



BUSINESS PROCEDURES MANUAL

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Abilene Independent School District
Business Procedures Manual

Section 1

General Information

Requirements

The Abilene Independent School District Business Procedures Manual for schools and departments is a consolidation of updated guidelines designed to provide a comprehensive presentation of standardized procedures that are mandated by state and federal law, Board policy, administrative directives and/or good business practices.

The district has established fiscal procedures that apply to all financial transactions regardless of the funding source. A separate section in the Business Procedures Manual will include specific procedures related to acquiring, expending, and managing grant funds.

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

Information and procedures specific to activity funds can be referenced in the Student Activity Fund Section.

General Information

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

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 Abilene ISD mission statement, vision statement, strategic priorities, belief statements, and HB3 Student Achievement goals.

MISSION:

AISD will equip learners to make a positive impact in their world through relevant, innovative, and challenging learning experiences.

VISION:

Equipped Learners. Brighter Futures!

STRATEGIC PRIORITIES:

- Establish a culture of collaboration between students, teachers, administrators and the AISD community.
- Learners will be actively engaged in classrooms.
- Abilene ISD will develop intentional strategic partnerships which capitalize on the strengths, resources, and talents of all stakeholders.
- Tell the AISD story of being a school district of choice that provides unparalleled opportunities for all students, staff, and parents.

BELIEF STATEMENTS:

Connect

- Each child, staff member and parent needs positive personal connections within the district.
- Respect, care and having high expectations for each student is the foundation for learning.

Lead

- Initiative, innovation, and a strong work-ethic are important life skills for students and staff.
- Developing partnerships throughout the Abilene community builds connections for future leaders to give back to the community.

Succeed

- Intellectual, emotional, and physical safety are crucial components to a successful school environment.
- Critical thinking, collaboration and problem solving are essential for deep learning.

AISD HB3 STUDENT ACHIEVEMENT GOALS:

- The percentage of graduates who meet the criteria for CCMR will increase from 48% to 60% by August 2027.
- The percent of 3rd grade students who score meets grade level or above on STAAR Reading will increase from 40% to 53% by August 2027.

- The percent of 3rd grade students who score meets grade level or above on STAAR Math will increase from 31% to 53% by August 2027.

District Policies

The following policies and administrative directives apply to district funds:

- BBFA (Legal, Local) Ethics: Conflict of Interest
- BBFB (Legal) Ethics: Prohibited Practices
- BQ (Legal, Local) Planning and Decision-Making Process
- BQA (Legal, Local) Planning and Decision-Making Process: District-Level
- BQB (Legal, 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 (Legal, Local) Other Revenues: Investments
- CE (Legal, Local) Annual Operating Budget
- CFB (Legal, Local) Accounting Inventories
- CFD (Legal, 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 (Legal, Local) Employee Standards of Conduct

- DK (Legal, Local) Assignment and Schedules
- DMD (Local) Professional Development: Professional Meetings and Visitations
- EHBD (Legal, Local) Special Programs: Federal Title I
- FJ (Legal) Gifts and Solicitations
- FM (Legal, Local) Student Activities
- FP (Legal, Local) Student Fees, Fines and Charges
- GKB (Legal, Local) Community Relations: Advertising and Fundraising in the Schools
- GKD (Legal, Local) Community Relations: Non-school Use of School Facilities
- GKDA (Legal, Local) Non-school Use of School Facilities: Distribution of Non-school Literature

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Section 2

Purchasing Guidelines

Purchasing guidelines will be maintained and updated in the separate Purchasing Handbook Manual.

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Section 3

Budget

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

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 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

- | | |
|------------------------|--|
| <u>January</u> | Assess ongoing staffing needs for next fiscal year
Discuss budget calendar and other budget items with administration |
| <u>February</u> | Prepare budget gathering documents for next school year
Deliver budget workbooks to budget managers |
| <u>March</u> | Budget gathering documents sent to campuses and departments
Discuss budget calendar with board of trustees
Discuss attendance projections, revenue forecasts, overall financial condition and other budget needs |
| <u>April</u> | Budget overview and preliminary budget discussion with board of trustees
Campus and departmental non-staffing budget forms to include special needs requests are due to the Finance office
Estimate tax rolls from Jones and Taylor County |
| <u>May</u> | Discuss preliminary revenue estimates and special needs with board of trustees |
| <u>June</u> | Discuss preliminary expenditure/revenue projections with the board of trustees
Modifications continue with state aid, local revenue and expenditure projections |

July Approval of budget parameters to be used for budget workbook
Set public meeting date to discuss budget and proposed tax rate

August Deliver budget work to the board of trustees
Complete Truth In Taxation calculation
Complete calculation of rollback tax rate and other information for public notice
Present current school year Final Budget Review to board of trustees
Adopt next school year budget
Adopt next school year tax rate

Budget Preparation for Campuses

Budget documentation is sent to the campuses and budget managers in March/April for the next fiscal year.

Staff participation in the budget process is required.

It is now a requirement of the Texas Education Code that your site based planning committee also participate in the budget process.

Budget Preparation for Departments and Special Revenue Funds

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

Detailed instructions will be provided by the finance 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 finance office.

When proposing an increase to the number of positions, submit detailed explanations and/or justifications to the Human Resources department for approval.

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

The budget accounts may be amended/changed from time to time by completing a Budget Amendment Form.

Budget amendments that are within the same functional categories are submitted electronically utilizing the district's financial software program.

Budget amendments that require board approval (changing functional categories) is prepared as needed based on the yellow budget amendment form and submitted to the finance office.

Budget amendments must be completed on a **yellow budget amendment form**. These amendments apply only to 6200, 6300 and 6400 series of object accounts.

- **Yellow budget amendment forms** must be used if moving money between function. (i.e, moving from function 11 to function 13). Yellow budget amendments require board approval.

Periodically all budget accounts will be reviewed by the finance 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 must be approved by the Superintendent and will be placed on the next Board of Trustees agenda for approval.
- The Principal/Director will be notified of changes to be made to their budget accounts.

When submitting Budget Amendment forms, please note the following guidelines:

1. Use the current budget amendment form.
2. Review account balances.
3. Prepare amendments using whole numbers (no pennies), except for special revenue funds needing to spend 100% of grant, and include written explanation for change.
4. Obtain necessary signatures prior to submission.
5. The correcting of an actual expenditure (not the budget) that was recorded in the wrong account should be completed by a journal entry in the finance office.

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.

See Account Codes in the Financial Accounting Resource Guide-Module 1: Financial Accounting and Reporting on TEA's website.

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Section 4

Donations/Gifts

Donations

The Board of Trustees of the district may choose to accept or reject any gift or donation on behalf of the district.

- All donations are tracked monthly by the finance department on the Monthly Donation Report.
- Donations valued more than \$1000 must have Superintendent or designee approval.
- Donations valued at \$5000 or more must have approval from Superintendent or designee and the board of trustees.

The board of trustees may conduct a closed meeting to deliberate a negotiated contract for a prospective gift or donation to the district if deliberation in an open meeting would have a detrimental effect of the Board's position in negotiations with a third person. (Government Code 551.074)

All donations shall be provided by the donor with no conditions attached.

