

DALHART ISD

Finance Procedures Manual

Operating Procedures

revised 6-21-11

DALHART ISD

ELECTED OFFICIALS

JEFF LLOYD – PRESIDENT
RICK DUNHAM – VICE-PRESIDENT
GARY SCHNIEDERJAN – SECRETARY
JANET BANKS - MEMBER
PETER BAUMERT – MEMBER
DOUG CLABORN – MEMBER
RANDY SHERRILL - MEMBER

APPOINTED OFFICIALS

DAVID FOOTE – SUPERINTENDENT
DAVID STEELE – HIGH SCHOOL PRINCIPAL
DENICE HUTCHINSON – ASST. H S PRINCIPAL
JOHN MACHEL – JUNIOR HIGH PRINCIPAL
MARK MCCORMICK – INTERMEDIATE SCHOOL PRINCIPAL
KAREN TAFT – ELEMENTARY SCHOOL PRINCIPAL
SARAH NUTTER – ASST. ELEM. SCHOOL PRINCIPAL
CAROLYN FIELD – XIT CAMPUS PRINCIPAL
DIANE CODY – DIR. OF SPECIAL EDUCATION
CARROLINE METHVIN – DIR. OF CURR./INST./FED. PROGRAMS
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DALHART ISD

Finance Procedures Manual

Preface

This manual provides guidelines and procedures for budgeting and expending District funds and Federal Grants. It is a compilation of State and Federal laws and local policies and procedures that are to be used for processing all financial and budget related items.

The manual was prepared using input from the Texas Education Agency, Finance Office staff, and other District personnel. Although it is not all-inclusive and cannot address all situations, the manual does provide general information to assist with normal, everyday financial transactions. Any and all District Personnel with financial duties are responsible for the contents.

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Finance Procedures Manual

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Section I

Finance and Budgeting

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Basic System Code Composition

Fund Code

A mandatory 3 digit code is to be used for all financial transactions to identify the fund group and specific fund. The first digit refers to the fund group, and the second and third digits specify the fund.

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

Function Code

A mandatory 2 digit code applied to expenditures/expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.

Example: The function “Health Services” is coded 33. The first 3 specifies Support Services – Student (Pupil) and the second 3 is Health Services.

Object Code

A mandatory 4 digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

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

Optional Codes 1 and 2 (Sub objects)

A 2 digit code for optional use to provide special accountability at the local level.

Organization Code

A mandatory 3 digit code identifying the organization, i.e., High School, Middle School, Elementary School, Superintendent’s office, etc. An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory.

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

Fiscal Year Code

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Examples: For the 2010-2011 fiscal year of the school district, a 1 would denote the fiscal year.

An ESEA Title I Part A – Improving Basic Programs grant for the project year from July 1, 2009 through June 30, 2010 would be indicated by a 0. A grant for the project year from July 1, 2010 through June 30, 2011 would be indicated by a 1. Therefore, 10 months of the ESEA Title I part A – Improving Basic Programs grant expenditures would be accounted for under project year 0 and 2 months would be accounted for under project year 1.

Program Intent Code

A 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served.

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

Optional Codes 4 and 5

An optional 2 digit code that may be used by the district to further describe the transaction.

Financial Accountability System Fund Codes and Account Groups

Fund codes are the first, second, and third digits in the code structure.

General Operating Funds (1XX) – (State and locally funded)

163 Payroll Clearing Fund

199 General Fund – This fund classification is used to account for transactions in which the local governing board has wide discretion to use as provided by law. The majority of the transactions handled by the District are accounted for in this fund.

Special Revenue Funds (2XX, 3XX, 4XX) – (State, locally and federally funded)

205 Head Start

211 ESEA Title I, Part A

212 Title I, Part C-Migrant

224 IDEA-B Formula

225 IDEA-B Pre-School

240 Food Service

242 Food Service Summer

244 Carl Perkins Vocational Grant

255 Title II, Part A: Teacher and Principal Training and Recruiting (TPTR)

262 Title II, Part A

263 Title III, Part A LEP

266 ARRA – SFSF

269 Title V, Part A

279 Title II, Part D - Stimulus

283 IDEA-B, Formula - Stimulus

- 284 IDEA-B, Pre-school, Stimulus
- 285 Title I, Part A – ARRA/Stimulus
- 394 Life Skills – PEP
- 401 Optional Extended Year Program – State
- 404 Student Success Initiative
- 411 Technology Allotment
- 429 State Funded Special Revenue
- 459 Shared Service Arrangement – XIT Campus
- 461 Campus Activity Fund

Debt Service Fund – (Locally funded)

- 599 Debt Service Fund – This fund must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which an **ad-valorem tax** has been dedicated.

Capital Projects Fund (6XX) – (Funded through bond proceeds)

- 699 Capital Project Fund

Proprietary Fund Types (7XX) – (Funded from various sources)

- 753 Workers Compensation

Trust and Agency Funds (8XX) – (Funded from various sources)

9XX

General Fixed Assets and General Long-Term Debt Account Groups (9XX) – (Memorandum only)

- 901 General Capital Assets – This set of self-balancing accounts is to account for those general fixed assets. This account group is for specific pieces of property such as equipment, land, building and all associated costs.
- 902 General Long-Term Debt – This set of self-balancing accounts is to account for debts of a non-current nature.

Financial Accountability System Function Codes

A Function code appears in the fourth and fifth digits of the code structure and represents a general operational area in a school district. It groups together related activities such as instruction or plant maintenance.

- 11 Instruction – A function for which expenditures are for the purpose of directly instructing students including those enrolled in adult basic education programs.
- 12 Instructional Resources and Media Services – A function for which expenditures are directly and exclusively for establishing and maintaining libraries and other major facilities dealing with instructional materials and media.
- 13 Curriculum Development and Instructional Staff Development – A function for which expenditures are directly and exclusively for in-service training and other staff development involving instructional or instructional related personnel of the district.
- 21 Instructional Leadership – A function for which expenditures are directly for managing, directing and supervising general and specific instructional programs.
- 23 School Leadership – A function for which expenditures are for general administration of a school campus or similar type of organizational unit. In most cases, function code 23 costs are limited to operating a principal’s office, and include all types of activities pertaining to the operation of that office.
- 31 Guidance, Counseling and Evaluation Services – A function for which expenditures are directly and exclusively for assessing and testing students’ abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals.
- 32 Social Work Services – A function for which expenditures are directly and exclusively for promoting and improving school attendance of students, including the promotion of positive student and parent attitudes toward attendance.
- 33 Health Services – A function for which expenditures are directly and exclusively for providing health services to individuals. Expenditures for school nurses, other medical, dental and optical services, inoculations, etc., are function 33 costs.
- 34 Student (Pupil) Transportation – A function for which expenditures are for providing transportation to students to and from school.
- 35 Food Services – A function for food service operation expenditures, including the cost of food, labor, and other expenditures necessary for the preparation, transportation and storage of food.

- 36 Extracurricular Activities – A function for which expenditures are for extracurricular or other purposes that are not essential in the delivery of services for function 11, function code 20 series, or other function code 30 series activities.
- 41 General Administration – A function for which expenditures are for purposes of managing or governing the school district as an overall entity, and that cover multiple activities that are not directly and exclusively for costs applicable to specific functions.
- 51 Facilities Maintenance and Operations – A function for which expenditures are for activities to keep the physical plant open, clean, comfortable, safe for use, and keeping the grounds in an effective working condition and state of repair.
- 52 Security and Monitoring Services – A function for expenditures related to keeping student and staff surroundings safe. Examples include police officers or security guards, school bus security monitors, crossing guards, security vehicles, telephones and radios, and drug detection dogs.
- 53 Data Processing Services – A function for which expenditures are for non-instructional data processing services, whether in-house or contracted.
- 61 Community Services – A function for which expenditures are for activities other than regular public education and adult basic education programs. These types of expenditures are for services or activities relating to the whole community or some segment of the community, including resources to non-public schools, institutions of higher education, and any proprietary types of services incurred for outside entities in the community.
- 71 Debt Services – A function for which expenditures are for the retirement of service fees and for all debt interest.
- 81 Facilities Acquisition and Construction – A function for which expenditures are for acquiring, equipping, and/or additions to real property.
- 93 Shared Service Arrangements
- 95 Payments to Juvenile Justice Alternative Education Programs
- 97 Payments to Tax Increment Fund
- 99 Other Intergovernmental Charges

Financial Accountability System Expenditure Object Codes

An **Expenditure Object Code** (digits six through nine in the code structure) identifies the nature and object of a transaction. The District's accounting records are to reflect expenditures at the most detailed level using all four digits available for expenditure object codes. This is not an all inclusive list and is subject to change annually as TEA updates the Financial Accounting Resources Guide as needed.

6100 Payroll Costs

This major classification includes the gross salaries or wages and benefit costs for employee services.

6110 Teachers and Other Professional Personnel

6112 Salaries or Wages – Substitutes for Teachers and Other Professionals

6118 Extra Duty Pay – Teachers and Other Professional Employees

6119 Salaries or Wages for Teachers/Other Professionals

6120 Support Personnel

6121 Overtime – Support Personnel

6125 Extra Duty – Support Personnel

6129 Salaries for Teacher Aides

6130 Employee Allowances

6132 TRS Supplemental Compensation

6138 Stipends—Money paid to employees for allowances related to and/or for participation in organizational controlled or directed activities

6139 Employee Allowances

6140 Employee Benefits

6141 Social Security/Medicare

6142 Group Health and Life Insurance

6143 Workers' Compensation

6144 On-Behalf Payments

6145 Unemployment Compensation

6146 Teacher Retirement

6200 Professional and Contracted Services

This major account classification is used to record expenditures for services rendered to the local education agency by firms, individuals, and other organizations.

6210 Professional Services

6211 Legal Services

6212 Audit Services

6213 Tax Appraisal and Collection

6219 Other Professional Services—Expenditures for professional services rendered by personnel who are *not employees of the local education agency*.

6230 Regional Education Service Center Services

6239 Regional Education Service Center Services

6240 Contracted Maintenance and Repair Services—This group of expenditure object codes is used to classify expenditures for maintenance and repair services rendered by firms, individuals, or other organizations, *other than the local education agency*. Maintenance and repair services are for normal upkeep, repair and minor restorations.

6249 Contracted Maintenance and Repair

6250 Utilities

6259 Other Utilities—Expenditures for all other utilities not detailed above

6260 Rentals – Operating Leases

6269 All Other Rentals—Expenditures for all other rentals not detailed above, including those for equipment, copiers, postage machines, etc.

6299 Misc. Contracted Services

6300 Supplies and Materials

This major classification includes all expenditures for supplies and materials.

6310 Supplies and Materials for Maintenance and/or Operations

6311 Gasoline and Other Fuels for Vehicles, including Buses

6315 Vehicle Repair Parts

6319 Other Supplies for Maintenance and/or Operations

6320 Textbooks and Other Reading Materials

6321 Textbooks

6329 Other Reading materials—Expenditures for magazine and newspaper subscriptions and other reading material not listed above; subscription services (electronic libraries).

6330 Testing Materials

6339 Testing Materials

6340 Food Service

6341 Food

6342 Non-food

6344 USDA Commodities

6390 Supplies and Materials – General

6399 General—Expenditures for those items of relatively low unit costs (even though used in large quantities) necessary for the instruction process and/or for administration. Included here are consumable teaching and office items such as paper, pencils, workbooks, postage, etc.

6400 Other Operating Expenditures

This major classification used to code all other expenditures that are necessary for the operation of the local education agency.

6410 Travel and Subsistence and Stipends

6411 Travel and Subsistence – Employee only—This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business. The cost of employee travel also includes any registration fees associated with attending conferences, including seminars and in-service training.

6412 Travel and Subsistence – Students—This code is used to classify costs paid on behalf of students traveling for school sponsored events, including transportation costs, meals, participation fees, room, and other expenses associated with students traveling.

6419 Travel and Subsistence – Non-Employees

6420 Insurance and Bonding Expenses

6427 Insurance

6429 Insurance & Bonding Costs

6430 Election Expenses

6439 Election Expenses

6490 Miscellaneous Operating Expenses—This code is used to classify expenditures for operating expenses not mentioned elsewhere.

6492 Payments to Fiscal Agents

6493 Payments to Members – SSA

6494 Reclassification of Transportation Expenses

6497 Awards

6499 Miscellaneous Operating Expenses—Expenditures for fees and dues

6500 Debt Service

This major classification is used to code all expenditures for debt and debt related costs.

6510 Debt Principal

6511 Bond Principal

6512 Capital Lease-Purchase Principal

6513 Long-Term Debt Principal

6520 Interest

6521 Interest on Bonds

6523 Interest on Debt

6590 Other Debt Service Expense

6599 Other Debt Fees

6600 Capital Outlay—Land, Building and Equipment

This code is used to classify expenditures for fixed assets. Fixed assets, unless otherwise defined below, are locally defined as those items with a unit cost of greater than \$5,000 and a useful life of at least one year.

6610 Land Purchase and/or Improvements—These expenditures are capitalized regardless of unit cost.

6614 Land Purchase and Improvements

6620 Building Purchase, Construction or Improvements—These expenditures are capitalized regardless of unit cost.

6624 Building Construction

6625 Building Improvements

6626 Fees Associated with Building Purchase or Improvements—Expenditures for architectural, legal, and other fees connected with building purchase, construction, and/or remodeling.

6630 Furniture and Equipment

6631 Vehicles—Automobiles, buses, trucks, and vans which cost \$5,000 or more

6639 Furniture & Equipment—Furniture with a unit cost of \$5,000 or more and a life expectancy of at least 2 years. Expenditures for all other equipment and capital outlay items not classified elsewhere.

6641 Vehicles—Automobiles, trucks with a unit cost less than \$5,000

6650 Fixed Assets Under Capital Lease/Purchase

6651 Capital Lease of Buildings

6659 Capital Lease of Equipment

Financial Accountability System Sub-Object Codes

01 In-service	02 Personnel Services
03 Intermediate School	04 Elem
05 Athletic	07 TRS-Care surcharge
08 Saturday Detention	09 Longevity Supplement
10 DACCC	11 Copiers
12 Drivers Education	13 Gifted/Talented
14 HOSTS	15 In-School Suspension
16 PEP – Local Matching	17 Science
18 Special Education	19 At-Risk Program
20 Medicaid	21 Voc. – Agriculture
22 Voc. – Homemaking	23 Voc. Ind. Tech./Medical
24 Voc. – MOCT	25 Summer School HS
26 Summer School XIT	27 Summer School JH
28 Summer School DES	29 Summer School Inter.
30 GED Program/Testing	31 Cheerleading
32 Decathlon/Octathlon	33 Drama/Speech
34 Nat. Honor Society	35 Student Counsel
36 UIL Literary	37 Yearbook
38 Band – Co-Curr./Extra-Curr.	39 Athletics Co-Curr.
40 Extra Allocations	41 Athletics – Football
42 Athletics – Basketball	43 Athletics – Volleyball
44 Athletics – Track/Cross Country	45 Athletics – Baseball
46 Athletics – Golf	47 Athletics – Tennis
48 Athletics – Misc.	49 Coaches HS
50 Athletics/Donations	51 Athletics
52 Lunch	53 Newspaper HS
54 Debate HS	55 Cafeteria – Breakfast
56 Cafeteria – Lunch	57 Cafeteria – USDA Commodities
58 Tech Prep Grant	60 Technology Allocation
61 DCAD Tax Appraisal	62 DCAD Tax Collection
63 Tax Collection Attys.	64 General Donations
65 Library	66 Internet
67 Hartley Cnty. Appr. Dist.	68 Hartley Cnty. Tax Collection
69 Art	70 Maintenance – Misc.
71 Maintenance – HS	72 Maintenance – XIT
73 Maintenance – JH	74 Maintenance – DES

75 Maintenance – Inter.	76 Maintenance – Gym
77 Maintenance – Adm.	78 Maintenance – DACCC
79 Maintenance – Gen. Improvement	80 Amarillo College
83 PAF Revenue – HS	84 PAF Revenue – XIT
85 PAF Revenue – JH	86 PAF Revenue – DES
87 PAF Revenue – Inter.	90 Transportation – Misc.
91 Transportation – Repair	92 Transportation – Fuel
93 Transportation – Tires	94 Transportation – Radios/Cameras
95 Transportation – Insurance	96 Transportation – Tools
97 Transportation	99 Generic
AC Alumni Club	AP Advanced Placement
AU Autism	BC Booster Club
CB Idea-B Capacity Build/Imp.	CU Curriculum Dev.
DD Direct Deposit	DL Bus Drivers License
DM District Meet Supplies	DT Bus Driver Drug Testing
ED Extended Day	EI Early Intervention
EY Extended Year	FD Foundation Money
FP Finger Printing	HC Hilmar Cheese
HW Hardware Computer	IS Insurance Supplement
IT Interventionist	LT Long-Term Subs.
MC Master Certification Stipend	MU Music
PC Per Capita Money	PH Bus Driver Physicals
PI Parental Involvement	PS Proportionate Share
R8 Rural Tech. Grant Year 8	R9 Rural Tech. Grant Year 9
RF Roof Repair	RI Response to Intervention
SA St. Anthony’s	TC Technology
TF TIF Grant	TS Testing
WS Wood Shop XIT	XT XIT Campus
YB Yearbook	ZH Zero Hour

Financial Accountability System Organization Codes

001 High School	002 XIT Alt. Ed. Campus
042 Junior High	104 Elementary
105 Intermediate	699 Summer School
701 Central Administration	702 School Board
703 Tax Costs	720 Central Office
750 Business Office	903 Maintenance
904 Transportation	910 Substitutes
999 District Wide	

Financial Accountability System Program Intent Codes

Program Intent codes (two digits) are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The “intent” determines the program intent code, not the demographic makeup of the students served.

10 Basic Services

11 Basic Education Services—The cost incurred to provide the primary level of education/instruction to students in grades K-12.

20 Enhanced Services

21 Gifted and Talented Education Program—This code is used to identify costs for programs established for students who have been identified as functioning at a higher intellectual plane.

22 Career and Technology—This code is used to identify costs that can be specifically identified with those vocational education programs approved by the Texas Education Agency.

23 Services to Students with Disabilities (Special Education)—This code is used to identify costs that can be specifically identified with instruction and related services for those programs for handicapped children approved by the Texas Education Agency.

24 Accelerated Education—The cost incurred to use instructional strategies to provide services in addition to those provided at the basic level of instruction, thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.

25 Bilingual Education and Special Language Programs—The cost incurred to evaluate, place and provide educational or other services that are intended to make the students proficient in the English language.

30 Title I, Part A Schoolwide Activities Related to State Compensatory Education Costs on Campuses with 40% or More Educationally Disadvantaged Students—The SCE costs incurred to supplement federal awards for use on Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students (including fund code 211) in the amount of the SCE allotment used to supplement federal awards. This program intent code is also used in the Special Revenue Fund for fiscal budgets approved in notice of grant awards (NOGA) for schoolwide federal projects benefiting Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students.

31 High School Allotment

Other

38 Band

91 Athletics and Related Activities—The costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf, swimming, wrestling, gymnastics, baseball, tennis, track, volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad or any other organized activity to support athletics. However, this does not include band.

99 Undistributed—This code is used to identify costs for expenditure functions not specifically identified with the major program areas listed above.

District Fixed Asset Guidelines for Local, Federal, and Grant Funds

The Governmental Accounting Standards Board requires state and local government agencies to report capital assets and depreciate all exhaustible capital assets in government-wide financial statements. The Education Code requires local education agencies to maintain inventory records, which properly account for equipment.

In order to provide for the proper control and conservation of district property, as well as proper accounting for financial reporting, the Superintendent or designee shall maintain fixed asset capitalization and inventory items in accordance with the law.

Definition of a Unit: A unit is defined as an individual and independent item (such as a computer, server, TV/Monitor, mower, vehicle, building, etc.) that will retain its original shape and appearance with use, and does not lose its identity through incorporation with a different item.

While all fixed assets should be inventoried, not all inventoried items should be capitalized. All assets, whether capitalized or non-capitalized, will be inventoried through the central office. The specific criteria for capitalized and non-capitalized fixed assets are as follows:

A. Capitalized Fixed Asset

1. Capital assets, including real and personal property, are assets which have a useful life of more than **one year** and a **unit** cost of **\$25,000** or more.
2. Capital assets are charged to Capital Outlay accounts (object codes 66xx series).
3. Capital assets are inventoried and reported as assets rather than as expenses of the current period in the statement of net assets, as part of the government-wide financial statements.
4. Capital assets, with the exception of inexhaustible items such as land, are depreciated in the government-wide financial statements. Capital assets should be depreciated over their estimated useful lives. The straight-line depreciation method and full-month convention should be used for capital assets. Under a full-month convention, an asset placed in service at any time during the month is considered to have been placed in service on the first day of the month.

B. Non-Capitalized Fixed Asset

1. Non-capitalized assets are items which have a useful life of more than **one year** and a **unit** cost of **\$5,000** or more **but** less than **\$25,000**.
2. Non-capitalized fixed assets are charged to non-capitalized equipment account (object code 6397).
3. Non-capitalized assets are inventoried and include such items as furniture and equipment, vehicles under \$25,000, and library books.

Capital assets include the following real and personal properties:

A. Real Property

1. Land

- a. All expenditures incurred to acquire land and to place it ready for use should be capitalized. The acquisition cost of land should include: (1) the purchase price; (2) professional fees and closing costs (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, etc.); (3) cost incurred in preparing the land in condition ready for its intended use; (4) assumption of any liens or mortgages on the property; and (5) improvements made to the land that have indefinite lives and are permanent in nature.
- b. When land is acquired with buildings erected thereon, total cost is allocated between land and building in reasonable proportion at the date of acquisition. If the transfer document does not show the allocation, other sources of the information may be used, such as an expert appraisal or the real estate tax assessment records.
- c. Land is **not** a depreciable asset.

2. Land Improvements

- a. Land improvements include improvement of new and old sites and adjacent ways, and acquisition of physical property of a permanent nature attached to land.

Examples:

Excavation, non-infrastructure utility installation, driveways, parking lots, playground surfacing, fixed playground apparatus, flagpoles, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended purpose, and removal, relocation, or reconstruction of property of others.

- b. Land improvements are depreciated if they are exhaustible, such as parking lots, landscaping, and/or fencing, which are parts of a site.
- c. Land improvements that are not depreciated are expenditures to bring land into condition to commence erection of structures, and expenditures for improvements not identified with use or passage of time, such as excavation.

3. Buildings

- a. Buildings include all permanent structures and all integral fixtures, machinery, and other appurtenances that cannot be readily moved without disrupting the basic building structure or services to the building.
- b. Buildings are recorded at either construction cost or acquisition cost including advertising costs, architectural and engineering fees, blueprints, inspection tests and examinations, demolition, the razing of existing obsolete or old buildings to clear sites for new buildings, building fixtures and service systems, and any other expenditures directly related to the construction or acquisition of buildings.

- c. When buildings are constructed, the cost of each phase of the project should be evaluated separately because each phase may have a different useful life and salvage value.
- d. Construction in progress is **not** depreciated, but the cost is included as an asset in the government-wide financial statements.

4. Building Improvements

- a. Building improvements that extend the useful life or increase the capacity of the building are capitalized, such as roofing projects, major energy conservation projects, or remodeling and replacing major building components.
- b. Maintenance projects that do not extend the useful life or increase the capacity of the building are expensed, such as painting and plumbing repairs.
- c. To be classified as either a building fixture or a service system, as opposed to maintenance, an item must conform to five criteria:
 - (1) The item is attached permanently to the building.
 - (2) The item functions as part of the building.
 - (3) Removal of the item would result in appreciable damage to the building or would impair the designed use of the facility
 - (4) The item is generally accepted as real property (not personal property).
 - (5) The item loses identity as a separate unit.

B. Personal Property

1. Furniture and Equipment over \$5,000

- a. Furniture and equipment are items of movable tangible assets of a relatively permanent nature having an estimated useful life greater than **one year** and an acquisition cost per unit of **\$5,000** or more. (See Definition of Unit, Page)
- b. For furniture or equipment purchased, the valuation is the net amount paid through Accounts Payable, which is the invoice price less all discounts (except trade-in allowances). Freight and installation costs are also included if they are shown on the original invoice, or if they are readily available on related freight bills. If furniture or equipment is constructed by employees, the costs of the materials and labor as well as indirect costs should be recorded as the total costs of the item that is produced.

2. Vehicles over \$5,000

- a. Vehicles include school buses, trucks, vans, pick-ups, and cars that have a useful life greater than **one year**, and have an acquisition cost per unit of **\$5,000** or more.
- b. The cost of a capitalized vehicle includes the purchase cost, expenditures for significant improvements and any other necessary expenditure required to place the asset into its intended state of operation.

3. Capital Leases

- a. Leased equipment is capitalized if the lease-purchase agreement meets the capitalization criteria **and** any one of the following criteria as required by Governmental Accounting and Financial Reporting Standards (GASB Codification) Code Section L20.109:
 - (1) The lease transfers ownership of the property to the lessee by the end of the lease term.
 - (2) The lease contains a bargain purchase option.
 - (3) The lease term is equal to 75 percent or more of the estimated economic life of the lease property.
 - (4) The value at the beginning of the lease's term of the minimum lease payments, excluding that portion of the payments representing executory costs to be prepaid by the lessor but including any profit thereon, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease.
- b. The leased equipment is recorded at the total cost net of interest expense (the present value at inception of the lease).
- c. Leases that do not meet any of the above requirements should be recorded as operating leases and should not be capitalized.

Federal and Grant Funds

This guidance refers to capitalization of cost with items purchased with Federal and Grant Funds. As a general rule this refers to equipment or software that exceeds \$5,000 and has a shelf life of more than 12 months.

- **Software:**
 - Life of less than 12 months but more than \$5,000 in cost. In this case the initial set up fee would be capitalized, but the subscription fee would not be capitalized.
 - Any maintenance fee would also not be capitalized.
 - Both subscription and maintenance fee would be coded to 6200 or 6300 depending on the arrangement.
 - Slightly different for web-based software:
 - This may be one web-site with individual passwords.
 - If the per unit cost is \$500 and there are 10 users, then the cost is \$5,000. You may have to capitalize this.
- **Data management systems** with subscriptions of one year
 - Maintenance fees that do not last longer than twelve months are not capitalized.
 - However, if the relationship (even informally) continues past 12 months, it needs to be capitalized.

C. Surplus Equipment/Sale

1. Items which are no longer working or cannot be used by another campus or department can be sent to the Maintenance Department.
2. The campus or department must call the Maintenance Department to have the item picked up.
3. Any computer or computer equipment must be verified non-repairable by Technology before it is sent to the surplus sale.
4. Disposal of equipment purchased with Federal or Grant Funds, that have completed their useful life, must be recorded and maintained.

D. Donations

1. Donations of items to the District come in two forms: new items and used items. Items donated to the school or purchased from Activity Funds will be added to the District's fixed asset records and must be accounted for by the school principal and properly noted as Dalhart ISD property. All fixed assets are considered Dalhart ISD property, but will remain on the campus under the control of the Principal and club sponsor.
2. Whether new or used, each item that is donated to the District must have the approval of the campus principal or administrative department head receiving the items. A person in the department normally responsible for purchases of this type of fixed asset (i.e., Technology, Maintenance, Custodial, etc.) must be contacted to see if the item meets the following criteria:
 - a) Safe and acceptable for use by students and employees
 - b) Meets the requirements of the instructional program (if applicable)
 - c) True, justifiable need for the item
 - d) Item is in good working order and is compatible with related equipment
 - e) Within the guidelines of the district technology plan (if applicable)
 - f) Meets the District criteria for a fixed asset as defined in the current Finance Manual of Dalhart ISD.
3. If the item is **new** at the time of donation and meets all criteria listed above, then:
 - a) A donation description sheet must be completed and signed by the required personnel along with an invoice or receipt detailing the cost of the items. This form, along with the invoice, should be sent to the Finance Office so it can be added to the District's fixed assets.
 - b) The District will accept responsibility for maintaining and repairing the item.
 - c) Installation of permanent equipment, such as playground equipment, shelving, etc., should be coordinated with the Maintenance Department.
 - d) A thank you letter should be written to the organization or individual thanking them for their donation. A copy of this letter should be forwarded to the Finance Office to be filed with the fixed asset records.
4. If the item is **used** at the time of donation and meets all criteria listed above, then:
 - a) These items will not be added to the District's fixed asset records.
 - b) The District will not replace the items.

- c) The campus or department may still accept the donated items.
- d) The District will not accept responsibility for maintaining or repairing the item.
- e) If requested, a letter to the organization or individual making the donation should be sent stating the fair market value of the donation. Keep in mind that “fair market value” is a reasonable approximation of the market value at the time of donation (not the original price paid for the item).

E. Repair and Replacement

1. The District will repair, as necessary, items that were purchased with District funds which are fixed assets or which **cost \$500** or more. Please keep the following guidelines in mind when considering an item for repair or replacement.
 - a) **Repair**
 - 1) All items submitted for repair will be reviewed on an individual basis. The District typically provides funds for the repair of instructional items or items critical to the operation of a campus which cost \$500 or more; however, budget constraints will be considered.
 - 2) If the item requiring repair is a fixed asset, it must be properly tagged and on the District’s fixed asset inventory before any repairs can be made.
 - a. Items purchased directly from an activity fund will not be repaired by the District as they will not be tagged.
 - b. Any donated items requiring repair must meet the District guidelines for donations.
 - c. Fixed assets requiring repair will be evaluated to determine if it is more feasible to replace the item than to continue to repair it.
 - 3) Repair and/or replacement of items costing \$500 or more or fixed assets will be limited to problems that have occurred during the normal operation of the equipment. Equipment that has been damaged or vandalized is the responsibility of the individual campus.
 - b) **Replacement**
 - 1) Items that are considered to be fixed assets and items costing \$500 or more purchased with District funds will be considered for replacement using District funds. Individual campuses and departments will be responsible for replacing items which do not fall within these guidelines.
 - 2) If an item is to be replaced, only the original amount OR the replacement cost for a similar item, *whichever is less*, will be provided by the District. Should the campus or department wish to “upgrade” the item being replaced, the campus or department will be responsible for providing the additional funds to purchase the “upgrade.”
 - c) **Stolen**
 - 1) A **police report** must be filed with the Dalhart Police Department on any stolen item costing \$500 or more or a fixed asset item before the District will replace it. In addition, a detailed list of stolen items including serial numbers should be turned into the Central Office. This information will be used to file a claim

through the District's insurance policy. Stolen items that are not a fixed asset or cost less than \$500 will be the responsibility of the campus or department.

- 2) Only the original amount OR the replacement cost for a similar item, *whichever is less*, will be provided by the District. Should the campus wish to "upgrade" the item being replaced, the campus or department will be responsible for providing the additional funds to purchase the "upgrade."

F. Purchase of Real Property

The Dalhart ISD guidelines for purchasing real property can be found in Board Policy CHG (Legal) or by accessing the following web site: www.dalhart.k12.tx.us.

Capital and Non-Capital Fixed Asset Procedures

1. A standard requisition must be issued for all fixed assets. Include complete specifications, description, manufacturer name, and part numbers to properly identify an item.
2. The location assignment information must be specified on the requisition for annual inventory purposes. Include the room number, building, site or department location that will be recorded in the fixed asset record.
3. If a fixed asset is transferred to another location, a "Transfer Form" must be completed. If a fixed asset is deleted, a "Deletion Form" must be submitted with a "Work Order" to have the equipment picked up. Each "Transfer Form" and "Deletion Form" must be signed by the proper authorities. Each site will be responsible for the location assignment for each fixed asset.
4. Each school site or department must maintain the fixed asset inventory sheets on an annual basis that will be reviewed by outside auditors.
5. An inventory tag will be placed on all fixed asset items where possible and feasible.
6. Fixed asset data will be entered into the TxEIS system.
7. Location assignment changes, disposal or sale status information will be updated on the system so all records are accurately maintained.
8. Fixed assets should be accounted for at historical cost—cost at the time of original construction or purchase.
9. The cost of the assets includes all necessary charges to acquire the assets, e.g. transportation costs, site preparation costs, installation costs, etc.
10. Donated assets should be recorded at estimated fair market value at the time of donation.
11. Physical inventory should be conducted annually.
12. The following information is needed for inventory record:
 - a. Description and Serial Number
 - b. Date and cost of acquisition
 - c. Budget Code
 - d. Location—including campus and room numbers
 - e. Dalhart ISD tag number (if one is attached)
 - f. Estimated useful life
 - g. Method of acquisition (e.g. purchase, donation)
 - h. Function/Program that uses the asset

- i. Additional information for capital assets:
 - Depreciation expense and accumulated depreciation
 - Depreciation method

Budget Process

Each March, the Superintendent has a budget meeting with campus principals, technology and athletic directors. The finance clerk runs budget worksheets for all campuses/teacher/coaches/and departments. The Superintendent hands out the worksheets to the principals. The principals distribute the worksheets to the appropriate people so that they can create their budgets. The principal then takes each budget and compiles the amounts on a master worksheet to be submitted to the Superintendent. Once the Superintendent has looked over the campus worksheets, they are given to the finance clerk for input. There is a preliminary budget workshop with the board members the first of August and again during the regular monthly board meeting. The budget is then adopted by the board before the tax rate is set. This is done at a special called board meeting at the end of August.

Budget process for Federal and Grant Funds

The Grant Administrator is responsible for overseeing the budget process for all Federal Grants received by Dalhart ISD. A comprehensive needs assessment is conducted annually and is used for developing all Federal and Grant Budgets. Depending on the grant, the budget process is done either during the writing of the grant or after the amounts have been awarded. In each case, the Grant Administrator has budget planning meetings with the various departments involved with the grant. Budget amendments are done with the input from the Grant Administrator and the teachers involved.

If a budget amendment is necessary during the plan year, the grant supervisor will submit an amendment to the appropriate entity. The following reasons are allowable for all Federal and Grant funds:

1. 25% rule
2. Change in the number of funded positions
3. Change in program intent
4. Change in funding amount

Budget Transfer Instructions

The following guidelines are to be used when requesting budget transfers. All budget transfers should be sent to the District in writing.

Any transfers that require approval from the **Board of Trustees** must be received by the **last working day** of each month for inclusion in the next month's Board meeting agenda. For example, a transfer received in the Finance Office on the last day of the month will be included in the Board agenda on the second Monday of the following month.

Transfers must be made in whole dollar amounts (i.e., \$50.00—no cents) and must be at least \$10.00.

Pre-approved Budget Transfers:

This type of transfer **does not require approval** from the Board of Trustees and may be submitted to the Finance Office at any time from September 1 through mid-August of each budget year. Some examples are:

Moving within the same Function:

From: 199-11-6399-00-XXX-XX-XXX To: 199-11-6219-49-XXX-XX-XXX
From: 199-21-6636-00-XXX-XX-XXX To: 199-21-6317-21-XXX-XX-XXX
From: 199-11-6411-00-XXX-XX-XXX To: 199-11-6399-69-XXX-XX-XXX

Transfers Requiring Board Approval:

This type of transfer **requires approval by the Board of Trustees** and should be sent to the Finance Office in writing by the *last working day* of the month for inclusion in the following month's Board agenda. Keep in mind that requisitions may not be processed using these funds until the transfer is approved by the Board. Some examples are:

Changing Function:

From: 199-11-6399-XX-XXX-XX-XXX To: 199-23-6636-XX-XXX-XX-XXX
From: 199-23-6411-XX-XXX-XX-XXX To: 199-11-6399-XX-XXX-XX-XXX
From: 199-11-6317-XX-XXX-XX-XXX To: 199-13-6317-XX-XXX-XX-XXX

Using E-Mail to Request Budget Transfers:

Please keep the following in mind when requesting budget transfers via e-mail:

1. **All transfer requests** must be in writing from the campus/department budget authority (i.e., the Principal, Coordinator, Director, etc.) and be sent to the business manager.
2. Please keep **transfers requiring approval** from the Board of Trustees **separate** from all others.
3. Summarize the transfers as much as possible. When making several transfers from one account, type one "From" line, then list several "To" lines. **Transfers must be in whole dollar amounts and be at least \$10.00.**
4. **Transfers cannot be made between funds.** For example, a transfer *cannot* be made from 199-11-6399-00-XXX-11-000 to 393-11-6399-00-XXX-11-000.
5. A reply will be sent via e-mail noting the status of the transfer request.

Budget Transfer Example:

Please request Budget Transfers using the following sample format:

From: 199-11-6399-00-003-11-000 \$100.00
To: 199-11-6411-49-003-11-000 \$50.00
To: 199-11-6395-66-003-11-000 \$50.00

Petty Cash Procedures

Petty Cash Accounts are established on an as-needed basis only. Petty Cash cannot be used for any Federal Grants. The funds issued for petty cash are to be used to purchase items that are needed quickly and do not total over \$100.00. Petty Cash funds should be utilized only in an emergency and not used in place of a purchase order. Open Purchase Orders can be used for routine small expenses.

A. Setting up Petty Cash Accounts

1. All new Petty Cash Accounts must be approved through the Finance Office.
2. If approved, a Petty Cash Custodian will be assigned to the account. This person will be responsible for maintaining the fund.

B. Controls

1. Petty Cash funds should be kept in a LOCKED box or drawer when they are not in use.
2. The fund should be counted, reconciled and replenished every month.
3. The check to replenish the petty cash account is made payable to the Petty Cash Custodian.

C. Operating Procedures

1. Petty Cash expenditures must be authorized by the Petty Cash Custodian BEFORE an expenditure can be made. no advances are made, expenditures will be reimbursed.
2. Sales tax cannot be reimbursed.
3. Each expenditure from Petty Cash cannot exceed \$100.
4. A Petty Cash voucher must be completed and signed for each expenditure.
5. Personal checks CANNOT be cashed from Petty Cash funds.

D. Replenishment Procedures

1. The Petty Cash Fund should be reconciled before each reimbursement is requested.
2. The purchase order, along with the petty cash vouchers, original receipts, and the reconciliation report should be turned in to the Accounts Payable Department.
3. The fund will NOT be reimbursed for sales tax, or expenses that have not been properly documented with receipts, vouchers or signatures.
4. It is the responsibility of the Petty Cash Custodian to follow the appropriate procedures and make sure the fund is always in balance.

E. Closing out Petty Cash

1. The Finance Office should be notified immediately if there is a change in the Petty Cash Custodian.
2. In the event that Petty Cash is no longer needed, contact the Finance Office to close out the fund. The fund will need to be reconciled and closed out to the proper account.

Records Management

Requirements

Record retention ensures that critical records are identified and retained in accordance with State and Federal guidelines. The Local Government Records Act establishes the primary requirements for records retention policies and plans. These record retention guidelines are specified in Board Policy—CPC (Legal).

Below is a listing of some of the more common records:

Form	Years to Retain
See Attached document or	
Visit the web site enclosed (Texas State Library and Archives Commission – Local Schedule SD(School Districts))	www.tsl.state.tx.us/slr/recordspubs/sd.pdf

Supplement vs. Supplant

Dalhart ISD adheres to the Texas Education Agency policy regarding supplement vs. supplant. Supplement means to add to; to enhance; to expand; to increase; to extend; to create something new. Supplant means to take the place of; to replace by something else.

Federal funds may be used only to supplement or augment the educational programs generally offered with state and local funds.

Federal funds may be used only to provide supplemental services that would not have been processed had the federal funds not been available.

State or local funds which previously funded activities may not be diverted to another purpose simply because federal funds are now available to fund those activities.

In other words, the use of federal funds may not result in a decrease in state or local funds for a particular activity, which, in the absence of the federal funds, would have been available to conduct the activity.

Federal funds must supplement or augment that which must be provided by state law or SBOE rule, or any activities which have been adopted as policy by a local school board of education to fund from non-federal sources.

If federal funds are used to enhance or expand a state mandate, SBOE rule, or local board policy, the federal supplementary activities must be separately identified and clearly distinguishable from the activities identified as necessary for implementing a state mandate, SBOE rule, or local board policy as outlined in the implementation plan.

Dalhart ISD

Finance Procedures Manual

Section II

Accounts Payable

I. Accounts Payable Guidelines

Federal and Grant Funds must be expended for programs, activities, and strategies that are scientifically based on research and that meet the needs for the students served. All applicable requirements of the Federal and Grant Fund regulations, other applicable laws and regulations, and Office of Management and Budget (OMB) circulars apply to the use of these funds. All costs must be reasonable and necessary to carry out the intent of the program.

A. Requisition Form

A requisition form must be completed for purchases from any **Grant Fund** or General Fund. The goal, objective, and strategy from the campus improvement or the district improvement plan or the technology plan should be referenced. Funds requested should be marked, name of vendor, brief description of the item, rationale supporting how this will increase student achievement and the estimated cost of item. The R.F. must be signed by the requestor, principal and the Superintendent or Assistant Superintendent for approval before the purchase order is completed.

B. Purchase Orders

1. Verify vendor address is correct.
2. If there is an attachment, type **“attachment”** on the first line. Be sure to put your purchase order number on all attachments so they can be matched up properly.
3. **No** changes, substitutions, or increase of funds can be made to a purchase without **prior** approval.
4. No purchase order can be cancelled without confirmation from vendor of cancellation.
5. **A purchase order MUST be completed prior to the purchase being made. If this is not done, merchandise may be paid for with campus funds, NOT from budgeted district funds.**
6. Preview items **MUST** be handled as a purchase and will be paid as such if not returned by terms.
7. Purchase orders must have the following approvals:
 - a) Campus principal/supervisor
 - b) Superintendent or Assistant Superintendent
 - c) If using Grant Funds, Grant Supervisor or Superintendent

C. Receiving Direct Deliveries

1. When merchandise is shipped directly to a campus, accounts payable **must** be notified in order for the invoice to be considered for payment. This may be done by e-mail or with a phone call to accounts payable.
2. Invoices given directly to campus personnel should be forwarded to accounts payable with the purchase order number clearly indicated on it. This includes charge tickets, receipts, and repairs.

D. Open Purchase Orders

1. All open purchase orders are handled as blanket requisitions.
2. **All open purchase orders are closed prior to end of month closeout.**
3. **Monitor the balance on all open purchase orders** by checking the payment history along with records.
4. **Open purchase orders to retailers: charge slips/receipts must be submitted as used. DO NOT HOLD.** This causes late payments to vendors, resulting in finance charges and late fees, which will be paid through campus budgets. Receipts must be detailed, listing the item purchased and the purchase order number on each receipt/charge slip. Do not submit a copy of the purchase order until the purchase order is to be closed or funds are depleted.
5. Once encumbered funds are spent, a new purchase order will need to be completed prior to making further purchases.
6. **Library books** are to be ordered through a purchase order and are delivered to the campus librarian. Items must be checked in quickly, a notice via interoffice/e-mail will be sent for approval of payment, and response must be made within 10 days of notification.

E. Consultants

1. All consulting agreements must be handled through the Business Office/Superintendent's office.
2. Consultants are **never** paid in advance. This should not be reflected in any agreement made with the consultant. **Payment is made after services are rendered, either in a series of payments or in one lump sum. Payments are not sent to the campus to give to the consultant at the time of presentation.**
3. Before a payment can be made to a consultant, their Taxpayer identification number (either social security number or corporate tax identification number) must be on file.
4. Payment will only be made from an **original** agreement and must follow the steps below:
 - a) Complete a purchase order including all pertinent information.
 - b) Must be approved by campus principal/supervisor
 - c) Must be approved by the Superintendent or Assistant Superintendent.
 - d) If grant funds are used, it must be approved by grant supervisor or Superintendent

F. Mileage Reimbursement

1. A completed Mileage Reimbursement form must accompany mileage reimbursement as well as Mapquest or Google Maps that is used to calculate distance.
2. Both employee and supervisor/principal/director must sign mileage reimbursement.
3. Effective January 1, 2011, the District will reimburse employees at the mileage rate of 51 cents per mile. For out-of-district travel, use Mapquest or Google Maps to calculate distance. (this rate is subject to change from time to time based on TEA guidelines for reimbursement for mileage)

G. Subscriptions

1. Forward **two** copies of subscription/renewal, original and one for file, as an attachment, once again noting requisition number on attachment.
2. Subscriptions are prepaid
3. No subscription will be paid without the proper attachments.
4. Purchase orders for subscriptions should list ship to of your location.

H. Payment for Contract Services (applies to Local and Federal Funds)

1. Prepare Authorized Supplemental Payment form (either provided by contractor or Dalhart ISD Form)
2. Form must list date of service, what the service was, account code, and dollar amount.
3. Supplemental payment form must be complete by listing vendor name, address, and social security number
4. District employees are **not** reimbursed through Accounts Payable; the correct request must be forwarded to Payroll for payment.
5. An incomplete form will result in delay of payment.
6. Payment can only be made from an **original** agreement and must follow the steps below:
 - a) Complete a purchase order including all pertinent information.
 - b) Must be approved by campus principal/supervisor.
 - c) Must be approved by the Superintendent or Assistant Superintendent.
 - d) If grant funds are used, must be approved by grant supervisor or Superintendent
 - e) Items greater than \$5,000 must also be approved by Superintendent.

I. Returned Merchandise

Merchandise delivered to campus must be returned by campus. Campus will be responsible for notifying Accounts Payable of this transaction in order for proper credit to be received.

J. Use of School Credit Cards (for Local, Federal, and Grant Funds)

Dalhart ISD has American Express and some gas cards. Credit cards are kept in central office vault. Credit cards are checked out to employees for travel and items purchased from vendors with whom Dalhart ISD does not have an account set up. The following procedures must be followed when issued a school credit card:

1. Provide a copy of approved purchase order to central office.
2. Check out the card from central office. At that time the employee is made aware of the usage terms and their signature indicates agreement to terms.

3. Card must be checked in the next day or the first day back from trip with all original receipts attached.

Credit card statements are received in the business office around the 10th of each month. Each charge on the statement must have a purchase order encumbered in the TxEIS System. If a purchase order is not on file, the campus secretary will be called. If for some reason an employee fails to turn in a receipt, it will be the employee's responsibility to pay the charge.

II. Travel Guidelines (for Local, Federal, and Grant Funds)

A. General Travel Guidelines

1. In general, "travel" is defined as travel outside the District boundaries where the employee is acting as a representative of the District. In this case the District may reimburse for some or all of the qualified expenses. Approval to travel must be obtained **before** taking any trip as noted above, regardless of expenses requested.
2. Regardless of the source of any funds requested, a Travel Request must be completed for any travel outside District boundaries. It must be prepared allowing time to obtain all required levels of approvals/signatures, and then be forwarded to the Business Office. All travel requests must be clear and legible.
 - a) Always complete a Purchase Order when requesting funds for food, mileage, and/or lodging. This includes athletic scouting, school business meetings such as district or regional UIL meetings, etc.
 - b) Purchase Orders must have the following approvals:
 1. Campus principal/supervisor
 2. Business Office
 3. If Grant Funds are used, Grant Supervisor
3. Documentation as to the purpose of the trip must be attached to the Travel Request before submitting it. A copy of a brochure, flyer, registration or entry form is acceptable. Documentation **must** show the location, dates, and times of the event, and any meals or other expenses that are provided.
4. Registration and other non-travel expense **must** be paid by purchase order. Proper documentation must be sent as an attachment to the purchase order. All special instructions **must** be clearly noted. These types of purchase orders should also be prepared in advance and in accordance with registration deadlines.
5. Payments for actual expenses requested on the travel request form are payable **only** to the employee/sponsor noted on the travel request.
6. Travel expenses may not be paid from one source and that source be reimbursed from another (ex.: paid from Activity Fund and reimbursement requested directly from District budget).
7. Travel expenses are composed of the costs incurred to reach a destination and return. These costs are as follows:
 - a) Lodging
 - 1) This is the cost of the rental of a room or rooms for District employees, students, or administrators. The **original** hotel bill or receipt must be furnished after the

trip. The hotel bill should clearly indicate the cost assigned to the “in-Charge/District Representative” and the cost assigned to the students or bus driver, where applicable. **Texas Hotel Occupancy Tax** will not be paid, as well as the **Texas State Sales Tax** on hotel parking. The district is exempt from this. The District will pay state sales tax on out-of-state travel and no other individual should be included. An exemption form is included in the manual for your convenience. Room service, laundry, phone calls, internet service, etc., should not be claimed as trip/travel expenses.

- 2) Hotel accommodations must be at the promotional event/school rate. Multiple rooms should be booked at the best rate possible. Rates more than \$130 per night will need prior approval.
 - Students = 4 per room/separate rooms for males and females
 - Adults = 2 per room/separate rooms for males and females
 - Principal = 1 room
 - HS Campus Athletic Coordinator = 1 room
 - Bus Driver = 1 room

b) Meals

- 1) This is the cost of obtaining food during the trip for the “in-Charge”, students, or bus driver. The costs assignable to the “In-Charge” and the students must be clearly indicated on the bill. Per diem allowances for meals are only allowed during the time periods listed below:

Breakfast—leave prior to 7 a.m.	\$ 7.00 (employee)	\$5.00 (student)
Lunch—leave prior to 11 a.m.	\$ 8.00 (employee)	\$7.00 (student)
Dinner—leave prior to 4 p.m.	\$15.00 (employee)	\$8.00 (student)

Refer to Travel Reimbursement Claim Form for additional instructions.

The cost of alcoholic beverages is not a reimbursable expense.

- 2) When an overnight stay is **NOT** required, the District will reimburse employees for business meals and mileage after returning from the trip, provided **original itemized meal receipts** are submitted. The employee will be reimbursed the **actual** cost, not to exceed the rates listed above. There is **no advance** to employees on **one day trips**. Trip expenses must be recapped following the trip with all necessary receipts to be reimbursed. Advances can be obtained on one-day trips for student meals only.

c) Transportation

- 1) This is the cost of traveling to a destination and returning while on District business. For all travel expense claims, the Dalhart ISD standard mileage schedule is used. The standard miles indicated on the mileage chart/destination maps times the mileage rate is the allowance for transportation. Transportation claims in excess of the allowable mileage **must be explained and documented**. In determining total mileage, the starting point is the individual’s school or office, even though the individual may actually leave from his/her residence. If the cost of airline fare, bus fare, parking fees, or taxi fare exceeds the advance requested, the excess may be claimed for reimbursement upon returning from the trip, if properly documented. Documentation includes receipts, where

applicable, and explanation of excess mileage. For **out of state travel**, actual cost should be obtained from the carrier, if applicable, and documented. The District reserves the right to select the appropriate mode of transportation and does **not allow** first-class fares. The District will not pay mileage expense in excess of airfare for out of state travel unless justified.

- 2) The Superintendent shall be authorized to approve the use of chartered buses for bi-district, regional, quarter finals, finals, or state playoff contests for any extracurricular activities. such authority shall not be delegated to a designee.
8. Registration fees, seminar tuitions, and any other cost incurred relating to a trip are not travel expenses and should be paid with a purchase order after the trip has been approved. It is **District Policy** that **no reimbursement** is allowed for registration fees paid in advance by an employee. Only the trip expenses of the District employees, students, or administrators should be requested to be paid or reimbursed on travel forms. The District does not pay travel expenses for spouses or other related guests.
9. Travel requests which are **not approved** should be returned to the originator and clearly marked "DECLINED" across the travel request form. The official should note reason for decline on the form. If a new travel request is submitted for previously declined request, a copy of the declined form should be attached.
10. Students are required to sign the expense report documenting that meal money was received. Expenses, groups or any other individual not approved in advance for travel expenses should not be submitted with the travel request form. Original or certified original expense receipts should be used (Xerox copies are not acceptable).
11. **District Mileage Reimbursement**—As of January 1, 2011, the District will reimburse employees at the mileage rate of 51 cents per mile. Travel paid from Federal Funds **must meet the guidelines for eligibility noted in the grant in that it must meet the basic grant criteria.** If the District adopts lower rates than the state rate, the **lower rate** must be used.
12. **Scouting**—Scouting must be handled in the same manner as teacher travel. An approved travel request must be completed prior to travel.

B. Registration

1. Registration can only be paid by purchase order. No payments are made to employee for reimbursement of registration.
2. Registration is **not** paid on a travel request form.
3. When completing the purchase order for registration, state the date of the conference, number of attendees, and names of attendees in the body of the requisition.
4. Attachment must include **two copies** of each person's registration; one copy for the vendor and one copy to file with payment records. Use an attachment form and note the purchase order number prior to sending to the Finance Office.
5. **No** registration will be processed until the attachment is received.
6. Registration is paid in advance of the conference and is sent directly to the vendor of the conference.

C. Employee Travel—Extended Stay

1. Use district travel form.
2. Allow 10 days for processing.
3. Always attach backup: copy of registration, conference, agenda, etc.
4. State date and time of departure as well as return
5. Registration must be paid from a purchase order and will **not** be paid on travel.
6. Account code must be clearly listed on travel form.
7. All signatures must be present for payment to be considered.
8. Provide employee with Hotel Occupancy Tax/Sales Exemption Form.
9. Mileage is paid on **Re-Cap Only**. No exceptions. Mileage is paid from campus location unless travel is originated directly from home address.
10. **The expectation is that one car is used for mileage reimbursement**, and those individuals traveling to the same event are to carpool when possible.
11. Use of school vehicles is mandatory unless one is not available.
12. Original hotel receipt must be returned with recap. Online sources are not acceptable.
13. Parking and other miscellaneous expenses will be paid upon returning the receipts and accompanied by recap.
14. Travel must be recapped within five business days of return.
15. Phone calls are not a reimbursable expense.
16. Do not send cash through interoffice mail.

D. One Day Trips

1. Trips in which travel (leave and return) is in the same day are considered **One Day Trips**. When preparing a travel request for a One Day Trip, use the following guidelines:
 - a) Prepare Travel Request and obtain all the necessary signatures
 - b) State date and time of departure and return as well as destination
 - c) All receipts for meals **must** be kept in order to receive reimbursement. The amount will be up to but not in excess of the allotted amount.
 - d) Turn in any toll road or parking receipts, as well as mileage.
 - e) Complete travel reimbursement form; attach all receipts.
 - f) Employee must sign as well as Principal/Director; turn in for payment.
 - g) Allow 10 days for processing
 - h) Registration is to be paid on purchase order to conference/event only and will not be reimbursed to employee.
 - i) Travel Request forms and purchase orders must be approved by the employee's supervisor.
2. **One Day Trips are only reimbursed after the fact, and only with original receipts.**

E. Student Travel Guidelines

1. Use only Student District Travel Form.
2. Attached documents must include a list of students.
3. Travel must state date and time of departure and return.
4. Always include a copy of registration, itinerary, and list all other activities.

5. Registration must be paid on a purchase order, and will **not** be paid on travel request.
6. Account code must be clearly written on travel form.
7. All signatures must be present in order for travel to be considered for payment.
8. **All** hotel expenses are to be paid by purchase order. Original hotel receipt must be returned with recap.
9. Phone calls, internet services, and movies are not reimbursable expenses.
10. Students attending an overnight trip must be approved by the Superintendent.

F. Dalhart ISD Bus Service Guidelines

1. A request for Dalhart ISD Bus travel must be submitted by the campus/department one week prior to the trip in writing or by calling the transportation department.
2. Cancellations require a 24-hour notice via e-mail to the Business Office and transportation department. For weather-related cancellations, travel dates will be rescheduled according to availability and preferences of requesting campus/department. If rescheduling is not an option, funds will be returned to the appropriate account.

G. Leased and Charter Vehicles

1. Lease and Charter reservations will **not** be valid until the vendor has accepted the - Dalhart ISD purchase order.
2. Vendor **must** be contacted to confirm availability and cost, and if both parties agree on the services to be provided, a confirmation number must be obtained to reserve the request information until the purchase order is received.
3. Campus-appointed staff must follow ALL Purchasing procedures to schedule, change, or cancel lease/charter reservations.
4. Damages, cleaning fees, parking fines, traffic violations, and/or all other additional costs are the responsibility of the campus/department.
5. Accounts Payable **must** receive:
 - a) Any and all lease documents, signed by the appointed driver.
 - b) Documentation of any additional fees not included on the purchase order.
 - c) Documentation and explanation of any incidents that occurred while in possession of the vehicle.

Lease Vehicles ONLY

6. **ONLY** Dalhart ISD full-time employees may drive lease vehicles. Students, parents, and/or non-employees may **NOT** drive lease vehicles.
7. Additional insurance coverage should be purchased from the leasing company for liability purposes (minimum state requirement).
8. Vehicles should be returned with the same fuel level as when they were received to avoid additional refueling charges.

H. Vendor Guidelines

1. Without a purchase order, either faxed or mailed, there is no valid reservation.
2. Weather-related cancellations and/or “short notice” changes may be confirmed with the vendor, but this does not guarantee dismissal of cancellation fees.

3. All invoices and supporting documents must be mailed to Accounts Payable at the address on the purchase order, no exceptions.

Dalhart ISD

Finance Procedures Manual

Section III

Payroll/Human Resources

Payroll and Human Resources is a very important and large section of information and can be viewed by logging into RSCCC software HUMAN RESOURCES tab and clicking on the HELP topic in the tool bar and be viewed by section or printed by section and is updated continually with RSCCC updates. (Currently this section is 524 pages in length and therefore not appropriate to insert into this document.)

Dalhart ISD

Financial Procedures Manual

Section IV

APPENDIX