BASIS FOR ACCOUNTING SYSTEM

The basis for the automated accounting system is the general ledger account number system. (See Accounting Manual on www.alsde.edu for complete manual.) Each general ledger account code consists of twenty-nine digits divided into sections as follows:

1. Fund & Account Group
2. Account Type
3. Account Code
4. Object
5. Cost Center
6. Funding Source
7. Appropriation Year
8. Program
9. Special Use

FUND AND ACCOUNT GROUP

Local school accounting uses only two fund types which correspond to a funding source. They are:

Fund Type
- Special Revenue Fund: Fund Type 12 Funding Source 7101
- Expendable Trust Fund Fund Type 32 Funding Source 7501

FUND TYPE

Assets 1
Liabilities 2
Fund Equity 3
Revenues 4
Expenditures 5

ACCOUNT CODE

Assets: 0100-0199
- Cash in Bank 0111
- Change Cash 0115

Liabilities: 0200-0299
- Accounts Payable 0251

Fund Equity: 0300-0399
Central Office Accounting Procedures

Reserve for Encumbrances 0341
Unreserved Fund Balance 0350
Encumbrance Offset 0358
Adjustments to Beginning Balance 0360
(Use Only When Instructed by the Chief School Financial Officer)

REVENUE – See the SDE Accounting Manual for the most current listing of the revenue codes.

Public Revenues 4-(7100-7499)
- Admissions 4-7110
- Appropriations 4-7140
- Concessions 4-7180
- Commissions 4-7220
- Dues & Fees (Required) 4-7260
- Fines & Penalties 4-7300
- Fund Raiser 4-7340
- Grants 4-7380
- Sales 4-7420
- Donations 4-7430
- Accommodations 4-7440
- Other Public 4-7490

Non-Public Revenues 4-(7500-7999)
- Concessions 4-7510
- Dues & Fees (Self Imposed) 4-7610
- Fund Raiser 4-7710
- Donations 4-7810
- Accommodations 4-7850
- Other Non-Public 4-7910

Either Public or Non-Public Revenue
- Interest 4-6810

Operating Transfers In (Internal between activities) 4-9210

Operating Transfers In (External from C.O.) 4-9230

Any other revenue code needed to classify a revenue 4-XXXX
FUNCTION OF EXPENDITURE - See the SDE Accounting Manual for the detail needed to properly code the function code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.

The Function of Expenditure account code describes the activities being performed for which a service or material object is acquired. In determining the function code, attention should be focused on the specific activity being performed and not the program that will be benefited. See the definition of program codes to further distinguish these two separate codes.

<table>
<thead>
<tr>
<th>Instructional Services:</th>
<th>5-(1000-1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>5-1100</td>
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<table>
<thead>
<tr>
<th>Instructional Support Services:</th>
<th>5-(2000-2999)</th>
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</thead>
<tbody>
<tr>
<td>Student Support</td>
<td>5-(2100-2199)</td>
</tr>
<tr>
<td>Other Student Support</td>
<td>5-2190</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instructional Staff Support:</th>
<th>5-(2200-2299)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Staff Development</td>
<td>5-2215</td>
</tr>
<tr>
<td>Educational Media</td>
<td>5-2220</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School Administration:</th>
<th>5-(2300-2399)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of School Administrator</td>
<td>5-2310</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational &amp; Maintenance Services:</th>
<th>5-(3000-3999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Services</td>
<td>5-3200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auxiliary Services:</th>
<th>5-(4000-4199)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Transportation</td>
<td>5-(4100-4199)</td>
</tr>
<tr>
<td>Extra/Co-Curricular</td>
<td>5-4150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Outlay - Real Property:</th>
<th>5-(7000-7999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Acquisition and Improvement</td>
<td>5-7100</td>
</tr>
<tr>
<td>Building Acquisition and Improvement</td>
<td>5-7200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Expenditures:</th>
<th>5-(9000-9899)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Expenditures</td>
<td>5-9800</td>
</tr>
<tr>
<td>(Note: Use with these object codes only)</td>
<td></td>
</tr>
<tr>
<td>Items for Resale</td>
<td>478</td>
</tr>
<tr>
<td>Other Objects</td>
<td>699</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Fund Uses:</th>
<th>5-(9900-9999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Out</td>
<td>5-9910</td>
</tr>
</tbody>
</table>
OBJECT OF EXPENDITURE—See the SDE Accounting Manual for the detail needed to properly code the object code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.

The Object of Expenditure details the type of item or service purchased with the funds. This portion of the code explains what is being purchased.

- **Purchase Services**: 300-399
- **Materials & Supplies**: 400-499
  - **Items for Resale**: 478
- **Capital Outlay**: 500-599
- **Other Objects**: 600-899
- **Other Fund Uses**: 900-997
- **Operating transfers out (Internal between activities)**: 920
- **Operating transfers out (External to C.O.)**: 923

**COST CENTER**—This portion of the code denotes the local school for which the revenue/expenditure is being recorded. See the SDE Accounting Manual for pooled cost center codes.

