

# ACCOUNTING

## ACCOUNT CODE STRUCTURE

Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform with Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process, and to determine educational system costs by school district, campus and program. The Texas Education Code, Section 44.008, required each school district to have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit must include the performance of the certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through the Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district's fiscal data to be reported through the PEIMS system for the fiscal period under audit. A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

## BASIC SYSTEM CODE COMPOSITION

A complete listing of all revenue and expenditure codes is included at the end of this section.

### **1. 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 digit specifies the fund. Fund group 100 is for locally controlled funds, primarily the General Fund. Fund groups 200 – 400 is for various federal and state grant programs. Fund group 500 is for debt service funds to repay bonded debt. Fund group 600 is reserved for capital project funds (bond money). The 700 series is for various internal service funds. The 800 series is for scholarship funds and clearing accounts. The 900 funds are for recording long-term fixed assets and long term debt.

### **2. Function Code**

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

### 3. 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.

- a. Asset codes – 1XXX series
- b. Liability codes – 2XXX series
- c. Fund Equity codes – 3XXX series
- d. Encumbrance control – 4XXX series
- e. Local Revenues – 57XX series
- f. State revenues – 58XXX series
- g. Federal revenues – 59XX series
- h. Payroll expenditures – 61XX series
- i. Contracted services – 62XX series
- j. Supply accounts – 63XX series
- k. Other misc. costs – 64XX series
- l. Debt payments – 65XX series
- m. Capital Outlay costs – 66XX series
- n. Transfers in/out – 79XX / 89XX series

### 4. Sub-Object Codes (Optional Codes 1 & 2 – for local use)

A 2-digit code is for optional use to provide special accountability at the local level. In West Orange-Cove CISD, many of the sub-object codes are used in Activity and Agency Fund groups, with some being utilized sparingly in the General Fund or other fund groups.

### 5. Organization Code

A mandatory 3-digit code identifying the organization, i.e., high school, middle school, elementary school, Superintendent's office, etc. is required. 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.

### 6. Fiscal Year Code (Non-General Operating & Food Service)

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project. Example: For the 2009-10 fiscal year of the school district, a 0 would denote the fiscal year.

### 7. 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 necessarily the demographic makeup of the students served.

## **8. Option Code 3**

A single code that is used at the local option. West Orange-Cove CISD currently does not utilize this optional portion of the code. It is reserved for future use.

## **9. Budget Manager Code (Optional Codes 4 & 5)**

An optional 2 digit code that may be used by the district to further describe the transaction. In West Orange-Cove CISD, we use this portion of the code to designate the specific Budget Manager, and we have the capability of sorting general ledger data on this code for management reporting purposes. The Budget codes in WOCCISD are as follows:

### **a. Fund Codes**

197 DONATIONS  
198 TECHNOLOGY STARK FOUNDATION  
199 GENERAL FUND  
204 SAFE & DRUG FREE SCHOOLS  
205 HEAD START  
206 TEXAS MCKINNEY VENTO GRANT  
211 TITLE I, PART A  
224 IDEA PART B FORMULA  
225 IDEA PART B PRESCHOOL  
226 RESIDENTIAL FACILITIES  
240 FOOD SERVICE  
242 SUMMER FEEDING  
243 VOC ED TECHNICAL PREP  
244 CARL PERKINS BASIC GRANT  
247 ACHIEVE TX COLL  
255 TITLE II, PART A TPTR  
261 TEXAS READING FIRST K-3  
262 TITLE II, PART D TECHNOLOGY  
263 TITLE III, ESL  
265 CENTURY 21 GRANT  
266 ARRA TITLE XIV INNOVATIVE  
279 TECHNOLOGY  
283 ARRA IDEA PART B  
285 ARRA TITLE I, PART A  
286 IMPACT GRANT  
287 RESTART GRANT  
288 EXTENDED CHILD CARE  
289 SUMMER SCHOOL LEP  
394 PREGNANCY ED & PARENTING  
397 AP/IB CAMPUS AWARDS

401 EXTENDED YEAR PROGRAM  
404 ARI/AMI  
409 TX HS INIT TSTE  
410 TEXTBOOK KINDERGARTEN MATERIAL  
411 TECHNOLOGY ALLOTMENT  
414 TX ACCEL SCIENCE  
428 HIGH SCHOOL ALLOTMENT  
429 PRE K / MATH  
461 CAMPUS ACTIVITY FUNDS  
599 DEBT SERVICE  
695 2005 QZAB  
699 CAPITAL PROJECTS  
753 WORKERS COMPENSATION FUND  
865 STUDENT ACTIVITY FUNDS  
877 UNREIMBURSED MEDICAL  
898 PAYROLL FUND  
901 GENERAL FIXED ASSETS  
902 GENERAL LONG TERM DEBT

**b. Function Codes**

11 INSTRUCTION  
12 LIBRARY  
13 CURRICULUM & INSTRUCTIONAL DEVELOPMENT  
20 CURRICULUM & INSTRUCTION STAFF DEVELOPMENT  
21 INSTRUCTIONAL ADMINISTRATION  
23 SCHOOL ADMINISTRATION  
31 GUIDANCE & COUNSELING  
32 SOCIAL WORK SERVICES  
33 HEALTH SERVICES  
34 PUPIL TRANSPORTATION  
35 FOOD SERVICE  
36 CO-CURRICULAR ACTIVITIES  
41 GENERAL ADMINISTRATION  
51 PLANT MAINTENANCE & OPERATIONS  
52 SECURITY / MONITORING  
53 DATA PROCESSING  
61 COMMUNITY SERVICES  
71 DEBT SERVICE  
81 FACILITIES CONSTRUCTION  
91 CONTRACT INSTRUCTION  
92 RECAPTURE ASSOCIATED COST  
93 SSA PAYMENTS TO MEMBER DIST  
95 ALTERNATIVE EDUCATION PROGRAMS

96 PAYMENTS TO CHARTER SCHOOLS  
99 INTERGOVERNMENTAL ACTIVITIES

**c. Object Codes – Revenue**

**Local Revenues**

5711 TAXES – CURRENT  
5712 DELINQUENT TAX  
5719 PENALTY – INTEREST  
5722 REV. FROM MEMBER DISTRICT  
5729 LOCAL REVENUES  
5739 TUITION AND FEES  
5742 EARNINGS FROM INVESTMENT  
5743 RENTAL OF FACILITIES  
5744 GIFTS – DONATIONS  
5749 MISCELLANEOUS REVENUE  
5751 FOOD SALES  
5752 ATHLETIC ACTIVITIES  
5754 DISTRICT VEHICLE  
5755 RESULTS FROM ENTERPRISING SERVICES

**State Revenues**

5811 PER CAPITA APPORTIONMENT  
5812 FOUNDATION PROGRAM  
5819 OTHER FOUND SCHOOL PROGRAM ACTIVITY  
5829 MISC STATE REVENUE  
5831 TRS ON BEHALF  
5840 FEDERAL REVENUE DISTRIBUTED BY TEA  
5841 REV FROM MEMBER DISTRICTS

**Federal Revenues**

5921 SCHOOL BREAKFAST PROGRAM  
5922 SCHOOL LUNCH PROGRAM  
5923 USDA COMMODITIES  
5929 FEDERAL FUNDS FROM TEA  
5931 REVENUE SHARS (MEDICAID)  
5932 REVENUE MAC (MEDICAID)  
5949 HEAD START REVENUE

**d. Object Codes – Expenditures**

**Salary & Benefit Codes**

6112 SUBSTITUTE TEACHERS  
6118 INCREMENT / INCENTIVE / EXTRA DUTY  
6119 PROFESSIONAL SALARIES

6121 OVERTIME  
6125 SUPPORT STAFF SALARIES  
6126 SUBSTITUTE AIDE  
6129 SALARIES – SUPPORT PERSONNEL  
6139 TRAVEL EXPENSE / ALLOWANCE  
6141 MEDICARE MATCHING  
6142 MEDICAL / DENTAL / LIFE INS  
6143 WORKER’S COMPENSATION  
6146 TRS LOCAL CONTRIBUTION  
6149 SICK LEAVE PAYOFF

**Contracted Service Codes**

6211 LEGAL SERVICES  
6212 AUDIT SERVICES  
6213 TAX APPRAISAL – COLLECTION  
6217 CONSULTANTS  
6219 PROFESSIONAL SERVICES  
6221 STAFF TUITION & FEES  
6222 STUDENT TUITION PUBLIC SCHOOLS  
6223 STUDENT TUITION OTHER THAN  
6224 ATTENDANCE CREDIT PAYMENT  
6228 SPECIAL EDUCATION TRANSPORT  
6229 SCHOLARSHIP  
6239 EDUCATION SERVICE CENTER  
6240 CONTRACTED MAINT / REPAIR  
6255 WATER / SEWAGE  
6256 TELEPHONE  
6257 ELECTRICITY  
6258 NATURAL GAS  
6259 GARBAGE SERVICE  
6262 DATA PROCESSING  
6263 BUS REPAIRS  
6264 AUDIO VISUAL EQUIPMENT  
6265 DUST MOP SERVICES  
6266 BUILDINGS CONTRACTED SERVICES  
6267 GROUNDS CONTRACTED SERVICES  
6269 RENTALS OPERATING LEASES  
6299 MISC CONTRACTED SERVICES

**Supplies & Materials Codes**

6311 GASOLINE AND OIL  
6315 FUEL FOR VEHICLES  
6316 SUPPLIES MAINT / REPAIRS

6319 SUPPLIES MAINT / OPERATIONS  
6321 TEXTBOOKS  
6325 MAGAZINES & PERIODICALS  
6329 READING MATERIALS  
6339 TESTING MATERIALS  
6341 FOOD COSTS  
6342 NON-FOOD COSTS  
6344 USDA COMMODITIES  
6349 FOOD SERVICE SUPPLIES  
6391 DAY CARE SUPPLIES  
6399 GENERAL SUPPLIES

**Travel & Other Miscellaneous Operating Costs Codes**

6411 EMPLOYEE TRAVEL  
6412 STUDENT TRAVEL  
6419 TRAVEL & SUBSISTENCE NON EMPLOYEE  
6429 INSURANCE & BONDING COSTS  
6430 ELECTION COSTS  
6493 MEMBER DIST PAYMENTS SSA  
6494 TRANSPORTATION COSTS  
6495 DUES  
6498 AWARDS  
6499 MISC OPERATING COSTS

**Debt Related Costs Codes**

6511 BOND PRINCIPAL  
6521 INTEREST ON BONDS  
6523 INTEREST ON DEBT  
6599 OTHER DEBT SERVICE FEES

**Capital Outlay Costs Codes**

6628 OTHER COSTS  
6629 BUILDING  
6631 FURNITURE  
6635 COMPUTERS > \$5000  
6639 FURNITURE / EQUIPMENT > \$5000  
6640 CAPITAL OUTLAY LAND, BLDG, EQ  
6641 VEHICLES  
6645 COMPUTERS  
6660 LIBRARY BOOKS & MEDIA

**e. Sub-Object Codes**

01  
02  
07  
11  
12  
14  
15  
21  
28  
43  
45  
75 TEA HEALTH INS CONT  
99  
AA ARRA STIMULUS  
CA  
CB  
ED TX HS WORK ENHANCED DESIGN  
HI HURRICANE IKE  
SF STARK FOUNDATION  
TN TAN NOTE 06/07  
TS TX SUMMER 9<sup>TH</sup> GRADE TRANSITION  
A1 ALGEBRA READINESS  
AC WAGE ACCRUALS  
DT DATE GRANT  
MV  
CT CAMPUS TUTORIALS  
SS SUMMER SCHOOL CO CARRY OVER  
AF ATHLETIC FACILITIES  
TR TRACK

**f. Organization Codes**

**Campus Locations**

001 WEST ORANGE STARK HIGH SCHOOL  
003 CAREER & TECHNOLOGY HIGH SCHOOL  
041 WEST ORANGE STARK MIDDLE SCHOOL  
102 WEST ORANGE STARK ELEMENTARY  
104 NORTH EARLY LEARNING CENTER

**District-Wide Locations**

699 SUMMER SCHOOL  
701 SUPERINTENDENT  
702 BOARD OF DIRECTORS  
703 TAX APPRAISAL & COLLECTION  
999 ALLOCATED



**g. Program Intent Codes**

- 11 BASIC
- 21 GIFTED / TALENTED
- 22 CAREER / TECHNOLOGY
- 23 STUDENTS W/DISAB SP ED
- 24 ACCELERATED EDUCATION
- 25 BILINGUAL ED / ESL
- 26 NONDISCIPLINARY AEP
- 28 DAEP BASIC SERVICES
- 30 TITLE I, PART A
- 91 ATHLETICS
- 99 NDISTRIBUTED

**h. Budget Manager Codes**

- 726 BUSINESS OFFICE
- 729 HUMAN RESOURCES
- 869 ATHLETICS
- 900 SPECIAL EDUCATION
- 935 ADMINISTRATION
- 950 INSTRUCTION
- 951 FEDERAL PROGRAMS
- 952 TECHNOLOGY
- 956 FOOD SERVICE
- 970 PUBLIC RELATIONS
- 981 MAINTENANCE
- 985 TRANSPORTATION

**ACTIVITY FUND DEPOSITS**

All money (checks, coin, and currency) collections should be deposited on a timely basis. Appropriate security measures, locked cash boxes, safes, and vaults, should be used to protect all cash and cash items. The responsibilities of receiving funds and writing receipts should be separate from preparing and making bank deposits when possible.

