RICHLAND SCHOOL DISTRICT TWO

Procedural Guide for District Leaders

RICHLAND
School District
TWO

Financial Operations

Procedure Manual

This manual has been prepared by the Financial Services Department for use in the Schools and Departments of Richland School District Two. The practices and procedures referenced in this manual have been developed in accordance with Board Policy and State/Federal Regulations. All Richland School District Two personnel should adhere to these procedures.

This manual should remain permanently in each school/department and should be easily accessible to necessary personnel. Changes and/or additions may be distributed periodically and should immediately replace amended sections or be added to appropriate sections as instructed.

Any questions, suggestions or comments concerning this manual should be directed to the Chief Financial Officer at sallen@richland2.org. The Chief Financial Officer must approve all revisions to the procedures outlined in this manual prior to adoption and/or distribution.

BUSINESS OPERATIONS CONTACT INFORMATION

Dr. Harry Miley	*Senior Chief Financial & Operations Officer*	738-3294
Shelley Allen	*Chief Financial Officer*	738-3289
Vickie McIntyre	*Executive Assistant to the Sr. Chief of Finance & Oper.*	738-3291
Dilya Morris	*Risk Manager*	790-3041
Arlene Bakutes	*Director of Grant Initiatives*	738-3316
Tami Whiting	*Special Projects Accountant & Bookkeeper Support*	738-3299
Cindi Gillespie	*Director of Accounting – Special Revenue & Budgeting*	738-3290
Kay Mayes	*Coordinator of Accounting & Budgeting*	738-3332

ACCOUNTS/ SPECIAL REVENUE

Damita Moody	*Senior Accountant - Special Revenue*	738-8450
Jennifer Dyarmett	*Special Revenue Accountant*	738-8450
Jessica Spencer	*Special Revenue Accountant*	738-8450
Becky Fields	*Student Payment System Accounting Specialist*	738-3218

FIELD SERVICES/CAPITAL PROJECTS

Joan Morana	*Coord. of Accounting-Field Services and Capital Projects*	738-3274
Tanya McDonald	*Accountant- Capital Projects*	738-3342
Nicole Burns	*Food Service Bookkeeper*	419-2716

ACCOUNTS PAYABLE/PAYROLL

Sandy Powell	*Director of Financial Serv.- Accounts Payable & Payroll*	738-3323
Jessica Thompson	*Coord. of Accounting & Finance – Accounts Payable*	738-3244

ACCOUNTS PAYABLE

Julie Morin	*Accounts Payable Supervisor*	738-3285
Selina Hurley	*Accounts Payable Specialist*	738-3287
Donna Martin	*Accounts Payable Specialist*	738-3286
Valerie Williamson	*Accounts Payable Specialist*	738-3205

PAYROLL

Alison Tabor	*Payroll Supervisor*	738-3281
Brenda West	*Payroll Specialist*	738-3330
Tracy Cross	*Payroll Specialist*	738-3301
Mandy McCarter	*Payroll Specialist*	738-3282
Terri Monroe	*Payroll/Workers' Compensation/Benefits Specialist*	738-3292

PROCUREMENT/PURCHASING

LaWana Robinson-Lee	*Dir. of Procurement and Contracted Services*	738-3360
Maia Williams	*Procurement Specialist*	738-3351
VACANT	*Procurement Specialist*	738-3298

OTHER RELATED CONTACT INFORMATION

Ray Fantone	*IT Project Manager - Alio System Coordinator*	738-3225
Sherri Staudt	*Business Systems Integrator - Alio Support*	738-3202
Kyianna Jones	*Business Systems Support Analyst - Alio Support*	790-3017

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1

General Accounting:
Introduction to Finance for District Leaders

This Section provides a general overview of school district finance as it relates to Richland School District Two and outlines some of the resources available to you as you make financial decisions for your school and/or department.

T he policies and procedures outlined in this manual are intended to document how Administration will fulfill the responsibility to act as good stewards of the resources entrusted to us as a K-12 Public School System. This manual is not intended to replace or revise Board Policy; but to be used as a resource to clarify and summarize all governing policies and regulations. In the event of an inconsistency or conflict, applicable law and SC State Department of Education's policies supersede district policies and district policy supersedes school/department procedures.

Question
Why do we have to follow so many rules and regulations? As a political subdivision of the state, the district is primarily funded with local, state and federal tax dollars. Along with those public funds comes the fiduciary responsibility to be good stewards of the taxpayers' dollars…and additional government accountability.

Question
Are we considered a "not-for-profit"? For many years, there has been a misconception that public school systems are considered "not-for-profit" agencies. While the district is not responsible for paying state and federal income tax on funds received, we are not officially considered "not-for-profit". The official tax classification the district falls under is referred to as a "***Political Subdivision of the State***". (Note: This is not the same as being classified as an official 501(c) (3) not-for-profit entity.)

Rules and Regulations

In addition to the many regulations and compliance requirements, leadership must also consider another very important factor when establishing policies and procedures and accounting for public funds….Public Perception. While many actions may not directly violate a specific law, regulation or policy…the risk associated with public perception concerns must be considered in establishing standards and procedures. This aspect of making management decisions has become increasingly important with the continued movement towards accountability and transparency. In 2008, the SC Comptroller General's Office introduced a spending transparency initiative that requires school districts to post payment details to their website monthly.

Roles and Responsibilities

We all play a unique role in the district's financial process. While our financial procedures and guidelines apply to all Richland School District Two employees, Bookkeepers and Principals/Fund Managers share the primary responsibility for the financial well-being of their school/department.

Bookkeeper Roles and Responsibilities

When looking at the roles of the Bookkeeper and the Principal, it is important to understand that communication is essential to the school's success. While the responsibilities of each Bookkeeper may vary to some degree from school to school, the fundamental roles and overarching expectations remain the same. At the end of the day, most Principals count on their Bookkeepers to keep them informed and to keep them out of the news and out of trouble. Every Principal has his/her own unique style of leadership…some are very hands off with the financial aspects of running the school, while others are more comfortable micro-managing financial reporting. Either way, the Bookkeeper should make every effort to focus on the following roles:

- Gate-Keeper of the funds
- Advisor to Leadership

YOU CAN'T MAKE THIS STUFF UP…

In addition to Board Policy, the District Procurement Code and general contract compliance, the district is governed by and/or regulated by a number of oversight agencies. Some examples include…

Federal Agencies/Law
- United States Department of Education (USDOE)
- Grant Agencies (i.e., USDA, Department of Defense, etc.)
- US Office of Management and Budget (OMB)
- Internal Revenue Service (IRS)
- Fair Labor Standards Act (FLSA)
- Family Medical Leave Act (FMLA)

State Agencies/Law
- SC State Department of Education (SDE)
- SC State Code of Laws K-12 Education
- SC State Retirement System (SCRS)
- SC Department of Revenue (DOR)
- SC State Budget and Control Board (State Procurement)
- State Workers Compensation Commission

General Accounting
- GAAP (Generally Accepted Accounting Principles)
- GAS (Governmental Accounting Standards)
- GASB (Governmental Accounting Standards Board)

- Cash Collections, processing payments for the school and related data entry.
- Educate the Principal and/or faculty as it relates to financial processes and procedures.
- Provide accurate and timely information to help Principals make the best decisions for their school based on the available resources.
- Maintain all required records on a current and accurate basis.
- Submit all required reports and requests for payments promptly and accurately.
- Responsibility to keep the Principal informed of all real or potential financial issues.

> **BOOKKEEPER**
> *Gate-Keeper*
> *Information Provider*
> *Advisor*
> *Educator*

Principal Roles and Responsibilities

The Principal should be the visionary and the decision maker, first and foremost. In many cases it is reasonable to expect Principals to delegate or assign certain responsibilities to their leadership team; however, the Principal is ultimately responsible for all financial activity and requirements that relate to their school, regardless of who they may have delegated the task to. The following are some of the specific roles and responsibilities of each Principal.

- Be familiar with and enforce the provisions of this manual.
- Insure that the Bookkeeper and faculty are properly instructed as to duties to be performed, instructed in proper methods and procedures, and given adequate supervision and guidance.
- Insure that the Bookkeeper and staff have all the necessary tools and resources needed to be successful.
- Insure the preparation of accurate and timely reports covering the results of operations and status of school activity funds.
- Review and analyze the school activity funds at least monthly. Review should include but not necessarily be limited to areas such as:
    1. Questioning of potentially deficit or deficit account balances.
    2. Assessing the reasonableness of current account balances, considering reserved funds and outstanding obligations.
    3. Assessing the reasonableness of receipts and disbursements by account and in total, to include comparison with prior periods.

> **PRINCIPAL**
> *Visionary*
> *Decision Maker*
> *Accountability*
> *Review/Approve*

- Insure that appropriate checks and balances are in place to protect cash and other assets. Insure that deposits are made to the bank safely and in a timely manner. (Daily for any amount over $200)
- Monitor the operation of revenue-producing activities with a view to avoiding unanticipated losses.
- Initiate appropriate plans of action to insure that procedures are followed for all situations. (Normal, everyday circumstances, as well as, special, one-time situations.)

General Accounting:
Understanding Budgets and Ledger Information

Webster defines a budget as an official statement from a government about how much it plans to spend during a particular period of time and how it will pay for the expenses. The District utilizes budgets for the majority of the different funds maintained by Administration. Budgets are not only intended to be a financial road map for Principals/Fund Managers…but they are also a representation of amounts allocated for specific departments and purposes based on the government's priorities. Additional specifics on budgets for different fund types will be covered later in this section.

The District's financial software program, Alio, processes and tracks budget activity in addition to the actual dollars coming in and dollars going out. Generally speaking, the dollars coming in are referred to as Revenues and the dollars going out are referred to as Expenditures or Expenses. It is important to keep in mind that a budgeted amount is different than the amount that is recorded as actual dollars coming in and actual dollars going out. Budgeted allocations are similar to a line of credit…you are approved to spend up to a certain dollar amount, but the budget itself is just the measurement point…not representative of the actual spending.

bud·get

noun \ˈbə-jət\

: an amount of money available for spending that is based on a plan for how it will be spent

: a plan used to decide the amount of money that can be spent and how it will be spent

: an official statement from a government about how much it plans to spend during a particular period of time and how it will pay for the expenses

Question

I have an account that is "in the red" or has exceeded the available budget. How do I go about making an adjustment to correct this? The answer truly depends on why the account is over budget. Was a purchase order done without enough available budget to cover the associated cost? If this were the case, there are basically two options for correcting this overage. Option 1 – Enter a budget transfer to move budget allocation from another account within the same fund into the negative account in order to increase the total account budget to cover the costs. Option 2 – Enter a journal entry to reclassify the expense from the negative account into a more appropriate account with available budget. (See more about budget transfers and journal entries in Fund Management)

In cases where there are still outstanding encumbrances, it is important to verify that the remaining encumbered purchase orders are still valid and should be still open. If a purchase order needs to be closed out, you may request that Purchasing cancel or liquidate the purchase order. This will remove the encumbered amount from your account, freeing up available budget for use.

The other factor that impacts an account's total available balance is the amount of funds that are encumbered out of the budget. Encumbrances are created when a purchase order is created and coded to a specific account. Basically, the system designates/reserves the requested portion of the budget as a promise to pay for the requested goods or services in the future. The encumbered amounts will remain encumbered until 1) the related invoice is paid against the purchase order, liquidating the purchase order, 2) the purchase order is cancelled or manually liquidated in the system or 3) the fiscal year comes to an end and appropriates lapse.

Question

Is it really a big deal if I submit something that is not coded correctly? It is really important that all expenditures are coded correctly and consistently based on the SDE account code definitions. Activity for each school is ultimately rolled up into the District totals for the year by the account numbers originally coded. This information is then consolidated at the state level for all South Carolina public schools, and ultimately reported at the federal level.

In addition, many school level and district level decisions are made considering trend information based primarily on account number coding. In more recent years, decisions being made at the state level have also been driven by statewide data, which is consolidated based on account number coding. State Department of Education In$ite reporting, the district's Annual Audited Financial Report, Transparency Reporting and State/Federal Budget Compliance are all dependent on the coding done at the time of origination. Elected Officials and administrators are using this information to make decisions that impact our district funding and ultimately, even instruction of our students.

General Accounting:
Account Number Structure

The District accounting structure was developed on a governmental fund basis. The State Department of Education (SDE) has mandated the account structure used by all school districts in the State of South Carolina in order to provide a level of consistency and comparability statewide. State, Federal and Local Agencies, as well as, the District and community, utilize the information provided by our account numbers for a variety of purposes. Because numerous agencies rely on the information provided through our account structure, expenditures must be recorded accurately and in the appropriate categories.

The following information breaks down the account number structure and explains what each component represents. The full Account Segment Listing along with function and object code definitions can be found on the Shared Google Drive- Business Operations Info.

