

Once a determination has been made that a bid must be in place (similar commodities/services valued at \$50,000.00 or more in the aggregate during a twelve-month period) in order to purchase goods/services for the district, the Business Office will require information from the budgetary authority making the purchase in order to advertise for the bid.

- All bids must be advertised in a local newspaper once a week for two separate weeks to determine any and all vendors wishing to respond.

The Business Office or its designee prepares a bid package for mail out to the vendors allowing time for an accurate response, typically three (3) weeks prior to the bid opening. They will require information from the budgetary authority making the purchase in order to complete the bid package.

- The budgetary authority making the purchase is responsible for providing a bid list of vendors with current addresses to whom invitations are to be sent and complete bid specifications.
- Bid specifications are the listing of reasonable standards and limitations which bidders are obliged to observe.
- A specification generally will include a description of the required item, the characteristics or functions of the item, and the terms and conditions under which the procurement will be made.
- Specifications must be drafted to allow vendors supplying reasonably equivalent items to compete on an equal basis. Specifications should not be so vague that bidders do not have enough information on which to draw intelligent bids nor should they be unduly restrictive.
- Specifications that tend to favor a particular bidder, not for any reason in the public interest, but rather to ensure the award of the contract to a particular vendor, are improper.

- If a brand name represents an industry wide standard, the brand name product may be specified as long as the specifications provide an "equivalency clause," that is, a statement that products reasonably equivalent to the standard are acceptable. Samples may be required in order to determine equivalency from a vendor.

Bid documents are date stamped and left unopened until the advertised bid opening date and time. Bid documents are publicly opened and tabulated. All interested parties may attend the bid opening.

Awarding of bids is based on the lowest priced vendor meeting the specifications stated within the bid document. Therefore, the specifications are crucial to an accurate award. Other factors can be used in determination of the awarded vendor(s) based on previous business with the district (service or quality issues).

Bids may be awarded as an "all or none" bid giving all items awarded to one vendor or by line item award to multiple vendors.

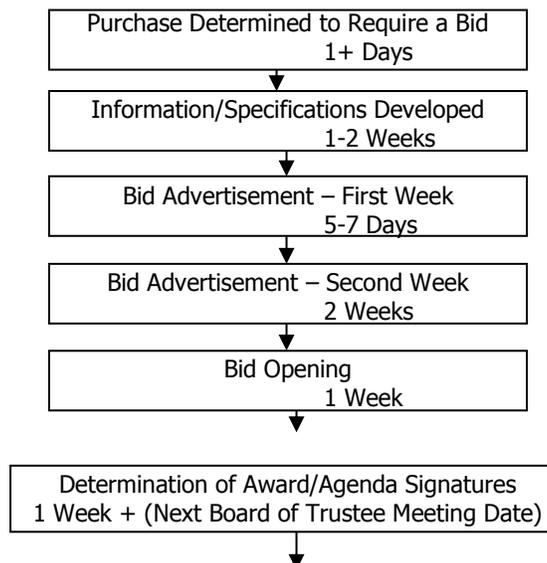
Tie bids will be determined by coin toss and listed as such on the Tabulation of Bids unless one is a local vendor. Local vendors are given priority over out-of-city and out-of-state vendors.

When a bid has been opened and tabulated by the Business Office, a copy of the Tabulation of Bids will be furnished to the originating organization director for evaluation and preparation of a written recommendation to the purchasing director.

The Business Office will prepare the agenda item to be presented for Board of Trustees approval at the next scheduled board meeting. On occasion, the organization director may be asked to attend the board meeting if detailed/specific questions are anticipated from board members.

Timeline for Bid Process

The following timeline is an approximation for estimating the length of time to allow for the bid process.



Agenda Items Presented to Board of Trustees for Approval
1 Day



Total Time = Approx. 6-8 Weeks

Formal Quotations

Purchases for like commodities district-wide valued at \$10,000.00 or more up to \$49,999.99, within a twelve-month period, will require a formal quotation.

- Formal quotations require the same process as formal bids.
- Advertisements for formal quotations may be listed in one yearly publication of all quotations anticipated for the district.

Informal Quotations

Purchases for like commodities district-wide valued at \$3,000.00 or more up to \$9,999.99, within a twelve-month period, will require informal quotations.

Current pricing should be obtained in writing from three sources quoting the same specifications. The written quotations should be summarized on the quotation tabulation form (available on HSISD.net) and attached as support.

- If a vendor is unable to meet those specifications, another vendor should be contacted if possible.
- If another vendor is not available, then the vendor not able to meet the specifications will be accepted.

Award of the quotation must be based on the lowest priced vendor meeting specifications.

- If a vendor is disqualified (not meeting specifications), a brief statement indicating the reasons must be attached.

Informal quotations do not require Board of Trustee approval.

Returning Goods to a Vendor

It is the responsibility of the originator/receiver to contact the vendor and obtain shipping instructions when the goods received are damaged or not as anticipated.

- It is important to examine merchandise/goods as soon as possible after receipt for damaged/missing items.
- The District only has 15 calendar days upon receipt from the carrier to legally file a claim against the carrier.

The accounts payable department should be contacted to determine if the goods have been paid for or if a credit should be obtained.

Preparing the package for mailing or freight shipment is the responsibility of the sending organization. If possible, the package should be sent via U.S. mail. It is the responsibility of the sending organization to mail the package.

If the package is too large to be mailed and must be sent freight, notify the Business Office with proper shipping instructions. The package will then be picked up by the necessary means. The package must be properly packed for shipping prior to the Business Office pick up.

Under no circumstances may duplicate or unsolicited shipment of goods be kept by the recipient without coordinating such arrangements with the business office.

Accounts Payable (Vendor) Check Payment Schedule

Accounts payable checks are processed once a week, typically on Thursday at 10:00am.

Please plan ahead. Requisitions entered requesting a check being sent to an employee/vendor should be entered at least five (5) days in advance to allow for processing.

Lost/Voided Checks

Telephone calls about lost checks should be directed to accounts payable at (903) 639-3806.

- If a stop payment needs to be issued, accounts payables will forward the appropriate information to the bank. The individual that lost the check may be charged a fee for the stop payment.

If a check is incorrect or no longer needed, the check should be forwarded to accounts payable so that the check can be properly voided.

Consultants or Contracted Services

Consultants and contracted vendors are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, repairs, etc. that cannot be performed by a school district employee. A Consultant Service Contract is required for every consultant and contracted vendor. The Business Manager & Superintendent are the only individual(s) 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.** 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 \$10,000 shall be approved by the Superintendent and the School Board.

The selection criteria of a consultant or contracted vendor may include the following:

- Vendor credentials, including license, education level, or specialized skills
- Vendor reputation, as evidenced by references from past clients
- Past experience with the school district

- Cost of service(s)

Consultants and contracted vendors shall be selected through a competitive procurement process in accordance with the state purchasing laws and School Board Policy. [Refer to Board Policy CH Legal and Local] According to Board Policy CH Legal, the purchasing requirements of Education Code 44.031 do not apply to a contract for professional services rendered, including the services of an architect, attorney, certified public accountant, engineer, or fiscal agent.

There shall be a separation of the solicitation and evaluation functions from the contract award function. Business Manager shall be responsible for oversight of the solicitation and evaluation of all competitive bids and/or proposals. Superintendent & School Board shall be responsible for approval or award of contracts.

Please follow these procedures when submitting a Consultant Service Contract:

- Submit a completed Consultant Service Contract to the Business Manager for review. The Business Manager shall forward the contract to the Superintendent for final approval.
- Obtain the following documents from the consultant or contracted vendor:
 1. A completed W-9 form
 2. Conflict of Interest Questionnaire
 3. A Felony Conviction Form
 4. If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.

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 Hughes Springs ISD as additional insured. No work shall be performed by the consultant or contracted vendor until *all* required documents, especially proof of insurance, are received by the business office.

Payments to consultants and contracted service vendors will not be made until the person responsible for monitoring and/or accepting contract performance has approved a detailed invoice. The detailed invoice must include the date(s) of service, service(s) performed, and the negotiated rate of pay.

Copiers

The district owns several copiers that are strategically placed in different campuses or departments. The copiers are for district business use only. All district staff shall comply with the acceptable use guidelines related to the use of district copiers, especially as it relates to the avoidance of copyright infringement. Personal copies, if any, will be charged at 5 cents for black/white and 10 cents for color copies. Prior approval should be obtained from the appropriate campus principal and/or department administrator

to use a district copier for personal printing. Payment for personal copies shall be made immediately to the business office.

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for **supplies and equipment** shall be July 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 August 1st. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates. The specific purchasing deadlines for state and federal grants will be distributed on an annual basis by the Business Manager.

PAYMENTS – REIMBURSEMENTS

Payments to Non-Employees

Payment for services to an individual not employed by the district may be paid from district funds with the completion of a Request for Taxpayer Identification Number and Certification, W-9 form. This form must be on file in the Business Office before any payments are distributed.

Individuals paid may receive a 1099 for tax reporting according to IRS guidelines. Payment agreements are paid through Accounts Payable.

Conflict of Interest Questionnaire

Conflict of Interest Questionnaire must be completed by the payee and submitted to the Business Office.

GIFTS AND RELATIONS

Personal Gifts or Gratuities from Vendors

School district officials and employees cannot accept cash or any negotiable instrument of any kind or anything with a value greater than fifty (\$50.00) dollars from a vendor. Such gifts may be construed to have been given to influence the purchasing process. Although such practices may be legitimate and generally accepted in the private sector, giving and receiving gifts of cash or great value in the public sector may constitute a violation of law.

Note: “Gift to a Public Servant” is a Class A misdemeanor offense if the recipient is a government employee who exercises some influence in the purchasing process of the governmental body.

The Hughes Springs Independent School District values the good business relationships that we have with our vendors of goods and services and the substantial contributions made by them to our success. The District values their participation in preserving the integrity of our business relationship. The purposes of these guidelines are to help avoid situations that would create a misunderstanding and damage our business relationship with those who supply goods and services to the District.

The District does business based on the consideration of the Texas Education Code 44.031(b):

- The purchase price
- The reputation of the vendor and of the vendor's goods and services
- The quality of the vendor's goods or services
- The extent to which the goods or services meet the district's needs
- The vendor's past relationship with the district
- The impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses
- The total long-term cost to the district to acquire the vendor's goods or services
- Any other relevant factor specifically listed in the request for bids or proposals

The District expects employees to avoid the direct or indirect receipt or solicitation of payments, gifts, entertainment, or other favors from individuals or firms that exceed what is generally considered common courtesy usually associated with ethical business practices. Certain gratuities are prohibited. These include gifts of cash or cash equivalents, hunting or fishing trips, gambling trips, merchandise, loans, payments, excessive entertainment or other special favors of a significant amount. Key questions which guide the determination of reasonableness are:

- Is the gift consistent with accepted business practice?
- Would disclosure be an embarrassment to the District?
- Is it ethically acceptable?

The District recognizes that in certain circumstances there may be a legitimate business purpose associated with food, lodging, transportation or entertainment extended to employees. These types of benefits may only be accepted if the vendor/donor is present and the District is a guest. As a general rule, only occasional courtesies of limited value or very limited social invitations which are given to numerous other customers and which carry neither business obligations nor present potential for embarrassment either to the District, or employees, are acceptable.

Gifts and special favors are not conditions for doing business with the District. Accordingly, vendors should advise the Districts Business Office, of any solicitations by HSISD employees or independent contractors/consultants representing HSISD, which may violate this standard. All such communications, whether related to prior, current, or future matters, will be handled with confidentiality and discretion.

Personal Gifts or Gratuities from Students, Parents and/or Other Individuals

All District employees are considered "public servants" with regard to the laws that limit certain types of gifts given by entities or people that may potentially influence a District employee.

To be certain that all employees are in compliance, an employee should never receive a gift of more than fifty (\$50.00) dollars if there is any perceived benefit from accepting the gift. This includes Holiday gifts from parents/students, where the teacher has the ultimate authority in determining the grades of the students.

The Texas Penal Code prohibits gifts in excess of \$50.00 by making the acceptance of such gifts by a public servant a Class A misdemeanor if there is a potential for influence of the public servant.

As stated in Board Policy BBFB (Legal), "A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions of the District." Texas Penal Code 1.07(41)(A), (E), 36.08(d).

Discretion may be used by the District to determine whether there is a perceived benefit. For example, a reward from an outside source for "Teacher of the Year" would not be limited to \$50.00, so long as the source is not a vendor which the teacher has discretion in using in the future. Due to the fact that the teacher chosen is not predetermined and there is no benefit for the source in rewarding the teacher, this gift is not considered illegal.

Employees in positions of authority to choose, give input with regards to, or enter into contracts with vendors, should be particularly careful with regards to receiving gifts. Those employees include, but are not limited to, superintendents, executive directors, principals, assistant principals, and coaches.

NOTE: Teachers may not accept gifts in excess of \$50 from their students or parents of their students, even if such is a class gift.

TRAVEL GUIDELINES

Employee Travel

Hughes Springs Independent School District will reimburse employees for reasonable expenses incurred in conjunction with authorized district activities. All reimbursement requests must be submitted with proper approval, using the approved reimbursement request form with adequate documentation of expenses incurred.

Approval for out-of-district travel is required in advance by the appropriate campus/department supervisor authorizing the travel.

Requests for reimbursement of travel expenses and/or refunds owed to the District for items charged to the District should be made within 10 days after the date of the trip. Upon completion of the trip, supporting documents (i.e. receipts for hotel expenses, meal receipts, registration fees, and car rental invoices) should be submitted to the appropriate campus/department supervisor that authorized the trip. After approval, the documentation is submitted to the Business Office.

Travel expenses must be in compliance with District Policy DEE (Local) and DMD (Local)

Advances are available for meals and the use of a personal vehicle when traveling on school business. All meals will be advanced according to the below guidelines. An employee must make every effort to use a

school vehicle before considering the use of a personal vehicle. Advances for the use of a personal vehicle will be based on the mileage from the HSISD Central Office to the location of the attending event and back. This mileage is to be determined by using the shortest distance on an electronic map (i.e. Google Maps or Mapquest). If an advance is being requested, any subsequent mileage beyond what is represented on the electronic map will not be considered for reimbursement. Advances should be requested by following regular purchasing procedures.

If an advance is being requested, please submit the necessary requisition and documentation no less than five (5) days in advance of your departure.

Employees are allowed to attend two (2) conferences, requiring a registration fee, per fiscal year.

NO out of state travel for employee conferences or workshops will be allowed.

NOTE: HSISD purchasing procedures should be followed which may include travel payment options provided on the following pages.

Tax Exemption

It is the employee's responsibility to take the appropriate tax exemption forms. HSISD is a tax exempt organization and does not reimburse for taxes.

- Texas Hotel Occupancy Exemption Certificates are available from the Business Office. This form exempts HSISD from the State of Texas tax. The city taxes and occupancy tax will be paid by HSISD.
- Texas Sales & Use Tax Exemption Certification forms are available from the Business Office.

HSISD does not pay nor reimburse sales tax. (This form will be necessary **in addition to** the Texas Hotel Occupancy Exemption Certificate for services such as parking and internet usage.)

Failure to submit proper tax exemption forms to vendors may result in the responsible district employee being personally liable for any tax related charges.

Transportation

Mileage to a convention/conference in town or out-of-town or other official school business is reimbursed when the employee uses his/her personal vehicle. A school vehicle should be utilized when at all possible.

The maximum allowable for travel to a convention/conference may not exceed the amount of the standard airline fare to that location.

The mode of transportation is the option of the employee. However, the maximum travel time allowable is one day prior to and one day following the convention/conference and should be the most cost-effective mode.

First-class airline travel will not be permitted. Airline receipts are required.

Reservations through the Internet are acceptable under the following guidelines:

- Since reservations by this method are charged a mandatory processing fee, the total amount must be equivalent to or less than the standard airline rate in order to be reimbursed for the total amount. Documentation of the standard airline rate must also be attached to support the Internet rate is less than or equal to the standard rate.
- A “Print Screen” of the reservation is required for reimbursement.
- A copy of the employee’s credit card statement showing the employee incurred these charges is necessary for reimbursement.

Toll road fees may only be reimbursed in the instance that the toll road is the most cost effective or efficient route. Official toll road receipts and written justification must be provided as support for the reimbursement. Toll Road invoices received by the district will be charged back to the appropriate account codes for employee travel for the employee who had the vehicle at the time of the charge being incurred. Vehicle check-out logs from the transportation department will be viewed to determine the employee who was responsible for the vehicle.

The rate of reimbursement for the employee’s personally owned motor vehicle is based on the board-approved rate. Except for the cost of airport parking incurred while on official business or parking fees required for transaction of school business, no additional expense incidental to the operation of such motor vehicles shall be allowed.

Receipts are required for monies expended for railroad, air, taxi, parking fees, etc.

An official road map or the Internet (mapquest.com) should be used for computing miles traveled by automobile.

Airfare

Air travel should be arranged through the most efficient means available with a purchase order or secured with a personal credit card for reimbursement. Flight changes will be the responsibility of the employee except when the change is necessitated by the District. A statement of explanation is required.

Vehicle Rentals

Rental Vehicles are available through bid vendors by submitting a purchase order. When a Hughes Springs Independent School District employee rents a vehicle for business use, the rental must be made in the District’s name and paid by a District purchase order or District credit card.

When using district approved vendors (Enterprise Rental Car), additional insurance coverage is NOT necessary at the time of rental. When an approved vehicle rental vendor is not available, additional insurance MUST be taken at the time of rental.

Use of Personal Vehicle for HSISD Business

The Mileage Log should be used by employees to claim approved mileage reimbursement. This form is found on Hughes Springs ISDs website under forms.

- The intent of the mileage reimbursement is to reimburse for all **actual business miles driven** in excess of the commuting miles from your home to your primary work location and back. If there are no miles driven in excess of normal commuting miles, no reimbursement is due.
- With the exception of items below, all mileage reported should be based on actual odometer readings between work locations.
- Never report miles driven from home to your primary work location.
- If you begin your workday at your primary work location, begin reporting miles from that point using odometer readings.
- If you begin your workday at a temporary work location, you may report miles from your home to that location or miles from your primary work location to that location, whichever results in the shortest travel distance reported.
- Record the miles from each work location to the next using odometer readings.