1. All funds should be accounted for by pre-numbered receipt form, written promptly upon receipt of funds and the person signing the receipt in the presence of the person turning in the money should make actual cash count. The receipt should be completed in its entirety in ink and be legible.
2. The pre-numbered receipts should be used consecutively and be secured in a locked drawer.

3. Receipts must show date, amount received, source of funds, activity account number (if applicable), name of person submitting the money, and signature of the person accepting the money.
4. Receipts can only be issued in one name.
5. Activity fund receipts can only be issued for one name and one activity account for each deposit.
6. The original of the receipt is given to the person submitting the money.
7. For monies collected from students, a standard Tabulation of Monies Collected from Students form for recording collection of monies should be used unless there is already a form used, for example the yearbook form. The student representative and the sponsor should sign these forms. One copy of the Standard Deposit Form is retained with the deposit slip.
8. All funds should be turned into the school office as soon as possible upon receipt.
9. All checks must be endorsed for deposit immediately upon receipt with the school's activity fund endorsement stamp.
10. All deposited activity fund checks must have the school's endorsement must have the school's endorsement stamp with the account number and school location on the back of the check. The proper account code to be credited for the deposit should be written on the front of the deposit slip.
11. Two copies of the deposit slip are sent to the bank with the money.
12. Third party checks and postdated checks cannot be accepted from any source.
13. Bank deposits should be made as promptly as possible, within 3 days and / or if over \$200, then within 24 hours.
14. Any discrepancies between the deposit total and the bank total will cause the bank to notify the district. The error will be researched and the total adjusted accordingly.
15. Cash receipts can **never** be used to cash checks from employees or parents.
16. **Only cash or money orders are acceptable for NSF checks.**

### **DRAWDOWN PROCEDURES FOR HEAD START GRANT**

Financial Specialist runs Expense Summary Report for monthly draw and inputs the total amount expenses to date through the end of previous month. The total amount on Expense Summary Report is subtracted from previous draws made in Payment Management System and remainder is the amount of current month's drawdown.

The Financial Specialist sends report and spreadsheet to Chief Financial Officer. Chief Financial Officer reviews report and spreadsheet before completing the draw in Payment Management System.

Completion of drawdown confirmation page is sent to Financial Specialist for recordkeeping.

When funds are received they are placed in the General Fund account to reimburse Head Start expenses that have been expensed prior to drawdown. These funds are immediately reconciled due to funds being drawn down on previous months expenditures.

### **FUNDRAISERS**

All fundraiser checks must come from the student's parents. When a student is selling items for a fundraiser the student is to collect cash and or check made out to their parent. The parent will then write one check to the school. Deposit all checks as soon as possible.

### **ONE-DAY, TAX FREE SALES**

Each organization is allowed two, one-day tax-free sales per year. If there is a school-wide fundraiser and are unsure if this counts as a one-day sale or not, follow the money. Whatever account the proceeds are deposited into is the organization. This will count toward one of their one-day sales. When two organizations work together and share a fundraiser, both organizations must count this as one of their one-day sales. If a fundraiser is too large and covers several weeks with a specific end date, please make deposits as you go, to avoid checks sitting too long that may become insufficient. On your deposit form, write on the line next to the deposit amount, ONE-DAY FUNDRAISER. A one-day sale must have an end date for orders to be turned in. Any sales made at a later date will be taxed. For example, t-shirts that are ordered at the beginning of the year with a sale end date may be one of your tax-free sales. Any leftover shirts that are sold throughout the year must be taxed. Any sales sponsored by TTO's or Booster Clubs do not count toward WOCCISD one-day sales. Always follow the money.

### **JOURNAL ENTRIES**

Journal entries need to be made when money is transferred from one account to another or when the wrong budget code has been charged on a Purchase Order. Some examples of these occurrences are:

1. Activity Funds reimbursing the General Operating Fund for things such as:
  - a. Cheerleader Tryout Judges
  - b. Band and Choir Contest Fees
  - c. Donations

When one of these type of transactions occur, please send the Staff Accountant a memo from the Principal stating what you are wanting to transfer and what account code you want charged. The Business Office will then take care of the journal entry that is necessary to reflect the transaction properly.

## **BUDGET MANAGER PRINTOUT**

You should check your Budget Manager Reports at least weekly to keep up with your current balances and to analyze for any unusual items or improper coding of expenditures. The Expenditure column is expenditures that have already been paid to vendors. The Encumbrance column is for Purchase Orders that have been processed and encumbered but the items or work have not been completed, invoiced, and paid for yet. The Ending Balance is the amount of budgeted money left that is not yet spent or committed. If the Ending Balance for one of your Function totals is a positive balance, a budget amendment needs to be done to transfer some budget in from another function to cover this deficit.

## **PETTY CASH**

1. The term “petty cash fund” refers to a fund that has a fixed amount of dollars allotted to the fund. The funds are used to reimburse employees for small expenditures for District supplies and to make small District purchases.
2. The petty cash fund is restored to its original amount at frequent intervals by the issuance of an accounts payable check to the custodian of the petty cash fund. The replenishment check is equal in amount to the expenditures made from the fund. The size of the fund should be sufficient to meet the normal needs for small cash payments for a period of three to four weeks. As each cash payment is made, a receipt is placed in the fund in lieu of the cash removed.
3. The principal or department head is responsible for ensuring that the rules established herein are followed by the person(s) designated to handle petty cash funds. The principal or department head is responsible for reviewing and authorizing advances and purchases from this funding source. Petty cash purchases should be kept to a minimum and employees who have been assigned, as custodians of petty cash funds are required to maintain accurate accounting records for all transactions.
4. Petty Cash guidelines:
  - a. Only one person from each campus should be charged with the responsibility for handling transactions that require use of petty cash.
  - b. The petty cash box should be locked and placed in a safe when not in use by the fund custodian.
  - c. Periodic petty cash reconciliation’s should be made to avoid depletion of funds.
  - d. At least two people must be present to count the cash box when there is a change in petty cash custodians.
  - e. All petty cash vouchers reconciled must be accompanied by original receipts/invoices. No exceptions. Only expenses related to school district business should be shown on the receipt. It is not permissible to commingle purchases of personal items with school business related items on the same receipt.
  - f. Supplies and materials (6319, 6329, 6399, and 6499 expenditure category) are the only types of expenditures that may be made out of the petty cash fund. The District

cannot reimburse sales tax. A tax exemption certificate must be taken to the vendor to avoid paying sales tax.

- g. Personnel are prohibited from using petty cash for purchases out of the Capital Projects Fund. Cash shortages or other irregularities must be immediately reported to the Chief Financial Officer. The Purchase Order system must be used for all other purchases.

## **BUDGETING PROCEDURES**

### **WEST ORANGE-COVE CISD BUDGET GOAL**

The District's fund balance will not drop below 15% of the operating budget based on audit reports as of June 30<sup>th</sup> each year.

### **SECTION V – LEGAL REQUIREMENTS FOR BUDGETING**

Sections 44.002 through 44.006 of the *Texas Education Code* establish the legal basis for budget development in school districts. The following items summarize the legal requirements from the code:

1. The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.  
Note: TEA recommends that an interactive approach between the board of trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities.
2. The district budget must be prepared by a date set by the state board of education, currently June 30 if the district uses a July 1 fiscal year start date.
3. The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
4. No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
5. The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.
6. The budget must be legally adopted before the adoption of the tax rate. However, if a school district has a July 1 fiscal year start date, then a school district must not adopt a tax rate until after the district receives the certified appraisal roll for the district required

by Section 26.01, Tax Code. Additionally, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following:

- a. The rate proposed in the notice prepared using the estimate; or
- b. The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.

TEA has developed additional requirements for school district budget preparation as follows:

1. The budget must be adopted by the board of trustees, inclusive of amendments, no later than June 30 if the school uses a July 1 fiscal year start date.
2. Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.
3. Budgets for the General Operating Fund, the Food Service Fund (whether accounted for in the General Operating Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

Note: Districts may prepare and approve budgets for other funds and/or with even greater detail at their discretion. Such local decisions may affect the need for budget amendments and financial reporting requirements.

4. The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. Revenues, other sources, other uses, and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent and amount.
5. A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc., in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.
6. In addition to state and legal requirements, individual school districts may establish their own requirements for annual budget preparation. Local fiscal policies may dictate budgetary requirements which go beyond those required by the *Texas Education Code* and TEA. /These policies may include:
  - a. Fund balance levels
  - b. Debt service fund balance accumulation
  - c. Financial performance comparison measures
  - d. Staffing levels
7. There are four truth-in-taxation principles, which apply to taxing units:
  - a. Property owners have the right to know of increases in their properties' appraised values and to be notified of the taxes that could result from the new value.

- b. A taxing unit must calculate and publish the effective and rollback tax rates before adopting an actual tax rate.
- c. A unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds the effective tax rate plus three percent or the rollback rate.
- d. If the unit adopts a rate that exceeds the rollback rate, voters may start a petition for an election to limit the rate to the rollback rate. School districts must hold rollback elections to limit tax increases above the rollback rate for the current year, *without* a petition.

One of the equalization features of the funding formula is a cap on wealth per WADA. Chapter 41 of the Texas Education Code establishes an equalized wealth level of \$476,500 and gives districts above this level several methods to either reduce wealth or increase WADA in order to achieve the equalized level. Districts may use any combination of five options:

1. Consolidating school districts
2. Consolidating school tax bases
3. Contracting with the State of Texas to shed the excess wealth
4. Contracting to educate children in another school district and paying the state for student attendance credits
5. De-annexing and annexing property between school districts.

These steps affect the truth-in-taxation rollback rate steps.

The Texas Education Code also limits school districts' maintenance and operation tax rate to \$1.04005 per \$100 valuation, or 66.67% of the M&O rate. This rate is a nominal rate – it is not tied to the comptroller's taxable value certification.

Note: Districts should consult the comptroller's Guide for Setting Tax Rates: Truth in Taxation publication and/or TEA for more information on tax rate limitations and rollback worksheets.

## **WEST ORANGE-COVE CISD CAMPUS BUDGETING METHODOLOGY**

### **Campus Allocations**

The district has revised its campus budget allocation module, beginning with the 2014-2015 budget year. Base allocations will be made based on the following formula:

1. Elementary & Intermediate Schools \$100 per student
2. Middle School \$185 per student
3. High School \$230 per student

These base allocations are adjusted for the types of students each campus has, and the funding weight assigned to each type of student is increased in accordance with the TEA Tier I worksheet. Accordingly, these per student allocations are increased accordingly:

### **Type of Student Funding Weight**

1. Regular Education 1.00
2. LEP / Bilingual / ESL 1.10
3. Accelerated 1.20
4. Gifted & Talented 1.12
5. Career & Technology 1.35

6. Special Education \*

\*There are various funding weights for different types of special education students. The weight assigned to all WOCCISD special education students for campus allocation purposes is an average funding weight based on previous year’s data.

Estimated student counts for budget development are taken from PEIMS submissions and compared to pupil projection templates for reasonability. Accelerated education student counts are taken from Food Service Department’s free & reduced lunch counts. An attendance rate factor is added to the budget allocation. Attendance rates by campus are reviewed for the previous two years (taken from the AEIS Reports), and any improvement or maintenance above 97% generates additional funding. No funding penalty is generated for a decrease or maintenance below 97%. Finally, the base allocation and attendance incentive, are added together to arrive at the total campus allocation for the upcoming year.

