

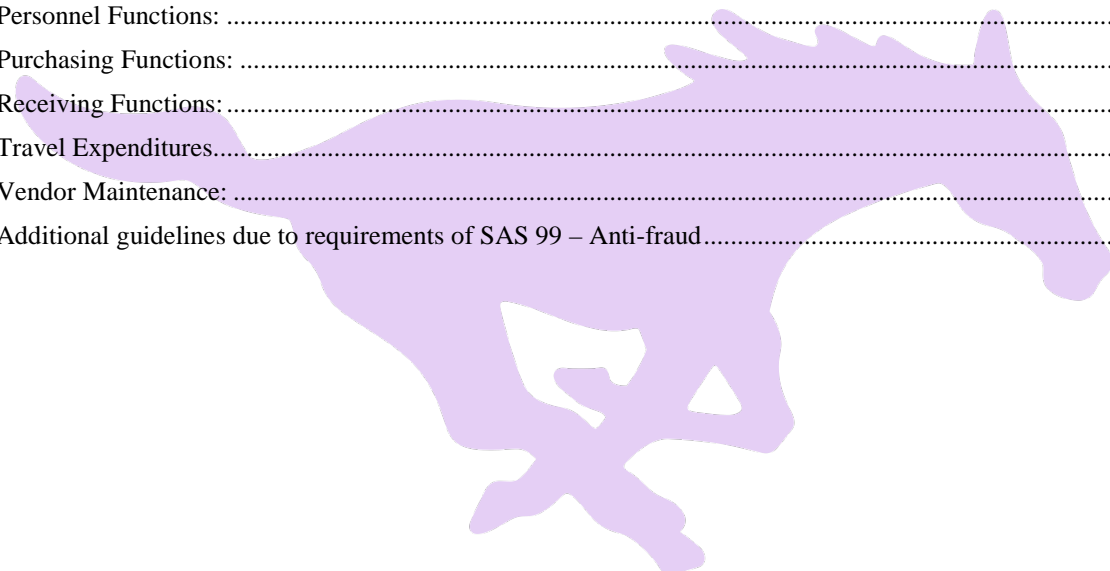
Marble Falls ISD



**Internal Control
Procedures**

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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 Department'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.

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

- Executive Director of Finance
- Accounting Supervisor
- Accounts Payable Specialist
- Financial Services Specialist (Accounting, Purchasing, Cash Receipts)
- Payroll Specialist

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

Business Department Annual Deadlines

- ❑ Each Business Department 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 Executive 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 number, amount, and date.
- ❑ Payments shall not be made from statements.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a purchase order and the receiving record verified.
- ❑ If no discrepancies exist, the invoice 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 by more than \$100 [excluding freight charges] may be entered into the finance system for payment without authorization from the Accounting Supervisor and/or Executive Director of Finance.
- ❑ All invoices that exceed the purchase order amount by more than \$100 [excluding freight charges] should be forwarded to the Accounting Supervisor and/or Executive Director of Finance for approval before entering the payment in the finance system.
- ❑ All travel authorizations and settlements should be forwarded to the Accounting Supervisor and/or Executive Director of Finance for approval.
- ❑ All construction payments to general contractors shall be approved by the Director of Maintenance, the Executive Director of Finance and the Superintendent.
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ All checks will be signed electronically when they are printed. The password for the signatures will be closely guarded. The Financial Services Specialist shall maintain a log of all checks.
- ❑ All “paid” check copies should be filed in alpha order by vendor last name or company name.
- ❑ The Accounting Supervisor and/or Executive 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.
- ❑ All returned purchases should be handled at the campus level:
 - ❑ The campus representative 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
- ❑ Partial shipments should be monitored by campus representative to ensure that the full shipment is received within a reasonable time period. Partial payments can be made after verification of receipt of merchandise.
- ❑ 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 Specialist shall prepare a report of all Accounts Payables as of June 30th and submit the report to the Executive Director of Finance for audit purposes.