Detailed logs of destination and purpose of trip must be submitted with the reimbursement request (Request for Reimbursement Form). Mileage reimbursement for the use of your personal vehicle when traveling on official business will be reimbursed using electronic mapping (i.e. MapQuest), using the shortest route. Only the person driving may claim reimbursement.

- Mileage will be reimbursed for travel within the District on a per mile basis unless employee is receiving an annual travel stipend.
- Mileage will be reimbursed for travel outside the District on a per mile basis.
- Point of departure and return should be calculated based on home campus assignment or residence, whichever is less.

If you end your workday at a temporary work location, you may report miles from your location to your primary work location or to your home, whichever results in the shortest travel distance reported.

Never report miles driven from your primary work location to your home.

The signature of the supervisor on the mileage report indicates that the report has been verified for the validity of the activity and that payment is authorized.

When an employee uses his/her personal vehicle and is reimbursed for mileage, reimbursement is not made for gasoline since it is already included in the mileage rate allotted.

If an employee is paid from a pay scale category where a fixed monthly mileage allotment is considered to be included, that employee may only be reimbursed at the state approved per-mile rate if it involves a round-trip in excess of 50 miles.

When a HSISD employee drives his/her personally owned vehicle, no matter how many passengers, the primary policy of coverage will be his/her own auto policy. The employee's personal auto policy will be fully utilized for any and all comprehensive, collision, or liability claims. If a lawsuit is brought against the employee and/or the school district, the employee's personal auto policy will settle and/or defend all parties involved. The Texas Tort Law limits the amount of employee's liability to \$100,000.

Credit Card Use

Hughes Springs ISD uses credit cards for the convenience of its employees. Credit Cards can be used for making reservations and paying for hotel rooms, gas, purchase of some supplies, and etc. If a credit card is needed for any purpose, a requisition must be submitted and approved with the name of the credit card company (American Express or Capital One) as the vendor. To obtain the credit card for use, bring a copy of the approved purchase order to the Central Office and the credit card will be assigned to you. The credit card must be return to the Central Office the next business day after returning from trip or after use.

The districts credit card should **NEVER** be given to another individual, whether an employee of the district or not, unless they sign it out at the Central Office. If you give the credit card to another individual without going through the Central Office, you may become responsible for any purchase made with the card.

Registration Fee

All registration fees, upon completed approval process, should be paid prior to the conference, workshop, etc., by initiating a purchase order to the appropriate vendor. A copy of the registration form must be submitted as documentation. Registration fees should be paid to the vendor rather than reimbursed to the employee.

Hotel/Lodging

Lodging for an overnight trip should be made with a purchase order. The request for educational leave will be considered approved when the requisition is submitted and approved by the immediate supervisor. See your department head or campus principal for additional approval requirements.

Original itemized receipts will be required as documentation. Reimbursements are only made to the employee whose name appears on the receipt. Every effort should be made to lodge at a moderately priced hotel at the government rate. Additional costs, such as a spouse attending, laundry, movies, etc. will be at the employee's expense and payment must be made to the hotel vendor at the time of check out.

Staff should consolidate travel and lodging arrangements to reduce total cost. If the hotel room is to be shared with another staff member, their name should be indicated on the reimbursement form.

To avoid paying Texas State Hotel Occupancy Tax, the employee must present the hotel with a Texas Hotel Occupancy Tax Exemption Certificate at check-in time. Should you fail to submit the Texas Hotel Occupancy Tax Exemption Certificate, you will be reimbursed for local and transit taxes only.

To avoid paying sales tax when using internet, hotel parking, hotel meeting rooms and related food services, the employee must present a Texas Sales and Use Tax Exemption Certification.

Meals

Per Diem: Expenses for meals associated with authorized out of district, overnight travel shall be paid to employees on a per diem basis. Meals are reimbursed up to \$34.00 per day. The employee per diem allowance is as follows:

\$8.00 Breakfast \$11.00 Lunch \$15.00 Dinner

“Expenses for meals associated with authorized overnight travel shall be reimbursed based on receipts or paid in advance on a per diem basis set by the board. In accordance with IRS Publication 15 (Circular E), Employer’s Tax Guide, Employees must meet the following guidelines when requesting reimbursement or receiving advanced funds: (1) The expenditure must have incurred while performing services as an employee of the district; (2) The expenditures must be reconciled (receipts returned) to the district within ten working days after travel is completed; (3) The employee must return to the district any unused funds in excess of reconciled expenses within ten working days after travel is completed. If the advanced funds are not reconciled, or unused funds in excess of reconciled expenses are not returned within 10 working days, the amount paid under the advancement in excess of the reconciled expenses is subject to the withhold and payment of income, social security, and Medicare taxes for the first payroll period following the end of the 10 day period. An employee forfeits their right to obtain advanced funds if he or she fails to complete proper reconciliation and/or return unused funds in excess of reconciled expenses two or more times in a three year period.” District Policy DEE (Local)

You must leave for your destination before 8:00 a.m. to receive the breakfast allowance and arrive home after 6:00 p.m. to receive the dinner allowance.

If you leave HSISD prior to 8:00 a.m. you are entitled to all meals for that day.

If you leave between 8:00 a.m. and 12:00 noon you are entitled to lunch & dinner.

If you leave between 12:01 p.m. and 5:00 p.m. you are entitled to dinner.

If on your day of return, you arrive back prior to 11:30 a.m. you are entitled to breakfast.

If you return between 11:31 and 6:00 p.m. you are entitled to breakfast and lunch only.

If you return after 6:00 p.m. you are entitled to a full day meal reimbursement.

NOTE:

Do not claim meals provided at the conference. This includes meals provided as part of the conference registration or by vendors.

Business meals: Business meals are reimbursed at actual expense. Original itemized receipts are required and must be submitted with a Day Trip Meal Reimbursement Form. Receipts submitted which are determined to be unreasonable or excessive are subject to disallowance. Reimbursement claimed

for meals that include anyone other than the employee must specify the names of the individuals at the meal and the purpose of the meal, i.e., seminar, in-service, conference, etc. Business meal reimbursements are processed through payroll and are subject to payroll taxes.

Other meals: Hughes Springs Independent School District employees traveling outside the district for a minimum of six consecutive hours for the purpose of competitions, conferences, workshops, or meetings will be reimbursed for meals at actual expense. No meal reimbursement will be made for time periods less than the six-hour minimum requirement. Receipts must be submitted with the Day Trip Meal Reimbursement Form. Meal reimbursements for day trips are processed through payroll and are subject to payroll taxes.

NOTE: Under no circumstances will HSISD reimburse for alcoholic beverages or bar receipts.

Campus Activity and Student Activity funds may not be used to cover difference in actual expense and reimbursement rate according to TEA interpretation.

Other Expenses

All fares and other expenses (railroad, bus, plane, cab, shuttle, parking, toll fees, gasoline, etc.) will be reimbursed based on actual costs. Receipts will be required for documentation. Receipts submitted which are determined to be unreasonable or excessive are subject to disallowance.

Gasoline will only be reimbursed when purchased for a rental vehicle. The District will not reimburse for mileage and gasoline.

Self-parking should be utilized when available unless there are extenuating circumstances such as safety, disability, etc.

Miscellaneous

Spouses and other Non-District Employee traveling with Employee

If a spouse and/or other non-district employee travel with a district employee, the district will only reimburse those costs, which have been incurred for the employee alone. If additional expenses are incurred due to a spouse traveling with an employee (i.e. additional room and/or room charges), those expenses shall be paid by the employee.

Alternative Travel Arrangements

If an employee wishes to make individual alternative travel arrangements (arrangements which deviate from normal practices), reimbursement will only be for the lesser of actual costs or costs which would have been incurred, if the normal travel practices had been followed.

School Board Members

Costs of travel to school board members will be reimbursed using the same criteria as district employees per BBG (LOCAL) BOARD MEMBERS: COMPENSATION AND EXPENSES.

Federal Funds

When the source of the reimbursement is a federally funded program, reimbursement for lodging and meals is limited to the amount currently authorized by such grant.

Paid By

All personal expenses incurred while traveling (i.e., long distance telephone calls, movie rentals, etc) are the responsibility of the employee and are to be settled with the vendor by the employee at the time of service.

Student Meal Allowance

When students are traveling on related school activities or contests, sponsor may request travel advance to cover cost of student meals.

Registration Only or Registration and Mileage Only Expenses

Submit the completed Travel Request Authorization form approved by the principal/department head and administrator with budgetary authority, along with the documentation showing the amount of the registration fee, to the Business Office for approval. This form will be returned so that it can be included with the payment to the vendor.

For advance registration, submit a requisition payable to the vendor, approved by the principal or department head, and the original and a copy of the registration form. This original registration form will be mailed with payment to the vendor. Indicate on the requisition that the registration form should be sent with the check.

If the employee has also been approved to receive mileage reimbursement to attend the conference/workshop, complete a Mileage Log. The form can be found on Hughes Springs ISD website under forms. The completed form must be approved by the principal/department head or administrator with jurisdiction over those funds, who will then forward the request to the Business Office for final approval and processing.

If the employee has personally paid for the conference/workshop, request for registration reimbursement must be submitted on a requisition along with the original paid receipt, and proof of attendance. However, if the employee has also been approved to receive mileage reimbursement, a Request for Reimbursement form and Mileage Log will be sent to the employee from the Business Office to request reimbursement for their registration and mileage expenses.

If the original paid receipt is not provided, a copy of the front and back of the employee's cancelled personal check, a copy of the conference flyer (which shows the registration fee) and proof of attendance must be provided.

Or if the original paid receipt is not provided and the payment was made by credit card or debit card, a copy of the employee's credit/debit statement showing the expense incurred by the traveler, a copy of the conference flyer (which shows the registration fee), and proof of attendance must be provided.

Registration through the Internet will need the same documentation as above.

Travel-related Expenses Payment Options

It is possible to utilize Hughes Springs Independent School District's purchasing procedures for all travel-related expenses. All travel, including payment options, requires authorization from the department head or supervisor prior to the event.

The key is to plan ahead so that you will have the purchase orders or checks available prior to your trip. In cases where purchase orders may not be accepted by a vendor we offer additional options.

Due to emergencies and time constraints, the option of using a personal credit card and obtaining a reimbursement is an available payment option. For items that require a reimbursement to the employee, itemized original receipts/documentation must accompany the appropriate completed HSISD form.

Student Travel - General Instructions

All HSISD student travel should be in compliance with District Policies FM (Legal) and FM (Local).

Student travel, above regionals, involving any competition, will be limited to students/teams placing in the top three (3) in their event.

Overnight Trips by Students

All individuals and groups representing the HSISD in competition requiring an overnight trip must receive advance written approval from the school principal.

Each student and parent/guardian will be required to sign the supporting documents that will include a liability waiver, comments regarding conduct requirements, adequacy of chaperones, and other appropriate data.

The principal/director's office should be provided with a list of all students, teacher/sponsors, parents etc. as well as the itinerary.

Parent/guardian expenses cannot be borne by the school district unless there is a financial hardship, which will be considered on a case-by-case basis by the principal.

Meal Allowance for Student Related Trips (In-State or Out-of-State)

Students and sponsors/coaches (HSISD employees) taking a single day trip will be provided a maximum of \$6.00 for breakfast, \$6.00 for lunch, and up to \$6.00 for dinner, unless otherwise authorized. No receipts will be required.

Students taking a trip requiring an overnight stay will be provided a maximum of \$25 per day, unless otherwise authorized. No receipts will be required but a completed student meal form must be turned into the Business Office indicating the number and names of each student receiving money.

Sponsors/coaches (HSISD employees) accompanying students on an overnight trip should refer to Employee Travel, meal allowances.

Approval Required

Student travel paid from campus budget requires principal's approval only.

Student travel paid from departmental budgets requires the approval of the administrator having budgetary authority.

Advances for Student Travel

Advances for Student Travel should be processed using the appropriate Student Travel Request Form for registration, lodging, meal expenses, rental expense, and miscellaneous expenses accompanied by a requisition. Sponsor/coaches should obtain proper original receipts for above items including parking and gasoline and submit to their principal or the appropriate administrator upon return, who will forward to the Business Office for back up of advanced check. No receipts will be required but a completed Student Meal Form must be turned into the Business Office indicating the number and names of each student receiving money.

Record attendees on the Student Meal form along with number of meals needed.

Literature showing the amount of registration should accompany the requisition.

Sales Tax Exemption forms and letter for lodging and vehicle rental will accompany the advance check to the sponsor/coach to avoid being charged the sales tax.

Cash Advance for Meals for Students and Sponsors/Coaches

When time allows, a requisition with proper approval should be sent to the Business Office to process in the regularly scheduled check run. A breakdown of all meals and a list of students and sponsors/coaches attending must be attached for proper support. The requisition should be made payable to one of the sponsors/coaches traveling so that the sponsor/coach can go to the bank to cash the check rather than the principal of the school.

Student meals must be accounted for. There are two possible ways of accounting for student meals. (1) The meals can be paid for as a group and the receipt submitted with the original purchase order to the central office. (2) The sponsor can choose to have the students sign for their meal money and give the students cash. The students must sign the sheet provided by the central office if this form of documentation is used. The form must be submitted with the purchase order. The amount allowed for student meals is \$6 per meal.

Cash Advance for Lodging for Students and Sponsors/Coaches

When time allows, a requisition with proper approval should be sent to the Business Office to process in the regularly scheduled check run. A breakdown with the number of rooms, room rates, and a list of students and sponsor/coaches traveling must be attached for proper support. The requisition should be made payable to the hotel, when possible, to cut down on paperwork. After proper approval is acquired, the requisition should be sent to the Business Office for processing.

At times it has been necessary for the principal to use his credit card to pay lodging for student travel. When this happens, a direct pay to the principal is acceptable. A copy of the receipt from the hotel must accompany the direct pay along with a list of students and sponsor/coaches traveling. After proper approval is acquired, the requisition should be sent to the Business Office for processing.

Cash Advance for Car/Van Rental

When time allows, a requisition with proper approval should be sent to the Business Office to process in the regularly scheduled check run. An original invoice from the rental company must be attached for proper support. The requisition should be made payable to the rental company, when possible, to cut down on paperwork.

At times, it has been necessary for the principal to use his credit card to pay for car/van rental expenses. When this happens, a requisition to the principal is acceptable. A copy of the receipt from the rental company must accompany the requisition. After proper approval, the requisition should be sent to the Business Office for processing.

Some rental companies will invoice HSISD for the rental fees. A requisition with proper approval and the original invoice must be prepared and sent to the Business Office to process in the regularly scheduled check run.

Transportation

Reimbursement for mileage when the employee uses his/her personally owned vehicle will be at the district-approved rate. Request for reimbursement should be submitted on a Mileage Log and submitted follow regular purchasing procedures.

Toll road fees may only be reimbursed in the instance that the toll road is the most cost effective or efficient route. Official toll road receipts and written justification must be provided as support for the reimbursement. Toll Road invoices received by the district will be charged back to the appropriate account codes for employee travel for the employee who had the vehicle at the time of the charge being incurred. Vehicle check-out logs from the transportation department will be viewed to determine the employee who was responsible for the vehicle.

When a HSISD employee drives his/her personally owned vehicle, no matter how many passengers, the primary policy of coverage will be his/her own auto policy. The employee's personal auto policy will be fully utilized for any and all comprehensive, collision, or liability claims. If a lawsuit is brought against the employee and/or the school district, the employee's personal auto policy will settle and/or defend all parties involved. The Texas Tort Law limits the amount of employee's liability up to \$100,000.

Vehicle Rental for Student Travel to Competitions

Please refer to the purchasing bid information for charter bus service for non-school bus travel. Quotes should be obtained for the best pricing.

A school or school system may not purchase or lease a new 15-passenger van if it will be used significantly by, or on behalf of, the school or school system to transport preprimary, primary, or secondary school students to or from school or an event related to school, unless the 15-passenger

van complies with the motor vehicle standards prescribed for school buses and multifunction school activity buses.

HSISD is exempt from the Texas state sales tax, sometimes referred to as motor vehicle tax; however, out-of-state tax is not exempt.

HSISD is not exempt from property rental tax.

The HSISD Auto Policy (AP) will cover all liability and physical damage if the HSISD driver is at fault. If the other driver is at fault, then his/her auto policy should be primary.

The HSISD AP does not cover other physical damage caused by national disaster, vandalism or theft. The additional coverage offered by the rental company would pay for those damages. At this point, the district chooses to self-insure against that possible damage. Therefore, anyone renting a vehicle should **not** purchase the additional coverage for **in-state** rentals. However, if renting a vehicle **out-of-state**, please **buy** the additional coverage offered by the rental company to avoid any problems, with the exception of **Enterprise Rent-A-Car**. The additional coverage is already built into our contract for anywhere in the country.

Please follow these steps when renting a vehicle:

- You will need to provide a purchase order number when calling to make a reservation.
- On the rental agreement – Show the employee’s name and “**for Hughes Springs ISD**”. For example, “Jane Doe for Hughes Springs ISD.”
- Obtain a HSISD Auto ID card from the school principal or department head and carry the card for the duration of the trip.

Reimbursement to Sponsors/Coaches or Reimbursement to HSISD from Sponsors/Coaches from Advances for Student Travel

After the competition, submit documentation to include a list of attendees, original receipts for lodging, car rental, gasoline and other miscellaneous expenses as backup documentation for money previously advanced. Forward the documentation along with the expense report/student meal form to your principal or the appropriate department administrator for approval who will then forward to the Business Office.

If the sponsor/coach had expenses exceeding the amount of the advance, a requisition must accompany the above documentation for the sponsor/coach to be issued a reimbursement.

If the expenses were less than the money previously advanced, cash must accompany the above documentation within **ten (10) days** of the trip. No personal checks shall be accepted because it is considered a personal loan until the check clears the bank.

STATE SALES TAX EXEMPTION

Tax-Exempt District Purchases

A school district is a political subdivision of the State of Texas and is, therefore, exempt from paying state sales tax. A tax number is not required for exemption. A tax exemption certification should be completed and sent to a vendor who has requested a tax number for his/her records.

Purchases by the school for educational or instructional use or for administrative use necessary to the educational function of the school are exempt from tax (office supplies, duplicating paper, etc.).