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Section 5

Cash Management

The Abilene Independent School District has guidelines and policies in place for all employees who handle cash within the District. All employees who handle cash are charged with the responsibility of overseeing the proper receipting and safeguarding of all District funds. These controls are set in place not only to ensure the safekeeping and proper recording of all District funds, but are intended to protect the employee as well. Every employee who handles cash must read and sign the cash handling guidelines and procedures document. This document must be kept on file at the campus and a copy sent to the accounting department. Cash receipts consist of checks, money orders and cash received from various sources.

Use the following guidelines when collecting money for any reason including, but not limited to, fund-raisers, uniform payments, library fines and fees, fees for physicals, lost books/textbooks, any type of reimbursements/revenue, testing fees or any other campus cash transaction.

- **Count and Verify Amount**
 - Count and verify the cash amount immediately upon receipt in the presence of the “customer”.

- **Write a receipt**
 - A triplicate, pre-numbered cash receipt **must** be written or printed for every cash transaction received. Give a copy of the receipt to the customer, keep a copy for the campus records and a third copy should remain in the receipt book. En lieu of receipt books, InTouch Receipting may be used to receipt monies received.
 - Receipt books are available from the District’s warehouse. Contact your campus secretary or bookkeeper.

- **Keep it Safe**

- All money **must** be stored in the campus safe or vault at all times.
 - Do not store money at an individual's personal residence.
 - Do not store money in a desk or filing cabinet.

- Do not store money in a vehicle.
- Do not send cash (currency and coin) through district pony mail system.
- **Deposit Money Promptly**
 - Money must be deposited within five (5) working days of receipt. Large sums of money (over \$100.00) should be deposited the same day as receipted.
 - Do **not** use un-deposited cash for expenditures.
 - The campus or department designee will complete the appropriate cash receipt form with attached documentation and money received and send to the accounting department.
 - The accounting department will verify the total on the appropriate cash receipt form in the presence of the campus or department designee. The designee and accounting department personnel will initial documentation.
 - The accounting department will complete a deposit slip and attach to the cash receipt form and enter the appropriate account number to which the funds will be posted into the district's financial software program.
 - The deposit slip will be created by the accounting department for the cash received and taken to the bank for deposit.
 - The time and date stamped deposit slip will be attached to the appropriate cash receipt form.
- **Do Not Commingle Funds**
 - Never commingle District money with money for another organization or with personal funds. A separate cash box should be kept.
 - Do not cash personal checks out of District cash funds.
 - Do not cash payroll checks out of District cash funds.
- **Report Theft or loss of Funds Immediately**
 - Report theft or loss of funds **immediately** to the campus principal/program director. If the principal is not available, contact the Assistant Superintendent for Operations or other District administrator.

- Occurrences of theft or loss of District funds will be reviewed by Administration to determine if further action is necessary.

Lost Textbooks

- Payments for lost textbooks should be receipted at the campus in the presence of the customer. One copy of the receipt should be given to the customer, one copy sent to the Accounting Office with the monies and one copy remains attached in the receipt book.
- All cash receipts must be brought to the Accounting Office within five business (5) days of receipt. **Do not replace currency with personal checks.** Complete the information on the Deposit Envelope and bring to the Accounting Office. Do not send currency or coins through the District pony mail system. Do not hold receipts until the end of the year.
- The budget code for lost or damaged textbooks is listed below:
 - **199-00-2310-00-XXX-0000-00-000**
 - **(XXX = campus code)**
- Reports will be issued periodically to the campus principal and to the textbook coordinator that will reflect the amount of cash receipts collected by each campus for lost textbooks. It is the responsibility of the campus principal or designee to ensure that all deposits are posted correctly. These funds will be used to purchase replacement textbooks as needed.
- If a student pays for a textbook and later finds and returns the textbook, the student will be issued a refund. Complete the ***Student Refund*** form and send it to the Accounting Department. The Accounting Department will process the refund on the next scheduled Accounts Payable check run.

Returned Checks

- Returned checks are checks previously deposited which are returned unpaid by the bank because of insufficient funds, account closed, stop payment, etc.
- The bank will send returned checks to the campus that deposited the check or to the accounting department who will notify the owner of the account.
- No other checks should be accepted from the individual until the check is redeemed.
- Immediate action is instrumental in collecting on a returned check.

- The campus or the accounting department will contact the individual for payment on the returned check. It must be paid off with cash, cashier's check or a money order.
- When payment is received, prepare a cash receipt (include the number of the original check) for the payment and return the original check to the check maker. Indicate on the cash receipt in the "for" section that it is payment for a returned check.
- If initial collection efforts fail (verbal or written), the next step is to send a letter by certified mail, return receipt requested.
- If collections are not received on the returned check, send copies of all correspondence such as notes, letters, certified mail receipt, etc. along with the original returned check and a completed form that is required by the District Attorney's office to the accounts payable supervisor. Keep a copy of all correspondence for your files.
- All documentation will be filed the District Attorney's check fraud division. Once the returned check has been filed with the District Attorney's office, payments for the returned check cannot be received by the district.

Cash Requests for Reimbursement of Expenses from Federal and State Grants

Funds will be requested for expenditures that have been recorded. Abilene ISD will not request advance payments.

- Expenditures for the current period are entered into the expenditure report for the appropriate grant fund. The expenditure report is prepared by the special programs accountant and reviewed by the Comptroller.
- The district shall periodically or as allowed or required by the grant guidelines, draw down grant funds that have been spent in accordance with the grant guidelines. The draw down shall be for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. All supporting documentation is maintained with the draw down request.
- Federal Regulations (CFR 200.415) requires that the district certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s).
- The Comptroller and Special Programs Accountant will work together in the submission of every draw-down of funds, including the final expenditure report. The Special Programs Accountant will prepare the expense reports and it will be reviewed by the Comptroller prior to submitting and certifying the draw-down of funds, including the final expenditure report (draw down of funds) as noted below:

- *By signing this report, we certify to the best of our knowledge and belief that the Reports are true, complete and accurate, and the expenditures, disbursements, and cash receipts are the purposes and objectives set forth in the terms and conditions of the federal award. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.*
- Upon the completion of the draw-down the Comptroller will save the supporting documentation of filed report and cash draw into our digital folders.

Cash Transfers

This procedure applies to the accounting department and how transferring of funds are processed.

Cash is maintained in four forms: DDA/Checking, MMA, Texpool and Investment Bonds. Transfers are made between DDA/Checking and Texpool accounts. MMA and Investment Bonds transfers only occur when change is being made to the amount in holding.

- Accounts must remain positive.
- Account balances must be below the security pledged threshold to keep funds secured.
- The comptroller reviews the status of the accounts daily.
- If a transfer needs to be made, it is electronically setup through the appropriate investment pool for a withdrawal or deposit, which ever, is deemed necessary.
- A verification report is printed for documentation or available electronically by logging into the investment pool website.
- Once the transaction takes place the action is recorded in the district's financial software system.

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Section 6

Student Activity Funds

Student Activity Funds guidelines will be maintained and updated in the separate Student Activity Fund Manual (SAF-100).

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Section 7

Employee & Student Travel

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the District. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the District's non-federally-funded activities and in accordance with District's written travel reimbursement policies. Notwithstanding the provisions of §200.444 General costs of government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of the District's written travel policy. In addition, if these costs are charged directly to the Federal award, documentation must justify the expense. (EDGAR 200.474(a)(b))

District Travel Procedures

The following guidelines applies to travel with local funds only. If you are traveling with federal or state funds, refer to Federal & State Grant Travel Procedures below.