- **Addison HS**: 0010
- **Double Springs Elementary**: 0020
- **Lynn HS**: 0030
- **Meek HS**: 0040
- **Winston County HS**: 0060
- **Addison Elementary**: 0015
- **Double Springs Middle**: 0025
- **Lynn Elementary**: 0035
- **Meek Elementary**: 0045
- **Winston County Tech Ctr**: 6000

**FUND SOURCE**—There are only two (2) at the local school level.

- **Fund#12** 7101 Public
- **Fund#32** 7501 Non-Public

**APPROPRIATION YEAR**

- 0 – current year
- 1 – carry-over year
- 2 – federal year (July-September appropriation)
- 9 – state prior year encumbrances
PROGRAM CODES
A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. The program code component allows local education agencies to charge program costs, instructional and support, directly to the benefiting program. For example, special education transportation costs are recorded to the support services function transportation, even though they should be charged directly to the special education program. For regular education program, this component allows for costs to be recorded by grade level or subject areas. See the SDE Accounting Manual for the detail needed to properly code the program code of the expenditure. Use the codes to the far right in the SDE Accounting Manual.

Regular Education 1000-1999
  Kindergarten 1100
  Elementary 1200
  High School 1500
  Pooled 8100

Special Education 2000-2999
  Elementary 2300
  High School 2400
  Gifted 2800
  Pooled 2900

Career/Technical Education 3000-3999
  Guidance 3500
  Administration 3600
  Family & Consumer Sciences 3700
  Other Career/Technical 3800

Non-Regular Day School Instructional 4000-5999
  Summer School 4300
  Extra-Curricular - Academic 4400
  Extra-Curricular – Athletic 4500
  Pre-School 4712
  Extended Day 4800

Pooled Program 8000-8999

Non-Instructional 9000-9997
  Transfer Out 9910
**SPECIAL USE CODES**

Special Use Codes are to be utilized when greater specification for an expenditure/revenue is needed. The State Department reserves the use of the first 99 special use codes. The LEA can designate the use of codes 100 and greater.

<table>
<thead>
<tr>
<th>State Department of Education</th>
<th>0001-0099</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winston County School System Use</td>
<td>0100-9999</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AHS</strong> 0110</td>
<td>Substitute Pay 3801</td>
</tr>
<tr>
<td><strong>AES</strong> 0115</td>
<td>Substitute Bus Driver 3802</td>
</tr>
<tr>
<td><strong>DSE</strong> 0120</td>
<td>Maid Salary 3803</td>
</tr>
<tr>
<td><strong>DSM</strong> 0125</td>
<td>Lunchroom Salary 3804</td>
</tr>
<tr>
<td><strong>LHS</strong> 0130</td>
<td>Secretary Salary 3805</td>
</tr>
<tr>
<td><strong>LES</strong> 0135</td>
<td>Janitor Salary 3806</td>
</tr>
<tr>
<td><strong>MHS</strong> 0140</td>
<td>______________ 3807</td>
</tr>
<tr>
<td><strong>MES</strong> 0145</td>
<td>Driver’s Ed Fees 3808</td>
</tr>
<tr>
<td><strong>WCHS</strong> 0160</td>
<td>Ex Curricular Bus Driver Benefits 3809</td>
</tr>
<tr>
<td><strong>WCTC</strong> 0170</td>
<td>Secretary/Receptionist Salary 3810</td>
</tr>
<tr>
<td><strong>Alternative School</strong></td>
<td>1700</td>
</tr>
<tr>
<td></td>
<td><strong>Teacher Aide Salary 3811</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Lost Textbook</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Bus Damage 3813</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Other 3814</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Coaching Supplements 3815</strong></td>
</tr>
<tr>
<td></td>
<td>______________ 3816</td>
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<tr>
<td></td>
<td>______________ 3817</td>
</tr>
<tr>
<td></td>
<td><strong>Extra-Curricular Gate Keeper</strong> 3818</td>
</tr>
<tr>
<td></td>
<td><strong>Extra-Curricular Bus Driver 3819</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Summer School Fees 3820</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Parking Lot Fees (Ballgames)</strong> 3821</td>
</tr>
<tr>
<td></td>
<td><strong>Other Pay – Benefits 3824</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Coaching Supplements Benefits 3825</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Ex Curricular Gate Keeper Benefits 3828</strong></td>
</tr>
<tr>
<td></td>
<td><strong>NSF Check Expense 3699</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Insurance Loss Replacement</strong></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>4136</td>
</tr>
<tr>
<td><strong>Transportation – WCBOE</strong></td>
<td>8410</td>
</tr>
</tbody>
</table>
Others are assigned as needed for more detail in coding grant expenditures.

**BUDGET PREPARATION AND APPROVALS**

**Responsibility**
It will be the responsibility of the Superintendent of Schools or his designee to prepare a proposed operating budget for submission to the Board for review and approval each year.

**Form Requirements**
The budget will be prepared by the Superintendent of Schools in accordance with rules and regulations prescribed by statutes, State Board of Education regulations, and Board policies.

**Budget Limitations**
No budget will be approved by the Board or the State Superintendent of Education where expenditures are in excess of anticipated revenues and fund reserves.

**Proposed Budget**
The Superintendent of Schools and his staff are responsible for developing a proposed annual operating budget and presenting it to the Board for study and review. All hearing requirements as noted below must be held prior to submission of any proposed budget to the Board and State Superintendent of Education for approval.

**Required Budget Hearings**
The Board will hold at least two (2) open public hearings each year pertaining to its proposed annual budget prior to approving a final form budget. Such hearings will be held in accordance with provisions of The Code of Alabama, 16-13-140.