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from sales tax if the school contracts for the meals. The school must pay for the meals with a school district check and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc., may not claim exemption from sales tax on the meals they purchase while on a school authorized trip.

NOTE: Parent/teacher organizations and booster clubs must apply for their own exemption.

Tax-Exempt Donation Purchases

HSISD's sales tax exemption status may be used by employees and others that make purchases on behalf of the District.

- These purchases may not be used for the personal benefit of a private party or other individual.
- An individual may use the exemption status for items that will be donated to HSISD. If the individual uses the item before donating it, however, the exemption is lost and tax is due.
- An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if HSISD gives an allowance or reimbursement for such items. For example, meals, toiletries, clothing and laundry services are for personal use and are taxable.
- Anyone traveling on official business for an exempt organization must pay sales tax on taxable purchases whether reimbursed per diem or for actual expenses incurred.
- A sales tax exemption does not include taxes on the purchase, rental or use of motor vehicles.

The exemption form to be used by individuals making a purchase on behalf of HSISD is available by contacting the Business Office. The information within this exemption form clearly indicates that HSISD is not the purchaser. The individual making the purchase on behalf of HSISD must complete the document with their personal information and sign the document for presentation to the retailer.

Aside from providing the individual with this form HSISD has no other involvement in the transaction. It is up to the retailer to accept or deny the use of the exemption.

Individuals utilizing the exemption should take notice of the warning at the bottom of the certificate: "...it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and,

depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree."

SALES TAX RULES

Purchases

All purchases made for the exclusive use of the district should be made tax exempt. A Texas Sales and Use Tax Exemption Certificate form should be issued to the vendor. Sales and use tax exemption numbers or tax exempt numbers do not exist. Exemption forms require no number to be valid.

A Texas Sales and Use Tax Exemption Certificate form can be obtained from the Business office at (903) 639-3806.

When reimbursing a district employee for purchases made on behalf of and for the exclusive use of the district, sales taxes should not be reimbursed to that person. To keep a person who makes the purchases from having to absorb the sales tax, complete and give them a Texas Sales and Use Tax Exemption Certificate before they make the purchase. A purchase order is sufficient proof of the district's exempt status. The certificate/purchase order authorizes the vendor to make the sales tax exempt. The vendor should keep the certificate/purchase order on file to show state comptroller auditors if they are audited.

When employee-vending funds are used to make purchases of flowers, greeting cards and items for individuals, sales tax should be paid to the vendor. Since the purchases described above should be taxable, reimbursement of sales taxes are permitted from the employee-vending fund. Purchases made from the employee-vending fund for the exclusive use of the district (i.e. – microwave) should be made tax exempt and sales tax should not be reimbursed.

PTO's, booster clubs, and associates are prohibited from using the district's sales tax permit number. These groups should apply for their own sales tax permit number. These groups are responsible for collecting, reporting and remitting their own sales tax to the state.

Lodging

District employees and students traveling on official district business should issue a Hotel Tax Exemption Certificate to the hotel/motel in lieu of paying the state hotel occupancy tax.

The hotel exemption exempts only the state portion of hotel occupancy taxes. The city and county taxes should be paid by the employee and will be reimbursed.

Motor Vehicle Rental

District employees traveling on official district business should issue a Motor Vehicle Certificate for Rental Tax to the rental agency in lieu of paying sales tax.

Mark "A Public Agency" as the reason for claiming an exemption.

Out-of-State Purchases

Whether items are purchased in-state or out-of-state, does not determine if a transaction is taxable or not taxable. An out-of-state vendor might be required to collect sales tax at the time of sale. It is recommended to make all purchases tax exempt where practicable. This helps prevent duplicate payment of sales taxes. However, if an out-of-state vendor insists on being paid sales tax at the time of purchase, it should be done.

STATE AND FEDERAL PROGRAM REPORTING

General Information

Special revenue/grant funds are provided by the federal government, state government or local sources. These funds are legally restricted to expenditures for specified purposes.

Applications for grants must be in compliance with District policies and administrative directives.

Before applying for a grant that requires the matching of funds, the applicant must obtain approval from the business office.

If a grant is awarded to the District, to a campus, or to a department, the program contact must immediately provide the following items to the Business Office:

- Grant application with proper approval
- Grant guidelines
- Grant budget
- Grant timeline, including reporting dates for program and financial reports

The program director of a particular grant is responsible for compliance with the grant and proper program reporting to state and federal agencies.

The business office is responsible for grant expenditure reporting.

When the program director chooses to be responsible for expenditure reporting, a copy of all reports must be provided to the business office.

The program director must be familiar with the grant and timeline as it relates to (not all inclusive):

- Budget
- Expenditure verification
- Beginning and ending dates
- First and last date funds can be spent (varies by grant)
- Final day for receiving encumbered items (varies by grant)
- Final report due date

The appropriate information must be provided to the business office on a timely basis to ensure that all cash receipts and cash disbursements for state and federal programs are properly recorded and reported for each program's current fiscal year.

Salary Accruals

All salary accruals (for work performed during the grant period) must be calculated based on each employee's total salaries, wages, applicable benefits and taxes, less the amount of payments each employee has actually received as of the last day of each program's fiscal year. **Verification of this data is essential.** Accounting will verify salary information including first and last day of employment with each program director before calculating salary accruals.

Salary Accruals – Summer School Teachers

Special attention should be given to summer school teacher salaries and related expenditures. Since their salaries may relate directly to the expiration of a program, and/or even cross program fiscal years, timelines for reporting expenditures for them is very important to submitting accurate fiscal year end reports.

Purchase Orders

Cut-off dates for purchase orders should ensure that all materials are received in time to be properly recorded. Purchasing requirements and procedures vary among programs. **Each program director should monitor this activity to ensure compliance with the program's intent.**

Expenditure Verification

Program directors should monitor financial activity in Skyward.

Actual receipts and expenditures should be verified.

Budget amendments must be requested and approved before expenditures that exceed applicable limits are incurred.

If there are any corrections, please send them to the Business Office as soon as possible, but no later than the last day of the program's fiscal year end. This will allow time for adjustments to be made prior to submission of the Final Expenditure Report.

Twelve-month Employees

It is the responsibility of the program director to notify the human resource services department when budget coding for employee compensation changes. Fund numbers for federal programs may change effective July 1. Budget coding for twelve-month employees should be updated before processing of July payroll.

ACCOUNTS PAYABLE

The Accounts Payable Department is responsible for the disbursement of funds for goods and services received throughout the District. Pertinent documents, primarily including verified invoices, are used to reconcile payment prior to disbursement of funds. The Accounts payable Department is dependent upon campuses and departments verifying receipts of goods or services to Accounts Payable in order for payment to be processed. Accounts Payable's goal is to remit accurate payment within 30 days from the date of the invoice, barring any issues or problems.

Duties of the Accounts Payable Clerk include:

- Ensure timely and accurate disbursement of funds
- Disburse funds for all district approved vendors
- Reconcile invoices/credit memos to PO's to ensure proper disbursement of funds
- Communicate and resolve issues with vendors and district organizations regarding payments on anticipated delays or payment problems.

Check Signatures

A file containing the encrypted, password-protected check signatures shall be maintained by the Business Manager and Payroll/Accounts Payable Clerk. The depository bank shall be notified when changes occur with authorized signers in order to update signature cards.

PAYROLL

Initiation of Authorization Agreement for Direct Deposit

Obtain blank Direct Deposit forms from the Hughes Springs ISD website and complete the form as follows:

- *Bank Name:* Enter the bank name on this line.
- *Bank Transit/ABA No.:* Enter the first nine digits on bottom of the check on this line.
- *Account No.:* Enter the account number on this line.
- *Checking or Savings:* Indicate checking or savings account.

If both checking and savings accounts are requested, fill out a separate form for each one and indicate the appropriate amount for each account.

- *Employee Name:* Enter the name of the employee.
- *Employee Signature:* The employee must sign and date this line

Read all terms and policies before signing this form.

Follow all submitting instructions. Note in order to reduce the possibility of identity theft; this form must be delivered to the payroll department in person.

Initiation of Employee Supplemental Pay Request

Obtain blank Supplemental Pay Request forms from the Hughes Springs ISD website and complete the form as follows:

- *Payment to:* Enter name of the requesting employee.
- *Reason for Payment:* Briefly describe the services provided by the employee to be paid.
- *Payment Amount:* Enter the total amount of extra pay to be paid to the employee. This total should equal the rate per unit multiplied by the number of units worked.
- *No. of Hours Worked:* Enter the number of hours worked. Hours should be rounded to nearest quarter hour. Example: 19.75 hours
- *Hourly Rate:* Enter the hourly rate.

- *Account to Be Charged:* Enter the budget code to which the extra pay will be charged. The account object code **must** begin with "61xx."
- *Comments:* Briefly state any comments.
- *Employee Signature:* The employee to be paid **must** sign and date this line.
- *Principal/Dept. Head Signature:* The principal or department head who is authorized to expend funds under the budget code listed or who is affirming that the services were performed, **must** sign and date this form.

ALL SUPPLEMENTAL PAY FORMS MUST BE TURNED INTO PAYROLL NO LATER THAN TEN (10) DAYS PRIOR TO PAYDAY IN ORDER TO BE INCLUDED IN THE CURRENT MONTHS PAYROLL. FAILURE TO DO SO MAY RESULT IN THE SUPPLEMENTAL PAY BEING DELAYED BY ONE MONTH. ORIGINALS MUST BE SUBMITTED TO THE PAYROLL DEPARTMENT

Time Sheets

ALL ORIGINAL, SIGNED TIME SHEETS MUST BE TURNED INTO PAYROLL BY THE 5TH OF EVERY MONTH TO BE INCLUDED ON THE CURRENT MONTH'S PAYROLL. FAILURE TO DO SO MAY RESULT IN AN EMPLOYEE NOT BEING PAID FOR THAT MONTH.

Distribution of Paychecks

Paychecks will be distributed in the following manner:

Payroll Calendar:

Employees are paid on the 25th of each month unless that date falls on a weekend or holiday. If the normal pay date falls on a weekend or holiday, pay checks are normally distributed the first business day prior to the 25th.

Payroll must have Supplemental Pay Requests ten (10) days prior to the pay date. Supplemental Pay Requests must have the correct budget account number to charge, proper approvals and must be signed in ink.

Campus Paychecks:

Paychecks are delivered to the authorized campus representative by the superintendent.

Department Checks:

Paychecks are delivered to the authorized department representative by the superintendent.

Non-distributed Paychecks and Direct Deposit Vouchers:

The appropriate campus supervisor must secure any paycheck or direct deposit voucher issued to an employee who is known to be absent on payday until the employee returns to campus. If the employee does not return, the paycheck or direct deposit voucher should be sent back to the payroll department.

Any paycheck or direct deposit voucher for an employee who has been terminated, transferred or is on leave of absence, should be returned to the payroll office immediately.

NO PAYCHECK OR DIRECT DEPOSIT VOUCHER ARE EVER TO BE GIVEN TO ANY OTHER PERSON UNLESS THEY HAVE A WRITTEN NOTE FROM THE EMPLOYEE AND PROPER IDENTIFICATION.

Miscellaneous Paychecks and Direct Deposit Vouchers Procedures:

Each principal or supervisor should develop a method or procedure to determine that all employees receive a check.

Should an employee not receive a check, the administrator or designee should notify the Payroll department immediately.

Campus paychecks and direct deposit vouchers will be mailed to the employee's address that appears on the check for the June and July payroll unless arrangements are made for direct deposit for these months.

Time Sheet/Card Procedures

All non-exempt employees should accurately clock in/out using the time clock system on their campus. The following guidelines should be observed:

Actual hours worked will be recorded by rounding to the nearest ¼ hour per table below.

Rounding Table

- 0-7 minutes report as an even hour (part of last completed hour)
- 8-24 minutes report as a quarter hour
- 25-37 minutes report as a half hour
- 38-52 minutes report as a three quarter hour
- 53-60 minutes report as an even hour

Supervisor must approve all variations from standard work schedule in advance.

If a staff member is eligible for overtime compensation and works more than 40 hours during their regularly scheduled work week, they have the option to receive pay at the rate of time and one-half or compensatory time at that same rate rather than to be paid.

Straight time will be earned for holidays worked unless weekly total of hours worked exceed 40 hours.

Overtime Pay:

With the approval of supervisor, hours in excess of 40 per week physically worked (no vacation or sick time during that period) may be requested for pay on a Supplemental Pay Request form or timesheet.

Overtime pay will be established at the rate of time and one-half.

Completed Supplemental Pay Request form should be forwarded to payroll no less than ten (10) days prior to payday every month in order to be paid that month.

Compensatory Time:

One hour of overtime is equal to one and one-half hours of compensatory time.

Requests to use compensatory time are subject to the approval of the immediate supervisor.

The employee may be paid for overtime if the work schedule would not permit compensatory time off.

Procedures for Lost/Unreceived Payroll Checks:

Contact the payroll department at (903) 639-3805 to report lost/unreceived payroll checks.

Employee may be responsible for any stop payment charges.

Overtime/Comp Time Compensation

Allowing Staff Members to Use Accrued Comp Time

- Employer must allow an employee to use comp time within a reasonable time after the employee requests time off, if the employee's absence will not "unduly disrupt" the operations of the employer.
- "Unduly disrupt" is not merely an inconvenience to the employer. The disruption must create an unreasonable burden on the agency's ability to provide services of acceptable quality and quantity.
- The fact that the employer would have to pay another employee overtime to replace the employee using comp time would not constitute an undue disruption.

Record Keeping

- Time sheets should reflect time actually worked, not hours scheduled.
- Employees may not work overtime or earn comp time without express written permission using the Comp Time/Overtime Request form. Keep accurate records.
- Supervisors are responsible for enforcing the established policies and being aware of what their staff members are doing.
- Policies should be posted in areas that hourly employees can see them (not only in the teachers' lounge).

Supervisors cannot allow employees to work overtime and do nothing to prevent it. (i.e., tell the individual to go home; tell the individual they will need to work fewer hours the following day, to keep from going over their allotted hours in the week, etc.)

Unauthorized work by hourly employees will be addressed by their administrative supervisor. (i.e., be written up, be required to work fewer hours the remainder of the week, etc.)

The district can set restrictions, (e.g., employees cannot use comp time one day before or after a holiday).

Comp time accruals should have limits, based on the nature of the job. (All departments do not have to share the same limits.)

Comp time can be cashed out if the employee and employer agree.

The employer can insist that an employee use their comp time and schedule time off for the employee.

The employee cannot lose the accrued comp time during the current year (i.e., there can be no “use it or lose it” policies). Although, any accrued comp time not taken during the year will be lost at the start of the next school year.

If overtime is worked with the supervisor’s approval – pay overtime/give comp time.

If overtime is worked with the supervisor’s knowledge, but without prior approval – pay overtime/give comp time & counsel or discipline the employee (i.e., written up or asked to leave early on another day that week).

If overtime is worked with no knowledge by the supervisor – pay overtime/give comp time & counsel or discipline the employee (i.e., written up or asked to leave early on another day that week).

If an employee volunteers to work after regular hours and perform service that is directly related to the job they perform during regular working hours, over time/comp time should be given (unless they are volunteering because they have a child at that school) – advise employees against doing this and advise them that no pay will be considered. (Ex. Cafeteria worker serving at a PTO Spaghetti Dinner after hours)

Lunch – Duty Free

- Employees must be relieved of all duties during mealtime.
- Employees must be free to leave their posts.
- Employees must not eat at their desks. (If someone approaches the employee and asks them a question, or if they answer the phone, then they are working and they must be compensated.)
- If something is pressing and the employee must work during their lunchtime then they must be paid for the time worked.

Every effort must be made to complete all work during regular working hours.
Earning and accumulating comp time/overtime for routine work is not authorized.

Comp time/overtime should be authorized only for:

- Unplanned, work-related emergencies.
- Significant/necessary work projects that cannot be completed during regularly scheduled work hours, as determined by your supervisor.
- Projects which, if left undone, could adversely affect the health and safety of students and/or staff.

Employees who are absent from duty for reasons covered by HSISD sick leave policy shall be paid for the absence only if sick leave is used.

Hourly employees may not work more than 40 hours in any workweek or use accumulated comp time without prior written authorization of their administrative supervisor.

Compensation for authorized overtime will be at a rate of 1½ times the regular rate.

Unauthorized work by hourly employees will be addressed by their administrative supervisor.

If you are an hourly employee and are being required to work more than 40 hours a week and you are not being compensated contact the Business Office at 903-639-3805.

Fair Labor Standards Act (overtime / comp time compensation policy)

Hourly employees are to be compensated at 1-1/2 times their hourly rate for time worked (sick days, vacation days, and comp time used do not count as “time worked”) beyond 40 hours in a given week (Saturday – Friday). Hourly employees must be compensated based on their actual hours worked and cannot volunteer their time to perform their duties.

All schools and departments must use the adopted Overtime/Comp Time Compensation Policy and reporting form. **Each hourly employee will be surveyed** to determine if he/she has been appropriately compensated for all time worked beyond 40 hours weekly. This survey will be conducted annually. Random audits will also be conducted to ensure compliance with the Fair Labor Standards Act.

KEEP ALL RECORDS ON FILE WITHIN YOUR SCHOOL/DEPARTMENT
FOR 5 YEARS.

Payroll: Frequently Asked Questions

1. May an individual be compensated for working overtime?

Overtime must be preapproved by the authorized supervisor.

2. When do I receive payment for my OT (overtime), or supplemental pay?

Overtime is calculated on a monthly basis and will be paid a month behind. (i.e. Overtime worked in September will be paid on the October paycheck). Supplemental pay will be paid on the next paycheck **IF** all paperwork is turned into the Business Office at least ten (10) days prior to pay day.

3. How much is my Insurance payment?

The amount that is being deducted for any insurance payment is listed on the deduction side of the check stub. It will give the current amount being deducted and the year to date amount as well.

4. How do I sign up for direct deposit, and when can I expect it to be in my account?

We have a direct deposit form for you to fill out and attach a voided check to the form. After the form has been processed it will go through a prenote cycle for the accuracy of all banking information. You will receive an original check and a prenote (non-negotiable stub) the following payday. On the payday after that your funds will be in your account at approximately 9:30 a.m.