Employees of the District may be reimbursed for reasonable travel expenses incurred while performing duties related to their jobs, when such travel is at the request of the employee's immediate supervisor and approved by the Superintendent or designee. Prior approval for all travel, using the District's Travel Request/Expense Statement form, must be obtained before any travel expenses are incurred.

Reasonable travel expenditures will be reimbursed according to the current administrative schedule, subject to IRS regulations. If the District authorizes travel reimbursement rates that exceed those authorized for state employees in the current state appropriations act, the Superintendent shall ensure that accounting records accurately reflect that no state or federal funds were used to reimburse those excess amounts.

Advances may be requested for trips requiring an overnight stay. Any unused advances must be returned to the District by the employee. The District's *Travel Request/Expense Statement* form must be completed and returned to the Accounting Office within five days of return.

Meals - Employee

Employee meal expenses will be reimbursed at the rate shown below when such meal expenses are incurred by the employee as a direct result of approved out-of-District travel in which overnight lodging is required. A maximum of \$45.00 is allowed for meals for each full day of travel. Meal expenses shall be reimbursed for each partial day of travel according to the time the employee departs or returns to the District. Reasonable tips are included as meal expenses. Meal expenses will be reimbursed as follows:

- Breakfast - \$11.00 per day – Reimbursable if the employee is out-of-District on the first travel day by 7:00 a.m.

- Lunch - \$12.00 per day – Reimbursable if the employee is out-of-District by 11:00 a.m. or returns after 1:00 p.m.

- Dinner - \$22.00 per day – Reimbursable if the employee is out-of-District by 5:00 p.m. or returns after 6:00 p.m.

Meals included in the cost of registration fees, such as banquets, or free meals provided by organizations shall reduce meal reimbursement to the employee.

Reasonable meal expenses that exceed \$45.00 may be reimbursed with administrative approval; however, receipts for all meals for any day that meal expenses exceed \$45.00 must be submitted by the employee when completing the *Travel Request/Expense Statement* form.

All meals or other expenses incurred by a spouse or a family member traveling with the employee are the responsibility of the employee and in no case will such expenses be paid by the District.

Lodging Expenses

Employees may receive reimbursement for actual costs when overnight lodging is required. In the event an employee shares lodging, the pro-rated cost of the room will be used in arriving at the total individual cost. A valid, paid, itemized receipt will be required prior to any reimbursement. The hotel receipt must itemize the cost of the room per day, the taxes per day, any other miscellaneous charges, date and time of arrival and date and time of checkout, employee's name, room number, and the complete name and address information of the hotel.

Employees that need assistance holding a block of rooms (4 or more) can contact the Accounts Payable Supervisor to hold the rooms with a district credit card. **The credit card will be for holding purposes only.** The employee will still request the lodging expenses on the travel request form or purchase order, depending on the amount. The following information must be provided to the Accounts Payable Supervisor:

- Name of person the reservation will be under

- Hotel name and phone number; Contact name if available
- Dates of travel
- Number of rooms being held

Do not use discount on-line hotel websites to make lodging reservations. They do not provide itemized hotel receipts necessary for the District's audit requirements.

When a District representative chooses to take his or her spouse on a District approved trip, the District representative shall be expected to pay the difference between the single room rate and the double room rate.

Long distance calls are **not** reimbursable unless the calls are District business.

Personal expenses such as laundry, bar tabs, or in-room movies are not reimbursable.

Hotel – State Sales Tax Exemption

The District is exempt for state sales tax in the state of Texas; however, the District is not exempt from hotel (room) tax or state sales taxes in any other state. Tax exempt forms may be found on the district's internal website. When making reservations, inform the hotel that our organization is exempt from paying state sales tax.

Rental Vehicles, Taxis, Buses, Parking, Etc.

Any reimbursement for bus, rental vehicle, limousine, or taxi fares must be supported by an itemized receipt. Rental vehicles must be approved in advance by the employee's immediate supervisor.

Miscellaneous

Miscellaneous expenses for incidentals, amusements, non-business telephone calls, or any other unauthorized expense will not be approved for reimbursement.

Air Travel

All air travel must first be approved in writing from the District Superintendent.

Once approval is obtained, the Accounts Payable Supervisor will assist in booking the airfare using the district credit card. Time can be coordinated with the AP Supervisor to complete the booking to ensure all information for the ticket is accurate. Budget code to be charged must be provided to the AP Supervisor at time of booking.

If the mileage cost to drive is less than air fare and the trip is of reasonable driving distance, then travel by auto will be required. Unusual circumstances will be reviewed by the Superintendent or designee.

If spouses or other family members attend a conference, air fare must be booked and paid by the individual as tickets are processed. The District will only book and pay for the employee's ticket.

Automobile Mileage

The District will reimburse travelers at the current District approved mileage rate, if a district vehicle is not available for travel. If a district vehicle is available and a traveler chooses to take their personal vehicle, mileage will not be reimbursed. Mileage for cities will be determined by the Accounting Office. Unusual circumstances requiring additional mileage will be reviewed in advance by the Superintendent or designee. Example: If an employee stays with family rather than in a hotel, additional mileage may be allowed since the District will save on the cost of lodging.

In-District Mileage Reimbursement

The District will reimburse in-district mileage at the current District approved mileage rate using the District's School Mileage Chart. If an employee travels to a location that is not listed on the School Mileage Chart, the employee must list the actual mileage. If the mileage is not on the School Mileage Chart, a copy of the electronic map is preferred, but not required. The employee should complete the District Mileage Form on a monthly basis, have their supervisor review and sign for approval of the reimbursement. Any forms not completed on a monthly basis for the current fiscal year (i.e., forms turned in extremely late or for a year at a time) will be subject to review and approval by Director of Fiscal Services.

Tours and Side Trips

Tours, side trips, and the like, will not be paid by the District even though the total amount may be included in the registration. However, a personal check for such expenses may be attached to the registration and it will be mailed at the same time the registration fee is paid.

Meals – Student

The District may purchase meals for student groups when traveling out of town. These meals should average approximately \$10.00 per meal including tip (if applicable). Student meal allowances are based upon same departure and return times as defined in the employee section. The coach or sponsor should provide the restaurant with a *Sales Tax Exemption Certificate* to allow the purchase of these meals to be tax-free. These forms are available from the Accounting Office or on-line. When purchasing meals for a student group, an itemized invoice from the restaurant is required. Attach the receipt to the *Travel Request/Expense Statement* form and submit to the Accounting Office. If money for meals is given directly to the student, the students must sign a receipt for the amount given and attach these receipts to the *Travel Request/Expense Statement* form.

Overnight Student Meal expenses will be reimbursed as follows:

- Breakfast - \$8.00 per day – Reimbursable if the student is on an overnight trip and is out-of-District on the first travel day by 7:00 a.m.

- Lunch - \$10.00 per day – Reimbursable if the student is on an overnight trip and is out-of-District by 11:00 a.m. or returns after 1:00 p.m.

- Dinner - \$12.00 per day – Reimbursable if the student is on an overnight trip and is out-of-District by 5:00 p.m. or returns after 6:00 p.m.

The District will not pay for student meals purchased at a local restaurant without prior approval from the Athletic Director or appropriate administrator. However, it is allowable to purchase snacks from the District’s approved vendor(s) to be taken on an out-of-town trip. The District cannot pay for student meals while attending/participating in local events.

