



## SOUTHEAST ISLAND SCHOOL DISTRICT

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### MEMORANDUM

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**TO:** SISD BOARD OF EDUCATION  
**THRU:** Sherry Becker, Superintendent  
**FROM:** Lucienne Smith, Contracted Business Manager,  
Alaska Education & Business Services, Inc. *Lucienne Smith*  
**Date:** February 4, 2021  
**SUBJECT: BUSINESS MANAGER'S REPORT NARRATIVE**

**E-RATE** – Our form 471 for FY 2022 Internet has been submitted and certified and now we await questions. We did add back Edna Bay school to the list of schools. In the event it re-opens - we will be prepared to offer Internet and still receive our discount. We have also left Hyder School on the list.

**FY 2022 BUDGET** – The budget timeline for our FY 2022 budget follows. We have inquiries out to determine how much, if any, increase we can project for Health Insurance as well as all other General Liability insurance.

The eleven (11) member budget team met in early February and will meet again mid-February to flesh out the projected enrollment, staffing and needs at the sites. We are working to bringing a balanced budget before the board for our first proposed budget in March.

**2<sup>ND</sup> QTR. FILINGS** – All 2<sup>nd</sup> quarter grants have been submitted for reimbursement. We have already begun to receive those reimbursement funds in the Southeast Island School District bank account.

**STANDARD OPERATION PROCEDURES (SOPs)** – We left off with SOP #3 last month, following are SOP #4 – Payroll Processing, SOP#5 – Purchasing, and SOP#6 – Receiving.

Please do not hesitate to ask questions.

SOUTHEAST ISLAND SCHOOL DISTRICT  
Thorne Bay, Alaska

Effective: July 2008

Revised : July 2009, July 2010, July 2014

Revised: July 2020

**SOP No. 4 PAYROLL PROCESSING**

1. PURPOSE: To establish uniform procedures for initiating, processing, authorizing, reviewing and recording payroll transactions.
2. AUTHORITY: Superintendent or designee
3. RESPONSIBILITY: Business Manager or designee
4. PROCEDURES: The following procedures shall be followed for processing monthly payroll:

A. EMPLOYEE AND PERSONNEL RECORDS

1. The district shall maintain an employee file which contains a copy of the contract for employment, relevant tax and deduction information, W-4, a current personnel action form which includes salary information and account coding, and any other information that is relevant and/or necessary for payroll processing.
2. All personnel changes will be prepared by HR or designee and signed [e-signed or wet signed] and/or approved by the supervisor/Superintendent or designee.
3. All changes to the master personnel file in software system will be reviewed and approved by the Business Manager to maintain internal control.
4. The Business Manager must be immediately informed of any employee terminations. The terminated employee's rights to access the computer system must be immediately removed, and HR or designee will conduct an exit interview.
5. Employees must have all hire paperwork completed before a paycheck will be generated.
6. Retain employee payroll records as required by ASLAM/DEED Records Retention Schedule (see REFERENCES below).

B. PROCESSING PAYROLL TRANSACTIONS

1. Using individually specific passwords employees log into the software Daily Time & Attendance system and report their time each day.

2. 5 days prior to each payroll due date, time is approved for the pay period by the employee and their supervisor in the Daily Time & Attendance system and then the time moves to the payroll technician.
3. The Business Manager or designee will review the time data, account codes, leave accrual, etc. for accuracy.
4. Errors identified are corrected; adjustments made to any time information are communicated to the employee and supervisor.
5. The Payroll Technician will prepare a pro-forma or preliminary payroll for each pay period.
6. Business Manager will review and approve the pro-forma before payroll is processed.
7. Superintendent or designee will review and approve the check register and transmittal file for direct deposits.
8. Business Manager or designee will process the ACH file with the bank.
9. Pay advices or checks will be distributed via email by the Payroll Technician to employees.
10. The Payroll Technician shall process all payroll liability payments according to federal, state, and local requirements. All payroll accounts shall be reconciled upon the completion of the liability payments and before the end of the month.
11. The general ledger (GL) shall be reviewed after each payroll by the Business Manager to ensure GL accounts are reconciled.

C. PAYROLL ADVANCES

1. Payroll advances are discouraged.
2. The Superintendent or designee may approve a payroll advance for documented extraordinary circumstances.
3. In no event shall any payroll advance exceed the amount of the next net paycheck.
4. The Business Office requires a minimum of 5 days to prepare a pay advance.

D. REPORTING PAYROLL TRANSACTIONS

1. Payroll expenses should be compared with budgeted amounts by the Business Manager and site supervisors on a [monthly] basis.