5. Substitutes and temporaries ask how long they have to wait for their first paycheck.

All temporaries and substitutes are paid a month behind. (i.e. If a substitute worked in September they will receive a paycheck in October) All payroll paperwork shall be turned into the Business Office by the 5th of every month.

6. How much will my check be when I go on leave?

If you have met all the necessary qualifications for leave and have the adequate amount of days to cover you during this time period your checks will not change. If you do not have the adequate amount of days needed your check will stop, or you will be docked if you are a couple of days short. Only docks of more than three (3) days will be distributed over two (2) months. Any new additional docks will be added to the month in which it occurs. If your checks are stopped it will depend on when you return and when the checks stopped as to what your checks will be.

7. How do I buy back my withdrawn service from TRS?

You must contact TRS in reference to the buy back years. They will send you a confirmation of the amount you owe and the amount to be paid per payday. When you receive your confirmation and coupon book submit it to the payroll department and we will start the process for your payroll deduction.

TRS toll free number 1-800-223-8778

8. Is it safe to e-mail social security numbers?

No, when e-mailing information about employees use their first and last name and the last four numbers in their social security number. This will help to ensure we have the correct employee without putting anyone at risk.

WORK RELATED INJURIES

Procedures for Reporting a Work Related Injury

1. Report all work related injuries to your principal/supervisor immediately.
2. See the school nurse for initial medical treatment.
3. Complete a Hughes Springs I.S.D. Employee Accident Report. If the injured employee is not capable of completing the report because they have been transported for emergency care, the nurse may take the information over the phone at a later time.
4. The report must be signed by your principal/supervisor.
5. Employee accident reports must be faxed to the attention of the HSISD Business Office, 903-639-2624, **within 24 hours of injury**.
6. If you seek medical attention, you must submit a doctor's statement that indicates whether you are capable, or incapable of returning to work. It is the responsibility of the **injured employee** to provide all documentation from the physician as to whether they can return to work (or not) to their principal/supervisor **and** to HSISD's Business Office.
7. If you have payroll deducted benefits and you are not receiving an HSISD paycheck, you must make arrangements to pay for insurance premiums with the HSISD payroll department. Please call the payroll department at 903-639-3805.

The Division of Workers' Compensation of TDI website is www.tdi.state.tx.us/wc

Rules effective September 1, 2005 allow insurance companies to pay the first week of temporary income benefits after the second week of absence.

The Division of Workers' Compensation of TDI allows the use of accumulated employer benefits for the first week of absence due to a work related injury. Therefore, **if elected**, the first five days of absence will be paid through the Hughes Springs ISD payroll system if you have sick and/or personal days available. The Paid Leave Election form must be signed in order to receive payment of days. If you do not have paid leave days available you will not receive pay for the first week of absence. Elections may also be made for the use of sick and/or personal days in lieu of workers' compensation income benefits beyond the first week of absence.

This election must be made on the Paid Leave Election Form.

Workers' Compensation generally pays 70% of an employee's average weekly wage up to a maximum set by the state of Texas. The maximum is changed annually by the Division of Workers' Compensation of TDI. Employees who earn less than \$8.50 per hour receive 75% of their average weekly wage. For information on maximum and minimum temporary income benefits (applicable by date of injury) please visit the Division of Workers' Compensation website:

<http://www.tdi.state.tx.us/wc/employee/documents/maxminbens.pdf>

Dates of absence and return to work dates affect your claim and your paychecks. When released from the doctor to return to work, you must first meet with your principal or department head to review your doctor's release to see if you are able to perform your job duties. Once you are cleared to return to work, you must then report to the business office, in person. You must bring a copy of the Division of Worker's Compensation Work Status Report, DWC73. Please submit a copy of the DWC73 to your principal or department head. Your principal or department head will discuss return to work options, if any.

The Division of Workers' Compensation of TDI website is www.tdi.state.tx.us/wc.

If you experience problems with your claim and the workers' compensation process please contact us immediately at the numbers below.

CONTACT Hughes Springs ISD

Workers' Compensation – Mary Trevino
903-639-3805

Insurance Company

Claims Administrative Services
1-800-765-2412, fax 903-509-1888
www.cas-services.com

SPECIAL REVENUE FUNDS

Overview

Special revenue funds are funds accepted by the Board of Education from private, local, state and federal sources for the purpose of financing approved educational programs which are student-oriented and are beneficial to the children. The approved programs are referred to as programs or grants. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

A grant is created when an application is filed with the Texas Education Agency (TEA), the US Dept. of Education (USDE), or other funding agencies, and an agreement is made between the applicant and the agency. The agency approves the amount of the grant, the funding period and the conditions related to the approval of the funds. Approval is executed through the notification of grant award (NOGA). Funds cannot be encumbered or expended before the NOGA is received.

The funds for the grants are obtained through state, federal, local and private agencies. State funds are authorized by statutory provisions and regulations of the TEA. Federal funds are authorized through categorical and other federal grants for public education. Funding can come directly from the federal agency or through the TEA. Local funds come from sources such as city or county governments. Private funds are authorized by private sources, such as foundations, businesses and industries.

The Business Office is responsible for setting up all budgets according to the grant award or Notice of Grant Award (NOGA). This office will also assist the Principal/Administrator or his/her designee on all budget matters.

All grants are to be utilized according to the terms of the approved budget, which has been approved by the grantor and the grantee. Any activities or expenditures must follow all normal financial procedures of Hughes Springs I.S.D. Any planned grant activities or expenditures which deviate from the normal financial procedures of Hughes Springs I. S. D. must be preapproved by the Business Manager or Director of Special Programs prior to the beginning of the grant.

The budget is the financial plan of the grantee to carry out the program or grant.

The Business Office is also responsible for the maintenance of accurate accounting records, and will complete all monthly, quarterly/final and any other financial reports.

The principal is responsible for the campus administration of the grant. He or she will ensure all approved grant activities are completed before the end of the grant. The grantee must pay close attention to all expenditures from the grant fund to ensure all expenditures are acceptable to the granting agency and they are not in conflict with federal/state law or district guidelines. Any questions about federal/state law should be directed to the Business Manager or Director of Special Programs, based on who is assigned to your program/grant. The principal or her/his designee will submit any programmatic reports. Any questions about programmatic reports should be directed to the funding agency. A copy of all programmatic reports must also be submitted to Business Manager and the Director of Special Programs.

Accounting

As with all District ledgers, TEA's Financial Accountability Resource Guide is used to determine appropriate fund and other account numbers to use to comply with the financial standards of state and federal government.

Documentation

Encumbrances will be recorded for all federal funds. Each payment must be accompanied by an appropriate invoice or other third-party documentation. The attached documentation must clearly show how and why the expenditure meets the goals of the grant and the District/Campus Improvement Plan.

Final Approval

Approval of a purchase order or payment authorization by the Business Manager indicates the representation that HSISD has complied with local policies and procedures and state and/or federal law, rules and/or grant requirements, as applicable.

Preparation, Review, Approval and Submission of Expenditure Reports

Most federal awards require drawdowns of funds on a periodic basis. Accounting records are maintained using the Skyward Finance program. Drawdown request for federal and state grants will utilize the summary report for preparation of these requests. Expenditure totals will be used with a deduction for any accrued salaries and benefits and accounts payable, except for the Final Expenditure Report, which allows these items. Drawdowns will be prepared and submitted by the Business Manager

for all federal and state grants. The District operates on a reimbursement basis for expenditures incurred for federal programs. The expenditures are paid before posing to applicable general ledgers, and therefore before requesting reimbursement from TEA. To comply with cash management requirements for federal funds, all disbursements reflected in the above General Ledger reports must be paid out within three days of receipts of federal reimbursement. Only the actual amount of cash needed should be requested in expenditure reporting, and all WEB ER procedures should be followed.

ARRA reporting is handled in the same manner outlined above. Additionally, to comply with the requirement to report FTE's, they are calculated based on the guidelines explained by TEA. The total hours worked is divided by the total full-time schedule hours to determine the number of FTE's to report each quarter. Expenditures are also reviewed to determine if payments to a single vendor equal or exceeded \$25,000. If there are any such payments, the vendor name, amount, and zip code are reported as required.

Budget Planning

When tentative entitlements are received, the budget planning process begins with communication between program directors and campuses to gather data needed to create the application to be submitted to TEA. Input for budget planning is derived from communication with campus principals and other stakeholders by prioritizing needs. When notification is received from TEA via NOGA, then the fund is set in the accounting system reflective of grant award amount and account code distribution that was used to compile the application.

Reviewing Budgets

Grant budgets shall be reviewed periodically to review account code expenditures and monitor if an amendment will be needed.

Budget Amendments

Budget amendments for federal grants must be approved by the granting agency according to grant rules and regulations.

An amendment is required to do the following:

- Add a class/object code not previously budgeted on the program budget summary
- Increase or decrease the amount budgeted in any class/object code on the program budget summary by more than 25% of the current amount approved in the class/object code (for discretionary grants) or of the total approved budget (for formula grants)
- Add a new item that requires specific approval in the itemized costs of for Debt Service.

Time and Effort Requirements

Certification and time and effort records will be maintained in accordance with Circular A-87.

The Business Manager will obtain semi-annual certifications from employees that have salaries funded 100% under a single cost objective. The semi-annual certification will be signed by the employee and their supervisor. Attached to them will be the employee's signed and dated job description along with

their schedule. For those individuals that perform tutoring or other extra duties that are funded with federal funds, their timesheets will be kept on file to record the time they spent on program activities.

Time and Effort Documentation

The district must ensure that state-funded and federally funded grants bear their fair share of cost. To support charges to payroll for personnel who spend time on a grant, time and effort documentation requirements must be satisfied.

State-Funded Grants

For state-funded grants with personnel salaries prorated between or among different funding sources, you must do the following:

- Maintain personnel activity reports that confirm services provided by each funding source.
- Adjust payroll records and expenditures based on this documentation.

Federally Funded Grants

For federally funded grants, time and effort documentation must conform to the federal cost principles applicable to the grantee organization, as follows:

- Charges to payroll must be documented according to federal requirements.
- Employee job descriptions for each employee must be current and must delineate all program or cost objectives under which the employee works. Job descriptions should be updated as new assignments are made.
- Daily class schedules for teachers and instructional aides may be used in lieu of time and effort reports for these personnel.
- Salaries and wages of employees used to meet cost share or matching requirements must be supported with time and effort records in the same manner.

Documentation Required under OMB Circular

All charges to payroll for grant-funded personnel must be based on one of the following:

- Semi-annual certification
- Time and effort records
- Substitute system

Refer to the section “Compensation for personal services” in [OMB Circular A-87](#) for more detailed information pertaining to charges to payroll.

Semi-Annual Certification

Semi-annual certification applies to employees who do one of the following:

- Work 100% of their time under a single grant program
- Work 100% of their time under a single cost objective

Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A Title I, Part A, school-wide program funded from multiple funding sources is considered a “single cost objective.”

These employees are not required to maintain time and effort records. However, all employees must *certify* in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The certification must be signed by the employee or by the supervisor having firsthand knowledge of the work performed. Charges to the grant must be supported by these semi-annual certifications.

Time and Effort

Time and effort applies to employees who do one of the following:

- Do not work 100% of their time in a single grant program
- Work under multiple grant programs
- Work under multiple cost objectives

These employees are required to maintain time and effort records or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with pay periods. Such reports must reflect an *after-the-fact* distribution of 100 percent of the *actual* time spent on each activity and must be signed by the employee. Charges to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Here are a couple of examples:

- Employees who work partially on administering programs included in NCLB consolidated administrative funds and work partially on administering other programs must maintain time and effort or account for their time under a substitute system.
- Employees who work partially on administrative activities (paid from administrative funds) and work partially on program activities (paid from program funds) must maintain time and effort or account for their time under a substitute system.

Substitute Systems in Lieu of Time and Effort Reports

Substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include but are not limited to random-moment sampling, case counts, or other quantifiable measures of employee effort. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to [OMB Circular A-87](#) for detailed requirements. Documentation of rationale and calculations for allocating salaries and wages must be maintained for audit purposes. It is recommended that a copy of a certified public accountant’s approval of a substitute system be kept on file for documentation. An unacceptable or invalid substitute system could result in an audit finding and the return of grant dollars to TEA.

Grant Management

Grants management procedures are used 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 rest with the Superintendent. The chart below establishes line of authority with the district related to financial transactions government assistance received.

Duties	Staff Responsible
Grant Application	Curriculum Director
Review CIP and DIP for compliance	Campus Principals
Conduct comprehensive needs assessments for District	Campus Principals/Curriculum Director
Develop plan for assessment, identified needs, staffing and program description	Campus Principals/Curriculum Director
Compliance reporting	Curriculum Director
Prepare budget, budget amendments, coding, time and effort, credit cards, employee reimbursement, and selected unallowable costs	Business Manager
Approval of all purchases to ensure compliance with grant requirements, coding allow ability of costs	Business Manager, Superintendent
Expenditure Reporting	Business Manager
Quarterly Reporting	Business Manager
Reconciliation of accounting records with expenditure reports and grant fund reimbursements	Business Manager

SPECIAL REVENUE FUNDS INTERNAL CONTROL

Activities Allowed or Unallowed and Allowable Costs/Cost Principals

Control Objectives

To provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles.

Control Environment

Management sets reasonable budgets for Federal and non-Federal programs so that no incentive exists to miscode expenditures. Management enforces appropriate penalties for misappropriation or misuse of funds.

Organization-wide cognizance of need for separate identification of allowable Federal costs. Management provides personnel approving and pre-auditing expenditures with a list of allowable and unallowable expenditures.

It is the procedure of the Hughes Springs ISD Business Office to only set-up those codes, which would be allowable expenditures for each fund source. The Audit File is used to record all errors submitted (e.g., incorrect coding, incorrect back-up, missing authorizing signatures) and individual copies of the errors with the corrections noted are returned to the sending campus/department to immediately address the error, to curtail it from occurring in the future. Coding training is provided for staff that use the finance system and generate and approve requisitions. Annually, bookkeeper/secretary training is provided to address finance policies with staff members who will be generating requisitions. Additional training is provided annually for those administrators who have 3 or fewer years in their current positions to address each financial procedure in more detail. Additionally, we have a Business Procedures Manual which addresses coding, cost principals, and the purpose and intent of federal programs.

All staff members sign an ethics statement annually. These guidelines outline expected behaviors for all Hughes Springs ISD employees. All employees will perform their duties in furtherance of our core beliefs and in full compliance with all applicable laws and regulations.

“In every aspect of the operation and management of this district and of our relationships with our stakeholders, board members and employees shall perform duties honestly, competently, efficiently, expeditiously, and harmoniously and in strict compliance with the ethical standards of the education profession. We will perform our duties in furtherance of our core beliefs and in full compliance with all applicable laws and regulations. We will ensure that no personal value system or personal goal interferes with our duty as public servants.”

Risk Assessment

Process for assessing risks resulting from changes to cost accounting systems. Key manager has a sufficient understanding of staff, processes, and controls to identify where unallowable activities or costs could be charged to a Federal program and not be detected.

We have no cost allocations being made into federal programs. If this changed, we would address this risk.

Staff members are trained to include an extended description on each requisition, to insure key managers reviewing the requisitions can specifically confirm if the items requisitioned meet the intent and purpose of the fund sources. Additionally, multiple approvals (always at least two signatures, but usually 3-5 signatures) from key managers are required before each requisition can be processed to confirm accuracy of coding, back-up/supporting documentation, and adherence with assurances and the intent and purpose of the grant. Key managers and staff are trained regarding what are allowable and unallowable uses of fund sources.

Administrators with direct responsibility of federal programs or grants must sign an assurance statement each year, before they are allowed to spend any of the program/grant funds, which certifies the individual has read and understands the program requirements and limitations.

Accountability provided for charges and costs between Federal and non-Federal activities.

Process in place for timely updating of procedures for changes in activities allowed and cost principles. Computations checked for accuracy. Supporting documentation compared to list of allowable and unallowable expenditures. Adjustments to unallowable costs made where appropriate and follow-up action taken to determine the cause. Adequate segregation of duties in review and authorization of costs. Accountability for authorization is fixed in an individual who is knowledgeable of the requirements for determining activities allowed and allowable costs.

Journal Voucher (JV) forms are utilized to track charges and costs between federal and non-federal activities. The JV forms include a description of the JV, specific code lines for the JV, and key manager approval signatures. The Business Manual is updated periodically throughout the year, as needed. Immediate/timely notifications are also distributed via e-mail to staff members throughout the year to inform individuals of any changes in procedures or allowable activities.

Adjustments made for unallowable expenditures (or inaccurate coding or backup) involve creating a JV form to correct the expenditure. This information is reported in a summary back to the principals and their supervisors. When errors are identified, corrections are made on the requisition and a copy of the error is returned to the principal.

Multiple approvals (always at least two signatures, but usually 3-5 signatures) from key managers are required before each requisition can be processed to confirm accuracy of coding, back-up/supporting documentation, and adherence with assurances and the intent and purpose of the grant. Key managers are trained in the specific allowable and unallowable uses of the fund sources.

Administrators with direct responsibility of federal programs or grants must sign an assurance statement each year, before they are allowed to spend any of the program/grant funds, which certifies the individual has read and understands the program requirements and limitations.

Information and Communication

Reports, such as a comparison of budget to actual provided to appropriate management for review on a timely basis.

Establishment of internal and external communication channels on activities and costs allowed.

Training programs, both formal and informal, provide knowledge and skills necessary to determine activities and costs allowed. Interaction between management and staff regarding questionable costs. Grant agreements (including referenced program laws, regulations, handbooks, etc.) and cost principles circulars available to staff responsible for determining activities allowed and allowable costs under Federal awards.

Budget Monitoring Reports are completed monthly and submitted quarterly to the Director of Federal Programs. Budget Monitoring Reports are reviewed by the Director of Federal Programs.

Internally, communication occurs through the previously mentioned Business Procedures Manual, emails, meetings and training sessions. Externally, communication occurs through listserves and weekly notices from the funding agencies, guidance posted on the funding agencies' websites, and the applications and guidance documents. Additional external training is received at conferences sponsored by the funding agencies and by organizations which focus on the federal programs/grants.

Region Education Service Centers provide additional training and guidance regarding allowable and unallowable uses of fund sources, and cost principles.

