

**Artesia Public Schools
Internal Controls and Procedures**

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(Reflects Revisions of August 2012)**

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Artesia Public Schools

Internal Controls & Procedures

Revised August 2009

GENERAL INFORMATION

The Artesia Public School District #16 has established these procedures in compliance with Internal Control Structure Standards, SBE Regulation 6 NMAC 20.2.11 and PED/SBPU Supplement 2, Manual of Procedures, in order to maintain internal control over all assets. The purpose of establishing and maintaining internal controls is to provide a 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.

These procedures are reviewed periodically for applicable changes per legislative directives and audit directives, etc. Any procedures not specified in this manual shall be reviewed and approved by the Superintendent of Schools, Assistant Superintendent for Operations, Assistant Superintendent for Curriculum, and the Business Manager.

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

- X Building Principal/Program Director: Principal, Assistant Principal, Federal Program Directors, Athletic Director, Food Service Manager, Maintenance Director;
- X District: Artesia Public Schools;
- X 24-Hour Rule: State Statute Chapter 6 Article 10 NMSA 1978 requires all public funds be deposited intact daily;
- X PED - New Mexico Public Education Department

PERSONNEL:

The recruitment of competent, honest individuals is administered by the Superintendent, Assistant Superintendent for Curriculum, Assistant Superintendent for Operations, Business

Manager, and Building Principals/Program Directors. See Hiring Procedures as outlined in the District Administrators= Handbook and the District Board Policy Handbook. The training of staff regarding the established policies and procedures governing all financial transactions is administered through the Business Office. Building Principals/Program Directors are responsible for the training of the employees under their supervision.

SEGREGATION OF DUTIES:

The District will make every effort in the assignment of duties to Business Office personnel to ensure that 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 takes place daily to add security to the business operations. Cross-training of Business Office employees will be maintained and developed as much as possible while still maintaining segregation of duties.

TRANSACTION AUTHORIZATION:

The budget is allocated to each school site and program area and the authorization of expending 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 the amounts, the classification to the appropriate accounts and the proper authorization of all transactions prior to posting them to the Financial Management System. For the purposes of accountability, receipt books are pre-numbered; checks, purchase orders, and other documents used to record transactions to the Financial Management System are assigned a number at the time of posting to the system. All voided documents are stamped **AVOID@** and kept on file for the auditor=s review.

SAFEKEEPING ASSETS:

Access to assets is limited by assigning primary custodians (Building Principals/Program Directors) at each school or department, including the Business Office. The primary custodian at each location is responsible for monitoring the access to building, vehicles, cash, and other assets. Access to the Financial Management System is limited to Business Office employees, the Superintendent, the Assistant Superintendent for Operations and the Assistant Superintendent for Curriculum. This limited access is established in an effort to ensure records will not be altered and accountability may be maintained.

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 is 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. These closeout procedures are administered as a joint effort by the Business Office staff. No one person is responsible for all the reconciliations.

BUDGET

The Artesia Public School District prepares and adopts an annual budget in accordance with state statutory requirements.

The Operating Budget is prepared under the supervision of the Superintendent, with the assistance of the Business Manager, the Assistant Superintendent for Operations, the Assistant Superintendent for Curriculum and other Business Office Personnel. A salary committee meets with the Superintendent and the Assistant Superintendents to discuss proposed teacher salaries and other salary issues. Budget input is also obtained from the Parent Advisory Council and district employees and administrators on a year-long basis. As required by PED School Budget Planning Unit/SBPU, a public meeting for budget input is also held each spring.

The Operating Budget is reviewed for technical accuracy by the Business Manager and his/her designee(s). The Superintendent meets with each individual board member to review the proposed budget before it is presented at a Board of Education meeting for review and tentative approval. The budget is then forwarded to PED/SBPU for approval. Once PED approvals have been obtained, the budget may be presented again to the local Board of Education for formal approval prior to June 20 of each year. The approved and certified budget constitutes the Operating Budget, which is authorization for the District to begin operations on July 1 of the ensuing fiscal year. The Business Manager and his/her designee integrate the Operating Budget into the Financial Management System at that time.

Upon completion of the final close for each fiscal year, the District determines the actual cash balances for all funds and reports them to PED by the designated deadline. (See Manual of Procedures) The new fiscal year=s Operating Budget is then adjusted by the use of a Budget Adjustment Request (BAR) to incorporate cash balances as of June 30 into the Operating Budget. Upon approval by the SBPU Director, the District adjusts the budget and incorporates the changes into the Financial Management System accordingly. All **increases, decreases and adjustments** to the Operating Budget are presented to the local Board of Education for approval and then submitted to PED through the OBMS on-line software for approval as required.

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

X **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 monthly meeting. Once approved, the adjustments are recorded into the Financial Management System.

X **Inter-Budget Transfers:**

Transfers between expenditure account codes outside of the same function are presented to the local Board of Education for approval. The transfer requests are then submitted to PED/SBPU for approval through the PED OBMS on-line software. Once all approvals are obtained, the change is recorded to the Financial Management System as an adjustment to the Operating Budget.

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

ENCUMBRANCES:

When a purchase order is issued, 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 purchases are made through the use of a purchase order, the majority of district financial and budget obligations are reflected as encumbrances in order to track budget availability more thoroughly.

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 Information & Addendum Form** (See Exhibit 1) includes employment information (training and experience, salary amount, fund source, date of hire, etc.) and is generated by the Superintendent or his designee. This form is generated for all personnel at the beginning of each fiscal year, as well as for mid-year changes in salary, assignment, etc. This document is verified by the Business Manager, the STARS Coordinator, the Human Resources Technician, and the Payroll & Benefits Coordinator, who enters the information into the Financial Management System. The document is then routed to the STARS Coordinator for maintenance in the Superintendent's Aide personnel data base. The STARS Coordinator generates a contract for the Superintendent's and employee's signatures. The document is given to the Human Resources Technician to obtain all signatures. All payrolls are processed from the approved **Contract Information & Addendum Form** and the Employment Contract. The Payroll & Benefits Coordinator maintains the Financial Management System database; the STARS Coordinator maintains the JMAC database. Both are balanced before the September payroll and again during the year as needed. Any additional payroll payments are processed only with proper authorization from the Superintendent and/or the Building Principal/Program Director at each site. This may include substitutes, increments, noon duty, suspension school and/or additional services such as tutoring, drivers' education and summer school. All contract employees are paid once per month according to the signed contract and payments are prorated according to the remaining months in the fiscal year. Additional payrolls may be generated to accommodate special hourly programs and employees.

