

**Burkburnett I.S.D.
Business Office**

Internal Control Procedures

Contents

Introduction:	3
Business Division Annual Deadlines.....	3
Accounts Payable Functions:.....	3
Accounts Receivable Functions:	4
Cash Management & Investments:.....	5
Fixed Asset Functions:	7
General Ledger Maintenance Functions:.....	8
Grants and Entitlements:	9
Payroll Functions:.....	9
Personnel Functions:	12
Purchasing Functions:	13
Receiving Functions:	14
Travel Expenditures.....	15
Vendor Maintenance:	16
Additional guidelines due to requirements of SAS 99 – Anti-fraud.....	16

Introduction:

The purpose of these Internal Controls is to ensure that adequate controls exist in the areas of purchasing, cash management, investments, payroll, personnel, fixed assets, and the other business areas included herein. The Business Division's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Since Burkburnett ISD is a small district, the Business Department staff shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

- Director of Finance & Administrative Services
- Accountant & PEIMS Coordinator
- Payroll Manager
- Accounts Payable Clerk & Assistant PEIMS Coordinator

All Business Department staff are expected to comply with the Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit), the Burkburnett ISD Code of Conduct (Employee Handbook), and the Confidentiality and Use of Information Agreement.

Business Division Annual Deadlines:

- ❑ Each Business Division staff member shall monitor the submission of required documents [in their respective area of responsibility] by the established deadlines. If a campus/department fails to meet a deadline, an email shall be sent to the originator of the document as a reminder within 5 business days of the missed deadline.
- ❑ If the respective campus/department does not submit the document(s) within 10 business days of the deadline, the Director of Finance shall be notified via email.

Accounts Payable Functions:

- ❑ Accounts payable checks should be processed on a weekly basis for release by Friday morning, or earlier dependent upon work schedules or holidays
- ❑ All invoices shall be entered separately into the finance system by invoice/statement number, amount, and date.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order.
- ❑ If no discrepancies exist, the check payment should be entered into the finance system.
- ❑ If a discount is offered by the vendor for early payment, the payment should be processed within the allotted time if the goods have been received and their receipt has been verified by the originating campus or department.
- ❑ All invoices should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ If a discrepancy exists, the appropriate campus/department or vendor should be notified to reconcile the difference(s)
- ❑ All invoices that do not exceed the purchase order amount [excluding freight charges] may be entered into the finance system for payment without authorization from the Director of Finance or designee.
- ❑ All invoices that exceed the purchase order [excluding freight charges] should be sent to the submitter and then forwarded to the Director of Finance or designee for approval before entering the payment in the finance system.
- ❑ The Director of Finance or designee should approve all payment authorizations.
- ❑ Recurring invoices such as utilities, monthly rentals, payroll deductions, etc. should be entered into the finance system for payment as noted below:
 - ❑ Utilities: All utility invoices shall be forwarded to the Director of Finance for approval. After approval, the invoice(s) shall be entered into the finance system.

- ❑ Cell phones: All charges shall be posted on the spreadsheet to include the payment for each phone by account number and amount.
- ❑ Copiers: All charges shall be reconciled with meter readings and posted on the spreadsheet.
- ❑ All petty cash reimbursements should be entered into the finance system for payment. Extenuating circumstances or items of non-compliance, if any, should be forwarded to the Director of Finance or designee for review and approval.
- ❑ All travel authorizations and settlements should be forwarded to the Director of Finance for approval.
- ❑ All construction payments to general contractors shall be approved by the Director of Finance and/or the Superintendent.
- ❑ All invoices or supporting documentation for payments shall have a system generated “paid” voucher attached to ensure that duplicate payments do not occur.
- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur. If payment is made from a copy, the copy shall be stamped “original”.
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ The Director of Finance shall approve all check payments.
- ❑ All checks should be endorsed by the Director of Finance and Superintendent. The electronic signatures shall be maintained by the Director of Finance. The depository bank shall be notified via new signature cards when changes occur in the authorized signers.
- ❑ The Accounts Payable Clerk shall maintain system reports of all checks endorsed.
- ❑ The Accounts Payable Clerk shall verify that all checks have two (2) approved signatures prior to releasing the checks to vendors.
- ❑ All “paid” check copies should be filed in alpha order by vendor last name or company name.
- ❑ The Director of Finance shall pre-approve all “emergency” checks.
- ❑ Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved, and reconciled statements should be filed for a period of 60 days, and then discarded after the administrative value (AV) period.
- ❑ All returned purchases should be coordinated by the Accounts Payable Clerk and purchasers:
 - ❑ The Accounts Payable Clerk shall notify the vendor for authorization to return goods.
 - ❑ Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district
 - ❑ All check copies for items returned to the vendor should be kept in a pending file until receipt of the replacement items.
 - ❑ If replacement items are not received within a 60 day period, a demand for a refund should be forwarded to the vendor. The Director of Finance shall be notified if the vendor has not complied with the 60 day timeline.
- ❑ Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Partial payments should not be made unless prior arrangements have been made with the vendor.
- ❑ All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- ❑ Checks shall not be issued to “Cash” or “Bearer”.
- ❑ All check stock shall be maintained in a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two (2) month supply of checks is on hand.
- ❑ At fiscal year-end, the Accounts Payable Clerk shall prepare a report of all Accounts Payables as of August 31st and submit the report to the Accountant by September 15th for audit purposes.