XX.XXX.XXX.XXXXX.XXX.XXXX

YEAR.FUND.FUNCTION.OBJECT.LOCATION.COST CENTER

Example: 21.100.113.00410.001.0002

YEAR

This two-digit code identifies the fiscal year/school year of the activity.

FUND

This three-digit code identifies the funding source, i.e. grant or allocation of money, allocated/awarded.

Examples:	100	General Fund
	201	Title One Funds

FUNCTION

This three-digit code identifies the department or group of employees/students that will benefit from the funds.

Examples:	111	Kindergarten
	233	School Administration

OBJECT

This five-digit code identifies what is being purchased.

Examples:	00120	Substitutes/Temporary Salaries
	00410	Supplies and Materials

LOCATION

This three-digit code identifies the location spending the money.

Examples:	001	Administration
	095	Longleaf Middle School

COST CENTER

This four-digit code is used to distinguish like accounts from one another. There are some funds that have already been assigned specific cost centers, while others are at the discretion of the fund managers.

Examples:	0001	School Based Expenditures
	1232	Avid

Funds

100	General Fund
201	Title One
326	Science Refurbishment
500's	Capital Project Funds (Includes 8% funding allocations)
700's	Student Activity Funds

Functions

111	Kindergarten
112	Primary (Grades 1-2)
113	Elementary (Grades 3-8)
114	High School
118	Montessori
120's	Special Ed/Exceptional Programs
130's	Preschool Programs
141	Gifted and Talented
145	Homebound
161	Autism-
170's	Summer Programs
190	Pupil Activity Only – Instructional
211	Attendance
212	Guidance
213	Health/Nurses
214	Psychologists
215	Exceptional Program Services- speech, hearing
221	Curriculum Development
222	Media Center
223	Supervision of Special Programs
224	Improvement of Instruction – In-service and Staff Training
233	School Administration
254	Maintenance & Operations
271	Pupil Activity Only – Non-Instructional

Objects

00120	Substitute/Temporary Salaries
00312	Consultant – Improvement of Instruction- Non District Training Specialists (Virtual Conferences)
00323	Repairs and maintenance (not by District Personnel)
00325	Rentals- leasing or rental equipment- temporary and long range
00332	Travel- transportation, conference registration fees, meals, hotel costs, per diem
00340	Communications (Phones/Cell Phones)
00345	Technology Hardware and Software Services, Online Periodical Subscriptions, Instructional TV User Licenses
00360	Printing & Binding- school district publications, letterhead, printed envelopes, forms, posters
00410	Supplies and Materials (Includes equipment with a cost less than $5,000), postage and shipping charges
00430	Library Books and Materials- incl. classroom libraries and digital books, globes, maps, binding and repair
00445	Technology Software and Supplies (Incl. technology with a cost < $5,000) printer cartridges, surge suppressors, etc.
00541	Non-Technology Equipment with a cost of $5,000 or more
00545	Technology Equipment with a cost of $5,000 or more
00660	Pupil Activity Only

Section

II

Fund Management:

This section outlines Richland School District Two's procedures for overseeing school funds and keeping accurate accounting records at the school level.

T he responsibility for properly and responsibly managing funds within the school rests with the principal. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees that play a role in purchasing or making purchasing decisions at the school level. This includes, but is not limited to, student supplies and materials purchases, fundraising events, field studies, local and federal grants. Anyone handling purchases or making purchasing decisions for the school should be familiar with these guidelines.

Question

Does Fund Management apply to all accounts at the school or just the Discretionary and Pupil Activity Accounts? Although there are Fund Managers at the District Office who oversee Grant funds, Building funds, etc., the school Bookkeeper is responsible for keeping track of all expenditures and account balances for his/her school, including special grant allocations at the school level.

Fund Basics

School funding is a blend of federal, state, and local dollars. The majority of local funding comes from property taxes. This amount is based on millage rates and home values among other factors. A millage rate is the tax rate used to calculate local property taxes.

Fund Management is planning and implementing a financial plan, and overseeing accounts, making sure that accurate accounting records are kept in all school accounts. The District uses Alio to record and track all revenue and expenses throughout Richland School District Two.

Sources and Uses of Funds

General Fund (100) - The General Fund, also referred to as the Discretionary budget, is made up of local taxes, state EFA, Impact Aid- Federal, and other local/state funds. This fund can be used for general operations of a school, department, or district. For example, instructional and administrative supplies, travel and training, teacher and classroom supplies, utilities, telephones and cell phones, copier contracts, etc.

dis·cre·tion·ar·y

adjective (dĭ-skrĕsh'ə-nĕr'ē)

: Left to or regulated by one's own discretion or judgment.

: Available for use as needed or desired: a discretionary fund

The time frame for use of these funds is July 1 - June 30. These funds are allocated on an annual basis and do not carry over at the school level from year to year.

Special Revenue/Grant Funds - The District receives grants that are funded through State, Federal and Local sources. These funds typically have legal restrictions and are to be used for specific purposes based on grant provisions. Grants can be applied for or awarded to schools, teachers or the district as a whole. Each project, grant or state initiative is accounted for in a designated fund, generally determined by the State Department of Education

Student Activity Funds (700s) – Pupil Activity Funds are made up of student fees, organizational dues, athletic fees and ticket sales, and miscellaneous donations. These funds are custodial in nature and are to be used for various pupil activity purposes. Examples include student incentives, instructional activities and supplies, student travel and field trips, and principal discretionary purchases. Funds from the sale of non-student related activities can be used to purchase teacher incentives including staff development lunches, shirts, etc.

Pupil Activity has no deadline to spend, however, funds should generally be used for the students that generate the funds. The balance in these funds roll forward each year.

Capital/Building Funds (FFE) – 500s – Bond proceeds from the sale of bonds makes up the district's Capital funds along with revenue from property taxes. These funds are used for facilities

acquisitions and constructions as well as for capital related equipment. Capital Funds are also referred to as 8% Funds and FFE- Furniture, Fixtures, and Equipment. The 8% reference is because, by law, school districts in SC may issue debt up to 8% of the amount of the assessed value of the District without going through a referendum. Also included in 8% funds are repairs/maintenance and computer related equipment. The FFE reference is due to the fact that typically, the District allots an amount from the construction budget to cover the purchase of furniture, fixtures, and equipment for new and renovated schools.

The timeframe to spend capital funds is July 1 - June 30 or can carry forward one year. Unspent allocations for FFE carry forward for one year and up to 18 months if needed.

Budget Transfers

A Budget Transfer is a request to move budget from one account to another account **WITHIN THE SAME FUND**. After initial budgets are set up, there may be situations which would require you to move money budgeted from one account to another.

In order to do this, the Bookkeeper will need to create a Budget Transfer Request in Alio. Some examples of when a Budget Transfer is necessary would include:

1. Original budget has been set up in one account and you need to allocate budget to other accounts within the same fund (setting up your initial allocations for the new school year).

2. You have overspent in one account and need to move budget from within the same fund to cover this negative balance. In this situation, the expenditure was charged to the appropriate account, but there is not adequate budget to cover the costs expended. (This should be a rare occurrence, as the expectation is purchases are only made when sufficient budget is available in the charged account(s).)

The Principal or Supervisor approves the budget request in Alio, similar to the way a Request for Purchase Order is approved (see below). This request is then approved by a member of the Finance Team. You can view where your Budget Transfer is in the process by going into the Budget Transfer Request and clicking on the Approval Chain tab.

Requesting Budget Transfers
Getting There

1. Choose the <u>Menu</u> tab.
2. Select "FAS.." folder.
3. Select "Processing" folder.
4. Select "Budget Transfer Request" folder.
5. Select "Budget Transfer Request".
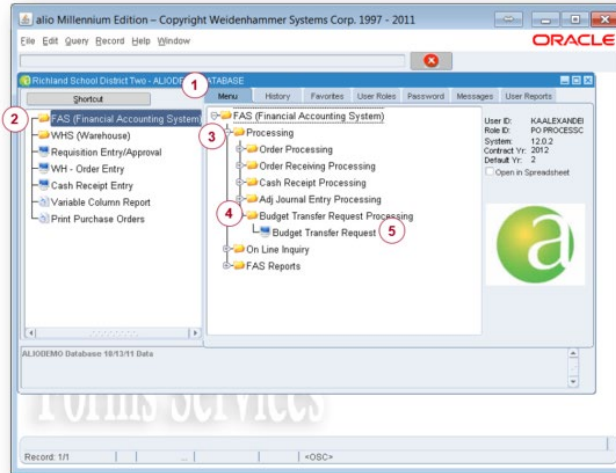
Requesting Budget Transfers
Budget Approval Entry

1. Click [Reference #] to have the system auto generate the next Reference #. *(If there is already data on the screen, click ⊕ before clicking [Reference #] .)*
2. Enter today's date in <u>Budget Date.</u>
3. If the <u>Location</u> does not populate automatically, enter your location number.
4. Select a <u>Reason</u> using the dropdown (▼).
5. In the text field blow Reason, enter your location or department name.
   A. Examples for Locations: CAP, Summit Parkway, Support Services
   B. Examples for Departments at the DO (Loc 001): Academics, IT, Special Services
6. Skip the "OK For Approval" for now. This will be updated last.
7. Enter the <u>Account Number</u> by typing the whole number or using the dropdown (▼).
   A. There must be at least one account number with a "From Amount" and at least one account number with a "To Amount". There can be more than one of each as long as the two "Totals" at the bottom of the screen match each other.

Requesting Budget Transfers
Budget Approval Entry
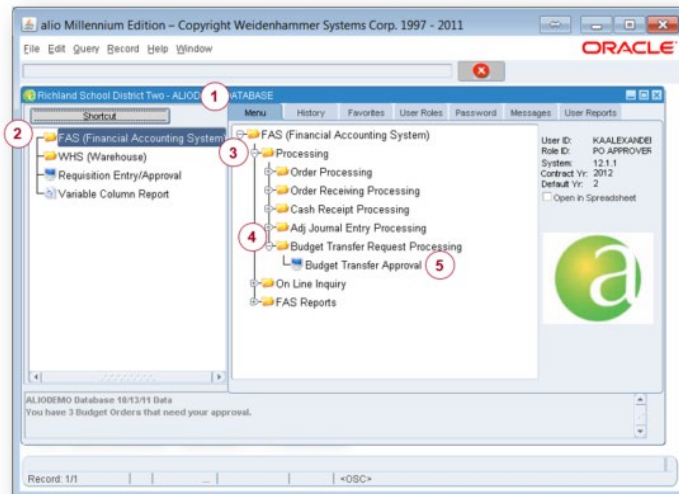
8. When the Account number is added, the Account Bal will appear. Use this as a guide to show how much money can be moved from an account.

9. Enter a Description on each Account to show your location as well as the reason for the budget transfer request.

10. Enter the From Amount or To Amount for the Account.

11. Continue on the next line and repeat #7 - #10 until all of the accounts to transfer money to and from are entered.

12. The Totals for the From Amount and the To Amount must match each other at the bottom of the screen before it can be submitted.

13. To print or save a copy of the Budget Transfer Request, select [Print BA]. The report will appear in your internet browser and you can either save it or print it from there.

14. Once the Totals match and all accounts and amounts to be transferred have been entered, check OK For Approval.

15. Save the request by selecting [icon] or typing 'F3'.

Approving Budget Transfer Requests
Getting There

1. Choose the Menu tab.
2. Select "FAS…." folder.
3. Select "Processing" folder.
4. Select "Budget Transfer Request" folder.
5. Select "Budget Transfer Approval".

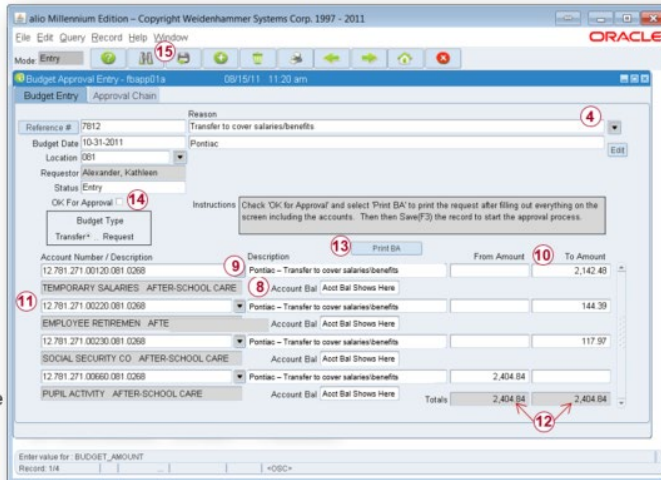## Approving Budget Transfer Requests
Budget Approval

1. When the screen opens, the first of any Budget Transfer Requests waiting for your approval will appear.
2. Review the request and decide if it should be Approved or Disapproved.
3. To Approve, select the Approve button.
4. To Disapprove:
   A. Enter a Disapproval Reason.
   B. Then then select the Disappr... button.
5. Once your Approval or Disapproval selection has been made, the screen will automatically show the next request that is awaiting approval or disapproval if there are any.
6. If there are no more requests waiting, the following message will appear:
7. Select "Ok" and exit the screen by selecting or typing "F10" on your keyboard.

