

**MESA VISTA
CONSOLIDATED
SCHOOL DISTRICT
BUSINESS OFFICE
HANDBOOK**



2016 – 2017

BUSINESS OFFICE HANDBOOK

Return this page to the Business Office

I _____(employee name) have receipted the Business Office Handbook for *Fiscal Year 16/17*. I hereby verify that I will review the Handbook provided and become aware of all the procedures and practices that I am expected to follow as a Mesa Vista Employee.

Employee Print Name:

Employee Signature:

Date:

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MESA VISTA CONSOLIDATED SCHOOL DISTRICT

Internal Controls and Procedures

The Mesa Vista Consolidated School District's Board of Education recognizes the importance of the internal control environment. The Board is committed to competence, strong integrity and ethical values, and complete, transparent, and accurate financial reporting. The Board of Education and District Management share the ultimate responsibility for establishing and maintaining the District's internal control system.

The District has established procedures to assist management in fulfilling the responsibility to adopt sound accounting policies and to establish and maintain internal control. The written procedures are an effort to comply with Internal Control Structure Standards, NMAC Section 6.20.2.11, and PED Supplement 2, Manual of Procedures. Management establishes and maintains internal controls to provide reasonable assurance that the District will accomplish its objectives of safeguarding assets, providing reliable financial information, promoting operational efficiency, and ensuring compliance with laws and regulations, as well as established District policies. It is the intent of the Mesa Vista Consolidated School District's management to fulfill the requirement in "setting the proper tone, create and maintain a culture of honesty and high ethical standards, and establish appropriate controls to prevent, deter, and detect fraud." Management's oversight and monitoring of the internal controls is an effort to provide reasonable assurance of achievement of the District's objectives and to reduce the possibility of fraud.

The development of the internal controls will provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, record the transaction and the custody of assets involved in the transaction. Management must ensure protection of the public trust as a major focus when granting authorization to execute business of the school district.

The procedures are reviewed periodically by the Superintendent and the Business Manager for applicable changes per legislative directives and audit directives, etc.

For the purpose of this manual, the following terms and definitions will apply, unless otherwise specified:

TERMS AND DEFINITIONS

| | |
|------------------|---|
| District: | Mesa Vista Consolidated School District |
| PED: | New Mexico Public Education Department |
| SBPU: | School Budget Planning Unit |
| OBMS: | New Mexico Operating Budget Management System |
| CES: | Cooperative Educational Services |
| SPA: | Statewide Purchasing Agreement |
| GSA: | General Services Agreement |
| DFA: | Department of Finance and Administration |

Building Principal/Program Director: Principal, Director of Student Services, Athletic Director, Transportation Director, Associate Superintendent

24-Hour Rule: State Statute Chapter 6 Article 10 NMSA 1978 requires all public funds be deposited intact daily

ORGANIZATIONAL STRUCTURE

The control environment is the foundation of the District's Internal Control. The Board of Education and management are committed to the factors that share the environment, ethics, integrity, and commitment to competence. Mesa Vista Consolidated School District devised, established, and maintains an effective organizational structure in order to provide clear assignment of authority and responsibility, access to management, supervision, monitoring of overall school district activities, and effective communication. (See Exhibit #1)

PERSONNEL

The Superintendent administers the recruitment of competent, honest individuals. The training of staff regarding established policies and procedures governing all financial transactions is administered through the Business Office. Building Principals/Program Directors are responsible for training and supervising employees under their supervision.

SEGREGATION OF DUTIES

The District will make every effort in the assignment of duties to Business Office Personnel to ensure segregation of duties is maintained. The intent is to limit the ability to cause and conceal errors or irregularities. Working within certain limitations, including business office staff size, incompatible functions are not assigned to any staff member. Continued monitoring and oversight occurs daily to add security to the business operations. Cross-training of Business Office personnel will be maintained and developed while still maintaining segregation of duties.

TRANSACTIONS

TRANSACTION AUTHORIZATION

The authorization of expenditure of funds is assigned to the Building Principal/Program Director. The Building Principal/Program Director is responsible for monitoring his/her budget and for assuring that each request is appropriate and necessary.

TRANSACTION RECORDING

All transactions are recorded at the time of authorization. Business Office Personnel, with assistance from the Business Manager, are responsible for verifying amounts, classification to the appropriate accounts, and the proper authorization of all transactions prior to posting to the Financial Management System. For the purposes of accountability, receipt books are pre-numbered; and checks, deposits, and purchase orders are assigned a beginning number each year in the Financial Management System by the Business Manager. The number is assigned at the time of posting to the system. All voided documents are stamped "VOID" and kept on file for the auditor's review.

SAFEKEEPING ASSETS

Access to assets is limited by the Superintendent assigning primary custodians (Building Principals/Program Directors) at each school or department, including the Business Office. This assignment will be provided at the beginning of each school year and be kept on file in the Superintendent's Office. The primary custodian at each location is responsible for monitoring access to building, vehicles, (if applicable) cash, and other assets. Reporting discrepancies or abuse to the Superintendent is the responsibility of the primary custodian and must be reported immediately.

RECORD RECONCILIATION

The Business Office administers the comparison of actual assets on hand with the amounts recorded in the Financial Management System. Monthly reconciliation of bank statements and other financial records are prepared and verified during the monthly closing process. All discrepancies found during the reconciliation process are researched and corrected at the time they are detected. Adjustments are tracked carefully from month to month. The Business Office Personnel administer closeout procedures as a joint effort. No one person is responsible for all the reconciliations. Reconciliations are subject to approval by the Business Manager. Original bank statements are mailed directly from the financial institution to the Central Office monthly. The Business Manager will file the originals with the monthly bank reconciliation.

FINANCIAL REPORTING TO PED

The Cash Report and Revenue and Expenditure Report are prepared by the Business Manager. The Business Manager verifies and approves the reports and makes any adjustments necessary to the general ledger. The Business Manager is responsible for ensuring reports are prepared accurately and in a timely manner. Discrepancies are reported to the Superintendent.