In the event a requisition is submitted with unallowable expenditures, the administrator who generated the requisition is contacted via phone call and/or e-mail to discuss the issue. Additionally, the requisition containing the error is returned to the administrator so they can update their records and reduce the risk of the error happening in the future. Errors submitted are addressed in meetings, training sessions, and the Business Procedures Manual.

Administrators with direct responsibility of federal programs or grants must sign an assurance statement each year, before they are allowed to spend any of the program/grant funds, which certifies the individual has read and understands the program requirements and limitations.

Monitoring

Management reviews supporting documentation of allowable cost information. Flow of information from Federal agency to appropriate management personnel. Comparisons made with budget and expectations of allowable costs. Analytic reviews (e.g., comparison of budget to actual or prior year to current year) and audits performed.

Management reviews supporting documentation and flow of information from the federal agency to the appropriate management personnel are discussed in the previous sections. Comparisons are made with budgets and the expectations of allowable costs through the key managers review of submitted budgets before they are approved (multiple approval process) and submitted to the funding agency. All requisitions must go through the multi-level approval process before being processed and monthly and quarterly expenditure reports are conducted to monitor the spending of the federal funds.

Cash Management

Control Objectives

To provide reasonable assurance that the drawdown of Federal cash is only for immediate needs, States comply with applicable Treasury agreements, and recipients limit payments to subrecipients to immediate cash needs.

Control Environment

Appropriate assignment of responsibility for approval of cash drawdowns and payments to subrecipients. Budgets for drawdowns are consistent with realistic cash needs.

Each federal grant is assigned to the Director of Federal Programs with direct responsibility for overseeing and ensuring compliance with all program guidelines. Each federal grant is also assigned to the Business Manager with direct responsibility or previewing backup and conducting drawdowns. We

have no sub recipients. All drawdowns are reimbursement based, and do not include drawing down money before it is needed.

Risk Assessment

Mechanisms exist to anticipate, identify, and react to routine events that affect cash needs. Routine assessment of adequacy of sub recipient cash needs. Management has identified programs that receive cash advances and is aware of cash management requirements.

We operate using the general fund and then submit monthly drawdowns to recoup the funds. Our current budget allows us to operate this way. If our general fund were to be reduced to a level warranting a change in the process, we would adjust our process to include more frequent drawdowns.

Control Activities

Cash flow statements by program are prepared to determine essential cash flow needs. Accounting system is capable of scheduling payments for accounts payable and requests for funds from Treasury to avoid time lapse between draw down of funds and actual disbursements of funds. Appropriate level of supervisory review of cash management activities.

Written policy that provides:

Procedures for requesting cash advances as close as is administratively possible to actual cash outlays; Monitoring of cash management activities; Repayment of excess interest earnings where required.

For State programs subject to a Treasury-State agreement, a written policy exists which includes: Programs covered by the agreement; Methods of funding to be used; Method used to calculate interest; and Procedures for determining check clearing patterns (if applicable for the funding method).

Each federal grant is assigned to the Business Manager with direct responsibility for reviewing all expenditure documents and drawing down funds.

The data management system prints the expenditure reports monthly which are used to generate the monthly drawdowns. The Business Manager reviews expenditure drawdown reports before they are filed with the agencies. Some federal programs require that additional signatures are attained before filing the expenditure reports. We do not drawdown cash in advance of the expenditures, our drawdowns reimburse us for our expenditures. We have no Treasury-State Agreements.

Information and Communication

Variance reporting of expected versus actual cash disbursements of Federal awards and drawdowns of Federal funds. Established channel of communication between pass-through entity and sub recipients regarding cash needs.

The Business Manager compares the revenue reports with the expenditure reports to confirm the amounts to ensure they match. If a report did not match, they would report it to the program's/grant's assigned director. We do not have any sub recipients.

Monitoring

Periodic independent evaluation (e.g. by internal audit, top management) of entity cash management, budget and actual results, repayment of excess interest earnings, and Federal draw down activities. Sub recipients' requests for Federal funds are evaluated. Review of compliance with Treasury-State agreements.

The Business Manager reviews expenditure reports monthly, budget monitoring reports quarterly, and meets with the external auditor annually to monitor and review each federal program/grant. We do not have sub recipients. We have no Treasury-State Agreements.

Eligibility

Control Objectives

To provide reasonable assurance that only eligible individuals and organizations receive assistance under Federal award programs, that sub awards are made only to eligible sub recipients, and that amounts provided to or on behalf of eligible were calculated in accordance with program requirements.

Control Environment

Staff size and competence provides for proper making of eligibility determinations. Realistic caseload/performance targets established for eligibility determinations. Lines of authority clear for determining eligibility.

Only campuses that meet the criterion as presented in a grant are considered for their eligibility.

Risk Assessment

Identification of risk that eligibility information prepared internally or received from external sources could be incorrect. Conflict-of-interest statements are maintained for individuals who determine eligibility. Process for assessing risks resulting from changes to eligibility determination systems.

Data is reviewed to determine that eligibility criterion has been met by the Director of Federal Programs. Data collected from PEIMS and GEO coding program is used. PEIMS data that is prepared by our Student Services is submitted to TEA as collected and certified. Conflict of Interest disclosure statements exist as requested by state and or local agency applications. When eligibility determination criterion is modified from the state or federal entities, our department ensures that data collected for determining eligibility is consistent with any changes.

Control Activities

Written policies provide direction for making and documenting eligibility determinations. Procedures to calculate eligibility amounts consistent with program requirements. Eligibility objectives and procedures clearly communicated to employees. Authorized signatures (manual or electronic) on eligibility documents periodically reviewed. Access to eligibility records limited to appropriate persons. Manual criteria checklists or automated process used in making eligibility determinations. Process for periodic eligibility re-determinations in accordance with program requirements. Verification of accuracy of information used in eligibility determinations. Procedures to ensure the accuracy and completeness of data used to determine eligibility requirements.

Written policies are in place for ensuring eligibility for state and federal grants as well as their allocations. These are included in the individual grant application Provision and Assurances, Finance Manual, and Program Summaries. As directed by the granting agency, all calculations for eligibility are complied with to ensure that the program requirements, objectives and goals are carried through and communicated to all campuses/departments (ABC File, Business Procedure Manual, Program Summaries, email correspondence and program trainings). Eligibility data, per program is collected and maintained under program coordinator/administrator and director supervision. Provision and Assurance authorization is kept on file and included in the ABC file. Excel program worksheets are prepared to calculate and maintain eligibility checklists. The process for re-determining eligibility is completed (using our Excel programs) in accordance with the program requirements. We double check formulas and provide opportunities for review from those receiving funds based on eligibility criterion. Using the FileMaker Pro and GEO coding program we are able to ensure accuracy of data to determine who is eligible for funds.

Information and Communication

Information system meets needs of eligibility decision-makers and program management. Processing of eligibility information subject to edit checks and balancing procedures. Training programs inform employees of eligibility requirements. Channels of communication exist for people to report suspected eligibility improprieties. Management receptive to suggestions to strengthen eligibility determination process. Documentation of eligibility determinations in accordance with program requirements.

Information is communicated via email and or memo form to stakeholders. When data is collected for determining eligibility, it is reviewed by directors and crosschecked using Excel and 10-key. As grant program data information is received, opportunity exists to question eligibility and award determination. Documentation exists (files, binders, websites and electronic files) exist that provide guidance for eligibility determination. All documentation for eligibility determinations are kept on file in our grants office.

Equipment & Property Management

Control Objectives

To provide reasonable assurance that proper records are maintained for equipment acquired with Federal awards, equipment is adequately safeguarded and maintained, disposition or encumbrance of any equipment or real property is in accordance with Federal requirements, and the Federal awarding agency is appropriately compensated for its share of any property sold or converted to non-Federal use.

Control Environment

Management committed to providing proper stewardship for property acquired with Federal awards. No incentives exist to under-value assets at time of disposition. Sufficient accountability exists to discourage temptation of misuse of Federal assets.

Hughes Springs ISD ethics guidelines reflect management commitment to stewardship of property. This document is signed by all Hughes Springs ISD employees. No incentives exist to under-value assets at time of disposition. The district uses an independent auction agency to expose assets. In most cases, all assets are used until they have a value of zero. District policy and ethics guidelines address inappropriate use of Federal assets.

Monitoring

Periodic analytical reviews of eligibility determinations performed by management. Program quality control procedures performed. Periodic audits of detailed transactions.

Initial, fall and spring reviews are made of eligibility determinations as performed by the Director of Federal Programs.

Included in this review is the number of eligible students/campuses. These figures are reviewed throughout the year. Procedures are established to review our processes of program eligibility which include periodic audits.

Risk Assessment

Procedures to identify risk of misappropriation or improper disposition of property acquired with Federal awards. Management understands requirements and operations sufficiently to identify potential areas of noncompliance (e.g., decentralized locations, departments with budget constraints, transfers of assets between departments).

Grant application assurances address ethics training of misappropriations. Processes are in place to track assets from purchase to disposition.

Control Activities

Accurate records maintained on all acquisitions and dispositions of property acquired with Federal awards. Property tags are placed on equipment. A physical inventory of equipment is periodically taken and compared to property records. Property records contain description (including serial number or other identification number), source, who holds title, acquisition date and cost, percentage of Federal participation in the cost, location, condition, and disposition data. Procedures established to ensure that the Federal awarding agency is appropriately reimbursed for dispositions of property acquired with Federal awards. Policies and procedures in place for responsibilities of recordkeeping and authorities for disposition.

A physical inventory of equipment is performed annually.

Information and Communication

Accounting system provides for separate identification of property acquired wholly or partly with Federal funds and with non-Federal funds. A channel of communication exists for people to report suspected improprieties in the use or disposition of equipment. Program managers are provided with applicable requirements and guidelines.

Hughes Springs ISD's accounting system clearly indicates all fund sources for acquired property. Employees are trained to report impropriety to supervisors. Policies and procedures are provided to all managers so that requirements can be reviewed as needed. These procedures are reviewed annually.

Monitoring

Management reviews the results of periodic inventories and follows up on inventory discrepancies. Management reviews dispositions of property to ensure appropriate valuation and reimbursement to Federal awarding agencies.

An annual review of inventories and any discrepancies is performed. Property is maintained by the district until it reaches a value of zero and is of no further use.

Matching, Level of Effort, Earmarking

Control Objectives

To provide reasonable assurance that matching, level of effort, or earmarking requirements are met using only allowable funds or costs which are properly calculated and valued.

Control Environment

Commitment from management to meet matching, level of effort, and earmarking requirements (e.g., adequate budget resources to meet a specified matching requirement or maintain a required level of effort). Budgeting process addresses/provides adequate resources to meet matching, level of effort, or earmarking goals. Official written policy exists outlining: Responsibilities for determining required amounts or limits for matching, level of effort, or earmarking. Methods of valuing matching requirements, e.g., "in-kind" contributions of property and services, calculations of levels of effort. Allowable costs that may be claimed for matching, level of effort, or earmarking. Methods of accounting for and documenting amounts used to calculate amounts claimed for matching, level of effort, or earmarking.

Management is committed to ensuring matching, level of effort, and earmarking requirements are met. When budgeting funds, specific efforts are made to make sure earmarking requirements will be met. Additionally, periodic reviews are scheduled to monitor progress toward minimum and maximum earmarking requirements. The program guidance policies for each federal program/grant are used to ensure are matching, level of effort, and earmarking requirements are planned for, monitored and met.

Risk Assessment

Identification of areas where estimated values will be used for matching, level of effort, or earmarking. Management has sufficient understanding of the accounting system to identify potential recording problems.

Key managers identify allowable matching costs, level of effort requirements, and earmarking requirements. Management has sufficient understanding of the accounting system to monitor spending and identify potential problems.

Control Activities

Evidence obtained such as a certification from the donor, or other procedures performed to identify whether matching contributions: Are from non-Federal sources. Involve Federal funding, directly or indirectly. Were used for another federally-assisted program. Note: Generally, matching contributions must be from a non-Federal source and may not involve Federal funding or be used for another federally assisted program. Adequate review of monthly cost reports and adjusting entries.

All plans for matching costs are reviewed with the key managers to ensure the matching contributions are from a non-Federal source and do not involve federal funding and are not used for another federally assisted program.

Information and Communication

Accounting system capable of: Separately accounting for data used to support matching, level of effort, or earmarking amounts or limits or calculations. Ensuring that expenditures or expenses, refunds, and cash receipts or revenues are properly classified and recorded only once as to their effect on matching, level of effort, or earmarking.

Documenting the value of “in-kind” contributions of property or services, including: -- Basis for local labor market rates for valuing volunteer services. -- Payroll records or confirmation from other organizations for services provided by their employees. -- Quotes, published prices, or independent appraisals used as the basis for donated equipment, supplies, land, buildings, or use of space.

Each fund source contains adequate coding elements to track expenditures. Each requisition is reviewed by multiple key managers before being processed to ensure requirements are being met. Records are maintained to ensure in-kind contributions are fair and accurate.

Monitoring

Supervisory review of matching, level of effort, or earmarking activities performed to assess the accuracy and allowability of transactions and determinations, e.g., at the time reports on Federal awards are prepared.

Each fund source contains adequate coding elements to track expenditures. Each requisition is reviewed by multiple key managers before being processed to ensure requirements are being met. Records are maintained to ensure in-kind contributions are fair and accurate. These records are reviewed before filing the applications and expenditure reports.

Period of Availability of Federal Funds

Control Objectives

To provide reasonable assurance that Federal funds are used only during the authorized period of availability.

Control Environment

Management understands and is committed to complying with period of availability requirements. Entity’s operations are such that it is unlikely there will be Federal funds remaining at the end of the period of availability.

All key managers and recipients of funds are aware of deadlines to comply with to ensure funds are used in a timely way. Funds are monitored quarterly to ensure funds are being spent throughout the grant period, so the expected beneficiaries can benefit from the funds in a timely way. Deadlines are set ahead of the federal agencies’ deadlines to ensure compliance with spending and reporting deadlines.

Risk Assessment

The budgetary process considers period of availability of Federal funds as to both obligation and disbursement.

Identification and communication of period of availability cut-off requirements as to both obligation and disbursement.

The budgetary process considers the availability of federal funds as to both obligation and disbursement. The period of availability is identified and communicated with stakeholders with responsibilities for spending, receiving, and paying for program/grant expenditures.

Control Activities

Accounting system prevents obligation or expenditure of Federal funds outside of the period of availability. Review of disbursements by person knowledgeable of period of availability of funds. End of grant period cut-offs are met by such mechanisms as advising program managers of impending cut-off dates and review of expenditures just before and after cut-off date. Cancellation of unliquidated commitments at the end of the period of availability.

It is the responsibility of the key managers and bookkeepers to monitor each obligation and expenditure to ensure they are within the period of availability. Cut-off dates are set prior to the actual cut-off dates to help ensure all reporting is complete. Unliquidated commitments are cancelled at the end of the period of availability.

Procurement & Suspension & Debarment

Control Objectives

To provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party.

Information and Communication

Timely communication of period of availability requirements and expenditure deadlines to individuals responsible for program expenditure, including automated notifications of pending deadlines. Periodic reporting of unliquidated balances to appropriate levels of management and follow up.

Deadline dates are communicated throughout the year through reminder e-mails, staff development sessions and meetings. Periodic reviews of unliquidated balances are reviewed between the bookkeepers and the directors of the federal programs.

Monitoring

Periodic review of expenditures before and after cut-off date to ensure compliance with period of availability requirements. Review by management of reports showing budget and actual for period.

Periodic reviews of expenditures to ensure compliance with period of availability requirements are conducted before and after the cut-off dates. Management reviews budgets with actual expenditures.

Control Environment

Existence and implementation of codes of conduct and other policies regarding acceptable practice, conflicts-of-interest, or expected standards of ethical and moral behavior for making procurements.

Procurement manual that incorporated Federal requirements. Absence of pressure to meet unrealistic procurement performance targets.

Management's prohibition against intervention or overriding established procurement controls. Board or governing body oversight required for high dollar, lengthy, or other sensitive procurement contracts. Adequate knowledge and experience of key procurement managers in light of responsibilities for procurements for Federal awards. Clear assignment of authority for issuing purchasing orders and contracting for goods and services.

The Business Procedures Manual is available for procurement guidance. Current district process prevents deviation from steps required for procurement. District policy does not allow any employee to deviate from the procurement process. Hughes Springs ISD school board approves contracts valued at \$10,000 or more and inter-local agreements. Guidelines provided with Federal awards supplement local policy. The Business Procedures manual clearly identify the assignment of authority for issuing Purchase Orders (PO's) and signing contracts.

Risk Assessment

Procedures to identify risks arising from vendor inadequacy, e.g., quality of goods and services, delivery schedules, warranty assurances, user support. Procedures established to identify risks arising from conflicts-of-interest, e.g., kickbacks, related party transactions, bribery. Management understands the requirements for procurement and suspension and debarment, and, given the organization's staff, departments, and processes, has identified where noncompliance could likely occur. Conflict-of-interest statements are maintained for individuals with responsibility for procurement of goods or services.

A vendor report process enables stakeholders to address vendor inadequacy. Ethics training addresses conflict of interest issues. Statement files are maintained reflecting suspended and debarred vendors. All employees are required to sign an ethics statement which signifies understanding of conflict of interest policies.

Control Activities

Job descriptions or other means of defining tasks that comprise particular procurement jobs. Contractor's performance with the terms, conditions, and specifications of the contract is monitored and documented.

Establish segregation of duties between employees responsible for contracting and accounts payable and cash disbursing. Procurement actions appropriately documented in the procurement files. Supervisors review procurement and contracting decisions for compliance with Federal procurement policies. Procedures established to verify that vendors providing goods and services under the award have not been suspended or debarred by the Federal Government. Official written policy for procurement and contracts establishing:

Contract files that document significant procurement history.

Methods of procurement, authorized including selection of contract type, contractor selection or rejection, and the basis of contract price.

Verification that procurements provide full and open competition.

Requirements for cost or price analysis, including for contract modifications.

Obtaining and reacting to suspension and debarment certifications.

Other applicable requirements for procurements under Federal awards are followed.