Reimbursement for Trips NOT Requiring an Overnight Stay

Meals – One-Day Trips

Reimbursement of meals for one-day trips are not allowed unless the employee is traveling with students or for scouting purposes. If the employee is traveling with students they will receive \$10.00 (student meal amount). The amount received must be approved by the employee’s supervisor. If the employee chooses to receive the meal money, the amount will be reported as taxable wages. According to the IRS, reimbursements for meals on trips that do not require an overnight stay are a taxable fringe benefit to the employee and will be treated accordingly. The Accounting Department will keep documentation on all taxable meals. No meal receipts are required to be turned into the Accounting Department for the employee. Meal receipts or student signatures are required for the student meals.

Advances – One-Day Trips

Advances will **not** be made for one-day trips except when traveling with students. All allowable expenses incurred (including mileage) will be reimbursed upon the employee’s return with appropriate documentation. Advances for trips when traveling with students are allowed.

An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out district business with the prior approval of the employee’s immediate supervisor. A Travel Request Form must be completed.

The Travel Request Form must be received by the accounting department no later than 7 business days prior to the date of travel.

Accounting records shall accurately reflect that no state or federal funds were used to reimburse travel expenses beyond those authorized for state employees.

For any authorized expense incurred, the employee shall submit a statement, with receipts, documenting actual expenses and in accordance with administrative procedures.

Federal & State Grant Travel Procedures

The following guidelines apply to employees traveling on federal or state grant funds. Federal and state guidelines will be followed unless the District policies and procedures are more restrictive.

First & Last Day of Travel Reimbursement

- Employees traveling on Federal and State Grant monies will only be allowed 75% of the Daily Meal Per Diem on the First and Last Day of Travel.
- Employees will still follow the District policy of meal amounts and allowable reimbursable amounts based on the departure time (refer to Meals – Employees above).

Meals – Employees – Federal & State

- The state meal reimbursement rates will not be applicable, because the district policy of \$45 per day for meals is less than the state rates. We must use the district policy if it is more restrictive than the state rates.
- The per diem rate does not apply if you are traveling using federal and state funds. (i.e. funds 205, 211, 224, 284, 309, 409 etc.)
- **You must have itemized receipts for all meals to be reimbursed through federal and state funds.**
 - An itemized receipt should have the Restaurant Name and Address, Specific Items Purchased, and the Total Charges. We cannot accept the Credit Card Copy of the Receipt with only the amount of the charges.
 - If a hotel uses a cash register to ring up your meal that does not give any of the required itemized details, you will not be reimbursed.
 - Meals charged to your hotel room must have an itemized receipt before you will be reimbursed.
- You must account for your meals daily. If you do not spend your daily per diem, you must return the unspent portion for each day. You cannot add all of your daily meal rates together and spend the total.
- You cannot exceed the local policy per diem rates for meals.
 - If you exceed the per diem rates, you will not be reimbursed the difference.
 - If you do not spend all of the daily meal per diem, you will be required to return any unspent funds.
- Additionally, alcohol, tips, and gratuities cannot be reimbursed through federal and state funds.

- Any meals that are associated with any type of entertainment, recreation, or social event are not allowable. You will not be reimbursed for these expenses.

Federal and State Funds – Lodging Expenses - In State or Out of State

Follow these steps to locate information on the Texas comptroller’s web site regarding per diem rates for lodging and meals for specific cities or counties:

1. Go to <http://comptroller.texas.gov>
2. Select the “Programs” tab at the top of the home page.
3. Scroll down to the “Treasury & Financial Systems” section, and select “Fiscal Management”.
4. In the “Topics” section, select “Travel”, then select the “TxTravel” Logo.
5. Select either the Meals and Lodging or the Transportation tab.
6. In the “Rates” section in the right column, select “Current Rates.”

Note: The State Travel rates are updated each year for September – August; however, the rates are subject to change throughout the year.

In-State Travel

For In-State Travel, the following procedures apply:

- Click on the State of Texas or use the Search By City, State, or Zip Code
- You will see the listing of Cities and Counties along with the Maximum Lodging Amounts.
 - Select the city that you are traveling to in order to verify the maximum lodging amount (excluding appropriate taxes)
 - Please make note that some cities have specific rates for specific dates
 - If the city you are traveling to is not listed, look for the county the city is located in. Use the following link to look for the county.

- http://www.naco.org/Counties/Pages/NACo_FindACounty.aspx
This link is also on the Per Diem Website. Then use the appropriate rate that matches that county.
- Refer to the lodging reimbursement rate for in-state travel to areas not listed on the [federal per diem rate map](#). Maximum reimbursement rate will be listed on the Texas comptroller's website.
- Print this page to be attached to your Travel Reimbursement Request form.

Out-of-State Travel

For Out-of -State Travel, the following procedures apply:

- Click on the state you are traveling to or use the Search By City, State, or Zip Code You will see the listing of Cities and Counties from the selected state along with the Maximum Lodging Amounts.
- Select the city that you are traveling to in order to verify the maximum lodging amount (excluding appropriate taxes)
- Please make note that some cities have specific rates for specific dates
 - Refer to the lodging reimbursement rate for out of state travel to areas not listed on the [federal per diem rate map](#). Maximum reimbursement rate will be listed on the Texas comptroller's website.

Airfare

The reimbursement rate for airfare remains the lowest available airfare and will only be reimbursed with an itemized receipt.

Baggage Fees

Employees will be reimbursed for baggage fees with an itemized receipt.

Travel Allowances

Travel allowances for In-State and Out-of-State travel, in which the employee receives a flat per diem for lodging and meals, regardless of the actual amount expended, are not allowable in Texas. Employees must follow the guidelines stated above when using Federal and/or State Funds for travel.

Although the local policy per diem rate of \$45 for meals can be advanced for travel expenses, all itemized receipts must accompany the travel request forms turned in upon your return. Actual

expenses over the allowable \$45 maximum or any meal expenses not documented by an itemized receipt will not be reimbursed.

If itemized receipts are not turned in, you will be required to return any amount advanced to you for meal expenses. Additionally, if you do not spend your daily meal advance, you will be required to return unspent funds.

Mileage Reimbursement Rates – In State and Out of State

If using federal and state funds to pay for mileage, the **Local District Official Mileage Guide and Policies do not apply.**

The District mileage reimbursement rate reviewed and approved annually and is more restrictive than the state rate.

You must use an electronic mapping source (Map Quest, Yahoo Maps, etc) to document your round trip mileage. You must print out the driving directions and attach them to your Travel Reimbursement Request. You will only be reimbursed the current district approved rate per mile.

These mileage reimbursement guidelines also apply to employees who travel on a daily basis to surrounding cities who are reimbursed from federal and state grants. You must now attach the electronic mileage printout to your reimbursement request for city to city travel. However, they will still use the intra-district travel mileage for campus to campus.

Travel Checklist

A Travel Checklist is recommended to be used to help employees who travel with federal and state grants. This check list may not be all inclusive; however it highlights the most common travel expenses. You can find the checklist in the internal documents.

Conference Documentation

It is highly recommended that you attach a copy of your Conference/Workshop Completion Certification and/or agenda to your Travel Reimbursement Request.

Unique Travel Arrangements

Permission must be obtained in writing from your supervisor before any unique travel arrangements are made. For example, the employee elects to drive instead of fly to an out of state conference to take family members. There will be additional guidelines required of employees in regards to mileage, hotels, and meals. Specific guidelines will be determined as the need arises.