Accounts Receivable Functions:

- ❑ The Accountant shall track all monies owed to the district, i.e. receivables. Receivables that are known and measurable shall be posted to the general ledger by the Accountant after approval by the Director of Finance or designee.
- ❑ Funds due from one district fund to another shall be posted to the appropriate fund and account code as noted below:
 - Due from General Fund 1261
 - Due from Special Revenue Fund 1262
 - Due from Capital Projects Fund 1264

- Due from Other Funds 1260
- Funds due to the district from other sources shall be posted to the appropriate fund and account code as noted below:
 - Due from state 1241
 - Due from federal 1242
 - Due from other governments 1243
 - Due from others (parents, vendors, etc.) 1290
- At the end of the fiscal year, all amounts owed to the district shall be reconciled [as of 8/31/XX] between the general ledger.
- The Accountant shall oversee the reconciliation of the due from accounts on a monthly basis and at the end of the fiscal year.

Invoices for Receivables:

- The Accounts Receivable Clerk shall create invoices, as appropriate, to seek reimbursement from a vendor or other source. The invoices shall be approved by the Director of Finance or designee.
- After approval, the Accounts Receivable Clerk shall distribute the invoice.
- The Accounts Receivable Clerk shall maintain a copy of all invoices and forward a copy to the Accountant.
- At fiscal year-end, the Accounts Receivable Clerk shall ensure all prepare a report of all Accounts Receivables as of August 31st and submit the report to the Accountant by September 15th for audit purposes.

Cash Management & Investments:

Bank Deposits and Cash Balances

- All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the Accounts Receivable Clerk on a daily basis and placed in business office safe for deposit.
 - Deposits which cannot be made on the same day shall be stored in the district's safe until such time as the deposit can be made.
 - All checks shall be stamped upon receipt for endorsement purposes.
 - On Wednesday and Fridays, the Accounts Payable Clerk shall prepare all funds for deposit to the District's depository bank (First Bank) no later than 4:00.
 - The bank deposit receipt should be forwarded to the Accountant for posting to the general ledger and bank reconciliation purposes.
 - All supporting documents for the bank deposits shall be maintained by the Accountants Payable Clerk and Accountant for audit purposes.
- Notices of checks which were not deposited due to "insufficient funds" shall be received by and processed by the Accountant.
 - A form letter should be prepared and sent by the Accountant to the person that accepted the check. The sponsor, campus, department that accepted the returned check shall notify the maker of the check and seek reimbursement.
 - A Cash Receipt debit shall be prepared and recorded in the general ledger by the Accountant for the returned deposit.
- All cash transfers between cash and investment accounts will be initiated by an investment officer and posted by the Accountant.
- All other cash withdrawals from a bank account such as ACHs or wire transfers will be initiated by the Director of Finance or Payroll Manager and posted to the general ledger by the Accountant.
- All electronic deposits to the bank accounts, such as state aid or impact aid payments, shall be coded by the Accountant and posted to the general ledger on a monthly basis by the Accountant. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Director of Finance.
- All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the Accounts Receivable Clerk for receipting and depositing purposes. The Accountant shall post the deposits to the

general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Director of Finance.

- ❑ All travel reimbursements to the district shall be submitted by the traveler to the respective campus principal or department head for approval, and then to the Accounts Receivable Clerk for receipting and depositing purposes. Once funds are verified, the Accounts Receivable Clerk sends to the Director of Finance for final approval. The Accountant shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Director of Finance.
- ❑ A Daily Available Cash Balance Report shall be prepared by the Accountant. The Accountant will notify the Director of Finance of any balances that will need to be transferred in/out of investment accounts.
 - ❑ The Director of Finance or investment officer/designee shall transfer out excess cash to an investment account
 - ❑ The Director of Finance or investment officer/designee shall transfer in sufficient funds to meet cash shortfalls prior to the disbursement of payroll and/or accounts payable disbursements.
- ❑ The Accountant shall maintain a High Cash Balance Report every month. The report shall reflect the highest cash balance during each month and the cash balance at the EOM.
 - ❑ The High Cash Balance Report (spreadsheet) shall be kept and finalized by September 15th for audit purposes.
 - ❑ The Accountant shall verify that the district's deposited funds are fully collateralized at all times in accordance with state law.

Bank Reconciliation:

- ❑ The Accountant will retrieve all bank statements from the online banking system.
- ❑ The Accountant shall reconcile all bank accounts with the general ledger. The Director of Finance shall review and approve all bank reconciliations.
 - ❑ All deposits should be posted on the general ledger to appropriate revenue accounts
 - ❑ All withdrawals should be on the monthly check register or posted on the general ledger via general journal
 - ❑ All interest earnings should be posted on the general ledger via general journal
- ❑ Endorsements on cleared checks should be checked on a periodic basis or at least for those items that appear suspect.
- ❑ The Skyward Check Reconciliation System shall be used to electronically reconcile all bank accounts.
- ❑ The Accountant shall review and research checks that have remained outstanding for a period of six (6) months; if the lost checks are not claimed within twelve (12) months, the outstanding checks should be reversed on the general ledger and voided. The Accountant shall prepare and post the JV with approval by the Director of Finance
- ❑ The on-line banking system should be utilized on a daily basis by the Accountant to monitor cash flow in and out of the bank accounts.
- ❑ The Accountant shall monitor daily cash balances and notify the Director of Finance of any excess or deficit cash balances. Pending payroll and/or finance checks shall be factored into the cash needs for each day.