Official written policy for suspension and debarment that:

Contains or references the Federal requirements;

Prohibits the award of a subaward, covered contract, or any other covered agreement for program administration, goods, services, or any other program purpose with any suspended or debarred party; and Before November 26, 2003, requires staff to obtain certifications from or make determinations that entities receiving subawards of any value or procurement contracts equal to or exceeding \$100,000 and their principals are not suspended or debarred. On or after November 26, 2003, requires staff to determine that entities receiving subawards of any value and procurement contracts equal to or exceeding \$25,000 and their principals are not suspended or debarred, and specifies the means that will be used to make that determination, i.e., checking the *Excluded Parties Listing System* (EPLS), which is maintained by the General Services Administration; obtaining a certification; or inserting a clause in the agreement.

Hughes Springs ISD buyers receive descriptions of job responsibilities. A vendor performance report is maintained by the district. Duties are segregated into separate departments. The Finance system restricts access to areas of the finance system as related to job responsibilities. Procurement actions are scanned and permanently filed. Statement files are maintained reflecting suspended and/or debarred vendors. The district business procedures manual address policy statements for procurements and contracts. Statement files are maintained reflecting suspended and debarred vendors.

Information and Communication

A system in place to assure that procurement documentation is retained for the time period required by the A-102 Common Rule, OMB Circular A-110, award agreements, contracts, and program regulations.

Documentation includes:

The basis for contractor selection; Justification for lack of competition when competitive bids or offers are not obtained; and The basis for award cost or price. Employees' procurement duties and control responsibilities are effectively communicated. Procurement staff are provided a current hard-copy *EPLS* or have on-line access. Channels of communication are provided for people to report suspected procurement and contracting improprieties.

Files are maintained on requests for proposals and cooperative contracts to assure that procurement documentation reflects award agreements, contracts and program regulations. The business procedures manual contain direction to employees with respect to procurement duties and control responsibilities. Employees are trained to report suspected improprieties to supervisors.

Monitoring

Management periodically conducts independent reviews of procurements and contracting activities to determine whether policies and procedures are being followed as intended.

An annual audit is performed to determine if the policies and procedures are completed and followed.

Program Income

Control Objectives

To provide reasonable assurance that program income is correctly earned, recorded, and used in accordance with the program requirements.

Control Environment

Management recognizes its responsibilities for program income. Management's prohibition against intervention or overriding controls over program income. Realistic performance targets for the generation of program income.

Our department directors that supervise Federal grants are assigned to manage specific Federal program and are trained in their responsibilities in program income. Our department follows specific guidelines and does not deviate from overriding authorized and approved program income. Grant guidelines provide specific guidelines for generating program income.

Risk Assessment

Mechanisms in place to identify the risk of unrecorded or miscoded program income. Variances between expected and actual income analyzed.

Funding sources are in place to prevent misidentifying or miscoding as it applies to program income. Monthly reports are reviewed to note any variances between expected and actual income. Files are maintained on requests for proposals and cooperative contracts to assure that procurement documentation reflects award agreements, contracts and program regulations. The business procedures manual contain direction to employees with respect to procurement duties and control responsibilities. Employees are trained to report suspected improprieties to supervisors.

Monitoring

Management periodically conducts independent reviews of procurements and contracting activities to determine whether policies and procedures are being followed as intended.

An annual audit is performed to determine if the policies and procedures are completed and followed.

Control Activities

Pricing and collection policies procedures clearly communicated to personnel responsible for program income. Mechanism in place to ensure that program income is properly recorded as earned and deposited in the bank as collected. Policies and procedures provide for correct use of program income in accordance with Federal program requirements.

The district business procedures manual in conjunction with grant pricing and collection procedures are clearly communicated to personnel. Department bookkeepers and district business manager check monthly collections and deposits to ensure their proper recording. District business procedures manuals provide policy procedures that provide guidance and requirements for correct use of program income.

Information and Communication

Information systems identify program income collections and usage. A channel of communication for people to report suspected improprieties in the collection or use of program income.

The finance system identifies program income and usage. Employees are trained to report improprieties in the collection and or use of collection income to supervisors.

Monitoring

Internal audit of program income. Management compares program income to budget and investigates significant differences.

District accounting department perform audits annually program income. Our department reviews and compares program income to program expenditures to identify significant differences/variances.

Real Property Acquisition and Relocation Assistance

Not applicable

Reporting

Control Objectives

To provide reasonable assurance that reports of Federal awards submitted to the Federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

Control Environment

Persons preparing, reviewing, and approving the reports possess the required knowledge, skills, and abilities. Management's attitude toward reporting promotes accurate and fair presentation. Appropriate assignment of responsibility and delegation of authority for reporting decisions.

Persons preparing, reviewing and approving reports are adequately trained and have full access to individuals who can answer questions they may have. The management's attitude is that all reports are true and accurate. Assignment of responsibility and delegation of authority for reporting decisions are appropriate.

Risk Management

Mechanisms exist to identify risks of faulty reporting caused by such items as lack of current knowledge of, inconsistent application of, or carelessness or disregard for standards and reporting requirements of Federal awards.

Mechanisms do exist to identify risks; however we still utilize a multi-leveled approach to reviewing reports. Multiple reports are reviewed to ensure the final report includes accurate data.

Control Activities

Written policy exists that establishes responsibility and provides the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. Tracking system which reminds staff when reports are due.

The general ledger or other reliable records are the basis for the reports. Supervisory review of reports performed to assure accuracy and completeness of data and information included in the reports. The required accounting method is used (e.g., cash or accrual).

Each director tracks deadlines in their calendars, and the finance system is used to generate expenditure reports each month. The general ledgers are the basis for the reports. The accrual accounting method is used for reporting expenditures. Multi-level reviews of reports are performed by supervisory staff to assure accuracy and completeness of data and information are included in the reports.

Information and Communication

An accounting or information system that provides for the reliable processing of financial and performance information for Federal awards.

Reliable systems for acquiring financial and performance data are used.

Subrecipient Monitoring

Not applicable

Monitoring

Communications from external parties corroborate information included in the reports for Federal awards.

Periodic comparison of reports to supporting records.

Periodic comparisons of reports are conducted to ensure compliance.

Almost all special revenue funds operate under supplement/supplant provisions. You must operate all special revenue funds as if the provision exists, unless you receive written notification that the fund you are working with does not have a supplement/supplant provision.

Supplement/Supplant

Definitions

Supplement – to add to; to enhance; to expand; to increase; to extend

Supplant – to take the place of; to replace

Introduction

Most agencies (e.g., federal, state, grantees) have "**supplement, not supplant**" rules which **prevent their funds from being used to replace existing resource allocations.**

Supplemental funding sources may only **supplement the costs of the regular education program** and may only be used for costs of programs and/or **services that are supplemental to the regular education program**.

A local education agency (LEA) shall use **supplemental funds only to supplement** the amount of state, local, and other non-federal funds **that would, in the absence of the supplemental funds, be made available from state, local, and other non-federal funds sources** for the education of students, and in no case may federal or state supplemental funds be used to supplant those state, local, and other non-Federal funds.

- Supplemental funds cannot be used for implementing the regular mandated foundation program.
- Supplemental funds cannot be used for implementing an activity required by state law, SBOE rule, or local board policy.

Explanation & Examples

State and local funds cannot be diverted from an activity merely because other federal or state (supplemental) funds are available.

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

Three examples of the application of the supplanting prohibition follow:

Assume that state law requires each local education agency (LEA) to provide at least five hours of classroom instruction each semester on conflict resolution to all ninth grade students. Because each LEA is required to provide the five hours of instruction from its own resources regardless of the existence of other supplemental funds, the LEA may not use supplemental funds to comply with the state mandate. Supplemental funds are intended to **supplement** state and local expenditures; they are **not intended to replace** state or local funds that would have been spent for the purposes in the absence of supplemental funds.

The supplemental funds **could** be used to **supplement** the expenditure of state and local funds for instruction on conflict resolution to ninth grade students and **to expand programs and services** beyond the level that would be provided in the absence of supplemental federal funds. The supplemental funds **could not** be used to provide the five **basic (required) hours of instruction**.

A local education agency (LEA), on its own initiative, already provides with its own resources what it regards as an appropriate drug and violence prevention program for its seventh grade students. The program is successful, and the LEA would continue it with its own funds, but intends instead to continue that same seventh grade program with federal funding and spend its own funds for another activity not authorized by the federal funding source, such as providing drug treatment or rehabilitation services for school dropouts. Shifting the support of the seventh grade program from local funds to the supplemental federal funds in these circumstances would **violate the supplement, not supplant provision**. By using supplemental federal funds to continue the seventh grade drug and violence prevention program, the LEA is merely replacing local funds that would have been expended anyway –

not supplementing or expanding the amount of program activities authorized by the federal funding source.

Suppose that a state requires all teachers to participate in a minimum number of in-service professional development days each year. Would a local education agency's use of Title II, Part A funds to pay for some of this state mandated professional development in order to free up local funds for other discretionary district initiatives violate the statute's supplement, not supplant requirement?

Yes. The program's supplement, not supplant provision requires that Title II, Part A *Improving Teacher Quality State Grants* funds be used only to supplement the educational program activities provided with State and local funds. This provision prohibits a local education agency from using Title II, Part A funds to pay for activities that, in the absence of these program funds, would be provided with state and local funds.

Title II, Part A funds may be used to fund only the professional development activities that supplement those mandated by state (or local) law (and, of course, also supplement those discretionary professional development activities that the district would fund in the absence of Title II, Part A funding).

Comparability

The federal **comparability of services requirement** is applicable to some grants. For example, for State Comp Ed and Title I funding, the school district must budget and expend non-State Comp Ed and non-Title I funds equitably among the various Title I and non-Title I campuses, and State Comp Ed and non-State Comp Ed campuses.

The Texas Education Agency (TEA) relies on data reported by districts through PEIMS to determine compliance with requirements in the federal guidelines, Texas Education Code and State Board of Education rules. TEA may request additional data, as necessary in order to clarify questions related to PEIMS data.

Additionally, on-site visits will be made in some districts to further assess qualitative and quantitative questions about supplemental programs. If TEA determines that a district supplanted the regular education program, then financial penalties may apply to the district.

The Test

To determine whether supplanting will occur, ask whether the service or material would, in the absence of supplemental funds, have been supported with state or local funds.

If you did not have (supplemental) funds, would you still buy/pay for (service/material)?

If you did not have Title I funds, would you still buy student desks for each regular classroom?

If you did not have Title I funds, would you still purchase the ABC software package for your program?

If the answer is **YES**, this may be **supplanting**. State and local funds which previously funded activities cannot be diverted to another purpose simply because funds are available to support those activities. If the answer is **NO**, the funds are being use to **supplement** the educational program.

Time & Effort/Employee Certification

Title I, Part A & Title I, Part A ARRA

Purpose

The **purpose of Title I** is to enable schools to provide opportunities for children served to acquire knowledge and skills contained in the challenging state content standards (TEKS) and to meet the challenging state performance standards (TAKS) developed for all children.

This purpose is accomplished by:

- ensuring high standards for all students and aligning the efforts of states, local educational agencies, and schools to help students served with Title I funds to reach such standards;
- providing students with an enriched and accelerated educational program, including, when appropriate, the use of arts, school wide programs, or the increase of the amount and quality of instructional time so that students served with Title I funds receive at least the classroom instruction that other students receive;
- promoting school wide reform and ensuring access of children to effective instructional strategies and challenging academic content that includes complex thinking and problem-solving experiences;
- providing substantial staff development opportunities to significantly upgrade the quality of instruction;
- coordinating all Title I services with each other, with other educational services, and to the extent possible, with health and social service programs funded from other sources;
- affording parents meaningful opportunities to participate in the education of their children at home and at school;
- distributing resources, in amounts sufficient to make a difference, to areas and campuses where needs are the greatest;
- improving accountability by using the State assessment system (TAKS) to measure how well Title I students are achieving the challenging State student performance standards (TEKS) expected of all students; and providing greater decision making authority and flexibility to schools and teachers in exchange for greater responsibility for student performance.

Identification of Students Served

Children enrolled at a schoolwide program campus do not need to meet any identification eligibility criteria to participate in the schoolwide program or to receive services from programs included in the schoolwide program.

Schoolwide Program Components

Regulations provide that school wide programs must include the following components:

- conduct a **comprehensive needs assessment** of the entire school to determine the performance of its children in relation to the TAKS and TEKS;
- implement **school wide reform strategies** that are based on effective means of improving the achievement of children and that address the needs of all children in the school;
- instruction by **highly qualified professional staff**;
- provide **professional development** for teachers and other staff;
- implement strategies to **increase parental involvement**;
- plans for assisting children in the **transition** to receiving schools;
- measures to **include teachers** in the decisions regarding the use of assessments; and
- activities to ensure that students who experience difficulty mastering any of the TEKS or TAKS standards shall be provided with **effective, timely additional assistance**.

Use of Funds

Title I, Part A funds must be used only to supplement the amount of funds that would, in the absence of Title I, Part A funds, be made available from State and local sources. Title I, Part A funds must not supplant State and local funds. Title I, Part A funds cannot be used to provide services that are required by law to be provided to children with disabilities, migrant children, limited English proficient children, or children whose families meet the low income criteria, but may be used to coordinate or supplement those required services.

Frequently Asked Questions

1. How can Title I funds be used?

All purchases/services must be **supplemental** and **directly related to Title I**, and/or improving student achievement in language arts and/or mathematics. The budget guidelines in this handbook detail budget options.

2. Are there guidelines that must be followed?

All local, state, and federal guidelines must be followed (most of which are addressed in this handbook). **[Ask for permission, not for forgiveness.** There are too many policies that have no leeway. Although something may increase student's achievement, it may not be allowable.] Any purchases/services secured by the campus/district staff that do not comply with the guidelines will be the responsibility of the campus/district staff. **Bid laws** must be followed.

3. Can we purchase refreshments for award ceremonies, or banquets with guest speakers?

No, this is not an allowable use of these funds.

4. What type of food items may be purchased for the following groups?

Staff - None

Students - Extended week and year **SNACKS**. NO LIGHT MEALS (Obj 6499) [Extended day snacks cannot be purchased, since they are free through the Child Nutrition department.]

SNACKS - (not rewards) during state mandated tests (TAKS, ITBS) (Obj 6499) NOTE: If HSISD provides snacks or juice you cannot use Title I funds to purchase them.
Instructional materials (i.e. sorting, graphing, measuring) (Obj 6399)

Parents SNACKS at Title I parent meeting. NO LIGHT MEALS (Obj 6499)

5. Does the principal/district supervisor have to approve the requisition?

The principal's/district supervisor's approval indicates that items on the requisitions being paid with these funds have been budgeted (based on Needs Assessment data) and approved. In the event the authorized administrator will not be able to approve, they should notify the Business Manager and indicate (a) who they will allow to sign the requisitions, and (b) on which specific dates.

6. What is the purpose of supplement/supplant provisions?

*"The fiscal requirement of supplement, not supplant is to ensure that the level of state and local support for programs remain at least constant and not be replaced by federal funds. **Documentation must be maintained which clearly demonstrates the supplementary nature of federal funds and/or activities, as appropriate.**"*

7. Do I need to explain the purpose of my purchases?

All requisitions must have a **record** briefly stating how the funds are to be used. (i.e. Supplemental supplies for Project Success, Supplemental equipment for the CCC Lab, Supplemental supplies for extended day.) **This brief note is to be written on the bottom of the requisition.**

8. When can I spend my Title I funds?

Your Title I funds must **benefit the children in the current funding year (July 1—June 30)**. Do not hold back your Title I money until the spring, without having specific plans for the money. The use of your funds must be based on identified needs and included in your Campus Improvement Plan and detailed in your ABC budget file(s)

9. Can Title I funds be used to pay for field trip fees?

Yes. Local policy does allow Title I funds to be used for instructional/educationally relevant field trips.

10. Do I need to submit receipts as back-up?

Yes. If your receipt has a shiny surface, **do not allow any tape to cover** information printed on the receipt when you're taping it down. Tape will cause the information to **disappear** after a few days. Because all back-up documentation will be scanned it is necessary to tape your original receipt(s) on all

four edges to an 8.5 x 11 sheet of paper. If you have a receipt that is very long and will not fit easily on a sheet of paper, you can photo copy the receipt on several sheets of paper (so it will be scannable) but you must still submit the original receipts along with the copy—attached to your requisitions.

11. Who do I notify if I need to make a budget change?

If you need to amend your budget contact the Director of Federal Programs. We will send an amendment in to TEA once each semester (usually in October and January)

12. Who do I notify if I need to make a personnel change?

If you need to make a **PERSONNEL CHANGE** (drop or add), which impacts the Title I program notify the Director of Federal Programs **in writing**.

- Title I staff must be certified to teach their assigned job and must meet highly qualified standards for teachers and paraprofessionals.
- Employees paid with special revenue funds sign annual certification notices to confirm they are performing the work they are paid to perform.

13. Is there a way I can tell if a particular item may be purchased with Title I Funds?

Yes, ask yourself the following questions?

- Will it directly impact improvement of student performance in language arts or mathematics, or will it improve parental involvement (resulting in improved student performance)? [If your answer is yes, read the next question]
- If I didn't have Title I funds, would I still buy it? [If your answer is no, read the next question.]
- Is the item listed in your Campus Improvement Plan as a Title I expenditure? [Your answer should be yes.]
- The questions listed above should get you started.

14. A district employee will be attending a conference (using special revenue funds) in which the dates of the conference and the corresponding travel dates cross a grant period (i.e., the first part of the travel occurs in one grant period, and the second part of the travel occurs in the next grant period). How is this travel to be charged?

The travel costs that are actually incurred during each respective grant period must be charged to that grant period. For example, half of the plane ticket would be charged to the first grant, and half of the plane ticket would be charged to the second grant, because the traveler departed on a day covered by the first grant, and returned on a day covered by the second grant. The lodging and meals would also be charged in the same manner, i.e., expenses for lodging and meals that were incurred during the first grant period would be charged to the first grant period, and lodging and meal expenses that were incurred during the second grant period would be charged to the second grant period.

15. Can we pay a registration fee in advance of the conference, even though the conference may not be until the subsequent grant period?

Yes, but only if the registration fee MUST be paid prior to the ending date of the current grant in order for the participant to attend the conference. If the registration fee can be paid later or paid onsite at the conference, then the registration fee must be paid later or on-site from the subsequent grant. The registration fee will be charged to the grant period during which the registration fee was actually paid because that is when the obligation occurs. You must be able to document that the registration fee was required to be paid in advance to avoid an audit exception.