Abilene Independent School District
Business Procedures Manual

Section 8

Account Payable

ACCOUNTS PAYABLE PROCEDURES FOR DISBURSEMENTS

The Accounts Payable staff is charged with the responsibility of disbursing District funds for payment of purchase orders through vouchers. The purchase order is a contract the District has entered into with respective vendors for payment of goods or services.

The purchase orders will not be paid until goods have been delivered or services provided to the satisfaction of requesters or program directors. AP staff will review each invoice to ensure all criteria are met before payment is processed.

Various internal controls have been put in place by definition in District software. These include but are not limited to:

- Duplicate invoice detection
- User definitions to control access to voucher types
- Voucher controls defining matching rules

Physical controls have been put in place to ensure accuracy in payment of invoices:

- Each purchase order must be paid with a valid invoice or registration form
- Invoices must meet district guidelines
- Each voucher created will be reviewed three times before payment is processed
- Invoices will be entered into Control Groups for reconciliation purposes

Control Groups

Control Groups are groups of vouchers that are processed together for specific control or verification purposes. Invoices should be grouped in batches of 50 or less. Invoice batches should be totaled and the amount entered into the Gross Amount field on the Assignment tab when Control Groups are assigned. This is a reconciling tool to determine accuracy as invoices are entered.

Control groups will be exchanged with other AP staff for verification of voucher numbers, invoice numbers, vendor, amounts, dates, remittance information, and terms allowed.

Control groups will be reviewed by supervisor for withholding information, budget codes, match exceptions, budget errors and asset profiles on capital expenditures.

Invoices

Invoices are received in the Accounting office twice daily, date stamped and distributed to Accounts Payable staff. Invoices should include vendor's complete name, invoice date, remit address, and the amount due.

Invoices not including terms for payment will be paid as Net 30. Invoices should also include quantity purchased and information that describes items purchased and/or services provided including but not limited to the type of service provided and dates of service.

Invoices will not be processed for payment until Purchase Order status indicates the PO is "received". Campuses are responsible for submitting the online receiving form to the Purchasing Department when merchandise is delivered to their campus and all items are deemed acceptable. If an invoice is received with an increase in quantity and/or amount the AP staff will inform campus and/or purchasing department immediately of these discrepancies.

AP staff is authorized to make payments on invoices that increase invoice total up to \$25.00. Invoices exceeding an increase of \$25.00 will require a Purchase Order change. Campus will either request a change order for the PO or vendor will be notified by the Purchasing Department to issue a call tag for return of merchandise.

Match Exceptions

Accounts payable supervisor is authorized to override match exceptions for location errors only. All other match exceptions must be resolved by the Purchasing department or corrected by the AP staff on vouchers.

Payments

Payments will be processed by the Accounts Payable office once per week. Invoices and all attachments to be mailed with checks should be submitted at least two business days before checks are processed to ensure receipt. Invoices and payment advice forms are exchanged among AP staff for final review and matching before being mailed.

Physical controls have been implemented to safeguard access to check processing. These include:

- Limited access to vault room
- Limited access to safe
- Limited access to signature chip safe
- User definitions to limit permissions for check processing

A positive payment file will be submitted to the bank each day that checks are processed.

Payment of Purchase Orders/Vendors Invoices

When a Requisition for Purchase is submitted to the Purchasing Department and a purchase order is issued, the requisitioning campus/department should receive back the green colored copy of the purchase order for their records.

It is essential that invoices or attachments that are to be mailed with payments be sent immediately to the Purchasing department. Delays in sending these documents create delays in payments to vendors and therefore jeopardizing the District's credit status.

When purchase orders are issued to local vendors and the campus staff picks up the merchandise, the campus should attach the original vendor's invoice to a photocopy of the purchase order and send to the Accounting Office. The campus should submit the online receiving form to Purchasing to verify receipt of merchandise. If there are pricing discrepancies or defects are found with the merchandise, please notify Central Receiving immediately to explain the problem.

Partial Payments

When a partial shipment is delivered from a vendor and items are backordered, Central Receiving will receive electronically only lines or items that have been received.

When an invoice for shipped items is received the Accounting Office will pay only for the items listed and that are shown as received on the PO. When the remainder of items has been delivered, Central Receiving will receive electronically remainder of items, the vendor will submit final invoice for payment and Accounting will issue payment.

When a partial shipment is received from a vendor where some items are canceled or undeliverable and another shipment is not expected from the vendor Central Receiving will cancel the remainder of the Purchase Order by creating a change order documenting electronically in comments section this information.

Vendor Payments Exceeding the Purchase Order Amount

The Accounting Department is authorized to pay invoices greater than the Purchase Order amount not to exceed \$25; increases greater than \$25 will require a Purchase Order change.

When the requester/director is informed that the original purchase order amount will differ (increase/decrease) from the vendor's invoice amount, or items are canceled or added to the original purchase order, a purchase order change request will be submitted to the Purchasing Department from the requester/director.

Shipping charges not included on the Purchase Order but listed on an invoice require approval from Purchasing before payment can be issued.

Pre-Payment of Merchandise

It is the District's policy not to make pre-payments for merchandise. Some exceptions to this policy include registration fees for conferences and membership dues. When a prepayment is necessary, documentation must be attached showing the name and address of the vendor, time frame of subscription, date of event or conference and the amount to be paid.

Payments for Registration Fees

Pre-payments for registration fees will be processed following District purchasing procedures. Requisitions should be submitted to the Purchasing Department for these payments. Documentation

must be attached showing the name and address of the company, the date of the conference or workshop and the amount to be paid. If there is a registration deadline, please note the pre-payment deadline date along with the words "Prepayment" on the Requisition comments section. Purchase orders are issued and forwarded to Accounting for payment. Payments will be processed with terms of Net 0. It is recommended that at least one week notice be allowed for processing the purchase order and check.

Payments for Professional Services/ Contracted Services

Payments for professional services including non-instructional consultants, judges, story tellers, etc. should be processed using the District's normal purchasing procedures. Individuals entering into an agreement with Abilene ISD for instructional purposes only should sign the agreement for Contracted/ Professional Services form.

This form can be obtained from the Internal Website under Internal Documents>Purchasing. After the agreement for services has been signed and approved, the campus/department will enter a requisition for purchase for the services rendered and forward to the Purchasing Department.

An itemized invoice from the vendor/individual must be submitted to the Accounting Department at the conclusion of the contracted event/service provided containing the following information before payment can be processed: the individual's legal name, social security number, mailing address, the date of the service performed, description of services performed and the charge for each, the location of the event and the total amount owed.

Individuals unable to provide a pre-printed invoice should use the Accounts Payable Authorization for Professional Services form. This form may be obtained by contacting the Accounting office.

Payment of Purchases as Confirmation Only

Effective December 2004, United Supermarket has been the only approved vendor which District staff may "charge" grocery related items. In May 2009 United Supermarket issued United Cards (U Cards) to be used for these purchases. This is not a credit card – it is strictly a tool to upgrade the accounting system and accountability for United Supermarket and Abilene ISD. As of April 2022, H-E-B has now been approved for "charge" of grocery items and follows the same procedures as United. Each campus/department has been issued a card with the campus name and account number. Employees must present this card along with campus/department identification badge for all purchases. The receipt for purchases should then be returned to the campus and a requisition submitted to Purchasing. The comments section on the Purchase Order must contain the words "For Confirmation Only" so the Purchasing Department will know the items have already been received.