**Final Form Budget**
The Board, after reviewing the proposed budget submitted by the Superintendent of Schools, will approve it by a majority vote of the whole Board. Upon receiving a majority of the Board members' approval, the proposed budget will be put into final form by the Superintendent of Schools and designees for submission to the State Superintendent of Education for final approval. In accordance with Legislative Act, 97-225, the Board's final form budget will be transmitted to the State Superintendent of Education on or before the date set by the SDE for submission of the final form budget.

**Periodic Review Responsibilities/Amendments**
The approved budget will be reviewed by the Superintendent of Schools periodically, and he will prepare such reports as are required by law and/or requested by the Board. Any change in the approved budget will be accomplished
through an amendment formally approved by the Board and any applicable state and/or federal officials.
CENTRAL OFFICE DEPOSITORY OF FUNDS, CHECKING ACCOUNTS, AND CHECK SIGNATURES

 Depository of Funds
 All funds of the Board, whether federal, state, or local, will be deposited promptly in a bank designated as the Depository of School District Funds. The Board will designate the depository at four year intervals, or when in the opinion of the Board, the situation warrants it.

 The Depository of School District Funds will be located in the County and will be a member of the F.D.I.C., and be approved as a qualified public depository by the Security for Alabama Funds Enhancement (SAFE Program) administered by the Alabama State Treasurer.

 Checking Accounts
 The School District will establish a checking account with banking establishments approved by the Board serving as the depository of various school funds upon which checks may be drawn for payment of debts incurred by the School District.

 All financial transactions of the School District will be paid for by check. No cash payments will be made.

 Check Signatures
 All checks issued in the name of the School District will be signed by the Superintendent of Schools and Chief School Financial Officer.

 ACCOUNTS RECEIVABLE PROCEDURES

 1. Once mail is opened, route any mail containing checks or payments to Chief School Financial Officer.
 2. If other checks come in during the day in the school mail or by hand delivery, route to CSFO.
 3. Checks will be delivered by CSFO to the Accounts Receivable Secretary to be stamped and receipted each day. All checks should be photocopied and placed in the receipt book as they are receipted. Receipts must be prenumbered.
 4. Receipts must contain the following information:
    a. Date
    b. Person or organization making the payment
    c. Amount received in numbers and in written form.
    d. Amount received in cash and/or check. If payment is in check, the check number must be recorded.
    e. Reason for payment
    f. Signature of person receipting payment.
5. The checks, copies, and receipt book will be delivered by the Accounts Receivable Secretary to the Secretary responsible for making the deposit.
6. Deposits are to be made daily.
7. Return the receipt book, deposit slip, and copies of the checks to the CSFO for entry into the Nextgen system.
8. The receipt book will be locked in the safe at the end of the day.
9. Receipts will be posted into the Nextgen system by the CSFO using the revenue codes from the SDE Accounting manual and the date on the bank deposit slip.
10. A receipt should be left blank on the last working day of the month so that the interest posted to the bank account can be receipted as soon as the amount is known.
PURCHASE ORDERS

Purchase orders are an accounting source document which does the following:
- grants permission to order the identified items
- verifies that the purchase has been budgeted or approved by the Board
- identifies that funds are available to purchase the identified items
- encumbers the funds to pay for the items
- identifies to the vendor billing and shipping instructions
- identifies the board of education’s tax-exempt status

REQUEST FOR PURCHASE ORDERS

A Purchase Order/Requisition is the form used to request a Purchase Order. The form must be completed entirely. This includes the “Central Office Use” box. If no requisition is used and the purchase order is entered directly into the Nextgen system, the “Central Office Use” box must be attached to the purchase order at the point of origin.

PURCHASE ORDER PROCEDURES

1. Purchase orders are to be numbered sequentially with no break in sequence.
   
   For items with a unit cost of $3,000 - $7,499, secure three phone quotes and attach to the purchase order, using the lowest quote for the vendor information.
   
   For items with a unit cost of $7,500 - $14,999, secure three written quotes and attach to the purchase order, using the lowest quote for the vendor information.
   
2. When a purchase order is requested, follow these steps:
   - a. verify that the item and amount are budgeted or are approved by the Board for purchase. Code the expenditure according to the budget. No expenditure will be made which violates Board policy. Mark in the space that the budget has been checked.
   - b. enter into the Nextgen system which will assign the next available number
   - c. enter the appropriate date for the purchase order date
   - d. prepare the purchase order by
     - i. entering as a detail purchase order if no itemized requisition is available to be attached to the printed purchase order
     - ii. entering as a summary purchase order if an itemized requisition is available to be attached to the printed purchase order
   - e. secure all necessary signatures – all signatures are to be original signatures
   - f. Give to CSFO for approval in the Nextgen system.
   - g. when returned to you after approval, place the order by fax, email, telephone or other method necessary.
   - h. notify the requester by email or sending a copy that the order has been
placed.
   i. file purchase order in folder labeled “Purchase Orders Awaiting Invoice”

3. Should the amount of the purchase order need to be increased in the Nextgen system, it must be routed back to the Superintendent and CSFO for another approval.