16. If we pay the registration fee in advance, it will save us some money. But the conference is not until the next grant period. Can we pay the registration fee from the current grant to save money?

No. Even though it will save you money, unless the registration fee MUST be paid in advance in order to be able to attend the conference, you may not pay the registration fee in advance.

17. What do I do if I do not have enough funds to pay for a position?

If you have an additional funding source that also qualifies as a source that can fund the position, you can pay the individual from multiple fund sources — as long as both fund sources are allowed to be used to fund the position (such as Title I and State Comp Ed funds are both allowable fund sources for a supplemental reading teacher position), you can split the pay (by assigned time periods) to cover the whole salary. Please note, we are not splitting the individuals pay on a daily basis as this would result in the individual having to keep time & effort statements (which takes time away from teaching). Instead you would determine how many days would be paid from each fund source. You could, for example, pay the teacher from Title I funds from August—December and from State Comp Ed funds from January—June.

Title I ARRA Purpose/Four Initiatives

For additional guidance, contact the Directors of Federal Programs.

The purpose of Title I, Part A ARRA is to provide additional assistance to schools that have concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state standards and to close the achievement gap. Title I, Part A ARRA has four initiatives:

- To increase efforts to institute rigorous post-secondary standards and high-quality, valid and reliable assessments and prevent school drop outs;
- To enhance data systems that track progress and foster continuous improvement;
- To improve teacher effectiveness and support through the equitable distribution of qualified teachers; and
- To provide effective interventions which encourage school improvement.

*** Title I, Part A ARRA funds are only available for two years: 2009-2010 and 2010-2011.**

Title II, Part A – Teacher and Principal Training and Recruiting

Purpose

The purpose of Title II, Part A, is to increase the academic achievement of all students by helping schools and school districts improve teacher and principal quality and ensure that all teachers are highly qualified. Through the program, local educational agencies (LEAs) receive funds on a formula basis.

The new Title II, Part A program replaces the previous requirement to focus on professional development for mathematics and science (Eisenhower funds) in favor of support for teacher professional development across all core academic subjects. The importance of math and science remains high priority, but many other activities are now allowed as well.

Districts are required to ensure that their strategies and funded activities are grounded in scientifically based research so that students benefit from teaching practices and methods that are based on what is known to work.

The new Title II, Part A program also gives schools and districts expanded flexibility to address their need for qualified teachers and principals not only through professional development for existing staff, but through efforts that include attracting qualified individuals into teaching and offering financial incentives and other structural changes to retain them.

Title II, Part A Budget Guidelines

District Requirements

- **ALL** requisitions must have a written record of how the funds are used on the bottom of the requisition.
- **ALL** 62XX requisitions must have a contract and an invoice attached which share the same details. The contract must be dated on or before the date of the invoice.
- Contracts of \$1,000 or more must be approved by the Business Manager before the services are provided.
- Any purchases/services secured by you, which do not comply with these guidelines, will be your responsibility.
- Any uses of these funds, other than what's listed in these guidelines, will require **prior** approval of the Director of Federal Funds.
- Requisitions must be submitted in a timely manner.
- Your Title II funds must **benefit the staff in the current funding year**.

Allowable Costs for the Title II, Part A Program

Recruitment: LEA can develop or enhance activities to encourage high-quality individuals, including mid-career professionals, former military personnel, paraprofessionals, and recent college graduates, to enter the teaching profession through alternative routes to State certification.

Preparation and Professional Development: LEAs can carry out activities that focus on increasing the subject matter knowledge of teachers.

Support: LEAs can develop and expand activities that provide mentoring for new teachers and assist teachers in how to use assessment data to guide instructional decisions.

Ensuring Quality: LEAs can implement teacher testing to assess subject matter knowledge, and can conduct activities that assist teachers with meeting the requirements for becoming Highly Qualified

Retention: LEAs can develop and expand merit-based performance systems that provide differential pay and bonuses for teachers who teach in specific schools and subject areas.

Beyond this, Title II, Part A program tailors local planning requirements to focus on achieving results by such means as (1) requiring LEAs to target their funds on schools with the greatest need for assistance; and (2) mandating stronger measures with which to hold schools and LEAs accountable for improved teachers quality.

Allowable uses of Title II Funds:

- Developing and implementing strategies and activities to recruit, hire, and retain highly qualified teachers and principals;
- Providing professional development activities that improve the knowledge of teachers and principals and, in appropriate cases, paraprofessionals, in:
 - Content knowledge. Providing training in one or more of the core academic subjects that the teachers teach; and
 - Classroom practices. Providing training to improve teaching practices and student academic achievement through (1) effective instructional strategies, methods, and skills, and (2) the use of challenging State academic content standards and student academic achievement standards in preparing students for the State assessments.
- Providing professional development activities that improve the knowledge of teachers and principals and, in appropriate cases, paraprofessionals, regarding effective instructional practices that:
 - Involve collaborative groups of teachers and administrators;
 - Address the needs of students with different learning styles, particularly students with disabilities, students with special needs (including students who are gifted and talented), and students with limited English proficiency;
 - Provide training in improving student behavior in the classroom and identifying early and appropriate interventions to help students with special needs;

- Provide training to enable teachers and principals to involve parents in their children’s education, especially parents of limited English proficient and immigrant children; and
- Provide training on how to use data and assessments to improve classroom practice and student learning.
- Developing and implementing initiatives to promote retention of highly qualified teachers and principals, particularly in schools with a high percentage of low-achieving students, including programs that provide teacher mentoring from exemplary teachers and administrators, induction, and support for new teachers and principals during their first three years; and financial incentives to retain teachers and principals with a record of helping students to achieve academic success.
- Carrying out programs and activities that are designed to improve the quality of the teaching force, such as innovative professional development programs that focus on technology literacy, tenure reform, testing teachers in the academic subject in which teachers teach, and merit pay programs.
- Carrying out professional development programs that are designed to improve the quality of principals and superintendents, including the development and support of academies to help them become outstanding managers and educational leaders.
- Hiring highly qualified teachers, including teachers who become highly qualified through State and local alternative routes to certification, and special education teachers, in order to reduce class size, particularly in the early grades.
- Carrying out teacher advancement initiatives that promote professional growth and emphasize multiple career paths (such as paths to becoming a mentor teacher, career teacher, or exemplary teacher) and pay differentiation.

Unallowable Costs for the Title II Program

Title II funds may not be used for construction or renovation of any buildings, rooms, or other facility.

The following activities or expenditures are not consistent with the intent and purposes of the Title II Professional Development Program and are, therefore, unallowable.

- Instructional supplies and materials for the classroom
- Costs associated with writing or aligning of curriculum.
- Computers, technology equipment, or other capital outlay items are unallowable, unless it is used specifically for training in professional development activities. The equipment must be necessary, the cost reasonable, and be unavailable from other sources.
- Computer labs.
- Professional Development Libraries.

- Purchasing items previously paid for with local funds (supplanting).

Title II funds may only be used to purchase materials for training purposes. You may not use the funds to purchase items in bulk for classroom implementation.

Title II, Part D (Regular/ARRA)

The purpose of Title II, Part D is to increase technology capacity in schools and to integrate technology with curriculum to increase student learning. This purpose will occur through:

- The upgrade of technology;
- Teacher professional development which addresses how to integrate appropriate technology tools;
- Inter-state distance learning partnerships;
- The upgrade of data decision support systems; and
- Scientifically based research which explores the effective use of technology to enhance instruction.

Optional Extended Year

The OEYP provides additional support and instruction for students in grades 7-9 who have been **identified as not likely to be promoted to the next grade** by the next school year.

The OEYP enables districts to provide services to identified students through **extended-year programs**.

These funds provide a high-quality education that enables all children to meet the state's student performance standards (**reading, writing, math, science, social studies**).

The OEYP requires **staff development, parent involvement, pre and post test components**.

These programs must use effective methods and instructional strategies that are grounded in **scientifically based research**.

All expenditures must be **supplemental, reasonable and necessary**.

State Comp Ed

At-Risk Definition

A student at-risk of dropping out of school includes each student who is under 21 years of age and who:

- Is in prekindergarten, kindergarten or grade 1, 2, or 3 and did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;

- Is in grade 7, 8, 9, 10, 11, or 12 and did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;
- Was not advanced from one grade level to the next for one or more school years;
- Did not perform satisfactorily on an assessment instrument administered to the student under TEC Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;
- Is pregnant or is a parent;
- Has been placed in an alternative education program in accordance with TEC 37.006 during the preceding or current school year;
- Has been expelled in accordance with TEC 37.007 during the preceding or current school year;
- Is currently on parole, probation, deferred prosecution, or other conditional release;
- Was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;
- Is a student of limited English proficiency, as defined by TEC 29.052;
- Is in the custody or care of the Department of Protective and Regulatory Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;
- Is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or
- Resided in the preceding school year or resides in the current school year in a residential placement facility in the district; including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

State Comp Ed – Frequently Asked Questions

1. How can State Comp Ed Funds be used?

All purchases/services must be **supplemental** and **directly related to State Comp Ed**, and/or **improving student achievement in language arts and/or mathematics**. The budget guideline in this handbook detail budget options.

2. Are there guidelines that must be followed?

All local, state, and federal guidelines must be followed (most of which are addressed in this handbook). **[Ask for permission, not for forgiveness]**. There are too many policies that have no leeway.

Although something may increase student achievement, it may not be allowable.] Any purchases/services secured by the campus that do not comply with the guidelines will the guidelines will be the responsibility of the campus. **Bid laws** must be followed.

3. What types of food items may be purchased?

Staff -none

Students -extended day, week, year **SNACKS**. NO LIGHT MEALS — (Obj 6499)

-**SNACKS** (not rewards) during state mandated tests (TAKS, ITBS) (Obj 6499)

-If AISD provides snacks or juice you cannot use State Comp Ed funds to purchase them.

-instructional materials (i.e. sorting, graphing, measuring) (Obj 6399)

Parents– none (State Comp Ed funds must be used directly to impact students and cannot be used for parent involvement.)

4. Can we purchase refreshments for award ceremonies or banquets with guest speakers?

No, this is not an allowable use of these funds.

5. Do I need to explain the purpose of my purchases?

“The fiscal requirements of supplement, not supplant is to ensure that the level of state and local support for programs remain at least constant and not be replaced by federal funds. **Documentation must be maintained which clearly demonstrates the supplementary nature of federal funds and/or activities, as appropriate.**”

All requisitions for consumable materials or items that are **traditionally purchased with state or local funds** must have a **written record** briefly stating how the funds are to be used. (i.e. Supplemental supplies for Project Success, Supplemental equipment for the CCC Lab, Supplemental supplies for extended day.) **This brief note is to be written on the requisition.**

6. Your Comp Ed funds must benefit the children in the current funding year.

Do not hold back your Comp Ed money until the spring, without having specific plans for the money. (Must be in Campus Plan.)

7. Do I need to submit receipts as back-up?

Yes. If your receipt has a shine surface, **do not allow tape to cover** information printed on the receipt when you’re taping it down. Tape will cause the information to **disappear** after a few days.

8. Who do I notify if I need to make a budget change?

If you need to amend your Comp Ed budget contact **the Director of Federal and State Programs or Business Manager at Central Office.**

9. Can Comp Ed funds be used to pay for field trip fees?

Yes, Comp Ed funds can be used for **educational** field trips.

10. Is there a way I can tell if a particular item may be purchased with State Comp Ed funds?

Yes, ask yourself the following questions-

- Will it directly impact improving and enhancing the education program in core subject areas for students in at risk situations? [If your answer is **yes**, read the next question.]
- If I didn't have State Comp Ed funds, would I still buy it? [If your answer is **no**, read the next question]
- Is the item listed in your Campus Improvement Plan as a State Comp Ed expenditure? [Your answer should be **YES**.]

11. A district employee will be attending a conference (using special revenue funds) in which the dates of the conference and the corresponding travel dates cross a grant period (i.e., the first part of the travel occurs in one grant period, and the second part of the travel occurs in the next grant period). How is this travel to be charged?

The travel costs that are actually incurred during each respective grant period must be charged to that grant period. For example, half of the plane ticket would be charged to the first grant, and half of the plane ticket would be charged to the second grant, because the traveler departed on a day covered by the first grant, and returned on a day covered by the second grant. The lodging and meals would also be charged in the same manner, i.e., expenses for lodging and meals that were incurred during the first grant period would be charged to the first grant period, and lodging and meal expenses that were incurred during the second grant period would be charged to the second grant period.

12. Can we pay a registration fee in advance of the conference, even though the conference may not be until the subsequent grant period?

Yes, but only if the registration fee **MUST** be paid prior to the ending date of the current grant in order for the participant to attend the conference. If the registration fee can be paid later or paid on-site at the conference, then the registration fee must be paid later or on-site from the subsequent grant. The registration fee will be charged to the grant period during which the registration fee was actually paid because that is when the obligation occurs. You must be able to document that the registration fee was required to be paid in advance to avoid an audit exception.

13. If we pay the registration fee in advance, it will save us some money. But the conference is not until the next grant period. Can we pay the registration fee from the current grant to save money?

No. Even though it will save you money, unless the registration fee **MUST** be paid in advance in order to be able to attend the conference, you may not pay the registration fee in advance.

District/Campus Improvement Plans and State Compensatory Education

The Texas Education Code requires each school district (including charter schools) to have a district and campus improvement plan. The state compensatory education program must be described in the campus improvement plan if the program is implemented at the campus level or be described in the district improvement plan if the state compensatory education program is implemented district wide.

Law requires the district/campus improvement plan; it is the primary record supporting expenditures attributed to the state compensatory education program.

In determining the appropriate accelerated, intensive compensatory programs and/or services, districts must use student performance data from the TAKS and other appropriate assessment instruments and achievement tests administered under Subchapter B, Chapter 39 of the Texas Education Code. The district must design the state compensatory education program based on the identified needs of students at risk of dropping out of school.

In addressing the needs of students at risk of dropping out of school, the district and/or campus improvement plan, as appropriate, must include the following:

- Total amount of state compensatory education funds allocated for resources and staff
- Comprehensive needs assessment
- Identified strategies
- Supplemental financial resources for state compensatory education
- Supplemental FTEs for state compensatory education
- Measurable performance objectives
- Timelines for monitoring strategies
- Formative and summative evaluation criteria

State compensatory education resources must be redirected when evaluations indicate that programs and/or services are unsuccessful in producing desired results for students at risk of dropping out of school.

School districts are required to have local policies and procedures to identify:

- Students who are at risk of dropping out of school under the criteria in Section 29.081, TEC
- Students who are at risk of dropping out of school under local criteria and document compliance with the 10% cap in Section 29.081, TEC;
- How students are entered into the SCE program; How students are exited from the SCE program;
- The methodologies involving calculation of 110% satisfactory performance on all assessment instruments, in accordance with Section 29.081, TEC; and

- The cost of the regular education program in relation to budget allocations per student and/or instructional staff per student ratio. Many districts utilize their regional education service centers to assist in the development of their campus and/or district improvement plans. ESCs provide technical assistance to school districts and can provide a wealth of information on best practices and model programs.

The Campus Improvement Plan objective that fits each individual purchase must be indicated on all purchase orders where Special Revenue Funds are used.

FIXED ASSETS

Fixed Assets – Definition

Fixed assets are defined as any equipment, furniture, machinery, etc. (minor equipment), which cost or has an estimated value of **\$5,000.00 or more** and has a useful life of **one year or more**. Note that the term *fixed* does not indicate the immobility of an asset.

Acquisition of Fixed Assets

All equipment, furniture, machinery, etc. in a building purchased with school district, activity, parent organizations funds, or by donation becomes the **property of the Hughes Springs ISD (HSISD)**.

Fixed assets can be acquired by a school or department in the following ways:

- **Purchases through district funds** – When items are purchased through the district’s standard purchasing procedures, the fixed asset number and information is entered into the fixed assets system.
- **Purchases through activity funds** – The principal/financial secretary is responsible for reporting these purchases to the business office by completing a Notification of Fixed Asset Purchase. The information will be entered into the fixed assets system. Additional information may be obtained regarding schools in the *Activity Funds Handbook*. This form can be found on the Hughes Springs ISD website.
- **Donations** – The principal/department head is responsible for reporting donations to the business office in writing by completing a Notification of Fixed Asset Purchase. The information will be entered into fixed assets system.
- **Transfers** – Fixed assets transferred between schools and/or departments should be recorded on a Request for Transfer of School Property form. The completed form with the appropriate signatures should be forwarded to the business office. This form can be found on the Hughes Springs ISD website.

A Notification of Fixed Asset Purchase form should be completed for fixed asset items costing less than \$5,000.00 that have **serial numbers or are highly susceptible to theft** (i.e., tablets, calculators, computer printers, etc.)

Disposition of Fixed Assets

The Notification of Fixed Asset Disposition Form should be used when disposing of any school district property. The completed form with the administrator's signature should be forwarded to the business office. This form can be found on the Hughes Springs ISD website.

It is the responsibility of the originator to complete the Notification of Fixed Asset Disposition Form in order to have worn, obsolete, or damaged items removed from the school or office location.

The originator should provide sufficient information pertaining to the nature of the items in order to assist the business office in providing efficient pickup and delivery.

The principal/department head must sign as the requesting administrator indicating approval.

Forward the original to the business office for final approval and scheduling of the pickup. The originator should retain one copy of the Notification of Fixed Asset Disposition Form.

When disposing of **library books**, forward the original of the Notification of Fixed Asset Disposition Form to the Librarian who will remove the material from the records prior to forwarding to the business office.

All materials requested for removal should be relocated to the designated pickup area within the school in order to avoid pickup delays and classroom disruption. If relocation is not possible or practical, contact the business office to make special arrangements.

Marking pens or other devices should not be used to mark on surplus or auction items. This could render the item(s) unfit for future use or resale. Condition or operating description should be noted on the Notification of Fixed Asset Disposition Form or on a sheet of paper attached to the item.

Disposition items may be re-issued to any HSISD employee for use in an official capacity.

Pickup and Redelivery of Material

When there is a requirement to move an item(s) from one location to another, the originator should complete the Pickup & Redelivery form.

The originator is responsible for completing the form with the information required with additional comments that will help in the planning for any request that may need additional resources to accomplish.