FINANCIAL REPORTING TO BOARD OF EDUCATION

All financial reports submitted to the Board of Education from the Financial Management System will be generated and kept in the original source format and downloaded as a portable document for exchange of information electronically.

BUDGET

The Mesa Vista Consolidated School District prepares and adopts an annual budget in accordance with NMAC 6.20.2. Governing Budgeting and Accounting for New Mexico Public Schools and School Districts. The Operating Budget is prepared under the supervision of the Superintendent, with the assistance of the Business Manager, Federal Programs Director, Business Office Personnel, and the Budget Finance Committee. Prior to June of each year, the local Board of Education shall, at a public hearing of which notice has been published by the local Board of Education, fix the Operating Budget for the District for the ensuing fiscal year. Prior to the public hearing, the Business Manager shall give notice to parents explaining the budget process and invite parental involvement and input in that process prior to the date for the public hearing. The Business Manager and his/her designee(s) review the annual budget for technical accuracy. The Superintendent and Business Manager meet with Budget Finance Committee, which consists of two board members and members of the community, to review the proposed budget prior to presentation at a Board of Education meeting for review and tentative approval. Following tentative approval by the Board, the budget is forwarded to PED for approval. Once the budget has been reviewed by PED, the budget is presented to the local Board of Education for formal approval. Certification of the proposed budget by the PED shall be on or before July 1. At this time, the approved and certified budget constitutes the Operating Budget. The Operating Budget and any authorized adjustments shall be integrated into the District's Financial Management System following required approvals. Encumbrances shall be used as an element of control and integrated in the budget system.

Upon completion of the final close of each fiscal year, the District determines the actual cash balances for all funds. The new fiscal year's Operating Budget is adjusted by the use of a Budget Adjustment Request (BAR) to incorporate cash balances as of June 30 into the Operational Budget. The District adjusts the budget and incorporates the changes into the Financial Management System accordingly. Increases, decreases, and adjustments to the Operating Budget are presented to the local Board of Education for approval and subsequently submitted to PED for approval as required.

Budget adjustments, which do not alter the total amount of the budget, are processed as follows:

INTRA-BUDGET TRANSFERS

Transfers between expenditure account codes within the same function are presented to the local Board of Education for approval at a regularly scheduled meeting. Once approved, the adjustments are recorded into the Financial Management System by the Business Manager. To maintain the budget accordingly in OBMS, the intra-budget transfers are also entered into OBMS as a Maintenance BAR.

INTER-BUDGET TRANSFERS

Transfers between expenditure account codes outside of the same function are presented to the local Board of Education for approval at a regularly scheduled meeting. Transfer requests are subsequently submitted to PED for approval through the OBMS. Once all approvals are obtained, the Business Manager records the change as an adjustment to the Operating Budget in the Financial Management System.

BUDGET INCREASES/DECREASES

All original budget documents are maintained by the Business Manager for the permanent budget file. Copies are distributed to the appropriate staff and the documents are made available to the auditor annually.

BUDGET OBLIGATIONS (ENCUMBRANCES)

When a purchase order is issued or an employee contract is approved, it is recorded as an encumbrance on the Financial Management System and is reflected on both the system and budget reports as a budget obligation or commitment to pay. An encumbrance essentially reduces the available budget balance. While not all obligations are made through a purchase order or contract, the majority of the District's financial and budget obligations are reflected as encumbrances. Encumbrances are used to track budget availability more thoroughly.

CASH

- Only the Board of Education can authorize the establishment or closure of a District bank account.
- All funds received through the bank account as an ACH or Wire Transfer will be properly receipted and recorded in the General Ledger as though the revenue was actually hand-delivered to the District.
- All bank transfers are approved, recorded, and verified to ascertain that both sides of the transactions are recorded.
- All cash received is deposited in the same form in which it was received.
- All bank reconciliations will be thoroughly reviewed and signed off by the Business Manager.
- No expenditure may be made from cash receipts.
- No activity fund account shall be permitted to incur a deficit cash balance. Emergency/temporary situations may be allowed with prior approval of the Superintendent or his/her designee. Under no circumstances shall a fund remain in a deficit cash balance at the end of the fiscal year (June 30).
- A teacher or school employee who does not have written approval by the Building Principal/Program Director to Fund Raise will not collect money at a school facility or campus.
- Fees are prohibited for classes, which are part of the required curriculum for grades K-8. Fees may be charged for remedial classes, grades 9-12.
- Monies collected at the school site should never be kept in the classroom overnight.

- The Sponsor shall turn money into the Administrative Secretary at Central Office no later than the end of the business day so the funds can be deposited within the twenty-four (24) hour requirement.
- Copies of receipts (Pink Copy from receipt book) that equal deposit will be turned in with money.
- PERSONAL CHECKS WILL BE ACCEPTED.
- Club sponsors will not establish separate bank accounts.
- All employees that handle money will check in their receipt books before they check out with their Site Supervisors.

CASH RECEIPTS

Pursuant to NMAC 2.2.1 Cash Control Standards 14.3: Money received and receipted shall be deposited in the bank within 24 hours or one banking day.

Central Office

- The Superintendent's Administrative Secretary is responsible for sorting all District mail. The Administrative Secretary will open all Central Office mail, date stamp each item and copy all checks received. The Superintendent's Administrative Secretary is responsible for opening all of the Superintendent's mail, date stamp each item, and sort the mail according to the Superintendent's directive. All other District mail is sorted and placed in the proper mailbox to be distributed in the District.
- All incoming checks must immediately be stamped with a restrictive endorsement, such as "**For Deposit Only.**"
- The Administrative Secretary receipts all revenue received by Central Office. Monies received at school sites will be receipted by the site secretary and will be delivered to Central Office for deposit.
- Each receipt requires a description of payment. The original receipt is the paying party's copy and the pink copy of the receipt is attached to the documentation. The yellow copy remains in the receipt book.
- If an error is made on a receipt, it must be voided and a correct receipt issued. Erasures are not acceptable. If a receipt is voided, all copies shall be marked "VOID" and kept intact in the receipt book.
- The Superintendent's Administrative Secretary provides the receipts, deposit slips and all documentation to the Accounts Payable Manager.
- An employee, outside the receipting and deposit process, will hand-deliver the deposits to the bank.
- The Daily Deposit Form is utilized to enter the deposit information into the Financial Information System. *(See exhibit #2)* The daily deposit form is on top, followed by the documentation, copy of all receipts, and the bank stamped deposit.
- The deposit and receipts are provided to the Business Manager for verification and entered into the Financial Management System.