4. If a purchase order must be voided after assigning a number, in order to keep the purchase order register complete:
   a. enter the purchase order number into the Nextgen system,
   b. choose the void button, then update, and enter a reason to void the purchase order in the system.
   c. Give to CSFO to place the voided purchase order (with reason for void written on it) into the Voided Purchase Order file to be held for the audit.
Item Cost of $3,000 - $7,499

Phone Quote for __________________________ (Description of Item)

Vendor #1 Name ______________________________

Address ______________________________

Phone Number ______________________________

Unit Cost $_______ Date of Phone Quote_______

Vendor #2 Name ______________________________

Address ______________________________

Phone Number ______________________________

Unit Cost $_______ Date of Phone Quote_______

Vendor #3 Name ______________________________

Address ______________________________

Phone Number ______________________________

Unit Cost $_______ Date of Phone Quote_______
Required for Item Cost of $7,500 - $14,999

Written Quote for __________________________

Description of Item__________________________

__________________________________________

__________________________________________

Expected Quantity to Purchase ______

Vendor Name ________________________________

Address ____________________________________

City, State Zip______________________________

Contact Person______________________________

Phone Number ______________________________

Unit Cost $____________ Date of Phone Quote__________

Please mail to:  Winston County Board of Education
P.O. Box 9
Double Springs, AL 35553

Or Fax to:  205-717-3391
Purchase Order Procedures for Emergency-Type Purchases in CNP, Maintenance, and Transportation

1. If an emergency-type purchase is necessary, contact the supervisor or director who approves your purchase orders for verbal permission to make the purchase.
2. Contact the appropriate person for a purchase order number, and provide as much information about the emergency purchase detail as is available at the time (vendor, items, estimated costs).
3. If all information is available, the person assigning the number will complete the purchase order from the information given at that time.
4. If all information is not available, the person assigning the number will complete the purchase order with estimates that can be adjusted when the actual information is known.
5. Fax the purchase order to the Central Office to inform the appropriate bookkeeper that an emergency purchase order has been issued so that it can be entered into the Nextgen system in sequence. This is only so that the information can be logged into the system—this does not replace the requirement to send the original.
6. Secure all necessary signatures as soon as the purchase order is completed and forward the original purchase order to the appropriate person for processing.
7. Emergency purchase orders should never be more than one business day in gaining proper signatures.
8. All other non-emergency purchases must be completed and approved prior to purchasing.
ACCOUNTS PAYABLE

Accounts payable is the accounting function that readies invoices for payment. Items are considered payables until the check is written to pay for the transaction.

Winston County Board of Education issues accounts payable checks on the 10th, 20th, and 30th (or the day prior to payroll- whichever comes first) of the month. If the date falls on a weekend or holiday, accounts payable checks will be issued on the last date prior to the 10th, 20th, or 30th. Off-line checks may be issued for invoices that arrive between the accounts payable dates if their due dates will not allow waiting until the next accounts payable date. The CSFO may change the above accounts payable schedule should the need arise.

NOTE – During building projects, batches for building project invoices will be generated during the first week of the month. No other types of payments are to be included in building project batches.

ACCOUNTS PAYABLE PROCEDURES

Originating from a Purchase Order
1. When an invoice is received, identify the purchase order from which it originated.
2. Once identified, pull the purchase order from the “Purchase Orders Awaiting Invoice” file.
3. Calculate the extensions and total of the invoice on non-computer generated invoices to verify their accuracy.
4. Secure the signature of the person who received the items verifying that all items were received in good condition.
5. Check the invoice to determine if all items ordered were received. If some items were back ordered, place the purchase order and invoice back into the “Purchase Orders Awaiting Invoice” file to be held until all items have been received.
6. Once all items have been received, check the remittance address against the vendor file in the Nextgen system.
7. Verify that there is no sales tax included. The completed, approved purchase order is the document that signifies the board’s tax exempt status to the vendor.
8. Deliver invoices to CSFO for pre-audit for payment.
9. CSFO will forward invoices to A/P for payment.
Originating from an Invoice with no Purchase Order Required

1. Travel claims, time sheets, and utilities usually originate without a purchase order.
   a. Travel claims must be checked by payroll for preapproval of the travel according to the professional leave or activity leave forms. Meals may be reimbursed from actual, itemized receipts for overnight trips only.
   b. Time sheets must be checked by the secretary for the fund from which they are paid. A copy of the contract should be attached to the timesheet.
   c. Most utilities are paid from General Fund. A coding sheet should be attached if there is no purchase order associated with the utility.

2. Calculate the amount of the invoice for non-computer generated invoices to verify their accuracy.

3. Code the expenditure according to the budget. No expenditure will be made which violates Board policy.

4. Secure the signatures of the person originating the claim and the supervisor of that person as the authorizing signature—all must be original signatures.

5. Check the remittance address against the vendor file in the Nextgen system.

6. Deliver invoices to CSFO for pre-audit for payment.

7. CSFO will forward the invoices to A/P for payment.

Payment of Invoices

To pay the invoices, the A/P secretary will:

1. Verify invoice total.
2. Enter invoices to be paid.
3. Enter invoices separately so they can be tracked by number.
4. Not accept invoices not ready for payment according to above procedures.
5. Print checks.
6. Mail checks.
7. File invoices.
8. File A/P documentation.
9. Answer A/P inquiries.
Filing Accounts Payable
1. Each accounts payable batch will be filed in the file room. If you need to research information on a paid invoice or check, make a copy to use and place the original back in the file.
2. The batches will be filed chronologically.
3. Each batch will contain the invoices, purchase order, and duplicate check for the transaction filed in order by check number.
4. Each batch will contain a copy of the check register showing the total amount of the batch.
5. The computer batch printouts will be filed and housed in the office of the CSFO.
6. At the end of the fiscal year, the batch files will be filed in a storage box in the records storage room. Files must be kept for two to three years following the audit.

Off-line Checks
Off-line checks will be issued only in emergency situations. Every effort must be made to have invoices approved and ready to pay on regular accounts payable dates.

Replacement Checks
When a check is lost or mutilated and must be replaced, the CSFO will:
1. Verify that the check has not cleared the bank.
2. Stop payment on the check at the bank.
3. Issue a replacement check and type “Replaces Check No. XXXX” on the face of the check.
4. Spoil the replacement check number in the Nextgen system with a reason of “Replacement for Check No. XXXX”.
5. Clear the check in the bank reconciliation program by the original number.

Void Checks
When a check must be voided due to incorrect vendor or amount, the CSFO will:
1. Write VOID on the check.
2. Void the check in the Nextgen system and enter reason.
3. Delete the associated invoice from the batch file.
4. Place the voided check and Nextgen printouts in the Voided Checks File for audit.
5. Write VOID on the duplicate copies of the check. Place the yellow copy in the batch file and the pink in the check binder.
6. Denote VOIDEED on the check register filed in the batch file and in the binder file.
7. Ask the secretary to set up the invoice for payment as if it were an original.
## Accounts Payable Clearing Transfer

1. Immediately following the payment of the accounts payable batch, the Accounts Payable Clearing bank transfer will be made online and printed by the CSFO referencing the batch number in the “Transfer Description” section of the transfer form.

2. The Accounts Payable Clearing bank transfer sheet will be filed by the CSFO.

## Contracts

By policy, the Board allows the Superintendent to enter into contractual agreements with service providers. The contract must be completed and signed by the Superintendent and service provider before any work is conducted. The contract for use is located at [www.winstonk12.org](http://www.winstonk12.org) under employees, employee forms and documents, accounting and payroll forms. The secretary responsible for the funds from which the contract will be paid must complete the “Central Office Use” box prior to submitting to the Superintendent for approval.

## IRS REQUIREMENTS

The Board is required to prepare information for filing Internal Revenue Service Form 1099 for payments of $600 or more to anyone individual or unincorporated entity for payments of services of a non-employee, prizes, and awards etc. The Board can pay a non-employee through the accounts payable process. However, it is the budgetary fund’s secretary’s responsibility to get the person receiving funds to fill out a Form W-9 and a contract (when applicable). These forms are required. If the person receives more than $600 in income for the year from all the schools and the Board combined, the central office will issue a 1099 in January of the following year. Form 1099 need not be filed for payments made for merchandise, telephone, freight, etc. These returns are prepared on a calendar year basis and must be filed annually, to the vendor by January 31st and to the appropriate state and federal entities by the last day of February of the following year. All information will be forwarded to the chief school finance officer at the central office for processing as soon as the calendar year has been closed out. Information must be sent electronically through the Nextgen system and must include: Name, social security number or federal ID number, address, and amount paid. A printout may be obtained through the vendor program at the end of the calendar year.

Employees may not receive a 1099 and a W-2 at the end of the calendar year. Therefore, any compensation paid to an employee or a substitute must be through the payroll process and be included on the payee’s W-2 at year end.
CENTRAL OFFICE MONTHLY FINANCIAL RECONCILIATION

All Central Office book balances will be reconciled to their corresponding bank statements each month by the Superintendent of Schools or his designee. The Chief School Financial Officer will be responsible for verifying that monthly bank statements are reconciled to the financial records on a timely basis that ensures accurate monthly financial statements. A financial report showing the budgetary appropriations, expenditures, and balances will be available to the Board monthly as required by the State Board of Education, along with a copy of the corresponding bank statements.

Financial reports will be signed by the person(s) preparing the reports and by the Superintendent of Schools.

REVIEW OF MONTHLY REVENUES AND EXPENDITURES

To ensure the sound fiscal management of the Board, the Chief School Financial Officer will review all revenues and expenditures on a monthly basis. The CSFO, or his designee, will create monthly financial reports presenting all revenues received, and all expenditures incurred, as well as a comparison of the budgeted revenues and expenditures. These reports will be delivered electronically, or by other means, and reviewed by each administrator responsible for an area of the budget.

MONTH-END PROCEDURES

All month-end financial duties for the prior month will be completed and to the CSFO by the 15th of the month. This includes the following:

- Indirect Cost Calculations
- Journal Entries
- CNP Daily Sales
- CNP Salary Cost Calculations
- CNP Indirect Cost Calculations
- Local School Financial Data (both electronic and paperwork)

After the month-end close is complete, the following reports will be made ready to present to the Board at its next meeting:

- Bank Reconciliations
- Tax Collection Report
- School Expenditure Reports
- Accounts Payable Check Register
- Payroll Check Register
• Revenue Report
• Building Project Expenditure Reports (when applicable)
• Financial Statements

Upon acceptance by the Board, financial statements will be posted on the system website-www.winstonk12.org.

YEAR-END PROCEDURES

Prior to year-end, the following will be done:
• All payments made for the fiscal year’s obligations
• Purchase orders must either be completed or voided

At the end of the fiscal year, September 30, the following will be done:

• Financial Statements prepared
• Financial Statements published in a local newspaper
• Statement of Indebtedness published in a local newspaper
• Fiscal year files boxed and labeled for storage

INVENTORY

To determine if an item should be placed on inventory, ask these four questions:
1. Will it retain its original shape in use?
2. Is its life expectancy longer than one year?
3. Will it be repaired rather than replaced if something goes wrong?
4. Does it cost less than $5,000?

If the answer is yes to all four questions, use the following coding for the inventory item.

491  Instructional Equipment
492  Furniture and Fixtures
493  Non-instructional Equipment
494  Audio/Visual Equipment
495  Computer Hardware
496  Library Media Equipment
497  Laboratory Equipment
498  Athletic and Physical Education Equipment
499  Other Equipment
**CAPITALIZED ASSETS**

Accounting regulations require the proper coding of capitalized assets. Items that meet the thresholds of capitalization must be recorded as fixed assets.

Capitalization thresholds are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Improvements</td>
<td>$50,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>$50,000</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>$50,000</td>
</tr>
<tr>
<td>Equipment and Furniture</td>
<td>$5,000</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$5,000</td>
</tr>
<tr>
<td>Equipment Under Capital Lease</td>
<td>$5,000 (must be board approved)</td>
</tr>
</tbody>
</table>

Land is capitalized regardless of the cost. Use object code 511. Use the following code:

xx-5-7100-511-xxxx-xxxx-0-9100-0000

Land Improvements, buildings, and building improvements must have a value of $50,000 or more to be capitalized. This is on a total project cost, not unit cost. Use the following codes:

<table>
<thead>
<tr>
<th>Function</th>
<th>Object</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-7100</td>
<td>Site Acquisition/Improvement</td>
<td>512 Land Improvement 9100 Capital</td>
</tr>
<tr>
<td>5-7200</td>
<td>Building Acquisition/Improvement</td>
<td>513 Buildings-Purchased 9100 Capital</td>
</tr>
<tr>
<td>5-7200</td>
<td>Building Acquisition/Improvement</td>
<td>514 Buildings-Constructed 9100 Capital</td>
</tr>
<tr>
<td>5-7900</td>
<td>Other Capital Outlay</td>
<td>519 Other Real Property 9100 Capital</td>
</tr>
</tbody>
</table>

Vehicles are capitalized at $5,000. Use the following object codes:

- 531 School Buses
- 532 Service Vehicles
- 533 Automobiles
- 539 Other Vehicles

Capitalized Equipment is defined as any item that has a unit value of $5,000 or more and meets the following criteria:

1. Retains its original shape and appearance with use.
2. Under normal conditions is expected to serve its intended purpose for longer than one year, and;
3. Is non-expendable; that is, if the item is damaged or some of its parts are worn out, it is more feasible to repair the item than to replace it with a new unit.

Object codes to be used for capitalized equipment are:

- 541 Furniture and Fixtures
- 542 Audio/Video
- 543 Laboratory
- 544 Library/Media
- 545 Computer Hardware
- 546 Athletic & Physical Education
- 548 Tractors/Mowers
- 549 Traffic Control Devices
- 589 Other Equipment

For equipment and furniture and vehicles, use appropriate program and function codes.

**Non-capitalized Building Improvement and Land Improvements**

For land improvements, building improvements, and buildings costing less than $50,000, use the following object codes:

- 701 Buildings – Constructed, less than $50,000
- 702 Buildings – Purchased, less than $50,000
- 703 Exhaustible Land Improvements, less than $50,000
- 704 Building Improvements, less than $50,000

These items will not be classified as fixed assets.

Use the function, program, and cost center codes that best describe the intended use of the buildings. An example, fencing for security purposes will be coded as: 11-5-3100-703-xxxx-6001-0-8300-0000
INVENTORY AND FIXED ASSET RECORDKEEPING

Inventory Report Verification
Annually, inventory and fixed asset reports will be sent to each school. These reports are to be verified by the person responsible for the fixed asset or inventory item, signed, and returned to the Central Office by September 30. A random check will then be made by the Central Office Inventory Clerk at each school.

Deleting, Transferring, and Adding Inventory Items
The Forms and Documents link on the winstonk12.org site contains forms for deleting, transferring, or adding donated inventory items. Before disposing of an inventory item, the deletion request should be entered on the Deletion Form and the item retained until permission is granted from the Central Office to dispose of the item. When transferring an item from room to room, the Inventory Transfer Form must be completed. Inventory additions due to donations should be added by completing an Inventory Additions Form. A number will be assigned and sent back to the requester.

Once approved for deletion, if a school or program desires to sell the item, it must be done by sealed bid through the Central Office. The ASSET/INVENTORY SALE BY BID FORM must be completed and sent to the Chief School Financial Officer for posting.
BIDS

State Law requires that certain expenditures of city and county school boards are subject to competitive bidding. Expenditures for labor, services, or work, and the purchase or lease of materials, supplies, equipment, or other personal property involving $15,000 or more are subject to competitive bidding.

Individual purchases less than $15,000 may be subject to competitive bidding if a school board can reasonably expect to purchase more than $15,000 for like items during the year. School systems may purchase items without bidding by purchasing from the state bid list; however, a school system may not purchase items without bidding on the grounds that a vendor's price is less than the state bid list.

Pursuant to Act No. 97-934, classroom instructional supply funds (when appropriated by the Alabama Legislature) distributed to the schools may purchase materials, supplies, and equipment without competitive bids if the item cost is less than $15,000.