Accounts Receivable Functions:

- ❑ The Financial Services Specialist 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 Financial Services Specialist after approval by the Accounting Supervisor and/or Executive Director of Finance.
- ❑ 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
- ❑ The Financial Services Specialist shall create invoices, as appropriate, to seek reimbursement from a vendor or other source. The invoices shall be approved by the Accounting Supervisor and/or Executive Director of Finance.
- ❑ After approval, the Financial Services Specialist shall print and distribute the invoice.
- ❑ The Financial Services Specialist shall maintain a copy of all invoices and/or anticipated refunds on an Accounts Receivable spreadsheet.
- ❑ At the end of each month, the Financial Services Specialist shall reconcile the general ledger balances for all due from accounts to a spreadsheet detailing the amounts due to include: date of transaction, payee, amount, and date received from payee.
- ❑ At fiscal year-end, the Financial Services Specialist shall prepare a report of all Accounts Receivables as of June 30th and submit the report to the Executive Director of Finance for audit purposes.

Cash Management & Investments:

Bank Deposits and Cash Balances

- ❑ Cash and checks received by Child Nutrition should be counted and prepared for bank deposit by the designated Child Nutrition staff. It should be deposited on a daily basis and deposit slips should be forwarded to the Financial Services Specialist for posting.
- ❑ Cash and checks received by campuses for activity funds should be counted and receipted and turned in to the campus secretary for deposit. Counts should be conducted by 2 people and documented on the deposit record. The campus secretary should prepare and deliver the bank deposit and forward all documentation to the Financial Services Specialist for posting.
- ❑ All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the Accounts Payable Specialist on a daily basis.
 - ❑ 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.
 - ❑ The Accounts Payable Specialist should deliver all deposits to the bank branch.

- The bank deposit receipt should be forwarded to the Financial Services Specialist for posting to the general ledger and bank reconciliation purposes.
- All supporting documents for the bank deposits should be forwarded to and maintained by the Accounting Supervisor for audit purposes.
- Notices of checks which were not deposited due to “insufficient funds” shall be returned to the depositor for collection.
 - A journal entry shall be prepared by the Accounts Payable Specialist to record the returned deposit.
- All cash transfers between cash and investment accounts will be initiated by an investment officer and posted by the Accounting Supervisor.
- All other cash withdrawals from a bank account such as ACHs or wire transfers will be initiated by the Accounting Supervisor or Payroll Specialist and approved by the Executive Director of Finance and posted to the general ledger by the Financial Services Specialist.
- All electronic deposits to the bank accounts, such as state aid or impact aid payments, shall be coded and posted to the general ledger on a monthly basis by the Accounting Supervisor. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Executive Director of Finance.
- All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the Accounts Payable Specialist for receipting and depositing purposes. The Financial Services Specialist shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Accounting Supervisor and/or Executive Director of Finance.
- All travel reimbursements to the district shall be submitted to the respective campus by the traveler, then forwarded by the campus secretary/bookkeeper to the Accounts Payable Specialist for receipting and depositing purposes. The Financial Services Specialist shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Accounting Supervisor and/or Executive Director of Finance.
- Accounting Supervisor shall review bank activity daily and report to Executive Director of Finance any transaction(s) which appears suspect.
- Excess cash shall be transferred to an investment account and future cash shortfalls shall be transferred from investment accounts to the appropriate bank account.
- The on-line banking system should be utilized on a daily basis by the Accounting Supervisor to monitor cash flow in and out of the bank accounts.
- The Accounting Supervisor shall notify the Executive 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.

Bank Reconciliation:

- Bank statements are delivered electronically to the Accounting Supervisor.
- The Accounting Supervisor shall reconcile all bank accounts with the general ledger.
 - All deposits should be posted on the general ledger to appropriate revenue accounts

- All withdrawals should be on the outstanding check register or posted on the general ledger via journal entry.
- All interest earnings should be posted on the general ledger via journal entry.
- Endorsements on cleared checks should be checked on a periodic basis and for those items that appear suspect.
- The Accounting Supervisor shall review and research checks according to the State of Texas Unclaimed Property guidelines. Before abandoned property is sent to the State Comptroller, the outstanding checks should be reversed on the general ledger and voided. The Accounting Supervisor shall prepare the journal entry for approval by the Executive Director of Finance and posting to the general ledger by the Financial Services Specialist.

Investment Functions:

- The Executive 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 maintain independence in all investment transactions.
- The Executive 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 quarterly 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.
- All purchase of CDs and/or securities shall be via email.
- 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 Financial Services Specialist.
- All investment transactions shall be posted on a monthly basis, if possible, 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 Accounting Supervisor.

Fixed Asset Functions:

- The Accounting Supervisor shall maintain an up-to-date spreadsheet of all fixed assets and the Executive Director of Technology shall maintain an up-to-date database of all inventory.
- All equipment with a unit cost over \$5,000 (account codes 663X) shall be tagged and posted in the fixed assets spreadsheet. These items are defined as fixed assets for audit purposes.