RECEIPTS

Each receipt requires a description of payment. The original receipt is the paying party's copy; the pink receipt is attached to the deposit slip and any accompanying documentation, and the yellow receipt remains in the receipt book. **Voided receipts are clearly marked "VOID" and all copies should**

remain intact in the receipt book. Central Office receipt books will be preprinted with an area designated for the account number for the Financial Management System.

Only pre-numbered receipt books issued by the District Business Office will be used. Receipt books must be obtained and signed for by the Class Sponsor/Coaches from the Administrative Secretary. A record shall be kept with the starting and ending number of all receipt books. For accountability purposes, all receipt books will be turned in to the Business Manager by June 30. Principals shall ensure that secretaries and teachers are informed of this requirement when receipt books are issued. If receipt book is not turned in by June 30th employees/coaches will be required to pick up their last summer checks at the Business Office while returning their checked out receipt book.

If funds are missing, it shall be reported immediately to the Business Manager. A written report shall substantiate the shortage of funds. A copy of all documentation will be forwarded to the Superintendent and Business Manager.

ATHLETIC GATE RECEIPTS

- Revenue is collected through the issuance of pre-numbered tickets.
- Pre-numbered tickets must be issued for all admissions.
- Cash should always be counted and verified by **two** approved employees prior to issuance of a receipt. Currency should be straightened, faced, and placed in like denominations. Coins should be counted, and rolled.
- Ticket Seller's Athletic Ticket Reconciliation (*See exhibit #3*) must be completed indicating the reconciliation of cash collected and tickets used and unused. This reconciliation should clearly account for all tickets.
- The designated employee completes one receipt to the Ticket Seller following the reconciliation of cash and tickets.
- This designated employee will maintain a file on all Athletic Ticket Reconciliations for review by the auditors.
- Any discrepancies will be reported immediately to the Business Manager.
- After all money is receipted by the Athletic Director, director will submit to the Superintendent's Administrative Secretary, who will then complete the Daily Deposit Form and attach all documentation. Documentation will then be provided to the Business Manager who will enter into the Financial Management System.

FUNDRAISING ACTIVITIES/SALES OF MERCHANDISE

Merchandise is considered cash.

- The student must return all cash and merchandise to the Sponsor within 72 hours of collection of revenue.
- An accounting of all merchandise and cash must occur as product and cash exchanges hands.
- Always have a minimum of **two** people counting and receipting cash.
- The Sponsor/Coaches turns over all cash and records to the Site Secretary at School Site who issues a receipt to the Sponsor for the revenue.
- The Site Secretary gives any cash to the Superintendent's Administrative Secretary for verification and receipting on a daily basis.
- A general accounting of all revenue must be provided by the Sponsor/Coach to the Business Manager.

DEPOSITS, LOST TEXTBOOKS, SCHOOL PICTURES, YEARBOOKS, ETC.

- The Class Sponsor/Coach issues a receipt to the students paying for class projects, lost textbooks, etc. and turns it in to the Central Office for deposit.
- The Site Secretary gives all revenue and receipts to the Superintendent's Administrative Secretary for verification and receipting.

VENDING MACHINES, CONCESSIONS, ETC.

- Cash should always be counted and verified by **two** approved employees prior to issuance of a receipt. Currency should be straightened, faced, and placed in like denominations. Coins should be counted and rolled.
- All money and documentation is placed in a "one time seal" security bag and placed in the sites safe.

DEPOSITS

- The bank deposit slip shall have the numbers from applicable receipts entered or attached as a reference.
- The individual making deposits at the bank must ensure the bank teller stamps the deposit slips.
- The bank receipt of the deposit is returned to the Superintendent's Administrative Secretary and will be attached to all corresponding documentation.
- Information is provided to the Business Manager on a daily basis for entering in the Financial Management System.

CASH MANAGEMENT

The Business Manager will utilize cash management procedures, such as cash flow projections, to ensure positive bank cash balances and tracking of Request for Reimbursements on Federal and State Grants.

PETTY CASH

- **Petty cash is not allowed at any site.**
- The Business Manager will do periodical internal audits during the school year. Discrepancies will be reported immediately to the Superintendent.

If an activity club owning funds ceases to exist without prior authorization on the disposition of its remaining funds, the Business Manager may transfer such funds to another account in the same category, with approval of the Superintendent. **Any remaining school funds generated by school-sponsored activities that have been completed may not be transferred out of school bank accounts for any reason.**

If there is a cash balance remaining in a graduating class account after the date of graduation, and after all encumbrances have been liquidated, such funds will accrue to the benefit of the ensuing class.

AUTHORITY AND PROPRIETY OF EXPENDITURES

The Anti-Donation Clause: NM Constitution Article IX 14

"Neither the state, nor any county, school district, nor municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit, or make any donation to or in aid of any person association or public or private corporation... A "donation" within the meaning of the provision is a gift, and allocation or appropriation of something of value, without consideration."

The following guidelines will be used by the Mesa Vista Consolidated School District for making a determination on whether an item purchased is in violation of the anti-donation clause or if the related expenditure is for the purpose authorized by law. The term "proper" is used to describe an expenditure that is for a purpose authorized by law.

- Does the District derive a public benefit or receive value in return?
- Is the purchase for a "public purpose?" A "public purpose" means the objectives are to promote the public health, safety, morals, general welfare, security, prosperity and contentment of public employees of the District in the promotion of public purposes or public business.
- Each situation needs to be reviewed independently based on the particular factual context.
- If necessary, document the decision to include an explanation of how the purchase is for "public benefit."

The District uses the four gauges developed by the Department of Finance and Administration for making a determination.