REFERENCES : SOUTHEAST ISLAND SCHOOL DISTRICT COLLECTIVE AGREEMENT; CLASSIFIED EMPLOYEE HANDBOOK

ASLAM/DEED Records Retention Schedule: Click on "School Districts, #400.1"

[http://archives.alaska.gov/records\\_management/records\\_management.html](http://archives.alaska.gov/records_management/records_management.html) 2013 edition

[http://archives.alaska.gov/pdfs/records\\_management/model\\_schedule\\_for\\_schools.pdf](http://archives.alaska.gov/pdfs/records_management/model_schedule_for_schools.pdf)

EXHIBITS: NONE

SOUTHEAST ISLAND SCHOOL DISTRICT  
Thorne Bay, Alaska

Effective: July 2007  
Revised: July 2010  
Revised: July 2019  
Revised: July 2020

**SOP No. 5 PURCHASING PROCEDURE**

1. PURPOSE: To ensure purchases are made in a timely manner and to protect and maximize the value of public resources, education and support programs by safeguarding public assets through internal controls and procedures.
2. AUTHORITY: Board of Education, Superintendent, or designee
3. RESPONSIBILITY: It is the responsibility of the employee requiring equipment, supplies, and/or services to initiate a requisition, the budget supervisor(s) to approve it and the Purchasing Clerk to process the requisition by printing and distributing a purchase order. The Superintendent or designee will sign all purchase orders
4. GENERAL PROCEDURES: The following procedures should be followed in all instances for payments to vendors for goods and services.
  1. All purchases require approval before the transaction occurs. Unapproved purchase of goods will be returned to the vendor at the purchaser's expense. Unapproved purchase of services may result in disciplinary action.
  2. All purchases using federal funds must follow OMB Guidance 2 CFR Title 2 Vol 1, Part 200, commonly known as Uniform Guidance (UG). See sections 200.317 through 200.326.
  3. Employees may not make purchases using their own funds and then seek reimbursement from the district without prior approval.
  4. Employee who has a third party related relationship shall have the order processed and approved by the Business Manager and Superintendent or designee.
  5. Requisitions, particularly grant funded requisitions, must be submitted by April 1 to ensure delivery of goods or services and payment by June 30.

6. The State of Alaska has contracts for many types of items. School districts and political subdivisions can take advantage of these contracts and negotiated costs may be lower than school districts can obtain on their own. (AS 36.30.700) See: <http://doa.alaska.gov/dgs/polisubs/>.
  7. In addition, there are purchasing cooperatives with low or no-cost membership (US Communities, KCDA, National IPA, etc.) that offer pre-bid contracts for certain items to school districts.
- a. ORIGINATOR'S RESPONSIBILITY: The originator of the requisition should be the school district employee who is requesting goods and/or services from a vendor.
1. The originator must enter all appropriate information on the requisition including using an approved vendor, program/grant charged and place his/her initials at the bottom of the printed copy or send as an email attachment to the supervisor for approval.
  2. Estimated freight or postage shall be listed on the requisition. Be certain to define the shipping method (e.g. air freight, insured parcel post, etc.).
  3. Order pre-planning is strongly encouraged; failure to plan is not the responsibility of the purchasing department.
  4. Scan and email the approved requisition to the business office. Retain the original and note the scan date on it.
  5. For orders over \$25,000, contact the Business Manager or designee for assistance.

NOTE: The "ship to" area must be completed with the name and address of

Alternative 1: One of the school district locations and shall include the originator's name.

Alternative 2: The district's central receiving address and shall include the originator's name.

EXAMPLE: Southeast Island School District  
Attn: James Smith  
P.O. Box 19569  
Thorne Bay, AK 99919  
(907) 828-8254

**District purchases may not be shipped to an employee's home address.**

b. BUSINESS MANAGER'S RESPONSIBILITY:

1. Determine validity and necessity of requested items are aligned with school and district goals and follow purchasing guidelines. Disapprove unnecessary requests. The entire requisition should be checked for errors and returned to the originator for correction, if necessary.
2. The proper account code or codes must be placed on the requisition with a dollar breakdown between codes. (Coding of items should be completed based on the item and not the budget line item where money is available). Purchase requisitions will be returned if account codes are not included.
3. If it is determined that there is sufficient money in that line item of the budget, the requisition should be printed and signed to indicate approval of the order.
4. Orders for \$25,000 or more must conform to Board Policy 3310 which states that will require prior approval of the Board. Purchases using federal funds must conform to Uniform Guidance. See 4.2 above.

c. ACCOUNTING CLERKS RESPONSIBILITY:

1. All requisitions shall be checked for accuracy and appropriateness. Return inaccurate or inappropriate requisitions to the budget supervisor.
2. If the line item in the budget has an unencumbered balance larger than the requisition amount, it will be processed. If not, reply to the original requisition email stating the reason that the request cannot be processed until sufficient funds are in the account.
3. The vendor may be changed on a requisition to one that offers lower prices or a lower overall cost to the district if approved by the site/budget supervisor. Alaska vendors are given first preference.
4. Several requisitions for similar items may be combined to obtain quantity discounts (normally done for school start-up supply orders).
5. Orders for \$25,000 or more must conform to Board Policy 3310. Purchases using federal funds must conform to Uniform Guidance. See 4.2 above.
6. After the requisition meets the guidelines above, a purchase order will be printed with appropriate signature affixed. Purchase orders will be printed and transmitted to vendors within 3 days of being received by the Business Office.
7. The original PO will be retained by the business office, a copy will be emailed or faxed to the vendor, and copy will be scanned to the school/originator marked 'copy.'