Journal Entries

A Journal Entry, also referred to as an AJE (Adjusted Journal Entry), is necessary when an expense was charged to the wrong account and needs to be reclassified to the correct expenditure account. An AJE is also done when you need to "transfer"/expend funds to cover an expense at another school/location. An AJE is not necessary if the correct account was charged and you just need to clean up a negative balance.

Entering Journal Entries
Journal Entry

1. The first screen that appears will be the Batch Master. Select Batch # to add a new Batch to the screen. The Batch Number will be needed later to run the Journal Entry Edit List.
2. Add your school or department name in the Description field.
3. Select Use This Batch to open the batch.
4. When entering the Journal Entry screen, you should be in Entry Mode. Select Reference # to add a new Reference Number.
5. The current date should already be in the Date field. If not, be sure that you are in Entry Mode.
6. Choose either "Use My Own Desc" or "Repeat Desc". *Never choose "Use Batch Desc" because the description must be unique and not the same as the batch description.*
   A. To add a separate description to each account line, choose "Use My Own Desc".
   B. To use the same description for each line, choose "Repeat Desc" to have the system copy your description to each account line after entering the first line.

Entering Journal Entries
Journal Entry

7. Enter the <u>Account No</u> in the first row by typing the entire number or using ▾ to find the Account.
8. Enter a unique <u>Description</u> that describes the reason for the Journal Entry. *Do not use what was entered as the Batch Description. It needs to be unique.*
9. Enter either the <u>Debit Amount</u> or the <u>Credit Amount</u> for the Account.
10. Go to the next row to enter the next Account No by clicking in the next Account No field or selecting ➕ at the top of the screen to add a new line.
11. If "Repeat Desc" had been selected at the top, the Description from the first row will automatically populate the <u>Description</u> Field.
12. Enter the <u>Debit Amount</u> or <u>Credit Amount</u> for this Account Number.
13. Repeat steps 10 – 12 for any additional accounts that need to be added to the Journal Entry and until the Debit and Credit Totals at the bottom of the screen match.
14. When finished with the Journal Entry, type "F3" or select 💾 to save.
15. Select ❌ to Exit the screen.

Entering Journal Entries
Journal Edit List

1. After exiting the Journals Entry screen, you should be back at the "Adj Journal Entry Processing" folder menu.
2. Select "Journal Entry Edit List".
3. The report parameter screen for the "Journal Entry Edit List" will appear in either a separate tab or separate window in your web browser.
4. Enter the Journal Entry Batch No in both the <u>Beginning Batch No</u> and the <u>Ending Batch No</u> fields.
   A. In this example the Batch No is 1618.
   B. You can also enter a range of Batches if you have more than one.
   C. Click [Submit Query] to run the report.
5. The report will appear as a PDF in the web browser. Save or print the file.
6. Continue with the manual steps outside of alio and provided by the finance department to get the Journal Entries approved.
7. Close the report by closing the web browser tab or window.

You will then print the Journal Entry Edit List and send Finance a signed copy of it along with the proper documentation (i.e., the purchase order and invoice showing expense was charged to the incorrect account).

If you are moving/allocating expenses from one location to another and do not have access to the other location accounts in Alio to make the journal entry, a manual Expenditure Transfer Request form will need to be submitted in the place of an online form. All forms submitted must be approved by the Principal/Administrator.

RICHLAND SCHOOL DISTRICT TWO
EXPENDITURE TRANSFER FORM

AJE # _____
Finance Office Use Only

This form is used to transfer actual expenditures. To transfer the budget please use a Budget Transfer Form.

DESCRIPTION	ACCOUNT NUMBER	DEBIT	CREDIT
	TOTALS		

Justification for Entry:
Provide a copy of the invoice, P.O., and/or other supporting documentation.

Prepared by:	Date Prepared:
Approved by (Principal/Administrator):	Date Approved:
Finance Office Approval:	Date Approved:

Federal Grants

As a sub recipient of federal funding, Richland School District Two is responsible for managing federal awards with fidelity. The District is responsible for developing internal procedures to ensure effective management of federal awards and compliance with the terms and conditions of the grant. The district is also responsible for the following:

- Having a compliant financial management system
- Establishing a budget of the costs required to manage the federal program
- Monitoring actual costs against the budget

- Requesting prior approval when changes are necessary
- Preparing and submitting required reports in a timely manner
- Keeping abreast of changes in policies, procedures and requirements
- Keeping the awarding agencies informed about performance and changes

Richland School District Two has an expectation of compliance at all times with the requirements outlined in the above authoritative publications. If at any time, procedures listed in this manual are in conflict with the requirements of the governing oversight regulations, the federal and state regulations will supersede these procedures.

Federal Grants that flow through the State Department of Education (SDE) budgets are entered in the agency's GAPS system by the district's program coordinator, then reviewed by the Special Revenue Accountant prior to being submitted to the SDE for approval. Expenditure claims are entered by the Special Revenue Accountant then approved by the Director of Accounting for submission to the SDE for payment.

State Grants

In most cases, state grants are restricted and are limited as to the function and object levels that are approved by the State Department of Education. The budget in ALIO must only include the function and objects allowed by the State Department of Education. In recent years, many state grants allow for carryover of funds into the following year; however, this is determined on an annual basis by the legislature and managed at the district level.

Some state grants are now being funded through the State Department of Education's GAPS system, resulting in compliance requirements more similar to those of federal grants. The budget in ALIO for these grants must always match the budget approved by the State Department of Education.

Grant Monitoring

The fund manager/program coordinator is responsible for reviewing Alio Budget Reports on a regular basis (a minimum of each quarter) to verify that all expenditures are in accordance with the approved budget for the grant. The fund manager/program coordinator is also on the electronic approval chain in Alio and approves expenses charged to the grant. The list of Fund Managers by fund can be found in the Shared Google Drive: Bookkeeper/Principal- Business Operations Info.

Section

III
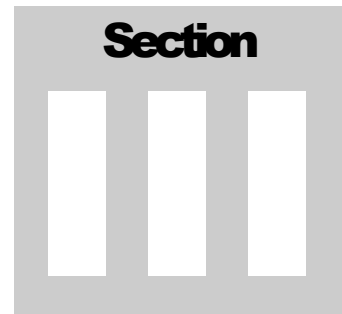
School Activity Funds:

This section outlines Richland School District Two's procedures for handling and accounting for money collected and expended at the school level, in accordance with state and federal guidelines, board policy and generally recommended accounting practices.

The responsibility for overseeing the proper handling and accounting of school activity funds rests with the principal. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees that play a role in handling and accounting for money collected at the school. Anyone overseeing the collection or handling the collection of funds at the school level should be familiar with these guidelines.

Question

Can I make a purchase with cash collected at the school?
Cash should never be used to make purchases, even if it is for a legitimate school cost. This includes paying employees or vendors.

Question

Our students raised money to help out a teacher with a terminal illness. They are now requesting us to pay the teacher the money they were able to raise to help offset her medical bills. How do we handle this situation?

First of all, this is a good illustration of the fact that every situation that may arise is not addressed in a manual…and many situations you may run into are not going to be cut and dry textbook scenarios. While this manual is intended to provide you with the basic fundamental framework for safeguarding and reporting financial transactions in your school, there are often times that the "round peg" that you are dealing with just will not fit into the "square hole" provided by the framework. So when a situation arises that there are no official guidelines for, you should first consult with the appropriate Finance Team member for guidance.

In this unique, but very common situation, there are many different ways to handle this request. Much of that depends on when you learn of the initiative and how far along it is in the process. If this well-intentioned initiative is still in the planning stages, you are definitely in a better position to advise the student group on the best options for achieving the desired goal. Some of the most conventional options might include encouraging the use of an affiliate organization, such as a PTO or education foundation, to facilitate the collection of funds and the monetary contributions to the individual. There are also, numerous charitable organizations that assist with these types of fundraising activities that may be willing to assist.

If things are well beyond the planning stages, and the funds have already been deposited into the district's pupil activity fund accounts, there are many more things that must be considered. Because the individual is an employee of the district, any "cash equivalent" payments to the employee would be considered taxable for purposes of IRS reporting and would probably need to be paid through payroll. (Cash equivalents include cash, checks, as well as, gift certificates and gift cards with a face value.) In addition, there are other things one must consider, such as, transparency, equity and unfortunately, perception. Something simple and well-intended can quickly become an issue.

~No good deed goes unpunished.~

Oscar Wilde

The amount of cash and checks flowing through school activity funds dictates the necessity for stringent safeguards in the control of receipts and disbursements. Throughout this manual there are provisions designed to assure proper control of the funds, which flow through these accounts. All funds need to be deposited **daily**, intact (in the same manner as collected), with proper relation established between receipts and deposits. All school activity funds must be receipted in Rycor or using pre-numbered receipt forms. The District's external auditors perform audits of pupil activity funds on an annual basis. In addition, the District Office may perform internal audits of school funds anytime during the year.

All funds should be held in secure containers; locked bags, locked drawers, safe or vault until deposited. Funds should never be left unattended or accessible to unauthorized personnel.

Receipting funds serves to protect those who handle money, as well as, to provide for the security of funds.

- Teachers collecting less than $5 from each student should turn all monies into the bookkeeper and get a receipt for the sum of the monies collected. The teacher should keep a list that details the names and amounts collected from each student to support each receipt. There is an exception for nominal fund raising activities such as candy sales or collection of donations to outside community orientated organizations.
- Teachers must turn in money to the bookkeeper daily. Under no circumstance should this responsibility be delegated to a student, nor should money collected by held overnight by teachers/faculty members.
- The Bookkeepers should follow the procedures outlined in the Cash Collections section of this manual when processing collections and bank deposits.
- Principals are to insure that deposits are made to the bank safely and on a daily basis. The bookkeeper, under supervision of the principal, will receipt, account for, and deposit all funds collected for student activities, athletics, and any other school functions on a daily basis.
- A staff member designated by the principal will deposit funds into the bank, and return the deposit receipt to the bookkeeper. When deposits are night deposit drops, arrangements should be made by each school to have someone pick up receipts on a regular basis.

re·ceipt

noun re·ceipt \ri-ˈsēt\

: a piece of paper on which the things that you buy or the services that you pay for are listed with the total amount paid and the prices for each
: the act of receiving something

Section

IV

Cash Collection:

Process for Collecting, Handling and Accounting for Money

This section outlines Richland School District Two's procedures for handling and accounting for all money collected by the district, in accordance with state and federal guidelines, board policy and generally recommended accounting practices.

The responsibility for safeguarding, accounting, and managing the student activity funds rests with the principal. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Collecting money

There are many situations within a school district where parents, students and community members pay the district for school fees, admission, school pictures, lunch, snacks, after-school care, etc. It is increasingly important for staff to follow consistent procedures that provide transparency and accountability to all district constituents.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in collecting money for district schools and programs. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

Control of Cash

The amount of cash, checks and credit card transactions flowing through the school activity funds dictates the necessity for stringent safeguards in the control of receipts and disbursements. Throughout this manual there are provisions designed to assure proper control of the funds, which flow through the accounts.

All District and School purchases should be made with a District Accounts Payable check or an authorized District procurement card. _All funds need to be deposited daily, intact, with proper relation established between receipts and deposits. Under no circumstances should cash collected be used to make purchases, pay individuals or cash checks for faculty/staff._

> **_Under no circumstances should cash collected be used to make purchases, pay individuals or cash checks for faculty/staff._**

AR DIE-R Audits/Financial Monitoring

Expenditures for school activity funds

All funds deposited in school accounts are, by law, government funds subject to audit and the following guidelines.

- All funds solicited by students, for students or in the name of the school or school activity, including all funds used for field study trips, must be deposited in school accounts.

- Whenever possible, school accounts need to be accessed by a district purchase order.

- Each school will be responsible for an annual inservice for employees explaining the guidelines and warning them of the hazards of not making daily deposits to the bookkeeper of collected funds.

- Each school will be responsible for a parent orientation of the rules concerning fundraising by parent groups.

In The District's external auditors will perform audits of pupil activity funds on an annual basis. In addition, the District Office may perform internal audits of school funds anytime during the year. All funds should be held in secure containers; locked bags, locked drawers, safe or vault until deposited.

Funds should never be left unattended or accessible to unauthorized personnel. A second person, when possible, will deposit funds, in a locked bag or a sealed plastic bank bag, into the bank, and return the deposit receipt to the Bookkeeper. When deposits are night deposit drops, arrangements should be

made by each school to either have someone pick up validated deposit receipts on a regular basis or have the bank mail validated deposit receipts to the school.

Change Funds

In circumstances where a school may need to make change for payments received, a request should be made in advance for "change funds" to be issued to a designated staff member who will act as the "custodian of funds". The custodian of the change fund is responsible for the security and accountability of the funds issued. All requests for change funds must be approved by the Finance Office prior to distribution. The request for change funds should be charged to an account number that uses a 10112 object. Change funds must be authorized in advance, and may not be pulled or held back from revenues collected. When the change fund is no longer needed or the year comes to an end, change funds should be deposited back to the originating 10112 account. The deposit of change funds should be done in a deposit separate from the regular daily deposit and should indicate "Redeposit of Change Funds". A copy of the deposit information should be submitted to the Finance Office (Attn: Tami Whiting) documenting the redeposit of funds issued.

Cash Receipting

Generating a receipt serves to protect those who handle money as well as to provide for the security of funds. Receipts also provide for a more meaningful annual audit of school funds. All persons are responsible and totally liable for all funds that they receipt. (see "Entering Payments in Rycor" and "Printing Receipts")

- A receipt must be generated for all payments. Only pre-numbered Rycor receipts will be used by schools.

- Receipts will be issued by the Bookkeeper or other school personnel with access who are trained in Rycor.

- Receipts are to be addressed to each individual who submits funds.

- The purpose for the collection of funds is to be recorded on each receipt.

- Teachers should send students making fee payments to the bookkeeper daily.

> **Generating a receipt serves to protect those who handle money as well as to provide for the security of funds.... All persons are responsible and totally liable for all funds that they receipt.**

Cash Deposits

Before making the daily deposit, the Bookkeeper will perform the following steps:

- Count all money collected that day.

- Assure that the total amount of money collected matches the total in the open batch in Rycor.

- Verify that all checks received and receipted have a phone number on them and stamp all checks for deposit only with your issued "deposit only" bank stamp.

- Prepare deposit slip for cash/checks received. Verify amount of deposit.

- Make a deposit each day that funds are collected. As a general rule, a total of no more than $200 should be left in the school overnight in a safe or locked securely.

- Upon receiving the validated bank receipt, staple the slip to the Rycor Batch Report and keep on file.

Credit Card Deposits

As a value added service to parents and guardians, credit card terminals are available for use as an alternate method of payment at the high school level. Security measures require the card holder must physically present the card with valid photo identification to be swiped.

> **Deposits should be made daily or each day that funds are collected.**

- The school representative responsible for accepting payments by credit card will assure school copies of all receipts are secured until the end of the school day.

- The purpose of the transaction is to be recorded on each receipt.

- The credit card terminal generates a bank settlement report showing the total transactions for the day. This report may be automatically or manually generated. All credit card transactions will be deposited to the pupil activity bank account.

- The Credit Card Settlement Statement should match the total of your credit card batch in Rycor. Staple the Credit Card Batch Settlement Report with the school copies of each transaction to the Rycor Batch Report and keep on file.

Donations

All donations of cash or property offered to the district or a school must be in accordance with Board Policy KCD. If a donation is offered, the principal may accept a donation up to $1,000. Donation exceeding $1,000 should be brought to the Superintendent and/or the Chief Financial Officer for acceptance.

- For monetary donations, the cash/check must be handled in accordance with the Cash Receipts Section of this manual. The receipt needs to reference "donation" and if the donation is accompanied by a letter from the donor, that letter needs to be attached to the Rycor Batch Report.

- The principal should send a letter of acknowledgement to the donor and send a copy of the letter to the Executive Director of Finance. The letter should include the dollar amount of the donation and if the donor specifies the use for the donation (i.e. To be used for athletic equipment).

Policy KCD Public Gifts/Donations to Schools and District

Issued **4/19**

The school board may accept and hold in trust any property granted, devised, or bequeathed to the district. The board may use the property in such a manner as in its judgement seems most conducive to the welfare of the schools when not otherwise directed by the terms of the grant, devise, gift, or bequest.

Gifts to the school district for public school purposes may be accepted subject to conditions of the gift. Property purchased by the school district may be acquisitioned in fee simple title only.

When gifts involve library materials, the decision whether to place or not to place the gift materials in school libraries will be based on the same standards as criteria for selection of materials purchased by the schools. The selection of materials for which cash is given will be made by the school librarian on the basis of those same standards.

The superintendent or his/her designee will establish other criteria to be met in acceptance of gifts and the procedures to be followed in using such gifts.

Fund Raising Activities

Prior to the start of a fund raising activity, the teacher should obtain the principal's signature for approval on the "Request for Fund Raising Activity" form (*See Example - Exhibit 4-A*). Also, at the close of a fund raising event the sponsor must complete and submit the "Summary of Fund Raising Activity" form. (*See example - Exhibit 4-B*). Both forms should be given to the bookkeeper to keep on file.

- Receipts must be issued for all money received from students. An exception is allowed for fund raisers which involve items with a nominal value and a minimal cost (i.e., candy, school spirit items, telegrams, etc.).

- All money taken in from fund raising activities must be deposited daily.

- Any expenditures or disbursements necessary to facilitate the fund-raiser must be processed through proper procurement policy, as outlined in the Richland School District Two Procurement Manual.

- All expenditures must be made by a Richland School District Two check. Purchases should not be made with cash.

- Fundraising Activities sponsored by Parent Fundraising Organizations is a separate activity. (*See Authoritative References* ~ "PFO Guidelines")

NSF/Returned Checks

Richland School District Two contracts with an outside check recovery agency to collect for any returned check. The recovery agency guarantees payment of the face value of any check returned to Richland Two for insufficient funds **provided a phone number is included on the check and the check is deposited within 10 business days of check's date**. (Please keep in mind that even though the outside check recovery agency gives us 10 business days, our procedures are to deposit daily or each day that funds are collected.)

- When accepting payments in the form of a check, the check must have the following information:

  - Check Writer's Name
  - Physical Address (No P. O. Box)
  - Phone number with an area code

- Payments for returned checks cannot be accepted by a school or at the district office. The recovery agency makes payment to the district for returned checks; the check writer needs to clear the debt with the agency.
- Checks must not be held.
- Do not accept postdated checks.

Collections

Principals should establish a process to collect monies owed to their school. When those measures are unsuccessful, the debt should be forwarded to the district office. To assist with the collection of debt, a collection packet should be forwarded to the district office no more than 60 days after debt is incurred or no more than 30 days after a withdrawn or graduated student's last day of attendance.

Once a debt has been forwarded to the district office for collection, the school should not seek to collect on the debt; however, if payment is made at the school, the school must notify the district the same day.

Debt Collection packets will include student's name, parent/guardian information including mailing address and phone numbers. The school will need to provide documentation of the debt and steps taken to collect the debt.

Recording a Payment in Rycor

Student Center > Find Student > Student Account> Record Payment

Recording a payment for a student will allocate payment funds to the correct GL accounts.

NOTE: When collecting both cash/checks and credit card payments, please be sure to open 2 separate batches. One for each form of payment. Credit card transactions

1. Select Record Payment from sidebar menu to open the Record Payment window.

2. Select a Batch from the drop-down list. If there are no open payment batches, follow the system prompts and create a new batch.

3. Enter the payment Amount, if blank, and select the Method of payment from the dropdown list. Enter the name, check, or credit card details of the payor (optional).

4. Select the Apply to method. Pay Rank is the default method. You can also choose to pay fees by Due Date, spread the payment as an Average amount over all fees, or allocate a Custom amount to whichever fees you wish to pay for.

5. Click OK.

6. Repeat Steps 2-5 if you need to add more students to the Record Payment window.

7. Verify the students and fees in the grid.

8. Click OK to record the payment for multiple students.

9. In the History - Date tab of a student account, the payment transaction will only display that student's individual portion of the group payment.

10. If you print the payment receipt, either from the student account, or from the payment batch, all students and their payment allocation will display together.

Please note that only ONE student name will ever appear in the receipt header under 'To the Parent or Guardian of'. This name will always be the original student that was used to open the Record Payment window, in this case Caroline. Payment receipts can be generated from any included student's account, but the receipt header will always display the original student's name.

If it is important to have individual student names in the receipt header, it is best to record separate payments for each student.

Pennridge High School (2018-07-20)
3081 Staghorn Way, Pleasantville, IN 21346 (555) 578-9035

Receipt

To the Parent or Guardian of:
Jack Jones
3221 Stratus court
Pleasantville IN 21358

Receipt: 133559

Stu ID: 1017183
Grade: 10
HR:

| Paid: | $539.35 | Payment - Check | 27-Aug-18 2:45 PM |

Payor: Emma Jones   Detail: 98   Batch P-1178

Payment Towards:

Student	Item	Amount

Pennridge High School (2018-07-20)

Student	Item	Amount
1016146 Jones, Kalynda	Lost/Damaged Hardware Display Panel - Invoice 4056	$39.50
1016146 Jones, Kalynda	Auto Services Technology I Sem 2 Textbook (HSCT22-S2)	$4.01
1016146 Jones, Kalynda	Auto Services Technology I Sem 1 Textbook (HSCT21-S1)	$4.01
1016146 Jones, Kalynda	English 11 Sem 1 Textbook (HSEN05-S1)	$12.09
1016146 Jones, Kalynda	English 11 Sem 2 Textbook (HSEN06-S2)	$12.09
1016146 Jones, Kalynda	Geometry Sem 1 Digital Textbook (HSMA23-S1)	$14.28
1016146 Jones, Kalynda	Geometry Sem 2 Digital Textbook (HSMA24-S2)	$14.28
1016146 Jones, Kalynda	United States History Sem 1 Textbook (HSSS11-S1)	$8.18
1016146 Jones, Kalynda	United States History Sem 2 Textbook (HSSS12-S2)	$8.18
1016146 Jones, Kalynda	Auto Services Technology I Sem 1 Workbook (HSCT21-S1)	$19.97
1016146 Jones, Kalynda	Technology Fee-Misc	$19.25
1016146 Jones, Kalynda	Auto Services Technology I Sem 2 Misc (HSCT22-S2)	$7.50
1016146 Jones, Kalynda	Auto Services Technology I Sem 1 Misc (HSCT21-S1)	$7.50
1016146 Jones, Kalynda	Technology Rental	$60.00
1016146 Jones, Kalynda	Turnitin	$3.06
1016146 Jones, Kalynda	Literacy Misc Fee	$6.00
1016146 Jones, Kalynda	Integrated Chemistry-Physics (ICP) Sem 1 Textbook & Digital (HSSC20-S1)	$16.58
1016146 Jones, Kalynda	Integrated Chemistry-Physics (ICP) Sem 2 Textbook & Digital (HSSC19-S2)	$16.58
1017183 Jones, Jack	Biology I Sem 1 Textbook & Digital (HSSC01Y-S1)	$20.61
1017183 Jones, Jack	Biology I Sem 2 Textbook & Digital (HSSC01Y-S2)	$20.61
1017183 Jones, Jack	Auto Services Technology I Sem 2 Textbook (HSCT22-S2)	$4.01
1017183 Jones, Jack	Auto Services Technology I Sem 1 Textbook (HSCT21-S1)	$4.01
1017183 Jones, Jack	English 10 Sem 1 Textbook (HSEN03Y-S1)	$12.10

Printing Receipts

Printing Receipts from a Batch

Batch Center > Specific Batch > Batch Entries tab

Receipts can be printed from any payment or refund batch in Rycor. The batch can be open or closed.

Print Payment or Refund Receipts from a Batch:

1. Search for and select the desired payment or refund transaction in the Batch Entries tab.

2. Click on Print Receipt in the sidebar menu.

3. The Preview window will pop-up and you can save the receipt to your computer as a PDF document or send it to your printer.

Exhibit 4-A

SCHOOL LEVEL REQUEST FOR FUNDRAISING ACTIVITY

Request for Fundraising Activity

School: _____

School Year: _____

Name of Organization/Club:_____

Sponsor: _____

Describe Activity (Indicate where sales will take place, i.e., on campus, in community, etc.):

_____

_____

_____

Vendor name(s):_____

Sale price per Item: _____

Date of Activity: From:_____   **To:** _____

Profits to be used for:_____

_____

If used for Field Study
(A) Has trip been approved by: _____ Principal   _____ District

(B) Cost per child for child: _____

You must get a purchase order number before ordering any merchandise. Merchandise arriving at this School without a purchase order number will be refused when it is delivered.

Sponsor signature: _____

Reviewed and Approved:

_____   _____

        Principal's Signature   **Date**

Exhibit 4-B

SCHOOL LEVEL SUMMARY FOR FUNDRAISING ACTIVITY

Summary for Fundraising Activity

School: _____

School Year: _____

Name of Organization/Club:_____

Sponsor: _____

Description of Fundraising Activity (Indicate where sales will take place, i.e., on campus, in community, etc.):

_____
_____
_____

Date of Activity: From:_____   To: _____

Vendor Name: _____

Total number of items received from the vendor (includes the number of items per case, carton, or box):

_____

Number of items sold: _____ Sales Price per item: _____

Number of items given away or damaged: _____

Number of items not sold at the end of the sale period: _____

Description of disposition of unsold items:

_____

*Actual Revenue collected per Sponsor's receipt book: _____
            This figure should agree with the amount of money receipted by the bookkeeper.
**Comments (include additional information such as reduced prices as well as any other unusual circumstances affecting the number of items sold):

_____
_____

Sponsor signature: _____

Reviewed and Approved:

_____   _____
        Principal's Signature   **Date**

Section

V

ACCOUNTS PAYABLE

Accounts Payable:

Process for generating payments to Vendors for Goods and Services Received

This section outlines Richland School District Two's procedures for requesting and generating payments to vendors for goods and services received on behalf of the district, in accordance with state and federal guidelines, board policy and generally recommended accounting practices.

T he responsibility for authorization and approval of all purchases rests with the principal or department head. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in procuring goods or services for your location. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

Deadlines and Check Schedule

Checks are cut twice a month (generally around the 10th and 25th of the month), as outlined in the annual Accounts Payable due date schedule. The deadline for submitting invoices to Accounts Payable is 4 p.m. on the "Due to Accounts Payable" date. If a situation arises after the deadline that requires a check cut in the upcoming check run, contact Accounts Payable via phone or e-mail as soon as possible and we will assist with a resolution. Unless special arrangements are made, any invoices received after the deadline will be included in the next check run. It is preferred that schools submit invoices to Accounts Payable daily or as they come in. Please do not hold all invoices until the deadline date.

Vendor Setup and Changes to Vendors

If you need a vendor to be set up please e-mail a completed Vendor Application Form to the Procurement Office with your request. The Vendor Application Form can be found on Inside Two under Business Services and in the Shared Google Drive- Bookkeeper/Principal- Business Operations Info.

Because some vendors have different addresses, there could be more than one vendor number set up in Alio with the same vendor name. **Please look at all possible vendors before selecting the vendor number for each disbursement**. Also, be sure to choose the vendor with the correct remit to address. This is not always the same as the order address so look carefully. If you are unsure, please contact the Procurement Office prior to submission for payment.

Tips for Searching for Vendor

> *Don't enter full Vendor Name when doing a search...enter a few of the first letters of the Vendor Name and then search through the pull down box of available vendors.*
> *When searching for vendors that begin with South Carolina...search under South, SC, S.C., S. C., etc.*

Online Inquiry
Vendor Inquiry

1. Select <u>Vendor Inquiry</u> in the Online Inquiry menu.
2. Search for the Vendor in Find Mode using ▼ beside the Vendor Name field. Can also do the following:
   A. Type in the beginning of an Vendor Name and press F9 to bring up the select vendors box and then pull in the correct Vendor.
   B. Type the vendor number in and click ⬚ to pull in the Vendor.
3. There are several different tabs containing detailed information and history for this Vendor.
   A. Can enter values in the top part of the window and then click ⬚Search⬚ to narrow down values to a particular date range, etc.
   B. Can click on the header buttons to sort by that column.
   C. Can double click on individual <u>PO Numbers</u>, <u>Checks</u> and <u>Invoices</u> to see more detail.

Invoices

It is important to sign and date all invoices (not purchase orders) to verify receipt of goods. The date indicated should be **the date the goods or services were received (not the date you are signing the invoice)**.

Please send the original invoice if possible. Small receipts should be copied and submitted as a letter size copy.

Also, it is important to be careful not to send an invoice for payment more than once. This could result in duplicate payment of an invoice. Accounts Payable cannot accept statements, quotes, order forms, or packing slips in the place of an invoice. **Only invoices can be accepted for payment.**

If a partial invoice is being paid out of several different accounts and you want the purchase order to remain open, please indicate account distribution to use on the invoice being presented for payment and write "Partial" on the Purchase Order. (Please note that blanket purchase orders will be left open until they are completely liquidated or the originator indicates to close.) **Unless it is clearly indicated on your voucher information to close the purchase order, any purchase orders with a remaining balance will remain open until a request is made to liquidate the purchase order.** All checks will be mailed to the vendor remit to address indicated on the vendor invoice <u>unless you clearly direct us to do differently</u>. If you need a check sent to your school, please clearly communicate on the documentation you submit for payment.

Statements

Statements are provided by vendors as a recap of invoices due for a period of time. Statements do not provide proper detail for payments, such as items purchased, item amount, quantities purchased, etc.

Am I ready to submit for payment?

✓ Payment Processing Packet should consist of:
  o Purchase Order **(Should be first document in payment package)**
  o Original Invoice, preferably
  o If applicable, all required travel documents
    ▪ Approved Travel Request Form (Form should be approved by appropriate Chief)
    ▪ Copy of Conference Brochure and/or Conference Registration
    ▪ Meal per Diem Form, if applicable
    ▪ Google Map or MapQuest verification of mileage claimed

✓ Has invoice been signed off verifying the receipt of goods/services?

✓ Has the date goods/services were received been noted on the invoice?

✓ Make sure that there are no changes made to the original invoice.

✓ Verify that sales tax is charged appropriately on the invoice. (The district is not tax exempt, however, some purchases, such as textbooks/library books are sales tax exempt.)

✓ If any account numbers have been changed, verify that the account number is already setup in Alio. Note: You cannot change the account # on the front of a PO for special revenue purchases.

✓ The purchase order is dated prior to the invoice date. If not, then proper ratification has been completed and attached.

✓ If there is more than one invoice for a purchase order, a tape should be attached that reconciles the multiple invoices with the purchase order.

Question

We have received a statement from a vendor requesting payment for a previous purchase. The vendor did not provide a separate invoice for the goods/services received. Should we just process the request for payment with the statement as supporting documentation?

Very few vendors generate and submit a statement to their customers without also generating a related invoice at some point in time. The first thing you will need to do before proceeding with a payment request is to contact the vendor and request the detailed invoice(s) that relate to the amounts billed on the statement that you have received. Paying from multiple types of supporting documentation can increase the risk of duplicate payments and/or payment for inaccurate billing. In addition, statements do not provide adequate detail of the goods or services received, which can result in audit exceptions.

1099 Vendor/Contracted Services vs. Employee

A W-9 or Substitute W-9 is required for all individuals that would require a 1099 at the end of the year. This would include individuals performing a service or those who provide goods with no substantive documentation. Invoices for services must be submitted and paid directly by Accounts Payable; employees will not be reimbursed for any payments to an individual for services, as this inhibits 1099 processing at year end. We reserve the right to request an updated W-9 from any vendor. Please keep in mind that some individuals are "doing business" as a business name; however, they are not an organized business. If there is any question about how a vendor is organized, we will request a W-9.

When paying an individual who requires a W-9, a Contracted Services Form (*See Exhibit 5-A*) or a contract or Memorandum of Agreement should be completed and signed by the individual. This tells us that the payee recognizes that he/she is being paid an agreed upon amount. **Under no circumstances is an employee of Richland Two to be paid on a Contract Services form. Employees must be paid through payroll if they perform additional services beyond their job description.**

> ## Independent Contractor
>
> : a person who contracts to do work for according to his or her own processes and methods
>
> : the contractor is not subject to another's control except for what is specified in a mutually binding agreement for a specific job.

Exhibit 5-A

PAYMENT REQUEST FOR CONTRACTED SERVICES FORM

RICHLAND
SCHOOL DISTRICT
TWO

PAYMENT REQUEST FOR CONTRACTED SERVICES/CONSULTANT

This form is to be used when a consultant/contracted service provider does not provide an original invoice.

Date Submitted_____
Purchase Order # _____
Vendor # _____
Vendor Name _____

Are you a New Vendor? ☐ YES ☐ NO

Do you need to update your Vendor contact information? ☐ YES ☐ NO

Payee *(must match name on Social Security Card or name in which Federal Id # is issued to)*

_____

ARE YOU A RICHLAND SCHOOL DISTRICT TWO EMPLOYEE? ☐ YES ☐ NO

Athletic Official: ☐ YES ☐ NO

Event Security: ☐ YES ☐ NO

Address _____

Please pay _____ for Services Rendered at _____
           Payment amount due   Location of Event Services Performed

for _____
                        Description of Services Provided

on _____.
   Date Services Provided

I certify that I have performed the services outlined above in accordance with specifications agreed upon by both parties. The information that I have provided on this request for payment is accurate and I understand that all payments may be subject to federal reporting requirements under IRS guidelines. I understand that I am responsible for updating the district with any changes to my vendor status/profile, as well as providing the district with a valid W-9 form.

_____   _____
Signature of Payee - Consultant/Contractor   Date

_____   _____
Authorization Signature   Date

_____

For Bookkeeper Use ONLY:

Account Number_____

6831 Brookfield Road, Columbia, SC 29206 ~ www.richland2.org ~ 803.787.1910

Revised 7/16/2015

Question

Should a worker providing services to the School District be paid as an employee for income/employment tax purposes?

The IRS assumes that a worker is an employee. The district is responsible for providing sufficient evidence if a worker is to be treated as an independent contractor.

IRS Revenue Ruling 87-41 established what is referred to as the "20 Factor Test" to assist in evaluating whether workers should be considered independent contractors or employees. (The control/relationship test can be found at Treas. Reg. 31.3121(d)-1(c)(2).) To simplify the determination, these factors can be summarized into three general categories: Behavioral Control, Financial Control, and Relationship of the Parties. When evaluating the factors it is important to note that the IRS does not look specifically at any one factor…yet one factor can be enough to cause the IRS to determine that a worker is an employee. There is no "magic number" of factors which determines status…determination must be done based on the circumstances as a whole. It is also important to remember that the IRS presumes that a worker is an employee; therefore, the burden to proof differently rests with the employer.

Question

Why is it important to distinguish whether a worker is considered an employee or an independent contractor?

The distinction between employees and independent contractors is important, because an employer must deduct Social Security/Medicare taxes from employee income and must pay an equivalent amount to the Social Security Administration. In most situations, the employer must also withhold state and federal income tax based on the earnings of the individual. If an individual is working as an independent contractor, the "employer" does not make Social Security/Medicare deductions, and the independent contractor must pay his or her own "self-employment taxes" along with income tax on earnings.

Also, if an employer intentionally or mistakenly classifies an employee as an independent contractor, the employer is then at risk for being heavily fined and may be required to pay back-taxes (the uncollected "employment taxes" i.e., income tax and FICA withholding). If the IRS issues an assessment against the employer for these uncollected taxes (plus penalties and interest), the employer has no choice but to pay the assessment and then determine whether an appeal is feasible.

Blanket Purchase Orders

A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for supplies or service.

WHEN TO USE:

ONLY WHEN MULTIPLE PAYMENTS ARE REQUIRED

For Example:

- Recurring monthly payments- copier agreements
- Small purchases made at Staples and other vendors that keep an open order for purchases made by team leaders or department personnel.
- Orders that involve miscellaneous, unplanned purchases.

Remember – Equipment should never be on a blanket agreement. PO's charged to account numbers 541 and 545 require an additional audit trail for fixed assets. Also, you will need to communicate to Accounts Payable or Procurement when you are ready for the Blanket Purchase order to be closed out.

What Must Be on All Blanket Purchase Orders

- ✓ Terms and conditions of the agreement and statement of what the supplier will furnish.
- ✓ The amount of the obligation that the school district is obligated to pay. Should not exceed obligation. Ex. NTE $2,000
- ✓ A list of names authorized to use the blanket agreement.(Auth User)
- ✓ Amount not to exceed $2,500 or less.
- ✓ Expiration Date.

WHEN NOT TO USE:

WHEN A PURCHASE REQUIRES ONE SINGLE PAYMENT

Blanket purchase orders should not be:

- Issued to an employee
- In excess of $2,500

Sales and Use Tax

The District is required to pay sales or use tax on all purchases made unless they are specifically exempt by state law. Currently, the District is only exempt from paying sales and use tax on textbooks, as defined by state legislation. Exhibit 5-B provides detailed information about the textbooks exemption. If sales tax is not billed on the invoice submitted by the vendor, use tax will be assessed in the Use Tax return submitted to the SC Department of Revenue in the middle of the following month. Currently, the sales tax rate in our district is 8%. Please note that schools must pay sales tax on items that are not on the Department of Revenue Schedule of Exemptions

Additional Accounts Payable Procedures

Food Purchases

In addition to the standard processing procedures for Accounts Payable purchases, all food purchases that exceed $500 must be pre-approved by the Senior Chief Financial & Operations Officer. An email outlining the request is sufficient for seeking approval. Make sure your email request outlines the following:

- The purpose of the meal purchase.
- The date of the event.
- The number of people attending.
- The total anticipated cost of the event.
- The funding source (account number) that will be used to cover the costs.

A copy of the reply email with approval will suffice as authorization for Accounts Payable. You will need to attach a print out of the approval to submit along with your request for payment.

AR DI/DIE-R Fiscal Accounting/Audits

Issued **7/21**

- Public funds may not be spent on employees except in the following manner:

    - Clothing must have a school district logo.

    - Food and meals must not cost more than $25 per person per event; nor more than $100 per person annually.

    - Flowers may be sent to employees who are hospitalized, or whose spouse or child has died, and to the families of employees who have died (memorials may be substituted).

    - Reimbursement of actual expenses (or per diem at district rates) of preapproved professional trips.

    - Retirement gifts.

    - Other token "morale booster" gifts.

    - Individual membership dues for educational organization list:

        -- Cannot be paid to an organization that is deemed by the IRS as a political group or that employs a lobbyist.

        -- Only one organization per person.

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Mileage Reimbursement

All monthly mileage checks will be sent to the school. <u>Please note where the check needs to be sent under the Employee name. If a check needs to be mailed to a residence, indicate the address on the lines below the name on the mileage reimbursement form</u>

Travel Quarters	Due to Accounts Payable
July - Sept	October
Oct - Dec	January
Jan - March	April
April – June	July 15

The new mileage rate beginning July 1, 2022 is 62.5 ($0.625) cents per mile.

- Mileage reimbursement forms can be found on the Employee Management System website or at https://webapps.richland2.org/ems/eMileage.
- Mileage reimbursement forms should be submitted monthly. When turning in mileage reimbursement forms, please include dates for that one month.
- If your travel is not between Richland Two locations using the predefined locations, then a map (google, MapQuest) must accompany your form for each line that is not between Richland Two locations.
- All mileage reimbursements for the month of June of each year must be submitted to Accounts Payable by July 15th.

Exhibit 5-B
SOUTH CAROLINA TEXTBOOK EXEMPTION REFERENCE INFORMATION

301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC REVENUE RULING #94-11 (TAX)

SUBJECT:	School and Library Books - Printed Form or Alternative Forms (Sales and Use Taxes)
EFFECTIVE DATE:	Applies to all periods open under the statute.
SUPERSEDES:	All previous documents and any oral directives in conflict herewith.
REFERENCES:	S. C. Code Ann. Section 12-36-2120 (Supp. 1993)
AUTHORITY:	S. C. Code Ann. Section 12-4-320 (Supp. 1993) SC Revenue Procedure #94-1
SCOPE:	A Revenue Ruling is the Department of Revenue's official advisory opinion of how laws administered by the Department are to be applied to a specific issue or a specific set of facts, and is provided as guidance for all persons or a particular group. It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Ruling or Revenue Procedure.

Question:

Are sales of textbooks, books, magazines, periodicals and newspapers to schools and publicly supported state, county, or regional libraries open to the public without charge in printed form or alternative forms, such as audio tape, video tape, CD ROM, microfilm and microfiche, exempt from sales and use taxes under Code Section 12-36-2120?

Conclusion:

Sales to Public and Private Schools

The following sales to public or private schools are **exempt** from sales and use taxes under Code Section 12-36-2120, whether in printed form or in alternative forms, such as audio tape, video tape, CD ROM, microfilm and microfiche:

1. Textbooks, books, magazines and periodicals, used as part of a prescribed course of study;

2. School library books;

3. Encyclopedias and dictionaries; and,

4. Newspapers.

All textbooks, books, magazines and periodicals not falling in the above categories are subject to South Carolina sales and use taxes.

Sales to Public Libraries -

Sales of books, magazines, periodicals and newspapers to publicly supported state, county, or regional libraries in printed form or in alternative forms, such as audio tape, video tape, CD ROM, microfilm and microfiche, are **exempt** from sales and use taxes under Code Section 12-36-2120 providing the library is a publicly supported state, county or regional library that is open to the public without charge.

This document does not address the sales and use tax implications of database access services. It is our understanding that legislation may be introduced on this topic next year.

Facts:

In today's advanced technological environment, public and private schools, and publicly supported state, county, or regional libraries that are open to the public without charge are purchasing books, magazines, periodicals and newspapers in forms other than in traditional print versions. Some of the most common alternative methods have been microfilm and microfiche. Recently, CD ROM has gained widespread usage as a means of providing books, magazines, periodicals and newspapers for library and school use. Many libraries are also purchasing books on audio and video tape.

Discussion:

PRINTED TEXTBOOKS, BOOKS, MAGAZINES AND PERIODICALS USED IN PUBLIC OR PRIVATE SCHOOLS

Code Section 12-36-2120(3) provides an exemption from the sales tax for the gross proceeds of sales or sales price of:

textbooks, magazines, and periodicals used as a part of a course of study in primary and secondary schools and institutions of higher learning...

Regulation 117-174.213 further explains this exemption for textbooks used in public and private schools, colleges and universities and reads:

There is exempted from the measure of the tax levied, assessed, or payable, "The gross proceeds of the sale of textbooks used in elementary schools, high schools and institutions of higher learning."

The term "textbook" is construed to include only books purchased for and used in elementary schools, high schools and institutions of higher learning. **Included within the definition of textbooks are school library books, encyclopedias and dictionaries. Also deemed textbooks when part of a prescribed course of study are workbooks, band and sheet music, plays, filmstrips, transparencies, motion picture films, audio tapes and records, recorded music and periodicals.**

Examples of sales subject to the tax are magazine subscriptions, reader guides (this is in connection with magazine subscriptions), test sheets, answer sheets, evaluation criteria, games, albums, pupil cumulative records, guide pamphlets, yearbooks, award certificates, diplomas, writing materials, art supplies, drafting supplies, easels, projectors, projector lamps and bulbs, projection screens and equipment carts or tables, magboards, flannel boards, laboratory supplies and equipment, biological supplies incidental to classroom instruction, athletic equipment, shop supplies and equipment, record players, recorders, computer instructional equipment, manipulated devices, charts, maps (including globes), map stands, raw film, blank tapes, and any and all other items of tangible personal property used in the classroom or office which do not qualify as "textbooks" as hereinabove defined. (Emphasis added).

Therefore, textbooks, magazines, and periodicals sold to public or private schools, colleges or universities for use as part of a prescribed course of study are **not** subject to the state sales and use taxes, pursuant to Code Section 12-36-2120(3). The exemption is further defined in Regulation 117-174.213 to include school library books, encyclopedias and dictionaries. Also included in the definition of "textbook", and therefore **not** subject to the state sales and use taxes, are filmstrips, audio tapes and records, recorded music and periodicals used as part of a prescribed course of study. This statute, however, does not exempt magazines and periodicals that are **not** used as part of a prescribed course of study.

PRINTED BOOKS, MAGAZINES AND PERIODICALS USED IN PUBLICLY SUPPORTED STATE, COUNTY OR REGIONAL LIBRARIES OPEN TO THE PUBLIC WITHOUT CHARGE

Code Section 12-36-2120(3) provides an exemption from the sales tax for the gross proceeds of sales or sales price of:

> ...all books, magazines, and periodicals sold to publicly supported state, county, or regional libraries which are open to the public without charge;

Regulation 117-174.251 further explains this exemption for books used in publicly supported state, county or regional libraries and reads, in part:

Included in Part III, Permanent Provisions of the 1968 General Appropriation Bill is an amendment to [Section 12-36-2120] of the 1976 South Carolina Code of Laws, as amended. The amendment reads that there is exempted from the measure of the tax levied, assessed or payable "The gross proceeds of the sale of all books sold to legally established, public supported State, County and/or Regional libraries which are open to the public without charge."

The term "books" is construed to include filmstrips of a type in general use by elementary schools, high schools, and institutions of higher learning.

Subject to the tax when purchased by libraries are all other properties such as furniture, fixtures, typewriters, projectors, turntables, globes, stationery, index cards, files, shelving, and visual aids. (Emphasis added.)

Therefore, books, magazines, and periodicals sold to publicly supported state, county, or regional libraries that are open to the public free of charge are <u>not</u> subject to the state sales and use taxes. Additionally, the exemption for library books is defined in the regulation to include filmstrips.

ALTERNATIVE FORMS OF TEXTBOOKS, BOOKS, MAGAZINES AND PERIODICALS

Now we must consider whether the legislature intended to exempt alternative forms of books, magazines, and periodicals that are not addressed in the above regulations. The general rule is statutes are not confined in application to contemporary instances and their principles are to be extended to embrace new factual situations and new technological developments. Smith v. Pan Air Corp., 684 F.2d 1102 (5th Cir. 1982). Naturally, though, any such extension must be in accord with legislative intent. See Commission Decision #90-39.

In Technical Advice Memorandum #90-6 the Commission concluded that certain software purchased by a school district and used as a required part of a prescribed course of study is deemed to be a textbook and thus qualifies for the exemption provided at Code Section [12-36-2120(3)].

Based upon the above analysis, alternative forms of the traditional printed textbooks, library books, magazines and periodicals, such as microfilm, microfiche, and CD ROM, are new technological developments for the same use, and are included in the exemption provided in Code Section 12-36-2120(3). The exemption does not include alternative forms that are used by the library to store or present information, such as a card catalog on CD ROM.

ALTERNATIVE FORMS OF NEWSPAPERS

Code Section 12-36-2120(8) provides that gross proceeds of sales of printed newspapers are exempted from sales tax. We must now determine whether newspapers purchased by schools and libraries on CD ROM or microfiche are exempt from sales and use taxes. Newspapers are not specifically included in the definition of "textbook" set forth in Regulation 117-174.213 or in the definition of "book" set forth in Regulation 117-174.251, however, as discussed in the above section, it appears the legislative intent is to exempt newspapers used by public and private schools, colleges and universities, as well as, newspapers used by publicly supported state, county or regional libraries that are open to the public, whether printed or on an alternative format such as microfiche or CD ROM.

Based on the above, newspapers on alternative forms sold to schools and libraries are exempt from sales and use taxes under Code Section 12-36-2120(3) as a "book". Only newspapers printed on newsprint paper that meet the requirements of Regulation 117-174.166 qualify for the exemption as a "newspaper" under Code Section 12-36-2120(8).

SOUTH CAROLINA DEPARTMENT OF REVENUE

S/A. Crawford Clarkson, Jr.
A. Crawford Clarkson, Jr., Chairman

s/James M. Waddell Jr.
James M. Waddell, Jr., Commissioner

Columbia, South Carolina
December 6   , 1994

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
EXEMPTION CERTIFICATE
FOR SALES AND USE TAX
(Single Sale Only)

ST-8
(Rev. 7/14/16)
5009

Purchaser's Name _____ Date _____

(Please Print)

Signature _____ Amount of Sale $ _____

Address _____

This form is to be completed by purchaser and seller must maintain copy of exemption certificate. Do not send certificate to SC Department of Revenue.

The undersigned hereby certifies that the purchases of tangible personal property made under this certificate are made in accordance with the exemption checked below: that in the event the property so purchased is used for purposes other than specified, the purchaser assumes full liability and must file a return and pay the tax due thereon.

Description of tangible personal property purchased _____

SCHEDULE OF EXEMPTIONS FOUND AT CHAPTER 36 OF TITLE 12 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Check Applicable Exemption:

☐ Tangible personal property sold to the federal government; [12-36-2120(2)].

☐ Textbooks, books, magazines, periodicals, newspapers, and access to on-line information systems used in a course of study in primary and secondary schools and institutions of higher learning or for student's use in the school library of these schools and institutions; [12-36-2120(3)(a)].

☐ Books, magazines, periodicals, newspapers, and access to on-line information system sold to publicly supported state, county, or regional libraries; items in this category may be in any form, including microfilm, microfiche, and CD ROM; [12-36-2120(3)(b)].

☐ Fuel, lubricants and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce. This exemption does not exempt or exclude from the tax the sale of materials and supplies used in fulfilling a contract for the painting, repair or reconditioning of ships and other watercraft; [12-36-2120(13)].

☐ Wrapping paper, wrapping twine, paper bags and containers used incident to the sale and delivery of tangible personal property; [12-36-2120(14)].

☐ Machines used in manufacturing, processing, agricultural packaging, recycling, compounding, mining, or quarrying tangible personal property for sale. 'Machines' include the parts of machines, attachments, and replacements used, or manufactured for use, on or in the operation of the machines and which (a) are necessary to the operation of the machines and are customarily so used, or (b) are necessary to comply with the order of an agency of the United States or of this State for the prevention or abatement of pollution of air, water, or noise that is caused or threatened by any machine used as provided in this section. This exemption does not include automobiles or trucks. As used in this item 'recycling' means a process by which materials that otherwise would become solid waste are collected, separated, or processed and reused, or returned to use in the form of raw materials or products, including composting, for sale; [12-36-2120(17)].

☐ Electricity, natural gas, fuel oil, kerosene, LP gas, coal or any other combustible heating material or substance used for residential purposes. Individual sales of kerosene or LP gas of twenty gallons or less by retailers are considered used for residential heating purposes; [12-36-2120(33)].

☐ Prescription medicines used to prevent respiratory syncytial virus, prescription medicines and therapeutic radiopharmaceuticals used in the treatment of rheumatoid arthritis, cancer, lymphoma, leukemia, or related diseases including prescription medicines used to relieve the effects of any such treatment [12-36-2120(28)(a)].