- Do the expenditures fall within the District's constitutional or statutory mission?
- Does the purchase aid or promote progress in achieving the District's mission and benefit the public?
- Is it a necessity; is there a choice of options? Use the least amount of resources possible.
- Does it fall within the budget appropriated and within available resources?

PURCHASING

Pursuant to the State of New Mexico Purchasing Act, the Mesa Vista Consolidated Schools Board of Education and the Superintendent of the District designate the Business Manager and the Business Office as the Central Purchasing Office, and adopt the following procedures.

District policies and procedures are designed to meet all the requirements of the Procurement Code in accordance with Chapter 13 of the New Mexico State Procurement Code. The District has implemented local procedures as required by Supplements in the Manual of Procedures for Purchasing.

The Business Manager and the Superintendent are responsible for assuring all purchases against the assigned budgets are appropriate and necessary. The Building Principal/Program Director at each site primarily initiates the purchasing process. The Administration Office and Business Office Personnel may also initiate a purchase. Once the requisition is approved by the Superintendent and Business Manager, requisition will be processed on the Financial Management System, the requisition becomes a purchase order. Subsequently, the amount of the purchase order is encumbered in the Financial Management System. The designated Superintendent and Business Manager signatures are electronically printed on the purchase order.

DETAILED PURCHASE PROCEDURES

The requisition form is provided to all employees at the beginning of each school year on the "P" drive. The form should be typed and signed by each Supervisor and returned to the Business Office. (See Exhibit #4)

PURCHASE ORDERS

1. Complete a Requisition located on the "P" drive requesting supplies, materials, equipment, or service. Do not save your documents on the "P" drive.

Budget account number (fund, function, object and program and location codes, if applicable) will be completed by the Business Manager.

Provide as much information as possible regarding the supply, equipment or service being requested (a complete catalog number, model number, color, size, etc., of item requested including price). Description should include what, when, where, and why information regarding the purchase.

Include shipping and handling fee; if no charge, indicate such on the requisition.

Reservations and registrations, etc., must have dates, locations, name of activity, confirmation numbers, and any other relevant information.

Agendas must be attached.

PLAN AHEAD. Allow (3) working days for the processing of a requisition.

2. Building Principal/Program Directors must approve requisition for the respective department.
3. The Superintendent approves all purchases.
4. Once final approval by the Business Manager and/or Superintendent is completed, the Accounts Payable Manager will complete the purchase order. Unless otherwise stipulated, the original of the purchase order is given to the Requestor. The person submitting the requisition should initiate the purchase order. The File Copy of the purchase order is retained in the Business Office to be matched with the invoice for payment. The receiving copy is sent back to the Accounts Payable Department with signature verifying all merchandise has been received. **IF AN ORDER IS TO BE FAXED, THE REQUESTOR IS REQUIRED TO INCLUDE THE FAX INSTRUCTIONS IN THE BODY OF THE PURCHASE ORDER. THE SITE SECRETARY WILL FAX THE ORDER ONCE THE PURCHASE ORDER HAS BEEN APPROVED.**
5. The requestor should refer to the purchase order number when receiving merchandise and making inquiries concerning the order.
6. Merchandise will be shipped to each of the Mesa Vista Consolidated School District's School Sites. The invoice will be sent to the Business Office at P.O. Box 309, Ojo Caliente, NM 87549.
7. If there is a discrepancy in the amount of merchandise received or damaged, the Requestor will contact the vendor.
8. Upon verification that an order is complete and correct, the purchase documents, including applicable invoices, are attached to the purchase order, and the invoice is processed for payment.
9. Two staff members need to sign off on all receiving items.

PURCHASE ORDERS FOR MEALS

The amount allotted for student meals is \$7.00 per meal. Student will be allowed \$10.00 per meal if it is a District or State Competition. Meals for students will only be allowed if trip exceeds 100 miles from school, unless it is a District or State Competition.

Purchase orders for student meals MUST include the following:

- Estimated number of meals to be purchased.
- Name of contact person and phone number for the restaurant.

- Date meals are to be purchased.
- Gratuity ***shall not*** be included on Purchase Orders.
- List of students and coach(s) who will be receiving meal. *(See Exhibit #5)*
- *UNDER NO CIRCUMSTANCE WILL THE TOTAL BILL FOR MEALS BE MORE THAN THE PURCHASE ORDER AMOUNT. IF TOTAL AMOUNT OF BILL EXCEEDS THE AMOUNT ALLOWED PER STUDENT, THE SPONSOR WILL BE RESPONSIBLE FOR COLLECTING OR PAYING REMAINING BALANCE. EACH STUDENT ON THE LIST WILL BE ALLOWED **ONLY** THE AMOUNT ALLOWED. ANY REMAINING BALANCE WILL BE THE RESPONSIBILITY OF THE SPONSOR.*

PURCHASE ORDERS FOR MOTELS

Purchase orders for motel reservations MUST include the following:

- Estimated number of rooms to be reserved.
- Negotiated price of the motel room including tax.
- Name of contact person and phone number for the motel.
- Date rooms are to be reserved.
- UNDER NO CIRCUMSTANCES WILL THE TOTAL BILL FOR ROOMS BE MORE THAN THE PURCHASE ORDER AMOUNT.
- Only authorized room expenses will be paid. Authorized expenses do not include movie rentals, restaurant, phone calls, etc.

Receipts for all meals and/or rooms should be signed, the purchase order number written on the receipt, and all paperwork submitted to the Accounts Payable Manager the first day after returning from the trip.

Any unused purchase orders must be returned to the Accounts Payable Manager and noted that the purchase order was not used.

SPECIAL REQUEST FOR CHECK

Occasionally a check will be needed before material or services are received or an expense is incurred. Documentation should be attached and sent to the Business Manager, which states that a purchase order will not be accepted.

The following circumstances would apply:

- Registrations for conferences, competitions, etc., in which a purchase order will not be accepted
- Documentation should be attached and sent to the Business Manager, which states that a purchase order will not be accepted.