5. CREDIT CARD PURCHASES; the following procedures shall be followed:

- a. All card holders must complete a credit card use agreement.
  - b. Funds must be available in budget accounts used for credit card purchases.
  - c. A copy of the confirmed purchase must be submitted monthly.
  - d. A log of all credit card transactions must be submitted at the end of each month; account codes are required.
  - e. Failure to comply with these procedures may result in termination of credit card privileges.
6. OTHER PURCHASING PROCEDURES: The following procedures should be followed when appropriate:
- a. PHONE ORDERS: On rare occasions, and for emergencies only, and only by the business office. It may be necessary for an order to be called to a vendor to speed up the receipt of the goods or services. In this case, a purchase requisition may suffice instead of issuing a PO. Call or email the Purchasing Clerk.
    - 1. Furnish vendor name, account code and total amount.
    - 2. When the vendor is called, inform them that they will be receiving a purchase requisition via email or fax and make certain that you specify the manner in which the goods are to be shipped (air mail, freight, etc.).
    - 3. Write "Confirmation of Phone Order" on the requisition and send it to the purchasing clerk.
  - b. ORDERS "ON APPROVAL" ARE PROHIBITED: **Invoices received by the school district from vendors requesting payment for goods and/or services that were requested by an employee who did not follow the above procedures will not be honored by the school district.** These vendors will be referred to the employee to collect the billed amount [or the employee will provide written authorization for the school district to make payment and deduct the amount from any monies the school district owes the employee].
  - c. TRAVEL: Requisitions for all travel, including airfare, hotel, and rental car (accompanied by an approved leave request form) will define the names of all persons traveling, departure point, destination and return as appropriate, dates of travel and purpose for travel.

1. Requisitions should be scanned and sent to the business office [three weeks] in advance of the departure date to allow time for processing and to enable the district to receive the best airfare prices.
  2. All travel must have an approved leave slip signed by the Supervisor/Advisor and/or the Superintendent.
  3. See SOP No. 8 - Travel Procedures for more information.
- d. Retain purchasing records as required by ASLAM/DEED Records Retention Schedule (see REFERENCES below).

REFERENCES: BP 3300 – Expenditures/Expending Authority; BP 3310 – Purchasing Procedures; BP 3311 – Bids; BP 3312 – Contracts; BP 3314 – Payment for Goods and Services; BP 3315 – Relations with Vendors

ASLAM/DEED Records Retention Schedule: Click on “School Districts, #400.1”

[http://archives.alaska.gov/records management/records management.html](http://archives.alaska.gov/records%20management/records%20management.html)

2013 edition

[http://archives.alaska.gov/pdfs/records management/model schedule for schools.pdf](http://archives.alaska.gov/pdfs/records%20management/model%20schedule%20for%20schools.pdf)OMB Guidance (Uniform Guidance), 2 CFR Title 2 Vol 1, Part 200.

<https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html><https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>

EXHIBITS: NONE



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Thorne Bay, Alaska

Effective: July 2007

Revised: July 2010

Revised: July 2019

**SOP No. 6 RECEIVING REPORT PROCEDURE**

1. PURPOSE: To establish procedures for informing the Business Office of the quantity and quality of items received so that vendors may be properly and promptly paid.
2. AUTHORITY: Superintendent or designee
3. RESPONSIBILITY: All budget supervisors are responsible for ensuring compliance with this procedure.
4. REPORTING: The purchase order (P.O.) copies will be used to report receiving information as follows:
  - a. The person receiving the items will take an inventory upon receipt and enter the quantity of items received on the purchase order copy.
  - b. If all items on the purchase order have been received, sign and date the copy of the P.O. and return it to the Accounts Payable clerk with a copy of the packing slip.
  - c. If only a partial shipment is received, make a photocopy of the P.O., check off the items received, sign and date the copy and return to the Accounts Payable clerk along with a copy of the packing slip. When all items on the original P.O. have been received, sign and date the copy of the P.O. at the bottom right hand corner and return to the Accounts Payable clerk.
  - d. When available, submit a copy of the freight bill along with packing slip.

NOTE: The person who receives the materials noted above will also be responsible for marking all equipment (valued at \$5,000 or more per item) bought under expenditure object code 510 with the fixed asset inventory tag (furnished by the Business Office) and forward the information to the Accounts Payable clerk.

REFERENCES: BP 3310 – Purchasing Procedures; BP 3314 – Payment for Goods and Services; BP 3440 – Inventories

EXHIBITS: NONE