Items designated for pickup should be placed in the regular delivery storage room/area prior to the scheduled delivery time. If it is not practical to place the item in the delivery area due to size or quantity, annotate the location of the item on the Pickup & Redelivery form along with the name and telephone number of the originator.

Disposition of Flags

American or Texas flags should be discarded when they become old, worn, torn or tattered. Flags should **not** be discarded in the local trash bin or sold at the auction.

The local Boy Scout Organization is a great source for proper flag disposition.

Contact the proper organization and arrange for disposal.

Physical Inventory

In accordance with Governmental Accounting Standards Board (GASB) and Texas Education Agency (TEA) guidelines, the HSISD must conduct a physical inventory of all land, buildings, machinery and equipment with an acquisition value of \$5,000.00 or more annually.

A report that lists any inventory on your campus/department that meets the above criteria according to Skyward fixed asset records will be sent to the organization director for verification after August 31st each year.

FUND RAISING ACTIVITIES

Definition

A fund raising activity may be defined as any type of planned, scheduled or anticipated event, activity or product sale involving participation of the student body or a school-recognized student group for the purpose of generating funds for a school, student group or bona fide organization.

General Information

To request permission to conduct a fund raising activity, the event/activity sponsor must complete the application portion of the Fund Raising Application/Final Report form.

The principal, prior to the beginning date of the fund raising activity, must approve the fundraiser. A Fund Raising Application/Final Report form must be prepared for each fund raising activity.

Fund raising activities are not confined to regular school hours but are considered an extension of the school program. When fund raising activities are in the name of the school, all funds raised become school funds, belonging to the school-sponsored group responsible for raising the money.

The principal is responsible for reviewing the campus's annual fund raising plan listing the organizations that will engage in fund raising activities with the intended use of the funds specified.

It is the responsibility of the sponsor to keep up with the amount of product given to each student and the money they collect on the Fund Raising Distribution Report.

At the end of each fundraiser, each organization shall report to the principal regarding the outcome of each fund raising activity and how these funds were used.

For safety reasons, door-to-door fund raising/solicitation by students in activities sponsored by the school or by a school related organization are discouraged.

When funds are used from general funds to purchase product for a fund raiser, the general funds must be reimbursed before any profit is deposited into activity funds.

Accounting for Activities

Collections and Disbursements:

- All collections must be receipted and all payments must be made in accordance with disbursement procedures outlined in this manual.
- All collections and disbursements associated with any coordinated activity by the school or a school-recognized group shall be transacted through the Activity Fund.
- It is the responsibility of the event/activity sponsor to maintain and submit accurate records of goods and services invoiced, assigned, returned, and sold. The Financial Recap section of the Fund Raising/Sales Application and Financial Recap form must be completed for each fund raising activity.
- All collections and disbursements recorded to the activity ledger should be coded to the appropriate sub-account.
- Upon completion of fund raising activities, the financial recap summarizing the receipts and expenditures of the fundraiser should be completed by the sponsor and a copy submitted with the deposit of monies. The fund raising recap can be completed from the Fund Raising Distribution Report - Tabulation of Monies Collected form.
- The financial recap should indicate gross collections and list any expenses incurred relative to the activity merchandise (advertising, sales tax, prizes, etc.). Disposition of the net proceeds (profits) should also be disclosed if funds were collected for a specific purpose.

The event/activity sponsor is responsible for keeping accurate records for all fund raising activities. Such records should include at minimum:

- Distribution Report
- Collection Reports
- Tabulation of Sales Tax Collections
- Minutes of the organization's meetings
- Original cash receipts received

Non-Faculty Fundraisers

Fund-raisers sponsored by non-faculty adult groups (i.e. booster clubs, dad's clubs, and PTAs, etc.) that require the use of school property shall require prior approval of the principal.

Funds raised from activities planned, implemented, and sponsored by the non-faculty adult groups (i.e. booster clubs, dad's clubs, and PTAs, etc.) are to be deposited into the group's account and not in the school's activity funds account.

The principal, activity funds bookkeeper, or other staff members may not be involved in collecting, receipting, or depositing monies raised during a fund raiser that is sponsored solely by a non-faculty adult group.

Charitable Fundraising

Proposals for any fund raising activity must be submitted in accordance with the procedures outlined for fund raising.

- A student group and/or campus may adopt a community project with an entity qualified under federal tax law to receive donations for charitable purchases.
- The charitable organization must file a copy of their approved 501(c)(3) status with the Campus Principal/designee prior to the start of the fund raising activity. A copy of status must be filed with the Fund Raising Application/Final Report Form.
- Adopted projects shall not benefit an individual or an organization without a 501(c)(3) status.

Disbursement options

- Funds collected may be deposited into the organizations activity account. Payment is then processed through Accounts Payable utilizing regular purchasing guidelines. The funds will be disbursed from the same activity account they were deposited to.
- Funds may be utilized to purchase an item that will be donated (i.e.: blankets donated to charitable organization). The funds would be deposited into the organizations activity account. The purchase would then occur utilized a purchase order and the same activity account the funds were deposited to.

Revenue Received

For all revenue received, determination must be made if it is a sale, or not a sale.

Sale

A sale is the transfer of title or possession of tangible personal property for consideration (usually money). A sale also includes the performance of a taxable service for consideration. All sales (whether taxable or not) are reported on the Texas Sales and Use Tax Return.

Not a Sale

The following list is not all-inclusive but is offered as a guide:

- Collection of money from students to pay a company for admission or service (i.e., field trips, Sea World, PSAT test)

- Commissions - recycling, vending
- Donations of money to the school or school group
- Dues received for clubs
- Fees – replacement/repair of HSISD property (i.e.: instrument, lab, uniform cleaning), transcripts, lost textbook
- Fines– damages (textbooks, library books, locker, uniforms), parking violations, obligations
- Marathon fundraisers – these are donations (i.e., lift-a-thon, jog-a-thon, jump rope for heart, basketball hoops)
- Tuition - Summer School, Saturday School, Community Education
- Vendor sale - fundraisers when the school group receives a commission (i.e.: book fairs, school pictures)

Vendor Sale

This type of fundraiser places our school groups in a position of an agent acting as a sales representative for a for-profit organization. This makes the vendor responsible for the collection and payment of sales tax to the state comptroller. The tax would be remitted to the retailer, and the retailer would claim it as their sale and they would pay the tax to the Comptroller’s office. The school would not report this type revenue as a sale. Examples are vending machine sales where the vendor services the machine, school pictures, and book fairs.

These sales may not utilize the district’s tax-free day exemption.

Only when the school or school group purchases the merchandise and then resells these items to their customers is the school the seller. The school should provide a resale certificate to the retailer.

Charging Sales Tax

General Requirements

Sales tax is a tax on the sale, lease or rental of taxable, tangible personal property, and taxable services within the state of Texas. Sales tax must be paid on all taxable items sold by any group or organization at the school. The Texas Sales and Use Tax Return must be submitted to the Comptroller’s Office whether or not taxable items were sold.

State, Local Sales and Federal Excise Taxes

Taxable Status of Purchases

Ruling No. 95-0 from the State Comptroller, effective October 1, 1969 states:

"The sale, lease or rental of tangible property directly to or for storage, use or other consumption of tangible personal property directly by an educational organization. . . . , which property is necessary to its function as such, and paid for by the organization is exempted from the computation of (state and local sales) taxes."

Provisions under Article 21-023 of the Federal Statutes provide tax exemption to the School District.

The District exemption status may not be utilized by parent, patron, or alumni organizations to secure exemption from sales and excise taxes. Parent/teacher organizations, booster clubs, and school support organizations must apply for their own exemption.

In accordance with these rulings:

Tax Free Purchases

All items purchased by a public school, school district or non-private school for the schools own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a Texas Sales Tax Exemption Certificate. To be valid, the certificate must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization and that payment shall be made from the organization's own funds.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. Examples - cheerleaders purchasing their own uniforms, band members purchasing their own instruments and athletic teams purchasing their own jackets.

Taxable Sales

All non-food items sold through a school-sponsored outlet or by a school-associated organization are subject to sales tax.

The following list of taxable sales is not all-inclusive but is offered as a guide:

- Agriculture sales
- Auction items sold
- Books: agenda, planner (when HSISD is the seller)
- Calculators
- Calendars
- Clothing
- Craft sales
- Cups
- Directories
- Equipment: athletic, band, etc.
- Copies
- Flowers
- Horticulture sales
- ID cards
- Pictures (when HSISD is the seller)
- Publications: school publications (programs, posters, yearbooks, etc.)
- Rentals: equipment, instruments, uniforms, etc.
- Repairs to personal property (items not owned by HSISD)
- Spirit items: clothing, pennants, yard signs, etc.
- Supplies: art, hygiene, music, PE safety, science
- Uniforms: athletic, band, cheerleader, dance/drill team, PE, etc.
- Vending: non-edible items when school services machine (i.e.: pencils)

Sales tax must be collected on merchandise other than food products.

If the school assumes responsibility for the activity and/or sale, the school is responsible for ensuring the tax is paid.

The school may purchase items tax-free and must collect the tax when the items are sold. There are no tax exempt numbers. Exemption certificates do not require numbers.

Non-Taxable Sales

Public and non-profit private schools and school-related organizations need not collect sales tax on the following.

The list is not all-inclusive but is offered as a guide:

- Ad sales – newspaper, program, yearbook
- Admission – athletic events, banquets, camps, dances, performances
- Discount cards and books
- Fees – competition, entry/participation and tournament
- Food
- Permits - parking
- Rental - facility
- Services – automotive, car wash, cosmetology (parts or products sold are taxable)

Exempt Food Sales

The sales tax is not collected on meals and food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day by a school, student organization or PTA subject to agreement with school authorities.

This exemption from the sales tax applies to guests, employees, or teachers served in a school cafeteria or teacher's lounge during the regular school day.

The sale of food, including candy and soft drinks, is exempt from the sales tax when sold by an organization associated with a public or non-profit private elementary or secondary school (4-H clubs, Future Farmers of America, Future Homemakers, etc.) if:

- The sale is part of a fund-raising drive sponsored by the organization; and
- All net proceeds from the sale go to the organization for its exclusive use.

School Sponsored Trips

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc. may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the Hotel Occupancy Tax if the school contracts and pays for the accommodations and provides the hotel with a completed Texas Hotel Occupancy Tax Exemption Certificate.

Teachers, coaches, etc. may not claim exemption from sales tax on individual purchases while on school business even though they are reimbursed by the school for expenses.

Collection of Sales Tax

When imposing sales tax, the organization has the option of:

- Adding the tax to the item's selling price – thus, if the selling price of an item were \$2.00 and the tax rate were 8.25%, the school would collect \$2.17 ($\2.00×1.0825) from the buyer for each item sold.
- Absorbing the tax in the item's selling price – thus, if the item sold for \$2.00 including tax, the school would retain \$1.85 and remit \$0.15 for sales tax. If this method is used, divide the total sales by 1.0825 (assuming a tax rate of 8.25%) to find the taxable sales. To determine the sales tax amount, subtract the taxable sales from the gross sales.

Coding Fundraiser/Sales Deposits

Activity funds receipts prepared for the collection of money from the sale of taxable items must identify the items sold. When possible deposit slips should only have one activity per slip.

If a group or organization sells both taxable and non-taxable items and one cash receipt is issued, specify on the cash receipt the amounts collected from the sale of taxable and non-taxable items.

Deposits for taxable items must reflect the portion for the product separate from the portion for the sales tax. Improper coding will result in unnecessary payments to the Comptroller. The amount of sales tax collected should not be included in your gross receipts. If the sales tax is included in your gross receipts, it should be backed out.

Remittance of Sales Tax

Proper coding of receipts is critical to insure accurate reporting to the Texas Comptroller. Sales tax due for the Texas Sales and Use Tax Return will be computed by the Business Office and charged to campus activity account on a monthly basis. This computation is based on campus coding of receipts. Proper coding of receipts is critical to ensure accurate reporting to the State of Texas.

To properly code revenue deposits, questions relating to the transaction will identify if the item is a sale and if so, whether it is taxable or non-taxable. Details of the transaction may also identify the deposit, 'Not a Sale'.

Penalties are assessed by the Comptroller's office for payments that are not received by the monthly deadline. It is important that any additional information requested is provided in a timely manner.

All sales tax collected by the school will be remitted by the Business Office and charged to the campus activity fund by a journal entry.

Tax-Free Day

Each school **district**, each **school**, and each **bona fide chapter of each school** is allowed to have two, one-day tax-free sales each calendar year (January 1 – December 31). During these tax-free sales, the organization may sell any taxable item tax-free. The exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization, or the item is donated to the organization and is not sold to the donor. There is no limit on the number of bona fide groups at a school or school district.

One-day tax-free sales mean that collection and remittance of state sales taxes is not required on qualified sales on that day. While the sale of yearbooks can be selected as one of the two one-day tax-free fund-raisers, a book fair is usually not a qualified sales event because the school is not the seller, and the school is therefore acting as an agent for the vendor. The sale of items received from a vendor, in which the school and the respective vendor have an agreement that the vendor will take back any unsold items, would also generally not qualify as a one-day tax-free sale.

According to the State Comptroller's office, a bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group that is recognized by the school and is organized by **electing officers** (not just participatory captains), **holding meetings**, and **conducting business** are bona fide chapters of the school and each group may have two, one-day, tax-free sales in a calendar year. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free day sales.

For example:

- The school district qualifies for a tax-free day.
- The school-wide fundraiser qualifies for a tax-free day.
- The Basketball Club qualifies, but the basketball team does not.
- The Cheerleader Club qualifies, but not the cheerleader team.
- The Debate Club qualifies, but debate teams and classes do not.
- The French Club qualifies, but the French classes do not.
- The Senior Class qualifies, but not one particular class that has seniors in it.

One-day means 24 consecutive hours; the delivery should be made on a single day. Generally title passes to the purchaser when the item is given to the purchaser. In the case of pre-ordered and pre-paid sales, title can transfer as soon as the seller (school) receives the order. Therefore, the date the items are delivered by the vendor to the seller is designated as the one-day for the purposes of the tax-free sales. However, persons buying from surplus stock on subsequent dates after the tax-free day owe tax on the items.

When the school or school group receives a commission, the tax-free day sale provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office.

Other Information

Raffles, Bingo, and Other Games

Campuses are not allowed under Texas Law to conduct raffles, bingo, and other games. The district is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act and shall not sponsor or conduct raffles, i.e., award one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.

Occupations Code 2002.001 et seq.: Atty. Gen Op. JM-1176 (1990)

Booster Clubs, PTA’s And Other Associated Groups

Occasionally we have found that these groups have used the school district’s tax exemption certificate or the employer identification number. By law, these groups must obtain their tax exemption status and employer identification number independent of the school district.

These groups associated with the school district may qualify to obtain a federal 501 (c) (3) exemption under the federal Internal Revenue Service (IRS) code. These organizations must also apply to the Texas Comptroller’s Office to be recognized as exempt entities. They should complete an IRS Form SS-4 to obtain their own employer identification number (EIN).

Only approved organizations, operating under these guidelines and Hughes Springs Independent School District policy and procedure, shall be allowed to use the school name and/or facilities in support of its programs. Specific questions regarding the organization’s activity should be addressed to the campus principal.

LONG DISTANCE CALLS

A Long Distance Phone Call Log shall be completed for all long distance calls. The forms should be retained and used for reconciliation with monthly long distance phone bills. A record of all long distance phone calls will be sent to each employee monthly. Reconciliation between the Long Distance Phone Call Log and the record of the long distance phone calls shall be performed by the employee. The record should be returned to the business office within five (5) days. All personal long distance phone calls should be paid for by the employee.

Personal long distance calls are strongly discouraged. In the event of an “emergency” personal long distance call, the long distance phone call log shall be documented with the notation of PERSONAL in the log book. Payment for the personal call shall be made to the business office within five (5) days of receipt of the long distance phone record.

All district phone sets are long-distance capable. All professional and office staff will be assigned a pin number that will be used to make long distance calls. Pin numbers should not be shared with others or posted by phone sets to ensure that the appropriate staff member is held accountable for long distance charges. Monthly long distance phone charges, if any, shall be reconciled by each staff member and submitted to the Business Office for payment.

RECORDS MANAGEMENT AND RETENTION

The Local Government Records Act of 1989 [and changes that were enacted by the 74th Legislature in 1995], requires all local governments to establish a records management program by ordinance, order or resolution and filed with the Texas State Library and Archives Commission (TSLAC). All local governments must file records control schedules or a written declaration of adoption of the State schedules. The deadline for compliance was January 4, 1999.

The TSLAC is responsible for the development of record retention schedules for governmental agencies. Various retention schedules address the types of records created and maintained by school districts such as GR – Government Records, EL – Election Records, TX – Tax Records, and especially, SD – School District Records. These schedules reflect the minimum retention period for each type of record. The district has implemented a Local Records Retention Schedule that includes the types of records created and maintained by the district. This schedule also includes the minimum retention period for each type of record. The local retention period may be greater, but not less than the retention period set by the state.

Board Policy CPC Legal defines a record as noted below:

A “local government record” means any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information-recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the District or any of its officers or employees, pursuant to law or in the transaction of public business.

Records of the district may not be destroyed except as prescribed by law and district procedures. The district’s Records Management Officer, Superintendent’s Secretary shall be responsible for overseeing the records management program to include collecting, archiving, and destroying records as appropriate. The unauthorized destruction of local government records is a Class A misdemeanor and, under certain circumstances, a third degree felony (Penal Code, Section 37.10). Anyone destroying local government records without legal authorization may also be subject to criminal penalties and fines under the Public Information Act (Government Code, Chapter 552).

All requests for district records, under the Public Information Act, shall be directed to the Superintendent’s Secretary.

SALE OF PERSONAL PROPERTY - SURPLUS

All supplies and equipment which are deemed to be surplus [not of any use to the district], will be recommended to the Superintendent or designee for sale via a Surplus Sale. Two surplus sale(s) may be scheduled per year.

Surplus sales shall be advertised in a local newspaper, on the district’s website, or other method as appropriate. Items shall be sold through marked pricing, sealed bids, auction, or other acceptable method that results in the best return for the district.

Neither district supplies, nor equipment, shall be sold or conveyed other than through a surplus sale, unless authorized by the Superintendent or the School Board, as appropriate.