All necessary information must be provided on the Requisition, and if possible, an invoice must accompany the form. In some instances, an alternative form may be used with prior approval from the Business Manager.

PURCHASING LIMITS

Typical quote and bid specification procedures for obtaining tangible goods, non-professional services and construction:

- \$5,000 or Less Requires Purchases at Best Available Price.
- \$5,001, but not greater than \$10,000 for services, construction, and/or tangible property requires 3 Written Quotes. Attach and Complete below.

- \$10,001 or More Requires Sealed Bids in Accordance with Procurement Code. Emergency Purchase – Need to Provide Attachment for Explanation. Example: A threat exists to public health, welfare, safety.

CES/SPA/TCPN/GSA

Reference to any of the above pricing agreements should be made on the purchase order. A copy of the contract is required to be on file in the Business Office for auditor's inspection. The Superintendent may make exceptions to these procedures provided they are in compliance with the NM State Purchasing Act.

PURCHASING FILES

The Business Manager will be responsible for maintaining files for bids, information regarding quotes, sole source, and all District contracts.

The Accounts Payable Manager will maintain a Vendor Form on each Vendor including all W-9 information.

The Accounts Payable Manager will be responsible for reconciling the vendor records for the issuing of Form 1099 by January 31st of each year. The Business Manager will review the reconciliation and submit the electronic file to the tax authorities.

If the procedures above are not followed, the Mesa Vista Consolidated School District is under no obligation to pay for non-authorized purchases. Individuals making such purchases will be held responsible for payment.

RECEIVING

PURCHASES WHERE MERCHANDISE IS RECEIVED AT TIME OF PURCHASE

Any employee purchasing in-town or picking up merchandise rather than it being delivered to the District will be responsible to sign the ticket as receipt of merchandise. The Purchase Order number should be written on the invoice and the ticket submitted to the Accounts Payable Manager in the Business Office the same day of purchase.

PROCESSING SHIPMENTS INTO THE DISTRICT

- Administrative Assistant/Secretary delivers the receiving copy to the Requestor with the Purchase Order.
- Shipment of product is received at each school site.
- Receiving site has the responsibility to verify the contents and quantities of the shipment.
- Receiving site then signs and sends the "RECEIVING COPY" of the Purchase Order and packing slip (if available) to the Business Office within 24 hours as authorization for payment.
- The packing slip must clearly identify any product that is NOT received, back ordered, or damaged
- Should the product in the box be damaged and/or is not acceptable, the site person notes such on the packing slip to notify Accounts Payable not to pay for the product
- In addition, the end user will email the Accounts Payable Manager providing very specific details as to the damaged product
- The Requestor will contact the vendor to resolve any issues as noted above

ACCOUNTS PAYABLE

The Administrative Secretary at Central Office date stamps all invoices received at Central Office, separates, and provides to the Business Manager for review. The Accounts Payable Manager is responsible for bringing to the attention of the Business Manager any past due invoices or balances on statements from vendors.

PROCESSING PAYMENT TO VENDORS

- Using the receiving copy and the purchase order, match each item on the purchase order that was received.
- Record any items the vendor states is on back order.
- Using the invoice and the purchase order, double check that everything on the invoice is received
- Check all calculations on the invoice and indicate work by checking off each amount. Determine if gross receipts tax should be charged and check accordingly. Any amounts on invoice that are not on the purchase order should be investigated by contacting the requestor and/or vendor.
- Enter the invoice for payment into the Financial Management System.
- The invoice, packing slip, and any correspondence should be stapled to the purchase order as documentation and authorization for payment. All duplication of documents is destroyed to ensure the file is concise and includes only necessary documentation.
- If partial payment of the purchase order is being made, make a copy of the purchase order (after recording the product received) to be used for documenting the first payment. The original purchase order should be returned to the file for processing at a later date with a notation of how much was paid for the partial shipment.
- When the second shipment on a purchase order is received, follow the process above using a different color ink pen. This will clearly identify the varying payments.
- If there is more than one invoice attached to the purchase order, flag each invoice so it can be readily picked up when running a "totals" tape for that purchase order. Each purchase order should have a "totals" tape stapled to the top of the purchase order.
- When all invoices have been entered for payment for the batch, put the purchase orders and supporting documentation together in alphabetic order.
- Run a tape on all invoices to be paid and compare to the total to be paid from the Financial Management System. The totals should match.
- The Financial Management System generates a check register, schedule of checks to be written, and a report of journal entries. These reports are verified for accuracy prior to issuance of the check and the budget(s) updated.
- A copy of the accounts payable check register is provided to the Business Manager who, in turn, will release the required blank checks to the Accounts Payable Manager for printing.
- The Accounts Payable Manager prints the accounts payable checks.
- The purchase orders, with all documentation, the "totals" tape, and the checks are given to the Business Manager for review of accuracy and appropriateness. The Business Manager compares data on supporting documents to the checks.
- Once approved by the Business Manager, the paperwork is returned to the Accounts Payable Manager who mails the checks to the vendors and files the paperwork by check number.
- The Accounts Payable Manager should NEVER create an invoice for a vendor or prepare a requisition for a requestor.

ALL OPEN BLANKET PURCHASE ORDERS ARE TO BE APPROVED BY THE BUSINESS MANAGER PRIOR TO ENTERING IN THE FINANCIAL MANAGEMENT SYSTEM.

JOURNAL ENTRIES

Prior to entry in the Financial Management System, entries that require a General Ledger Journal Entry are to be approved by the Business Manager. All journal entries will be kept in a 3-ring binder and made

available to the auditor. This binder will also include any special voucher payment forms for transfers made between bank accounts and any Electronic Fund Transfers for payroll.

FUNDRAISERS

All fundraising activities require prior approval from the Building Principal even when conducted off school property or by other groups such as parent organizations. Sponsors of the fundraising project shall use the Activity Fundraising Request Form *(See Exhibit #6)* and obtain the signature of the Building Principal. A copy shall also be filed in the Business Manager's Office for inspection by the auditor.