Investment Functions:

- ❑ The Superintendent and/or Director of Finance shall review the investment policies and strategies and recommend changes to the School Board on an annual basis. Recommended changes, if any, shall be adopted by the School Board by formal action during a regularly scheduled board meeting.
- ❑ All investment officers shall be designated by the School Board and shall attend the legally required training through an approved source of instruction.
- ❑ All investment officers shall execute a "Statement of Compliance" indicating that they will maintain independence in all investment transactions.
- ❑ The Director of Finance or designee shall prepare all delete, add and/or change forms, obtain the appropriate approval(s), and submit the forms to the respective investment broker/pool.
- ❑ A monthly investment report should be prepared, signed by all investment officers, and submitted to the School Board for approval.

- ❑ All securities purchased by the district shall be held in the name of the district.
- ❑ Securities shall be purchased only from authorized investment brokers who have completed and filed with the district the appropriate certification and have been authorized by the School Board
- ❑ All cash transfers between cash and investment accounts will be initiated by an investment officer and posted by the Accountant.
- ❑ All investment transactions shall be posted as soon as known and on at least a monthly basis or as appropriate upon receipt of the investment statements.
- ❑ All investment statements shall be reconciled to the general ledger on a monthly basis and at fiscal year-end by the Accountant and verified by the Director of Finance.

Fixed Asset Functions:

- ❑ The Accountant shall maintain an up-to-date database (auditor produced depreciation schedule, log of additions/deletions) of all fixed assets.
- ❑ Upon receipt of a Fixed Asset/Inventory Transfer form, the Accountant shall post the change to the database and file/save the form for audit purposes.
 - ❑ A list of all salvage items shall be submitted to the Director of Finance for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
 - ❑ All items sold via a public sale, auction, or disposal shall be removed from the fixed assets database.

Quarterly Reconciliation:

- ❑ All equipment with a unit cost over \$5000 (account codes 663X) should be tagged, posted in the Fixed Asset System. These items are defined as fixed assets for audit purposes.
- ❑ All equipment with a unit cost over \$500 **and** equipment such as TVs, VCRs, DVDs, PDAs, camcorders, and digital cameras should be tagged and shall be tracked by the respective campus or department.
- ❑ All inventory and fixed asset items shall be tagged by the campus or department upon.
- ❑ A capital outlay report (66XX Expenditure Journal) shall be generated at the end of each month or at least quarterly by the Accountant for reconciliation.
- ❑ All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items added quarterly to the Additions of Capital Assets worksheet.
 - ❑ The total 663X expenditures should be added to the fixed asset system.
 - ❑ The total 664X expenditures should be added to the fixed asset system.
- ❑ The Director of Finance or designee shall prepare all Application for Vehicle, Title, and License Plate forms for all new vehicles purchased by the district. [The Application for Vehicle Registration, Titles, and License Plate procedures shall be followed in securing the documents.]
 - ❑ The Director of Finance or designee shall submit the forms to the Wichita County Tax Office for processing.
 - ❑ The Director of Finance or designee shall notify the auto insurance carrier of the new vehicles.
- ❑ All construction expenditures shall be recorded on the Additions to Capital Assets worksheet by project.
 - ❑ The total 6629 expenditures should be added to the fixed asset system.
- ❑ All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant indicated on the item.
- ❑ The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- ❑ The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.

Annual Reconciliation:

- ❑ A list of all fixed assets (over \$5000 unit cost) should be prepared by September 15th for audit purposes.

- ❑ A list of all construction assets should be prepared by September 15th for audit purposes. The list should include all “construction in-progress” through August 31st, including accounts payables and retainage.
- ❑ The lists should be reconciled with the general ledger.
- ❑ The fixed asset additions/deletions spreadsheet should be prepared by September 15th for audit purposes.

Fixed Asset Disposal:

- ❑ All efforts will be made to obtain the best return value to Burkburnett ISD and consideration will be made to responsible protection of our environment.
- ❑ Burkburnett ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Burkburnett ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold, but would be destroyed to prevent any possible data recovery).
- ❑ The follow 3 steps would be the method of disposal. [Exception for federally funded assets below]
 - ❑ Garage type sale. Generally standard items will have a sale price establish on the disposal list that will serve as the garage sale price. Other unique items will have a starting minimum price as established on the disposal list, but will be sold on a silent auction basis.
 - Two types of items will be identified – standard and unique.
 - Preset prices will be established for “standard” item as shown on the approved disposal list. A few items will be marked as “unique” and will be sold using a silent bid format with the last and highest bid being the sales price as long as it exceeds the minimum value.
 - The unique items sale price will be the last highest price as reflected on the item bid sheet at the close of the sales day.
 - Employees have a preview to see what is for sale and to identify items that may have some instructional value for re-use in their classrooms and/or offices
 - Employee pre-sale sale 1 day prior to the public sale
 - Public sale for a designated period of time
 - All prices on standard items, as posted on the disposal list, will be in effect until 1 hour prior to the close of the sale at which time the prices may be reduced by 50%.
 - Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
 - ❑ Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
 - ❑ Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- ❑ All Capital Asset items disposed of shall be removed from the fixed asset system by the Accountant.
- ❑ The Accountant shall reconcile and Accounts Payable Clerk deposit all monies collected at the surplus sale, online auction sales are deposited automatically to First Bank.
- ❑ All surplus revenue shall be deposited to a miscellaneous revenue account in the General Fund (199), with the exception of surplus revenue from the sale of Food Service equipment which shall be deposited to the Food Service Fund (240).

General Ledger Maintenance Functions:

- ❑ All general journals [except system-generated Payroll general journals] should be approved by the Director of Finance

- ❑ The Accountant shall prepare and post all manual payroll general journals, the Director of Finance will approve all journal entries.
- ❑ All other payroll general journals shall be interfaced to the finance system by the Payroll Manager.
- ❑ All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable.
- ❑ Within 20 days after the end of the month, the Accountant shall print and verify all end-of-month reports and the end-of-month posting processed in accordance with the Finance EOM Checklist.
- ❑ The Accountant shall prepare the School Board Reports [Financial Statement, Transportation, Food Service, Aramark reports] and forward to the Superintendent's Secretary for Board Review.
- ❑ The Accountant shall file all finance reports for audit purposes to include, but not limited to:
 - ❑ Cash Journal
 - ❑ General Journal
 - ❑ Check Register
 - ❑ Trial Balance
 - ❑ Detail General Ledger
- ❑ The Accountant shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.
- ❑ The Director of Finance shall review and approve both PEIMS submissions with budget and actual expenditures data. Corrections, if any, to the general ledger to adhere to PEIMS coding guidelines shall be prepared and posted by the Accountant with the approval of the Director of Finance.

Grants and Entitlements:

- ❑ All grant applications shall be prepared by the Grant Manager and approved and submitted by the Superintendent. A copy of all grant applications shall be forwarded to the Accountant and Director of Finance for accounting and budgeting purposes.
- ❑ All grant awards [including the NOGA] shall be maintained by the Grant Manager and Accountant.
- ❑ The Director of Finance and/or Accountant shall coordinate the budgets received from grant administrators and/or campus principals to ensure compliance with grant award documents.
- ❑ The Grant Manager shall prepare the grant budget in accordance with the grant requirements and forward to the Accountant for posting to the general ledger.
- ❑ The Grant Manager shall prepare and submit all grant program reports such as evaluations.
- ❑ Grant reporting timelines shall be monitored by Accountant and all financial reports prepared and submitted via paper form or electronic submission in accordance with grant requirements.
- ❑ The Director of Finance shall establish purchasing deadlines to ensure that all grant purchases and payments are settled prior to the end of the grant period.
- ❑ All grant receipts shall be posted to the general ledger by the Accountant on a monthly basis and monitored by the Grant Manager and Director of Finance.

Payroll Functions:

Salary Calculations:

- ❑ The Human Resources Department should determine the placement of professional [except for administrative staff] and support staff on the pay scale.
- ❑ The placement of administrative staff on the pay scale will be recommended by the Human Resources Director, or the Director of Finance. Final approval will rest with the Superintendent.
- ❑ The Administrative procedure for placement on a pay scale should be utilized for all staff.
- ❑ The Human Resources Department shall verify the years of experience for pay purposes.

Leave Processing:

- ❑ All employees should complete the absent from duty form or the process in Skyward for absence tracking of all absences. Non-exempt staff shall use compensatory time off before any available state or local leave.

- Upon approval in Skyward by the campus/department administrator, any support documents i.e. jury duty card, doctor's note, needs to be routed to the Human Resources Department by time each time-sheet deadline for payroll processing.
- Human Resources verifies all leave transmittals entered into Skyward system is correct before Payroll Manager posts to the master file.
- A Time-off Report shall be filed with the appropriate pay date reports.
- A Time-off Report is generated by the campus/department administrator each pay period for information and file purposes, and verification by Human Resources.
- Processed absent from duty forms will be filed in the leave files.

Direct Deposit:

(Payroll)

- All employees' (including substitutes) payroll wages will be direct deposited by ACH each payday.
- The Payroll Manager will ensure that the bank table within the Skyward system is updated with current information.
- Direct Deposit Forms shall be completed by each employee with their current bank/credit union information and shall be filed in the employees' individual payroll file. Direct Deposit forms must be signed by the employee.
- The Payroll Manager will review and oversee the preparation and submission of the payroll ACH transmit.
- The ACH verification information form shall be attached to ACH file source document.