The requisition with the receipt attached will be sent to Purchasing where a Purchase Order will be issued for payment. A copy of the PO and the original receipt will be forwarded to Accounting for payment processing.

Vendor Payment Schedule

Accounts Payable will process a pay cycle on Thursday of each week for payments to vendors. Invoices, attachments and any other paperwork must be received in the Accounting Office at least five working days prior to the scheduled check run to allow time for processing.

Payments will be issued to vendors according to terms agreed upon between Abilene ISD and vendor as indicated on vendor invoices/statements. Invoices/statements received with no terms indicated will be paid as Net 30 per Government Code, Chapter 2251, sub-chapter A.

Returns of Merchandise

All returns of merchandise should be coordinated through the Purchasing Department. If items are returned without contacting the Purchasing Department first, the employee will be responsible in the event that merchandise is lost.

Canceling Purchase Orders

If information is received that all/part of the merchandise ordered is not available, contact the Purchasing Department to have the purchase order or partial items canceled. The requester/director should notify Central Receiving via email. The purchase order balance will not be cleared from the budget account until Purchasing has done the PO change to cancel lines or change line item quantities/amounts. Purchase Order changes will also be generated based on information from vendors on out of stock and discontinued items. Documentation in the comments section of the Purchase Order will include who initiated the cancelation.

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Section 9

State and Federal Program Reporting

General Information

Special revenue/grant funds are provided by the federal government and state government.

Abilene ISD does not use debit cards or gift cards for the disbursement of grant funds.

Abilene ISD does not permit the use of grant funds through revolving lines of credit.

Abilene ISD does permit the use of grant funds through procurement cards/corporate accounts for allowable federal expenditures with pre-approval. The business-related reason for using this form of payment must be documented on the Requisition Form.

These funds are legally restricted to expenditures for specified purposes as determined by a Comprehensive Needs Assessment, District Improvement Plan, and/or Campus Improvement Plan and the Applications following federal cost principles in 2 CFR Part 200/EDGAR.

The Director of Fiscal Services or designee is responsible for periodically and annually updating registration information related to the System of Award Management (SAM).

Allowable Costs

This procedure defines the process for identifying allowability of costs to Abilene ISD's state, and federal funds. (EDGAR 200.403, 200.302 (b)(7))

For costs to be allowable, they must meet the following factors:

- Necessary and reasonable for proper and efficient performance and administration.
- Costs associated with State and Federal Grants are identified in the grant application and approved.
- Local budgets are approved by the Abilene ISD Board for allowable costs.
- Be authorized or not prohibited under federal, state or local laws or regulations.
- Is consistent with policies, regulations, and procedures that apply uniformly to awards and other activities of the Abilene ISD.

- Cannot be charged as both direct and indirect.
- Must also be allowable according to the generally accepted accounting principles.
- Must not be included as a cost or used to meet cost sharing or matching requirements of any other federal award.

Necessity of Costs

This procedure defines the process for Abilene ISD to identify necessary costs to local, state, and federal programs. (EDGAR 200.403/404)

A cost is necessary for proper and efficient performance of state/federal grants and local programs.

Federal and state grants require specific objectives to accomplish the intent of federal and/or state dollars.

Abilene ISD identifies tasks to accomplish objectives within the grant applications.

Necessary costs are identified in the grants to implement activities to accomplish the objectives.

Local programs are identified based on the district’s needs.

Abilene ISD identifies all programs in their Comprehensive Needs Assessment.

Employees identify the tasks associated with the program on the Requisition.

Reasonableness of Costs

This procedure defines the process for Abilene ISD to identify reasonableness of costs to local, state, and federal programs (EDGAR 200.404). A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Before making a purchase, the purchaser will:

- Determine if the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit.
- Costs associated with state and federal grants are identified in the grant application and approved.
- Local budgets are approved by the Abilene ISD Board of Trustees for allowable costs.

- Consider the restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; federal, state, and other laws and regulations; and, terms and conditions.
- Research market prices for comparable goods or services.
- Assure that the purchase adheres to Texas Government Code and Texas Education Agency's Financial Accountability Reporting Standard Guide resulting in all purchases being made at the best value.
- Consider if the purchase will be prudent in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- Determine that the purchase will not be a conflict of interest. ABILENE ISD employees, board members, and vendors are required to complete and sign a Conflict of Interest form.

Grant Applications

Applications for grants must be in compliance with district policies and administrative directives. Before applying for a grant that requires matching funds, the applicant must obtain approval from the Superintendent or designee.

If a district staff member is interested in applying for a grant, the staff member must have prior approval from the Superintendent or Chief Financial Officer. The Grant Application Guidelines and Preapproval worksheet can be located on the district website under Finance Resources. All documentation should include the grant application, any budget or other relevant information must be submitted to the accounting department prior to the submission of the grant application. Sufficient time should be allowed for the accounting department to review prior to the grant deadline.

Once the grant is awarded to the district, to a campus, or to a department, the program contact must immediately provide the following items to the accounting department:

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

No federal or state funds are expended prior to or after the grant's period of availability.

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

The accounting department is responsible for grant expenditure reporting.

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 accounting department 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.

The accounting department will file with the federal or state awarding agency required information of personal or real property purchased with federal funds including disposition of property.

It is understood that the fiscal agent is ultimately responsible for the refund for any exception received as a result of monitoring or audit. Monies refunded shall be provided by entities in which the district is the fiscal agent if they are responsible for the discrepancy. All documentation for direct services provided is the responsibility of Abilene ISD.

Equipment and/or materials which are purchased by the entities in which the district is the fiscal agent become a part of the entities' inventory.

Equipment and/or materials which are purchased by the Shared Services Arrangement become a part of the SSA members' inventory.

Grant records are to be retained for a period of at least five years after the end of the grant or as found in the Texas State Retention Schedule of the Texas State Library and Archives Commission. Abilene ISD retains records for seven years.

Records may be retained in paper or electronic form. The archived paper records will be maintained within the appropriate department.

The disposal of records will be made by the Records Management Officer of Abilene ISD.

Grant Budget Amendments

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

The following budget amendment criteria applies to grants awarded by TEA:

- The amendment would result in a line item change that exceeded 25% of the total budget.
- The amendment resulted in an increase or decrease in the number and composition of the positions funded by more than 20%.
- The amendment resulted in the classification of an amount to a line item not previously budgeted.
- The amendment resulted in an increase or decrease in budgeted capital outlays.

For grants awarded through federal or state awarding agencies, other than TEA, refer to the specific grant guidelines for budget amendments.

Semi – Annual Certification and Job Description

The Special Programs Accountant will maintain the list of employees that will need to complete a Semi-Annual Certification and Job Description. Semi-annually, the lists will be distributed to the program director. The program director is responsible for ensuring that each employee on their list has a completed Semi-Annual Certification and Job Description. The original completed copies of the job descriptions will be maintained in the Personnel office and copies maintained by the Program Director and the accounting department. The Semi-Annual Certification and Job Description must be signed by the employee and the Program Director, Principal, and/or Supervisor. The Special Programs Accountant will verify that we have received all of the Semi-Annual Certifications and Job Descriptions.