Written authorization from parents shall be obtained in order for students to participate in a fundraiser. The authorization shall be kept by the sponsor of the project, in alphabetical order, for easy reference. Sponsors may use one form and list all projects for the year.

Proceeds from fundraising activities, which are under the sponsorship of a faculty member, must be deposited into the appropriate activity fund. Expenditures must always follow district purchasing procedures as outlined in this policy.

At the time fundraising money is collected, the teacher or sponsor shall require all participating students to turn in all money within 72 hours of collection. The teacher or sponsor shall deliver the money to the District Administrative Secretary at Central Office on the day he/she receives it from the student so the money can be deposited within the 24-hour rule period. This policy is intended to help detect lost or stolen funds and safeguard the collected funds.

Receipts and invoices should match total sales and expenses as reported to the Business Manager on the Fundraising Project Form.

TRAVEL REIMBURSEMENTS

All travel reimbursements are processed in accordance with the Per Diem and Mileage Act as outlined in the DFA regulations, and as per District Board Policy. Travel Reimbursement Form must be turned in to Business Office within five (5) business days of travel and must be complete or they will be returned to employee or board member. These guidelines are outlined on the Travel Reimbursement Form. *(See Exhibit #7)*

Employees and Board Members of the District are entitled to reimbursement of registration fees, mileage, per diem, and other costs associated with authorized trips for official school business. Travel is to be approved in advance and form must be completed by Requestor.

Professional Staff Conferences/Visitations/Workshops

All travel must support the District's Educational Plan for Student Success (EPSS).

To attend meetings or conferences, employees must obtain approval from the administration at least ten (10) days prior to meeting or conference dates (whenever such prior request is possible.) Out of state travel must be approved by the Superintendent as must travel expenses that commence more than 24 hours prior to the start of any approved training (overnight lodging will only be allowed if the meeting/training starts at 8 am or earlier or if inclement weather the day prior to the meeting would affect travel and attendance.

The following guides will be used in granting released time and/or travel expense:

- Value of the meeting or conference
- Funds available in the appropriate budgets
- Availability of substitute, if one is necessary

A per diem subsistence allowance, and/or mileage, for private automobiles may be paid as provided in state law or board policies. The necessary forms and instructions for filing travel claims are available at the administration office.

Only denied Vehicle Transportation Requests will be considered for mileage reimbursement at a rate of .45 cents per mile.

Support Staff Conferences/Workshops

To attend meetings or conferences, support staff must obtain approval from the administration at least ten (10) days prior to meeting or conference dates (whenever such prior request is possible.) Out of state travel must be approved by the Superintendent as must travel expenses that commence more than 24 hours prior to the start of any approved training (overnight lodging will only be allowed if the meeting/training starts at 8 am or earlier or if inclement weather the day prior to the meeting would affect travel and attendance.

The following guides will be used in granting released time and/or travel expense:

- Value of the meeting or conference
- Funds available in the appropriate budgets
- Availability of substitute, if one is necessary

A per diem subsistence allowance, and/or mileage, for private automobiles may be paid as provided in state law or board policies. The necessary forms and instructions for filing travel claims are available at the administration office.

Only denied Vehicle Transportation Requests will be considered for mileage reimbursement at a rate of .45 cents per mile.

In-District Travel

Management does not allow In-District Travel.

In-State Travel

All in-state travel requires prior approval by Building Principal/Program Director and then Superintendent,. This approval is requested through the Request for Leave Form (*See Exhibit #8*), addressing who, what, when, where, and why. The purpose of the trip must be justified and all costs associated with the trip must be itemized. The Business Manager will verify the applicable amounts and will forward the signed Travel Reimbursement Form to Accounts Payable with itemized receipts. Sufficient approvals and required documentation such as agendas and invoices must be attached to the Travel Reimbursement Request Form. All receipts for out-of-pocket expenditures for transportation, registration, and miscellaneous expenses are required for reimbursement. Only detailed credit card receipts will be reimbursed.

Request a school vehicle using a School Vehicle Request Form *(See Exhibit #9)* and submit to Transportation Manager at least 30 days prior to travel.

Out-of-State Travel

All out-of-state travel requires prior approval by the Building Principal/Program Director, the Superintendent, and then Board of Education. The purpose of the trip must be justified and all estimated costs associated with the trip must be itemized if reimbursement is expected. Only Board approved expenses will be reimbursed.

In the event that an outside organization pays an employee per diem or travel expenses, the employee shall not seek additional per diem from the District.

An employee shall never be reimbursed twice for per diem or mileage for the same event.

PAYROLL

The Superintendent is responsible for monitoring the hiring of personnel, authorizing salaries, initiating employment contracts, and maintaining the staffing levels approved in the annual budget.

The District Contract and Salary Endorsement Form includes employment information (training and experience, salary amount, fund source, date of hire, number of work days, dates, etc.) and is generated by the Business Manager, Human Resource Department, and Superintendent. These forms are generated for all personnel at the beginning of each fiscal year, as well as for mid-year changes in salary, assignment, etc. The Business Manager, Superintendent, and the Payroll Manager verify these documents. Human Resource Department obtains all contract signatures. Payroll is processed from the approved Salary Endorsement Form and the Employment Contract. During the school year, the Payroll Manager maintains the database on the Financial Management System and the Human Resource Department maintains the Superintendent's personnel database, both are balanced before the August payroll and again during the year as needed. Any additional payroll payments for employees are processed only with proper written authorization from the Superintendent and the Building Principal/Program Director at each site. This may include substitutes, and/or additional services such as tutoring, summer school, and gate keepers. Increments such as coaching, sponsors, etc. will be processed with an Extra Curricular Assignment.

All employees are paid bi-weekly on Thursday according to the payroll calendar and payments are prorated according to the remaining months in the fiscal year. June 30th all summer checks will be mailed out to employees if not picked up at the Business Office by 12:00 pm. Additional payrolls may be generated to accommodate special hourly programs and employees upon the approval of the Business Manager.