(Deductions)

- The Payroll Manager will reconcile and verify payroll deductions to be sent via ACH and will also send reconciled deduction file via upload to FBS billing department.
- A Journal Voucher for the amount of any overages or shortages due to adjustments will be prepared and posted by the Accountant. The Director of Finance shall approve all journal entries.
- Verification Information Form will be attached to ACH file source document and filed.

Supplemental/Overtime Pay:

- All supplemental payments will be paid from a supplemental payment form.
- Campus administrators will approve the supplemental payment form. Payment information will include:
 - Employee Name
 - Reason for supplemental pay and amount
 - Budget code
 - Date employee worked
 - Amount to be paid
 - Employees signature & date
 - Campus administrator approval & date
- The Payroll Manager will review and enter all overtime and supplemental payments.
- A copy of the supplemental payment form will be filed each pay period.
- Board approved stipends shall be paid annually in the payroll specified.

Payroll Submission:

- The Payroll Manager shall ensure that all payrolls are processed and submitted to the depository bank at least 2 days before pay date.
- The Payroll Manager shall input and/or interface all transmittals for payroll processing to include – hours worked, supplemental pay, substitute pay, leave used and update employees' deductions when needed and any comp time earned.
- Checklist for Processing a Payroll form will be used during the payroll process.
- Payroll reports for each payroll processed should be filed for audit purposes to include:
 - Check Verification Register
 - Account Distribution

- Bank Account Listing
- Deduction Register Report
- Check Register
- Calendar & School Year to Date Reports
- Workers Comp Reports
- Gross Pay/FICA Distribution Reports
- Leave Days Posted Report
- 1 set of Employee Wage and Earnings Statement sent electronically via email to each employee and one set filed electronically
- Report shall be prepared in a PDF format and filed electronically.
- All reports shall be filed on the Payroll Shared Files folder for access by the Executive Director of Finance.

Quarterly/Annual Functions:

- Quarterly 941 Employer Federal Tax Returns shall be reconciled with the 941 Worksheet Report (Skyward), EFTPS Payment Worksheet and Payroll Excel File Spreadsheet each quarter.
- The Payroll Manager will complete & sign the 941 Quarterly Tax Return
 - The reconciliation process shall include a 3-way match of the following:
 - 941 electronic return
 - 941 spreadsheet for Calendar Year (input data from Payroll Earning Registers for each pay date)
 - 941 Worksheet generated from SKYWARD
- Unemployment Quarterly Reports processed and filed via the Internet.
- Reconcile and ensure W-2s are processed and sent via the Internet and mailed to employees. Employer's copy shall be filed for a period of 5 years.

Journal Vouchers and Employer Tax Payments:

- A Payroll General Journal Report shall be system-created after every payroll and verified by the Payroll Manager. The Accountant will verify accuracy in the general ledger during the end of month processing.
- Payroll employer taxes will be processed into the EFTPS at least 1 day before each pay date and a Journal Voucher that has been approved by the Payroll Manager will be prepared. A copy of the the EFTPS will be filed in the 941 Information Folder and the originals will be filed for audit purposes.

Payroll Deductions:

- The Payroll Manager shall enter the payroll deductions for each employee into the SKYWARD payroll system.
- Reconcile and ensure that all payroll deductions are correct before submission of payroll.
- Reconcile all payroll deductions to billings.
- Deduction checks with billings to the appropriate vendor upon receipt of the checks will be mailed by the Payroll Manager.

Updates:

- Any mass updates to the Payroll/HR SKYWARD system will be processed and approved by the Payroll Manager to include:
 - Next Year Files – Salary, Years Experience, Beginning/Ending Dates, Payoff Date....
 - Deductions
 - Distribution

TRS Reporting:

- The Payroll Manager shall prepare and submit all TRS reports via the Internet.
- Before the 6th of each month, the Payroll Manager shall prepare the TexNet form and submit via TexNet the amount due to TRS and TRS-ActiveCare Health Insurance.

- ❑ The Payroll Manager shall verify TRS general journals before posting to the general ledger. The Accountant shall verify the accuracy of the general journals during the end of month process.
- ❑ TRS reports submitted to TRS via the internet will include: TRS Member Detail Data Report, TRS 2 Report, TRS 372 Report, TRS 4 Report, TRS 488 Report, TexNet Form, and the Journal Voucher. These reports will be filed for audit purposes.
- ❑ Adjustments, if needed, to the monthly reports shall be explained in a written letter to TEA and signed by the Director of Finance or Superintendent.

TRS Retirement Procedures:

- ❑ The HR Benefits Coordinator shall meet with the retiring individual to provide guidance as noted below:
 - ❑ The employee should contact the Texas Teacher Retirement System and request a retirement packet. Some forms should be completed by the employee and others by the Payroll Manager and/or Human Resources.
- ❑ Employees retiring at the end of their work calendar should receive their final pay check and benefits as follows:
 - ❑ 10 – Month employee’s final check in June if retiring through TRS in May. (Exception would be made if their work schedule extends into June more than 6 workdays. The employee must have enough available leave to cover any absences. If this exception applies, then a final check would be paid in May.) The Dental, Vision and Health Insurance will end August 31st
 - ❑ 11 – Month employee’s final check in June (as long as the employee has completed their work calendar by June 15th). Dental, Vision and Health Insurance will end August 31st
 - ❑ 12 – Month employee’s final check in July if retiring with TRS in June (term completed by June 30th). Dental, Vision and Health Insurance will end August 31st
 - ❑ All other payroll deductions will end the last day of the month in which you resign, or August 31st.
- ❑ Employees retiring at the end of their work calendar will be subject to payoff dates that are in accordance with normal pay period cycles. The dental, vision and health insurance coverage will lapse at the end of the retirement month or August 31st.