- ❑ All inventory equipment shall be tagged and posted in the inventory tracking system for inventory purposes.
- ❑ All inventory or fixed asset items purchased with federal grants shall be tagged and the appropriate federal grant indicated on the item.
- ❑ All inventory and fixed asset items shall be tagged by the Receiving Clerk upon receipt and before delivery to the campus or department.
- ❑ The fixed assets spreadsheet shall be used to purchase property and casualty insurance.
- ❑ The Transportation Director shall prepare all Application for Vehicle, Title, and License Plate forms for all new vehicles purchased by the district.
 - ❑ The Transportation Director shall submit the forms to the Burnet County Tax Office for processing.
 - ❑ The Accounting Supervisor shall notify the auto insurance carrier of the new vehicles.
- ❑ All construction expenditures (6629) shall be recorded on the fixed assets spreadsheet by project.
- ❑ A list of all salvage items shall be submitted to the Superintendent for approval prior to a public sale or auction. The signed list shall be maintained for audit purposes.
- ❑ All fixed assets sold via a public sale, auction or disposal shall be removed from the fixed assets spreadsheet.

End of Fiscal Year:

- ❑ A list of all fixed assets (over \$5,000 per unit cost) shall be prepared at year-end for audit purposes.
- ❑ A list of all construction assets should be prepared at year-end for audit purposes. The list should include all “construction in-progress” through June 30th, including accounts payables and retainage.
- ❑ The lists should be reconciled with the general ledger.
- ❑ The fixed asset depreciation schedules and spreadsheet should be prepared at year-end for audit purposes.

Fixed Asset Disposal:

- ❑ All efforts will be made to obtain the best return value to Marble Falls ISD and consideration will be made to responsible protection of our environment.
- ❑ Marble Falls ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Marble Falls 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).
- ❑ All items disposed of shall be removed from the fixed assets spreadsheet by the Accounting Supervisor.

General Ledger Maintenance Functions:

- ❑ Journal entries should be updated by the Executive Director of Finance if prepared by the Accounting Supervisor. Journal entries should be updated by the Accounting Supervisor if prepared by any Specialist or the Executive Director of Finance.
- ❑ The Payroll Specialist shall prepare and submit all payroll journal entries to the Accounting Supervisor for approval.
- ❑ All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable.
- ❑ The Accounts Payable Specialist shall prepare the School Board Reports for the previous month and forward to the Executive Director of Finance for review and board approval.
- ❑ The Executive Director of Finance shall file all finance reports for audit purposes.
- ❑ The Executive 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 by the Accounting Supervisor and/or Executive Director of Finance and posted by the Financial Services Specialist.

Grants and Entitlements:

- ❑ Grant applications shall be prepared by the Grants Manager in charge of that particular area and approved and submitted by the Superintendent or designee. A copy of all grant applications shall be forwarded to the Executive Director of Finance for accounting and budgeting purposes.
- ❑ All grant awards [including the NOGA] shall be maintained by the Grants Manager.
- ❑ The Executive Director of Finance 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 Financial Services Specialist 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 the Grant Manager and all financial reports prepared and submitted via paper form or electronic submission in accordance with grant requirements.
- ❑ The Executive 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 Accounting Supervisor on a monthly basis and monitored by the Executive Director of Finance.

Payroll Functions:

Salary Calculations:

- ❑ The Director of Human Resources should determine the salary or wage of all professional and support staff using the district's pay plans.
- ❑ The placement of administrative staff on the pay plan will be recommended by the Director of Human Resources. Final approval will rest with the Superintendent or designee.
- ❑ The Director of Human Resources shall verify the years of experience for pay purposes as reported by employee on application.

Leave Processing:

- ❑ All employees should request an absence from duty form in the AESOP absence tracking for all absences. Employees shall be allowed to select the order to use their state and local leave. Unless an employee elects otherwise, the order of use as stated in Board Policy DEC (Local) will be adhered to. Non-exempt staff shall use compensatory time off before any available state or local leave.
- ❑ Upon approval by the campus/department administrator, all absences along with any support documents i.e. jury duty card, doctor's note, needs to be routed to the Benefits Specialist.
- ❑ Leave information shall be imported into the Payroll system (SKYWARD) by the HR Specialist at the end of each month.

Direct Deposit:

(Payroll)

- ❑ All employees (including substitutes) may have their payroll wages direct deposited by ACH each payday.
- ❑ The Payroll Specialist 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 Specialist will prepare and submit the payroll ACH transmittal.
- ❑ The ACH verification information form shall be sent to the bank and filed in the payroll file.

Deductions:

- ❑ The Payroll Specialist will reconcile and verify payroll deductions and will also send reconciled deduction file via e-mail to First Financial billing department.
- ❑ A Journal Entry for the amount of any overages or shortages due to adjustments will be prepared and submitted to the Accounting Supervisor for approval and posting.

Supplemental/Overtime Pay:

- ❑ All supplemental payments will be paid from a supplemental payment form: time sheet, list from Director or Principal, or Action Sheet
- ❑ 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 Specialist will review and enter all overtime and supplemental payments.
- ❑ A copy of the supplemental payment form will be filed with the pay period payroll file.
 - ❑ Stipends shall be paid either monthly or annually in the May payroll. Exceptions, if any, shall be approved by the Executive Director of Finance.

Payroll Submission:

- ❑ The Payroll Specialist shall ensure that all payrolls (Semi and Monthly) are processed and submitted to the depository bank at least 2 days before pay date.
- ❑ The Payroll Specialist shall input and/or interface (from Time Clock Plus and AESOP) 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 and initialed when payroll is complete. This form will be included in each month's payroll file.
- ❑ Payroll reports for each payroll processed should be filed for audit purposes to include:
 - ❑ Check Summary
 - ❑ Pay Summary
 - ❑ Pay Detail
 - ❑ Object Summary Report
 - ❑ Workers Comp Reports
 - ❑ Gross Pay/FICA Distribution Reports
 - ❑ Leave Days Posted Report
 - ❑ Report shall be prepared in a PDF format and filed electronically.

Quarterly/Annual Functions:

- ❑ Quarterly 941 Employer Federal Tax Returns shall be reconciled with the 941 Worksheet Report (SKYWARD) and EFTPS Payment Worksheet each quarter.

- ❑ The Payroll Specialist will complete the 941 Quarterly Tax Return and submit to the Executive Director of Finance for review and signature.
 - ❑ The reconciliation process shall include a match of the following:
 - 941 electronic return
 - EFTPS Payment Worksheet
 - 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 Entries and Employer Tax Payments:

- ❑ A Payroll General Journal Report shall be created after every payroll and a Journal Entry that has been approved by the Payroll Specialist will be prepared and submitted to the Accounting Supervisor for posting to the general ledger.
- ❑ Payroll employer taxes will be submitted into the EFTPS system at least 1 day before each pay date and an Invoice will be prepared and processed by the Payroll Specialist. A copy of the journal entry, the report from SKYWARD and the EFTPS will be filed in the 941 Information Folder.
- ❑ All payroll journals created by the Payroll Specialist shall be approved by the Accounting Supervisor and/or Executive Director of Finance, and posted to the general ledger.

Payroll Deductions:

- ❑ Payroll deductions for each employee shall be entered by either the Benefits Specialist or the Payroll Specialist into the SKYWARD payroll system.
- ❑ Reconcile and ensure that all payroll deductions are correct before submission of payroll.
- ❑ Reconcile all payroll deductions to billings.
- ❑ Prepare and submit Check Payment Voucher for deduction payments.
- ❑ Deduction checks with billings to the appropriate vendor upon receipt of the checks will be mailed by the Financial Services Specialist.

Updates:

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

TRS Reporting:

- ❑ The Payroll Specialist shall prepare and submit all TRS reports via the Internet.

- ❑ Before the 6th of each month, the Payroll Specialist shall prepare the TexNet form and submit via TexNet the amount due to TRS and TRS-ActiveCare Health Insurance.
- ❑ The Payroll Specialist shall approve and submit a TRS general journal to the Financial Services Specialist for posting to the general ledger.
- ❑ TRS Internet Reporting Checklist will be attached to copies of each report submitted to TRS via the internet, 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.
- ❑ The Journal Voucher, TexNet Form TRS2 Report, TRS 372 Report, TRS 4 Report and TRS 488 Report will be filed.
- ❑ The Executive Director of Finance shall periodically review TRAQS report submissions.
- ❑ Adjustments to the monthly reports shall be explained in a written letter to TEA and signed by the Executive Director of Finance or Superintendent.

TRS Retirement Procedures:

- ❑ The Director of Human Resources 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 Specialist.
- ❑ Employees retiring at the end of their work calendar should meet with Human Resources to determine arrangements for final paycheck and benefits.