**Co-Curricular Allocations**

Co-curricular allocations are compared and reviewed to ensure that boys’ and girls’ sports receive the same amount of funding per student.

**Other Departmental Allocations**

Other departmental budgets have been adjusted based on previous year’s allocations, known changes in funding requirements and previous year’s spending patterns.

**BUDGET CALENDAR**

<u>Month</u>	<u>Budget Activity</u>
January	Legislature convenes in odd-numbered years
January	CFO updates District’s long-range financial forecast
January	Budget Allocation Manual distributed to staff
February	Campus Teams assist Principals in developing budget requests
March	Regular allocation and special project requests due in to CFO
March-August	Budget Workshops conducted with Board of Trustees
April-July	Compensation decisions are made somewhere in this time frame
May	Business office staff collates all budget requests, input salary and benefit data into budget development module
May	Legislature adjourns in odd-numbered years
June	Combined Budget & Tax Rate Hearing is conducted. Budget & Tax Rate is adopted on or before August 31
July	Certified values received from Orange County Appraisal District
October	Property Tax statements issued



## **BUDGETING FOR PAYROLL AND BENEFITS**

In April or May each year, the Business Office will upload all salary and benefit accounts from the General Ledger to the budget module for the next year based on current staffing and salary levels. Any salary increases granted by the Board of Trustees will be added in at a later date. Budget Managers will not be responsible in most cases for budgeting for salaries and benefits in the General Fund. However, for those Budget Managers who administer federal grants accounted for in other funds, they WILL need to prepare a budget for their fund for all costs, including salary and benefits.

### **Revenue Estimates and “Robin Hood”**

The Chief Financial Officer will prepare all revenue estimates for the coming year. The CFO will use these revenue estimates to prepare the preliminary “Robin Hood” calculation. Under current school finance law, the “Robin Hood” calculation itself is a complex set of formulas that accomplish a fairly simple task – that of determining how much of the District’s tax revenue we can keep and how much must be given away under Chapter 41 of the Texas Education Code. I & S (Debt Service) tax revenue is not subject to this recapture.

### **Budgeting for Funds Other than General Fund**

The District has many different fund accounts. The General Fund 199 accounts for the vast majority of salaries, benefits and other day-to-day operational costs of the District. However, there are many other funds that account for various special purpose activities within the District. There are federal grant programs, debt service and capital project funds, agency and activity funds, and fund groups that exist for accounting purposes. The only funds that require a legally adopted budget are the General, Debt Service and Food Service funds. Other funds may utilize a managerial budget, or one which does not necessarily require legal approval by the Board of Trustees. Grant project managers and other staff responsible for each of these special purpose funds are responsible for preparing the budgets for the fund, including revenue and salary & benefit costs. Budget preparation for these funds should take place during the normal budget process or as soon thereafter as possible. Notices of Grant Awards (NOGA) are not usually received until late summer.

### **Budget Amendments**

There are two types of budget amendments. Amendments that move budgeted funds between accounts but within the same function do not require Board of Trustee approval and can be processed at any time during the year. Amendments that move funds from one account to another and which also change function codes must by law be presented to the Board of Trustees for approval. Budget amendments that require Trustee approval are presented to the Board periodically during the fiscal year.

# STUDENT ACTIVITY PROCEDURES

## ACTIVITY FUND

The Principal of the school shall be responsible for the proper administration and accounting of all general school activity funds in accordance with state and local law, District-approved accounting practices and procedures and the Financial Accountability System Resource Guide. The principal has the authority to expend these general school activity funds for any legitimate School-related purpose, consistent with these regulations.

### Activity fund accounts may consist of campus activity funds (461) and student activity funds (865)

Campus activity funds (461) are generated by the campus at the direction of the principal with various activities such as class dues or fees, vending machine commissions, school pictures, class ring sales, and donations. Money raised by student organizations are student activity funds held in trust by the school for the benefit of the student organization. These funds shall be distributed only for purposes authorized by the organization or upon approval of the sponsor and principal. **For purchases made out of the student activity funds (865) that are not directly related to the benefit of that organization, a Student Activity Approval Form must be completed.**

## PAYMENT TO DISTRICT PERSONNEL / CAMPUS STIPENDS

District employees shall not be paid directly from petty cash for stipends, overtime, or compensation for additional services performed. A campus stipend for a particular supplemental duty must be established prior to an employee's assuming the additional duty.

## AWARDS

The principal of a school should exercise caution when rewarding students for an activity that could be associated with the UIL rules and regulations. Students participating in fundraising activities may be awarded a maximum of \$50.00 for top sales. If the fund-raising company is granting the award directly to the student it is acceptable.

## GIFTS

District (199) and student (865) activity funds may not be used to purchase gifts for students or employees. A gift is a gratuitous offering for personal benefit that does not serve a legitimate educational interest. For example, birthday presents, Christmas presents, wedding or new baby acknowledgements for individuals are considered gifts. Employees and students may donate personal funds to be applied toward the purchase of a gift.

## INCENTIVE / RECOGNITION PROGRAMS

Incentive and recognition programs may be paid out of campus activity funds (461). These programs are permissible as long as they are designated to achieve a legitimate education benefit. Incentive or recognition awards cannot be cash or readily converted into cash (e.g., savings bonds, money orders, refundable tickets or gift certificates redeemable in cash, etc.). Incentive and recognition awards shall not exceed a value of \$75.00 per person per school year.

### **PURCHASING REQUIREMENTS**

Purchases made with campus activity funds (461) are subject to District competitive bidding and purchasing requirements.

### **CONTRACTS**

No employee may enter into a contract giving any vendor the right to sell property or services to students and/or staff. All contracts must be signed and approved by the Chief Financial Officer. Any contracts not signed by the Chief Financial Officer are not a liability of the school district or campus, but are the responsibility and liability of the person who signed the contract.

### **APPROVED USES OF FUNDS**

In addition to the expenditures explicitly permitted above, allowable uses of campus activity funds (461) include:

1. The cost of field trips, including items such as admission fees, snacks and other costs.
2. Expenses for snacks, favors and other incidentals used in seasonal or holiday parties and programs for the students.
3. Cost of school assemblies and special programs, class picnics, student dances, etc.
4. Expenses for the sponsor and chaperones for an approved event.
5. The cost of legitimate contest entry fees.
6. The cost of building use fees and security fees for an approved event.
7. Cost of inexpensive symbolic awards for Who's Who, Mr. and Miss, etc.
8. Expenses associated with the senior prom, senior day, graduation, etc.
9. Awards for student achievement (subject to "cash benefit" limitations discussed in "INCENTIVE / RECOGNITION PROGRAMS").
10. School supplies, uniforms and other school-related items for students who are educationally disadvantaged. Campus activity funds may also be used to waive a required deposit or fee if the student is educationally disadvantaged.
11. Items designated to beautify the school, the classrooms and playgrounds or other school property.
12. Items for classroom use or for school operations.
13. Campus after school programs.

### **COLLECTION OF FUNDS**

All funds collected shall be receipted and turned into the office daily. Bank deposits must be made at the minimum of once a week. Teachers/Sponsors shall avoid keeping money overnight and no

money shall be left in classrooms overnight. The sponsor is responsible for all money, merchandise and materials used in the fundraising project. State sales tax must be collected on non-edible, tangible merchandise with the exception of the two non-taxable yearly fund raising activities allowable per school.

### **DEPOSITING OF FUNDS COLLECTED**

When a sponsor submits funds collected to the campus secretary or bookkeeper for deposit, these funds should be verified by the bookkeeper in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the bookkeeper and the sponsor. After counting the funds, the bookkeeper must provide the sponsor with a pre-numbered cash receipt documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the bookkeeper.

### **FIXED ASSETS**

Student organizations should not own fixed assets or non-consumable supplies (Object 6399) carried in the name of the organization. If such assets are to be purchased with student organization funds, they should be donated to the District, with School Board approval, and carried on the District's asset inventory.

### **FUNDS BELONGING TO OUTSIDE ORGANIZATIONS**

Funds belonging to outside groups, such as PTO's, booster clubs, Project Graduation, etc., are not activity funds and should not be handled by school personnel as part of their official school duties. Such funds should be handled only by officers or the designated treasurer of the organizations.

## **PAYROLL PROCEDURES**

### **ANNUAL PAYROLL CALENDAR**

West Orange-Cove CISD employees are paid twice a month, on 10<sup>th</sup> and 25<sup>th</sup> for all employees. Their annual salary is divided by twenty-four checks and paid in equal installments.

## **REQUIRED PAYROLL DEDUCTIONS**

### **Teacher Retirement**

Full-time employees of the district do not contribute to the social security system. Instead, they participate in the Teacher Retirement System of Texas, a state, local and member funded program. Each employee has 8% of their gross pay withheld before taxes and contributed to the system on a pre-tax basis. Additionally, the state of Texas contributes an equal amount up to the statutory minimum salary amount for each employee. The District makes a contribution on behalf of each employee for the difference between the state and employee contribution. Also, each employee makes a contribution to the TRS-CARE health insurance program of 0.65% of the gross pay.

### **Federal Tax**

All school district employees are required to have some amount of federal tax withheld from their check and remitted to the federal government. The amount deducted from an employee's check depends on how many exemptions and filing status claimed by the employee. The IRS form W-4 is the document used by each employee to document his or her filing status (single, married, married but withhold at the higher single rate) and number of exemptions claimed. Employees fill out this form upon the first day of employment, but they may change their exemptions or status once a year or whenever an event occurs (new baby, divorce, death of spouse, marriage) that changes either one.

### **Medicare**

All employees who were hired after March 31, 1986 are required to pay 1.45% of the gross pay to the federal government for Medicare. Employees not eligible to participate in the TRS program (typically substitute employees) are required to contribute to First Financial (a sub-deferment program) and Medicare.

### **Child Support**

Child support payments are processed by payroll only when properly received from a county Child Support Office, from the Child Support Services division of the Attorney General's office or from an appropriate court of jurisdiction. It is the employee's responsibility to file a change of employment request with the State Child Support Office.

### **Other Deductions**

Tax levies from the Internal Revenue Service or payment orders from the Texas Guaranteed Student Loan Fund for repayment of student loans are also processed by Payroll, and are mandatory employee deductions when properly received by the District.

### **Optional Payroll Deductions**

Many optional payroll deductions are available to West Orange-Cove CISD employees.

Among just a few are the following:

1. 403b tax sheltered investments – open to all full time employees and available through any vendor on the approved vendor list. Contact HR with any question.
2. Optional 457 plan tax sheltered investments
3. Health insurance, vision, dental, cancer, additional life, short-term disability and other health related coverage's
4. Professional organization dues.
5. Education Foundation Contributions

### **PAYMENT**

The Texas Labor Code, Section 61.016, specifies that the District may choose the form of payment to its employees. The choices prescribed by law are:

1. Written, negotiable instrument in U.S. denomination (check)
2. Electronic transfer of funds

### **DIRECT DEPOSIT**

In order to conserve District funds and improve productivity, the electronic transfer of funds (Direct Deposit) has been determined to be the most efficient system of paying employees. Direct Deposit can be made to any bank, savings or brokerage account in the United States Federal Reserve banking system as long as an account number and an ABA routing number are available. Signing up for Direct Deposit is quick and easy. The appropriate form is available online or from the payroll clerk. All employees should begin checking their bank accounts on the date listed on the payroll schedule. In the event the employee's pay does not reach his/her account, first contact your bank. A check cannot be issued until the bank rejects the ACH wire.

### **Distribution of Direct Deposit Slip**

All West Orange-Cove CISD employees will receive a copy of their direct deposit pay stub via campus mail or US Postal Service.

### **Errors on Direct Deposit/Paychecks**

In the event an employee does not feel he/she has received proper payment for services rendered, the employee should first ask the campus secretary. If necessary, the campus secretary will direct the employee to the payroll office for further review of the matter. When an employee is contacting payroll, please have your most current pay sub available. Do not call the payroll office with a question based on the direct deposit amount as it appears on you bank's website. Please refer to the pay stub itself before calling.

### **Extra Duty Pay**

Use the appropriate time sheets when turning in extra duty pay for employees. This form needs to be signed by the supervisor or campus principal and sent to the Business Office for processing. These time sheets should also include a PAYROLL account number in which to pay the employee from. All extra duty pay time sheets are due by the 1<sup>st</sup> Friday of each month for ALL district personnel, Professional/Paraprofessionals and the 3<sup>rd</sup> Friday of each month for all Paraprofessional.

### **Absences**

When an employee is absent from duty for 3 days or more due to family illness, they must provide a doctor's note upon return. When they are absent from duty for 3 days or more for personal illness, they must also provide a doctor's note upon return. Please notify the Human Resource office when employees are off for 5 days or more. If you know of a long absence ahead of time, please e-mail the Human Resource office. The employee must provide the Personnel office with a doctor's release before returning to work. If they report to you before you have a release from the Personnel Office, send them to the personnel office to take care of this or contact the personnel office.

### **Resignations**

When an employee resigns, please notify the Human Resource Department in writing immediately. Final pay off calculations will not be determined until written notice is submitted to the Human Resource Department.

### **Change of Address/Telephone Numbers**

When an employee moves to a different address or changes a telephone number, please complete a change information form in Personal and return to Payroll or Human Resource Department.

### **Other Life-Changing Events**

Marriage, divorce, birth of a child, adoption, death of a spouse and other life-changing events usually trigger a need to notify Personnel/Payroll. When in doubt, call and check to see what information they may need or assistance they may offer.

### **Jury Duty**

Employees must provide a receipt from the court when they are absent for jury duty. The subpoena is not sufficient proof for jury duty. You need to keep this receipt with their absence form.

### **W-2 Forms – Annual Wage and Tax Statements**

This calendar year statement is issued no later than January 31 each year to all current and former employees who received any compensation from the District during the previous year via a payroll check.

### **Payroll Schedule**

Payroll Schedules are on the West Orange-Cove CISD web site and in the campus front office.

### **Overtime**

Employees must receive prior approval before working overtime. Non-exempt employees are obligated to record actual hours worked. Should a supervisor request an employee to work “off the clock” or otherwise instruct him/her to work without recording time; the employee must report this incident to the Chief Financial Officer. Non-exempt employees who perform duties outside their assignment must record actual hours worked. These additional duties will be compensated at the employees’ regular hourly rate up to 40 hours and 1.5 times the regular rate for hours physically worked over 40 within the workweek. In addition, non-exempt employees may not volunteer in positions similar to their assignment (i.e. teacher aide helps with reading group after school). They must be compensated at their regular hourly rate and paid overtime where applicable.



# MAINTENANCE

## ACT 1000 WORK ORDER PROCEDURES

West Orange-Cove CISD uses the ACT 1000 work order system. Each location in the district is set up to use this system. The technology sets up accessibility for designated users, and makes repairs to the system, should a problem occur. Please contact their department to set up a new user and password with the site's Principal/Organizational Manager's permission, or in the event the system is not working.

A work order must be approved by the site Principal/Organizational manager and be submitted before requesting any type of building maintenance (excluding custodial). Call in work orders for emergency situations *only*. Examples of emergencies are as follows:

1. Fire
2. Gas odor
3. HVAC problems
4. Plumbing problems or water leaks
5. Glass breakage
6. Any safety or threatening maintenance situation

In threatening situations (fire, gas odor, etc.) a work order does not have to be entered until the emergency has been resolved. In other call-in situations, provide Maintenance Department with the work order number then describe the problem. Make sure the first words in the description section of the work order are "**Called In**"; this allows our department to screen, pull the request and lets the Maintenance Supervisor know the problem has been addressed when assigning duties.

Each user has the capability to look up a submitted work order to check the status. If the problem has not been resolved in a timely manner and the status report states it is incomplete, please call the Maintenance Department with the **work order number** to get an update. **DO NOT** submit another work order for the same problem with checking on the status; this only hinders productivity. Please note that work orders are assigned a priority rating by the Maintenance Department. Lower priority work orders will take longer to process.

A request for HVAC or any special service for an after hour school or community event must be submitted 48 hours in advance to insure proper set up and avoid the overtime costs associated with emergency callouts.

## **BUS-039 REQUEST FOR TRANSFER OF EQUIPMENT OR FURNITURE**

Please print the “Request for Transfer of Equipment” (BUS-039) on 3 part NCR paper. This form should be completed and sent to the Maintenance Department before furniture or equipment is:

1. Moved from one building to another
2. Moved to or from District Storage

A work order is submitted for furniture or equipment moved on site, smaller items may be moved on site, smaller items may be moved by the custodial staff assigned to each building.

### **The following information should be filled out on the request:**

1. Date of request
2. Location
3. Signature of Principal/Organizational Manager
4. Special Remarks
5. Present location (school or site)
6. Quantity
7. ID tag #
8. Description of asset
9. Serial number
10. Type of request: transfer, store or discard

### **The Following information is completed by the Maintenance Department:**

1. Date received
2. Date of pick-up
3. Confirmed – signature of person confirming such action by Maintenance

The moving crew will have you sign and date the form to indicate the transaction is complete.

## **BEST KEY REQUEST FORM INSTRUCTIONS**

A key request form for a Stanley/Best key must be filled out in order to request a key, report a lost key, transfer a key from one employee to another or return a key to the Maintenance Department.

Fill out the appropriate sections and have the Employee and Principal/Organizational Manager sign the request. Key Requests should be printed on three (3) part NCR paper. The back copy should be retained for your records.

A key agreement will be processed and forwarded to the site office. The top copy of this agreement should be retained for site records and the remainder (signed agreement and original request) returned to the Maintenance Office to keep on file.

When an employee leaves the school district, please instruct them to return their keys to the Maintenance Department to insure they have a clear record.

## **REQUEST FOR USE OF SCHOOL VEHICLE**

**Under Transportation Dept.**

# **PURCHASING**

## **PURCHASING OVERVIEW**

Purchasing in the public sector environment presents numerous challenges including the requirements to comply with the states, policies, legal interpretations, and procedures. This includes the dynamic and diverse nature of the school district environment, and the competition among vendors for school district business.

## **PURCHASING OFFICE RESPONSIBILITIES**

The main focus of the Purchasing Office is to facilitate the acquisition of goods and services in order to meet the needs of schools and departments. The District's objective is to purchase the best value of products, materials, and services at the lowest practical prices within relevant statutes, policies, and procedures. School district staff is not authorized to override the procedures found in this section which have been written to comply with the State laws and regulations, as well as preserve a level of internal accounting control necessary to demonstrate accountability, ethical conduct, and responsible behavior.

The Purchasing Office of the West Orange-Cove CISD is a part of the Business Office. The function of this office is to organize and administer procurement/purchasing for the district in accordance with the responsibility and authority delegated by the Superintendent of Schools and the Board of Trustees. As a support organization of the District charged with the responsibility of acquiring goods and services requested by Instructional and Administrative Departments, the Purchasing Office will function in a manner consistent with State Law, Board policies and sound business practices. The Purchasing/Business Office shares with the

other Administrative Offices the responsibility of expenditures of district funds in such a manner that all transactions will pass numerous audits with respect of State, Federal, and District procurement regulations. Acquisition of the requested goods and services shall be made only by the issuance of an official numbered District purchase order, approved by the principal or department manager, and the Chief Financial Officer. Effective purchasing is a cooperative venture between the

Business Office and other departments within the District. The level of service rendered by Business Office personnel will be improved by a thorough understanding of the procedures listed in this manual. Situations will undoubtedly arise which are not fully covered by these procedures. The Business Office staff is available to discuss and special procurement procedure that serves the best interest of the District and the department concerned. The Purchasing procedures contained in this document are intended to comply with Local, State, and Federal Statutes and Ordinances. In the event of conflict the appropriate statute or ordinance shall prevail. In accordance with Article 6252-16 of the State of Texas statutes, the West Orange-Cove CISD does not discriminate against individuals or companies with respect to race, religion, color, sex, handicap, or national origin in the awarding of bids.

## **STANDARDS OF CONDUCT**

### **Ethics**

1. The District subscribes to the “Code of Ethics and Standard Practices for Texas Educators”, which establishes proper conduct for District staff members. Principle I, Professional Ethical Conduct, Practices, and Performance, clearly applies to those individuals engaged in the purchasing process. This principle includes the following standards:
  - a. The educator shall not knowingly engage in deceptive practices regarding official policies of the school district or educational institution.
  - b. The educator shall not knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.
  - c. The educator shall not submit fraudulent requests for reimbursement, expenses or pay.
  - d. The educator shall not use institutional or professional privileges for personal or partisan advantage.
  - e. The educator shall neither accept nor offer gratuities, gifts or favors that impair professional judgment or obtain special advantage. This standard shall not restrict the acceptance of gifts or tokens offered and accepted openly from students, parents, or other persons organizations in recognition or appreciation of service.
  - f. The educator shall not falsify records, or direct, or coerce others to do so.
  - g. The educator shall comply with state regulations, written local school board policies, and other applicable state and federal laws.
  - h. The educator shall apply for, accept, offer, or assign a position or a responsibility on the basis of professional qualifications.
2. All District staff members are public servants and therefore subject to Title VIII of the Penal code, regarding offenses against public administration, including bribery and

corrupt influence (Chapter 36), perjury and other falsification (Chapter 37), obstructing governmental operation (Chapter 38), and abuse of an office (Chapter 39). All District staff members shall perform their duties in conformity with the District policy, ethical standards of professional educators, and state Federal policy, ethical standards for professional educators, state and federal law.

### **Conflict of Interest-Employment Requirements and Restrictions: Conflict of Interest Board Policy (DBD Local)**

1. An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities.
2. An employee shall not have a personal financial interest, a business interest, or any other obligation that in any way creates a substantial conflict with the proper discharge of assigned duties and responsibilities or that creates a conflict with the best interest of the District.
3. An employee who believes he or she has or may have a conflict of interest shall disclose the interest to the Superintendent or designee, who shall take whatever action is necessary, if any, to ensure that the District's best interests are protected.

### **Gifts**

1. The State Ethics Commission established a workable limit of \$50 for meals and other gifts. In 1992, the Ethics Advisory Board held that benefits not allowed under state law included the following examples:
  - a. A \$50 clock
  - b. A hotel room
  - c. An airline ticket
  - d. A hunting trip
  - e. Football tickets
  - f. A hunting rifle
  - g. A \$60 or more restaurant meal
2. The State Board of Educator Certification has defined "tokens of recognition" such as plaques, fruit baked goods, coffee mugs and ornaments as acceptable gifts. Gifts to educators have never been condoned by the State.
3. The Texas Child Nutrition Program Handbook summarizes Child Nutrition limits as follows: "If you have any influence on what is purchased and accept gifts from vendors, you have committed a Class A misdemeanor."

### **Gifts (Board Policy DBD Legal)**

A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of the District commits a Class A misdemeanor offense if he or she solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions. Penal Code 36.08 (d).

## **LEGAL REQUIREMENTS**

### **Contracts**

1. All school district contracts for the purchase of real property (goods) valued at \$10,000 or more in the aggregate during a 12 month period are covered by state legal requirements EC 44.033
2. All school district contracts, (with few exceptions) valued at \$25,000 or more in the aggregate during a 12 month period are covered by state legal requirements. EC 44.031
3. Exceptions
  - a. Professional Services – architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser. EC 44.031f
  - b. Only Source Goods – items covered by a patent, copyright, monopoly, films, books, manuscripts, utility services, and captive replacement or component parts for equipment repair. EC 44.031j this does not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchased price in excess of \$15,000.
  - c. Repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. EC 44.031h

### **VENDORS**

1. A vendor list is established by the District with the names of all vendors interested in doing business with the District. EC 44.033b
  - a. Categories of personal property are established and vendors are listed in this category. EC 44.033b
  - b. An advertisement for interested vendors is run annually for two successive issues in a newspaper for the county in which the school district's central office is located. EC 44.033b
  - c. Purchases above \$10,000 but less but less than \$25,000 in the aggregate will be made by asking for quotations from at least three vendors on vendor list. EC 44.033c
  - d. Quotations may be in writing or by telephone. EC 44.033c
  - e. The District is responsible for keeping a written record of these quotations for audit purposes. EC 44.033c
2. Contracts for all goods and services with an annual aggregate value above \$25,000. Exceptions:
  - a. Computers and peripheral attachments with an annual aggregate value above \$15,000. EC 44.031k
  - b. School buses with an annual aggregate value above \$20,000. EC 44.0311
3. These contracts must be preceded by a competitive pricing mechanism.
  - a. Bids
  - b. Sealed proposals for construction

- c. Requests for proposals (received the same way as bids)
  - d. Texas Procurement and Support Services (TPASS)
  - e. An inter-local agreement based on bids or proposals. EC Section 44, Subchapter B
  - f. Reverse auction procedure EC 44.031
  - g. Design build method
  - h. Job order contracts method
  - i. Construction manager method
  - j. Political subdivision compensation for electricity purchases
4. Notice is required for bids and requests for proposal:
- a. To be published once a week for at least two weeks prior to the deadline for receiving responses
  - b. In a newspaper for the county in which the school district's central office is located EC 44.031g
5. Political subdivision corporations may be used in lieu of competitive pricing mechanisms for the purchase of electricity. LGC 304.001
- a. The Board of Trustees must pass a resolution to accept the by-laws of the corporation.

**Emergency Purchases**

Emergency purchases shall be made in conformance with paragraph (h) Section 44.031 Education Code that states:

Text of subsection (h) as amended by Acts 1999, 76<sup>th</sup> Legislature, Chapter 922

“If a school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then the contracts for replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.”

Text of subsection (h) as amended by Acts 1999, 76<sup>th</sup> Legislature, Chapter 1225

“If a school equipment or a part of a school facility, or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the board of trusted determines that the delay posed by the methods provided for in this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than those required by this section.”

## **AWARDING CONTRACTS**

1. Costs
  - a. Purchase price
  - b. Long term costs (service, supplies, maintenance, etc.)
2. Products or services
  - a. Quality
  - b. Extent to which the goods or services meets District needs
3. Vendor
  - a. Reputation
  - b. Safety record LGC 271.0275
  - c. Past relationship with the district
  - d. Historically Underutilized Business (HUB) status
  - e. Any other relevant factor specifically listed in the request for proposals or bids  
EC 44.031b

### **Enforcement**

1. District staff members commit a criminal offense if they make or authorize separate, sequential, or component purchases to avoid using competitive pricing mechanisms when required. EC 44.032b
2. District staff members commit a criminal offense if they fail to use competitive pricing mechanisms when required or award contracts for reasons other than those cited. EC 44.032c
3. Conviction of an offense results in an individual's:
  - a. Immediate removal from office
  - b. Inability to serve in any public office in Texas for four years
  - c. Ineligibility to receive any compensation through state or a political subdivision of the state. EC 44.032e
  - d. This is a Class B misdemeanor involving moral turpitude. EC 44.032b

### **Personal Property and Services Notes**

1. Bid and proposal openings shall be a public meetings of the Board of Trustees or by an officer of the District in a District Office. LGC 271.026a
2. A bidder may withdraw a bid due to a material mistake in the bid. LGC 271.026b
3. Bids may not be changed for the purpose of correcting errors after they have been opened. LGC 271.026a
4. The governmental entity has the right to reject any and all bids. LGC 271.027a

### **Contract Length**

1. Contracts obligate current District revenue only for the year in which they are awarded.



2. Multi-year agreements are permissible if they contain:
  - a. The right of the Board to terminate the contract at the end of each budget period
  - b. An appropriate funding-out clause to allow termination should funds become unavailable to pay for the contract. LGC 271.903

### **Payment**

1. Payment for goods and services received and invoiced is due thirty days after the completion of the contract or receipt of the invoice.
2. For each month the payment is late, the vendor has the right to 1% interest on the unpaid balance. GC 2251.021 GC 2251.025 GC 2251.029

### **Tie Bids**

1. If the District receives two or more low bids that are identical, the selection of the winner shall be by the casting of lots.
2. If only one of the bidders submitting identical bids is a resident of the District, that vendor will receive the award. LGC 271.901
3. Non-resident bidders must underbid resident bidders by not less than an amount (percentage) by which a resident vendor would be required to underbid in the non-resident bidder's state (reciprocity). GC 2252.001 GC 2252.002
4. Single proprietorships and partnerships where an owner or operator of the business has been convicted of a felony cannot contract with a school district. EC 22.083
5. Inter-local Agreements between school districts, other local governments, and state agencies for the purchase of goods and services satisfies the requirement that contracts be preceded by a competitive pricing mechanism. GC 791.025b, c
6. Texas Procurement and Support Services may provide and the District may use state contract prices and vendors to satisfy the requirement that contracts be preceded by a competitive pricing mechanism. LGC 271.082

### **Purchasing Cooperatives**

1. Cooperatives may be established by school districts, regional education service centers, county departments of education, and other local governments to pool goods and services needs in order to obtain optimal pricing.
2. The Board of Trustees must approve a contract with the governmental unit operating the cooperative designating a person to act for the District in all matters pertaining to the cooperative.
3. The governmental unit operating the cooperative may collect fees from the participating districts or governments to cover the cost of operating the cooperative. LGC 271.082b

### **Child Nutrition**

1. Child Nutrition purchases for personal property exceeding \$25,000 must utilize a bid, proposal, state or federal contract, cooperative purchasing agreement, or inter-local

- purchasing arrangement due to federal school lunch program requirements. (Federal law sets \$100,000 as the minimum, but requires meeting state statutes.)
2. The Board of Trustees may not purchase milk or milk products imported from outside the United States. H & SC 435.021
  3. The Board of Trustees may not purchase beef and beef products imported from outside the United States. AC 150.012

### **Construction**

1. The school district must employ an architect to prepare plans and specifications for:
  - a. New construction where costs exceed \$100,000.
  - b. Building renovations where costs exceed \$50,000. Art 249a, Section 16, V.A.T.S.
2. The school district must employ a registered engineer:
  - a. To prepare structural, electrical, and mechanical engineering plans for construction projects with an estimated cost exceeding \$8,000.
  - b. To supervise construction not involving structural, electrical, and mechanical engineering when the estimated cost exceeds \$20,000. Art 3271a, Section 19, V.A.T.S.
3. Procedure for acquiring professional services:
  - a. Select the most highly qualified provider on the basis of competence and qualifications
  - b. Attempt to negotiate a contract with the best provider at a fair and reasonable price.
  - c. If a contract cannot be negotiated, consider the next best provider and attempt to negotiate contract. GC 2254.004

### **Payment and Performance Bonds**

1. For construction projects in excess of \$100,000, the District shall require a performance bond in the amount of the contract. GC 2253.021a, b
2. For construction contracts in excess of \$25,000, the District may require a payment bond in the amount of the contract solely to protect vendors and subcontractors supplying labor or materials. GC 2253.027

### **Wage Rates**

School districts must pay the prevailing wage to all workers on public works contracts.

1. The Board of Trustees is responsible for establishing wage rates by:
  - a. Conducting a survey of local wage rates
  - b. Using data from the federal Department of Labor
2. Contractors and subcontractors must also pay this rate
3. Complaints from laborers shall be received by the Board and acted on within 30 days.
4. If violations have occurred the Board may assess the contractor penalties to reimburse affected workers. GC 2258.021, GC 2258.022, GC 2258.023, GC 2258.052d

5. The District must include a requirement for all contractors to provide all workers providing services to construction project appropriate workers' compensation coverage. 28 TAC 110.110 (c) (7)

### **Construction Bids & Requests for Proposals**

1. The Board of Trustees considering a construction contract, must first determine which competitive procurement method will be used in awarding the project. EC 44.035a
2. In publishing the requests for bids or proposals, the District will note in the request document the criteria and weights that will be used to evaluate the offers received. EC 44.035b
3. The evaluation for the selection

### **Bids for Contractors**

1. The District may use competitive bids to select a contractor for construction and renovation projects.
2. Procedures for bidding shall meet the requirements previously presented. EC 44.040

### **Proposals for Contractors**

1. The District may use a request for proposals to select a contractor for construction and renovation projects.
2. Proposals for construction services are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.039
3. The District may discuss each vendor's proposal with that vendor to clarify and modify the original proposal.
4. Procedures
  - a. Architect or engineer prepares construction documents.
  - b. The District will contract independently for inspection, testing and verification services.
  - c. The District will prepare an RFP that includes construction documents, selection criteria, estimated budget, project scope, and schedules
5. Advertising and opening of proposals shall meet requirements previously noted.
6. Proposals must be evaluated and ranked within 45 days of opening.

Negotiations begin with the vendor making the best offer and if not successful be ended in writing before proceeding to the next vendor.

7. Proposals for Design Build Contracts
  - a. The District may use a design-build contract to select a contractor for construction and renovation projects.
  - b. Proposals for a design-build contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.036
8. Procedures:
  - a. Architect or engineer prepares construction documents.

- b. The District will contract independently for inspection, testing and verification services.
  - c. The District will prepare an RFP that includes general information on the project site, project scope, budget, special systems and selection criteria.
  - d. Advertising and opening of proposals shall meet requirements previously noted.
9. Evaluation of proposals is in two steps:
    - a. Rate the companies proposing based on experience and qualifications.
    - b. Rate finalists on safety, long-term project durability, methods to establish costs, and construction schedules.
  10. Select a firm and have project specifications developed.
  11. The design-build firm will supply the District with a set of signed and sealed construction plans at the end of construction. EC 44.036

**Proposals for a Construction Manager/Agent**

1. The District may contract a consultant or construction manager/agent to oversee construction and renovation projects.

**Proposals for a Construction Manager-At-Risk**

1. The District may contract a manager-at-risk to oversee construction and renovation projects.
2. Proposals for a manager-at-risk contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.038

**Job Order Contracts**

1. The District may award job order contracts for repair and renovation work.

**LEASE PURCHASE OF REAL PROPERTY**

The Board of Trustees may approve a contract for the lease purchase of buildings and other renovations provided:

1. The public is given 60 days printed notice.
2. If five percent of the registered voters approve a petition for a referendum on the proposed contract the matter must then be approved by a majority of District voters at a referendum.
3. The contract is submitted to the Attorney General for approval. LGC 271.004

**Construction Notes**

1. All new construction must meet educational adequacy standards and construction quality standards as set by the State Board of Education.  
(Renovations need only meet construction quality standards.) EC 42.352; 19 TAC 61.11
2. All specifications for new construction and major renovations must be based on the requirements of the District's educational program. 19 TAC 61.13
3. Construction quality is established by adoption of Town of West Orange Building Codes.

- a. A plan review will be conducted by a certified building code consultant for all project specifications prior to soliciting bids and proposals.
- b. Any conditions not conforming to the code must be revised in the plans and specifications. 19 TAC 61.1034b
4. Americans with Disabilities Act standards will be applied to all new construction and renovations. 28 CFR 35.151; 34 CFR 104.23 (Federal)
5. Playground equipment and surfacing purchased after September 1, 1997 must comply with the provisions in the Handbook for Public Playground Safety. H&SC 756.061

### **Law Code Abbreviations**

EC...Education Code

GC...Government Code

LGC...Local Government Code

H&SC...Health & Safety Code

AC...Agriculture Code

TAC...Texas Administrative Code

PC...Penal Code

V.A.T.S....Vernon's Annotated Texas Statutes

### **CONTRACTS/COMMON LAW**

1. A District Purchase Order is an offer. A contract is created between the District and the vendor only when the vendor accepts the terms of the Purchase Order by causing the goods or services requested on the order to be delivered. In other words, the District's offer (Purchase Order) is a presentation to the vendor of what the District requirements from the vendor are and under what conditions (terms). Purchase Orders provide a uniform way for the District to make offers to vendors with all terms in writing. This is why it is critical to the purchasing process that the school or departments receiving the goods or services immediately compare the delivery of same with the Purchase Order. If the vendor has altered the terms of the Purchase Order to the point where the recipient is dissatisfied, then a possible breach of the contract has occurred. In such a situation, Purchasing should be notified at once.
2. In the case of bids and request for proposals (all types), a different set of circumstances exists. Here, the offer is the vendor's bid or proposal. This is the vendor's offer to the District of what the vendor will sell the District and under what terms. The acceptance of an offer occurs when the Board of Trustees awards a bid or selects a proposal. Note: the vendor may withdraw his offer (bid/proposal) at any time up until the offer is accepted (award made) by the Board.)
3. A contract is created between the District and the vendor after the bid is accepted by the Board of Trustees at which time the purchase order becomes the contract.
4. In addition to the issuance of a purchase order on work involving construction, repairs, renovations and maintenance of buildings, a separate contract document may be required.

This contract shall be formulated as required to cover the project parameters and work to be accomplished. The Chief Financial Officer must sign this contract.

## **PURCHASING GUIDELINES**

### **Purchases**

1. Board Policy, State and Federal laws mandate that all purchases made by West Orange-Cove CISD must be in compliance with bid laws.
2. The District has a quotation threshold for purchases of \$5,000 or more. This means that any order that is \$5,000 or more, that has not been bid, will need to have as a minimum three formal quotes attached to the order before it can be processed, or a very clear description of the items and/or services being requested so that the Business office can obtain quotations. Please note that since these are formal quotes they will need to have a signature from the company representative who is providing you with the quotation. The exceptions to this would be professional services, sole source purchases and items purchased from a bid.

When requesting formal quotations from vendors, please e-mail a copy of your request to the Business Office and a list of all companies receiving the request. Please provide the name of the contact person at your location and their phone number to notify when all quotations have been received.

Please be sure to include in your request for formal quotations a cut-off date and time, necessary specifications for product or service, quantities, delivery site and instructions, the length of time the quotation is good for, as well as the name and number of a person to call if the vendor has questions concerning your request. Also, if the item is needed by a specific date, this should be included in your request. After evaluating the quotations the originator will complete the purchase order. If you are not ordering from lowest bidder you must attach a justification when sending in your purchase order.

### **Employee Reimbursements**

Reimbursements to employees for things other than approved travel requests, are highly discouraged and will not be paid without prior approval from Chief Financial Officer or Superintendent. For purchases under \$25.00, the employee should get prior approval from Chief Financial Officer or Superintendent and use Petty Cash. A tax exemption form, available from the secretary or Business Office, must be presented to the vendor at the time of the purchase. West Orange-Cove CISD does not reimburse for state sales tax. All purchases over \$25.00 will require an approved Purchase Order.

### **Cooperative Bids and other Purchasing Information**

There are many cooperative bids available that the district can use in place of our district bids. Questions concerning cooperative bids that are available and/or any purchasing related questions may be directed to the Business Office. More detailed information is available from the Business Office for anyone who may be interested in purchasing from a cooperative.

### **Annual Aggregate Category Dates**

1. The District establishes the twelve-month period to comply with annual aggregate value of a category of goods or services to run from July 1 to June 30 of the following year.
2. For item categories that exceed \$50,000.00 during this date range, a competitive pricing mechanism will be employed to select a contractor to supply the goods or services requested.

### **Purchase of Computer Hardware/Software/Supplies**

1. If you plan to purchase a computer or computer hardware, contact the Technology Department and use the approved vendor.
2. Before any computer equipment, software, and/or supplies may be ordered the purchase order must be completed and approved by the Technology Department or designee.

### **Recordkeeping**

1. Maintain purchase files (requisitions, bid quotations, advertisements, and purchase orders).
2. These and other records shall be retained for seven (7) years subsequent to the close of the program.

### **Open Records**

The West Orange-Cove CISD complies with Open Records statutes as outlined in Title 110A Article 5252-17a, of the Revised Civil Statutes of the State of Texas. Special attention is called to Section 3(a) (4) which states the following exceptions to open records: "Information which, if released, would give advantage to competitors or bidders."

### **Unauthorized Charges/Purchases**

1. Any commitment to acquire goods or services from budgeted funds prior to securing a bonified purchase order or without prior approval from the Business Office or designee is prohibited. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement.
2. The only official authorized to obligate or commit the district involving the acquisition of goods or services from budgetary funds is the Chief Financial Officer.

3. All exceptions to this policy are to be made in writing by the Chief Financial Officer or the Superintendent.
4. No purchases greater than \$25.00 are authorized without issuance of a Purchase Order or authorization from the Business, and payment will not be made for such purchases.
5. Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01.
6. No goods or services are to be ordered or repairs made without a Purchase Order (P.O.) number having been issued prior to placing the order with the vendor. The individual placing an order without a P.O. number will be responsible for payment of the invoice.

### **Purchases for Individuals**

1. Any commitment to acquire goods or services in the name of the West Orange-Cove CISD for personal use or ownership is prohibited. Any individual making such a commitment may be liable to prosecution under the Texas Penal Code Chapter 39, Abuse of Office, and Section 39.01.
2. Staff members or their designees are requested to NOT call in purchase order numbers to vendors until in receipt of said document.

### **Tax Exemption**

1. The West Orange-Cove CISD is exempt from payment of taxes under Chapter 20, Title 122A, Article 20.04 Revised Civil Statutes of Texas, for the purchase of tangible personal property.
2. The District is exempt from sales tax because it is a public, free school, is tax supported, and operated under the Texas Education Agency.
3. Any use of the District's tax exemption certificate for personal purchase is prohibited. Anyone using the District's tax exemption certificate for personal purchases may be liable to prosecution under the Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.
4. When placing a confirming purchase order with a vendor, the school or department should indicate to the vendor that the District holds this exempt status and should not be charged tax.
5. The Texas Sales Tax Exemption Certificate may be requested from the Business Office.

### **SEALED BIDS OR SEALED REQUESTS FOR PROPOSALS**

The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, then economies of scale – purchasing in large quantities – will probably result in lower costs either per unit item or



in the aggregate. Another reason for competitive bidding – it’s an open process. The purpose and intent of competitive bidding laws were defined in *Sterrett v. Bell*, as follows:

“Gives opportunity to bid...on the same undertaking...upon the same thing.”

“Requires all bidders be placed upon the same plane of equality...each bid; upon the same terms and conditions;” “Stimulates competition and prevents favoritism;” and “Secures the best work and materials at the lowest practical price.”

### **Requests by departments to go out for bids/RFP**

1. When the actual cost of acquiring personal property or the commodity category of the District is \$50,000 or greater, the requesting department is to follow the procedures as listed below:
  - a. Submit a bid item request to the Chief Financial Officer office.
  - b. The requisition should include the following:
    - Name of items being requested
    - A complete list of all items being proposed for purchase
    - Special Note: The description of items specified should be detailed enough to identify any catalog brand name, or manufacturer’s reference number.
  - c. Exact number of items needed.
  - d. Any special conditions required, i.e. items need to be installed and in complete operating condition.
  - e. A list of any vendors who are suppliers or potential suppliers of the items being requested that you would like bids mailed to and their complete mailing addresses.
  - f. The budget code from which this purchase once approved will be encumbered and paid from.
  - g. Any additional information that is necessary to successfully advertise for bids according to specifications. (Example: Color, Installation, etc.)
2. The requesting department shall be responsible for making all recommendations for purchase of bid items once bid tabulations have been concluded. Whenever the lowest bid price is not recommended, the requesting department shall provide written justification for such recommendations.
3. The Business Office has the ultimate authority to amend, accept, or reject all or part of the bid specifications as introduced by the requesting department.
4. All bid requests or proposals are to be coordinated through the Business Office.

### **Specifications**

Preparation of specifications shall be the responsibility of the requesting school or department. The responsibility of the Business Office is to review the specifications to ascertain whether competitive bids/proposals can be obtained and assure that Board policies and state laws are followed regarding the purchase. Specification must contain

adequate technical descriptions to clearly identify for prospective bidders the type of material, equipment, or services required. In addition to the detailed specifications, brand names, model numbers, and like descriptions may be referred to as product meeting specifications to inform prospective bidders of the type of quality required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where possible. All bids will carry descriptive specifications when possible.

1. Properly executed purchase orders and/or requisitions must include adequate descriptive information of the goods or services required.
2. Such descriptive information must be specific, but not so as to prevent competitive bidding on comparable items, if necessary.
3. Many items can be adequately described by giving the name of the item its basic minimum features that you will require and a typical, acceptable brand and model number.
4. Detailed supplemental specifications may be required to cully describe the features and/or requirements of the items or services required.
5. General description should outline the minimal requirements or features.
6. Regardless of the descriptive information, alternate bids or substitute items may be considered for purchase or award if it is determined to be in the best interest of the District.
7. The use of any brand name or manufacturer's reference in a bid is descriptive, not restrictive, and is to indicate the type and quality of items desired.
8. The user department is responsible for the development of specifications in bids. However, these specifications are subject to review by the Chief Financial Officer or designee.
9. A good specification should do four things:
  - a. Identify minimum requirements. (Define the quality or standards of products or services.)
  - b. Allow for competitive bid. (Include sufficient descriptive information to insure that all bidders have equal opportunity to bid on comparable products or services.)
  - c. List reproducible test methods to be used in testing for compliance with specifications.
  - d. Provide for an equitable award at lowest possible cost.
10. Sources available for developing specifications:
  - a. Product literature
  - b. Other users
  - c. Vendors
  - d. Business Office

### **Opening Sealed Bids/RFP's**

1. All sealed bids/proposals shall be received in the Business Office where they will be opened publicly on the date and at the time advertised. The Chief Financial Officer or designee shall open bids.
2. The closing time for sealed bids is final. Bids received after the closing time will not be opened or considered.
3. Submitted bids are final and may not be altered. Vendors may however, submit sealed alternate bids before the closing time to substitute prices on their formal bid, in which case only the substitute will be considered.
4. No bid can be withdrawn after opening without approval of the Chief Financial Officer based upon a written acceptable reason.
5. Withdrawal of a bid or failure to honor a bid, may result in the deletion of the company from future bid requests.
6. Bids will not be considered unless they are manually signed by an authorized representative of the company.
7. All accepted bids will be tabulated and awarded as provided under Approval/Awarding of Bids.
8. After the bids have been opened and tabulated they will be available for those interested to copy and study. They shall not, however, be removed from the Business Office.
9. If no acceptable bids are received, the proposed acquisition will be re-advertised seeking an acceptable bid.

### **Approval/Awarding of Bids/RFP's**

1. Approval for all purchases and contracts valued at \$50,000 or over shall be made by the Board of Trustees.
2. Proposed emergency purchases shall be submitted to the Board of Trustees for approval prior to making any commitments (also see Emergency Purchases).
3. The lowest and best bid from a responsible bidder that meets the requirements of the district shall be recommended for purchase.
4. The user department shall be responsible for making recommendations for purchase of bid items. Whenever the lowest bid price is not recommended the user department shall provide written justification for such recommendations.
5. The recommendations for purchase shall include an assessment of these considerations: individual item price, total price of items, life cycle cost, delivery dates, terms, location of the vendor, quality of materials, safety, past performance of goods and vendor, transportation charges, good business practices, and conformance to appropriate Local, State, and Federal Ordinances, Statutes and Regulations.
6. Upon receipt of recommendations from the user department, the Chief Financial Officer shall present all recommendations for purchase to the Superintendent and the Board of Trustees.
7. Bids awarded by the Board of Trustees may be extended for additional purchases without additional Board consideration provided that:

- a. The prices, terms, and conditions of the original bid remain firm.
- b. The extended bids do not total more than 25% of the original bid award, the original bid had provisions for additional purchases, and all legal requirements are fulfilled.

### **Performance and Payment Bonds/Good Faith Deposits**

1. Non-construction purchases:
  - a. Performance and payment bonds MAY BE required when deemed necessary on purchases.
  - b. Payment and performance bonds WILL BE furnished as required by law. GC 2253.021 a, b, c
  - c. Good faith deposits in the form of a cashier's check or bid bond in the amount of 10% of the bid may be required when deemed necessary.

### **Reasons for Denial of Receiving Requests for Bids or Quotations**

1. A vendor may be denied the opportunity to receive bids or quotations for these reasons:
  - a. Previous failure to honor a bid or quotation.
  - b. Unusual delays in delivery of previous awards.
  - c. Repetitive failure to respond to requests for bids or quotations.
  - d. Unauthorized substitution of merchandise in other awards.
  - e. Previous failure to perform service satisfactorily.
  - f. Discrimination against an employee or applicant in regards to race, religion color sex, or national origin.
2. The decision to deny a vendor the opportunity to receive bids or quotations shall be made by the Business Office. (The Business Office must have written documentation for support prior to denying any vendor the opportunity to receive bids or quotations.)
3. Any vendor protesting the denial to receive bids or quotations shall follow these procedures:
  - a. Make a written request to the Chief Financial Officer, showing cause to receive requests for bids and request an audience to discuss the matter.
  - b. If the request is denied by the Chief Financial Officer, the vendor may appeal the decision to the Superintendent and the Board of Trustees. The Superintendent shall place the item on the Board of Trustees regular meeting agenda.

### **Receiving Requests for Bids or Quotations**

1. Bids shall be sought from sources able to offer the best prices consistent with quality, delivery, and service.
2. No employee of the District or school board member shall receive requests for bids, quotations, or conduct business for the District in any manner other than that necessitated by their assigned or elected responsibilities.

3. All vendors receiving sealed bids or quotations must be responsible and possess the ability to perform the contract according to its terms. A responsible vendor must exhibit adequate financial standing, reputation, experience, resources, facilities, judgment and efficiency. Additionally, vendor must not discriminate against any employee or applicant in regards to race, religion, color, sex, or national origin.

### **Vendor List**

1. The Business Office shall maintain a vendor list for bids and quotations. The list is based on categories derived from goods or services for which the District has taken bids or intends to take bids. A vendor may request to be placed on the purchasing vendor list in one of the following ways:
  - a. The vendor mails a letter to the Business Office on the company's letterhead indicating the goods or services offered, company address, telephone number, and sales representative.
  - b. A sales representative visits the Business Office in person informing an employee he would like to be placed on the Business Office vendor list and leaves a business card.
2. Bid packages are mailed to vendors registered on the computerized bid list on or before the date that notice of the bid opening is published.
3. A vendor may be removed from the vendor bid list by failing to respond to three consecutive bids, failing to update addresses and telephone numbers, withdrawing a bid, failing to honor a bid, failing to honor contracts or warranties, or making false or misleading statements (written or oral) during any business negotiation with the District. Once removed, a vendor will not be reinstated on the bid list until he can demonstrate that any past problems have been corrected and his organization can meet all bidding requirements.

### **Quotations**

1. The term quotation is used to identify the task of securing pricing information from a vendor for goods or services.
  - a. A. District policy requires that written quotations must be requested from vendors for one-time purchases between \$2,000 and \$10,000.
  - b. Formal written quotations are required for purchases between \$10,000 and \$25,000 in the aggregate during the District's annual aggregate contract period from July 1<sup>st</sup> of one year through June 30<sup>th</sup> of the following year.
2. Any required quotations whether written or faxed obtained by a department or school must be attached to your purchase order/requisition.

## **Purchase Orders/Requisitions**

The purpose of the Purchase Order/Requisition is to give staff members a method to ask for goods or services.

1. A purchase order/requisition, after it is approved is not a contract but an offer. If the purchase is made from a bid award or at the time a vendor ships materials listed on the purchase order then the purchase order becomes the contract document that commits the District to an obligation.
2. The West Orange-Cove CISD utilizes the purchase order document as the official contract for purchasing. It is a purchasing requisition as submitted by the requesting department or the Business Office. Once the requisition has been entered into the Skyward system, it is approved by various levels of authority and is electronically forwarded to the Business Office, where it is approved by the Chief Financial Officer, assigned a purchase order number, encumbered and officially designated as a "Purchase Order".
3. The purchase order will remain in effect as a valid offer and/or contract binding the District with a supplier for 90 days from the date of its approval by the Chief Financial Officer. It will be the requesting department's responsibility to re-submit a new purchase order document for items needed or services required beyond that date. All purchase orders that reach a maturity date of 90 days may be evaluated by the Chief Financial Officer as to the possible cancellation or closing at that time. All budget managers will be notified of all purchase order cancellations or closings with the exception of the ones your department/campus request.
4. Distribution of purchase order copies as follows:
  - a. Original faxed to vendor
  - b. Accounts Payable file
  - c. Copy to Originator
5. All purchases shall be submitted on a purchase order/requisition form and be approved by the Business Office prior to the purchase being made. (The reason this must be done prior to the purchase is to assure reimbursement for the goods or services. If approval has not been obtained prior to the purchase, there is a possibility that reimbursement will not be made if it violates the law.)
  - a. Please complete all information requested on the requisition, including the bid number if there is one.
  - b. Use only one purchase order per vendor.
  - c. Items being purchased from one vendor but from different budget codes may be listed on one purchase order. Items for each designated code should be listed and totaled separately.
  - d. When the order is received, the packing slip should be signed and any notation made on it concerning the accuracy of the order. This packing slip should promptly be returned to the accounts payable office. Delivery tickets should be attached. A signed packing slip must be received in the accounts payable office before payment can be made.

- e. Due to the cost involved in processing a purchase order and the fact that many vendors require minimum dollar amounts for purchases, please consolidate purchase orders for a specific vendor if possible.
- f. Purchase orders are used to order materials or services. Please do not process a purchase order if an item or service has already been ordered and received. Purchases made without a purchase order shall not exceed \$25.00. Purchase of over \$25.00 shall be requested on a purchase order prior to the goods or services being ordered.

### **Specific Purchasing Procedures**

- 1. Purchase Order/Requisition
  - a. All requests for purchases shall be submitted on Skyward system.
  - b. All purchase orders must be approved as required under the Authorization/Approval of purchase orders.

### **Authorization/Approval of Purchase Order**

- 1. A properly authorized purchase order must include the electronic approval of:
  - a. The principal and/or Director
  - b. The Chief Financial Officer

### **Conditions of Purchase**

Items below apply to and become a part of the terms and conditions of West Orange-Cove CISD Purchase Orders.

- 1. Instruction to Vendor: This order is subject to the following instructions, terms and conditions of the West Orange-Cove CISD.
  - a. Under no circumstances is the amount of this purchase order to be exceeded without prior approval of the Chief Financial Officer.
  - b. Our purchase order number must appear on all invoices, delivery memorandum, bill of lading, packages and correspondence.
  - c. Address all communication (excluding invoices) concerning problems with this purchase order to Chief Financial Officer, West Orange-Cove CISD, 902 W. Park Ave., Orange, TX 77630.
- 2. Validation: This is a valid order only when the following two conditions have been met:
  - a. That a purchase order number appears in the space provided.
  - b. That an electronic signature and date of the Chief Financial Officer appears in the space provided.
- 3. Authorization: West Orange-Cove CISD will not be responsible for articles delivered and/or services performed without a specific written purchase order.
- 4. Articles or Service: Articles to be delivered and/or services to be performed shall be in accordance with the terms, prices, delivery time, specifications, and conditions as recorded on your bid proposal and as itemized on this order. No substitution of articles or change of any nature shall be made without the authorization of the Chief

- Financial Officer. If you cannot fill this order as specified please notify the Business Office in writing.
5. Price Changes: The district accepts your bid as recorded on your bid proposal and on this order but reserves the right to cancel the order if the prices are to be increased prior to the delivery of articles or the completion of services. Therefore, do not fill this order at increased prices without authorization from the Business Office or representative. No separate charges, except those clearly recorded on your bid proposal and on this order can or will be allowed.
  6. Taxes: The District is exempt from the payment of federal excise taxes, federal transportation taxes, Texas State and Local sales taxes. If it is determined that the prices quoted are recorded on this order or the invoice rendered include any such taxes, the amount of the taxes will be deducted from the total of the invoice. The Tax Exemption number for West Orange-Cove CISD is 74-6001837.
  7. Warranty, Guarantee, Laws and Regulations: By accepting this order you hereby in addition to the guarantees and warranties provided by law expressly guarantee and warrant as follows:
    - a. Warrant that the articles to be delivered hereunder will be in full conformity with the specifications or with the approved sample submitted and agree that this warranty shall survive acceptance of delivery and payment for the articles and that you will bear the cost of inspecting and/or testing articles rejected.
    - b. Guarantee and agree that the articles to be delivered hereunder will not infringe on any valid patent trade mark, trade name, or copyright and that you will, at your own expense, defend any and all actions or suits charging such infringement and will save the District, its agents and employees, harmless in case of any such action or suit.
    - c. Warrant that the articles to be delivered hereunder will be manufactured, sold, and/or installed in compliance with the provisions of all applicable Federal, State, and Local laws and regulations.
    - d. That nothing contained herein shall exclude or affect the operation of any implied warranties otherwise arising in favor of the District.
  8. Transportation: All shipments are to be made "F.O.B. Destination, Freight Prepaid" unless otherwise specified on your bid proposal and on this purchase order. When articles are sold "F.O.B. Point of Origin" and the District's purchase order so confirms, please pre-pay shipping charges and record prepaid charges as a separate item on the invoice. It is understood that title of the merchandise appearing on this order will not pass until merchandise is accepted at the delivery destination.
  9. Inspection, Rejection, and Excess Shipment: In addition to other rights provided by law the District reserves the right to inspect articles delivered and to return those which do not meet specifications or reasonable standards of quality, to reject articles shipped contrary to instruction or in containers which do not meet recognized standards and to cancel the order if not filled within the time specified. The District may return rejected articles or excess shipment on this order, or may hold the articles subject to the vendor's order and at his risk and may in either event charge the vendor



with the cost of shipping, unpacking, inspecting, repackaging, reshipping, and other like expense.

10. **Delivery to a School Building:** When a delivery is to be made direct to a school building such delivery shall be made between the hours of 8:30 a.m. and 3:00 p.m., Monday through Friday, except on school holidays and such delivery shall be made and articles shall be placed inside the school building in the room or rooms to be designated at no additional charge. It is important that vendors understand the District cannot and will not accept tail-gate delivery at a school entrance unless specified otherwise on this order.
11. **Invoices:** To be submitted in duplicate only for items that have been shipped or services that have been rendered. Invoices without reference to this purchase order number and listing items or services other than those shown on this order will not be paid. Please note if a back order is shipped the invoice will not be set up for partial payment of the purchase order and the net thirty days will start from the time all items on the purchase order have been received or a proper invoice, whichever is later.
12. **Payments:** No partial payments on purchase orders will be allowed unless prior arrangements had been made with the Chief Financial Officer or noted on bid document. Please note if a back order is shipped, the invoice will not be set up for payment until all items on the purchase order have been received and invoiced. Upon receipt of a properly executed invoice and verification of delivery from the consignee, payment will be processed for items or service delivered.
13. All unshipped items on this order will automatically be cancelled ninety days after date of order unless prior approval by the Chief Financial Officer has been obtained. The date of the order is indicated by the Chief Financial Officer approval. Shipments initiated after such date will not be accepted.
14. In accordance with Article 6252-16 of the State of Texas statutes, The West Orange-Cove CISD does not discriminate against individuals, or companies with respect to race, religion, color, sex, handicap, or national origin in the awarding of bids.

### **Releasing Purchase Orders**

1. No charge of \$25.00 or more shall be made to the West Orange-Cove CISD except that covered by a purchase order, which has been through the budget control system and released by the Business Office for mailing or faxing to the vendor.
2. The Business Office will not release purchase order numbers to cover such charges in advance of this procedure.
3. Request for a department to pick up a purchase order to take to the vendor in person can be made by attaching a note to the requisition in Skyward requesting such action. The requesting department will be contacted when the purchase order is ready to be picked up.
4. Confirmation purchase order numbers will not be released to the requesting department until a hard copy is produced by the Business Office. Only after this hard copy has been obtained with proper authorization approvals will the purchase order number be released to the requester.

### **Changing or Cancelling Purchase Orders**

1. Whenever it becomes necessary to modify or cancel the items or conditions as listed on West Orange-Cove CISD's purchase orders, these procedures shall apply:
  - a. A purchase order is an offer and/or contract that obligates the District and vendor to the terms and conditions as listed therein.
  - b. The Business Office is responsible for making all official adjustments to a purchase order.
  - c. All arrangements for returning, adjusting, deleting, modifying, substituting, or canceling items or conditions (including lease or rental arrangements) as listed on the purchase order must be made through the Business Office.
  - d. Requests to have items listed on a purchase order returned, deleted, canceled or in any way adjusted must be made in writing to the Business Office. Appropriate authorization (Principal, Director) must accompany each request.
  - e. Upon receipt of an authorized request, the Business Office will, when possible make the necessary arrangements and adjustments as requested.
  - f. All arrangements and adjustments shall conform to the requirements of the Business Office, District Policies, and legal statutes.
  - g. School and administrative departments will be notified when an item on the order or the complete order must be canceled for reasons other than their request, examples of cancellations are: the company is unable to provide the goods or services; or the items have been discontinued.
  - h. According to the Uniform Commercial Code, Section 52-713, 52-715, contracts may be legally canceled or terminated for the following reasons: the vendor fails to make delivery within the time specified on the contract for purchase; or the vendor delivers goods, which do not meet specifications and does not promptly replace them with acceptable goods.

### **Blanket Purchase Orders**

1. Blanket purchase orders are issued to make miscellaneous supplies, materials, or services available as needed by the user department. These blanket purchase orders are not intended to be used to acquire items or services required for specific one-time job requirements.
2. The general purpose of blanket purchase orders is to:
  - a. Eliminate the need for numerous individual purchase orders for small dollar-value items or services.
  - b. Provides a means of acquiring urgently needed items or services not available in the District.
3. Blanket purchase orders are approved by the Business Office and are issued to vendors as identified by the user department on the purchase order document. The order will remain in effect for a six-week period from the Chief Financial Officer approval.
4. Information needed when requesting blanket purchase orders:

- a. Name and address of supplier/vendor or company
  - b. Nature of items or services requested
  - c. Total costs or charges for the period
  - d. Appropriate authorization
  - e. The name and/or names of employees that are authorized to make charges against this open purchase order.
5. The guidelines for use of the blanket purchase order are:
- a. Individual items to be capitalized (such as machinery, furniture, cabinets, or equipment) are not to be purchased on blanket purchase orders; individual bid item requisitions must be issued for such items.
  - b. The estimated total cost for a purchase order may not be exceeded. The user department is responsible for maintaining records' to insure that the total amount of the requests does not exceed this amount.

### **Accounting for Receipt of Goods and Services**

1. Accounting for the receipt or non-receipt of goods or services for which a purchase order has been issued is accomplished by checking the packing list and bill of lading sent with the shipment.
2. Upon receipt of the goods or services listed on the purchase order the User Department must submit this document to Accounts Payable Office showing quantity and condition of the items received or services rendered.
3. Payment to vendors is processed by the Accounts Payable Office upon receipt of:
  - a. A valid purchase order
  - b. An original invoice from the vendor
  - c. The signed receiving department copy of packing list or bill of lading that shows that goods or services have been received in good order.

### **Receiving Procedures**

1. Procedures for receiving merchandise
  - a. Check for damages
  - b. Count the shipping units and compare to the count indicated on the freight bill and/or suppliers packing list. Also check these with purchase order copy.
  - c. Compare the supplier's name
  - d. Sign and date freight bill and retain proper copy
  - e. Attach copy of the freight bill and packing list to the receiving report
  - f. In the event no one can check the items coming in, sign the freight bill and/or bill of lading indicating what it is you signed for.

### **Inspection**

1. Inspection Rights
  - a. You have the right to inspect goods before paying for them.
  - b. You are responsible for identifying errors in a timely manner
2. General Duties for Inspection

- a. Assure the quality and quantities conform to specifications.
- b. Originate rejection forms and make sure to keep the packaging and boxes that the items were delivered in
- c. Cancel rejection forms when material has been replaced.

### **Purchase Order Discrepancies**

1. Notify vendor of the rejection or discrepancy within a reasonable time.
2. Hold the goods for the vendor's disposition in the packaging and boxes that the items were delivered in.
3. Follow any reasonable instructions as to the return or disposition of the goods. (All expenses incurred by the district are the responsibility of the vendor as well as any damages suffered). A notice of rejection should specify all defects rather than just the main reason for rejection. (Please not any damage in detail, as much as possible).
4. Write a memorandum explaining what is damaged and forward it to the Business Office.

## **ACCOUNTS PAYABLE**

The Accounts Payable Department issues checks each week for reimbursements and disbursement to vendors

The Fiscal Year ends June 30<sup>th</sup> of each year.

Articles delivered by June 30<sup>th</sup> are to be released for payment out of the current school year's budget.

### **Double Shipments**

All purchase orders faxes, mailed, and or calls made to a vendor regarding status may cause a double shipment of an order. Please handle this carefully. Contact Accounts Payable and the vendor immediately of double shipments.

### **Purchase Order Payments**

Carefully account for supplies on all purchase orders. Attach packing slips and indicate notes of back orders/items no longer in stock and forward to Accounts Payable. If notations are not made, Accounts Payable will assume the articles are accounted for and the vendor will be paid accordingly. For articles returned or cancelled contact Accounts Payable. If a vendor is contacted, please give Accounts Payable the date, a return authorization number, and the individual contacted.

### **Accounts Payable Reference Guide**

1. Forward all invoices to Accounts Payable if received at campus.

2. In District Travel Mileage is calculated from campus to destination to campus – not from home to destination to home on work days. You may not use your home in the calculation on a work day. On a non-work day, travel mileage is calculated from home to destination to home.
3. Send original and one copy of registration forms, order forms, or anything else that needs to be mailed with the check.
4. On any reimbursements, the supporting documentation must show the method of payment (i.e. credit card/cash/check/on-line payment). If you check out of a hotel using the express payment, the invoice you attach does not show a negative balance. You will need to provide a credit card statement showing the hotel charge on it, to be reimbursed for this item. Or, you can contact the hotel and have them send you an invoice showing a zero balance on your account and the method of payment.
5. Make sure vendor remit addresses are correct according to invoices/paperwork. E-mail Accounts Payable with address changes.
6. All district employees must be paid extra duty pay through Payroll, not Accounts Payable. Employees will be paid for reimbursements through Accounts Payable.
7. All contract service workers must be set up as a 1099 vendor. When setting up a new 1099 vendor, they must give Accounts Payable their Social Security # or Tax ID #, to set them up as a 1099 vendor. District employees are not a 1099 vendor.

## **TRAVEL PROCEDURES**

Employees authorized to travel for business and educational purposes on behalf of the District shall be reimbursed for all usual and customary travel-related expenses made on behalf and in connection with District business according to District rates and state law. The processes established herein have been developed on the premise that employees will use good judgment and prudence in the expenditure of District funds when traveling. Travelers are expected to select the most economical and practical accommodations, arrangements and services in accordance with the needs of the trip. All travelers, as well as supervisors approving travel, are responsible for compliance with the provisions of the District's Travel Expense Regulations. Requests for exceptions to these regulations must be made in writing prior to taking a trip and signed by the Chief Financial Officer and Superintendent.

### **Travel Regulations for In-District and Out-of-District Travel**

1. Ensure funds are available based upon estimated travel costs prior to authorizing travel expenses.
2. Ensure that the individual traveling is informed and aware of these travel regulations.
3. A Travel and Advanced Expense Report (TAER) must be completed for all Out-of-District travel, unless employee is requesting mileage money only. The TAER must be signed by the applicant requesting permission to travel and approved by the

appropriate Principal/Director, Chief Financial Officer and Superintendent (if TAER is for a principal or director).

- a. If the employee is traveling to a conference, a conference brochure must be attached to the TAER.
- b. The employee should include a reasonable accurate estimate of expenses (excluding sales tax) on the TAER. The TAER is to be used for all expense reimbursement requests.
- c. Advance for meals, mileage and lodging will be made when necessary.
- d. All out-of-state travel must be approved in advance by the Executive Director of Finance, campus Principal, Assistant Superintendent or Superintendent.
- e. The Chief Financial Officer and the Superintendent must approve any exceptions to these requirements.

### **Maximum Transportation Reimbursement for Employees**

1. The cost of airline tickets paid by the employee for official travel on commercial airlines is reimbursable when this mode of travel has been approved and when the employee is requesting reimbursement for airfare not exceeding the average coach fare. Employees should make airfare arrangements directly with the airline via phone or internet to access the lowest available fares. Failure to utilize the most economical travel method available may result in non-reimbursement of some excess costs.
2. Special discounted fares should be used when available, and trips should be planned far enough in advance when possible to qualify for discounted travel fares.
3. If airfare is purchased over the Internet, Accounts Payable will require a printed confirmation, with a confirmation number and total fare charged that demonstrates that the fare was charged to the employee's credit card. The employee may black out credit card numbers and expiration dates.

### **Vehicle Travel**

West Orange-Cove CISD travel forms will be updated periodically to reflect the current reimbursable mileage rate. District Vehicle request must be done and vehicle unavailable before district pay private vehicle mileage.

1. The Google or MapQuest is to be used in determining the reimbursable mileage between points indicated on the map.
2. District vehicle request must be made and vehicle unavailable before we pay private vehicle mileage, unless the employee lives out of Orange County. In this case, the reimbursement rate will be the amount the District pays per mile for the District Vehicle.
3. Generally, if two or more employees from the same campus/department are going to attend the same function on the same date and time, they should carpool together. The employee's immediate supervisor must approve exceptions to this reimbursement rule prior to travel. Only one mileage claim per 4(four) employees.
4. Reimbursement for taxi fares, personal and District vehicle parking fees, toll road fees, telephone calls and facsimile are authorized at actual costs in conjunction with

- their business use. Receipts are required for all fares and fees and may be reimbursed through Accounts Payable with accompanying receipts. The District will not reimburse employees for valet parking unless approved in advance by the Chief Financial Officer.
5. Car rentals will be reimbursed at actual costs if approved by the Chief Financial Officer. Note: Any District employee who rents a vehicle in connection with District business must take the collision damage waiver and/or loss damage insurance coverage for each day the vehicle is rented. The insurance coverage may be called collision damage waiver (CDW) or loss damage waiver (LDW) by the rental agency

### **Meal Allowance**

A full day's meal allowance is \$10 per meal with students and receipts **are** required. Employees will be paid the allowable amount per GSA (gsa.gov)

This is the maximum amount allowed per day and unused amounts from one day do not carry over to the next day. A meal allowance is for travel that includes an overnight stay. IRS rules do not allow for a per diem meal allowance on non-overnight trips. Alcoholic beverages are not reimbursable by the District.

### **Lodging**

Hotel rates for the area an employee is traveling to can be found on gsa.gov. If hotel for the state rate is not available within 10 miles radius, The Chief Financial Officer must approve the higher rate **prior** to the trip. Documentation must be provided showing the available rate.

1. Out-of-state lodging shall not exceed (gsa. state rate) the rate established in federal/state travel regulations for each locality, if travel is funded from state or federal grants.
2. Travelers staying at a hotel within the state should complete a State Hotel Occupancy Tax Exemption Form at the time of check-in to qualify for State tax-exempt status. Travelers will only be reimbursed for non-state taxes.
3. The District will only reimburse travelers on actual, itemized hotel bills. Credit card receipts are not acceptable substitutes.
4. Overnight stays will be allowed for a conference that is farther than 120 miles from WOCCISD (one night per one day of conference) or less than.

### **Reimbursable Expenses**

1. Expenses that require prepayment such as registration fees and airline tickets can be paid or reimbursed to the employee on the TAER or can be directly paid by Accounts Payable.

2. All employees who travel and are seeking reimbursement for expenses after their travel is complete must submit a TAER to settle up their expenses. This request should be submitted no later than ten (5) working days after a trip.
3. Each employee should turn in a report of travel expenses. The Business Office will not accept one report for several employees.
4. Employees who are reimbursed mileage for in-district travel should submit their reimbursement request on a monthly basis.
5. If supplies and materials are purchased at a workshop or conference, they must be approved in advance by the Principal/Director in writing prior to taking the trip. Prior written approval should be documented and the maximum amount specified on the written approval.
6. Personnel authorized to travel using federal grant funds should be aware of any restrictions these funds place on travel expense reimbursement. These restrictions may be found by contacting the appropriate grant administrator. At no time will the District reimburse federally funded travel at a rate in excess of that prescribed for all other District employee.
7. Personnel reimbursed with Title Funds (Fund 204, 211, 255, 262, 263, 269) must turn in original meal receipts with the TAER per Texas Education Agency guidelines. Personnel will not be paid with a meal per diem.

#### **Travel Reimbursement – Out-of-Town Mileage Guide**

The Business Office will pay out of town travel mileage according to the following procedures. Please prepare your TAER using these rules. The Accounts Payable department will send the TAER back to the employee if the mileage is calculated incorrectly. Employees will be paid for travel mileage in the following situations only:

#### **Travel Reimbursement – Driving to Airport**

1. Workday
  - a. Employee will be paid for mileage from their campus to the airport.
  - b. If employee arrives home from trip on a workday, they will be paid for mileage from airport to campus, regardless of the time they arrive at airport.
  - c. Employee will not be paid for mileage from their home to the airport or airport to home.
2. Non-Workday
  - a. Employee will be paid for mileage from their home to the airport.
  - b. If employee arrives home from a trip on a non-workday, they will be paid for mileage from airport to home. Rule of Thumb: If you travel on a workday, your mileage will be calculated from your campus location. If you travel on a workday, your mileage will be calculated from your home.

#### **Traveling During Trip – Driving a personal vehicle**

1. In-city travel during the trip will not be included in mileage.
2. You will calculate your mileage for the trip as follows:



- a. Workday – Employee will be paid from campus to hotel site – not conference site.
  - b. Non-Workday – Employee will be paid from home to hotel site – not conference city.
3. Employee will use the home or campus address to hotel address to calculate their mileage. They will not use city to city to calculate mileage.
  4. Employee will calculate mileage between destinations.
  5. Please contact Accounts Payable with any questions.