Personnel Functions:

- ❑ A Personnel Checklist – Pre Employment should be utilized to ensure that all staff recommended for employment has passed all pre-employment criteria such as references, fingerprinting, criminal background, certification/licenses [if applicable], prior employment, and nepotism prior to Superintendent and/or Board approval.
- ❑ The HR Administrative Assistant shall properly authorize and document all changes in employment to include:
 - ❑ New employees
 - ❑ Terminating employees
 - ❑ Changes in status due to FMLA, Workers Compensation, Temporary Disability, etc.
 - ❑ Changes in salary rates due to promotion, demotion, educational level attained, etc.
- ❑ A Personnel Action form shall be completed by the HR Admin. Asst. within five (5) days of the employment or status change and submitted to the Payroll Manager
- ❑ The action form should include the total years of experience for all new staff, which will be cross-checked by the Payroll Manager. Discrepancies, if any, will be jointly resolved by both.
- ❑ The HR Admin. Asst. shall prepare and maintain an up-to-date employment file for all employees to include:
 - ❑ Application, resume, credentials [transcripts/licenses], etc.
 - ❑ SBEC Certification, if appropriate
 - ❑ Evaluations
 - ❑ Disciplinary actions
 - ❑ Service Records
 - ❑ Job Description
 - ❑ Contracts

- ❑ A Personnel Checklist – Post Employment should be utilized to ensure that all new staff submits all legally required documents within 30 days of employment.
- ❑ All new employees shall be entered into the HR system [SKYWARD] by the HR Admin. Asst., including but not limited to demographic, certification, contract, experience, and PEIMS data.
- ❑ All changes to the above data shall be entered into the HR system [SKYWARD] by the HR Admin. Asst.
- ❑ Separate files should be maintained by the HR Admin. Asst. for the following items:
 - ❑ Criminal History verifications
 - ❑ Medical Records, Requests for FMLA, Workers Compensation, and Temporary Disability
 - ❑ I-9 Forms
 - ❑ Alcohol & Drug Testing
- ❑ The HR Admin. Asst. should conduct an Exit Interview, or at a minimum collect a completed Exit Form, from all terminating employees

Work Site Posters:

- ❑ On at least an annual basis, the HR Administrative Assistant should utilize TASB’s Work Site Posting Inventory template to verify that all campuses and departments have posted the state and federal required employment posters.
- ❑ All legally required posters for applicants shall be posted in the Administration lobby and the HR Webpage with the on-line application.

Criminal History Record Information Requests (CHRI):

- ❑ An applicant Criminal History Record Information Request (CHRI) form is submitted to the HR Administrative Assistant for processing via the AppliTrack web-based application software system.
- ❑ The respective campus submits a form for each parent/community volunteer.
- ❑ The HR Administrative Assistant accesses the secure website with the assigned user name and password to submit requests and to retrieve reports.
- ❑ Information retrieved from DPS website is not printed out. The CHRI request form is stamped approved with the date of approval.
- ❑ In the event of criminal history information that is not suitable for employment or volunteerism, the Assistant Superintendent is notified. The Assistant Superintendent, an authorized user of the DPS website, acts on the information as appropriate.
- ❑ The CHRI request form is retained in accordance with the district’s records retention plan.

Purchasing Functions:

On-Line Purchase Requisitions

- ❑ The district shall use an on-line requisition system for all purchases.
- ❑ The requestor shall “submit” a purchase requisition using the on-line requisition system.
- ❑ The procedures for electronic purchase orders should be followed.

Purchase Orders (Electronic System – SKYWARD)

- ❑ User profiles should be created in the SKYWARD system, to include clerical, teaching, and administrative staff, as appropriate. The appropriate restrictions to account codes and functions should be established. Global access and override functions shall be limited to the Director of Finance and the Accountant.
- ❑ Approval paths shall be established which will dictate the electronic flow of the purchase order. The principal/department head shall approve all purchase orders, with final approval lying with the Director of Finance or Superintendent depending on approval path.