PAYROLL PROCEDURES FOR NON-CONTRACT COACHING STAFF

- 1) Athletic Director generates coaching assignment sheet; usually in the summer. Copy to: Superintendent, STAR's Coordinator, Payroll & Benefits Coordinator & Human Resources Technician. This sheet does NOT constitute payroll information for non-contract coaching staff; it is used for payroll purposes for contracted employees.
- 2) Athletic Director generates Recommendation Memo specifying:

WHO
POSITION
DATES OF SERVICE
\$ AMOUNT TO BE PAID

- 3) Superintendent approves Step 2 and generates Contract Services Agreement.
Copy: Human Resources Technician
STAR's Coordinator
- 4) Human Resources Technician processes licensure information and provides to Athletic Director and Athletic Secretary.
-NMAA Coaches Training Program
-After certificate is received, need to complete application for coaching license from PED along w. fingerprint information
- 5) Human Resources Technician verifies licensure status and obtains payroll documents from coach: W-4, I-9, Social Security Card, Drivers' License and Worker's Comp Form.
- 6) Human Resources Technician includes with payroll at season end (UNLESS OTHERWISE SPECIFIED)
- 7) **INFORMATION PURPOSES: ALL CHECKS ARE SUBJECT TO STATE AND FEDERAL WITHHOLDINGS AS WELL AS SOCIAL SECURITY (6.20%) & Medicare (1.45%)**

(As of 8/23/10)

The **Principal=s Monthly Report of Absences** (See Exhibit 2) for employee absences and substitutes shall be submitted to the Human Resources Technician or the Payroll & Benefits Coordinator on the last working day of each month. These reports are used to update sick leave and other leave and to generate the payroll for substitute employees. Overdrawn sick leave and personal leave is docked from the employee=s pay on the next scheduled check, if the amount is \$300 or less for non-certified or \$500 or less for certified employees. Dock amounts greater than \$300 for non-certified employees or \$500 for certified employees are prorated among the remaining checks in the fiscal year.

The Food Service Director is responsible for maintaining time sheets for food service employees including substitutes. These time sheets are submitted to the Payroll & Benefits Coordinator on the last working day of each month.

After calculations are computed for the preparation of the payroll, the Payroll & Benefits Coordinator enters pay rates and deduction changes. Salary changes, docks for sick leave, personal leave, etc., are verified by the Business Manager or his/her designee prior to

finalizing the payroll. The Payroll & Benefits Coordinator is responsible for maintenance of employee insurance premium reconciliations, 403-(B), credit union, and other voluntary and mandatory payroll deductions. After the payroll data is entered into the Financial Management System, a payroll journal is generated to verify accuracy. After the payroll is balanced, the system is backed-up and the payroll checks are generated.

A payroll check register is generated to document all payments made for each payroll run. Additional reports are available for review and verification and for audit purposes.

All payroll records and payroll reports are maintained by the Payroll & Benefits Coordinator or the Human Resources Technician. The check printer is maintained in a room with limited access. This room is locked at night. All payroll checks are encoded by the check printer.

The Business Office maintains all employee earnings, deductions and leave records according to the Disposition and Retention Records regulations. Monthly, quarterly and annual payroll and tax reports as required by the federal and state government agencies are prepared by the Payroll & Benefits Coordinator.

PURCHASING PROCEDURES

Pursuant to the State of New Mexico Purchasing Act, the Artesia Board of Education and the Superintendent of Schools designate the Business Manager and the Business Office as the Central Purchasing Office, and adopt the following procedures in compliance with this Act.

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 1, 2, & 3 in the Manual of Procedures for Budgeting and Accounting.

THE ARTESIA PUBLIC SCHOOL DISTRICT IS UNDER NO OBLIGATION FOR PAYMENT OF NON-AUTHORIZED PURCHASES AND PURCHASES MADE WITHOUT FOLLOWING DISTRICT PURCHASING PROCEDURES. THE PERSON(S) MAKING SUCH PURCHASES MAY BE HELD RESPONSIBLE FOR PAYMENT.

The Business Manager and the Superintendent are responsible for assuring that all purchases against the assigned budgets are appropriate and necessary. The Building Principal/Program Director at each site primarily initiates the purchasing process. The Athletic Director's signature is required on all athletics requisitions, whether the purchase is from the athletics budget or an athletics-related activity fund. Administration Office and Business Office personnel may also initiate a purchase. The requisition is the initial document submitted to the Business Office after the approval of the Building Principal/Program Director. Once approved by the Superintendent and/or Business Manager, the document is forwarded to the Business Office Assistant Administration Office Receptionist/Secretary to issue a purchase order. In some instances, the Accounts Payable Technician issues the purchase order. The amount of the purchase order is encumbered in the Financial Management System at that time. The purchase order is signed by the Business Manager. The Assistant Superintendent for Operations, the Assistant Superintendent for Curriculum, the Assistant Business Manager or the Superintendent may also sign requisitions and purchase orders as needed.

In accordance with Laws of 2007, Regular session, Chapter 28, Section 3, Subsection L states, "Except for gasoline credit cards used solely for operation of official vehicles,

telephone credit cards used solely for official business and procurement cards used as authorized by section 6-5-9(I) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2007 may be expended for payment of agency-issued credit card invoices.”

The Artesia Public School District does not use procurement cards (p-cards) (purchasing cards.)

(Added to Internal Controls 7/12)

DETAILED PURCHASING PROCEDURES

PURCHASE ORDERS:

1. Complete a **Requisition Form** (See Exhibit #3) requesting supplies, materials, equipment or service. In some instances, a Remote Requisition will be generated through the Triadic Accounting Software. (Effective 11/20/08) *See specific procedures below.
 - X Form must be legible; otherwise it will be returned to be typewritten.
 - X Budget account number (fund, function, object and program and location codes, if applicable) should be complete. Business Manager will verify or assign proper account number.
 - X Vendor=s name and address must be complete.
 - X One vendor per requisition.
 - X Provide as much information as possible regarding the supply, equipment or service being requested (a complete catalog number, model number and color, size, etc. of item requested including price).
 - § Include shipping and handling fee; if free, indicate such on the requisition.
 - § Requisition must be totaled including shipping and handling.
 - Reservations and registrations, etc., must have dates and name of activity and any other relevant information. (See Purchases for Meals & Purchases for Motels.)

- Do **NOT** submit two requests for the same item.
- X **PLAN AHEAD.** Allow two (2) working days for the processing of a purchase order.
2. Building Principals/Program Directors must sign the requisition for the respective department and forward it to the Business Office for processing. **The Athletic Director=s signature is required on all athletics requisitions, whether the purchase is from the athletics budget or an athletics-related activity fund.**
 3. The Business Manager or his/her designee must sign the requisition.
 4. The Business Manager forwards all approved purchasing documents to the Business Office Assistant. The Business Office Assistant verifies the account number and checks to see that all necessary approvals are in place. When the purchase order is issued, it is recorded as an encumbrance on the Financial Management System.
 5. The Business Manager or his/her designee must sign the completed purchase order.
 6. **Unless otherwise stipulated,** the original of the purchase order is mailed to the vendor. The person submitting the requisition should indicate if the purchase order is NOT to be mailed, but returned to the requestor. The encumbrance copy of the purchase order is retained in the Business Office with the Account Payable Technician to be matched with the invoice for payment, and the file copy is maintained in a purchase order numerical file in the Business Office. **IF AN ORDER IS TO BE FAXED, THE COMPLETED PURCHASE ORDER WILL BE RETURNED TO THE PERSON REQUESTING THE PURCHASE; FAXING THE ORDER IS THAT PERSON=S RESPONSIBILITY. FAX MACHINES ARE LOCATED AT EACH BUILDING. THE BUSINESS OFFICE WILL NOT FAX ORDERS.**
 7. The purchase order number is written on the requisition, along with the date the purchase order was issued, and the requisition is returned to the party requesting the purchase. Please refer to this purchase order number when receiving merchandise and making inquiries concerning the order.
 8. Merchandise will be shipped to the Artesia Public Schools Warehouse at 906 West Quay, Artesia, NM. The billing will be sent to the Administration Office at 1106 W. Quay.
 9. When receiving an item, verify that all items shipped were received. Complete and sign legibly the attached **Deliver To Form** (See Exhibit #4). Mark the packing slip Received, sign it legibly and return it to the Business Office immediately, keeping a copy for your records. Please indicate any items that were not received.

10. 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.

WAL-MART PURCHASING PROCEDURES:

Wal-Mart will not accept district purchase orders. Effective 10/4/11, as per audit finding and response (see 6/30/11 audit) the Wal-Mart procedures which had been in place were discontinued and Wal-Mart Cards destroyed. The District does **NOT** have any procedures for purchases with Wal-Mart but uses other sources/vendors. (7/12)

***REMOTE REQUISITION PROCEDURES:**

Effective January, 2009, Remote Requisition capabilities were established at limited district facilities. The following procedures will be followed in initiating a Remote Requisition:

1. Enter purchase information into the Requisition Option on the Triadic Software.
 - a) Please use your assigned log-in credentials when entering information. Each person authorized to use the remote requisition option has a different authority level.
 - b) Follow the same guidelines when entering information as you would a written requisition. See specific procedures on completing a Requisition Form.
 - c) If you are using a new vendor, notify the Business Office so staff may enter the vendor information into the system.
 - d) Once the requisition information is input, an F1 will upload it into our requisition que. It will be available for the approving personnel to authorize the purchase.
2. Building Principals/Program, Athletic Directors must approve the requisition for the respective department.
 - a) Principals/Program/Athletic Directors are assigned log-in credentials with the proper authority that allows them to enter into the requisition and approve it.
 - b) If the approving person does not have log-in credentials to approve on-line, a printed copy of the requisition with his/her signature can be submitted to the Business Office. This will be placed with the purchase order to verify all approvals were given.
 - c) An F1 will approve the requisition and make it available for the Business Manager or his/her designee to give the final approval.
3. The Business Manager or his/her designee will give the final approval and forward to the Business Office Assistant.
4. The Business Office Assistant will mail the purchase order to the vendor unless otherwise stated. A notation can be placed in the system to inform the Business Office of any special instructions. A copy of the purchase order will be retained in the Business Office, with the Accounts Payable Technician, along with a printed history of the approvals that were placed on the system. Staff member originating the

remote requisition needs to print out a copy of the on-line requisition from their station to keep for their files.

PURCHASE ORDERS FOR MEALS:

Purchase Orders for meals **MUST** include the following:

- X Estimated number of meals to be purchased
- X Negotiated price of the meal, including the drink, sales tax and any applicable gratuity
- X Name of contact person and phone number for the restaurant
- X Date(s) meals are to be purchased.
- X **UNDER NO CIRCUMSTANCES WILL THE TOTAL BILL FOR THE MEALS BE MORE THAN THE PURCHASE ORDER AMOUNT.**

PURCHASE ORDERS FOR MOTELS:

Purchase Orders for motel rooms **MUST** include the following:

- X Estimated number of rooms to be rented
- X Negotiated price of the motel room including all tax
- X Name of contact person and phone number for the motel
- X Date(s) rooms are to be rented
- X **UNDER NO CIRCUMSTANCES WILL THE TOTAL BILL FOR THE ROOMS BE MORE THAN THE PURCHASE ORDER AMOUNT.**
- § Only eligible room expenses will be paid - - does **not** include, movie rentals, restaurant/bar fees, phone calls, etc.

Receipts for all meals and/or rooms should be signed, the purchase order number should be written on the receipt and all paperwork submitted to the Accounts Payable Technician the first day after returning from the trip. **Receipts for athletic trips will be submitted to the Athletic Director for review and submission to the Accounts Payable Technician.**

Any **unused purchase orders** must be **returned** to the Accounts Payable Technician with a note indicating that the purchase order was not used.

IN-TOWN PURCHASE ORDERS--\$250* OR LESS:*

(K-Mart, Wal-Mart and T-Shirt Express will **not** accept in-town purchase orders.) With prior approval from the Business Manager, certain vendors from outside Artesia may be considered In-Town for the purposes of making purchases on a regular basis.

1. Sponsor or department head **MUST** obtain permission from the Building Principal/Program Director **prior** to making the purchase or obtaining the service. **The Athletic Director=s signature is required on all athletics in-town purchases, whether the purchase is from the athletics budget or an athletics-related activity fund.**
2. Complete the **In-Town Purchase Order Form**. (See Exhibit #5)
 - X Form must be legible; otherwise it will be returned to be typewritten.
 - X Budget account number (fund, function, object, program and location codes, if applicable) should be complete. Business Manager will verify or assign the proper account number.
 - X The sponsor or department head and the Building Principal/Program Director **must** sign the In-Town Purchase Order. **The Athletic Director=s signature is required on all athletics in-town purchases, whether the purchase is from the athletics budget or an athletics-related activity fund.**
3. Attach the invoice for the purchase to the In-Town Purchase Order, sign the ticket(s) indicating that merchandise or service has been received, and forward to the Business Office.
4. Business Manager will verify or assign proper account number and approve for payment.

***In-town purchase orders may exceed \$250.00 with prior permission of the Business Manager.**

REQUESTS FOR CHECK: (See Exhibit 6)

Occasionally a purchase will be made without use of a purchase order or in-town purchase order. In these situations, the **Request for Check** form (Exhibit 6) should be completed and submitted. The following circumstances would apply:

- S registration for conferences, competitions, etc., in which a purchase order will not be accepted. Documentation which states that a purchase order will not be accepted

should be attached to the Request for Check;

- S Magazine, newspaper, etc. subscription renewals;
- S Purchase of materials originally received for review;
- S Starting cash;
- S Tuition reimbursements;
- Scholarship Checks;
- S Services such as school assemblies, clinicians for music and cheerleading camps, bands for dances, contract services, athletic officials, buses for student travel, etc. All necessary information must be provided on the Request for Check form, or an invoice must accompany the form. In some instances, an alternative form may be used with prior approval from the Business Manager;
- Services for contracted software providers: Triadic and JMAC.
- S Reimbursements (See Reimbursement Procedures);
- S Vistar and other vendors for maintaining vending machine and concessions inventories.
- Maintenance purchases

See Travel and Per Diem Reimbursements section for procedures regarding employee personnel expenses and reimbursement.

PURCHASES OVER \$10,000:

Purchases of \$10,000 or more **MUST** be purchased through a competitive sealed bid process unless it is an only “sole source” vendor, or purchased on a GSA or CES Contract. These purchases **MUST** be approved by the Superintendent of Schools and the Board of Education. The Assistant Superintendent of Operations will administer the bid process.

PURCHASES OF PROFESSIONAL SERVICES of \$20,000 or MORE:

Purchases of professional services of \$20,000 or more **MUST** be obtained through a sealed proposal process. These purchases **MUST** be approved by the Superintendent of Schools and the Board of Education. The Assistant Superintendent of Operations will administer the bid process.

REIMBURSEMENT PROCEDURES:

There are occasions in which an individual will, with **prior approval** from the Building Principal/Program Director **and** the Business Manager, Assistant Superintendent for Operations, Assistant Superintendent for Curriculum or the Superintendent, purchase an item with personal funds then be reimbursed by the Artesia Public Schools. **The Athletic Director=s approval is required on all athletics purchases, whether the purchase is from the athletics budget or an athletics-related activity fund.**

If this type purchase occurs, the employee shall complete a **Request For Check Form** (See Exhibit #6) for reimbursement. The following documentation **MUST** be attached to the Request for Check form:

- X The signed invoice indicating the merchandise or service has been received.
- X Proof that payment was made by the individual requesting reimbursement.

- X Necessary signatures from Building Principal/Program Director.

Submit the form and documentation to the Business Office for approval and signature by the Business Manager. **IF THESE PROCEDURES ARE NOT FOLLOWED, THERE IS NO GUARANTEE OF REIMBURSEMENT. THE DISTRICT IS UNDER NO OBLIGATION TO REIMBURSE FOR PURCHASES MADE WITHOUT PROPER AUTHORIZATION.**

All purchases will be made in the best interest of the Artesia Public Schools. If there are any unusual situations or circumstances that may not fit into the above procedures, be sure to obtain approval from the Business Manager, Assistant Superintendent for Operations, Assistant Superintendent for Curriculum or the Superintendent **before** proceeding.

RECEIVING OF MERCHANDISE:

Ordered merchandise is delivered directly to the District Warehouse, then distributed to the school site or ordering area. Instructors and/or secretaries at the school site verify receipt of all merchandise listed on the order. Once verification is complete, the instructor and/or secretary shall sign the **Deliver To Form** (See Exhibit #4) and forward this form to the Accounts Payable Technician. Signature of this form authorizes the Business Office to proceed with payment. This form is the approval to pay. Once this document is received by the Business Office, then release of payment can be made to the vendor by the Accounts Payable Technician. If the order is incomplete, the instructor and/or secretary shall indicate on the signed **Deliver To Form** (See Exhibit #4) and forward to the Accounts Payable Technician.

ACCOUNTS PAYABLE:

All vendor invoices are mailed to the Accounts Payable Technician in the Business Office. The vendor invoice is matched to the encumbrance copy of the purchase order. Once the documents are matched and the signed **Deliver To Form** is received by the Accounts Payable Technician, the items invoiced are checked against the items listed on the approved copies of the purchase order. At this time, the payment may be processed by the Accounts Payable Technician. The Technician checks each invoice carefully to verify amounts due, shipping and handling costs, and any other applicable discounts, etc.

The Accounts Payable Technician prepared the invoices for scheduling into the Triadic accounting system. Bills are scheduled into the system by one of four other Business Office Staff. As a means of segregation of duties, the Accounts Payable Technician does not schedule bills for payment. Additionally, to the extent allowable with existing staff and budget constraints, a Business Office staff member who posts journal entries for one fund does not schedule bills for that fund. For example, the Assistant Business Manager who posts journal entries for the Athletics and Activity Funds does not schedule those bills.

The Financial Management System generates a check register, a schedule of checks to be written, and a report of journal entries. These reports are verified for accuracy before the checks are printed and the budget(s) updated.

The checks are encoded by the check printer with the signature of the President and Secretary of the School Board. Authorized signature cards are maintained at each banking institution handling District accounts.

The Accounts Payable check run is normally run weekly. Normally a different business office staff member runs the check run each week as a means of segregation of duties as well as for cross training purposes.

Following the check-run, check copies and attached documentation are reviewed for accuracy by the Business Manager. Additionally, Business Manager checks that all check #'s are accounted for. Once completed, the Business Manager signs the check copy and routes the checks to the file room for filing by the Accounts Payable Technician who maintains the files.

This is a working document, subject to legal counsel and under the regulations set forth in the Public Education Department Manual of Procedures.

The Following Sections were Revised 7/12

STUDENT ACTIVITY & ATHLETICS

Definition of Staff & Faculty:

For the purpose of this policy, “**staff and faculty**” includes all personnel employed by the Artesia Public Schools and working at a school or department (i.e., teachers, nurses, counselors, secretaries, coaches, librarians, custodians, cafeteria workers, education assistants, administrators, clerical staff, technicians).

Definition of Activity Funds:

Student Activity Funds:

Student Activity Funds are used to account for those resources owned, operated and managed by the student body, under guidance of a staff member or another adult, for educational, recreational or cultural purposes. These funds are used for a wide range of activities that can include the school yearbook, student athletics or various student clubs.

Agency Funds:

Agency Funds are used to account for assets held for other funds, governments or individuals. Agency Funds are custodial in nature and do not involve measurement of operations. While the school district and/or individual school provides bookkeeping and accounting service for these funds, these functions are considered strictly fiduciary in nature. The school district is holding these funds in a fiduciary capacity. Therefore, the school district will be held responsible to safeguard the funds and demonstrate prudent judgment in accounting for disbursing these funds. (Example: Monies collected for student fund raising activities whose expenditures are determined by the student/class sponsors: cheerleaders, band, Junior/Senior Class.)

Pursuant to NMAC 6.20.2.14.c. CASH CONTROL STANDARDS 14.3: Money received and receipted shall be deposited in the bank within 24 hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small

amounts and/or low volume and it is impractical to meet the 24-hour/one banking day requirement, the Local Board may request approval from PED for an alternative plan. With the exception of Penasco School, this requirement includes all funds and applies to all employees. Penasco School shall make deposits on a weekly basis. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference. (Manual of Procedures PSAB 7, Cash Controls & Student Activity & Athletics)

General Information:

Accurate records shall be maintained for all monies collected and disbursed. Accurate records shall include pre-numbered receipts, purchase orders, pre-numbered tickets, vouchers and any other record-keeping required to maintain adequate control. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business. Except as may be otherwise provided by law, the cash record is a public record and is open to public inspection. This includes, but is not limited to the following revenue sources:

- Student Fund-raising activities, sales of merchandise,
- Vending machines
- Concessions
- Fees, fines, and deposits subject to return in whole or part; i.e. lockers, locks, lab or shop lab deposits
- Money for loss or damage to school property, lost textbooks, and tuition
- Money collected for school pictures, yearbooks, athletics play-offs
- Athletic Gate Receipts

Regardless of the method used to finance school activities, the school district is ultimately responsible for the funds, even though the actual control and operation of these funds are delegated to the respective school principals.

Section 6-10-40 NMSA 1978. Officials receiving consideration for placing loan or deposit; misusing funds; failure to deposit; penalty. (Manual of Procedures PSAB Supplement 18 – Student Activity and Athletics Page 4)

- Any public employee having custody or control of public money, property or a thing of value shall not use the money for any purpose not authorized by law or permit the use of any of the money not authorized;

- Any public employee that willfully neglects or refuses to deposit the money in his custody in any bank, federally insured savings and loan association or federally insured credit union not qualified to receive it shall be guilty of a felony;
- Upon conviction of the above shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 10 years or both.

INTERNAL CONTROLS FOR STUDENT ACTIVITY ACCOUNTING:

Staff and Faculty shall not establish separate bank accounts. (Revised 7/12)

Under NO circumstances are funds or checks to be mailed or delivered to the private residence of an APS employee.

Under no circumstances shall a two-party check be accepted.

Incoming checks must immediately be stamped with a restrictive endorsement, such as **For Deposit Only.**

No checks are to be cashed from any funds. All funds collected are to be deposited intact. All funds shall be deposited in the form in which they are collected and shall not be used for making change or disbursements of any kind.

No expenditures may be made from cash receipts. This includes payment for services such as game officials, and fundraiser supplies, etc.

Activity, Booster Club, and PTO funds are subject to random audits performed by school administration periodically to:

- 1) View transactions and documents for accuracy
- 2) Verify that approvals are in place
- 3) Establish that the accounting for these funds is in compliance with local, state and federal regulations.

(Manual of Procedures PSAB Supplement 18 – Student Activity and Athletics)

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 designee. Under no circumstances shall a fund remain in a deficit cash balance at the end of the fiscal year (June 30).

No money is to be collected at a school facility or campus by any teacher or school employee who does not have written approval by the Building Principal/Program Director and the Assistant Superintendent for Operations, Assistant Superintendent for Curriculum, or Superintendent.

No fees are to be collected and no charge made for workbooks, school supplies, Weekly Reader, etc., except for the fees approved by the Board of Education for certain elective courses. Fees are prohibited for **classes which are part of the required curriculum for grades K-8. A fee may be charged for remedial classes for grades 9-12.**

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

Funds Collected through Special Fund Drives/Campaigns:

Money collected from students for special drives or campaigns outside of school funds, such as United Way, Heart Association, etc. will go directly to the outside agency. **However, an accounting of these funds will be maintained prior to distribution to the outside agency. Two or more staff members should be involved in the counting of the funds and written verification of receipt of the funds from the campaign representative shall be maintained with school records, including the fundraiser report which is submitted to the Assistant Superintendent of Operations.** (Example includes: United Way, Cowboys for Cancer, etc.)

FUND-RAISERS

Monies from fund raising activities (agency funds) are considered to be legally owned and under the discretionary control of school districts. The monies generated are considered public funds and are subject to all applicable rules and regulations established by local governing boards. Fundraising projects shall contribute to the educational experiences of students and should add to, not conflict with, the instructional programs. A board-approved process should be specified for all fundraising activities, and any fundraising event should require approval in advance.

(Manual of Procedures PSAB Supplement 18 – Student Activity & Athletics Page 12)

All fund-raising activities require prior approval of the Building Principal and Assistant Superintendent for Operations or the Superintendent, even when conducted off school property or by other groups such as parent organizations. Fund-raising projects shall use the Application for Fund-raising Projects Form (See Exhibit #8A & Exhibit #8B) with the signature of approval from the Assistant Superintendent for Operations or the Superintendent. Sponsors shall provide participating students with a Letter of Introduction (See Exhibit #9) to verify that the fund-raiser is a school-related project. The forms shall be maintained by the sponsor in charge of the project and returned to the Principal as soon as the project concludes with all appropriate documentation attached, such as copies of invoices and receipts. The accounting of all funds at each school level is the Principal=s responsibility; therefore, the Fund-raising Projects Form shall be properly completed for each authorized project and filed in the Principal=s office. A copy shall also be filed in the Assistant Superintendent for Operations= office for inspection by the auditor.

X Written authorization from parents shall be obtained in order for students to participate in a fund-raiser. The authorization shall be kept by the sponsor of the project, in alphabetical order, for easy reference when needed. Sponsors may use one form and list all projects for the year. The Student Fund-raiser Participation Form may be used (See Exhibit #10), or a more applicable form such as Exhibit #11 may be used.

Proceeds from fund-raising 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 manual.

Under NO circumstances are funds or checks to be mailed or delivered to the private residence of an APS employee.

When the collection of fund-raising monies begins, the teacher or sponsor shall require all participating students to present all monies within 72 hours of collection to the teacher or sponsor. The teacher or sponsor shall in turn make the deposit within the 24-hour rule. This policy is intended to help deter lost or stolen funds and safeguard the collected funds.

If students are involved in fund-raising activities (promotions, sales or collections) for any campus activity/club or outside booster organization, all funds must be deposited in the appropriate school activity account. Exceptions: See Funds Collected through Special Fund Drives/Campaigns:

The following guidelines must also be followed:

No new fundraisers will be approved until completion of previous fundraiser including all financial reporting to the Assistant Superintendent of Operations. Exceptions must be approved by the Building Principal and Assistant Superintendent of Operations.

X Distribution of merchandise to the student must be limited to \$100.00 per distribution and the student must sign for the merchandise. Additional supplies will be distributed when proceeds of prior distribution are returned to and accounted for by the sponsor.

X Always involve more than 1 person in the counting of money collected, deposits, etc. School personnel (faculty and staff) shall not be involved in collecting money for fundraising projects conducted by Booster Clubs which are not school-sponsored. (Concession stands conducted by FFA for instance, at a Football Game are considered school-sponsored; a fundraiser project which is sponsored and managed by an outside Booster Club should NOT involve school faculty and staff in collection of money.)

Accommodations to Staff:

Expenditures from student activity funds for professional books and/or magazines, as well as personal memberships in professional organizations for the advisor are not allowed. School district employees or others may not make purchases through a student body in order to take advantage of student body purchasing privilege or credit capacity.

X Relatives, in particular a coach and/or coach's spouse should **not** be involved in a process of balancing accounts and collecting money.

X Deposits and receipts should match total sales as reported to the Assistant Superintendent for Operations on the fund-raising form. A Fundraiser Ledger for Checks shall be maintained in which each check is listed along with name of party who issued the check, amount and date of check and check number.

BOOSTER CLUBS, PTO's, ETC.

EFFECTIVE W. THE 2012-2013 SCHOOL YEAR: Elementary PTO's and Artesia Intermediate PTO are required to run all PTO funds through the Artesia Public Schools District Activity Fund.

PTO funds are subject to all Artesia Public Schools Internals Controls & Procedures.

In accordance with Laws of 2007, Regular session, Chapter 28, Section 3, Subsection L states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by section 6-5-9(I) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2007 may be expended for payment of agency-issued credit card invoices."

The Artesia Public School District does not use procurement cards (p-cards) (purchasing cards.). The use of procurement cards (p-cards) as well as debit and credit cards is also prohibited for PTO's and school-sponsored booster clubs. **The District prohibits the use of any Booster Club/PTO authorized debit/credit cards by school faculty and staff members.**

Under no circumstances will staff and faculty use credit cards provided by outside booster clubs, PTO's etc.

Booster Club/PTO financials are subject to **periodic** audit by school officials. A schedule of reporting dates will be established annually by the Assistant Superintendent of Operations or his Designee.

Booster Club/PTO financials are subject to **random** audit by school officials and/or district independent auditor.

Booster Clubs/PTO's will **submit financial reports semi-annually** to school business office for review. Financial reports may include bank statements if applicable, and general ledger of revenues and expenses and other documents as requested.

A complete listing of officers for each Booster Club/PTO will be provided to the Athletic Director (Athletic Booster Clubs) and/or the School Principal at the beginning of each school year. A copy will be provided to and maintained by the Assistant Superintendent of Operations or his Designee. Listing will include name of officer, position held, address and phone number.

A listing of any additional checking accounts for the Booster Club/PTO will be provided.

Additionally, APS policy prohibits the use of debit/credit cards as per state regulation. Therefore the District recommends that Booster Clubs/PTO's do so as well. However, if a Booster Club/PTO chooses to maintain a credit/debit card, the Booster Club/PTO must provide to the District a list of any and all authorized users. The District prohibits the use of any Booster Club/PTO authorized debit/credit cards by school faculty and staff members.

A listing of any debit/credit cards for said accounts will be provided as well as a listing of authorized card users.

Staff & Faculty **should not** serve as an officer for Booster Club or PTO.

Staff & Faculty **should not** be in charge of concessions. Exceptions would include school-sponsored fundraisers such as FFA runs concession stand during a football game; all funds flow through school activity accounts. Avoid situations in which a coach's spouse or family member is in charge of concession or directly involved in fundraising and accounting of funds. Always involve more than 1 person in counting of funds.

A complete and detailed report of fundraiser activities will be provided to the Assistant Superintendent of Operations if the fundraising event occurred on school facilities or if staff and students were involved.

Staff and Faculty shall not use school facilities, equipment or vehicles for personal gain or profit unless subject to building rental agreement and authorization of Assistant Superintendent for Operations.

If fundraiser is using/benefitting from District equipment, facilities, etc., or funds raised in name of the District or mascot, then said fundraiser is subject to all District rules.

Any trips outside state of New Mexico during summer require 2 weeks' notice and approval of Athletic Director and/or Building Principal and Superintendent.

Following Statement Required Signature by Coaches, Sponsors and Other School Faculty & Staff involved in Fundraising:

I have read the Artesia Public Schools Internal Controls & Procedures regarding Booster Clubs, PTO's, Activity & Athletic Clubs and Fundraisers and agree to abide by these procedures. By signing below, I indicate I've read and received this information and I am aware of policies and I will comply.

Coach/Sponsor/PTO Officer

Date

Athletic Director/Building Principal

Date

COLLECTING, RECEIPTING AND DEPOSITING MONEY
SEC NMAC 6.20.2.14 CASH CONTROL STANDARDS

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. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the 24-hour/one banking day requirement, the Local Board may request approval from PED for an alternative plan. With the exception of Penasco School, this requirement includes all funds and applies to all employees. Penasco School shall make deposits on a weekly basis.

Definition of Activity Funds:

Student Activity Funds:

Student Activity Funds are used to account for those resources owned, operated and managed by the student body, under guidance of a staff member or another adult, for educational, recreational or cultural purposes. These funds are used for a wide range of activities that can include the school yearbook, student athletics or various student clubs.

Agency Funds:

Agency Funds are used to account for assets held for other funds, governments or individuals. Agency Funds are custodial in nature and do not involve measurement of operations. While the school district and/or individual school provides bookkeeping and accounting service for these funds, these functions are considered strictly fiduciary in nature.

The school district is holding these funds in a fiduciary capacity. Therefore, the school district will be held responsible to safeguard the funds and demonstrate prudent judgment in accounting for disbursing these funds.

Definition of Staff & Faculty:

For the purpose of this policy staff and faculty includes all personnel employed by the Artesia Public Schools and working at a school or department (i. e., teachers, nurses, counselors, secretaries, coaches, librarians, custodians, cafeteria workers, education assistants, administrators, clerical staff, technicians).

(Revised 7/12)

General Information:

Accurate records shall be maintained for all monies collected and disbursed. Accurate

records shall include pre-numbered receipts, purchase orders, pre-numbered tickets, vouchers and any other record-keeping required to maintain adequate control. This includes, but is not limited to the following revenue sources:

- Fund-raising activities, sales of merchandise, raffles
- Vending machines
- Concessions
- Fees, fines, and deposits subject to return in whole or part; i.e. lockers, locks, lab or shop lab deposits
- Money for loss or damage to school property, lost textbooks, and tuition
- Money collected for school pictures, yearbooks, athletics play-offs
- Athletic Gate Receipts

Staff and Faculty shall not establish separate bank accounts. (Revised 7/12)

Under no circumstances shall a two-party check be accepted.

No checks are to be cashed from any funds. All funds collected are to be deposited intact.

No expenditures may be made from cash receipts. This includes payment for services such as game officials, and fundraiser supplies, etc.

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 designee. Under no circumstances shall a fund remain in a deficit cash balance at the end of the fiscal year (June 30).

No money is to be collected at a school facility or campus by any teacher or school employee who does not have written approval by the Building Principal/Program Director and the Assistant Superintendent for Operations, Assistant Superintendent for Curriculum, or Superintendent.

No fees are to be collected and no charge made for workbooks, school supplies, Weekly Reader, etc., except for the fees approved by the Board of Education for certain elective courses. Fees are prohibited for **classes which are part of the required curriculum for grades K-8. A fee may be charged for remedial classes for grades 9-12.**

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

Activity Fund:

Collections shall be receipted at the school sites and deposited following the **24-hour rule**. Copies of deposits and receipts shall be forwarded the **following work day** to the Assistant Business Manager for processing and recording in the Financial Management System. See **NMAC 6.20.2.23C Student Activity Funds**. ***See Remote Receipting below as well.**

Athletics Fund:

Collections (gate receipts, tournament entries, etc.) shall be receipted by the Athletic Director=s Secretary, and deposited following the **24-hour rule**. Copies of deposits and receipts shall be forwarded the **following work day** to the Assistant Business Manager for processing and recording in the Financial Management System. ***See Remote Receipting below as well.**

Food Service Fund:

Collections shall be accounted for at the school-site cafeteria. Money received through the Foods Service Operation are verified, balanced, reported and deposited on a daily basis by the Food Service Director. The Food Service receipts are processed and recorded in the Financial Management System by the Cafeteria Account Technician. A monthly re-cap is prepared by the Food Service Director and forwarded to the Cafeteria Account Technician for reconciliation purposes. ***See Remote Receipting below as well.**

Funds Collected through Special Fund Drives/Campaigns:

Money collected from students for special drives or campaigns outside of school funds, such as United Way, Heart Association, etc. will go directly to the outside agency. **However, an accounting of these funds will be maintained prior to distribution to the outside agency. Two or more staff members should be involved in the counting of the funds and written verification of receipt of the funds from the campaign representative shall be maintained with school records, including the fundraiser report which is submitted to the Assistant Superintendent of Operations.**

Funds collected for donation to benefit an entity or third party and paid to said entity or third party in cash must be receipted by party receiving funds. Receipts(s) must accompany the fundraising report.

RECEIPTS Other than Remote Receipting:

- Only pre-numbered receipt books issued by the District Business Office are to be used. Receipt books must be obtained and signed for by the Building Principal/Program Director from the Assistant Business Manager. A record shall be

kept with the starting number and ending number of all receipt books. All receipt books will be returned to the Assistant Business Manager for accountability by June 30. Principals shall ensure that secretaries and teachers are informed of this requirement when receipt books are issued to them from the Principal=s office.

- S **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 AVOID@ and kept intact in the receipt book.**
- S The disposition of the receipts in triplicate is as follows: original to payer, duplicate attached to deposit slip, and the triplicate remains intact in the receipt book.

Remote Receipts Procedures (Implemented January 2009): Collections are received and deposited for each activity fund as per the 24-hour rule, etc. The school secretary or designated person at each school site enters the information into the AS400 School Receipting Program at the school site. School secretary or designated person is responsible for printing a receipt in triplicate as per the data entry. The original of the receipt is attached to the corresponding copy of the deposit slip and submitted to the Assistant Business Manager for accountability. One copy of the receipt is stapled to the deposit envelope and returned to the activity fund sponsor. The final copy of the receipt is attached to a report generated from the AS400 and kept on file at the school site. The Assistant Business Manager retrieves the receipts from the AS400 Receipting Program which posts entries to the proper activity accounts. All receipts attached to corresponding deposit slip are kept on file, in preparation for current audit and then filed accordingly.

DEPOSITS:

- S The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.
- S The school staff member making deposits at the bank is to ensure the deposit slips are stamped by the bank teller.
- S **Incoming checks must immediately be stamped with a restrictive endorsement, such as AFor Deposit Only.@**

Miscellaneous Procedural Issues:

Cash Balance in an Inactive Activity Account: If there is a cash balance remaining in a graduating class activity account after graduation, and all encumbrances are liquidated, such funds will accrue to the benefit of the ensuing class. In some instances, the High School Principal may allocate funds between the three remaining classes. With a majority vote of the graduating students, a different disposition of the funds may be authorized **prior to**

graduation. Any school funds generated by school-sponsored activities may not be transferred out of school accounts. If an activity club with a cash balance ceases to exist without prior authorization regarding the disposition of its remaining funds, the Principal may transfer such funds to another account in the same category, through approval of the Superintendent or his designee.

Athletic/Activity Gate Receipts shall be collected with issuance of pre-numbered tickets. Pre-numbered tickets must be issued for all admissions and a Ticket Seller=s Receipt and Record Sheet (See Exhibit #7) shall be completed indicating the reconciliation of cash collected and tickets used. A file shall be maintained on all Ticket Seller=s Receipt and Record Sheets. Occasionally athletic tickets are sold at all District schools prior to a game. A summary of ticket sales which clearly accounts for all tickets (used and unused) and the ticket sales receipts is provided to the A. D.'s Office. All funds collected and receipts are receipted and deposited by the A. D.'s Office. Any unused tickets or voided tickets shall not be destroyed until the annual audit is completed.

Sale of tickets for play-off competitions, etc., (for NMAA): tickets are sold in the Athletic Director's Office and receipted after reconciliation of cash. A summary of ticket sales which clearly accounts for all tickets (used and unused) will be maintained. The Athletic Office deposits the funds and requests a check for the NMAA. Following the playoff game, any unused tickets and the reconciliation form are sent to the NMAA.

ACTIVITY TICKETS: Student Activity Tickets are issued and validated each school year. The Employee Identification Card serves as the Employee=s Activity Ticket and it is validated each year. Employee Spouse and Retiree & Spouse Activity Tickets are issued annually. A request for an activity ticket is completed and a receipt issued at the time the ticket is actually printed. Both the request form and the receipt serve as documentation for accountability. A summary of all activity tickets which clearly accounts for all tickets and the ticket sales receipts shall be maintained at each school level.

INSUFFICIENT CHECKS: The Assistant Business Manager administers the collection of insufficient checks for funds other than Cafeteria. The receipt and deposit for collection of an insufficient check will indicate that funds are not revenue but "re-deposit" of an insufficient check. At the end of the fiscal year activities/clubs with outstanding insufficient checks will have revenue and cash reduced accordingly. Collection of Insufficient Checks in the **Cafeteria Fund** is administered by the Cafeteria Fund Account Technician. Procedures are the same as listed above; however revenues and cash are reduced on a monthly basis.

Food Service Fund:

Collections shall be accounted for at the school-site cafeteria. Money received through the Foods Service Operation are verified, balanced, reported and deposited on a daily basis by the Food Service Director. The Food Service receipts are processed and recorded in the Financial Management System by the Cafeteria Account Technician. A monthly re-cap is prepared by the Food Service Director and forwarded to the Cafeteria Account Technician for reconciliation purposes. ***See Remote Receipting below as well.**

OTHER REVENUE PROCEDURES

The Business Office is responsible for monitoring the collection of all amounts due from outside agencies including PED. Cash Requests for Federal Programs are prepared by the Assistant Business Manager as instructed by current PED procedures. A copy of the request is filed in the project file after the funds are received. Cash requests for Special Capital Outlay, GRADS and other special programs are prepared by the Business Manager or his/her designee. The responsibility for the collection rests with the Business Manager or his/her designee under the supervision of the Superintendent.

Each receipt indicates a description of the payment. The original receipt is filed with any accompanying documentation or given to the paying party; the pink receipt copy is attached to the deposit slip and the yellow receipt copy remains in the receipt book. Funds received by ACH transfer and/or electronic wire have accompanying documents which are generated by the bank and/or the PED/SBPU and are attached to the original receipt. Once receipted, these funds are entered in the Financial Management System by the appropriate Business Office staff member.

ASTARTING CASH@
SEE NMAC 6.20.2.13-M PETTY CASH FUNDS

Building Principals/Program Directors may request AStarting Cash@ for athletic gates, concessions, etc., by submitting a Request for Check Form (See Exhibit #6) to the Business Office. The Building Principal/Program Director shall maintain proper records for AStarting Cash@. All AStarting Cash@ funds shall be deposited back to the proper fund at the end of the season or school year. **THERE SHALL BE NO OUTSTANDING ASTARTING CASH@ FUNDS AT THE CLOSE OF THE FISCAL YEAR.**

TRAVEL REIMBURSEMENTS/PER DIEM

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. These guidelines are outlined on the back of the travel form. (EXHIBIT #14)

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 of trip.

In-District Travel:

Under certain circumstances, District employees may find it necessary to use their personal vehicles for travel within the school district in the performance of their duties. Upon written approval by the Superintendent, payment can be made to cover these costs (using map mileage to determine actual miles traveled). The rate of reimbursement is .32 per mile. The employee shall complete the Report of Local Travel Form (See Exhibit #12)

In-State Travel:

All in-state travel requires **prior** approval by the Superintendent, Assistant Superintendent for Operations, Assistant Superintendent for Curriculum, or Building Principal/Program Director. This approval is requested on the Travel Request Form. (See Exhibit #13) The purpose of the trip must be justified and all estimated costs associated with the trip must be itemized if reimbursement is expected. The Business Manager will verify or assign the applicable account number and forward the Travel Request Form to the Assistant Superintendent for Operations, who will approve the trip and schedule a school vehicle if necessary. The employee must complete a Travel Voucher Form upon return and submit it to the Business Office. The Business Office will process the Travel Voucher Form (See **Exhibit #14**) upon return. Sufficient approvals and required documentation such as agendas and invoices must be attached to the reimbursement request. All receipts for out-of-pocket expenditures for transportation, registration and miscellaneous expenses are required for reimbursement. Refer to the Travel Voucher Form or Board Policy for specifics.

Out-of-State Travel:

All out-of-state travel requires **prior** approval by the Superintendent, Assistant Superintendent for Operations, Assistant Superintendent for Curriculum, or the Building Principal/Program Director. This approval is requested on the Travel Request Form. (See

Exhibit #13) The purpose of the trip must be justified and all estimated costs associated with the trip must be itemized if reimbursement is expected. The Business Manager will verify or assign the applicable account number and forward the **Travel Request Form** to the Assistant Superintendent for Operations, who will approve the trip, and schedule a school vehicle if necessary. The employee must complete a **Travel Voucher Form** upon return and submit it to the Business Office. The Business Office will process the **Travel Voucher Form** (See **Exhibit #14**) upon return. Sufficient approvals and required documentation such as agendas and invoices must be attached to the reimbursement request. The travel reimbursement form will be processed only with sufficient documentation, and personnel will follow the same procedures as listed with in-state travel. All receipts for out-of-pocket expenditures for transportation, registration and miscellaneous expenses are required for reimbursement. Refer to the Travel Voucher Form or Board Policy for specifics.

In the event that an outside organization pays an employee per diem or travel expenses for a trip, the employee shall not seek additional per diem from the District. For example, in the event that a District employee serves on a PED committee or task force and receives per diem for any related travel, then the employee shall not request per diem from the District.

An employee shall never be reimbursed twice for per diem or mileage for the same event. An employee may receive per diem or expenses, but not both.

In the event an employee uses a school vehicle to attend a meeting and is reimbursed for mileage from an outside organization, the employee shall remit the mileage amount to the District.

BANK RECONCILIATIONS:

All bank accounts are reconciled on a monthly basis by the Accounts Payable Technician. This includes “receiving” (on the Financial Management System) all checks which have cleared the bank as indicated on each bank statement. If problems are encountered in reconciling the statements, the Accounts Payable Technician attempts to discover the discrepancy or problem area. Once the error has been “traced” by the Accounts Payable Technician, the staff member who posts journal entries to that respective bank account will post the correction in the Financial Management System, if necessary. If the correction needs to be made at the bank then the bank is notified to make the correction. If the Accounts Payable Technician is unable to trace the error, then the appropriate party who posts journal entries to the respective bank account will also attempt to find the error. Bank reconciliations are verified by the Assistant Business Manager and Business Manager during preparation and review of the cash report. The monthly check registers, transaction journals and general ledger are filed in the Business Office. The Business Office Technician is cross-trained on bank reconciliations and may balance the statements or assist the Accounts Payable Technician in the reconciliations.

DISTRICT BANK ACCOUNTS

Only authorized school Administration Office personnel may open or close bank accounts. This applies to checking, savings, or certificates of deposit, etc. This action requires Board approval.

INVESTMENTS
SEE 6.20.2.15 INVESTMENTS PARAGRAPH B

The Artesia Public School District #16 accounts for all monies placed in interest-bearing accounts by fund. Generated interest is credited by the financial institution on a monthly basis then receipted and recorded in the Financial Management System when the credit is received.

Surplus cash balances may be invested in Certificates of Deposit. Investments are made in accordance with local investment procedures and the PED Manual of Procedures, Supplement #8. Investments are made by the Business Manager or his/her designee under the supervision of the Superintendent. The financial institution is notified, and the funds drafted from the appropriate account. A copy of the Certificate of Deposit is mailed to the District; the purchase of the Certificate of Deposit is posted in the Financial Management System from the copy of the Certificate of Deposit. At maturity date, the Certificate of Deposit is converted and a receipt is issued for the principal amount. A second receipt is issued for the interest earned. Both are posted in the Financial Management System. A paper trail is generated with this procedure. An Investment Register is maintained by the Business Manager and Assistant Business Manager, and updated as Certificates of Deposit are purchased and converted. The Register itemizes the Certificate of Deposit number, date of purchase, maturity or conversion date, investment institution and the amount of the investment.

USE OF SCHOOL FACILITIES/VEHICLES

- The Principal and Superintendent must approve use of school facilities or equipment by employees for work or services performed outside their contracted duties.

WORK PERFORMED ON PERSONAL VEHICLES, FURNITURE, ETC. BY STUDENTS AND/OR STAFF

- Written approval must be obtained from anyone wanting a personal vehicle, furniture, etc., worked on by instructors and students. A copy of this approval must be maintained in the Building Principal=s office.

INVENTORY

All* District equipment and items of a tangible value of \$5,000.00 and over are permanently identified using metal tags. This is the responsibility of the Assistant Business Manager under the direction of the Assistant Superintendent of Operations. Building Principals/Program Directors/Designees are responsible for ensuring that all equipment at their location is appropriately marked. *In some instances (playground canopies, building additions, sidewalks, land improvements, etc.) where it is impractical to identify the inventory item with a metal tag, the metal tag is maintained in the Inventory File in the Assistant Business Manager's Office.

A physical inventory certified by the school/department administrator must be conducted before and after a change in administration. Building Principals/Program Directors/Designees will receive a paper copy of the inventory items in/at their buildings and will be responsible for conducting a physical inspection of all items or inventory. Said persons will initial next to inventory item that physical inspection did take place.

The Assistant Business Manager maintains fixed asset inventory records in the Business Office. The inventory database includes the inventory tag number, a description of the item, the serial number, the acquisition date, the fund code, the location number, and the site code.

Annual review of the current year purchases as well as past purchases will be made by the Building Principal/Program Director/Designee and adjustments to the records are forwarded to the Assistant Business Manager for updating.

All requests for removal of surplus property, deletions and discards for any one item in the amount of \$10,000.00 or over shall be approved by the Board of Education. The District follows the format provided by the Department of Finance and Administration for processing these items. Items should not be removed, transferred or sold without written approval of the Business Office. Administrators shall submit requests on their building administrator's letterhead with items to be removed, transferred or deleted listed. A copy of said request will be maintained in the school Business Office inventory files as well as with the respective administrator's inventory listing.

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 Board of Education approval.

Upon receipt of an Award Notice, a budget document must be prepared and submitted to the Business Office for review and processing. A Budget Adjustment Request is presented to the local Board of Education for approval. Most proposals and accompanying budgets require PED approval.

These procedures must be followed prior to the expenditure of any monies to ensure that proper budget authorization is obtained from PED 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 or his/her designee. The program manager (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 staff 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. A record of Bonded Indebtedness Schedule is maintained by the Business Manager. This schedule lists the date of each bond issue, the 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 and authorize the wiring of the required payment(s) from the Debt Service bank account. Funds will be wired to the authorized paying agent as applicable on the due date. Transactions are posted in the Financial Management system by the Business Manager or his/her designee.

The Debt Service portion of the property taxes collected by the County Treasurer is 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 the Manual of Procedures, Supplement #8. The County Treasurer billing for the 1% administrative fee is credited to the Debt Service bank account per accounts payable procedures listed previously.

INSURANCE

The New Mexico Public School Insurance Authority provides insurance for employee benefits and property and liability coverages. Premiums are determined for health, dental, voluntary and basic life coverages by the Authority with procedures set by statute. Property and Liability coverages 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.

Employee Benefits Plans are managed through the District Business Office. Also available: a cafeteria plan, life, vision and cancer insurances as well as various 403(b) plans. Agents wishing to make their plans available must first respond to an insurance questionnaire. At that point, the District Insurance Committee may request a presentation from the agent. If the Committee chooses to proceed, they will make their recommendation to the Superintendent of Schools through the District Business Manager and Assistant Superintendent for Operations. Only after approval from the Board of Education may an agent be added to the list of vendors for insurance and/or 403(b) plans.

FINANCIAL REPORTING

The monthly Cash Report and Cash Reconciliation Report is prepared by the Assistant Business Manager. The Business Manager verifies and approves the Report and is responsible for ensuring the reports are prepared accurately and timely. Any discrepancies are reported immediately to the appropriate Business Office staff member for correction. Reports are then filed and maintained as per the Schedule for Retention and Disposition of Records. A copy of the District=s quarterly fiscal report is forwarded to the PED School Budget Planning Unit, the Superintendent and the Assistant Superintendent of Operations.

Artesia Public Schools
Internal Controls and Procedures

Exhibit Pages

Contract Information & Addendum Form	Exhibit #1
Principal=s Monthly Report of Absence	Exhibit #2
Requisition Form	Exhibit #3
Deliver To Form	Exhibit #4
In-Town P. O. Form	Exhibit #5
Request for Check Form	Exhibit #6
Ticket Seller=s Receipt & Record Sheet	Exhibit #7
Fund-raiser Form	Exhibit #8
Letter of Introduction for Fund-raiser Participants	Exhibit #9
Authorization for Student Participation in a Fund-raiser	Exhibit #10
Yeso Elementary Student Participation Form	Exhibit #11
Report of Local Travel	Exhibit #12
Travel Request Form	Exhibit #13
Travel Voucher	Exhibit #14