☐ Prescription drugs dispensed to medicare part A patients residing in a nursing home [12-36-2120 (28)(f)].

☐ Any device, equipment or machinery operated by hydrogen or fuel cells, any device, equipment or machinery used to generate, produce or distribute hydrogen and designated specifically for hydrogen applications or for fuel cell applications and any device, equipment or machinery used predominantly for the manufacturing of, or research and development involving hydrogen or fuel cell technologies [12-36-2120(71)].

☐ Injectable medications and injectable biologics, so long as the medication or biologic is administered by or pursuant to the supervision of a physician in an office which is under the supervision of a physician, or in a Center for Medicare or Medicaid Services (CMS) certified kidney dialysis facility. For purposes of this exemption, "biologics" means the products that are applicable to the prevention, treatment, or cure of a disease or condition of human beings and that are produced using living organisms, materials derived from living organisms, or cellular, subcellular, or molecular components of living organisms. [12-36-2120(80)]

50091024

PAGE 1 of 2

Purchaser's Name _____

The undersigned hereby certifies that the purchases of tangible personal property made under this certificate are made in accordance with the exemption checked below: that in the event the property so purchased is used for purposes other than specified, the purchaser assumes full liability and must file a return and pay the tax due thereon.

When Claiming an exemption on Page 2, be sure to attach Page 1. Both pages must be retained by seller.

Check Applicable Exemption:

☐ Construction materials used by an entity organized under Section 501(c)(3) of the Internal Revenue Code as a nonprofit corporation to build, rehabilitate, or repair a home for the benefit of an individual or family in need. For purposes of this item, an individual or family in need' means an individual or family, as applicable, whose income is less than or equal to eighty percent of the county median income." [12-36-2120(81)].

☐ Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft. This exemption does not extend to tools and other equipment not attached to or that do not become a part of the aircraft;" [12-36-2120(52)].

☐ Children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children. For purposes of this item:
    (a) "clothing" means those items exempt from sales and use tax pursuant to item (57)(a)(i) and (iii) of this section; and
    (b) "needy children" means children eligible for free meals under the National School Lunch Program of the United States Department of Agriculture." (12-36-2120(82)

50092022   **PAGE 2 of 2**

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Section

VI

</div>

Travel:

Process for Reimbursing Employees for District Travel Costs and Procuring related Travel Goods and Services

This section outlines Richland School District Two's procedures for requesting and generating payments related to district related travel, in accordance with state and federal guidelines, board policy and generally recommended accounting practices.

T he responsibility for authorization and approval of travel requests and reimbursements rests primarily with the principal or department head. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that are required to travel on district related business. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

RSD2 employees who incur reasonable and necessary travel expenses while carrying out their authorized duties will be reimbursed when they submit a properly completed and approved Direct Expenditure Voucher. When traveling using district funds, employees are expected to be frugal and remain cognizant of public accountability.

Travel, meal, and lodging expenses, whether paid from local, state, or federal funds, will be allowed as outlined in the provisions of this section.

Mileage and Travel Expenses

When an employee uses a personal vehicle to travel for official district business, he/she may request reimbursement by submitting a Direct Expenditure Voucher. An employee who uses a district or rental vehicle may not request reimbursement for mileage. Richland School District Two reimburses mileage at the rate allowed by the United States General Services Administration (or the GSA rate found at www.gsa.gov).

When traveling on district business, employees are required to use the most economical mode of transportation.

a) Exceptions resulting from urgency, schedules, and such factors will be considered; however, personal preference will not be considered for exception.

b) If an employee chooses to use a more costly mode, reimbursement will be limited to the lower amount (e.g. driving when airfare is cheaper). Documentation (print screen of travel search engine results) of airfare amount is required and should be obtained three weeks prior to travel.

c) Reimbursement for driving out of district shall not exceed airfare to the same destination.

Travel-related expenses such as tolls and parking will be reimbursed only if original receipts are submitted with the form. Costs for fuel and upkeep of personal vehicles may not be claimed. **To validate out-of-district travel, an Internet-mapping printout (e.g. Google, MapQuest) that includes the origination and destination locations must be included with the Travel Reimbursement Request form.**

BEFORE YOU TRAVEL…
✓ Complete a Travel Request Form online at *Inside Two* under Faculty & Staff Links (Travel Forms). Once Form is approved, you will print a copy to attach to your travel documents.
✓ Registration can be paid with a purchase order (check) or a district procurement card.
✓ Lodging can be pre-paid with a district check or the procurement card.
✓ If you are renting a vehicle, we encourage you to get rental insurance with the rental company.
✓ Any travel advance requests must be approved using a Travel Advance Exception Request form.

AFTER YOU TRAVEL…
✓ Submit a Direct Expenditure Voucher to request reimbursement for out of pocket travel costs.
✓ If applicable, complete a Travel Meal Per Diem Report to accompany your Direct Expenditure Voucher.
✓ Attach a copy of Approved Travel Request Form, a conference agenda, a copy of a Google Map/MapQuest verifying mileage, and any receipts for covered incidentals, such as baggage fees, parking, etc.

Lodging

Employees are allowed reimbursement for lodging expenses at the single room rate, but reimbursement cannot exceed the current maximum rates allowed by the U.S. General Services Administration (federal GSA rate) OR the single room conference rate (if for a conference).

Note: Lodging receipt shall be in the name of the person requesting reimbursement. If grant funds are being used to pay for lodging, the grant may only allow paying the GSA rate. If this is the case, the school would need to provide an alternate funding source for the difference between the GSA rate and the conference rate.
   a) Current GSA rates may be found at https://www.gsa.gov/travel/plan-book/per-diem-rates.
   b) A copy of the federal GSA rate sheet for area where conference/event will be held or the conference rate sheet is required for reimbursement.

The employee should make every effort to contract a room at the lowest rate available at the facility where an event is held or, when necessary, at the closest alternate.

If a higher rate than the GSA rate is requested, the reason must fall under the GSA exceptions listed below. The employee also must provide documentation to support the exception. Examples of supporting documentation include the host hotel flier stating the conference rate, a statement from the employee detailing attempts to secure a lower rate at a non-conference event, documentation that two attendees are sharing a room, etc.

GSA Lodging Rate Exceptions:
1) Traveler requested that hotel accommodations be provided at the federal lodging rate and was denied. Provide details of the inquiry: hotel employee name, date, & time.
2) Event is being held at the conference site.
3) A block of rooms is being held for attendees at a special conference rate.
4) Hotel distance is cost effective for traveler to conduct business versus the cost of mileage.
5) Traveler is sharing room with another RSD2 employee.
6) Hotel selection is based on legitimate safety considerations for employee traveling alone.

Allowable Lodging Rate

Employees are allowed reimbursement for lodging expenses...

✓ At the single room conference rate

- or -

✓ If they are unable to get the conference rate, they can be reimbursed a room rate up to the current maximum rates allowed by the federal GSA rate (rates can be found at www.gsa.gov.

- or -

✓ They may be reimbursed at the higher rate under one of the GSA Lodging Rate Exceptions.

An employee's supervisor must ensure that appropriate documentation exists to support an exception. Documentation must be included with the request for professional leave.

a) An employee who spends more than the GSA-approved rate without a valid exception must pay the additional expense or secure prior approval from the superintendent/designee. The employee will only be reimbursed the allowed GSA rate if he/she does not meet one of the exceptions or has received prior approval from the superintendent/designee.

b) Lodging is reimbursable for the night immediately preceding an event's start if departure is required before 7:00 a.m. to arrive at the opening session.

c) Lodging is reimbursable for the night following an event's end if departure immediately after the closing session will cause return after 9:00 p.m.

d) While there is no restriction on family members accompanying the employee on official travel, the district will be liable only for the minimum cost of the employee's lodging.

e) Costs for extra charges such as phone, Internet, movies, room service, etc. are not reimbursable lodging costs. Principals and district management team may include Internet access for reimbursement.

Steps for Completing Forms for Reimbursement

You can access the forms on R2HQ. You'll need to click on the image for Employee Resource Center, then the Employee Mgmt System, then Reimbursement. **Be sure to submit the reimbursement request within 30 days of travel.**

Direct Expenditure Voucher (Travel Reimbursement Form)

When opening the Direct Expenditure Voucher, a voucher number will be generated. Be sure to open a new Direct Expenditure Voucher for each reimbursement request. This voucher number can only be used one time in Alio.

Complete the form as follows:

a) Record mileage from point of departure to destination and return.

b) Do not include mileage for side trips such as dining out or shopping.

c) If you must commute from lodging to meeting site, enter each day's trip in the appropriate line.

d) For in-county mileage reimbursement, list each day traveled. You may not combine multiple days into one listing.

e) Include the required attachments:

- An Internet-mapping printout (e.g. Yahoo, MapQuest) that includes the origination and destination locations.
- A copy of the agenda showing inclusive dates, beginning and ending times, and meals provided.
- A copy of the federal GSA rate sheet for area where conference/event was held.
- Originals of all required receipts.
- Meal Per Diem Form (if applicable)

Forward the request to your immediate supervisor/designee for approval and signature.

After supervisor's approval, forward the request and all supporting documentation to the appropriate Central Services division for funding approval. Supporting documentation shall include a completed Professional Leave Request.

a) If funds other than the General Fund (100) or Student Activity Funds (700s) will be used for reimbursement, forward the request to the appropriate Fund Manager. An approved Professional Leave Request form is required in the reimbursement packet.

b) If the reimbursement request is for General Fund or Pupil Activity Fund, send the packet to Accounts Payable. An approved Professional Leave Request form is required in the reimbursement packet.

** Sending a request that requires a district-level signature straight to Accounts Payable will significantly delay reimbursement.

A travel advance exception is available for employees experiencing a financial hardship or for travel exceeding four days. Please contact Finance at the district office if needed.

RICHLAND SCHOOL DISTRICT TWO

SEMINAR REIMBURSEMENT FORM

This form is to be completed by staff members after they return from district travel in order to request reimbursement for travel expenses and recap the total cost of the trip.

Voucher # _____

Alio Vendor # _____

Employee Name _____

School/Location/Department _____

Address *(If check is not going to School/Location* _____

Seminar/Conference _____ Location _____

Dates of Travel _____ to _____

Alio Account Number _____

Conference Expenses

# of miles round trip   x Mileage Rate

[_____]   0.625

Mileage $ _____		Amount paid with district check $ _____
Air Fare $ _____		Travel Advance to employee $ _____
Baggage Fees $ _____		Amount Paid with Procurement Card $ _____
Ground Tranportation $ _____		**Total Credits** $ _____
Parking $ _____		
Lodging/Hotel $ _____		
Meals $ _____		
Registration Fees $ _____		
Other _____ $ _____		
Total Expense $ _____		

Total Due Employee/(Total Due Back to District) $ _____   *(Total Expense minus Total Credits)*

Employee Signature _____   Date _____

Be sure to attach a copy of the conference brochure/agenda, Meal Per Diem Form, approved Travel Request Form, a Google Map/MapQuest verifying mileage claimed, receipts for incidentals (such as parking, baggage fees, taxis, etc.).

Approving Supervisor/Principal Signature _____   Date _____

Finance Approver _____   Date _____

6831 Brookfield Road, Columbia, SC 29206 ~ www.richland2.org ~ 803.787.1910

Revised 1/4/2016

Mileage Reimbursement

District personnel, school administrators, and other employees required by their assignments to travel between district sites during the same day may request mileage reimbursement. The Travel Mileage Voucher form can be found on R2HQ.

a) When numerous trips are required weekly, the employee must have a home base. The home base will be the location where the employee spends the majority of his/her time.

b) If the first site of a day is closer to the employee's residence than his/her home base, the official travel measurement begins at the employee's residence.

c) If the first site of a day is further than the home base, the difference between the home base and the first work site may be claimed for mileage.

d) Mileage between an employee's residence and assigned home base is generally not subject to reimbursement. However, when an additional trip is required outside of the normal work day (e.g. to check an alarm), reimbursement is allowed.

Richland Two Direct Expenditure Voucher for Staff Travel
T - 2020813897

Make Check Payable to: **Address check should be mailed to:**

Date Report Generated:

_____

Month of: _____

_____

Account Number: _____

Alio Vendor Number: _____

Travel Date	From Loc	To Loc	Travel Purpose	Mileage	Rate	Amount
			Total Miles:		**Amount Due:**	$

Staff Member Signature: _____

Supervisor Approval: _____

Finance Office Approval: _____

Please Note:

A. Travel reimbursement requests should be made on a MONTHLY basis
B. Travel to be listed by date
C. THIS FORM IS NOT FOR CONFERENCE TRAVEL REIMBURSEMENT

Travel Request Form

A Travel Request Form is required for all out of state travel prior to registering for events or making travel or hotel arrangements. This form must accompany any remitted invoices or reimbursement requests sent to Accounts Payable. The form can be found on R2HQ

Travel and District Procurement Card

A district procurement card may be used for travel expenses with certain exceptions.
- No food expenses related to travel should be charged to a procurement card. **All food-related expenses will be reimbursed at established per diem rates.**
- When athletic directors, competition team sponsors, or principals are traveling with students, the entire team meal may be charged to a district procurement card. The athletic director, sponsor, or principal must ensure that no other meal per diem is requested and appropriate detail is provided with receipt is submitted to substantiate the purchase.
- A procurement card may be used for reasonable food expenses related to a business meeting within the guidelines provided throughout this manual.
- Receipts used to support payment of a district procurement card must note the purpose.

