

**Ganado I.S.D.**  
**Business & Central Office Divisions**

**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 Division's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

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

- CFO/Business Manager
- Payroll Clerk
- Federal Grants/Special Programs Director (Accounting, Purchasing, Accounts Payable)

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

## Business Division Annual Deadlines

- ❑ A Business and Payroll Annual Deadlines will be posted on the Business Webpage every year. This list of daily, weekly, monthly, or yearly deadlines has been established to ensure that we receive documents on a regular, timely basis.
- ❑ Each Business Division staff member shall monitor the submission of required documents [in their respective area of responsibility] by the established deadlines. If a campus/department fails to meet a deadline, an email shall be sent to the originator of the document as a reminder within 5 business days of the missed deadline.
- ❑ If the respective campus/department does not submit the document(s) within 10 business days of the deadline, the Superintendent shall be notified via email.

## Accounts Payable Functions:

- ❑ Accounts payable checks should be processed on a weekly basis for release by Friday afternoon, 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 should not be made from statements.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order [accounts payable copy], and receiving copy
- ❑ If no discrepancies exist, the check payment should be entered into the finance system.
- ❑ If a discount is offered by the vendor for early payment, the payment should be processed within the allotted time if the goods have been received and their receipt has been verified by the originating campus or department.
- ❑ All invoices should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ If a discrepancy exists, the appropriate campus/department or vendor should be notified to reconcile the difference(s)

- ❑ All invoices that do not exceed the purchase order amount by more than \$100 [excluding freight charges] may be entered into the finance system for payment without authorization from the department for which the purchase was made.
- ❑ All invoices that exceed the purchase order amount by more than \$100 [excluding freight charges] should be verified with the department for which the purchase was made.
- ❑ The Business Manager and Superintendent should approve all payment authorizations.
- ❑ Recurring invoices such as utilities, monthly rentals, payroll deductions, etc. should be entered into the finance system for payment as noted below:
  - ❑ Utilities: A copy of all utility invoices shall be forwarded to Business Manager for approval. After approval, the invoice(s) shall be entered into the finance system.
  - ❑ Copiers: All charges shall be reconciled with meter readings
- ❑ All travel authorizations and settlements should be forwarded to the Business Manager for approval.
- ❑ All construction payments to general contractors shall be approved by the Maintenance Director, the Business Manager and the Superintendent.
- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur. If payment is made from a copy, the copy shall be stamped "original".
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ A check payments report should be printed for review and approval by the payroll clerk or administrative assistant. The check payment report shall be accompanied by all payment documentation in alpha order.
- ❑ The Business Manager shall approve all check payments with oversight by the payroll clerk or administrative assistant.
- ❑ All checks should be endorsed by the data processing specialist or other staff member. The signature plates shall be maintained by the Business Manager. An encrypted file (containing encrypted signatures of the Board President and Secretary) shall be maintained by the Ascender Database and the Business Manager. The depository bank shall be notified via new signature cards when changes occur in the authorized signers.
- ❑ The Business Manager shall maintain a log of all checks endorsed.
- ❑ The Business Manager and payroll clerk or administrative assistant shall verify that all checks have two (2) board signatures prior to releasing the checks to vendors.
- ❑ All "paid" check copies should be filed in alpha order by vendor last name or company name.
- ❑ The Superintendent or Business Manager if the superintendent is unavailable shall pre-approve all "emergency" checks.
- ❑ Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved, and reconciled statements should be filed for a period of 60 days, and then discarded after the administrative value (AV) period.
- ❑ All returned purchases should be coordinated by the department making the purchase and the Business Manager
  - ❑ Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district
  - ❑ All check copies for items returned to the vendor should be kept in a pending file until receipt of the replacement items.
  - ❑ If replacement items are not received within a 60 day period, a demand for a refund should be forwarded to the vendor. The Business Manager shall be notified if the vendor has not complied with the 60 day timeline.

- ❑ Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Partial payments should not be made unless prior arrangements have been made with the vendor.
- ❑ All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- ❑ Checks shall not be issued to “Cash” or “Bearer”.
- ❑ All check stock shall be maintained in a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two (2) month supply of checks is on hand.
- ❑ At fiscal year-end, the Business Manager shall prepare a report of all Accounts Payables as of June 30<sup>th</sup>.

## Accounts Receivable Functions:

- ❑ The Business Manager shall track all monies owed to the district, i.e. receivables. Receivables that known and measurable shall be posted to the general ledger by the Business Manager.
- ❑ Funds due from one district fund to another shall be posted to the appropriate fund and account code as noted below:
  - Due from General Fund 1261
  - Due from Special Revenue Fund 1262
  - Due from Capital Projects Fund 1264
  - Due from Student Activity Fund 1267
- ❑ 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 Collection Procedures and Collection Form shall be utilized by campuses/departments to collect monies owed by parents or students. The 1<sup>st</sup> through 5<sup>th</sup> notice will be handled by the campus/department up through the Superintendent. Upon receipt of a “Final” notice, the amounts owed shall be recorded on the general ledger. The Business Manager shall generate a JV. After approval, the JV shall be posted by the Business Manager.
- ❑ At the end of each month, the Business Manager 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 the end of the fiscal year, all amounts owed to the district shall be reconciled [as of 6/30/XX] between the general ledger and a detailed spreadsheet as noted above.
- ❑ The Business Manager shall oversee the reconciliation of the due from accounts on a monthly basis and at the end of the fiscal year.

Invoices:

- ❑ The Business Manager shall create invoices, as appropriate, in the Ascender system to seek reimbursement from a vendor or other source. The invoices shall be approved by the Superintendent.
- ❑ After approval, the Business Manager shall print and distribute the invoice.
- ❑ The Business Manager shall maintain a copy of all invoices and/or anticipated refunds on an Accounts Receivable spreadsheet.
- ❑ The following information shall be maintained: amount, date of invoice, payee, and date amount received.
- ❑ At fiscal year-end, the Business Manager shall prepare a report of all Accounts Receivables as of June 30<sup>th</sup> and submit the report for audit purposes.

## **Cash Management & Investments:**

### **Bank Deposits and Cash Balances**

- ❑ All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the administrative assistant, payroll clerk, or Business Manager 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 district central office staff member should deliver all deposits to the bank.
  - ❑ The bank deposit receipt should be forwarded to the Business Manager or administrative assistant 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 Business Manager for audit purposes.
- ❑ Notices of checks which were not deposited due to "insufficient funds" shall be received by and processed by the Business Manager or administrative assistant.
  - ❑ A form letter should be prepared and sent by the Business Manager to all makers of rejected checks. The established fee for rejected checks shall be noted on the form letter.
  - ❑ A JV or Cash Receipt Reversal shall be prepared by the Business Manager to record the returned deposit.
- ❑ All cash transfers between cash and investment accounts will be initiated by an investment officer and posted by the Business Manager.
- ❑ All other cash withdrawals from a bank account such as ACHs or wire transfers will be initiated by the Business Manager or Payroll Clerk and posted to the general ledger by the Business Manager
- ❑ All electronic deposits to the bank accounts, such as state aid or impact aid payments, shall be coded by the Business Manager and posted to the general ledger on a monthly basis.
- ❑ All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the Business Manager for receipting and depositing purposes.
- ❑ All travel reimbursements to the district shall be submitted to the respective campus by the traveler, and then forwarded by the campus secretary/bookkeeper to the Business Manager for receipting and depositing purposes. The Business Manager shall post the deposits to the general ledger.
- ❑ A Daily Available Cash Balance report shall be prepared by the Business Manager.
  - ❑ Excess cash shall be transferred to an investment account and future cash shortfalls shall be transferred from investment accounts to the appropriate bank account.

#### Bank Reconciliation:

- ☐ Bank statements will be received via electronic banking..
- ☐ The Business Manager, Payroll Clerk, and Administrative 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 monthly check register or posted on the general ledger via general journal
  - ☐ All interest earnings should be posted on the general ledger via general journal
- ☐ Endorsements on cleared checks should be checked on a periodic basis or at least for those items that appear suspect.
- ☐ The Ascender database reports shall be used to reconcile all bank accounts.
- ☐ The Business Manager shall review and research checks that have remained outstanding for a period of six (6) months. If the lost checks are not claimed within twelve (12) months, the outstanding checks should be reversed on the general ledger and voided. The Business Manager shall prepare the JV for posting to the general ledger. The State of Texas Unclaimed Property guidelines shall be followed to submit the unclaimed funds.
- ☐ The on-line banking system should be utilized on a daily basis by the Business Manager to monitor cash flow in and out of the bank accounts.

#### Investment Functions:

- ☐ The Superintendent shall review the investment policies and strategies and recommend changes to the School Board on an annual basis. Recommended changes, if any, shall be adopted by the School Board by formal action during a regularly scheduled board meeting.
- ☐ All investment officers shall be designated by the School Board and shall attend the legally required training through an approved source of instruction.
- ☐ All investment officers shall execute a "Statement of Compliance" indicating that they will maintain independence in all investment transactions.
- ☐ The Business Manager 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 fax quotes.
- ☐ 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 Business Manager.
- ☐ All investment transactions shall be posted on at least 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 Business Manager.

## Fixed Asset Functions:

- ☐ The Business Manager shall maintain an up-to-date database of all fixed assets.
- ☐ Upon receipt of a Fixed Asset Transfer form, the Business Manager shall post the change to the database and file the form for audit purposes.
  - ☐ All fixed assets transferred to the Warehouse as surplus or salvage shall be tracked on the database.
  - ☐ 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 database.

### Monthly Reconciliation:

- ☐ All equipment with a unit cost over \$5000 (account codes 663X) should be tagged, posted in the Fixed Asset System and posted to the general ledger. These items are defined as fixed assets for audit purposes.
- ☐ All equipment with a unit cost over \$500 **and** equipment such as Chromebooks, TVs, VCRs, DVDs, PDAs, camcorders, and digital cameras should be tagged and posted in the Fixed Asset System for inventory purposes.
- ☐ All inventory and fixed asset items shall be tagged by the Technology Department upon receipt before delivery to the campus or department.
- ☐ A capital outlay report shall be generated at the end of each month by the Business Manager.
- ☐ All items on the capital outlay report shall be reconciled with the new inventory and fixed asset items tagged during the yearly inventory scan.
  - ☐ The total 663X expenditures should be added to the fixed asset system and general ledger.
  - ☐ The total 664X expenditures should be added to the fixed asset inventory system.
- ☐ The Transportation Director shall prepare all Application for Vehicle, Title, and License Plate forms for all new vehicles purchased by the district. The forms shall be submitted to the Business Manager e for approval and signature of all forms.
  - ☐ The Transportation Director shall submit the forms to the Jackson County Tax Office for processing.
  - ☐ The Business Manager shall notify the auto insurance carrier of the new vehicles.
- ☐ All construction expenditures should be maintained in the Ascender Database.
- ☐ All inventory and fixed asset relocation forms received from campuses and departments shall be entered in the fixed asset system upon receipt.
- ☐ All inventory or fixed asset items purchased with federal grants should be tagged and the appropriate federal grant indicated on the item.
- ☐ The disposal of assets via surplus sales, stolen, or lost assets shall be recorded in the fixed asset system.
- ☐ The inventory and fixed asset schedules maintained in the fixed asset system should be used to purchase property and casualty insurance.

### Annual Reconciliation:



- ❑ Annually, by April 1<sup>st</sup>, a list [sorted by room #] of all inventory and fixed asset items should be sent to each campus and department for reconciliation purposes.
- ❑ The reconciliation process should be complete by May 1st, and all changes posted on the fixed asset system soon thereafter.
- ❑ All discrepancies and/or missing items should be compiled in a summary report and forwarded to the appropriate campus and/or department administrators.
- ❑ The staff members (teachers) should not be released for the summer until all missing items have been accounted for.
- ❑ A list of all fixed assets (over \$5000 unit cost) should be prepared by July 15<sup>th</sup> for audit purposes.
- ❑ A list of all construction assets should be prepared by July 15<sup>th</sup> for audit purposes. The list should include all “construction in-progress” through June 30<sup>th</sup>, including accounts payables and retainage.

#### **Fixed Asset Disposal:**

- ❑ All efforts will be made to obtain the best return value to Ganado ISD and consideration will be made to responsible protection of our environment.
- ❑ Ganado ISD identification will be removed from items as part of the sales process. Any items that might contain data or any association with Ganado ISD will be cleared or disposed of in a manner that ensures the data is destroyed (example: hard drives will not be sold, but would be destroyed to prevent any possible data recovery).
- ❑ The follow 3 steps would be the method of disposal.
  - ❑ Garage type sale. Generally standard items will have a sale price establish on the disposal list that will serve as the garage sale price. Other unique items will have a starting minimum price as established on the disposal list, but will be sold on a silent auction basis.
    - Two types of items will be identified – standard and unique.
    - Preset prices will be established for “standard” item as shown on the approved disposal list. A few items will be marked as “unique” and will be sold using a silent bid format with the last and highest bid being the sales price as long as it exceeds the minimum value.
    - The unique items sale price will be the last highest price as reflected on the item bid sheet at the close of the sales day.
    - Employees have a preview to see what is for sale and to identify items that may have some instructional value for re-use in their classrooms and/or offices
    - Employee pre-sale sale 1 day prior to the public sale
    - Public sale for a designate period of time
    - All prices on standard items, as posted on the disposal list, will be in effect until 1 hour prior to the close of the sale at which time the prices may be reduced by 50%.
    - Unsold items that are suitable for sale shall be retained in storage for the next surplus sale.
  - ❑ Recycling. Items that are not sold during the garage sale will be disposed through recycling if possible.
  - ❑ Trash – Items that are not disposed of through recycling will be considered trash and disposed of as trash.
- ❑ All surplus sales shall be advertised via email and the Jackson County Herald Tribune, as appropriate.

- ☐ All items disposed of shall be removed from the FAMP system by the Business Manager.
- ☐ The Business Manager shall reconcile and deposit all monies collected at the surplus sale.
- ☐ All surplus revenue shall be deposited to a miscellaneous revenue account in the General Fund (199), with the exception of surplus revenue from the sale of Food Service equipment which shall be deposited to the Food Service Fund (240).

## **General Ledger Maintenance Functions:**

- ☐ All general journals [except system-generated Payroll general journals] should be approved by the Business Manager.
- ☐ The Payroll Clerk shall prepare and submit all manual payroll general journals to the Business Manager for approval.
- ☐ All other payroll general journals shall be interfaced to the finance system by the Payroll Clerk.
- ☐ All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable.
- ☐ Within 10 days after the end of the month, the Business Manager shall print and verify all end-of-month reports and the end-of-month posting processed in accordance with the Finance EOM Checklist.
- ☐ The Business Manager shall prepare the School Board Reports [Financial Statement, Combined Funds Report, and a detailed Check Payments report for the previous month and forward to the Superintendent for board approval.
- ☐ The Business Manager shall file all finance reports for audit purposes to include:
  - ☐ Cash Journal
  - ☐ General Journal
  - ☐ Check Payments & Check Register
  - ☐ Detail General Ledger
- ☐ A capital outlay report [all 66XX accounts] should be printed by the Business Manager.
- ☐ The Business Manager shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.
- ☐ The Superintendent 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 Business Manager and posted.

## **Grants and Entitlements:**

- ❑ All grant applications shall be prepared and submitted by the Federal Grants Director with approval from the Superintendent. A copy of all grant applications shall be forwarded to the Business Manager for accounting and budgeting purposes.
- ❑ All grant awards [including the NOGA] shall be maintained by the Federal Grants Director.
- ❑ The Business Manager shall coordinate the budgets received from grant administrators and/or campus principals to ensure compliance with grant award documents.
- ❑ The Business Manager shall prepare the grant budget in accordance with the grant requirements and post to the general ledger.
- ❑ The Federal Grants Administrative shall prepare and submit all grant program reports such as evaluations.
- ❑ Grant reporting timelines shall be monitored by the Business Manager and Federal Grants Director and all financial reports prepared and submitted via paper form or electronic submission in accordance with grant requirements.
- ❑ The Business Manager 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 Business Manager on a monthly basis and monitored by the Federal Grants Director.

## **Payroll Functions:**

### **Salary Calculations:**

- ❑ The Payroll Clerk should determine the placement of professional [except for administrative staff] and support staff on the pay scale.
- ❑ The placement of administrative staff on the pay scale will be recommended and approved by the Superintendent.
- ❑ The Administrative procedure for placement on a pay scale should be utilized for all staff.
- ❑ The Payroll Clerk shall verify the years of experience for pay purposes as calculated by Human Resources.

### **Leave Processing:**

- ❑ All employees should complete an absent from duty form and/or AESOP absence tracking for all absences. Effective 2009-10, 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 Payroll Office each Monday morning.
- ❑ Ensure that all absent from duty forms are signed by employee and approval signature of campus/department administrator.
- ❑ Leave information shall be entered [and/or uploaded] into the Payroll system (Ascender) by the Payroll Clerk for all absent forms received on a timely basis.
- ❑ Verify all leave transmittals entered into Payroll system is correct before posting to master file.
- ❑ A Leave Status Report shall be filed with the appropriate payroll pay date reports.

- ☐ A Leave Status Report will be provided to the campus/department administrator each pay period for information and file purposes.
- ☐ Processed absent from duty forms will be filed in employees' individual payroll files.

**Direct Deposit:**

**(Payroll)**

- ☐ All employees' (including substitutes) payroll wages will be direct deposited by ACH each payday.
- ☐ The Payroll Clerk will ensure that the bank table within the Ascender 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 Clerk will review and oversee the preparation and submission of the payroll ACH transmit.
- ☐ The ACH verification information form shall be attached to ACH file source document.

**(Deductions)**

- ☐ The Payroll Clerk will reconcile and verify payroll deductions to be sent via ACH (see procedures for deduction transmittals) and will also send reconciled deduction file via e-mail
- ☐ A Journal Voucher for the amount of any overages or shortages due to adjustments will be prepared and submitted to the Business Manager for approval and posting to the general ledger.
- ☐ Verification Information Form will be attached to ACH file source document and filed.

**Supplemental/Overtime Pay:**

- ☐ All supplemental payments will be paid from a supplemental payment form.
- ☐ Campus administrators will complete and approve the supplemental payment form. Payment information will include:
  - ☐ Employee Name
  - ☐ Reason for supplemental pay and amount
  - ☐ Budget code
  - ☐ Date employee worked
  - ☐ Amount to be paid
  - ☐ Employees signature & date
  - ☐ Campus administrator approval & date
- ☐ The Payroll Clerk will review and enter all overtime and supplemental payments.
- ☐ Board approved stipends shall be pro-rated with their regular monthly salary. Exceptions, if any, to the payment date shall be approved by the Superintendent. Pre-approved exceptions include:
  - ☐ Other activities that end in the fall and/or first semester may be paid upon completed of the activity (such as UIL).

**Payroll Submission:**

- ❑ The Payroll Clerk shall ensure that all payrolls (Monthly) are processed and submitted to the depository bank at least 2 days before pay date.
- ❑ The Payroll Clerk shall input and/or interface (from Uattend 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. This form will be attached to the top of the “verified” Transmittal Reports, Leave Transmittal Reports and the Payroll Control Listing.
- ❑ Payroll reports for each payroll processed should be filed for audit purposes to include:
  - ❑ Payroll Journal
  - ❑ Account Distribution
  - ❑ Bank Account Listing
  - ❑ Deduction Register Report
  - ❑ Check Register
  - ❑ Calendar & School Year to Date Reports
  - ❑ Workers Comp Reports
  - ❑ Gross Pay/FICA Distribution Reports
  - ❑ Leave Days Posted Report
  - ❑ 1 set of Employee Wage and Earnings Statement sent electronically via email to each employee and one set filed electronically
  - ❑ Report shall be prepared in a PDF format and filed electronically.
  - ❑ All reports shall be filed on the Payroll Shared Files folder for access by the Business Manager.

#### **Quarterly/Annual Functions:**

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

#### **Journal Vouchers and Employer Tax Payments:**

- ❑ A Payroll General Journal Report shall be created after every payroll and a General Journal Voucher that has been approved by the Payroll Clerk will be prepared and submitted to the Business Manager for posting to the general ledger.
- ❑ Payroll employer taxes will be called into the EFTPS at least 1 day before each pay date and a Journal Voucher that has been approved by the Payroll Clerk will be prepared and submitted to the Business Manager for posting to the general ledger. A copy of the General Journal Report, the Journal Voucher

and the EFTPS will be filed in the 941 Information Folder and the originals will be filed for audit purposes.

- ☐ All payroll journals created by the Payroll Clerk shall be approved by the Business Manager and posted to the general ledger.

**Payroll Deductions:**

- ☐ The Payroll Clerk shall enter the payroll deductions for each employee into the ASCENDER payroll system.
- ☐ Reconcile and ensure that all payroll deductions are correct before submission of payroll.
- ☐ Reconcile all payroll deductions to billings and post amounts to Monthly Checklist for Checks.
- ☐ Prepare and submit to the Business Manager a Check Payment Voucher for deduction payments of Dental, Life, United Way, Child Support, Professional Dues, Vision.....
- ☐ Deduction checks with billings to the appropriate vendor upon receipt of the checks will be mailed by the Payroll Clerk.

**Updates:**

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

**TRS Reporting:**

- ☐ The Payroll Clerk shall prepare and submit all TRS reports via the Internet.
- ☐ Before the 6<sup>th</sup> of each month, the Payroll Clerk shall prepare the TexNet form and submit via TexNet the amount due to TRS and TRS-ActiveCare Health Insurance.
- ☐ The Payroll Clerk shall approve and submit a TRS general journal to the Business Manager 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 Business Manager shall review and/or approve all TEAMS report submissions.
- ☐ Adjustments to the monthly reports shall be explained in a written letter to TEA and signed by the Business Manager or Superintendent.

**TRS Retirement Procedures:**

- ☐ The Payroll Clerk 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 Clerk.
- ☐ Employees retiring at the end of their work calendar should receive their final pay check and benefits as follows:

- ❑ 10 – Month employee’s final check in June if retiring through TRS in May. (Exception would be made if their work schedule extends into June more than 6 workdays. The employee must have enough available leave to cover any absences. If this exception applies, then a final check would be paid in May.) The Dental, Vision and Health Insurance will end August 31<sup>st</sup>
  - ❑ 11 – Month employee’s final check in June (as long as the employee has completed their work calendar by June 15<sup>th</sup>). Dental, Vision and Health Insurance will end August 31<sup>st</sup>
  - ❑ 12 – Month employee’s final check in July if retiring with TRS in June (term completed by June 30<sup>th</sup>). Dental, Vision and Health Insurance will end August 31<sup>st</sup>
  - ❑ All other payroll deductions will end the last day of the month in which you resign.
- ❑ Employees retiring at the end of their work calendar will be subject to payoff dates that are in accordance with normal pay period cycles. The dental, vision and health insurance coverage will lapse at the end of the retirement month.

## **Personnel Functions:**

- ❑ A Personnel Checklist – Pre Employment should be utilized to ensure that all staff recommended for employment has passed all pre-employment criteria such as references, fingerprinting, criminal background, certification/licenses [if applicable], prior employment, and nepotism prior to Superintendent and/or Board approval.
- ❑ The Payroll Clerk shall properly 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 Superintendent within five (5) days of the employment or status change and submitted to the Payroll Clerk.
- ❑ The action form should include the total years of experience for all new staff, which will be cross-checked by the Payroll Clerk. Discrepancies, if any, will be jointly resolved by both.
- ❑ The Superintendent Admin. Asst. shall prepare and maintain an up-to-date employment file for all employees to include:
  - ❑ Application, resume, credentials [transcripts/licenses], etc.
  - ❑ SBEC Certification, if appropriate
  - ❑ Evaluations
  - ❑ Disciplinary actions
  - ❑ Service Records
  - ❑ Job Description
  - ❑ Contracts
- ❑ A Personnel Checklist – Post Employment should be utilized to ensure that all new staff submits all legally required documents within 30 days of employment.
- ❑ All new employees shall be entered into the HR system [ASCENDER] by the Payroll Clerk 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 [ASCENDER] by the Payroll Clerk.

- ❑ Separate files should be maintained by the Payroll Clerk for the following items:
  - ❑ References
  - ❑ Criminal History verifications
  - ❑ Medical Records, Requests for FMLA, Workers Compensation, and Temporary Disability
  - ❑ I-9 Forms
  - ❑ Alcohol & Drug Testing
- ❑ The Superintendent 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 Superintendent Administrative Assistant should utilize TASB's Work Site Posting Inventory template to verify that all campuses and departments have posted the state and federal required employment posters.
- ❑ All legally required posters for applicants shall be posted in the Administration lobby and the HR Webpage with the on-line application.

#### **Criminal History Record Information Requests (CHRI):**

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

## **Purchasing Functions:**

#### **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 ASCENDER requisition system.
- ❑ The procedures for electronic purchase orders should be followed.

#### **Purchase Orders (Electronic System – ASCENDER)**



- ❑ User profiles should be created in the ASCENDER 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 Business Manager and the Superintendent.
- ❑ Approval paths shall be established which will dictate the electronic flow of the purchase order. The Superintendent and/or the Business Manager 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 forwarded separately to the Business Manager with the requisition number clearly noted on the documentation
- ❑ If a vendor does not exist in the finance system, the Business Manager should add the vendor with all appropriate information such as: vendor name, SSN or TIN, address, phone, W-9 information, and 1099 eligibility after receipt of the W-9 Form, CIQ and Felony Conviction Form (if appropriate) from the campus. [If a W-9 is not submitted with the purchase order, a form should be mailed or faxed to the vendor. After receipt, the vendor tax information should be entered into the vendor database. Payments for services should not be made until the W-9 is received.]
- ❑ Ensure that item(s) do not exceed bidding and/or quoting thresholds. If quotes were obtained, the quotes should be attached to the purchase order. If bids were obtained, a tabulation sheet should be attached to the purchase order.
- ❑ All purchase orders that exceed \$50,000 individually, or cumulatively must reflect the bid number, purchasing Co-Op contract number, etc. to document that the purchase meets the state purchasing laws.
- ❑ All purchasing contracts, that exceed \$25,000, must be approved by the Board of Trustees. If appropriate, the Business Manager shall submit an agenda item for the next regularly scheduled meeting to the Superintendent.
- ❑ The approver may approve the entire requisition, or approve/disapprove line items.
- ❑ The final approval will be the Superintendent and/or Business Manager.
- ❑ After the approval of the Superintendent and/or Business Manager, the purchase orders will be printed and distributed to vendors via email, fax or US mail. Mailing of POs shall be the last resort if the other methods are not available.
- ❑ Copies of the purchase order will not be distributed to the schools since they can review and track purchase orders on-line.
- ❑ Throughout the fiscal year and at June 30<sup>th</sup>, 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 Business Manager shall print an Aged PO report on at least a monthly basis. All POs greater than 90 days shall be cleared, as appropriate.

## **Receiving Functions:**

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

- ☐ The quantity of items received shall be entered on the ASCENDER receiving system.
- ☐ If the order includes inventory or fixed asset equipment, the appropriate “tag number” should be affixed to the equipment by the Technology Department.
- ☐ 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 by the custodial staff.
- ☐ The signed, receiving copy should be forwarded to the Business Manager for payment to the vendor.
- ☐ At the end of the month, the Business Manager shall generate and review an Aged Purchase Order report [over 60 days].
- ☐ All orders that have been outstanding for more than 60 days should be researched and cancelled, if appropriate, by the Business Manager. All order cancellations should be relayed to the campus/department and the Business Manager.

## Travel Expenditures

### Travel Authorization Forms:

- ☐ All staff wishing to travel away from work shall enter a trip request using the Travel Request Form. Campuses and departments shall forward all travel authorization forms to the department secretary. After approval by the Campus Principal/Department Administrator and/or Business Manager, the travel authorization forms shall be routed to the Superintendent for approval.
- ☐ Upon approval by the Superintendent, all travel requisitions are routed to the Business Manager. The Business Manager shall make a copy of the travel authorization for each vendor payment and file accordingly.
- ☐ The campus/secretary 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 Business Manager.
- ☐ 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.
  - ☐ Meals, Lodging and other Expenses: Payable to the traveler for encumbrance purposes only.
- ☐ The Business Manager shall match the travel authorization form with the on-line requisition(s) submitted for the various vendors, i.e. traveler, registration fees, field trip entry fees, lodging, etc.
- ☐ The Business Manager shall approve all travel requisitions if the following criteria is met, otherwise the campus/department shall be notified to correct the deficiency.
  - ☐ Ensure that all travel authorizations are signed by the appropriate administrator (principal/director)
  - ☐ Ensure that funds are appropriate to the expense, i.e staff travel to 6411, student to 6412, etc.
  - ☐ Ensure that the travel dates, description of training, and city/location are noted on the travel requisitions.
  - ☐ Ensure that all travel with state and federal grants comply with the TEA guidelines related to allowable costs (TEA Website: Grant Management Resources).
  - ☐ Ensure that all travel expenditures comply with the district’s Travel Guidelines for Employees.
- ☐ All check advances should be processed through and posted to the finance system.

- ☐ Payments for registrations shall be made upon receipt of supporting document that reflects the registration cost.
- ☐ 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 Settlement Form is received.
- ☐ All travel advances not settled within 30 days shall be follow-up with the traveler. If the traveler does not respond or timely submit the documentation, the travel advance shall be processed through payroll, taxed, and deducted from the employee’s pay. The Business Manager shall notify the Superintendent immediately when the 30-day deadline has not been met by a traveler.

## **Vendor Maintenance:**

- ☐ All vendors shall be approved for addition to the vendor database in Ascender. The Business Manager shall verify that all required vendor documents are on file prior to adding the vendor on the vendor database. The required vendor documents include:
  - ☐ W-9 Form (signed and fully completed)
  - ☐ Conflict of Interest Questionnaire (signed and fully completed)
  - ☐ Felony Conviction Notice (signed and fully completed)
  - ☐ Vendor Application form
- ☐ The Business Manager shall add the vendor in the database. 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.

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

#### **Consequences for Inappropriate Behavior (zero tolerance)**

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

#### **Notification/Communication of fraudulent activities:**

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

#### **Training:**

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

#### **Records Management & Security of Data**

- ❑ All finance records are the property of Ganado ISD and should be maintained in accordance with the established Records Retention Schedule
- ❑ ASCENDER 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 Business Manager

## Acknowledgement of Receipt

Name \_\_\_\_\_

Position \_\_\_\_\_

I hereby acknowledge receipt of the 2022-2023 Ganado ISD Internal Control Procedures. I agree to read the procedures and abide by the processes and procedures defined or referenced in this document.

The information in this procedural manual is subject to change. I understand that changes in district policies may supersede, modify, or eliminate the information summarized in this procedural manual. Changes, if any, may be provided by the Business Manager through the fiscal year.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Note: Please sign and date and forward it to **the Business Manager**.