- ❑ Any authorized user may create a purchase requisition. Any paper documentation that is related to a purchase requisition should be uploaded as an attachment to the online requisition.
- ❑ If a vendor does not exist in the finance system, the submitter will follow the Add New Vendor Process in Skyward, and then the Accounts Payable Manager should add the vendor with all appropriate information such as: vendor name, SSN or TIN, address, phone, W-9 information, and 1099 eligibility after receipt of the W-9 Form, CIQ and Felony Conviction Form (if appropriate) from the campus. [If a W-9 is not submitted with the purchase order, a form should be mailed or faxed to the vendor. After receipt, the vendor tax information should be entered into the vendor database. Payments for services should not be made until the W-9 is received.]
- ❑ Ensure that item(s) do not exceed bidding and/or quoting thresholds. If quotes were obtained, the quotes should be attached to the purchase order. If bids were obtained, a tabulation sheet should be attached to the purchase order.
- ❑ All purchase orders that exceed \$50,000 individually, or cumulatively must reflect the bid number, purchasing Co-Op contract number, etc. to document that the purchase meets the state purchasing laws.
- ❑ All purchasing contracts, that exceed \$50,000, must be approved by the Board of Trustees. If appropriate, the Director of Finance shall submit an agenda item for the next regularly scheduled meeting to the Superintendent.
- ❑ The approver may approve the entire requisition, or approve/disapprove line items.
- ❑ The final approval will be the Director of Finance or the Superintendent, depending on approval path.
- ❑ After the approval of the Director of Finance, the purchase orders will be printed and distributed to vendors via email, fax or US mail. Mailing of POs shall be the last resort if the other methods are not available.
- ❑ Copies of the purchase order will not be distributed to the schools since they can review and track purchase orders on-line.
- ❑ Throughout the fiscal year and at August 31st, the physical outstanding purchase orders should be reconciled with an Outstanding Purchase Order report from the finance system.
- ❑ The Accounts Payable Clerk shall print an Aged PO report periodically. All POs greater than 90 days shall be cleared, as appropriate.

Petty Cash (If allowed):

- ❑ At the beginning of each fiscal year, a check request for Petty Cash will be submitted through Skyward from each authorized campus and/or department. All supporting documentation (receipts, etc) must be scanned and attached in Skyward to the Check Request. The appropriate principal/department head will shall approve the request and then the final approval will be by the Director of Finance.
- ❑ The general ledger should reflect the amount of petty cash issued to each department and/or campus at all times.
- ❑ The Approvers and then the Accounts Payable Clerk shall verify all Petty Cash Check Requests as noted below:
 - ❑ All petty cash check requests shall have an attachment of supporting documentation
 - ❑ An account code shall be recorded on each petty cash check request
 - ❑ The account code shall be appropriate to the type of expense
- ❑ After verification of the Petty Cash Check Requests, the Accounts Payable Clerk shall process the check payment in Skyward.
- ❑ The petty cash check shall be issued to the appropriate campus or department administrator.

Receiving Functions:

- ❑ The Central Receiving Manager shall file all receiving copies of purchase orders in alpha order by month. A copy of all e-purchase orders should also be maintained on file.
- ❑ An Outstanding Requisition Report may be utilized to monitor orders that have not been received and/or approved for release.
- ❑ Upon receipt of a package/box from a vendor, the Central Receiving Manager should inspect the package/box for damage. If damages have occurred, the vendor should be promptly notified.

- ❑ All items should be “checked-off” on the receiving report. The vendor shall be promptly notified of any discrepancies.
- ❑ The quantity of items received shall be checked-off on the packing receipt and PO.
- ❑ If the order includes inventory or fixed asset equipment, the appropriate department will “tag number” the equipment.
- ❑ The order should be labeled for delivery to the appropriate campus or department.
- ❑ The signed, receiving copy should be filed for records retention.
- ❑ Periodically and by August 31st, the Accounts Payable Clerk shall generate and review an Aged Purchase Order report [over 60 days].
- ❑ All orders that have been outstanding for more than 60 days should be researched and cancelled, if appropriate, by the Accounts Payable Clerk. All order cancellations should be relayed to the campus/department.

Travel Expenditures:

Travel Authorization Forms:

- ❑ An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out district business **only** with the prior approval of the employee’s immediate supervisor and/or Superintendent.
- ❑ Professional employees wishing to travel on school business must prepare a written request to travel. The Application for Authorization of Professional Trip form is used to obtain permission for travel.
- ❑ The Request for Travel Advance is used to request money for lodging and registrations. After approval by the campus principal or director, the Superintendent may approve or deny any request to travel.
- ❑ Upon travel approval, the traveler shall also enter an on-line requisition or check request, as appropriate, for all of the requested travel expenses to include: traveler per diems, field trips, lodging, registration fees, airline or other transportation costs. No on-line requisitions will be approved without completed travel authorization forms attached as supporting documentation.
- ❑ Requisitions or check requests shall be submitted for each of the following, as appropriate:
 - ❑ Registrations: Payable to the vendor (with supporting document such as conference schedule that reflects the start/stop dates and agenda outline that indicates if meals are provided as part of the registration cost.
 - ❑ Commercial transportation (flights): Requests for flights shall be submitted to the Director of Finance for approval. A preferred schedule may be submitted, but the final purchase of flight shall be determined by the required travel dates and best price.
- ❑ Meals, Lodging and other Expenses: All supporting documentation must be attached to the online check request payable to the traveler for reimbursement.
- ❑ The Accounts Payable Clerk shall match the travel authorization form with the on-line requisition(s) or check requests submitted for the various vendors, i.e. traveler, registration fees, field trip entry fees, lodging, etc.
- ❑ The Director of Finance shall approve all travel requisitions if the following criteria is met, otherwise the campus/department shall be notified to correct the deficiency.
 - ❑ Ensure that all travel authorizations are signed by the appropriate administrator (principal/director)
 - ❑ Ensure that funds are appropriate to the expense, i.e staff travel to 6411, student to 6412, etc.
 - ❑ Ensure that the travel dates, description of training, and city/location are noted on the travel requisitions.
 - ❑ Ensure that all travel with state and federal grants comply with the TEA guidelines related to allowable costs (TEA Website: Grant Management Resources).
 - ❑ Ensure that all travel expenditures comply with the district’s Travel Guidelines for Employees.
- ❑ All check advances should be processed through and posted to the finance system.
 - ❑ Payments for flights shall be made upon receipt of the check request through Skyward.
 - ❑ Payments for registrations shall be made upon receipt of supporting document that reflects the registration cost.
 - ❑ Payments for meals, lodging, etc. shall not be made by accounts payable check approved by Director of Finance.
- ❑ No advance checks should be issued to a traveler more than 30 days prior to their trip (IRS Regulation).