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, NCLB and nepotism prior to Superintendent and/or Board approval.
- ❑ The Director of Human Resources 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 Specialist and approved by the Director of HR within ten (10) days of the employment or status change and submitted to the Payroll Specialist
- ❑ The action form should include the total years of experience for all new staff, which will be cross-checked by the Director of HR. Discrepancies, if any, will be jointly resolved by both.

- ❑ The HR Specialist 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 Specialist, 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 Specialist.
- ❑ Separate files should be maintained by the HR Specialist for the following items:
 - ❑ Criminal History verifications
 - ❑ Medical Records, Requests for FMLA, Workers Compensation, and Temporary Disability
 - ❑ I-9 Forms
 - ❑ Alcohol & Drug Testing, if applicable
- ❑ The Director of HR 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 Director of HR 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.

Criminal History Record Information Requests (CHRI):

- ❑ An applicant Criminal History Record Information Request (CHRI) form is submitted to the HR Specialist for processing via the AppliTrack web-based application software system.
- ❑ The respective campus submits a form for each parent/community volunteer.
- ❑ The HR Specialist accesses the secure website with the assigned user name and password to submit requests and to retrieve reports.
- ❑ Information retrieved from DPS website is viewed and printed only when necessary. 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 of Administration is notified. The Director of HR, 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 and DPS requirements.

Purchasing Functions:

Purchase Requisitions

- ❑ Purchase requisition forms may be used at the campus level to provide an individual order request notification to the campus secretary/bookkeeper.
- ❑ The campus secretary/bookkeeper shall enter the requisition into the SKYWARD 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 Executive Director of Finance and the Accounting Supervisor.
- ❑ Approval paths shall be established which will dictate the electronic flow of the purchase order. The Accounting Supervisor and/or the Executive Director of Finance shall approve all purchase orders.
- ❑ Any authorized user may create a purchase requisition. Any paper documentation that is related to a purchase requisition should be scanned and attached to the requisition in Skyward.
- ❑ If a vendor does not exist in the finance system, the campus/department secretary will request to add the vendor. If approved, they will then request the vendor packet from the vendor. The Financial Services Specialist will 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
- ❑ 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 \$25,000, must be approved by the Board of Trustees. The Executive 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.
- ❑ Requisitions exceeding \$5,000 require the approval of the Superintendent.
- ❑ The final approval will be the Accounting Supervisor and/or Executive Director of Finance.

- ❑ After the approval of the Accounting Supervisor and/or Executive Director of Finance, the purchase orders will be updated. 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 June 30th, on at least a monthly basis, the physical outstanding purchase orders should be reconciled with an Outstanding Purchase Order report from the finance system.
- ❑ The Accounts Payable Specialist shall print an Aged PO report on at least a monthly basis.

On-line Purchasing:

- ❑ On-line purchasing has been established for some vendors through the eCommerce system in Skyward.
- ❑ The pricing is under the most competitive Co-Op program.
- ❑ The campus secretaries, principals, Financial Services Specialist, Accounting Supervisor, and Executive Director of Finance are authorized users of the on-line account.
- ❑ All on-line purchases shall be forwarded to the Accounting Supervisor and/or Executive Director of Finance for electronic approval. A copy of the confirmation of order release should be attached to the purchase order.

Receiving Functions:

- ❑ 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 receiving clerk should inspect the package/box for damage. If damages have occurred, the vendor should be promptly notified.
- ❑ The campus/department secretary should check-off items on the receiving report. The vendor shall be promptly notified of any discrepancies.
 - ❑ The quantity of items received shall be entered into the SKYWARD receiving system.
- ❑ If the order includes inventory or fixed asset equipment, the appropriate “tag number” should be affixed to the equipment by the receiving clerk.
- ❑ After tags have been affixed to all equipment, the order should be labeled for delivery to the appropriate campus or department. The room number indicated on the purchase order should be noted on the box(es) for direct delivery to the classroom.
- ❑ At the end of the month, the Accounts Payable Specialist 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 by the campus/department and cancelled, if appropriate, by the Accounts Payable Specialist.

Travel Expenditures

Travel Authorization Forms:

- ❑ All staff wishing to travel away from work shall complete a Request to Attend Form (RTA). Campuses and departments shall forward all RTAs to the Financial Services Specialist for processing. The RTA and resulting purchase requisitions shall be approved by the Accounting Supervisor and/or Executive Director of Finance. In the event of a travel request for out-of-state travel, the Superintendent must also approve.
- ❑ The Financial Services Specialist shall also enter an on-line requisition 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 received by Financial Services Specialist.
- ❑ Requisitions 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): Payable to credit card. Requests for flights shall be submitted via email to the Financial Services Specialist for purchase of flights. 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: Payable to the traveler for encumbrance purposes only. A Hotel Card shall be issued to the traveler for lodging expenses. Meals and other expenses will be reimbursed upon return and submission of the Travel Reimbursement Request (TRR) form. Refer to Travel Card Issuance Guidelines)
- ❑ The Financial Services Specialist shall process 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, ie 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 credit card billing.
 - ❑ Payments for registrations shall be made upon receipt of supporting document that reflects the registration cost.
 - ❑ Payments for lodging shall be made by accounts payable check unless approved by exception by the Executive Director of Finance.

- All other travel expenses will not be advanced. A Travel Reimbursement Request (TRR) must be completed upon return for payment of these expenses.
- 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 Reimbursement Request form is received.

TRR forms:

- The traveler should complete a TRR form within 10 days after returning from the business trip. The immediate supervisor should sign the TRR form.
- Campuses and departments should forward all TRR forms to the Financial Services Specialist for reconciliation. The reconciliation shall include the following:
 - 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 Accounting Supervisor and/or Executive Director of Finance.
- The Accounting Supervisor and/or Executive Director of Finance shall approve all travel settlements.
- The TRR forms should have all required receipts attached to the form.
- The settlement funds, if any, should be receipted to the traveler by the respective campus secretary/bookkeeper and submitted to the accounts payable clerk for deposit.
- The travel authorization shall be removed from the pending file for use in reconciling the travel advance with the settlement.
- If no funds are due to the traveler or MFISD:
 - the travel settlement shall be attached to the advance check copy
 - both should be filed in the accounts payable files
- If funds are due from the traveler:
 - the traveler should submit cash or a check for the entire amount with the settlement form,
 - the funds should be receipted and deposited to the appropriate budget code
 - the travel settlement shall be attached to the advanced check copy
 - both should be filed in the accounts payable files
- If funds are due to the traveler:
 - ensure that funds exist in the designated account(s)
 - the settlement check should be processed and forwarded to the traveler after approval through the normal Accounts Payable procedures.
 - a copy of the TRR should be returned to the originator with their settlement check
 - each check disbursement should be filed in the accounts payable files separately
- The traveler must submit the Travel Card, if any, with the TRR form. The actual receipts shall be submitted with the Travel Card. The Financial Services Specialist shall reconcile the actual receipts with the monthly billing from the bank (Citi-Bank).

Travel Card Issuance Guidelines:

- ❑ After approval of the travel authorization, a travel card shall be issued to the traveler for the approved travel as noted below:
 - ❑ The traveler shall be required to sign a Credit Card Agreement form prior to receiving the travel card
 - ❑ The travel card number shall be logged on a spreadsheet in numerical sequence. The traveler shall sign the log in acknowledgement of receiving the travel card.

Vendor Maintenance:

- ❑ All vendors shall be approved for addition to the vendor database in Skyward. The Financial Services Specialist 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 Information form
- ❑ The Financial Services Specialist shall add the vendor in the database after approval from the Accounting Supervisor 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
 - ❑ Local Use: Field 1 shall be used to denote a special type of vendor such as: Employee, Parent, Student, School, Corporation, etc.
 - ❑ Local Use: Field 2 shall be used to denote that the Felony Conviction Notice has been received from the vendor.
 - ❑ CIQ: indicate if the CIQ was received and enter the date of receipt.
 - ❑ Comments: Enter any other related information such as change in vendor name.

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.

- ❑ 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 dishonesty in the workplace.
- ❑ Actual or suspected fraud should be reported to the Executive Director of Finance.
- ❑ Any and all concerns about potential fraudulent activities should be reported to the Executive Director of Finance.

Training:

- ❑ Every staff member will be encouraged 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 Executive Director of Finance. It is the employee's responsibility to request 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 Marble Falls ISD and should be maintained in accordance with the established Records Retention Schedule
- ❑ SKYWARD system backups should be 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.

Suggestions for Improvement:

- ❑ Suggestions to improve business operations and/or internal controls are welcome and encouraged
- ❑ Submit any suggestions to the Executive Director of Finance