Time and Effort

The compensation for grant-funded staff shall be allocated to the respective grant program (fund) based on the single and/or multiple cost objectives performed by the grant-funded staff. If a grant-funded staff member performs non-grant activities during the day or beyond the normal work day, the compensation for the non-grant activities shall be paid from non-grant funds. Grant-funded staff with more than one cost objective, shall comply with the Time and Effort documentation requirements. Incentive payments, such as performance, perfect attendance, safety, etc. for grant-funded staff shall be allowable with federal grant funds if they are based on the same criteria as non-federal grant funded staff.

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 grant programs. Each Program Director/Principal should monitor this activity to ensure compliance with the grant program's intent and guidelines.

Expenditure Verification

Special Programs Accountant and the Comptroller should monitor financial activity in the district's financial software program.

Expenditures shall be collected from the financial accounting software and reviewed while preparing the monthly Expenditure Reports as well as various quarterly/semi/annual reports required by the grant.

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

Corrections shall be sent to the accounting department as soon as possible, but no later than the last day of the grant program's fiscal year end. This will allow time for adjustments to be made prior to submission of the Final Expenditure Report.

Cash Draw Procedure

Special Programs Accountant should prepare the monthly expenditure report by the 15th of the month for the Comptroller to review, assuming no extenuating circumstances occur causing unforeseen delay. Once the expenditure report has been reviewed, the Comptroller will proceed with a cash draw request. The cash draw requests should be done monthly.

Supplement Not Supplant Procedures

Abilene ISD has implemented guidelines to ensure compliance with the federal fiscal requirement of supplement, not supplant. The purpose of the procedures is to ensure that the level of state and local support for programs remains at least constant and is not replaced by federal funds. Federal funds are used to supplement (add to, enhance, to expand, or increase) the funds available from non-federal sources, and not to supplant (replace or take the place of) the existing non-federal funds.

1. Procedures for determining supplement, not supplant when state or local funds are no longer available. Federal funds shall not be used to provide services that the District is required to provide under federal, state, or local laws/policies (Board Policy).
 - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for

grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds.

- i. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
 - b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds.
 - i. Documentation shall include Board minutes or local policy reflecting the staffing requirement and a report that reflects the staff units throughout the district mandated by the local minutes/policy and the excess units, if any.
 - c. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments.
 - i. Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.
2. Procedures for determining that program-specific supplement, not supplant provisions are met.
 - a. A review of the non-federal funds available to each campus (school-wide and non-participating) is conducted during the budgeting process by the Grant Administrator.
 - i. A Comparability Computation Report provides valuable information related to the level of state and local funding available at each Title I, A participating and non-participating campus.
 - ii. All purchase orders with federal funds shall be reviewed by the Grant Administrator to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable.

Abilene Independent School District
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Section 10

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.

A Texas Sales and Use Tax Exemption Certificate Form can be located on the district's internal website under the Accounting link.

In the event, a district employee is reimbursed for purchases made on behalf of and for the exclusive use of the district, sales taxes will not be reimbursed to that person.

PTO's, booster clubs, and all other non-employees 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 give a Hotel Tax Exemption Certificate Form to the hotel/motel in lieu of paying the state hotel occupancy tax. This form is located on the district's website under the Accounting link.

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 Form to the rental agency in lieu of paying sales tax.

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

Abilene Independent School District

Business Procedures Manual

Section 11

Payroll

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees. (EDGAR 200.430)

Establishing a New Employee for Payroll/Personnel purposes

Supervisors will recommend a new employee for hire.

Human Resources department will complete the following:

Request a background check.

Have the potential employee fingerprinted or show evidence of required fingerprinting.

Verify a clean background report.

Verify state certification or license if a requirement of the position.

If position requires Board of Trustees' approval-a personnel document is prepared for the next board meeting

The employee must complete and request the following records/documents:

Request transcripts, service records, and teaching certificate if applicable be sent to the Human Resources Department.

The employee must complete an I-9, W-4, an Employee Election of Insurance Form, and SSA 1945 form if appropriate.

The employee must submit a copy of his/her social security card.

The employee must submit a copy of his/her driver's license.

The Personnel Action Form is completed and matched with the documents previously listed. If there is a variation in the information provided, the employee is contacted for

correction. Once information is verified to be accurate, it is entered into the district's financial software program for future payroll processing.

Authorization Agreement for Direct Deposit

All district employees are required to enroll in the Direct Deposit Program or utilize the District's payroll card program.

Employees must complete the Direct Deposit Authorization Form for automatic deposit.

This will provide the employee's bank transit number, account number, and account type to the accounting department.

In order to reduce the possibility of identity theft, this form must be delivered to the accounting department in person.

If the employee utilizes the district's payroll card program, a payroll card application must be completed in the payroll department.

Employee Extra Duty Payment Request

Extra duty pay should be requested and approved by the Principal/Administrator. Before the employee is paid, the principal/administrator should sign and date the Extra Duty Payment form.

The completed form is submitted to the payroll department.

Distribution of Paychecks

Payroll Calendar: Payroll calendar can be located on the district's website.

Employees are paid semi-monthly as per the district payroll calendar.

Electronic timekeeping system-nonexempt employees

The Abilene ISD electronic timekeeping system and associated work records will become the official basis for recording hours worked for employees. Handwritten timesheets will be accepted by the Transportation Department only. Absence records (e.g. vacation, sick days) must also be recorded in the Abilene ISD Timekeeping System by the Campus/Department Timekeeper Manager.

In order to ensure consistency of treatment for employees, the data recorded in system shall be considered as the "official" record of the workday.

Definition of Non-Exempt Employees

Under the Fair Labor Standards Act, paraprofessional and auxiliary employees are classified as non-exempt and eligible for overtime compensation.

Overtime is legally defined as all hours *physically* worked in excess of 40 hours weekly and is not measured by the day or by the employee's regular work schedule. Employees must work more than 40 total hours in a week to earn overtime compensation. For purposes of calculating overtime, the District has designated a workweek as beginning at 12:00 A.M. Monday and ending at 11:59 P.M. Sunday.

Compensatory or "Comp" Time

The District *does* allow employees to accrue overtime worked in a compensatory leave bank. At the District's option, nonexempt employees may receive compensatory time off, rather than overtime pay, for overtime work. The employee shall be informed in advance if overtime hours will accrue compensatory time rather than pay.

Compensatory time earned by nonexempt employees may not accrue beyond a maximum of 60 hours. If an employee has a balance of more than 60 hours of overtime, the employee will be required to use compensatory time or, at the District's option, will receive overtime pay.

An employee shall use compensatory time within the duty year in which it is earned.

Compensatory time may be used at either the employee's or the District's option. An employee may use compensatory time in accordance with the District's leave policies and if such use does not unduly disrupt the operations of the District. [See DEC(LOCAL)] The District may require an employee to use compensatory time when in the best interest of the District.

Daily Clock-in/Clock-out

It is a requirement that non-exempt employees MUST "clock-in" in the morning, and "clock-out" at the end of the work day at their place of work. (Under certain conditions, such as a training course at a different location, the employee shall clock-in/out at the different location, or be clocked in/out manually by the Campus/Department Timekeeper Manager). Other requirements include:

- Employees shall not clock-out before their scheduled ending time, unless authorized to do so by their supervisor. If a non-exempt employee that is paid on an annualized basis clocks out early, they shall either "make-up" that time during the same work week or use appropriate leave. If the time is not made up or leave is not used, the employee will be docked.
- All non-exempt employees leaving campus/department site for any personal reason, including lunch during the day must clock-out when leaving campus, and clock-in when returning to campus/department.