The state bid law includes a provision for emergency purchases without bidding.

Some expenditures exempt from the competitive bid law include:

- Purchase of insurance
- Professional service contracts (lawyers, CPA's, architects, etc.)
- Contracts to furnish financial advice or services
- Purchases of books, maps, pamphlets, or periodicals
- Purchases made by individual schools from funds other than those raised by taxation or received through state of local government sources
- Contractual services and purchases of commodities for which there is only one vendor or supplier
- Contractual services and purchases of personal property which, by their very nature, are impossible of award by competitive bidding
COMPETITIVE BID (Over $15,000) CHECKLIST

Request From:_____________________________________________

Type Request: ____________________________________________

BID REQUEST AND SPECIFICATION REVIEW

___ Is the item(s) or service over $15,000 in a fiscal year?
___ Should the item be considered as potential Public Works Project? If so, please go to Checklist for Public Works.
   Public Works - Construction, repair, renovation, or maintenance of public building, structures, sewers, waterworks roads, bridges, docks, underpasses, and viaducts as well as any other improvement to be constructed, repaired, renovated, or maintained on public property and to be paid, in whole or part, with public funds or with financing to be retired with public funds in the form of lease payments or otherwise.
___ Have the expenditures been budgeted and is there sufficient budget balances remaining to continue the bid process?
___ See Chief School Financial Officer for assignment of bid number.
___ Is the bid invitation packet completed to include:
   ___ Specifications in sufficient detail to assure quality goods or services
   ___ Date, time, and location of bid opening
   ___ Address, contact person and telephone number for bid submission receipt confirmation included
   ___ Method of awarding the bid
   ___ Description of what must be on the outside of the sealed envelope
   ___ Statement of delivery requirements, transportation charges and date(s) of delivery
   ___ Clear description of the term of the contract as well as the ability to extend the contract upon written agreement of both parties (3 year maximum)
___ Does the potential contract warrant a performance bond requirement? Alabama Code 41-16-58
___ Clearly state the bid award and subsequent contract requirements
___ Potential contract
___ List of potential bidders from requester file (as a minimum)
BIDDING PROCESS

___ Bid request posted on public bulletin board
___ Request sent to all vendors on list for items/services requested
___ Are vendor mail outs properly documented (date, time, address)
___ Is there at least two full weeks allotted for compilation of responses by vendors?
___ Assure that bids remain sealed until time of opening?
___ Document that proper bid bond is included (if not can allow until close of business on day of bid opening, then considered unresponsive)
___ Is there evidence of sole source potential due to the number of responses received?

AWARDING OF BID

___ Record all relevant information, as bids are opened, on tally sheets
___ Determine lowest responsible bidder based on guidelines in bid request
___ Document how determination was made that required specifications were met.
___ Assure products/services will meet purpose intended.
___ Does price submitted appear reasonable?
___ If bid not awarded to lowest bidder, document and justify reasons for not awarding.
___ If only one bid received, should we negotiate price?
___ If bid requested capital improvement or repair to real property via a lease purchase agreement, was the term refined to 10 years or less?
___ Is there a known potential of a conflict of interest with a Board member or employee involved in any aspect of the bid process from beginning to end?

POST AWARD PROCEDURES

___ Notify bidders of award by Board
___ Obtain signed contract or agreement.
___ Cross-reference bid responses with vendor files for tracking of vendors who did not respond.
___ Verify with users vendor compliance with specifications and requirements contained in the contract/agreement.
___ Maintain tickler file for analysis of potential renewal/extensions for the following year.
PUBLIC WORKS BID CHECKLIST

Request From: ________________________________________________

Type Request: ________________________________________________

PRE BID INVITATION ANALYSIS

___ Has Board approved a Public Works Project to be bid?
___ Have expenditures been budgeted for this project with sufficient funds remaining?
___ Has the Board included this project in the Capital Plan?
___ Are architects/engineers also included in the cost of the project budget?
___ What procedures will be used for the selection of architects/engineers on this project?
___ Does the selection process for professional services meet the requirements of the Alabama Building Commission?
___ Are specifications developed in sufficient detail to assure quality project with consideration of board objectives, timing, cost and purpose?

BID DEVELOPMENT CHECKLIST

___ Is sufficient detail about bid submittal, place, date and time included?
___ Is a bid bond requirement included in bid invitation? (up to $10,000)
___ Is a performance bond required for 100% of the contract amount?
___ Is a payment bond required for at least 50% of the contract amount?
   (If written application of nonpayment from supplier of materials, labor or supplies to Board, Board must furnish certified copy of payment bond and contract.)
___ Do bid specifications require the contractor to advertise completion of project in newspaper of general circulation in the county for four consecutive weeks. Final settlement no less than 30 days after final notice of completion (4th week).
___ No Board officer or employee may be involved in negotiation or any part of the selection process of the surety company providing the guarantees.
___ If contract is greater than $50,000, have to advertise once a week for 3 weeks in newspaper of general circulation in the county.
___ If contract greater than $500,000, Board should advertise 3 weeks in local paper and at least once in 3 newspapers of general circulation throughout the state.
___ Advertisement must include:
   A description of the improvement
   Statement of where plans are on file
   Procedures for obtaining plans and specifications
   Time and place where bids will be received and opened
   If prequalification is required
   Where all prequalification information can be found and is available for review.
___ Will prequalification be required of general contractors and/or subcontractors?
If yes, has prequalification requirement been published in advance?

Prequalification requirement advertising can run concurrent with bid inviations as long as adequate timeframe is allowed? Has fair timeframe been allotted?

Is there a requirement in the specifications that require the use of products produced in the United States when possible?

Is there a requirement to use steel produced in the United States when possible?

5% of the first 50% of payments should be withheld and retained until acceptance by the board of the completed project.

PUBLIC WORKS LESS THAN $50,000

Is the projected project cost less than $50,000?

Is the quote invitation packet completed to include:

- Specifications in sufficient detail to assure a quality project
- Date, time, and location for quotes to be delivered
- Address, contact person and telephone number for quote submission receipt confirmation included
- Method of awarding the project
- Description of what must be on the outside of the sealed envelope
- Statement of project requirements, terms of contract, and expected date of completion
- Does the potential contract warrant a performance bond requirement? Alabama Code 41-16-58
- Does the potential contract warrant liability insurance? If so, is it stated on the potential contract.
- Potential contract
- List of at least five potential vendors/contractors to send a packet

If contract is less than $50,000, Board has no requirement to bid, but has to advertise completion 1 time in paper published in the county and contractor has to certify to the Board that all bills have been paid.

POST AWARD PROCEDURES

- Notify those vendors who sent in a quote of the award by the Board.
- Prepare summary of vendor/contractor performance and file in vendor file.
PAYROLL

Timesheets

- Timesheets are due to the payroll department by the dates listed on the Payroll Due Date handout which is updated and distributed to the local school and central office secretaries annually.

- Timesheets should be completed in full and signed by the employee and his/her supervisor prior to submitting to the payroll secretary.

- Overtime must be approved in advance by the Superintendent, except for emergency situations.

- Any days absent from work must be marked according to the type of leave the employee desires to be used. If no leave is marked, sick leave will be assumed.

- Timesheets for extra or contract work must include the appropriate accounting code from the paying section’s secretary.

Approval of Payroll

The Superintendent will approve all payroll documentation prior to the processing of the payroll.

The Board President and Superintendent will approve the payroll register.

Payroll Department Work

Due to the confidential nature of payroll information, only the Payroll Secretary and cross-training partner will conduct payroll duties.

Route all incoming calls and questions concerning payroll, or any activity related to payroll to the payroll secretary (or cross-training partner in her absence). Only the payroll secretary or cross-training partner is to answer payroll-related questions and inquiries.

Checks are to be distributed to employees only by the payroll secretary or cross-training partner. If neither is present, the CSFO, an administrative assistant, or the superintendent may issue the checks.
PERSONNEL PAYROLL

CHECKLIST FOR CERTIFICATED PERSONNEL FILE
(To be conducted by Human Resources)

STAPLE TO INSIDE OF PERSONNEL FILE

NAME_____________________________________

__Teacher Certificate
__Application for Employment
    Write in upper right corner
        1. Date of Board approval
        2. Date entered on duty
        3. School to which assigned

__Teacher Institute Form
__Transcripts of ALL College Credits earned to receive certificate
__Experience Statements from other systems
__Copies of Board Correspondence
    Letter of Board Approval for Employment
    Leaves of Absence
__Highly Qualified Letter – if applicable
__ABI, FBI Background Clearance

__Attach a copy of Tuberculin (TB) test results inside file folder
    (Must be within 12 months prior to hire date)

OPTIONAL:
Resume
Letters of Recommendation
NEW HIRE PAYROLL CHECKLIST

STAPLE TO INSIDE OF PAYROLL FOLDER

NAME____________________________ DATE HIRED___________

___Copy of Driver’s License (Personal Identification)
___Copy of Social Security Card
___Drug Free Workplace Policy form
___New Hire Reporting Form
___A-4 Alabama Department of Revenue
___W-4 Federal Department of Revenue
___Enrollment Form for Teacher’s Retirement – Form 100
___PEEHIP Insurance Form
___Sick Leave Bank Enrollment Form
___New Teacher Form for Technology Department
___Fair Labor Standards Act – Non-Exempt Employees
___I-9 Form and Instructions
___American Fidelity Brochures (Cafeteria Plan)
TERMINATION PAYROLL CHECKLIST

STAPLE TO INSIDE OF PAYROLL FOLDER

NAME_____________________________ DATE OF TERMINATION_______

__Enter termination on RSA Portal if necessary

__Repay all days due to Sick Leave Bank

__Deduct all required deductions (Professional Membership Dues)
   Example: Remaining AEA dues

__Comply with COBRA Law
   Have employee sign appropriate form
   Notify PEEHIP

__Give employee letter from Teacher Retirement (Refund of Contributions)

__Give employee original Teacher Certificate (Get an acknowledgement of receipt signed to be retained in permanent file)

__Check employee salary to verify whether employee is subject to Taxable Income on imputed premiums for pre-retirement death benefits on Term Life Insurance.

__Do Payoff (form is on desktop)
**CROSS-TRAINING**

The purpose of cross-training is to develop an efficient and effective method of insuring that all necessary duties and responsibilities are fulfilled should any unexpected emergencies arise.

**Cross-Training Plan**
- Each Central Office secretary will participate in cross-training activities as is feasible.
- When possible, teams will be sent to training sessions rather than individuals.