Each pay period must be balanced by the Payroll Manager and approved by the Business Manager prior to posting a payroll. A check and direct deposit listing will be given to the Business Manager for review. A calendar with the payroll cutoff date for each pay period will be distributed to all staff members at the beginning of the school year. It will be followed at all times unless prior approval is received from the Business Manager.

Before an employee can receive payment for any additional time above their contract, an authorization to pay additional time will be prepared and approved by the Superintendent and will include: description of work to be completed, maximum hours allowed, and signature of Superintendent. *(See Exhibit #10)* All salary paid by time sheets must be on authorized forms and signed by the employee and Department Head prior to processing through the Financial Management System. The Payroll Manager will only be held responsible for checking the time card for appropriate approval and calculate amount to be paid based on the original authorization to pay.

Any employee who does not check out at the end of the school year, will have to pick up their final paycheck at the Superintendent's Office.

CLOCKING IN/OUT

At the end of each payroll week, all employees will receive a time sheet from their supervisor. Employee and supervisor will review and both will sign off verifying their time worked. Supervisors will then forward all time sheets every Monday by 12:00 noon, to the Payroll Department.

If an employee forgets to clock in/out, he or she needs to communicate with their supervisor. Supervisor will manually override and adjust. Supervisor will make notes in the Time Clock Plus System as to the reasoning for not clocking in or out. All supervisors will be giving authority and user ID's to use Time Clock Plus System.

Do not call the Payroll Department or Central Office for any adjustments. These departments do not have authority to override any transactions.

If any employee misplaces/loses their time clock badge, it will be the responsibility of that employee to pay a fee of \$10 to replace their badge.

EMPLOYEE LEAVE

Mesa Vista Consolidated School District provides its employees leave based upon the terms of their individual employment contracts. Further, the administration will consider long-term and short-term leave for its employees. The Principal or the Principal's designee shall approve all leave on an individual basis.

Procedures for leave are:

- To request leave, an employee must fill out a Leave Request Form and submit it to the Principal or Supervisor for approval.
- Upon approval from the Principal, the Leave Request Form should be submitted to the School Site Secretary and the secretary will submit it to the Business Office.
- The Business Office will track employee use of all leave.
- For each day's absence from duty beyond allowable Leave, the Business Office will make corresponding payroll deductions.
- The Business Manager will develop an annual contract calendar listing all designated holidays to be attached to each employee's contract or will be given out during orientation.

LONG TERM LEAVE

The Principal may grant an employee a long-term leave of absence only if the leave 1) contributes to the employee's professional growth, 2) allows for the maintenance of good health, 3) allows for childbirth, adoption, and infant care, 4) adds significant value to the success of the school, or 5) is required by law.

- a) To be eligible for a leave of absence, an employee must have worked for the Mesa Vista School District for a full school-year during which the employee must have worked a total of 1250 hours, and the employee must have had satisfactory work performance and not be the subject of discipline or on a professional improvement plan prior to the leave request.
- b) Employees requesting such leave are to provide the Principal with appropriate supporting documentation justifying their request, including a physician's statement when the request related to personal health, childbirth or healthcare reasons. The Principal may request further clarification or justification prior to making a decision.

TAX AUTHORITY CORRESPONDENCE

All correspondence from tax authorities such as Internal Revenue Service, New Mexico Taxation and Revenue, New Mexico Workforce, etc. are delivered to the Superintendent's Administrative Secretary for date stamping and provided to the Business Manager for review. Due to the sensitivity of this type of correspondence, it will be the Superintendent's Administrative Secretary's responsibility to ensure that the Business Manager receives the correspondence in the appropriate timeframe.

ABSENCES

Overdrawn sick leave and personal leave is docked from the employee's pay on the next scheduled paycheck.

DEDUCTIONS

The Payroll Manager is responsible for maintenance of employee insurance premium reconciliations, and other voluntary and mandatory payroll deductions. All payroll records and payroll reports are maintained by the Payroll Manager. All unclaimed payroll checks are followed up by the Business Manager.

PERSONNEL FILES

The Superintendent's Administrative Secretary will be responsible for the safekeeping of all personnel files and updating of required information. Each file will be organized and at a minimum will include the information referred to in the PED Manual on Training and Experience. Evaluations, due process, and drug testing files will be kept in personnel files. Litigation and Grievances will be kept by the Superintendent.

FOOD SERVICE

The Mesa Vista Consolidated School District will ensure compliance with all laws and regulations.

All cafeteria meals will be paid for at the Central Office or School Site Secretaries. Cooks will not accept cash for any meals.

- Beginning August 17, 2016, the Business Office will be selling Cafeteria Meal Tickets. The cost for the Meal Ticket is \$24.00 and \$12.00 for employees/substitutes and this price will cover either 8 or 4 meals. District will only be selling these two meal tickets. District will no longer sell one ticket. One ticket will only be sold to parents and/or community members. Once a Meal Ticket is purchased, those individuals/cooks who are collecting at the door will be able to initial the card for that day. Employees will be allowed to use their meal ticket throughout the year. There is No Expiration Date for the Cafeteria Meal Tickets.
- Due to construction for FY16/17, no extra lunch trays will be delivered to Ojo Caliente Campus for parents/community members, trays will only be for students and staff. All food will be prepped at El Rito Elem, therefore, extra lunch trays will only be able to be purchased at El Rito Campus. Thanksgiving Dinner may be an exception for prepping extra trays to be delivered to the Ojo Caliente Campus.
- The cost of each tray is \$3.00 for all employees for lunch and breakfast and \$3.25 for guests.

FIXED ASSET INVENTORY

The Business Office has responsibility in developing procedures for maintaining District inventories. A copy of the complete inventory shall be on file in the Business Office. A detailed listing of land, buildings, and equipment must be established as prescribed by the Governmental Accounting Standards Board (GASB). Assets, including lands and buildings, and improvements to land and/or existing buildings, having a total acquisition cost of five-thousand dollars (\$5,000) or more will be tagged, marked, and capitalized and included in the general fixed assets listing, unless the Board adopts a lower threshold. Depreciation schedules shall be created for all capital assets items and maintained in accord with GASB requirements.