Falsification or Tampering

• Any attempt to tamper with the timekeeping hardware or software will be considered a serious offense, subject to disciplinary action up to and including termination.

- **Punching in for an absent employee (a.k.a. “buddy punching”) will also be considered a serious offense, with both employees subject to disciplinary action up to and including termination.**
- **No employee should be in possession of another employee’s badge**

- **No employee should be in possession of another employee’s login for the Timekeeping System at any time.**

- **Anyone interfering with other employees’ use of time clocks shall be subject to disciplinary action.**

Overtime

Overtime Approval

Authorization to work beyond an employee’s regular work schedule must be obtained *in advance* by the employee’s supervisor. Non-exempt employees are not permitted to simply clock-in early or clock-out late without supervisory approval.

1. Overtime should always be authorized in advance by a supervisor. Overtime will be calculated based on the actual hours recorded.
2. Overtime is earned on a weekly basis, and is only earned after 40 hours of actual work hours have been accumulated within a given week.
3. Overtime must be approved in advance by the employee’s Supervisor, and is paid at 1.5 times the employee’s base hourly rate after 40 hours worked.
4. Since overtime or extra hours are calculated when recorded work hours exceed 40, employees must not clock-in early or clock-out late without supervisory approval.
5. All employees are paid according to the published district payroll schedule.
6. Each non-exempt employee is responsible for clocking in and out according to the time keeping rules.
7. Any disagreements with the official time detail record shall be reviewed with the employee’s Supervisor, who shall authorize any changes to timekeeping data.

Payment of Overtime

Overtime is calculated at 1.5 times the employee’s regular rate of pay. Hours worked in excess of the employee’s schedule, but less than 40 hours, are compensated at the employee’s regular rate of pay. Overtime is included on the paycheck that corresponds to the pay period in which overtime was incurred.

Abilene Independent School District
Business Procedures Manual

Section 12

Capital Assets

Asset Management (EDGAR 200.313 (d) (1), (2), (3), (4))

Any asset purchase of \$5,000 or more per unit is entered into the Asset Management Module in the district's financial software program by the accounting department recording the:

- Identify Asset as new or used
- Date of Acquisition
- Description of Asset
- Serial number or other identifying number
- Location of asset
- Cost of asset (acquisition cost)
- Funding source account code
- Depreciation Method
- Ultimate disposition data including the date of disposal and sale price

If the asset has been disposed, Directors/Principals are responsible for completing and approving the Inventory & Fixed Assets Addition/Deletion form.

Completed form will be sent to the accounting department.

The accounting department records the disposal in the Asset Management System.

A physical inventory of the property must be taken and the results reconciled with the property records at least every two years.

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

The accounting department is the custodian of fixed assets.

Property will be kept in rooms/areas with locked doors.

Ensure all doors are locked when rooms/areas are not in use.

Affix inventory tags to all capital assets.

Immediately investigate missing property and report the disappearance in a timely manner to federal, state, and/or local authorities.

Adequate maintenance procedures must be developed to keep the property in good condition.

If the district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Disposition of Surplus Property (EDGAR 200.313(d)(5), 200.313(e))

When the property under a Federal award is no longer needed, the district must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. If the district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return. This procedure applies when disposing of Abilene ISD surplus property.

Directors/Principals will determine if Abilene ISD personal property has become surplus.

If property is deemed surplus, then purchasing/warehouse department will see if any other campuses at Abilene ISD can use the item. If the item is no longer needed by other campuses, it may be disposed.

If items of surplus have a fair market value of less than \$5,000, they can be sold by informal procedures determined by the purchasing department.

If the items of surplus are valued over \$5,000, prior approval must be obtained from the cognitive agency. The cognitive agency will determine the method of disposal.

Items determined to have no value are disposed of as desired.

When property is disposed, the Inventory and Fixed Assets Addition/Deletion form is completed, submitted to the accounting department and recorded in the Asset Management System.

Pickup and Redelivery of Material

When there is a requirement to move an item(s) from one location to another contact the purchasing department.

Inventory of Capital Assets (Financial Accounting and Reporting Resource Guide (FAR) Section 1.2.4.8)

In accordance with the Texas Education Agency (TEA) FAR 1.2.4.8 guidelines, the Abilene ISD must conduct an annual physical inventory of all land, buildings, machinery, furniture and equipment and entered into Asset Management System.

A report that lists any campus inventory will be verified after August 31st each year.

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Business Procedure Manual

Section 13

Non-Capital Assets

Maintaining Inventory (EDGAR 200.313(d)(1), Financial Accounting Resource Guide 1.2.3.4

The procedure applies to all tangible items being purchased by Abilene ISD.

When the purchasing agent receives items purchased valued over \$500 and/or identified as technology, an inventory tag is attached.

The purchasing documents along with the asset number are scanned into the Eduphoria system.

The inventory clerk verifies the inventory to the Eduphoria asset management system recording the:

- New Asset
- Date of Acquisition
- Description of Asset
- Serial number or other identifying number
- Location of asset
- Cost of asset (acquisition cost)
- Funding source account code

If the asset has been disposed, Directors/Principals are responsible for completing and approving the Inventory & Fixed Assets Addition/Deletion form. The form approved and submitted by the Principal to the accounting department.

The transaction is finalized by the inventory clerk who records the disposal in the Eduphoria asset management system.

In accordance with the Texas Education Agency (TEA) FAR 1.2.3.4 guidelines, the Abilene ISD must conduct an annual physical inventory.

Abilene Independent School District
Business Procedure Manual

Section 14

Fraud

Fraud, Waste and Abuse of Public Funds

Abilene ISD prohibits fraud and financial impropriety, as defined below, in the actions of its Board of Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the district as found in Board Policy CAA (LOCAL), Mandatory Disclosures EDGAR 200.113.

• **DEFINITION**

○ Fraud and financial impropriety shall include but not be limited to:

- Forgery or unauthorized alteration of any document or account belonging to Abilene ISD.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets, including employee time.
- Impropriety in the handling of money or reporting of the district's financial transactions.
- Profiteering as a result of insider knowledge of the district's information or activities.
- Unauthorized disclosure of confidential or proprietary information to outside parties.
- Unauthorized disclosure of investment activities engaged in or contemplated by Abilene ISD.
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the district, except as otherwise provided.
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.

- Failing to provide financial records required by state or local entities.
- Failing to disclose conflicts of interest as required by law or Abilene ISD policy.
- Any other dishonest act regarding the finances of the district.

FINANCIAL CONTROLS AND OVERSIGHT

Each employee who supervises or prepares Abilene ISD financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

FRAUD PREVENTION

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the district.

REPORTS

Any person who suspects fraud or financial impropriety within Abilene ISD shall report the suspicions immediately to the Superintendent, Principal, CFO, or designee, the Board President, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

PROTECTION FROM RETALIATION

Neither the Board nor any Abilene ISD employee shall unlawfully retaliate against a person who, in good faith, reports perceived fraud or financial impropriety.

FRAUD INVESTIGATIONS

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board President, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

RESPONSE

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the Superintendent shall take appropriate action, which may include cancellation of the district's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to Abilene ISD, the district may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

ANALYSIS OF FRAUD

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct.