

Hutto Independent School District Administrative Procedures Manual



Operating Procedures

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Business & Financial Services Deadlines

The following dates have an important bearing on operations throughout the school district and compliance is vital. Items listed below should be forwarded to the correct Business Office contact on or before the due date indicated.

PAYROLL		
Item	Link	Business Office Contact payroll@huttoisd.net
Semi-Monthly Payroll	Semi-Monthly Pay Schedule	Elizabeth Polasek, Payroll
Monthly Payroll	Monthly Pay Schedule	Lori Johnson, Payroll
Sub Payroll	Sub Pay Schedule	payroll@huttoisd.net
Address Change	Address Change	hr@huttoisd.net
W4 Change	W4 Instructions	payroll@huttoisd.net
Direct Deposit Change	Direct Deposit Change	payroll@huttoisd.net

ACCOUNTS PAYABLE:		
Item	Due Date	Business Office Contact accounts.payable@huttoisd.net
AP Check Cycles	Printed weekly on Tuesday	Gloria Gibbons Accounts Payable
Checks available for pick up or mailed out; ACH funds available	Must make an appointment to pick up a check ACH - Friday	Gloria Gibbons, Accounts Payable
Documentation to produce a check, including approved PO number	All documents must be received in the Business Office by Monday at 5 p.m. prior to cycle	Gloria Gibbons, Accounts Payable
Mileage Reimbursements, including approved PO number	Documentation to the Business office by Monday at 5 p.m. prior to cycle	Gloria Gibbons, Accounts Payable
All Campus invoices due to Accounts Payable (before summer break)	Second Tuesday in June	Gloria Gibbons, Accounts Payable
All Department invoices due to Accounts Payable	Second Tuesday in June	Gloria Gibbons, Accounts Payable

PURCHASING:		
Item	Due Date	Business Office Contact purchasing@huttoisd.net
Purchase Order Approval – existing vendors, non-technology	Allow 1-2 business days for response after approval from principal/director	Todd Robison, Purchasing Director
Purchase Order Approval – software, networked technology with existing vendors	Allow 3-5 business days for response;	Todd Robison, Purchasing Kelly McGregor, Technology Dept.
Purchase Order Approval – new vendors	Allow up to 3 business days for response; Vendors must register	Todd Robison, Purchasing
P-Card Transactions Reconciliations	10 Business Days from import date	Todd Robison, Purchasing Kristin Gardner, Buyer

ACCOUNTING & FINANCE:		
Item	Due Date	Business Office Contact finance@huttoisd.net
Deposits	<p>Bagged deposits must be delivered to the Business Office every Wednesday.</p> <p>Deposits are uploaded to Skyward once electronic file and paperwork is received by Business Office.</p>	Ruby Villareal, Accountant
Budget transfers & amendments	<p>Must be submitted in Skyward</p> <p>For transfers within the same function can be done at the department/school first opportunity</p> <p>For transfers between functions: Must be submitted to the business office by the third Thursday of the month and receive board approval.</p>	Director of Finance
Beginning Fiscal Year	July 1	District
End of Fiscal Year	June 30	District

Staff Directory

Name	Title	E-Mail
Glenn Graham	Chief Financial Officer	finance@huttoisd.net
Victoria Melton	Assistant to CFO	finance@huttoisd.net
Caleb Steed	Director of Finance	finance@huttoisd.net
Ruby Villarreal	Accountant	finance@huttoisd.net
Rafael Guerra Ahumada	Bond Accountant	purchasing@huttoisd.net
Gloria Gibbons	Accounts Payable	accounts.payable@huttoisd.net
Lori Johnson	Director of Payroll	payroll@huttoisd.net
Elizabeth Polasek	Payroll Specialist	payroll@huttoisd.net
Todd Robison	Director of Purchasing	purchasing@huttoisd.net
Kristin Gardner	Buyer	purchasing@huttoisd.net

General Guidelines

Hutto ISD is responsible for the efficient and effective administration of Federal awards through the application of sound management practices and assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. Furthermore, in recognition of its own unique combination of staff, facilities, and experience, Hutto ISD has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award. The accounting practices of Hutto ISD are consistent with the cost principles and support the accumulation of costs as required by the principles, and provide for adequate documentation to support costs charged to Federal awards. Hutto ISD does not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award.

Grants management procedures are used for the financial and regulatory administration of all state and federal financial assistance to the district. Overall responsibility for submitting proposals and for executing and submitting awards rests with the Superintendent. The guidelines establish lines of authority within the district related to financial transactions on government assistance received.

General information provided in this document is based on multiple sources. For more specific information, consult the grant application and regulations and [2 CFR 200—Part E](#) for federal cost principles. All applicable Hutto ISD Policies and Procedures and Administrative Guidelines and Purchasing Procedures are to be followed for expenditures. In instances where state or local policies are more stringent and limiting than federal guidelines, Hutto ISD will adhere to the more restrictive requirements.

This manual sets forth the policies and procedures used by Hutto ISD to administer federal funds for grants awarded after December 26, 2014. The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and practices.

Although this manual is not all-inclusive and cannot address all situations, it does provide general information to assist with standard financial operations and grants management. All District personnel with financial and administrative duties, and program-specific fiscal duties, are responsible for the contents.

Responsibilities of Grant Management

Grants Management is handled by various individuals dependent upon the Program: the Hutto ISD Board of Trustees, Superintendent, Chief Financial Officer, Assistant Superintendent of School Support, Director of Finance, Special Education Director, Director of Federal, State, and Special Programs, and the granting agencies.

Overall responsibility for submitting proposals and for executing and administering awards rests with the Superintendent. The district has adopted an institutional oversight model for state and federal financial assistance. The oversight model establishes lines of authority within the district related to financial transactions on government assistance received. There are three (3) fundamental principles:

1. The Chief Financial Officer or Director of Finance is the final approval authority for all grant expenditures prior to submission to the Superintendent.
2. Responsibility is defined as the authority to make a decision, initiate/approve transactions and be accountable for any outcomes associated with decisions, including disbursement of funds.
3. Oversight is always distinct from the operating unit that makes the decisions.

The overall responsibilities of the Grants Management function include, but are not limited to:

- a. Reviewing all grant applications that have a financial reporting or compliance requirement prior to submission for approval by the Superintendent;
- b. Establishing, communicating and promoting policies and procedures consistent with federal, state, and local regulations;
- c. Providing assistance to project managers for the preparation of grant applications;
- d. Exercising budgetary control of grant funds;
- e. Providing overall financial support and monitoring;
- f. Providing overall compliance monitoring to include:
 - Maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to the state and federal regulations;
 - Coordinating formal agency audits or interim reviews of grants by federal or state agencies; and
 - Providing support and guidance to campus and central administrative offices for the effective administration and financial management of grants.

Hutto ISD's financial management system provides for compliance with the identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification includes, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity. Accurate, current, and complete disclosure of the financial results of each Federal award or program is provided in accordance with the reporting requirements and the monitoring and reporting of program performance. Hutto ISD maintains records that identify adequately the source and application of funds for federally-funded activities.

These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and are supported by source documentation. Hutto ISD maintains effective control over, and accountability for, all funds, property, and other assets and adequately safeguards all assets and assures that they are used solely for authorized purposes. Hutto ISD compares expenditures with budget amounts for each Federal award and provides written procedures to implement the requirements of payment. Written procedures are in place for determining the allowable use of costs (see Procedures for Determining Allowable Costs below) in accordance with applicable cost principles and the terms and conditions of the Federal award. Hutto ISD maintains effective control over, and accountability for, all funds, property, and other assets, and the district adequately safeguards all assets and assures that they are used solely for authorized purposes. Hutto ISD does not earn or keep any profit resulting from Federal financial assistance unless explicitly authorized by the terms and conditions of the Federal award.

If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, program income will be deducted from the total allowable costs to determine the net allowable costs. Program income will be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the Hutto ISD did not anticipate at the time of the Federal award will be used to reduce the Federal award and Hutto ISD contributions rather than to increase the funds committed to the project.

Staff Responsibilities

Superintendent

- Approve applications for grants
- Coordinating the responsibilities of staff involved in all state and federal grants to verify that all aspects of grant compliance are being considered and adhered to

Chief Financial Officer - Reports directly to the Superintendent and is responsible for:

- Approve applications for grants
- Coordinating the responsibilities of staff involved in all state and federal grants to verify that all aspects of grant compliance are being considered and adhered to

Director of Finance - Reports directly to the Chief Financial Officer and is responsible for:

- Financial administration of the Grants
- Coordinating the responsibilities of staff involved in all state and federal grants to verify that all aspects of grant compliance are being considered and adhered

- Monitoring finance and compliance of stated grants
- Monitoring unusual or irregular activities related to grants
- Maintaining fiduciary and financial responsibility for all grant activities
- Maintaining current knowledge of federal, state and district policies related to grants
- Complete amendments to grants as required by grant and district
- Verifying budgets meet federal, state and local guidelines
- Processing and maintaining the accounting data for grants
- Final approver of all requisitions and verifying expenditures are allowable and within allowable ranges
- Compiling, verifying and filing of expenditure reports and compliance reports monthly
- Files accurate monthly reports for programs requiring such filing
- Reconciling district financial records to federal reports to verify accuracy
- Maintaining financial records and working with financial auditors to confirm financial compliance with grant requirements

Assistant Superintendent of School Support Services - Reports directly to the Superintendent and is responsible for:

- Making sure the federal program goals and objectives are listed correctly in the District Improvement Plan (DIP) and Campus Improvement Plans (CIP)
- Making sure that the district meets compliance standards and follows the DIP and CIP related to the federal programs
- Providing help for grant applications in determining staffing needs and verifying qualifications of employment applicants
- Determining with help of Superintendent, Director of Finance and other Directors whether each grant helps Hutto ISD meet the goals spelled out in the DIP and CIP
- Working with campuses and other departments to verify that each is aware of their allocated budget, if any, and the allowable uses for that budget

- Working with Director of Finance and business office to verify expenditures are allowable and within allowable ranges
- Working with Director of Finance and business office to verify filing of expenditure reports and compliance reports as necessary

Director of Special Education - Reports directly to the Assistant Superintendent of School Support Services and is responsible for::

- Administration of the following Grants:
 - IDEA–B Formula
 - IDEA-B Preschool
- Submitting state and federal grant applications mentioned above
- Monitoring finance and compliance of stated grants
- Reporting unusual or irregular activities related to grants to the Director of Finance
- Maintaining current knowledge of federal, state and district policies related to grants
- Providing central staff and campus training for federal and state grants, as appropriate
- Working with Director of Finance and business office to make sure budget meets federal, state, and local guidelines
 - Working with campuses and other departments to verify that each is aware of their allocated budget, if any, and the allowable uses for that budget
 - Working with Director of Finance and business office to verify expenditures are allowable and within allowable ranges
 - Working with Director of Finance and business office to verify filing of expenditure reports and compliance reports as necessary

Director Federal, State and Special Programs - Reports directly to the Assistant Superintendent of School Support Services and is responsible for:

- Administration of the following Grants:
 - Title I, Part A
 - Title I, Part C
 - Title II, Part A
 - Title III, Part A
 - Title IV
 - Carl Perkins
- Submitting state and federal grant applications mentioned above
- Monitoring finance and compliance of stated grants
- Reporting unusual or irregular activities related to grants to the Director of Finance
- Maintaining current knowledge of federal, state and district policies related to grants
- Providing central staff and campus training for federal and state grants, as appropriate
- Working with Director of Finance and business office to make sure budget meets federal, state, and local guidelines
- Working with campuses and other departments to verify that each is aware of their allocated budget, if any, and the allowable uses for that budget
- Working with Director of Finance and business office to verify expenditures are allowable and within allowable ranges
- Working with Director of Finance and business office to verify filing of expenditure reports and compliance reports as necessary

Technology Director - Reports directly to the Assistant Superintendent of Operations and is responsible for:

- Maintaining property records within a fixed asset inventory system to include the description of the property, the serial number, acquisition date and cost
- Maintaining the location and condition of the property
- Maintaining disposition data including date of sale of the property

Purchasing Director - Reports directly to the Director of Finance and is responsible for:

- First level of purchase requisition approval once the requisition reaches the Business Office
- Verification of allowability of vendors that will be utilized based on the Hutto ISD approved vendor list and prudent purchasing practices

Business Office Responsibilities

Business Office responsibilities include:

- Assisting the Director of Finance in classifying and reporting accounting transactions properly according to TEA guidelines
- Assisting Director of Finance in requisition and purchase order processing including the initiation of the process, verification and payment
- Maintaining grant budgeting, including amendments

Department Responsibilities

Duties	Staff Responsible
Review CIP and DIP for compliance	Assistant Superintendent of School Support Services and Director of Federal, State and Special Programs
Conduct comprehensive needs assessment for district	Assistant Superintendent of School Support Services and Director of Federal, State and Special Programs
Develop plan from assessment, identified needs and prepared budget, staffing and program descriptions	Chief Financial Officer and Director of Finance with input from program directors and principals
Compliance reporting	Director of Finance; Director of Federal, State and Special Programs; Director of Special Education

Training on budgeting, budget amendments, coding, time and effort, purchasing, credit cards, split-funded salary allocations, contract monitoring (including debarred vendors), employee reimbursements, and selected unallowable costs	Director of Finance, Purchasing Director, and Buyer
Approval of all purchases to ensure compliance with grant requirements, coding, allowability of costs, competitive procurement, correct pricing on bids and proposals, eligible vendors (not on debarred list) and alignment with identified needs, CIPs and DIPs	Director of Finance in conjunction with the responsible director of each grant and Purchasing Director
Periodic monthly reporting (cash draw-downs)	Director of Finance
Monthly reporting	Director of Finance
Budget reporting to budget managers, campuses, and central administration	Director of Finance
Reconciliation of accounting records with expenditure reports to grantor agencies	Director of Finance
Annual review of code of ethics (34CFR Section 80.36), policies and administrative procedures for all of the above listed duties and responsibilities	Director of Finance; Director of Federal, State and Special Programs; and Director of Special Education

Waste, Fraud, and Abuse

To ensure the public receives the most value, the District strives to ensure its administrative management of public funds is as effective and efficient as possible, with a high standard of accountability to prevent waste, fraud, and abuse

All trustees, employees, vendors, contractors, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's financial resources.

1. Conflict of Interest

No District employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal, state, or other award if he or she has

a real or apparent conflict of interest. If required by the terms and agreements of a Grant Award Notice and/or the awarding agency, the District will disclose in writing any potential conflict of interest to the awarding agency in accordance with the awarding agency's policies.

Please see Conflict of Interest procedures, Purchasing Code of Ethics, and Definitions.

2. Fraud and Financial Impropriety

The District prohibits fraud and financial impropriety, as defined below, in the actions of its trustees, employees, vendors, contractors, consultants, volunteers and others seeking or maintaining a business relationship with the District. These persons shall not seek a financial or other advantage, either personally or for the District, through bribery, fraud, kickbacks, misapplication of funds, malfeasance, gross mismanagement, or other criminal activities. These persons shall not offer, promise, give, request, agree to receive or accept a bribe for any purpose. Excessive or lavish gifts or hospitality in relation to business transactions or arrangements with granting agencies, contractors, vendors or other parties to contracts might constitute bribery.

Please see definition of nominal vs excessive gifts. Fraud and financial impropriety includes, but is not limited to:

- Forgery or unauthorized alteration of any document or account belonging to the District;
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other District assets, including employee time;
- Impropriety in the handling of money or reporting of District financial transactions;
- Profiteering as a result of insider knowledge of District information or activities;
- Unauthorized disclosure of confidential or proprietary information to outside parties;
- Unauthorized disclosure of investment activities engaged in or contemplated by the District;
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District;
- Destroying, removing, or inappropriately using records, furniture, fixtures, or equipment;
- Failure to provide financial records required by state and local entities;
- Failure to disclose conflicts of interest as required by policy; and
- Any other dishonest act regarding the finances of the District.

The District will take appropriate action to prevent incidents of fraud, malfeasance, misapplication of funds, gross mismanagement, or other criminal activities in all forms, which may be prosecutable. The District will disclose in writing to the awarding agency any violation of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award.

Please see Mandatory Disclosure procedures.

3. Reporting Fraud or Financial Impropriety

Any person who suspects fraud or financial impropriety, or suspects that an illegal or unethical act has occurred, shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement. The District will not retaliate against any person who, in good faith, has reported what they believe to be illegal acts by District employees, officers, or agents, or of other individuals or entities with whom the District has a business relationship, on the basis of a reasonable belief that the practice is in violation of law or clear mandate of public policy.

A signed written statement shall be completed by the Complainant and should include the following information, if applicable or known: (1) Date of statement; (2) Type of funds, such as federal, state, local; (3) Grant number; (4) Location of incident; (5) Date and time of incident; (6) Source of complaint (employee, vendor, etc.); (7) Description in detail of infraction; (8) Any other pertinent information.

4. Investigating Reports of Fraud or Financial Impropriety

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board President, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

Supplement, Not Supplant Procedures

Hutto ISD has implemented guidelines to ensure compliance with the federal fiscal requirement of supplement, not supplant. The purpose of the procedures is to ensure that the level of state and local support for programs remains at least constant and is not replaced by federal funds. Federal funds are used to supplement (add to, enhance, to expand, extend, or increase) the funds available from non-federal sources, and not to supplant (replace or take the place of) the existing non-federal funds.

1. Federal funds shall not be used to provide services that the district is required to provide under federal, state, or local laws/policies.
 - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds. Excess teacher units, if any, may be eligible for payment through federal funds. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
 - b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds. Documentation shall include Board minutes or local policy reflecting the staffing requirement and a report that reflects the staff units throughout the district mandated by the local minutes/policy and the excess units, if any.
 - c. The salaries of administrative and clerical staff (i.e., non-instructional staff) will be treated as indirect costs. Direct charging of these costs may be appropriate only if administrative or clerical services are integral to a specific project or activity, if the individuals involved can also be specifically identified with the project or activity, if such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency, and if the costs are not also recovered as indirect costs. Documentation shall include job descriptions that relate duties directly to the federally-funded program.
 - d. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments. Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.
2. Procedures for determining that a school participating in a school-wide program is using federal funds available only to supplement the amount of funds that would, in the absence of ESSA federal funds, be available from non-federal sources for the school (including funds needed to provide services for children with disabilities and children with limited English proficiency.)
3. Procedures for determining supplement, not supplant when state or local funds are no longer available. Federal funds shall not be used to provide services that the district is required to make available under other Federal, State or local laws (Board Policy).
 - a. Salary expenditures for staff required by federal, state, or local policy shall not be paid from federal funds. For example, teacher FTEs that meet the state's 22:1 student-teacher ratio for grades PK through 4th will not be funded from federal funds.

Excess teacher units, if any, may be eligible for payment through federal funds. Documentation shall include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.

b. Salary expenditures for staff required by local policy shall not be paid from federal funds. Excess staff units, if any, may be eligible for payment through federal funds. Documentation shall include the Board minutes or policy and a report that reflects the staff units throughout the district mandated by the minutes or policy and the excess units, if any.

c. Federal funds shall not be used to pay for state required activities, such as state-mandated assessments. Documentation shall include purchase orders for state required activities. The purchase orders shall reflect that non-federal funds were used to pay for the expenditures.

4. Procedures for determining that program-specific supplement, not supplant provisions are met. A review of the non-federal funds available to each campus (school-wide and non-participating) shall be conducted on an annual basis by the Chief Financial Officer, Director of Finance and Grant Directors.

a. TEA's Compatibility Computation Report (CCR) should provide valuable information related to the level of state and local funding available at each Title I, Part A participating and non-participating campus.

b. All purchase orders with federal funds shall be reviewed by the Director of Finance and the Director in charge of a particular federal program to ensure compliance with the supplement, not supplant provision. The final approver's signature and date is his/her representation that the grantee complied with local policy and procedure and state and/or federal law, rules and/or grant requirement, as applicable.

5. Procedures for determining supplement, not supplant when state or local funds are no longer available.

a. Federal funds shall not be used to provide staff that the district provided with non-federal funds in the prior year. Documentation may include a report that reflects the staff units throughout the district and the prior year and current year source of funding.

b. Federal funds shall not be used to pay for goods or services that the district provided with non-federal funds in the prior year. Documentation may include Budget Worksheets or other budget documents.

6. Procedures for determining that program-specific supplement, not supplant provisions are met.

a. Title I, Part A – Improving Basic Programs:

i. Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. A school-wide campus does not have to demonstrate that activities are supplemental. The school is not required to identify particular children or to provide supplemental services to identified children.

- ii. A review of the non-federal funds available shall be conducted on an annual basis.
- b. Title I, Part A – School Improvement Program:
 - i. Title I, Part A federal funds shall be used only to supplement the amount of funds available from non-federal sources for Priority or Focus schools.
- c. Title I, Part C – Education of Migratory Children:
 - i. Title I, Part C federal funds shall be used only to supplement the amount of funds available from non-federal sources for the campus including funds needed to provide services that are required by law for migratory children.
- d. Title II, Part A – Teacher/Principal Training and Recruitment:
 - i. Title II, Part A funds shall not be used to meet any state mandate or local board policy. Doing so would be considered supplanting. For example, if an LEA decides to use Title II, Part A funds to hire additional teachers to reduce class size in Grade 2, the state mandate of 22:1 must be met with state and/or local funds before additional teachers may be hired with Title II, Part A funds.
 - ii. Documentation may include a report that reflects the teacher units throughout the district mandated by the state and the excess units, if any.
- e. Title III, Part A – LEP
 - i. Title III, Part A funds shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds.
 - ii. Documentation may include a report that reflects the state and/or local funds used to provide Bilingual education or ESL services to students as required by state law and the federal funds used to provide additional services beyond the basic education program that is already provided.

Title I Supplement Not Supplant Methodology

Personnel Allocations

Personnel is allocated based on campus enrollment and students served. Hutto ISD uses a personnel matrix to allocate FTEs to each campus. Actual salaries may vary from campus to campus based on the years of experience of staff in positions allocated.

Non-Personnel Allocations

Hutto ISD allocates state and local funds (Fund 199) to all campuses on a per pupil basis based on estimated projected enrollment each year in the spring. For example, Fiscal Year 2018-2019, allocations were determined on March 20, 2018.

Time and Effort Requirements

Hutto ISD will strive to keep all employees hired with federal or state sources with a single purpose and a sole funding source when possible. Such job responsibilities with funding source limitations will be duly noted on their job descriptions and communicated to the employee, their supervisor and district level staff.

Supervisors should pay careful attention when assigning other duties to any employee on campus and recruiting employees for additional work. In cases involving employees with special funding sources, supervisors should know that additional timekeeping requirements are imposed on the district, the supervisor and the employee. If a situation warrants other assignments to these specially funded employees, the supervisor should contact the Director of Finance or Grant Director immediately to determine what needs to be done to maintain district compliance with governing standards.

Sole purpose /Single funding source employees

In an effort to verify this time and effort, reports will be given to campus administrators and employees, at the beginning of each fall and spring semester asking the administrators and employees to verify and sign off as to their agreement that the work the administrator assigns these employees is that single purpose with no other funding source. Although semi-annual certifications are waived in Texas, when applicable, personnel assigned to a Title I, Part A school-wide campus and funded with such funds will have in their job description a statement that 100% of their instructional duties are performed on such a campus. At the end of each fall and spring semester the report will be given to the employee to verify their work for that prior semester, noting any variances from that sole purpose and funding source. Examples of these

other roles or funding sources are: tutorials paid from other funds, bus duties of any kind, working athletic events and so on. The reports once completed will be submitted to the Director of Finance or Grant Director for verification and compiling with other district compliance records.

In situations where specially funded employees work summer school or other assignments outside of their contract calendar, another report will be completed by the supervisor and employee. It will then be submitted to the Director of Finance or Grant Director showing the time worked and noting that it was outside of their contract calendar for their federally funded position.

To reduce the time and effort burden of monthly reports, the U.S. Department of Education (USDE) has approved a substitute system. Under the substitute system, employees may submit twice annual certifications instead of monthly personnel activity reports (PAR). In the event that Hutto ISD decides to take advantage of the substitute system, the district will submit a management certification form to TEA before any employees may participate in the substitute system. This form will be submitted within the timeline parameters set down by TEA and a new management certification will be submitted for each school year that Hutto ISD decides to participate. Copies of the necessary forms are available for viewing on TEA's Substitute System of Time and Effort Reporting web page at http://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/Substitute_System_of_Time_and_Effort_Reporting/.

Dual job assignments /Multiple funding sources

If circumstances make it necessary to use employees in more than one role, or to fund the employee from more than one source, the following guidelines will apply. Monthly reports will be completed by the employee and their immediate supervisor showing time worked at each of the various employment responsibilities to account for 100% of the employee's time. Signatures of each shall be affixed and the report forwarded again to the Director of Finance or Grant Director for verification and retention. If the separate assignments are notable by different timekeeping rules, supervisors should print out a copy of the employee's time records for the month in question and submit those along with the report.

Procurement

Procurement transactions are conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals are excluded from competing for such procurements.

Hutto ISD conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Hutto ISD also has adopted written procedures for procurement transactions as follows:

- a) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description does not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, sets forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications are avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description will be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brands which are met by offers that are clearly stated.
- b) Identify all requirements which the potential bidders must fulfill and all other factors to be used in evaluating bids or proposals.

Hutto ISD further ensures that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District does not preclude potential bidders from qualifying during the solicitation period.

Methods of procurement:

Procurement by micro-purchases is where the aggregate dollar amount of the acquired supplies or services does not exceed the micro-purchase threshold. To the extent practicable, Hutto ISD distributes micro-purchases equitably among qualified suppliers. Micro-purchases are awarded without soliciting competitive quotations if Hutto ISD considers the price to be reasonable.

Procurement by small purchase procedures is a relatively simple and informal procurement for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations are obtained from an adequate number of qualified sources.

Procurement by sealed bids is where a publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is Hutto ISD's preferred method for procuring construction if a complete, adequate, and realistic specification or purchase description is available, if two or more responsible bidders are willing and able to compete effectively for the business, and if the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, Hutto ISD imposes the following requirements:

- a) The bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publicly advertised;
- b) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- c) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

- d) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and,
- e) Any or all bids may be rejected if there is a sound documented reason.

Procurement by competitive proposals is where competitive proposals are conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, Hutto ISD imposes the following requirements:

- a) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals will be considered to the maximum extent practical;
- b) Proposals will be solicited from an adequate number of qualified sources;
- c) Hutto ISD has a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- d) Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,
- e) Hutto ISD may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, will only be used in procurement of A/E professional services.

For specific Hutto ISD purchasing thresholds and policies, please refer to the Purchasing Guidelines on the Hutto ISD website, at www.hipponation.org.

Job Descriptions

Hutto ISD will maintain job descriptions for all district employees, including grant-funded personnel. Job descriptions for employees involved with grant programs will have specific reference made on the job description as to the source of their grant funding. At the time of hiring or changing the responsibilities for any employee in the district, including a grant funded employee, supervisors must notify the Director of Finance or Grant Director and obtain appropriate approval. The Human Resources department should also be made aware of the change to ensure all District procedures are followed. Additionally, other district policies must be followed in relation to these changes, such as board approval for new professional employees.

All employees in the district with hiring responsibilities must ensure that each employee hired is either highly qualified at the time of hire or has a plan laid out that will ensure that they are highly qualified within allowable timeframes. Evidence of this will be maintained in the employee's personnel folder located in the Central Administration building.

Budgeting for Grants

In order to establish a budget in the District's accounting system (Skyward) for federal funds, each year a copy of the budget program summary from the TEA system must be submitted to the Director of Finance along with an individual account code breakdown of how it should be budgeted in Skyward. The Director of Finance will provide each director with a worksheet to use in preparing the individual account breakdown upon request, or the director may use the system reports to produce such on their own. From this information business office personnel will input budgets into the district accounting system as promptly as possible.

Monthly, the Director of Finance will submit program expenditures through the TEASE Federal Expenditure Reporting System. At this time, the budget amount reflected in this system will be compared to the budget as listed in the district's accounting system. If the amounts do not match, the director of said program will be contacted concerning the difference and asked to provide information to the business office to correct the budget variance.

Each time the budget for one of these special program funds changes, the director of that program must submit a copy of the updated budget and information on how it should be accounted for in the budget system so that the two amounts agree at all times. The Director of Finance will communicate to program directors that the budget has been updated. Program directors or their staff should use system provided reports to verify that system budgets agree with the information they submitted, and if variances exist, report those variances to the Director of Finance immediately.

Budget amounts for personnel and related benefits for payroll will be calculated during the annual budget process based on the employees reported to the Director of Finance as being paid for by each special program. Once the budget process is complete, these amounts will be given to each Director along with detail reports showing the employees and the related expenses being charged to each individual account. Directors should verify the accuracy of the personnel in these reports and report and discuss variances with the Director of Finance.

Any payroll costs not associated with individual employees, example summer school payroll, tutorials, will not automatically be calculated by the system. Programs that are anticipating paying for these type expenses should include these amounts in their budget requests given to the business office. The Director of Finance will also help special program directors in establishing the amounts needed in these accounts based on historical data. Program directors are responsible for determining the variances between historical data and current year program needs. Additionally, business office staff will help with providing rates of pay so these estimates can be calculated as accurately as possible.

By maintaining accurate budgets, the Director of Finance will be able to ensure that accounts are not overspent based on program approved budgets. It is the responsibility of the special program directors to ensure that amounts being spent and the personnel being charged to the individual programs meet the requirements of said program. Business office staff will verify proper coding practices are followed when requisitions are submitted, but are not responsible for verifying their appropriateness in each program. If business office staff question the coding used on any expenditure, the requisition will be returned for director's consideration. If the correction to the coding changes the needed budget, it is required that the TEA budget program be amended prior to making any district system correction if applicable. Any discrepancies noted from either side should be communicated as soon as noticed so as the system can be maintained accurately. Doing so will allow all parties to be able to analyze information and maintain control over the programs.

Budget Amendments

In the event the Director of Finance or Program Director should need to amend the application and/or the budget, approval must be granted prior to the date the applicant encumbers such funds and/or such services are rendered by submitting an amendment to the appropriate governing authority. There are certain instances when re-budgeting is permitted without a written approved amendment. However, other types of changes require the prior written approval from the authorized authority via a written amendment. The Director of Finance or Program Director must refer to the specific grant instructions for guidelines regarding budget amendments.

Budget amendments are required under the following circumstances:

- a) To add a class/object code not previously budgeted.
- b) To increase or decrease the amount of funds currently approved in a class/object code on the Program Budget Summary by more than 25% of the total budgeted amount.
- c) To increase or decrease the number of positions approved by 20% or more.
- d) To add a new item or increase the quantity of capital outlay items approved for articles costing \$5,000 or more.

Accounting Records

Hutto ISD utilizes Skyward, a school-specific software for its financial general ledger and budgeting and student attendance reporting needs. Employee time and attendance is maintained by True Time in Skyward. Any reference to reports throughout this section, unless otherwise noted, will be information produced using this software package.

All grant fiscal/accounting records are to be maintained and should include at a minimum a general ledger of all expenditures, time and effort records for employees, charges made to payroll as documented in a payroll ledger or other appropriate internal accounting documents, purchase orders, invoices, receipts, travel vouchers showing expenses reimbursed to employees, cancelled checks, bank statements, and any other documentation that supports the financial transactions shown on the general ledger for said grant. These same accounting records are required to substantiate drawdown requests submitted to TEA via the TEASE system.

Program records would be any documentation which provides evidence that program activities as described in the application authorizing program statute actually occurred. Program records might include: class rosters, attendance rosters, sign-in sheets, lesson plans, student test scores, agendas of meetings/trainings, copies of materials, handouts, minutes from meetings, etc. Financial information will be collected and reported with the frequency required by the terms and conditions of the Federal award.

Purchasing and Disposition Guidelines Related to Grants

The district must make its purchases follow relevant statutes and policies. Although bound by these constraints, the district's objective is to purchase the best products, materials and services at the lowest practical prices. Purchasing for grants should follow the same standards applied for all Hutto ISD purchasing. Only exceptions to those standards will be those imposed by the specific grants themselves. Each program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District purchasing guidelines should be considered an integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies. Hutto ISD will continue to follow the state rules related to small purchase acquisition procedures where those procedures are deemed stricter than the federal rules. The following procedures are based on State of Texas statutes, Hutto ISD Policies and Procedures.

A *purchase request* in the form of a requisition gives staff members a method to ask for goods and services. Requisitions are generated utilizing the district's current accounting software. Each requisition must include a detailed description of goods and/or services including unit of issue, price and quantity. Once requisitions are created and submitted, they are sent through an approval process in which they are evaluated and the need verified and correct coding assigned to the purchase. The Director of Finance or Chief Financial Officer is the final approver for all purchases. The requisition creates a purchase order once the final approver has approved the purchase. The order may be placed at the campus or district level through the Skyward e-commerce system if the vendor is set-up. Once shipments have been processed and received, the accounts payable department will match invoice, receipts and purchase order to process for payment. Vendor invoices and receipts must contain a detailed description of items or services purchased that includes quantities, service dates/hours and number of students to whom the services were provided, as applicable.

Purchases using special revenue funds must match the approved grant application from the funding agency and comply with all program guidelines and assurances. These purchases will begin with a requisition and follow the same purchasing guidelines as outlined by the district.

District credit cards: Credit cards are issued to campuses and departments via secretaries and to the Executive Leadership Team (ELT). See page 51 for more detailed information related to credit cards. These district credit cards may be used for travel and any other prior approved purchase through the use of a Purchase Order as long as the vendor does not charge a credit card fee. Campus and department administrative assistants are required to log check-out and check-in of each card and ensure return of detailed receipts for each expenditure. Employees who use district credit cards must sign documentation agreeing to follow district guidelines for their use and approving payroll deductions if used outside of agreed upon purchases. All credit card transactions are processed through Skyward by the campus or department requisitioner utilizing the Purchase Order and detailed receipts. These cards are used solely for convenience and workload reduction.

Grant retention records: Financial and program records, supporting documents, statistical records and all other records pertinent to program regulations on an awarded grant must be retained for a period of Fiscal Year End + 5 years. Such records are kept in district storage for a period of Fiscal Year End + 2 years and then moved to a third party document imaging/retention contractor for storage. Disposal of such records are initiated by the contractor utilizing state and federal guidelines and approved by the Director of Finance, Program Director, when grant related, and Superintendent.

Reimbursements: Expenses incurred that are charged to federal funds must follow federal program allowable cost guidelines. Expenses incurred and charged to federal funds must follow federal program allowable cost guidelines.

Internal controls: Internal control is a process implemented by the district to provide reasonable assurance regarding the achievement of these objectives: effectiveness and efficiency of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations. The controls will include all methods adopted by the district to safeguard its assets, comply with management policies and grant items and conditions and provide reliability of accounting information data. The district has adopted policies to comply with internal controls and the controls are tested each year by an independent audit firm.

Hutto ISD's internal controls process also provides reasonable assurance that transactions are properly recorded and accounted for, in order to 1) permit the preparation of reliable financial statements and Federal reports; 2) maintain accountability over assets; and 3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Transactions are furthermore executed in compliance with 1) federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and 2) any other Federal statutes and regulations that are identified in the Compliance Supplement. This process further ensures that federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

No expenditures above and beyond approved negotiated grant amounts are to be made without documentation being given to the Director of Finance for amending the budget accordingly. This documentation will be maintained with annual budget work papers for substantiation of budget and expenses.

Hutto ISD does not allow for the purchase of any type of pre-purchase card or certificate for making any purchase on behalf of the district and does not maintain a petty cash fund.

Cash Management Requirements: The district operates on a reimbursement basis for expenditures incurred for federal programs. The expenditures must be paid before requesting reimbursement for TEA via the grant expenditure reporting system. All transactions for requesting reimbursement of funds are maintained with the monthly expenditure report to justify the request for reimbursement. The district should not have more cash on hand than is necessary to meet three days cash needs for federal programs.

Fixed Assets Guidelines: Like items with an aggregate cost of \$5,000 or more must be capitalized. They must have a useful life of at least seven years, be non-expendable; retain original shape and appearance; and not lose its identity through incorporation into a different or more complex unit or substance. If parts are purchased separately to assemble into one item or unit, the total cost determines if the unit is to be considered a fixed asset. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan. Fixed assets are to be coded as such in the district's accounting system.

Fixed assets that are no longer in working condition are to be disposed of following district policy guidelines. Proceeds from sale of property will be booked as revenue from sale of property. Fixed assets that are no longer in working condition or have been stolen or destroyed must be removed from fixed asset reports maintained by the district auditor. Fixed assets associated with grants will be disposed of following grant policies. Program directors will contact state and or federal authorities for permission to dispose of the asset and get directions as to what the proceeds from that disposal are to be used for. Such correspondence should be noted and kept with district records as required.

Individuals wishing to purchase property or capital assets from grant resources must first have such purchase approved through the grant application process. Such approval should be shown to the Director of Finance for set up of budget for those items. Source documents for all fixed assets in the district are maintained for the life of the asset plus five years and will be maintained with other district records according to our records retention plan.

Procedures for Determining Allowable Costs: An allowable cost is a cost that complies with all legal requirements that apply to a particular Federal education program including statutes, regulations, guidance, applications and approved grant awards. Full guidelines for allowable costs under the grant can be found in 2 CFR 200—Part E. In addition, processes in Hutto ISD Policies and Procedures must be followed. The purchases must be aligned with the appropriate comprehensive needs assessment, campus/district plan and must follow cost principles as well as the applicable grant requirements in determining reasonableness, allowableness and allocable costs. Purchases must be approved by the appropriate federal program administrator as part of the process. Funds must be expended for reasonable and necessary costs in conducting grant activities.

Federal grant programs are governed by a variety of Federal rules including statutes, regulations, and non-regulatory guidance. To determine whether a cost may be paid with Federal funds, i.e. whether the cost is allowable, staff must be familiar with these rules and how they work together. Generally, when analyzing whether a particular cost is permissible, it is useful to perform the following analysis:

- a) Is the cost reasonable, necessary and allocable to the program budget?
- b) Is the cost specifically included in the district's approved grant budget?
- c) Is the cost included in the campus/district CNA, CIP, DIP?
- d) Is the cost forbidden by Federal laws? (see below for examples)
- e) Is the cost consistent with generally accepted accounting principles?

- f) Is the cost permissible under the relevant Federal program?
- g) Is the cost consistent with the Federal cost principles in 2 CFR 200—Part E?
- h) Is the cost consistent with program specific fiscal rules as well as state/local policies?
- i) Is the cost adequately supported with documentation?
- j) Is the cost consistent with an approved program plan and budget, as well as any special conditions imposed on the grant?

While there are other important considerations District staff must take into account when analyzing whether a specific proposed cost is permissible, the above questions can provide a useful framework for the analysis.

The following costs are always unallowable unless otherwise noted:

- a) Advertising and public relations costs (with limited exceptions for a specific program purpose), are prohibited and includes promotional items and memorabilia, including models, gifts and souvenirs
- b) Alcoholic beverages
- c) Bad debts
- d) Contingency provisions (with limited exceptions)
- e) Fundraising and investment management costs (with limited exceptions)
- f) Donations
- g) Contributions
- h) Entertainment (includes field trips unless prior TEA approval is obtained)
- i) Fines and penalties
- j) General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government [COGs])
- k) Goods or services for personal use l) Interest
- m) Lobbying
- n) Selling and marketing costs (with limited exceptions)
- o) the use of funds for religion
- p) The acquisition of real property (unless specifically permitted by programmatic statute)
- q) The use of funds for construction (unless specifically permitted by programmatic statute)
- r) Charging tuition or fees collected from students toward meeting matching, cost sharing, or maintenance of effort requirements of a program

Hutto ISD provides training on the allowable use of federal funds to all staff involved in federal programs by distributing federal guidance documents, developing templates, checklists and other guidance documents as appropriate, internal training sessions, routine staff meetings and informal technical assistance.

Professional and Contracted Services General Guidelines: Any letter of intent shall contain a provision that the future contract is contingent upon receipt of the specific NOGA and such

contract should be executed only after the NOGA is issued. If the obligation is for personal services by a contractor who is not the State or subgrantee, then the obligation is made on the date on which the subgrantee makes a binding written commitment to obtain the services. If the obligation is for work other than personal services, then the obligation is made on the date on which the subgrantee makes a binding written commitment to obtain the work. In determining the allowability of costs in a particular case, no single factor or any special combination of factors will be determinative; however, Hutto ISD will take into account the following relevant factors:

- a. The nature and scope of the service rendered in relation to the service required.
- b. The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.
- c. The past pattern of such costs, particularly in the years prior to Federal awards.
- d. The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).
- e. Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.
- f. Whether the service can be performed more economically by direct employment rather than contracting.
- g. The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
- h. Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

Equipment: Equipment refers to tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. For equipment purchased with federal funds, the title vests in Hutto ISD provided that: 1) the equipment is used for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project; 2) the property is not encumbered without approval of the Federal awarding agency or pass-through entity (i.e., TEA); and, 3) the equipment is disposed of in accordance with applicable rules. In addition, when acquiring replacement equipment, Hutto ISD may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

When equipment is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, Hutto ISD will request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with the requirements of paragraphs (e)(1)(2)(3) and (4) Part 200.313 of the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards.

Supplies: Supplies means all tangible personal property other than those described in "Equipment" above. A computing device is a supply if the acquisition cost is less than the lesser

of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

Capital Outlay: If the district purchases capital outlay (furniture and/or equipment) to accomplish the goals of the project, the title will remain with the district until disposed of by the district. When capital outlay items are no longer needed for the originally authorized purposes, the items may be used by other activities currently or previously supported by TEA.

Property Management Requirements: The district is required to manage property acquired in whole or in part with grant funds by establishing and using procedures that meet 34 CRF 80.32 including the following:

- a) Maintain property records within a fixed asset inventory system to include the description of the property and the serial number;
- b) the source of the property, the name of the entity that holds title;
- c) the acquisition date and cost;
- d) the percentage of federal/state participation in the cost of the property;
- e) the location and condition of the property; and
- f) any disposition data including date of sale of the property.

TEA must be contacted for written instructions on the disposal of property.

Adequate Documentation: In order to adequately document expenditures, Hutto ISD requires written information that includes the amount of grant funds being expended, how those funds will be used and the total cost of the proposed project. The documentation should also specify any share of costs from additional funding sources, records that support the compliance and performance related to federal and state mandates and any other records/reports that might support the expenditure.

Allocable Standard: In order for a purchase or cost to be allocable to federal funds, it must be acquired specifically for a federally-funded program. It must also be necessary for the overall operation of Hutto ISD's planned program goals/objects as well as being assignable to the federal program in accordance with all applicable cost principals.

Documentation for Personal Expenses: Personal expense records for personnel engaged in federal program activities are supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated, are incorporated into the official records of Hutto ISD, and reasonably reflect the total activity for which the employee is compensated, not exceeding 100% of compensated activities. Internal control involves, at a minimum review of the expense documentation by the employee's direct supervisor, the Director of Finance and, if appealed by the employee, the superintendent. The review will include on site interpretation of 2 CFR 200.430 by Hutto ISD personnel and, if appealed by the employee, interpretation by audit personnel of the pass-through agency (TEA) as final arbiter.

Conflict of Interest: Hutto ISD discloses in writing any potential conflict of interest to the Federal awarding agency (USDE) or pass-through entity (TEA) in accordance with applicable Federal awarding agency policy. Hutto ISD maintains written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of Hutto ISD may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, Hutto ISD may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct also provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of Hutto ISD.

Substitute Teachers: It is the policy of Hutto ISD that substitute teachers will always be paid from local funds.

Travel Costs and Reimbursement: The need for travel tied to the goals of grant programs must be determined prior to travel. In order for travel costs to be paid or reimbursed, the employee must complete a district-approved travel form and receive a department supervisor's approval. Lodging and subsistence expenses must be reasonable and consistent with Hutto ISD's established travel and reimbursement policy. Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences will be reimbursed if the costs are a direct result of the individual's travel for the Federal award, if the costs are consistent with the non-Federal entity's documented travel policy for all entity travel, and are only temporary during the travel period. All itemized receipts for costs incurred must be submitted after travel. After attending a conference/training/ meeting, verification documentation of completion of the event must be submitted. Travel costs must comply with 2 CFR 200.474 and district travel policy. The Director of Finance or grant program director shall ensure that the allowable costs expended to federal funds do not exceed allowed rates as indicated. Mileage and meal reimbursement will be paid at the state or district rate, whichever is lower. Only exceptions to those standards will be those imposed by the specific grants themselves. Each individual program director is responsible for noting the differences from normal district procedures and communicating those to district staff. Business office staff will maintain compliance with normal procedures unless evidence of grant compliance is shown for a variance and that evidence will be maintained with purchasing records for those items. District travel guidelines should be considered an integral part of this manual and followed by all employees involved with grant management to verify compliance with federal grants internal control policies. All mileage must be turned in forty-five (45) days after the travel event. All mileage for the District Fiscal year must be turned in by June 30 each year for reimbursement consideration. Any mileage not turned in during the specified guidelines could be denied.

Commodity Codes: Hutto ISD will use a local set of commodity codes to track purchases for compliance with the micro-purchase threshold of \$10,000. The list of commodity codes will be tracked and maintained by the Purchasing Director and Director of Finance in Skyward.

Reporting Fraud, Waste and Abuse of State/Federal Funds

The State Auditor's Office (SAO) investigates allegations of fraud, waste or abuse involving state funds and resources. To report fraud, waste or abuse (or suspicion of fraud, waste or abuse) to the SAO, call the SAO Hotline at 800-TX-AUDIT (892-8348) or submit a report to the [SAO's Online Reporting Hotline](#).

The United States Department of Education's (USDE) Office of Inspector General (OIG) investigates allegations of fraud, waste and abuse related to federal education funds and federally funded programs. To report fraud, waste, or abuse (or suspicion of fraud, waste or abuse) to the USDE OIG, contact the [Special Agent in Charge for Texas](#) (Neil Sanchez., (214) 661-9546, 1999 Bryan Street, Suite 1440, Dallas, TX 75201-6817); email oig.hotline@ed.gov; call 1-800-MISUSED (1-800-647-8733); or write the Inspector General's Hotline, Office of Inspector General, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202-1500. USDE OIG provides additional guidance for reporting at [OIG Hotline: Fraud Prevention](#).

Glossary of Commonly Used Acronyms

CFR: Code of Federal Regulations

CIP: Campus Improvement Plan

CNA: Comprehensive Needs Assessment

DIP: District Improvement Plan

ESL: English as a Second Language

FTE: Full-Time Equivalent

FY: Fiscal Year

IDEA: Individuals with Disabilities Education Act

LEA: Local Education Agency

LEP: Limited English Proficient

MOE: Maintenance of Effort

NOGA: Notice of Grant Award

OIG: Office of the Inspector General

SAO: State Auditor's Office

TEA: Texas Education Agency

TEASE: Texas Education Agency Secured Environment

USDE: United States Department of Education

Purchasing Guidelines

Mission:

The mission of the Purchasing team is to support the educational goals of Hutto ISD by providing prudent, efficient, and compliant purchasing through innovative practices and robust customer service.

Goal:

The goal of the Purchasing team is to become a leader in purchasing innovation, compliance, customer service, and fiscal responsibility.

Objectives:

Hutto ISD Purchasing Objectives:

- To provide quality products, services, and materials to the District, at the best value, in accordance with school board policy and applicable laws
- To encourage open and professional relationships with vendors, while maintaining independence and objectivity, in order to create a strong competitive environment
- To promote and apply ethical business practices
- To continually be innovative by improving processes and following best purchasing practices

Ethics:

The following code of ethics was developed for the Purchasing staff. However, the standards and ideals are applicable to all District employees involved in the purchasing process.

CODE OF ETHICS:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications
- Demonstrate loyalty to the District by diligently following the lawful instructions, procedures and policies using reasonable care while exercising only the authority which has been delegated to you
- Refrain from any private business or professional activity that would create a conflict between personal interest and the interests of the District
- Refrain from soliciting or accepting money, loans, credits, discounts, gifts, entertainment, favors or services from present or potential vendors
- Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and government regulations
- Promote positive supplier relationships through courtesy and impartiality
- Know and obey the letter and the spirit of laws governing the purchasing function and remain alert to the legal ramifications of all purchasing decisions

- Ensure that all segments of society have the opportunity to participate in governmental contracts
- Enhance the stature of the purchasing profession by improving technical knowledge and adhering to the highest ethical standards

Purchasing Laws, Regulations, and Statutes:

Board Policy, State laws and Federal laws mandate that all purchases made by Hutto ISD must comply with bid laws. Since the majority of items and services purchased by the District are required to be bid, the purchases must be made from vendors who have been awarded a contract for these items and/or services.

Board Policy:

- [BBFB \(LEGAL\)](#) Ethics – Prohibited Practices
- [CH \(LEGAL\)](#) Purchasing and Acquisition
- [CH \(LOCAL\)](#) Purchasing and Acquisition
- [CHH \(LEGAL\)](#) Purchasing and Acquisition – Financing Personal Property Purchases
- [CHG \(LEGAL\)](#) Purchasing and Acquisition – Real Property and Improvements
- [CK \(LOCAL\)](#) Safety Program/Risk Management
- [CR \(LEGAL\)](#) Insurance and Annuities Management
- [CV \(LEGAL\)](#) Facilities Construction
- [CV \(LOCAL\)](#) Facilities Construction
- [DBD \(LEGAL\)](#) Employment Requirements and Restrictions – Conflict of Interest
- [DBD \(LOCAL\)](#) Employment Requirements and Restrictions – Conflict of Interest

Federal Regulations:

- Office of Management and Budget (OMB) [Circular A-21](#) Educational Institutions
- Office of Management and Budget (OMB) [Circular A-87](#) State and Local Governments

State Statutes:

- [Texas Education Code Chapter 44](#) – Fiscal Management – Subchapter B
- [Texas Education Code Chapter 45](#) – School District Funds – Subchapter G
- [Texas Business and Commerce Code](#)
- [Texas Local Government Code Chapter 171](#) – Regulation of Conflicts of Interest of Officers of Municipalities, Counties and Certain Other Local Governments
- [Texas Local Government Code Chapter 176](#) – Disclosure of Certain Relationships with Local Government Officials: Providing Access to Certain Information

- [Texas Local Government Code Chapter 271](#) – Subchapter B – Purchasing and Contracting Authority of Municipalities, Counties and Certain Other Local Governments
- [Texas Local Government Code Chapter 271](#) – Subchapter D – State Cooperation in Local Purchasing Programs
- [Texas Local Government Code Chapter 271](#) – Subchapter Z – Miscellaneous Provisions
- [Texas Government Code Chapter 552](#) – Public Information
- [Texas Government Code Chapter 791](#) – Interlocal Cooperation Contracts
- [Texas Government Code Chapter 2054](#) – Information Resources
- [Texas Government Code Chapter 2157](#) – Purchase of Automated Information Systems
- [Texas Government Code Chapter 2251](#) – Payment for Goods and Services
- [Texas Government Code Chapter 2252](#) – Contracts with Governmental Entities
- [Texas Government Code Chapter 2254](#) – Professional and Consulting Services
- [Texas Government Code Chapter 2269](#) – Contracting and Delivery Procedures for Construction Projects
- [Texas Health and Safety Code Chapter 361](#) – Solid Waste Disposal
- [Texas Health and Safety Code Chapter 435](#) – Dairy Products
- [Texas Agriculture Code Chapter 150](#) – Imported Meat

Awarded Vendor List:

The Awarded Vendor List (AVL) is a list of vendors that are awarded through a cooperative or they are awarded by Hutto ISD competitive procurement procedure. Using vendors listed on the AVL is the best way to help the District stay compliant with purchasing law.

The AVL can be found at this link:

<https://docs.google.com/spreadsheets/d/1DWhAtcAxN7yIDGViElZDqTeZGxyH0ZyLafGvWQtrFr8/edit#gid=1299146780>

Please note that the AVL is updated periodically as vendors are added or drop off. Being on the AVL list does not automatically mean a vendor has been added to Skyward. Vendors must still register through the Bonfire vendor registration portal.

Search for Approved Vendors – While on the AVL Google Sheet, you can hit the CTRL and F keys on your keyboard to invoke the search field. This field provides an opportunity for you to search the AVL by entering any sequence of letters or words. The search is conducted throughout the entire AVL and returns all matches. It is recommended that you begin your search with a couple of letters or one word. You can narrow your search by adding additional letters or words. Please wait for the three dots to disappear so that you know the search is finished.

Bid Number – The bid number is the number assigned to the solicitation in which the vendor was awarded a contract. Vendors may have more than one bid number since they may provide various categories of products and/or service or have been awarded on various cooperatives. For Hutto ISD competitive bids, the first half of the number indicates the fiscal year in which the initial solicitation was performed while the second half indicates a sequential contract number within that fiscal year. This number should be selected on all requisitions using the Contract field in Skyward. If a vendor in Skyward is on the AVL list but only has “N/A” or “-” under the Contract field in Skyward, please email purchasing@huttoisd.net to correct.

Title – This column indicates the name of the original solicitation. End users should use the contract title that matches what you are requesting to be purchased.

Expiration – This field will show you if the contract is active and when it will expire. When contracts expire on the AVL, they will be highlighted in red or removed when appropriate. Hutto ISD is a member of Allied States, BuyBoard, 1GPA, Choice Partners, SourceWell, NCPA, OMNIA, TexBuy, and TIPS. Hutto ISD is also eligible to procure goods and services through State of Texas contracting programs such as Texas Multiple Award Schedules (TXMAS) and Department of Information Resources (DIR).

The Purchasing team manages a list of these approved vendors using legal cooperatives. End users are encouraged to view this list frequently.

Creating a New Vendor in Skyward:

When making a purchase, you may occasionally identify a vendor that is not available in Skyward. To request a new vendor, please provide the contact information of the vendor to purchasing@huttoisd.net so they can be invited to register as a vendor through PaymentWorks. Once the vendor has completed the information in PaymentWorks and been approved, the requestor will be notified and the vendor will be added to Skyward. If approved, purchases may then be made from that vendor.

Purchasing Guidelines:

Board Policy, State laws, and Federal laws mandate that all purchases made by Hutto ISD must comply with bid laws. The District must competitively purchase the majority of items and services. Therefore, the District must purchase from awarded vendors.

Purchases without the issuance of a purchase order or authorization from the Chief Financial Officer or designee are not allowed. Payment will not be made for unauthorized and unallowable purchases. Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement. In some circumstances, the District may withhold these funds from the employee's paycheck.

All District purchases must be completed using District purchasing procedures.

General Guidelines

- Electronic Purchase Orders are required for purchases unless the Purchasing Director, Director of Finance, Chief Financial Officer, or Superintendent has given approval.
- All purchases using Federal funding must be procured from an approved vendor with EDGAR certifications with a minimum of two (2) quotes (preferred three (3)-quote minimum).
- For purchases less than \$10,000, the end user is encouraged to use an approved vendor or secure quotes from three (3) competitive vendors
- Purchases between \$10,000 and \$50,000.00 must be purchased from an approved vendor or users must provide three (3) competitive quotes. Written quotes from an approved vendor must be included as an attachment on the requisition.
- Purchases \$50,000 and over will require additional steps and Board approval. Please contact purchasing@huttoisd.net if you wish to make a purchase over \$50,000.
- A campus is allowed to submit a blanket Purchase Order up to \$10,000 to an approved vendor. A campus/department may submit a blanket Purchase Order over \$10,000 if authorized by the Business Office. Every blanket Purchase Order must be designated as a blanket purchase order by selecting that option in the Requisition Master Information in Skyward.
- District awarded contracts should be utilized prior to using other vendors, including approved vendors, unless stated in the formal bid documents.
- All technology, Library, and hardware purchases must be approved by the Technology Department unless the Director of Technology gives written permission. The only exceptions to this rule are for items such as mice, keyboards, etc. A technology work order must be submitted for all other purchases.
- The District shall not purchase goods or services from any officer, Board member, agent, employee, or immediate family member of Hutto Independent School District employees as defined in DEC(LOCAL), without prior approval from the Superintendent or designee.

Quotation Threshold

The District has a quotation threshold for purchases of \$10,000 - \$49,999. Orders that are between \$10,000 - \$49,999 that have not been competitively bid or from an approved vendor will need to have a minimum of three (3) competitive quotes. These quotes must be attached to the order before it can be processed and have a very clear description of the items and/or services being requested. Please note that since these are formal quotes they will need to have a signature from the company representative who is providing you with the quotation, or be received via email, or through a cooperative website. The exception is a professional service and/or items purchased from a bid or co-op.

Cooperative Bids

There are many cooperative bids available that the District can use in place of three (3) competitive quotes. Questions concerning cooperative quotes that are available may be directed to the Purchasing team. More detailed information is

available from the Purchasing team for anyone who may be interested in purchasing from a cooperative. Email purchasing@huttoisd.net with any questions.

Annual Aggregate Category Dates

- The District's fiscal year runs from July 1 to June 30. During that period, the District must comply with an annual aggregate value of a category of goods or services.
- For un-approved purchases in categories that exceed \$50,000 during this date range, a competitive pricing mechanism will be employed to select a contractor to supply the goods or services requested.
- Per the Superintendent, the following positions are delegated authority to choose the method of delivery for a competitive pricing mechanism:
 - Chief Financial Officer
 - Director of Finance
 - Purchasing Director

Purchase Orders:

In order to secure a purchase order, the following process should be followed:

- To initiate the requisition process, any staff member wishing to make a purchase should present details of the item being purchased, including cost, the appropriate vendor, etc., to the campus or department secretary. The purchase information should include a quote(s) if necessary. Please note that all purchases must be approved via the requisition process.
- Department or campus secretary will enter a requisition for the PO into Skyward. Once approved, a requisition becomes a purchase order.

A requisition will be reviewed under the following criteria. Failure to properly supply the following criteria below may result in a denied requisition or delayed approval:

- Overall completeness
- Proper account coding
- Availability of funds
- Proper approvals
- Adequate description
- Accuracy
- Cooperative contract information, if applicable

Requisitions are reviewed multiple times per day. While Purchasing will do its best to approve last minute requisitions, please make every effort to submit with plenty of notice. Once the Business Office approves the requisition, a PO number will be issued.

Please forward all invoices related to PO's to Accounts.Payable@huttoisd.net. It is VERY important that the PO number is clearly indicated on the invoice.

IMPORTANT: An invoice should never be submitted without a purchase order. In other words, a purchase should never be made without a prior purchase order (PO).

If you have questions on entering the requisition process you may contact the Purchasing Department at purchasing@huttoisd.net.

Rules/Guidelines

- Merchandise must not be ordered from a vendor until the requisition has been approved and a purchase order number assigned by the Business Office.
- If a requisition is denied in Skyward, the designee must reactivate the requisition.
- It is important to note that a PO is used to order merchandise and will not generate a check. The Business Office must receive an invoice before it can process payment to a vendor. Send all invoices to accounts.payable@huttoisd.net.
- Under NO circumstances should a false PO number be used.
- If a purchase goes over the approved amount by more than 10%, then the Purchasing Director will email the purchaser and his/her supervisor of the violation and request approval to pay the difference. This may result in the user going through the District purchase non-compliance policy.

After the Fact Non-Compliance Purchases

When a campus or department places an order prior to the issuance of a purchase order, it is called an "After the Fact" purchase and is considered a purchase procedure violation. All, "After the Fact" purchases, regardless of the dollar amount, present problems. In many cases, these transactions create unnecessary administrative effort, bypass State of Texas encumbrance requirements and violate procurement rules and procedures.

An "After the Fact" purchase is any one of the following:

- A purchase order that is issued after an item has been received/picked up
- A purchase order that is issued after a service had begun or been completed
- A preview item that is delivered without a purchase order and is then purchased
- Calling in the order to the vendor prior to receiving a copy of the purchase order
- Sending the purchase requisition to the vendor in advance of the purchase order

Unauthorized Charges/Purchases:

Any commitment to acquire goods or services in the name of the Hutto ISD for personal use or ownership is prohibited. Any individual making such a commitment may be liable for prosecution under the Texas Penal Code.

Any commitment to acquire goods or services from budgeted funds prior to securing a purchase order or without prior approval from the Chief Financial Officer or designee is prohibited and payment will not be made for such purchases. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement. In some circumstances, the District may withhold these funds from the employee's paycheck.

First Violation

On the first violation of established procedures, the purchaser and his/her supervisor will be issued a warning notification via email. This communication will specifically outline the noncompliance and provide guidance on how to correct the situation.

Second Violation

Upon violation for a second time, again the purchaser and his/her supervisor will be issued a warning notification via email with an acknowledgement receipt requested. This communication will specifically outline the noncompliance, provide guidance on how to correct the situation, and outline forthcoming actions should another violation of procedure occur. In addition, a follow-up phone call by the Chief Financial Officer, Director of Finance, Purchasing Director, or their designee may be determined to be appropriate as well.

Third Violation

If a third violation arises, the employee's purchasing rights will be suspended for no more than one month. The employee and supervisor will be notified of this action via email with an acknowledgement receipt requested. At the end of the suspension period, the purchasing rights will be reinstated and an email will be sent to the employee and supervisor. During the inactivation period, if all noncompliance issues have not been resolved, the suspension of the purchasing rights will continue until a resolution is reached. In addition, a follow-up phone call by the Chief Financial Officer, Director of Finance, Purchasing Director, or their designee may be determined to be appropriate as well.

Fourth Violation

A fourth violation of purchasing procedures will result in the revocation of purchasing rights for the noncompliant employee. The employee and supervisor will be notified of this action via email with an acknowledgement receipt requested. In addition, disciplinary action up to and including a recommendation for termination, may be appropriate as the employee may not be able to complete their assigned duties. In specific circumstances, there may be a need for the District to apply more stringent actions than those outlined above. Such actions will be applied on a case-by-case basis, as deemed necessary.

Professional Services:

Professional Services are specifically identified in the Texas Education Code 44.031 and Texas Government Code 2254. They include the following professions:

- Engineer
- Architect
- Land Surveyor
- Real Estate Appraisal
- Nursing
- Medicine
- Optometry
- Certified Public Accountant
- Landscape Architect
- Fiscal Agent
- Financial Consultant
- Attorney
- Technology Consultant

Contracted Services:

Professions not listed above as Professional Services should be considered Contracted Services and are subject to state and federal bidding laws.

In order to secure consulting services in unlicensed areas such as professional development, musical instrument instruction, choreography instruction or other services which are not considered professional services as defined by state law (contact Purchasing with any questions), you must complete the following steps prior to receiving any services.

1. Identify prospective vendors from the Awarded Vendor List (AVL). If you cannot identify prospective vendors due to the type of service which is required, contact the Purchasing Department for assistance.
2. Send consultant contract to the Purchasing Department.
3. If the vendor doesn't exist in Skyward, the vendor will need to complete new vendor registration on the Bonfire portal. Once the vendor has completed the online registration, please send an email notification to purchasing@huttoisd.net so that the Purchasing Department can enter the new vendor in Skyward.
4. Enter a requisition in Skyward with the Consultant Contract attached.

Contracts:

A contract is an agreement between two parties for goods or services for consideration. Simply stated, a contract is a legal arrangement for one person to provide a good or service in exchange for money.

A contract can be as simple as a Purchase Order or may be a complicated, multi-page document that requires extensive legal review.

Normally, contractual obligations are met with no problems. However, things go wrong once in a while. These are the times that certain clauses or terms become very important. If you are asked to review a contract, here are a couple of basic things to look for:

1. Legal Venue – The legal venue should always be in Williamson County, Texas, in order to place the District in the most advantageous position.
2. Governing Law – Texas should always be cited as the governing law for any contract that the District enters into.
3. Dispute Resolution – Any dispute resolutions provisions should avoid requirements for arbitration. Requirements for mediation before litigation are generally more advantageous for the District.
4. Termination – Any long term contract should include a provision for cancellation based on a certain number of days of written notice. This will allow the District to be flexible in curriculum programming as well as other changing situations.
5. Fund Out Clause – It is recommended that contracts contain a clause that allows the District the opportunity to cancel the contract with no penalty in the event that budgetary allocations are not appropriated by the Hutto ISD Board of Trustees or otherwise not made available to the District.

The Purchasing Department and/or General Counsel must review all contracts, lease and maintenance agreements before signing.

Principals and Administrators are not authorized to sign on behalf of the District without the delegation of authority by Chief Financial Officer, Director of Finance, or Purchasing Department, and having the document reviewed by the Purchasing Department or General Counsel prior to it being signed. The following positions have signature authority designated by the Superintendent:

- Chief Financial Officer
- Assistant Superintendent for Operations
- Assistant Superintendent of School Support
- Director of Finance

Federal Funds and EDGAR Guidelines:

Implementation Date

Hutto ISD accepts the implementation date for the procurement standards to start for fiscal years beginning on or after December 26, 2017. Hutto ISD's first fiscal year in this practice started September 1, 2018.

Purchasing and Micro-Purchasing Threshold

- All purchases must follow the District's purchasing guidelines except where listed below.
- For purchases, the micro-purchase threshold of \$10,000 is an aggregate amount. The District may expend no more than \$10,000 on micro-purchases throughout the fiscal year. The threshold amount applies to the sum of all the federal grants received by the District.
- The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items.
- The District keeps the like-type of items list updated in the District's financial management system.
- The \$10,000 threshold applies to each like-type that the District has defined.

- Once the District reaches the \$10,000 threshold, it must follow small purchase procedures and collect three price quotes for additional purchases of items for that like-type.
- In compliance with ARM 17.55 – 17.56 For a food product to meet the Buy American requirement, over 51% of the final processed food product must consist of agricultural commodities that were grown domestically
- All purchases using Federal funding must be procured from an approved vendor with EDGAR certifications with a minimum of two quotes (preferred three-quote minimum).

Guidelines Related to Specific Costs

Funds must be expended for reasonable and necessary costs in conducting grant activities. Reasonable means a cost is consistent with prudent business practice and comparable to current market value. Necessary means the cost is essential for you to accomplish the objectives of the project. This document addresses certain specific costs only and is not intended to be all-inclusive.

Advertisements

Advertisements are allowed for recruiting grant personnel only as long as the advertisement is not in color and not excessively large. Advertisements are allowed for communication with the public and press when the costs are considered necessary as part of the outreach effort for the grant.

Alcoholic Beverages

Alcoholic beverages are not allowable under any circumstances.

Audit Fees

Audit fees are allowable in accordance with the following: Audit fees and expenses may not be charged to State-funded grants. Audit fees and expenses are allowable only when the audit is required by and performed in accordance with OMB Circular A-133, Audits. Audit fees and expenses may not be charged as a direct cost when such audit-services costs are part of your organization's indirect cost pool.

Awards for Recognition and Incentives for Participation

Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition. The following items may be donated by others but may not be purchased with grant funds:

- gifts or items that appear to be gifts
- souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and keychains
- "door prizes," movie tickets, gift certificates, passes to amusement parks, and so on.

Calendars and Calendaring Systems

Calendaring systems to manage personal calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

Cellular Telephones for Personal Use

A cellular telephone for personal use is not an allowable cost.

Ceremonies, Banquets, or Celebrations

Costs associated with ceremonies, banquets, or celebrations are not allowable.

Conflict of Interest

Any purchase or expenditure that would pose a conflict of interest, real or perceived, is not allowable.

Construction, Remodeling, or Renovation

These costs are not allowed unless specifically authorized in the authorizing program statute and unless specifically approved by TEA in the applicable grant application.

Consultants

You shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by your employees. You must select consultants based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

Employee Service Awards

Employee service awards cannot be paid from grant funds.

Employer Contributions to Voluntary Retirement Plan

Employer contributions to an employee's voluntary retirement plan, such as a 401(k) or 403(b), are not allowable.

Entertainment, Recreation, Social Events

Costs associated with any type of entertainment, recreation, or social event are not allowable.

Field Trips

If specified in the grant program, educational field trips are allowable under certain circumstances if allowed in the grant program. Educational field trips are approved, planned instructional activities that involve students in learning experiences that are difficult to duplicate in a classroom situation. These field trips should provide hands-on activities that encourage students to experiment and ask questions. The field trip must support Texas Essential Knowledge and Skills (TEKS), must be reasonable in cost, and must be necessary to accomplish the objectives of the grant program. The field trip must also appear as a part of the teacher's lesson plans, which should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip. Costs for the field trip must be reasonable. Any entrance fees and transportation costs must be reasonable in comparison to the intended objectives of the trip. For audit purposes, your organization must maintain documentation of the field trip and must provide clear evidence of how the expense ties back to an instructional objective. Documentation should include the following:

- destination of each field trip
- costs associated with each field trip
- objectives to be accomplished from conducting the field trip
- teacher's lesson plan and follow-up activities

If the supplement-not-supplant requirement applies to the grant program in question, documentation must demonstrate the supplementary nature of the field trip as well.

Examples of appropriate educational field trips include the following:

- curricular academic activities focused on math, science, and technology, such as service learning, internships, UIL competitions (robotics, math), or science and technology fairs
- laboratory and field investigation instruction, used to improve students' understanding of science TEKS objectives
- trips to a river, archaeological site, or nature preserve that might include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- trips to the local library to increase access to high-interest reading materials
- visits to colleges and universities to encourage interest in the pursuit of higher education

Unallowable Costs Related to Field Trips

The following costs are not allowable:

- field trips for social, entertainment, or recreational purposes
- field trips that supplant and do not supplement local or state expenditures or activities
- field trips that are not part of a teacher's lesson plan or that do not meet the instructional objectives of the grant program
- field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
- field trips that are not properly documented (as described above)

Food and Beverage Costs

Expenditures on food must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program. If TEA determines that you expended grant funds on food costs that are not reasonable or necessary to meet the intent and objectives of the grant, TEA reserves the right to restrict you from expending any funds on food costs or to disallow expenditures on food costs.

Food Costs for Participant Meetings/Training

Unless otherwise specified by TEA, a limited amount of funds may be expended on meals for participant meetings or training events. The use of grant funds for this purpose is specifically limited to light working lunches for participants when the working lunch is noted on an agenda, is clearly described, and is mandatory. The purpose of a working lunch should be to shorten the overall meeting or training time and to facilitate accomplishing the objectives of the meeting or training and the overall program.

Specifically, grant funds may be expended for the following costs provided that the grantee maintains adequate and sufficient documentation that the costs were necessary and reasonable to further the intent and objectives of the grant.

- Light Lunch during an All-Day Meeting or Training Session: Light lunch for participants who are cloistered in an all-day (at least six-hour) meeting or training session. You must document that it was impractical for participants to obtain lunch on their own (for example, because of an isolated location or distance to eateries) and that their attendance at the meeting or training session was essential to accomplishing the objectives of the grant. You must maintain an agenda that clearly identifies the topics discussed during the meeting or training session and the time allocated to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.
- Working Lunch during an All-Day Meeting or Training Session: Light meals during a “working lunch.” A working lunch is defined as an activity in which staff or participants are engaged in exercises or activities during the normal meal time. You must maintain an agenda that shows that no other opportunity for a meal was provided and that clearly identifies the exercise or activity the participants were engaged in. You should also obtain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal amount of grant funds may be used per staff or participant. No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.

Allowable Food Costs for Parents and/or Students

The following food costs are allowable for parents or students:

- nutritional snacks for students in extended day (after-school) programs
- nutritional snacks for children in child care while parents are participating in grant activities
- food necessary to conduct nutrition education programs for parents
- parent involvement activities in which refreshments are necessary to encourage participation or attendance by parents, such as in low-income areas, and thus meet program objectives

Full meals for parents or students are not allowable for these purposes under any circumstances. Expenditures must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program.

Prohibited Food Costs

The following costs are not allowable:

- refreshments of any kind, including beverages, breaks, and snack foods except as necessary for parent involvement activities to encourage attendance
- refreshments or meals at an awards banquet or functions
- any food costs that is not necessary to accomplish the objectives of the grant program
- any food cost associated with an event in which a guest speaker or other individual conducts a presentation
- breakfast

Fundraising Activities

Costs of organized fundraising, including solicitation of gifts and bequests, endowment drives, financial campaigns, and similar expenses incurred to raise capital or obtain contributions are not allowable. Costs associated with training on fundraising are not allowable.

Gifts

Gifts or items that appear to be gifts are not allowable.

Interest Paid

Interest paid in a prior grant period may not be charged retroactively to this grant period.

Land Purchase and Improvements

Land purchase and improvements to land are not allowable costs, unless specifically authorized in the grant program statute and specifically approved by TEA in the grant application.

Legal Fees

Legal fees and expenses are allowable only as necessary for the administration of the grant program. Retainer fees are not allowable costs.

Membership in Civic and Social Organizations or Lobbying Organizations

Memberships in civic and social organizations and in organizations that are substantially engaged in lobbying are not allowable costs.

Personal Calendaring Systems

Calendaring systems to manage personal calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

Printing Costs

Printing costs are allowable when documentation demonstrates that they are reasonable and necessary. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained demonstrating that any such costs are reasonable and necessary.

Professional or Individual Liability Insurance

Professional liability insurance for individual employees is not an allowable cost.

Promotional Items, Memorabilia, or Souvenirs

Promotional items, memorabilia, or souvenirs are not allowable costs.

Renovation, Remodeling, or Construction

Renovation, remodeling, or construction is not allowable unless specifically designated as allowed in the authorizing statute and specifically approved by TEA in the applicable grant application.

Social Events

The costs associated with social events of any kind are not allowable.

Substitute Pay for Private Nonprofit Schools

Substitute pay for private nonprofit school teachers is not allowable under any circumstances.

Training or Technical Assistance on Grant Writing

Funds may not be used for training or technical assistance on grant writing or for costs associated with obtaining funds from another grant.

Transportation Costs

The cost of transporting students (or parents, if appropriate for the particular grant program) to or from extracurricular grant activities is an allowable expenditure. You may not charge the grant for costs incurred in transporting students to and from the regular school day.

Travel Costs

Amounts authorized for maximum recovery for travel and per diem costs against the grant are restricted to those that are approved in the State of Texas Appropriation Bill in effect for the particular funding period. Any amount over this limit must come from local funds. If local policy restricts travel, per diem, and other travel expenses to a rate less than State law, the applicant must budget and request reimbursement at the lesser rate. Travel allowances are not allowable expenditures in Texas.

Travel generally means a destination outside the city or town in which the individual works (i.e., duty point). Travel can also mean transportation from one duty point to another within the same city or town, such as with an itinerant teacher or counselor who visits multiple campuses in the same work day.

Travel allowances, in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.

Travel Costs for Executive Director, Superintendent, or Board Members

Travel costs for executive directors, superintendents, or board members or directors are allowed only when they are specifically related to carrying out the objectives of the grant project and only with specific TEA approval.

Allowable Travel Expenses

The following travel expenses are allowable:

- Mileage reimbursement is allowable for travel necessary to carry out the objectives of the grant project. When an employee is on travel for the purposes of the grant, mileage reimbursement cannot exceed the rate established by the Texas Comptroller. (Effective January 1, 2019, reimbursement for mileage is not to exceed \$0.56 per mile.) If local organization policy reimburses at a lower rate, you must claim that lower rate. All mileage reimbursement requests must be turned in forty-five (45) days after the travel event. All mileage reimbursement requests for mileage earned during the District Fiscal year must be turned in by June 30 for reimbursement consideration. Any mileage reimbursement requests not turned in during the specified guidelines could be denied payment.
- Airfare is allowable at the lowest fare available and must be documented with a receipt. First-class airfare is not allowable.
- Car rental fee (at destination) is not allowable unless other transportation such as taxi or shuttle is not available for performing official business or unless you document that car rental is more cost effective than alternate modes of travel. (The car rental must be documented with a receipt.)
- Airport parking is allowable.

In-State Per Diem (meals and lodging) is reimbursed at actual cost not to exceed the maximum amount allowed by the Federal government, or local policy, whichever is less. All other guidelines apply.

Out-Of-State Per Diem (meals and lodging) is reimbursed at actual cost not to exceed the maximum amount allowed by the Federal government, or local policy, whichever is less. All other guidelines apply.

Itemized miscellaneous business expenses (such as business phone calls, printing, or materials) for carrying out official business of the meeting, conference, or workshop are allowable.

Registration fees to attend workshops or conferences are allowable. Social events or recreational events available at a cost above the basic registration fee may not be paid from grant funds.

NOTE: Student teacher meals, hotels, or other expenses are not allowable since they are not an employee of the district.

Prohibited Travel Expenses

The following travel expenses are not allowable:

- first-class airfare
- Per Diem (meals and lodging) for meeting, conference, or workshop participants who live in the same city where the event is held. (Automobile mileage is allowable.)
- tips or gratuities (including service charges) of any kind
- alcoholic beverages
- entertainment, recreation, or social events
- any expense for other persons
- automobile mileage or taxi fares for other than official business
- personal accident insurance or personal effects coverage for rental cars
- rental car for personal use or for purposes not associated with the official business of the meeting, conference, or workshop
- travel allowances (i.e., per diem paid regardless of participant's actual expenses)
- non-instructional field trips (see guidance under "Field Trips")
- Student teacher meals, hotels, or other travel expenses.

Travel Documentation

Travel costs must be properly documented to be reimbursable. The employee must document travel costs with a travel voucher or other comparable documentation. Documentation must include the following at a minimum:

- name of the individual claiming travel reimbursement
- destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- dates of travel
- actual mileage (not to exceed reimbursement at the maximum allowable rate)
- actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)
- actual amount expended on meals per day (may not exceed the maximum allowable; tips; gratuities are not reimbursable)
- actual amount expended on public transportation, such as taxis and shuttles
- actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation
- actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- total amount reimbursed to the employee

Tuition

Tuition fees, either paid directly to an institution or on a reimbursement basis to an employee, are allowable only for courses directly related to the grant program and where authorized in the grant program as an allowable use of funds.

Documentation Requirements for Expenditures of Federal Funds

Expenditures of federal funds must be made in accordance with program guidelines and District procedures. Failure to adequately maintain supporting documentation for expenditure of federal funds can result in forfeiture of those funds. To access federal grant funds for purchase of materials or equipment, or to pay for travel expenses, the requestor must complete and submit the appropriate Expenditure Plan paperwork to the program director for approval. Forms may be obtained from the program director. Hutto ISD follows expenditure guidelines for federal programs as set forth in the OMB Circular A-87. It adheres to a standard that all expenditures must be reasonable, ordinary and necessary in order for a cost to be reimbursed.

Federal Expenditure Reporting – E-Grants

All Federal Expenditure reports via the TEA E-Grants system shall be prepared by the Director of Finance. These reports shall be completed on a monthly basis.

All data used to complete all federal expenditure reports shall be from the Districts monthly financial reports. The Special Education Director, Director of Finance, and Director of Federal Programs shall review all federal expenditures periodically to ensure they comply with the federal application expenditure budgets.

All personnel paid from federal grant funds are required to sign and date a detailed job description. Job descriptions must describe the duties performed and the specific grant that funds the position.

Timekeeping Requirements for Federally Funded Personnel

Staff funded 100% from federal grants will be required to certify semi-annually that they have worked exclusively on the grant objectives. Near the end of each semester, the Business Office will provide a Program Time and Effort Certification Form for the employee and his/her supervisor to sign and return. These documents will be retained in accordance to grant requirements in the Special Education Department or Federal Programs Department.

Source: OMB Circular A-87

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Staff funded from both local and federal sources or from more than one federal source will be required to keep detailed timesheets to record the time spent on each program objective. Timesheets specific to the job duties performed will be provided by the program director and will be completed at least monthly. These documents will be retained in accordance of grant requirements in the appropriate department.

Source: OMB Circular A-87

Where employees work on multiple activities of cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency.

Personnel activity reports or equivalent documentation must meet the following standards: (a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes

Hutto ISD Purchasing Card Guidelines

General:

The Hutto ISD Purchasing Card Program is an efficient, cost-effective method of paying for small dollar transactions as well as high volume, repetitive purchases. The Program was designed as an alternative to the traditional purchasing process for supplies and materials. The Purchasing Card can be used with any Vendor that accepts MasterCard as a form of payment and does not charge a credit card fee.

Supplementary responsibilities come with the use of the Purchasing Card, because purchases are made directly by the Cardholder. It is incumbent on the Cardholder to ensure that the District's Purchasing Policies are being followed and that purchases are made within established Purchasing Procedures.

If used to its potential, the Purchasing Card Program will result in a significant reduction in the volume of related documentation including invoices and check requests. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

The Texas Education Code provides for criminal penalties for persons who intentionally circumvent the purchasing contracts law by making split, separate, sequential or component purchases. [District Policy CH\(Local\)](#) states that "Persons making unauthorized purchases shall assume full responsibility for all such debts."

The Cardholder should contact the Purchasing team prior to making any purchase if there is any question pertaining to purchasing policies and/or procedures or if the Cardholder needs purchasing related assistance.

Any questions related to these procedures can be directed to the Hutto ISD Purchasing Office at Purchasing@huttoisd.net.

Purchasing Card Non-compliant Violations:

The Purchasing Card Program administrators review and identify District cardholders who violate procedures. The following procedures apply to non-compliant Purchasing Card practices:

First Violation

On the first violation of established procedures the Cardholder and his/her supervisor will be issued a warning notification via email. This communication will specifically outline the noncompliance and provide guidance on how to correct the situation.

Second Violation

Upon violation for a second time, again the Cardholder and his/her supervisor will be notified of this action via email with an acknowledgement receipt requested. This communication will specifically outline the noncompliance, provide guidance on how to correct the situation, and outline forthcoming actions should another violation of procedure occur. In addition, a follow-up phone call by the Chief Financial Officer, Director of Finance, Purchasing Director, or their designee may be determined to be appropriate as well.

Third Violation

If a third violation arises, the Cardholder's Purchasing Card will be suspended for no more than one month. The Cardholder and supervisor will be notified of this action via email with an acknowledgement receipt requested. At the end of the suspension period, the Purchasing Card will be reinstated and an email will be sent to the Cardholder and supervisor. During the inactivation period, if all noncompliance issues have not been resolved, the suspension of the card will continue until a resolution is reached. In addition, a follow-up phone call by the Chief Financial Officer, Director of Finance, Purchasing Director, or their designee may be determined to be appropriate as well.

Fourth Violation

A fourth violation of Purchasing Card procedures will result in the revocation of the Purchasing Card for the noncompliant Cardholder. The employee and supervisor will be notified of this action via email with an acknowledgement receipt requested. In addition, disciplinary action up to and including recommendation for termination, may be appropriate as the

former Cardholder may not be able to complete their assigned duties. In specific circumstances, there may be a need for the District to apply more stringent actions than those outlined above. Such actions will be applied on a case-by-case basis, as deemed necessary.

Purchasing Card Program General Information

Below is basic information related to Hutto ISD's Purchasing Card Program, which provides approved policy and procedure for using the Hutto ISD Purchasing Card. Each Cardholder is required to sign an agreement before the card is issued, affirming that the Cardholder understands the intent of the Program, and has reviewed the guide, and agrees to follow the policy and procedures.

The following important points should be reviewed before using the Purchasing Card:

1. The Purchasing Card is not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or Purchasing Guidelines. This program complements the existing processes available. A purchase order is required for all purchases, including those made with a purchasing card.
2. A Purchasing Card is issued by Citi in the campus or department name (and in the names of Executive Leadership Team members). All purchases made on the Purchasing Card must be made by the Cardholder, on behalf of the District. The Cardholder is responsible for the security of the Purchasing Card and the transactions made with it. Failure to follow these guidelines may result in disciplinary action, up to and including termination.
3. Purchasing Cards will be distributed through the Program Administrator. When a new card is issued, Citi will send it to the Program Administrator for appropriate distribution. Cards will be released to the Cardholder only after submission of a signed Cardholder Agreement.
4. Hutto ISD employees do not pay their own monthly Purchasing Card bill. The Hutto ISD Purchasing Card Program does not affect the Cardholder's credit rating in any way. The Purchasing Card Program carries corporate, not individual, liability.
5. The Cardholder can use the Purchasing Card at any Vendor or service provider that accepts MasterCard and does not charge a credit card fee. It may be used for in-store purchases, mail, internet, and telephone or fax orders. Discretion should be used in order to protect the Purchasing Card and the card number. To avoid duplication of payments, invoices should be sent to accounts.payable@huttoisd.net rather than paid with a purchasing card.
6. Use must not exceed the credit limit assigned to the card in a given month. The purchasing office can advise on the current credit available per card and can assist in cases of additional credit increases.
7. Hutto ISD is a tax-exempt entity and does not pay sales tax. The Cardholder should be prepared, if requested by a Vendor, to present a copy of the Hutto ISD sales tax exemption form when making a purchase. This form may be accessed on the District's website.
8. Important: Any staff member who exceeds the allowed purchase amounts will be invoiced for the difference. In addition, any misuse of the district/department card, including purchases without an approved PO, may also result in the employee being invoiced for the charged amount.

Examples of misuse resulting in the employee being invoiced include, but are not limited to:

Sales tax charges (taxes are allowable on per diems)
Non-itemized receipts
Missing receipts
Personal purchases
Purchases without an approved PO
Purchases which exceed the approved PO amount
Paying for another individual's meals
Donations (i.e. "rounding up" a charge)
Excessive tips (tips should not exceed 20%)

Duties and Responsibilities:

Program Administrators: Business Office

The Director of Finance, Purchasing Director and Buyer shall be responsible for the administration of the Purchasing Card Program. The Director of Finance shall determine the positions that will be allowed to be issued Purchasing Cards and the limits to which each is assigned. The Program Administrators are designated to answer questions, address issues, and

oversee the administration of the District's Purchasing Card Program. The Program Administrator has direct access to Citi systems and personnel pertaining to the Purchasing Card. All Purchasing Card requests must be processed by the Program Administrator.

The Program Administrators are responsible for retrieving Purchasing Cards in the event of termination or change in the employment status of a Cardholder under their supervision.

Cardholder

The Cardholder is the person that the card is issued to or employee entrusted to use the card for purchases. The Cardholder shall utilize the Purchasing Card for purchasing supplies and materials to facilitate the District's business. The Cardholder is responsible for following the guidelines for purchases, selection of Vendors, security of cards and weekly statement reconciliation in Skyward.

Statement Reconcilers

The Statement Reconcilers are responsible for approving weekly Purchasing Card transactions and uploading receipts to Skyward. The Statement Reconcilers will also assist in monitoring adherence to Purchasing Card regulations. The Statement Reconcilers are responsible for the receipts received from the cardholders, reconciliation of the weekly transactions received from Citi in Skyward.

Purchasing Card Controls:

Credit Limits

All Purchasing Cards have monthly Cardholder spending limits. These limits automatically “refresh” on the 1st day of each month. Each Cardholder will receive information on the limits of his/her card when it is issued.

Limits may vary for each Cardholder and will be established by the Program Administrator. Changes to the limits on any card is determined by the Program Administrators and are limited to only cardholders who have positions or one-time needs that allow for such increases.

Fraudulent Charges found on a Purchasing Card

If the Cardholder becomes aware of, or in review of their statement, finds that fraudulent charges have been made to their card, they are to immediately contact the purchasing office. Prompt action can reduce the District’s liability for fraudulent activity.

Purchasing Card Receipts

It is every Cardholder’s responsibility to ensure there is an original, itemized receipt for each purchase. If a purchase is made via mail or telephone, ask the Vendor to email the receipt and include the receipt with the goods when shipping the product. Itemized receipts must be attached to the appropriate Purchasing Card transaction, at the Purchasing Card Transaction level. The credit card charge slip is not considered adequate documentation.

All receipts are to be turned in within 10 business days of the transaction. If a receipt is lost or stolen, the Cardholder is required to secure a duplicate copy of the itemized receipt. If no supporting receipt is provided, the charges become the personal responsibility of the Cardholder and funds to the District are due within 30 days from the transaction post date. All receipts must be kept by the reconciler a minimum of 90 days after submitting the transaction into Skyward.

Any per diem allotment should be expended on a per-person basis according to the District’s Travel Guidelines. If traveling as a group, each person must pay for their meals with the district purchase card checked out to themselves.

Returns, Credits and Disputed Charges

If there is a problem with a purchased item, service or charge, the Cardholder will first attempt to resolve the issue directly with the Vendor. All returns shall be reimbursed by credit to the Cardholder's account. Cash refunds for returns are prohibited. A review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges.

- **Returns:** If a Cardholder needs to return an item, contact the Vendor and obtain instructions for return. Note that some Vendors may charge a restocking or handling fee for returns.
- **Credits:** If the Vendor accepts an item as a return, a credit for this item should appear and be processed as an individual credit card transaction in Skyward.
- **Disputed Charges:** If a Cardholder finds a discrepancy on a credit card transaction, the Cardholder should contact the Vendor and attempt to resolve the problem directly.

If a Cardholder cannot resolve a disputed item directly with the Vendor, the Cardholder should contact Purchasing with the transaction information that is in dispute.

Purchasing Card Statement Reconciliation

Purchasing Card transactions are imported into Skyward on the 1st business day of the week. Assigned proxies for each campus or department will reconcile Purchasing Card transactions by verifying information, entering the originating PO, and attaching original, itemized receipts to each transaction. Once each transaction has been reconciled and submitted, it is released into workflow for final approval.

Security of the Purchasing Card

- The Cardholder is responsible for the security of the card. Guard the Purchasing Card account number carefully. It should not be posted in a work area or left in a conspicuous place. The card number should never be written down or faxed. It should be kept in a secure location.
- If there is a specific name on the card, the only person authorized to use the Purchasing Card is the Cardholder whose name appears on the card. The card is to be used for District business purposes only.
- If you have been issued a generic purchasing card to check out to employees entrusted to use the card for purchases, then you must have them sign the cardholder terms and agreements, verify there is an approved PO for their purchase, log when they checked the card out, and log when they checked the card back in with an itemized receipt.
- The card is not intended for personal use and the Cardholder is fully liable for such use. Personal purchases will be considered misappropriation of District funds and immediate reimbursement will be expected within the next statement period.

Employee Separation

The Purchasing Card must be returned to the Program Administrator upon separation from employment with the Hutto ISD and the account must be deactivated.

Lost or Stolen Cards

It is the responsibility of the Cardholder to keep the Purchasing Card safe and secure. If a card is lost or stolen, immediately contact Purchasing immediately.

Determining Competitive Bidding Requirements

Because Cardholder purchases are a type of procurement/purchasing action made directly by the Cardholder and not by the Hutto ISD Purchasing Department, certain added responsibilities come with the use of the Purchasing Card. It is important that the Cardholder ensure that State of Texas and District Purchasing Policies are being followed and that purchases are made within established Purchasing Policies and Procedures. Cardholders shall use the following procedures when making Procurement Card purchases:

1. Determine if the transaction is an acceptable use of the card and if it is within the Cardholder's spending limit.
2. Determine that the items being purchased are not available in the District Warehouse. If items are available, they should be obtained using the Warehouse Requisition process.
3. Make sure to submit a requisition to the appropriate Vendor.
4. Attempt to make purchases from Vendors that hold District-Wide Contracts whenever possible. Purchases are simplified since the Purchasing Department has established these contracts through a formal bidding process and no further competitive bidding is required by the Cardholder. Cardholders should contact the District Purchasing Department if there is a question as to the status of a District Contract or if the Cardholder needs assistance identifying a District Contract Vendor.
5. Cardholders should be aware that the procurement card is only a payment mechanism – not a purchasing method. Cardholders shall follow the competitive bidding Purchasing Procedures. If there is any question pertaining to Purchasing Policies and/or Procedures or if the Cardholder needs purchasing related assistance, contact Purchasing prior to the purchase.
6. If a purchase goes over the approved amount by more than 10% or a max of \$50.00, then the Program Administrator will email the purchaser and his/her supervisor of the violation and approval to pay the difference and may result in the user going through the District purchase card non-compliance policy.
7. The best contact for Purchasing staff is purchasing@huttoisd.net. Both the Purchasing Director and Buyer can be contacted directly via cell phone in urgent situations.

Frequently Asked Questions:

For what types of purchases should I use the Purchasing Card?

The Hutto Independent School District governs how you can use the Purchasing Card. Your Supervisor/Statement Reconcilers will determine the types of purchases for which you will be authorized. Also, if you have questions, you should contact Purchasing at purchasing@huttoisd.net.

Examples of Unacceptable Purchases:

- Alcoholic Beverages
- Cash Advances
- Gift Cards
- Hotel Room Incidentals (Room and Parking are allowable)
- Personal Purchases

These examples are for illustration only. Your department may have more specific guidelines for acceptable purchases.

In what ways do I benefit from using the Purchasing Card?

When you use the Purchasing Card, you have reduced paperwork, direct contact with suppliers, quick and efficient order processing, faster delivery, and fewer errors.

How does the District benefit from the Purchasing Card Program?

When employees use the Purchasing Card, the District realizes greater productivity as a result of reduced paperwork, savings from consolidated multiple supplier invoices to one statement from Citi , greater control over spending, and rebates that return money to the district.

What should I do if my Purchasing Card is lost, stolen or I discover fraudulent/suspicious charges?

For lost or stolen cards, contact Purchasing immediately or contact the department secretary who issued the card. Prompt action can reduce the District's liability for fraudulent activity.

What do I do if a purchase is denied?

The purchase may have exceeded a spending limit, the District may have excluded that type of supplier or merchant, or the supplier or merchant is not equipped to accept MasterCard as payment. Contact Purchasing so that the denial may be reviewed.

What should I do if I want to change the "per month" limits?"

Contact Purchasing for a limit review. Spending limits will not automatically be approved. Every attempt will be made to maintain standard spending limits across various department, program, and employee types.

Will use of the Purchasing Card affect my credit report?

No. The Purchasing Card is a corporate liability card, and carries no personal liability for Cardholders who use the Purchasing Card according to District policy and procedure.

Whom should I contact to resolve an error or dispute concerning my account?

You should first contact the supplier. Most exceptions or issues can be resolved between you and the supplier. If you cannot resolve an issue with the supplier, contact Purchasing.

When I use my Purchasing Card to make a purchase, how is the transaction authorized?

When you use the Purchasing Card to make a purchase, the supplier verifies the account number with Citi . Your spending limits are checked automatically against District policy and procedure.

Travel Guidelines

Employees authorized to travel for business and educational purposes on behalf of the district are eligible to have the District pay for all usual and customary travel-related expenses incurred while conducting district business. Payment of expenses is awarded within the established district guidelines and with proper documentation.

These travel regulations are established to ensure compliance with the business expense regulations of the Internal Revenue Service, comply with applicable state laws, and establish a standard set of equitable guidelines for all persons traveling on behalf of the district.

The processes established herein have been developed on the premise that employees will use good judgment and prudence in the expenditure of district funds when traveling. Travelers are expected to select the most economical and proactive accommodations, arrangements and services in accordance with the needs of the trip.

Employee Travel

General Information

- Pre-approval is required from the campus principal or department director for all HISD business related travel.
- Requests for employee overnight travel to conferences and/or training are submitted to the department secretary who will either initiate a travel request from via Skyward, or will submit requisitions and arrange travel accommodations. If the department secretary chooses to submit a travel request form, Purchasing will be responsible for submitting all requisitions and arranging for travel accommodations.. The travel request from in Skyward will automatically route to Purchasing For trip approval and funding information.
- The travel approval request should specifically state the description of your conference/training attending, dates of departure and return, and if attending a conference or training, a conference/event flier or brochure must be attached.
- After travel approval and funding information is received by Purchasing they will submit Skyward purchasing requisitions under the Campus/Department PO Group for:
 - conference/training registration,
 - airfare if required,
 - hotel based on state GSA rate,
 - employee per diem based on approved rates,
 - and hotel parking if necessary.
- The approved Purchase Order for registration will be forwarded to the requesting traveler and campus requisitioner in order for registration to be completed.
- HISD Purchasing will make the hotel reservations.
- HISD Purchasing will submit a request for a HISD district vehicle, if a vehicle is required. If a district vehicle is available, and an employee chooses to take his or her own vehicle, the district will not reimburse for mileage.
 - If a district vehicle is not available, calculation will be completed to evaluate the better value between vehicle rental from an approved vendor or employee mileage reimbursement.
 - If a rental vehicle is the better value, reservations will be made for the traveler. An intermediate or smaller model will be rented whenever possible. When three (3) or more are traveling together, a full size car is permissible. Rental cars are for business use only and should not be used for personal use.
 - If employee mileage reimbursement is the better value, a purchasing requisition for employee reimbursement will be submitted and the employee will be reimbursed after returning from the trip. The district will not reimburse an employee for tolls and will always calculate the shortest distance on mileage regardless of time travel difference. Mileage between cities will be computed using a standardized resource – such as Google Maps. All travel will be computed from the employee's Hutto ISD building and returning to the employees Hutto ISD building. All mileage reimbursement requests must be turned in within forty-five (45) days after the travel event. All mileage reimbursement requests for mileage earned during the District Fiscal year must be turned in by June 30 for reimbursement consideration. Any mileage reimbursement requests not turned in during the specified guidelines could be denied payment.
- HISD Purchasing Department will prepare a travel packet to include itinerary (hotel reservation, hotel tax exempt form, transportation reservation, purchasing card guidelines, and purchasing card to be used for hotel, parking at hotel and per diem). The travel packet will be available for the traveler to pick up from the Business Office within two business days of travel.

- The traveler will be required to return the district purchasing card and all receipts to their department secretary within no more than 10 days of return.
- If the District commits nonrefundable funds for travel, conferences, etc. and an employee does not attend, the employee may be responsible for refunding to the District.
- **Parking expenses are always allowed if approved by the supervisor and if a PO is in place.**
- **Per Deim is generally not allowed within a 75 mile radius. However, special circumstances may be considered by the Finance Department. In lieu of per diem, a supervisor may approve of a team holding a working lunch with an approved PO (all working lunches must include a sign-in sheet).**
- **Individuals will not be reimbursed for per diem without prior approval of the CFO or Director of Finance.**
- **Student teacher meals, hotels, or other expenses are not allowable since they are not an employee of the district.**

Non-Exempt Employee Travel

- **Compensation for Travel**
 - Travel time from home to work, even if to another location, generally is considered non-work time and should not be counted as hours worked. However, travel time during the workday to another site is considered work time and should be counted as time worked.
- **Travel within local area**
 - Travel time to and from a conference/workshop within the local area is considered work time if the travel occurs during regular work hours. Regular work hours are defined as the hours in which an employee is scheduled to work within their assigned employee service calendar.
- **Travel outside local area (no overnight)**
 - Travel time to and from a conference/workshop outside the local area (another city) for one-day only (no overnight stay) will be considered work time and should be counted as hours worked. As an enforcement policy the District will not consider as work time that time spent in travel away from home outside of regular work hours as a passenger on an airplane, train, boat, bus, or automobile.
- **Overnight Travel**
 - Travel time that keeps a non-exempt employee away from home overnight is counted as hours worked if the employee travels during regular work hours or corresponding hours on Saturdays and Sundays. Travel time outside regular work hours while on an overnight trip does not count as hours worked, but work performed beyond the employee's regular schedule is considered work time. As an enforcement policy the District will not consider as work time that time spent in travel away from home outside of regular work hours as a passenger on an airplane, train, boat, bus, or automobile.
- **Compensation for Training**
 - Training time including attendance at workshops, conferences, meetings, and lectures is considered work time and should be included as hours worked if attendance is required and has been pre-approved by the supervisor.
- **Continuing Education – Licenses/Certifications**
 - The District employs numerous non-exempt employees in positions that require a license or certification. Typically, in order to maintain proficiency and renewal of the license/certification, continuing education hours are required. Training time incurred to meet the requirements of license/certification is only required to be compensable if performed during regular work hours. Regular work hours are defined as the hours in which an employee is scheduled to work within their assigned employee service calendar.
- **Additional procedures may be in place specific to department requirements and/or individual circumstances.**

Travel Purchase Cards

Travel requests should be completed and submitted via Skyward no less than two weeks prior to the scheduled travel.

- Travel Purchasing Cards requests are for meals, hotel, parking, and registration fees. Purchasing cards that are specifically designed for fuel purchase are issued by the Transportation Department and may be used for fuel in a district vehicle for pre-approved travel. **Please note: District or departmental purchasing cards should NOT be used for fuel purchases.**
- Meals are paid for overnight travel or travel that is more than 75 miles from Hutto ISD. The District allows a maximum of \$45 per day during employee travel.
 - Lodging is priced according to the city based on the federal GSA travel rates, including applicable taxes. GSA rates per city/county are available at www.gsa.gov/portal/category/21287. If individuals opt to share a room, they are entitled to the GSA rate person per night for their room. Due to Hutto ISD's tax exempt status, state hotel occupancy tax should not be paid. Note that the local occupancy tax will still have to be paid. A *Texas Hotel Occupancy Tax Exemption Certificate* should be completed and presented to the hotel at check-in to avoid being charged the state tax.
 - For lodging, Executive Level Leaders may exceed the GSA lodging rates if the total travel cost is assumed to be less expensive for the District. For example, the lodging expense incurred is at the site of the conference or the meeting that is being attended, which precludes the need for additional expenditures such as car rental, cab fares, or parking. This assumption and the approval of excess cost will be left to the discretion of the Superintendent. When using grant funds, all amounts over the GSA daily rate or allowable cost will be charged to local funds.
 - For meals, the district or department issued purchasing card can be used at restaurants, including fast food restaurants. Each individual should purchase their own meal using the card that has been issued to that individual. An itemized receipt is required. **Please note: If the employee is purchasing a meal from a hotel restaurant, that meal MAY NOT BE charged to the room. Instead, payment should be made using the purchase card and an itemized receipt requested for that meal purchase.**
 - **Occasionally, employees may want to stop at a "convenience store" for food. This is not allowed, with the exception of Buc-ee's. A meal purchase from Buc-ee's must be accompanied with an itemized receipt that shows an actual meal item (i.e. sandwich, breakfast taco, coffee or soft drink purchased as part of the meal) has been purchased. Snack items, including drinks that are not part of a meal, may not be purchased using a district card.**

In addition, should a fuel purchase be made at Buc-ee's, the district issued fuel card must be used. Fuel cards are only used for fuel purchases. District/department cards are not used for fuel purchases.

- Meal delivery services such as Uber Eats, DoorDash, etc. are not allowed under any circumstances.

Required Travel Documentation:

1. Complete the online Travel Request Form.
2. Attach a copy of the agenda of the conference/workshop.

The original itemized hotel receipt, itemized meal receipts, and any other applicable itemized receipt must be turned into the department secretary no later than 10 business days from the return date of the trip.

Registration Fees

All registration fees should be paid by a District Purchasing Card. If purchasing cards are not accepted by the organization, then the invoice for fees must be submitted along with the Purchase Order number to Accounts Payable (accounts.payable@huttoisd.net). Registration fees will not be made payable to an employee.

Reimbursements

Travel reimbursements should only be requested in emergencies and with approval from the Chief Financial Officer, Director of Finance, Purchasing Director, or Superintendent. Otherwise all travel should be arranged through the Business Office or the department secretary and paid for using a HUSD purchasing card.

- Travel reimbursement requests should be completed and submitted to the campus/department requisitioner. The requisitioner will be required to submit to Skyward no later than 10 business days from the return date of the trip.
- Emergency reimbursements may be made for meals, hotel, airline, parking, taxis, and other emergency travel expenses.
- Complete one Travel Requisition Request Form per employee per trip. Reimbursements are made payable to the employee who actually incurred the expense. Submit form to the campus/department requisitioner. The campus/department requisitioner will submit the form to Skyward for processing.
- When conference or workshop registration fees include meals, the number of meals reimbursed must be reduced accordingly.
- For reimbursement of mileage, the check request submitted should specifically state the description and purpose of the travel, and have a copy of the mileage computation from either MapQuest, Google Maps, or comparable software. All travel must be computed from the employees Hutto ISD building and returning to the employees Hutto ISD building
- Lodging - is reimbursed up to a maximum rate of GSA per night, including applicable taxes. If individuals opt to share a room, they can be reimbursed up to GSA rate per person per night for their room. Hutto ISD is responsible for paying local hotel occupancy tax, but not state hotel occupancy tax. A *Texas Hotel Occupancy Tax Exemption Certificate* (See Attachments) should be completed and presented to the hotel at check-in to avoid being charged the state tax. Employees will not be reimbursed for state hotel occupancy tax. The original itemized hotel receipt is required documentation for reimbursement.
- An original receipt is required documentation for reimbursement for registration fees.
- Airfare - may be reimbursed with the original receipt. This requires **prior** approval from the superintendent. All air travel will be by coach/economy class only. Travelers are expected to accept flights that utilize the lowest fare route. Common sense is to be the guide in determining which fare/route makes most sense to the district economically.
- Parking/Cab Fare may be reimbursed with original receipts and should be submitted on the line titled "Other" on the Travel Requisition Request Form.

Out of State Travel

- All travel out of the state of Texas will be at the discretion of the superintendent. If needed, travel may require Board approval. Out-of-state lodging and meal rates will not exceed the rate established in federal travel regulations for each state. These rates can be found in the GSA (General Services Administration-www.gsa.gov) website in the per diem section.

Unallowed Expenses

- The Texas Attorney General has ruled that school districts cannot pay for employee's personal expenses. Therefore, the following types of expenses cannot be reimbursed:
 - o Golf tournament entry fees
 - o Tours or other types of entertainment
 - o Valet services
 - o Room service
 - o Personal telephone calls
 - o Snacks or soft drinks not purchased as part of a meal
 - o In-room movie rental charges
 - o Alcoholic beverages
 - o Any expenses of a spouse or other family member
 - o Student teacher meals, hotels, or other travel expenses.

Student Travel

General Information:

- Approval for travel must be received prior to the trip from the campus principal.
- Students and sponsors/chaperones must travel together at all times.
- Students who participate in school-sponsored trips shall be required to ride in transportation provided by the school to and from the event. Exceptions outlined in policy *FMG Local*.
- If team/club meals are advanced to a coach/sponsor; he/she must return either itemized meal receipts or a Tabulation of Money Distributed form if a specific amount of cash was given to each student. This documentation is due back to the business office no later than 10 business days from the return date of the trip.
- Student meals are paid for overnight travel. The district allows a maximum of \$30.00 per day for in-state travel. When conference or workshop registration fees include meals, the number of meals advanced must be reduced accordingly.
- When competition or workshop registration fees include meals, the number of meals advanced must be reduced accordingly.

Field Trips

- Before all field trips a Parental Authorization & Acknowledgment of Risk for Field Trip form is required to be filled out and along with an attached description for the field trip, sent home to parents for signature.
- Students who do not have a signed Parental Authorization form will not be allowed to go on the field trip.
- Completed and signed Parental Authorization forms are required for every field trip a student attends.

Co-Curricular/Extra-Curricular Competitions

Co-Curricular is an integral part of the activities of many student clubs and organizations. Hutto ISD encourages students to participate in these activities. Funding of these activities at various levels is as follows:

1. First level of competition (District) - Funding must be provided from either the Campus Operating Budget allocation or Campus Activity Fund to the maximum extent possible. (Note: This includes both co-curricular (e.g., drama, FCCLA, etc.) and extracurricular (e.g., athletics, cheerleading, drill team, band, etc.) competition.
2. If sufficient resources are not available from these sources, Activity Funds may be utilized pending approval. Every effort must be made to ensure that no student is unable to participate in any co-curricular/extracurricular activity due to financial limitations.
3. Area, region, and state level - Funding for all reasonable expenses associated with qualifying competitions at these levels is provided by allocations in the District's Operating Budget.
4. A group must take District vehicles (buses or similar). If district provided transportation is not available, the District will work with the group to make travel arrangements. If a group chooses to take a rented vehicle, chartered transportation, or similar when a district vehicle is available, then the group must use outside funding or student/campus activity funds.

Conventions and Invitations

Students may take school-sponsored trips for activities of school-sponsored or school-sanctioned clubs or organizations. Specifically, either Student Activity or Campus Activity Funds must fund trips to conventions or invitational meets.

Out-of-State trips of this nature must have the prior approval of the Superintendent. The following guidelines apply for conventions or invitational meets:

- Students must comply with scholarship requirements as specified in current UIL guidelines.
- Absences from school shall be limited to two days. Exceptions must be approved by the Superintendent.
- Trips must have clearly defined educational goals.
- Only high school students may take out-of-state or overnight trips for conventions and invitational meets. Exceptions must be approved by the Superintendent.
- An organization shall be limited to one out-of-state trip every two years. Exceptions must be approved by the Superintendent.
- A list of all out-of-state trips taken by a group for the previous two years must be submitted with a request for approval. This request can be submitted directly to the Superintendent via email.
- No District operating funds will be contributed to trips of this nature.

Out of State Competitions:

With prior written approval of the Superintendent, students may take out-of-state school sponsored trips for UIL and other sanctioned competitions. The following guidelines apply:

- Students must comply with scholarship requirements as specified in current UIL guidelines
- Absences from school shall be limited to two days. Exceptions must be approved by the Superintendent.
- Evidence of legitimate qualifying organized levels of performance in the competition must be provided for trip approval.
- The district may contribute toward partial payment of co-curricular academic activities based on budgetary constraints of the present year.
- Before a sponsor enters a club/organization in a contest or activity, which may lead that club/organization to qualify for an out-of-state competition and receive partial financial assistance from the district, the sponsor must notify the Superintendent and the Chief Financial Officer, prior to September 30th of each year that the contest meets the criteria for financial assistance, as established by the district. That the group will be responsible for raising any funds needed in excess of the district's contribution. This approval must be renewed each year.
- The District will not contribute to extracurricular trips/competition involving schools outside the boundaries of the state of Texas for groups such as drill teams, cheerleaders, marching bands, athletic groups, or individuals. The District may contribute toward partial payment of co-curricular academic activities based on budgetary constraints of the present year. Unusual situations must be taken to the Board of Trustees.
- Currently, the District will contribute a maximum of \$500.00 per student and sponsor toward the cost of approved out-of-state trips.

Purchasing Guidelines and Information

Unauthorized Charges/Purchases

Any commitment to acquire goods or services in the name of the Hutto ISD for personal use or ownership is prohibited. Any individual making such a commitment may be liable to prosecution under the Texas Penal Code.

Any commitment to acquire goods or services from budgeted funds prior to securing a purchase order or without prior approval from the Chief Financial Officer, or designee, is prohibited. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement.

No purchases are authorized without issuance of a purchase order or authorization from the Chief Financial Officer, or designee, and payment will not be made for such purchases. Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement.

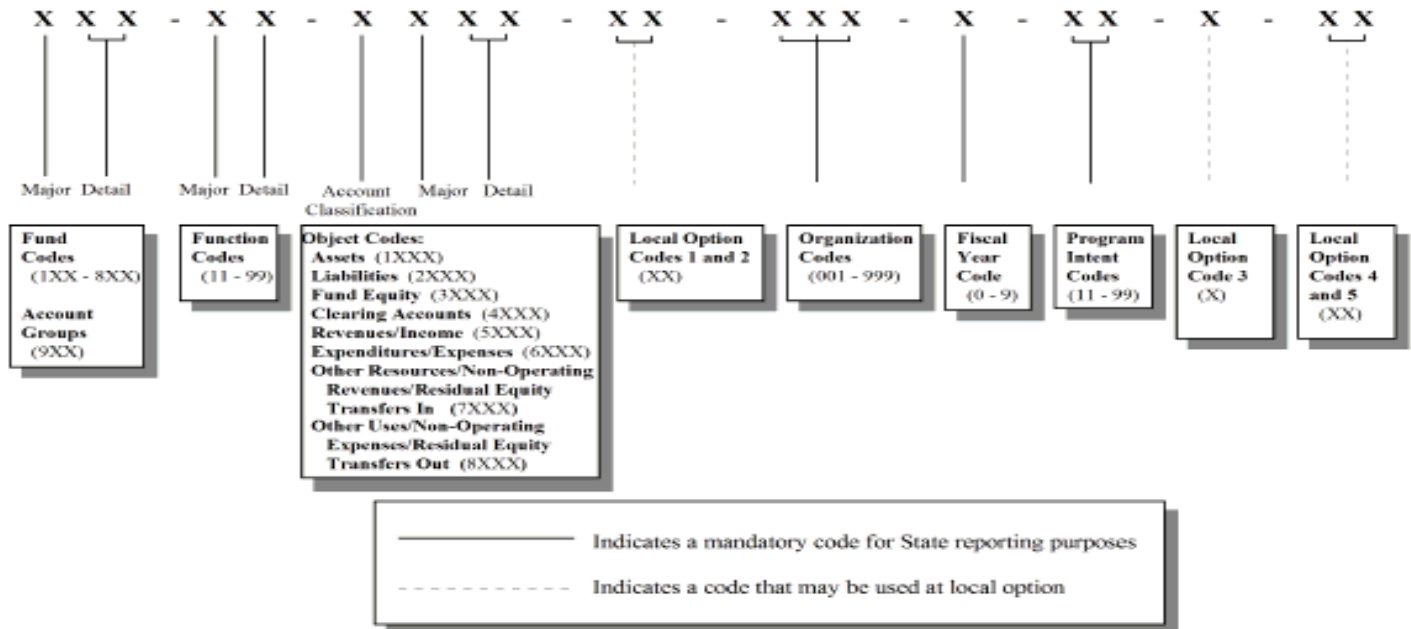
Account Code Structure

Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform with Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process and to determine educational system costs by school district, campus and program.

The Texas Education Code, Section 44.008, requires each school district to have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through the Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district's fiscal data to be reported through the PEIMS system for the fiscal period under audit.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

The Code Structure



BASIC SYSTEM CODE COMPOSITION:

Fund Code

A mandatory 3-digit code is to be used for all financial transactions to identify the fund group and specific fund. The first digit refers to the fund group, and the second and third digit specifies the fund. Fund group 100 is for locally controlled funds, primarily the General Fund. Fund groups 200 – 400 is for various federal and state grant programs. Fund group 500 is for debt service funds to repay bonded debt. Fund group 600 is reserved for capital project funds (bond money). The 700 series is for various internal service funds. The 800 series is for scholarship funds and clearing accounts. The 900 Funds are for recording long-term fixed assets and long-term debt.

Function Code

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

Object Code

A mandatory 4-digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

Asset codes – 1XXX series

Liability codes – 2XXX series

Fund Equity codes – 3XXX series

Encumbrance control – 4XXX series

Local revenues – 57XX series

State revenues – 58XX series

Federal revenues – 59XX series

Payroll Expenditures – 61XX series

Contracted Services – 62XX series

Supply accounts – 63XX series

Other Misc. Costs – 64XX series

Debt payments – 65XX series

Capital Outlay costs – 66xx series

Transfers In / Out – 79XX / 89XX series

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

A 2-digit code for optional use to provide special accountability at the local level. Sub-object codes may commonly be used in Activity and Agency Fund groups, with some being utilized sparingly in the General Fund or other fund groups.

Organization Code

A mandatory 3-digit code identifying the organization, i.e., High School, Middle School, Elementary School, Superintendent's office, etc. An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory.

Fiscal Year Code

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Example: For the 2019-20 fiscal year of the school district, a 0 would denote the fiscal year.

An ESEA, Title I, Part A - Improving Basic Programs grant for the project year from July 1, 2005 through June 30, 2006 would be indicated by a 6. A grant for the project year from July 1, 2006 through June 30, 2007 would be indicated by a 7. Therefore, 10 months of the ESEA, Title I, Part A - Improving Basic Programs grant expenditures would be accounted for under project year 6 and 2 months would be accounted for under project year 7.

Program Intent Code

A 2-digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not necessarily the demographic makeup of the students served.

Optional Code 3

A single code that is used at the local option. Hutto ISD currently does not utilize this optional portion of the code in the General Fund, but it is commonly used in the Activity Funds, Agency Funds, and Construction Funds.

Accounting Guidelines

Budget Amendment and Transfer of Funds

BUDGET AMENDMENTS

A budget amendment occurs when the need arises to change budgeted amounts between different functions. Recall from the section on account code structure, that accounts are divided according to functional area, such as instruction, campus administration, transportation, food service, counseling, etc. For example, a campus principal wants to move unspent funds from the discretionary account (which is function 11 for instruction) to teacher travel (which is function

13). Revising the budget to move funds between different functions requires board approval. To request a budget amendment, the campus/department secretary should enter the Budget Amendment by selecting **Submit Budget Transfer** in Skyward. This will then be approved by the Principal/Director through Skyward. The Director of Finance will hold all budget amendments until the following board meeting that budget amendments will be on the agenda. The Board of Directors must approve the budget amendment before it is approved in Skyward and updated.

BUDGET TRANSFERS

A budget transfer occurs when budgeted amounts are moved within the same function. For example, a move of funds from the discretionary account to the math supplies account would be within function 11. No board action is necessary and the request may be made by the campus/department secretary by entering the transfer in Skyward through **Submit Budget Transfer**. The budget transfer must be approved by the Principal/Director electronically in Skyward. The Director of Finance will review and approve budget transfers in Skyward and will update the General Ledger once it is approved.

OTHER TYPES OF TRANSACTIONS

Neither of the budget amendment or budget transfer should be confused with a correction needed to move an expense that has been recorded in the wrong account. For example, a purchase order was mistakenly coded to paper when it was intended to be charged to discretionary. A correction has to be made by journal entry in the Business Office and can be initiated with an email to the Director of Finance.

It may also be necessary to make a payment between funds – such as a payment to Culinary Arts for catering. This type of transaction is not a budget transfer, but must be made by the Business Office. Please email the Director of Finance and include documentation or invoices for this payment between funds.

Accounting Guidelines

Collection of Money

Hutto ISD regularly collects money in the form of cash, checks, and credit card payments for a multitude of reasons. All club sponsors, coaches, band directors, and other personnel who anticipate collecting money need to follow these instructions. These instructions are designed to protect district funds from loss and protect against allegations of misuse. Modeling proper money handling procedures teaches our students responsible behavior. Failure to comply with District procedures for properly handling money can have very serious consequences, including disciplinary action and even termination.

TYPES OF PAYMENTS ACCEPTED

Credit Card Payments – The District has the ability to collect nearly any type of payment by credit card through credit card terminals at various campuses and departments, Family Access portal or RevTrak School Store. This offers a convenient way for parents or community members to pay for student yearbooks, athletic tickets, t-shirts, cell phone fines, transcript fees, extracurricular fees, camp fees, cheerleader and drill team fees, etc. High cost items, like trip payments, may be split into installments. If your collection lends itself to credit card payment, contact your campus secretary to have it set up for online credit card payment or to check out a credit card terminal.

Personal Checks – The district accepts personal checks as payment. Checks should be made payable to Hutto ISD or any campus name and should be deposited promptly. Campuses should try to avoid taking temporary bank checks. Post-dated checks are not accepted. Failure to deposit checks promptly increases the likelihood for checks to be returned for insufficient funds or closed accounts. Checks also present a security concern because they contain the information needed to access bank accounts. All checks should be safeguarded by turning them in to the campus secretary daily.

Cash (including money orders) are not preferred – Cash payments represent the greatest risk for theft and must be safeguarded at all times. Under no circumstances are students to be used to deliver cash to the campus secretary. Cash must be turned in to the campus secretary every day regardless of the total amount. The exception is a change fund that may be kept by the librarian for library fines.

SAFEGUARDING FUNDS

Money collected must not be kept overnight in a desk or file cabinet, nor can it be taken home by the sponsor for safekeeping. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds must be locked in a locking bank bag, or sealed in a plastic bank bag, and stored in the campus safe.

or vault. The sponsor should keep all keys to the bag and the funds should remain secured until the sponsor can complete the deposit records. Employees of Hutto ISD must not collect cash or cash equivalents for outside organizations including PTA and Booster Clubs. Employees of Hutto ISD must adhere to related rules and regulations of the PTA/Booster Guidelines.

RECORDKEEPING

All money collected must be recorded in detail using pre-numbered money receipts, the Deposit form, or collection forms provided by fund raising vendors. Where money receipts are used, it is recommended that two part forms be used so that the club sponsor keeps a copy for their records. This set of receipts must reconcile to the deposit turned in to the campus secretary for deposit. Sponsors must keep a detailed record of all deposits that can be verified to the receipts and to the district records on Skyward.

DEPOSIT OF FUNDS

The club sponsor is responsible for counting funds, preparing a preliminary deposit report and turning money collected in to the campus secretary or bookkeeper timely. The campus secretary or bookkeeper will verify funds collected, prepare the actual deposit paperwork, and deliver the deposit to the Business Office.

ALL MONEY COLLECTED MUST BE DEPOSITED TO THE DISTRICT'S BANK ACCOUNT.

Deposits should be made daily. All money must be stored in the safe or vault pending drop off to the Business Office. All money must be brought to the Business Office prior to holidays and weekends.

Detailed instructions for preparing deposits are provided in Deposit Procedures.

IMPORTANT RESTRICTIONS

- 🎬 Personal check cashing is prohibited. Likewise, cash cannot be removed from collections and replaced with the sponsor's personal check.
- 🎬 Cash collections may not be used to purchase supplies, refreshments, or for any other purpose.
- 🎬 ALL money collected must be deposited intact, in the same manner in which they were received.
- 🎬 We do NOT do business with fund-raising companies who want to take the cash payments and leave us the check payments. ALL money paid for fund-raising activities must be deposited to a Hutto ISD bank account. **Hutto ISD does not do business with any company or individual that wants to be paid in cash.**

Accounting Guidelines

Check Acceptance Policy

Hutto ISD accepts checks for fundraisers, club functions, school lunches, etc. To be accepted, we request that the check show the information listed below. Checks that do not conform may be rejected as payment:

Preprinted name and address; temporary checks are more likely to be returned by the bank. Payable to

Hutto ISD, Hutto ISD Athletics, or any campus name.

Check must be made out for the total amount due; NO CASH BACK will be given. Post-dated checks are not accepted.

All communications from Hutto ISD regarding the potential acceptance of personal checks must include the following:

Hutto ISD Check Acceptance Policy: In the unlikely event that your check written to a campus, club, or organization is returned unpaid by your bank, Hutto ISD or its agent (PayTek) will redeposit your check electronically. Additionally, you understand and agree that we may electronically collect a returned check fee of \$35.00 plus applicable sales tax. The use of a check for payment is your Acknowledgement and Acceptance of this policy and its terms.

Checks returned must be handled by PayTek. Campuses should never accept replacement funds from the check writer, but should refer them directly to PayTek or to the Business Office.

Accounting Guidelines

Deposit Procedures

When money has been collected, it is very important to make sure it is deposited promptly and that records are updated correctly. Campus staff **MUST** keep careful and detailed records of all money collected and verify that deposits have been credited to their accounts properly. In the event there is a discrepancy, the burden will fall on the campus to prove the amount turned in for deposit and the proper account.

RESPONSIBILITIES OF CLUB SPONSORS, COACHES, LIBRARIANS, ETC.

The party that receives funds (yearbook sponsor, drill team sponsor, cheer sponsor, coaches, librarians, etc.) must follow these procedures:

1. All money collected will be documented by receipt forms, Deposit forms, or a fund-raiser form. These documents serve as supporting documentation for the deposit. The sponsor must retain these records with the deposit paperwork as proof of funds collected and deposited. (*see Collection of Money*)
2. The sponsor should count the money in the presence of another employee, compiling the information on the Deposit form. If possible, this should take place with the campus bookkeeper or secretary. This is good practice to protect the sponsor from allegations that funds have been lost or misappropriated. It is strongly recommended that two parties sign that they have verified the total. Each campus may determine how best to accomplish this dual counting process, but each campus is expected to comply with this requirement – for the protection of the staff as well as the funds.
3. Once counted and the Deposit form completed, the money should be placed in a sealable bank bag with the Deposit form and turned in to the campus secretary or bookkeeper. Note: the Deposit form must be completed electronically which will calculate the total deposit.
4. Sponsors will receive copies of the Deposit form back from the campus secretary or bookkeeper showing the campus deposit it was included with, the bank deposit bag number and the date the deposit was sent to the Business Office. Sponsors will also receive monthly Skyward reports from the secretary or bookkeeper showing their deposits and payments posted. The sponsors must notify the secretary or bookkeeper of any discrepancies in a timely manner.
5. These procedures imply that a bookkeeping system must be employed by the coach or sponsor so that they can adequately track the receipts and disbursements for their organization. This system does not need to be overly sophisticated, but should provide sufficient detail to support reconciliation to Skyward general ledgers and adequate accountability to students and parents. The Business Office can assist any sponsor with an Excel workbook for this purpose.

RESPONSIBILITIES OF CAMPUS BOOKKEEPER/SECRETARY

The responsibilities of the campus bookkeeper or secretary for making deposits and record keeping are as follows:

1. The campus secretary or bookkeeper should be aware of money collecting activities occurring on the campus at all times. It is the responsibility of campus administrators, sponsors, etc. to keep the secretary or bookkeeper advised of these activities.
2. When funds are turned in to the office, the secretary or bookkeeper should verify that funds match what is listed on the Deposit form. After verifying total deposit, the secretary must provide the sponsor with a copy of the Deposit form documenting the amount of the deposit. The campus secretary or bookkeeper will mark the bank deposit bag number on a copy of the Deposit form. It is recommended that the copy of the Deposit form be attached to or copied with the deposit summary form so that we have a paper trail for all deposits.
3. All checks should be endorsed with the Hutto ISD endorsement stamp.
4. The completed white deposit slips should also be placed in the bank bag. The yellow copy should be turned in to the Business Office with documentation.
5. Coin may be placed in a small Ziploc back inside the deposit bag.
6. Campus initials should be written on all copies of the deposit slip along with the bank bag number.
7. Deliver all deposits to the Business Office to be placed in the district safe. NO deposits will be accepted unless the deposit is in a locked or sealed money bag. NO EXCEPTIONS.
8. Reconciliation to district financial records in Skyward should be done on a timely basis to make sure that all deposits have been properly posted.
9. Monthly reports should be run from Skyward and given to each coach or sponsor to verify to their records. Sponsors need to confirm to the campus secretary or bookkeeper in a timely manner that their deposits are correct.

Supporting deposit documentation will be maintained by the Business Office for audit purposes. However, it is a prudent business practice to maintain campus copies of all deposit documentation.

Deposits will be sent to the district's depository via district personnel once a week. The bank will verify the deposit and send back a copy and a deposit correction if there is a discrepancy. The Business Office will notify the campus of any deposit corrections.

Incomplete deposits should be brought to the Business Office for storage in the district safe over weekends and holidays. The secretary or bookkeeper can then pick them back up following the weekend or holiday to complete the paperwork.

Accounting Guidelines

Outstanding Checks

Outstanding checks are those checks the District has issued from either payroll or accounts payable, but the payee has not cashed. For purposes of turning over unclaimed payments (uncashed checks) to the State Comptroller's Office, the period of abandonment is measured from the issue date on the check.

- Outstanding Checks- 3 year abandonment period
- Payroll, Wage and Salary Checks- 1 year abandonment period (*property type MS01 effective November 1, 2004*)

Procedure for Contacting Payees of Uncashed Checks

Outstanding Checks- Excluding Payroll, Wage and Salary Checks

1. At year-end all checks that have been outstanding for over six months or more will be identified.
2. All payees in this group will be sent a letter to the address on file stating that they have a check outstanding that they have not cashed, and that after three years from the date of issue their money will be considered unclaimed property and escheated. This letter will also give the payee a chance to state:
 - If they plan to cash the check, or
 - If they never received the check or have lost the check and would like the check reissued.
3. If the payee states that they have never received the check or lost the check and would like it reissued, a stop payment will be placed on the original check and a new check will be issued.

Payroll, Wage and Salary Checks

1. At year-end, all payroll, wage and salary checks that have been outstanding for one month or more will be identified.
2. All payees in this group will be sent a letter to the address on file stating that they have a check outstanding that they have not cashed, and that one year from the date of issue their money will be considered unclaimed property and escheated. This letter will also give the payee a chance to state:

- If they plan to cash the check, or
 - If they never received the check or have lost the check and would like the check reissued.
3. If the payee states that they have never received the check or lost the check and would like it reissued, a stop payment will be placed on the original check and a new check will be issued.

Procedure for Holding Uncashed Checks Not Claimed

Following the notification process for uncashed checks, if no response is received from the payee, these checks must be set aside for the period of abandonment. The district has still incurred the expense, most likely in a prior period, and, therefore, a journal entry needs to be made to void the check and book a liability to fund 865. For example, a reimbursement check to an employee for \$35.00 has gone uncashed for 9 months, and we have received no response to our letter. The \$35.00 would be transferred from the Accounts Payable Clearing bank account to the Activity Fund bank account and the following entry would be made:

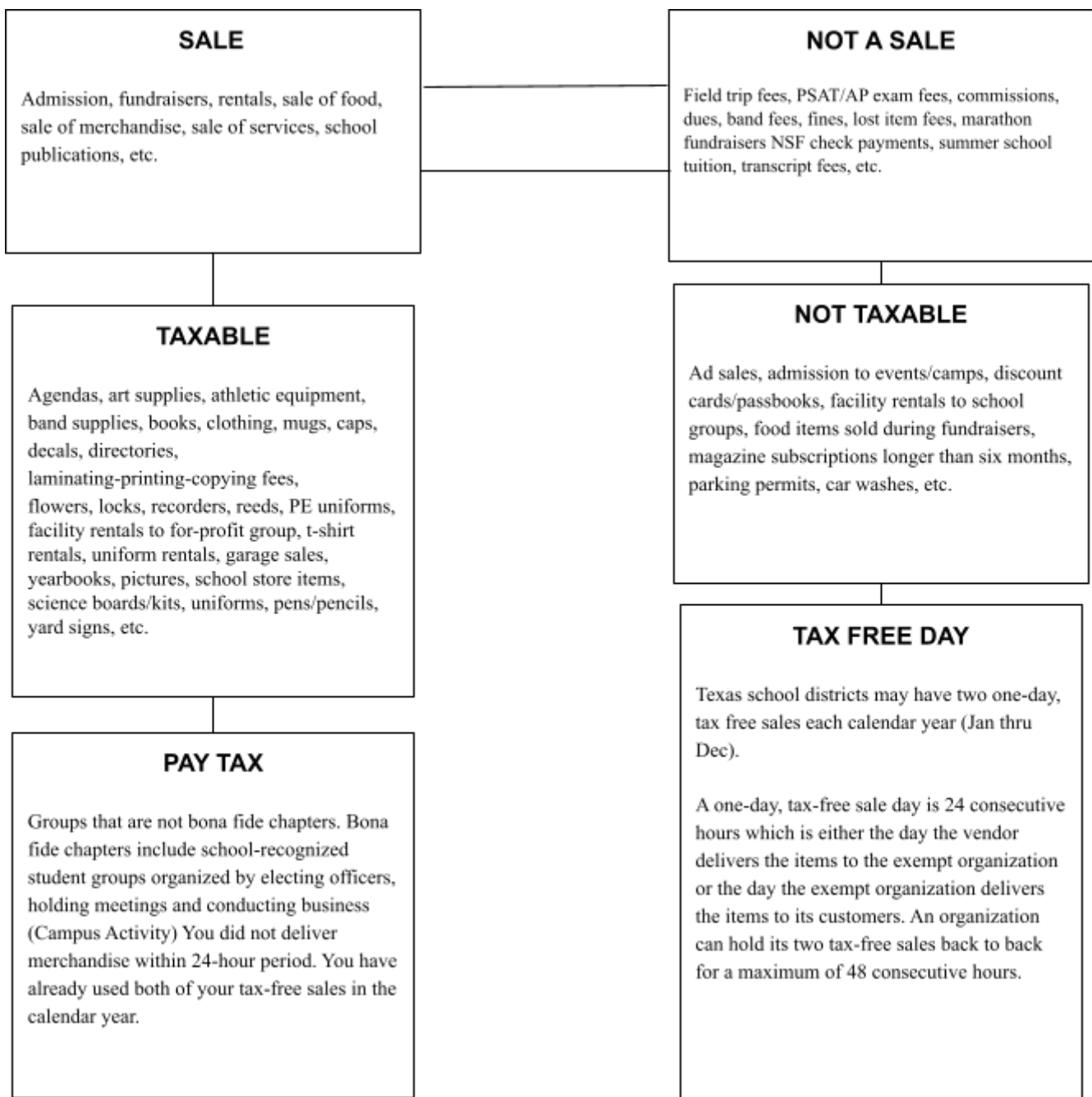
DR: 865 00 1110 00 000 0 00 000 – to recognize the cash moved in

CR: 865 00 2190 01 000 0 00 000 – to recognize the special liability for the funds being held until the abandonment period has been met.

In Skyward, the check would need to be marked as cleared in the AP Clearing account to clear the funds out of the AP Clearing cash account. Copies of the voided check and supporting documentation must be retained in check number order in the Business Office – to document reissue of the check to the payee or complete paperwork to the State Comptroller's Unclaimed Property Division.

As funds reach the appropriate period of abandonment, they will be remitted to the State Comptroller's Unclaimed Property Division with the appropriate paperwork as detailed on their website.

SALES TAX DECISION TREE



Fraud Policy

BACKGROUND

The District's fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Hutto ISD. It is the intent of Hutto ISD to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Hutto ISD.

POLICY

Administration is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the administration team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Superintendent, who coordinates all investigations with the affected areas, both internal and external.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money of financial transactions
- Disclosing to other persons securities activities engaged in or contemplated by the District

- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the District. Exception: Gifts less than \$50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by campus/department management and the Superintendent.

If there is any question as to whether an action constitutes fraud, contact the Superintendent for guidance.

INVESTIGATION RESPONSIBILITIES

Administration has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the Policy. If the investigation substantiates that fraudulent activities have occurred, the Superintendent will issue reports to appropriate designated personnel and, if appropriate, to the Board of Trustees.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and administration, as will final decisions on disposition of the case.

CONFIDENTIALITY

Administration treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Superintendent immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see REPORTING PROCEDURES section below).

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the District from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the Investigation Team will have:

- Free and unrestricted access to all District records and premises, whether owned or rented; and
- The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will *contact the Superintendent immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Investigations Team. No information concerning the status of an investigation will be given out. The proper response to any inquires is: "I am not at liberty to discuss this matter." Under no circumstances should any references be made to "the allegation, the crime, the fraud, the forgery, the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the School Attorney or the Superintendent.

TERMINATION:

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Superintendent and the School Attorney, before any such action is taken. The Superintendent has authority to terminate an employee.

ADMINISTRATION:

The Superintendent is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

Construction Billing Guidelines

CONTRACTORS APPLICATION FOR PAYMENT PROCEDURES

1. Construction Manager at Risk reviews all Contractors Application for Payment invoices for accuracy in billing.
2. Once billing accuracy has been verified, the Contractor will sign the Application for Payment, have it notarized, and forward to the District's Architect for a 2nd verification of billing.
3. Once the District's Architect reviews the certification for payment for accuracy and completeness of billing, they will sign the application and forward it to the Director of Construction and Facilities.
4. The Director of Construction and Facilities will review the Application for Payment for a 3rd review to ensure construction work that is being billed has been completed. Once the 3rd verification of billing accuracy has been reviewed and approved, the Director of Construction and Facilities will forward the Application for Payment to the Director of Finance.
5. The Director of Finance will also review the Application for Payment for billing accuracies to ensure there is no double billing from a prior application for payment submitted. The Chief Financial Officer will also review and verify that the original contract sum amount, the completed and stored to date amount, the previous certificates for payment amount, the current payment due, and the balance to finish including retainage are all accurate figures. Once this is verified, the Chief Financial Officer will sign the form and forward it to the Director of Finance for payment.
6. Once the Chief Financial Officer and the Director of Construction have signed the form and have approved it for payment, the bill will then be forwarded to our Accounts Payable so that the billing can be paid.
7. If any billing discrepancies should arise, the Construction Manager at Risk will provide all necessary documentation to support any billings throughout the construction project. Billing discrepancies may be brought forth by any of the approving parties including the District's Architect, Director of Construction and Facilities, Chief Financial Officer, and the Director of Finance.