A list shall also be maintained for all equipment, including vehicles, with a cost of one thousand dollars (\$1,000) or more, but less than the capital asset threshold. The list must identify each item's description,

identification (tag) number, location, and the month and year of acquisition. For insurance and other purposes, an inventory listing of items with and acquisition cost of less than one thousand dollars (\$1,000) may be maintained.

A comprehensive physical inventory of District property on the capital assets listing shall be conducted at least every two (2) years and items on the stewardship listing shall be conducted every three (3) years. Facility administrators shall implement the procedures, providing reports as requested on the contents of their buildings.

Facility administrators shall require any employee who removes an item from one school for use in another to have a written request for such removal signed by the Business Office. Each administrative unit shall assist in completing an annual inventory of all capital furniture and equipment, library media, and textbooks at its location.

All District equipment and items of tangible value are permanently identified using inventory tags. This is the responsibility of the Fixed Assets Clerk. Building Principals/Program Directors are responsible for ensuring that all equipment delivered to their location is appropriately marked. The Fixed Assets Clerk maintains fixed asset inventory records for any asset over \$5,000 for the annual audit. For District purposes only, records are kept for inventory with a cost of less than \$5,000. The inventory database includes the inventory tag number, description of the item, serial number, purchase order number, acquisition date, fund code, location number, and the building room/department number.

Review of the inventory is conducted twice a year. The first review is completed in the month following the beginning of student instruction. The second review is conducted at the end of the school fiscal year. Adjustments are made by the Building Principal/Program Director and forwarded to the Business Office for updating in the Financial Management System.

All requests for removal of surplus property, deletions, and discards shall be approved by the Board of Education. The District follows the statutory authority regarding property/equipment disposition.

All IT Equipment is processed through IT Department. IT annually will coordinate document and provide to the Business Manager all technology equipment identified as obsolete and staged for disposal.

The Business Manager reconciles all records to the general ledger annually.

FACILITIES AND VEHICLES

FACILITY AND VEHICLE KEYS

The Transportation Manager and the Facility Manager, with the assistance of the Transportation/Facility Clerk, is responsible for the safekeeping of the keys. A log is used to record the date and time of key issuance, name of person the keys are issued to, description of keys distributed, and signature of the person. Upon return of the keys, the log is updated to indicate the date and time and the initials of the person who returned them. No person will be allowed to check out a key without proper approval.

Fees for lost keys:

- Master \$100.00
- Interior Sub-Master \$50.00
- Regular Interior \$35.00
- Pad Lock \$25.00

TITLE DOCUMENTS

The Superintendent's Administrative Secretary is responsible for the organization and safekeeping of all legal title documents for the District. All documents are kept in the Central Office and cannot be accessed without the approval of the Superintendent or Business Manager.

SPECIAL REVENUE FUNDS/GRANTS

All proposals prepared by District staff for special funding require prior approval from the Superintendent. Once approved and signed by the Superintendent, most proposals require approval by the Board of Education.

Upon receipt of an Award Notice, a budget document must be prepared and submitted to the Business Manager for review and processing. A Budget Adjustment Request is presented to the local Board of Education for approval. Budgets require PED approval through the OBMS process.

The procedures above must be followed prior to the expenditure of any monies to ensure that proper budget authorization is obtained in a timely manner.

After all necessary approvals are secured; special revenue fund budgets are entered in the Financial Management System and monitored by the Business Manager. The Program Director (any District staff member receiving special revenue funds) and Superintendent are responsible for program compliance with regard to the nature of the grant guidelines. The Business Office is responsible for the fiscal aspects of the award with oversight by the Superintendent.

DEBT SERVICE

All authorized bond and interest payments are accounted for in the Debt Service Fund. The Business Manager maintains a record of Bonded Indebtedness Schedule. This schedule lists the date of each bond issue, original amount of the issue, principal and interest payments, and the total outstanding balance for each issue.

All bond payments are verified and generated by the Business Manager. The Business Manager will contact the appropriate financial institution in preparation of a wire transfer for the required payment for any payment due on July 1st. All other payments during the school year are paid by check. Once the signature is obtained, the funds will be wired or paid by check from the Debt Service Fund to the authorized paying agent on the due date, as applicable. Wire transactions are posted in the Financial Management System by the Business Manager.

The Debt Service portion of the property taxes and gas and oil revenue collected by the County Treasurer and the State of New Mexico are receipted and deposited to the Debt Service Bank Account monthly or as received. Any surplus cash balance in the Debt Service bank account may be invested per local investment procedures and in accordance with NM Statutes. The County Treasurer billing for the 1% administrative fee is recorded at the time of receipt of funds.

INSURANCE

The New Mexico Public School Insurance Authority provides insurance for employee benefits and property and liability coverage. Premiums are determined for health, dental, and voluntary and basic life coverage by the Authority with procedures set by Statute. Property and Liability coverage through the Authority and their Brokers, Poms and Associates, are determined by a claims loss ratio. A Memorandum of Coverage is provided to the local auditor for review annually.

FRAUD POLICY

The Board of Education and the District's Management of the Mesa Vista Consolidated School District believes a system of internal controls, in which accounting and administrative practices have been established and maintained, will provide reasonable assurance that organizational objectives are being achieved. The controls will assist in screening out those individuals likely to commit fraud and help reduce the opportunity for fraud. It is management's desire to create an environment in which employees believe that dishonest acts will be detected, will not be tolerated, and will be punished accordingly.

AUDIT AND FINANCE COMMITTEES

In compliance with New Mexico Statute, the PED will develop guidelines for each committee.

EXHIBITS

- Exhibit #1 - District Organizational Chart
- Exhibit #2 - Daily Deposit Form
- Exhibit #3 - Ticket Seller's Reconciliation Form
- Exhibit #4 - Purchase Requisition Form
- Exhibit #5 - Student Activity List
- Exhibit #6 - Activity Fundraising Request
- Exhibit #7 - Travel Reimbursement Form
- Exhibit #8 - Request for Leave Form
- Exhibit #9 - School Vehicle Request Form
- Exhibit #10 - Release Time Request/Additional Pay