- ❑ The “paid” copies of travel advances should be filed in a pending alpha file by month until the Travel Expense Report is received.
- ❑ All travel advances not settled within 30 days shall be followed-up with the traveler. If the traveler does not respond or timely submit the documentation, the travel advance shall be processed through payroll, taxed, and deducted from the employee’s pay. The Accounts Payable Clerk shall notify the Director of Finance immediately when the 30-day deadline has not been met by a traveler.

Travel Expense Reports (Settlement Form):

- ❑ The traveler should complete a travel settlement form within 3 days after returning from the business trip. The immediate supervisor should sign the travel settlement form.
- ❑ The traveler shall submit a check request with the form via an attachment in Skyward. Principals or department heads shall approve request with final approval lying with the Director of Finance. Before payment is processed the Accounts Payable Clerk shall:
 - ❑ Ensure that the settlement does not include expenditures in excess of the per diem limits
 - ❑ Ensure that non-allowable expenditures such as entertainment, alcohol, guest costs, or other expenditures are not included in the settlement.
 - ❑ Violations of the district Travel Guidelines shall be reported immediately to the Director of Finance.
- ❑ The Director of Finance shall approve all travel settlements.
- ❑ The travel settlement forms should have all required receipts attached to the form.
- ❑ Leftover settlement funds, if any, should be submitted by the traveler to the Accounts Receivable Clerk for deposit.
- ❑ The travel authorization shall be removed from the pending file for use in reconciling the travel advance with the settlement.

Vendor Maintenance:

- ❑ All vendors shall be approved for addition to the vendor database in Skyward. The Accounts Payable Manager shall verify that all required vendor documents are on file prior to adding the vendor on the vendor database. The required vendor documents include:
 - ❑ W-9 Form (signed and fully completed)
 - ❑ Conflict of Interest Questionnaire (signed and fully completed)
 - ❑ Felony Conviction Notice (signed and fully completed)
 - ❑ Vendor Application form, if applicable
- ❑ The Accounts Payable Manager or Clerk shall add the vendor in the database after approval from the Accounting Manager and/or Executive Director of Finance. The data entry shall include, but not be limited to:
 - ❑ Vendor name (as it appears on the W9 Form)
 - ❑ Vendor address under order address. If a different address is provided for remittances, that address shall be enter, too
 - ❑ EIN/SSN (as it appears on the W9 Form)
 - ❑ Flags: 1099 Eligible, Bid Eligible, Local Vendor (if address is in San Antonio), and Minority Owned (if documentation has been received from vendor)
 - ❑ W9 Date: date the W9 Form was mailed and received

Additional guidelines due to requirements of SAS 99 – Anti-fraud

Confidentiality

- ❑ Business department staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Among the most critical information is documentation related to employee’s health, benefits, financial, family members, or other personal information.

- ❑ All Business division staff members must execute a Confidentiality and Use of Information Agreement and submit to the Director of Finance.
- ❑ Violators will be disciplined, may be terminated and may be reported to the appropriate authorities.

Consequences for Inappropriate Behavior (zero tolerance)

- ❑ Dishonest actions will not be tolerated
- ❑ Violators will be disciplined, may be terminated and may be reported to the appropriate authorities

Notification/Communication of fraudulent activities:

- ❑ We all have a duty to report certain matters such as theft, fraud, and dishonest in the workplace.
- ❑ Actual or suspected fraud should be reported to the Director of Finance.
- ❑ Any and all concerns about potential fraudulent activities should be reported to the Director of Finance.

Training:

- ❑ Every staff member will be scheduled to attend at least one training and/or conference opportunity per year.
- ❑ Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through an approved CEU provider.
- ❑ Additional training requests should be submitted to the Director of Finance. It is the employee's responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks.

Records Management & Security of Data

- ❑ All finance records are the property of Burkburnett ISD and should be maintained in accordance with the established Records Retention Schedule
- ❑ SKYWARD system backups are performed on a regular basis in accordance with established guidelines
- ❑ No district records and/or data backups shall be destroyed, removed from the district, or shared with any individuals outside the business department without appropriate authorizations.