If an employee extends their travel for personal reasons, supervisors are responsible for ensuring Personal Leave or Annual Leave is documented with an approved Report of Absence. During this leave status, personal travel expenses such as lodging, meals, mileage, rental of transportation or use of public transportation, miscellaneous expenses, etc. will not be reimbursed to the employee. *(In the event that extenuating circumstances, like flight delays due to weather, etc., result in an employee being stranded and unable to return home, consideration will be given to covering reimbursements for reasonable costs incurred.)*

When employees on travel status share a room, reimbursement will be calculated on a prorated share of the total cost. **When someone who is not a RSD2 employee on travel status accompanies a RSD2 employee on travel status, the employee is entitled to reimbursement at a single room rate.**

Travel by Mass Transportation, Taxi or Airport Van

Employees officially on travel status may be reimbursed for necessary costs of ground transportation (bus, taxi, airport vans, or ride shares i.e. Lyft or Uber) for the following situations with proper receipts:
- Between the individual's departure point and the common carrier's departure point;
- Between the common carrier's arrival point and the individual's lodging or meeting place;
- Between the lodging and meeting places if at different locations.

It is expected that airport vans will be utilized when available, when arrival or departure is during daylight hours, and when they are the lowest cost alternative. Tips are allowed up to 18%.

Unallowable Expenses

The following expenses are not reimbursable travel expenses and must not be included on the Seminar Reimbursement Form:

- Laundry
- Tipping for hotel concierge or maid services
- Valet services for parking, when self-parking options are available
- Theater and/or Entertainment
- Alcoholic beverages
- Visa/passport fees (except as noted above)
- Bank charges for ATM withdrawals
- Meal expenses included in registration fee payment/reimbursement

Purchasing and Procurement:
Process for procuring Goods and Services

*This section outlines Richland School District Two's procedures for procuring goods
and services on behalf of the district, in accordance with state and federal guidelines,
board policy, district procurement code and generally recommended accounting practices.*

The responsibility for properly procuring all purchases rests with the principal or department head over each budget. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in procuring goods or services for your location. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

Vendor Setup and Changes to Vendors

If you need a vendor to be set up please e-mail a completed Vendor Application Form to the Procurement Office with your request. The Vendor Application Form can be found in the Shared Google Drive: Bookkeeper/Principal- Business operations Info.

Because some vendors have different addresses, there could be more than one vendor number set up in Alio with the same vendor name. **Please look at all possible vendors before selecting the vendor number for each disbursement**. Also, be sure to choose the vendor with the correct remit to address. This is not always the same as the order address so look carefully. (Additional information on Vendor inquiries can be found in the Accounts Payable section of this manual.) If you are unsure, please contact the Procurement Office prior to submission for payment.

General Procurement

The Procurement Department, under the general supervision of the Chief Financial Officer, is responsible for the procurement of supplies, equipment, and services necessary for district operations. Functions of Purchasing include approving and processing purchase orders, maintaining bid files, solicitation of bids and proposals, and maintaining master vendor files in Alio. It is the intent of the Purchasing Department to conduct purchasing functions in a manner that strives to obtain maximum value for each dollar spent and provides fair and equitable treatment for everyone involved in the procurement process. All purchasing activities shall be performed in accordance with policies of the Board of Trustees, the District approved Procurement Code, all applicable state laws, and regulations of the State Department of Education.

District Level Procurement Audit

The District is required to comply with requirements of a Procurement Code that has been determined to be substantially similar to the S.C. Consolidated Procurement Code.

The Code stipulates that a procurement audit be performed at least every three (3) years by an audit firm approved by the Division of General Services or by General Services. Costs associated with the audit are the responsibility of the District and will be paid to the entity performing the audit. A letter of approval must come from the State Auditor before audit is performed.

Purchase Orders

With selected exceptions, all purchases of supplies, services, and equipment will be made by an authorized purchase order, work order, or procurement card.

Items submitted for payment through a Travel Reimbursement Form do not require purchase orders, work orders, or use of the Procurement card.

Goods received and services performed on or before June 30 are to be paid in the fiscal year ending June 30. Any items ordered before June 30 but received after July 1 will be charged to the following fiscal year. A deadline for processing of procurement card transactions will be determined each year.

Purchasing Authority

- Individual schools and departments may approve purchase order requests considered "Price fair & reasonable" up to and which do not exceed $2,500.00. Purchase order requests are approved daily. P-card purchases are considered "Price fair & reasonable".

- On purchase order requests exceeding $2,500.01, three competitive quotes are required for approval.

- Purchase order requests over $10,000.01, but less than $50,000 must be advertised by the district. All orders will be approved in an Alio chain and processed by a Procurement Specialist.

- Purchase orders greater than $50,000.00 are sent on the Chief Financial Officer for approval.

- All purchase orders for technology software and equipment with object codes 445 and 545 must be approved by the Chief Technology Services Officer.

Unauthorized Purchases

Purchase Orders should always be in place before purchasing a product and the vendor invoice should be dated after the date on the purchase order. Any purchase made that is not in accordance with requirements and provisions of the District procurement policy and/or procedures will be considered an unauthorized purchase. Any individual who makes an unauthorized purchase must assume responsibility, financial or otherwise, for the purchase.

A Procurement Ratification Form must be completed by the person initiating the unauthorized procurement. Steps taken to prevent recurrence must be completed by the employee's supervisor. The form must be signed by the School Principal and the Deputy Superintendent. For district office employees the Director and Chief Officer of the department must sign before going to the Chief Financial Officer for signature. Procurement will then send it to Accounts Payable for processing.

2020

RICHLAND SCHOOL DISTRICT TWO

PROCUREMENT RATIFICATION FORM

This form is to be completed by staff member(s) when a purchase has been made without prior approval and proper Purchase Order approval. Unauthorized Purchase has been made.

** (Include requisition and purchase order w/ ratification form)**

Note: Signature of Responsible Person & Signature of Approver cannot be the same

Requisition No. (#): _____	P.O. #: _____	
Vendor Name: _____	Vendor #: _____	
Date of Purchase: _____		
Responsible Employee who made Purchase: _____		
School or Department: _____		

To Be Completed By Employee who made Unauthorized Purchase -- Attach Additional Sheet, if needed

1. **Explain why a purchase order was not obtained prior to making the purchase.**

2. **If price is greater than $2,500 , explain how price was determined to be fair and reasonable.**

3. **Indicate what steps/precautions you will take to prevent future unauthorized procurements.**

_____ / _____

Signature of Responsible Employee Listed Above   (Printed Name)   *Date*

****

For Approving Principal or Department Head (Statement from Approving Supervisor)

Please explain what actions have been taken with the responsible employee to prevent future unauthorized purchases:

_____ / _____

Signature: Approving Principal / Department Head   (Printed Name)   *Date*

****

SUBMIT TO PROCUREMENT (after above approvals are obtained)

_____		_____	
Director of Procurement or Designee	Date	Chief Financial Officer	Date

****

Purchase Order Processing Procedures

1. Orders Not Exceeding $2,500.00

   A. Check budget status to be sure sufficient funds are available.
   B. Enter complete purchase order information as required on Alio Requisition
      Entry system. Requisition will then follow the approval chain.
   C. After print/edit function is completed by Procurement, the bookkeeper will print the
      purchase order to mail/fax to the vendor. Copy and retain.

2. Orders Exceeding $2,500.01

   A. Check budget status to see if sufficient funds are available.
   B. Enter complete purchase order information as required on Alio requisition entry system.
      Requisition will then follow the approval chain.
   C. For orders in excess of $2,500.01 requiring price quotes or supporting documentation, print
      requisitions with documentation and send to procurement. When the approval chain is
      completed, procurement will have copies as required by audit.
   D. After print/edit function is completed by procurement, the bookkeeper will print the
      purchase order to mail/fax to the vendor. Copy and retain documentation for accounts
      payable.

Blanket Purchase Orders

A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for supplies or service. **USE ONLY WHEN MULTIPLE PAYMENTS ARE REQUIRED**.
   Examples:
   - Recurring monthly payments- copier agreements

   - Small purchases made at Staples, Amazon, and other vendors that keep an open order for
     purchases made by team leaders or department personnel.

Remember – Equipment should never be on a blanket agreement. PO's charged to account numbers 541
and 545 require an audit trail for fixed assets.

Required for Blanket Purchase Orders

The agreement will cover a stipulated time period up to an aggregate amount. Blanket purchase agreements shall include the following information:

   1. Vendor name.

   2. Purchase order number

   3. Description of supplies and services provided

4. Aggregate amount of order

5. Not to exceed total amount per order

6. Persons authorized to place orders

7. Valid dates: begin date with an expiration date

Competition and Price Reasonableness

1. Small purchases not exceeding $2,500.00 (excluding SC sales tax, but including delivery, installation, etc.) may be accomplished without securing competitive quotations if prices are considered reasonable. The purchases must be distributed equitably among qualified suppliers.

2. For a small purchase over $2,500.01 but not exceeding $10,000.00, solicitation of written or oral quotes from a minimum of three (3) qualified sources of supply must be made and documentation of the quotes must be attached to the requisition/ purchase order copy. The award shall be made to the lowest responsive and responsible source. Justification must be made if the lowest quote is not chosen.

3. Written quote with authorized signature or bids/ proposals, must be made for a small purchase over $10,000.01 but not in excess of $50,000.00. The procurement shall be advertised at least once in South Carolina Business Opportunities or a newspaper of general circulation. A copy of the written quote, bid/ proposal must be attached to the purchase order copy or made a part of the contract file. The award must be made to the lowest responsive and responsible source, or when a Request for Proposal process is used, the highest ranking offeror.

Exemptions

The Board of Trustees may exempt specific supplies or services from the required bidding procedures or withdraw any exemptions provided for in this section. The following items will be exempt from bidding requirements:

a) Books, periodicals, newspapers, technical pamphlets, standardized tests and testing materials, copyrighted educational materials, filmstrips, slides, transparencies, computer software used for instructional purposes and renewals of software licenses where fees are paid annually to maintain the right to use software after such hardware has been procured in accordance with this policy.

b) Public utilities

c) Travel

d) Workshops, seminars, conferences

e) Professional journals

f)   Taxes, social security, annuities, credit union

g)   Refunds on health insurance

h)   Oil company credit cards – purchases for gas and oil and emergency repairs

i)   Professional services normally obtained on a fee basis such as attorneys, accountants, physicians, or dentists, appraisers, auctioneers, clergy, court reporters and expert witness service, provided that no such services may be awarded without approval of the Board of Trustees.

j)   Professional dues, registration and membership fees

k)   Instructional training seminars or staff development offered by the district to district employees and those contractual services necessary to provide the services for the seminar

l)   Diplomas

m)   U.S. postage stamps and post office boxes

n)   Original art objects: Before procuring any art objects such as paintings, antiques, sculptures or similar objects above $200.00, the Superintendent shall prepare a written determination specifying the need for such objects and benefits to the District. The Board of Trustees shall have the responsibility to review such determination for approval prior to any acquisition.

o)   The purchase of goods, products, and services from the South Carolina Department of Corrections, Division of Prison Industries.

p)   Services and/or supplies provided by the Division of General Services to public procurement units

q)   Videos (programmed for viewing)

r)   Products and services provided by the District

s)   Newspaper advertising

t)   Local school funds

u)   State contracts

State Contract Purchases

A number of supply and equipment items are available for purchase under SC state contracts. Schools and departments are required to utilize state contracts whenever it is advantageous to the district. The Schools or Departments must purchase from State contracts first or a District contract when one is in place. The contract number should be included on the purchase order. The vendor will be able to provide you the contract number or you can search for state contracts in the following ways:

For a general search of State Contracts available, go to http://procurement.sc.gov. Click on contract search, then click either Goods & Services or Information Technology (depending on what you are looking for).

You can search the Vendor name if you just want to see if a current vendor has a current state contract or if you are given a state contract number, you can search for it to verify if it is still valid by going to https://webprod.cio.sc.gov/SCContractWeb/contractSearch.do.

2017.04.13.0001   **Contract Search**   Help

[   ]   Search   Clear

Show current active contracts only: ☑   Show statewide contracts only: ☐   Show minority businesses only: ☐

This site includes all statewide term contracts available for use by all state agencies as well as contracts awarded by the Procurement Services Division on behalf of an individual agency.

Under state procurement law, individual agencies have authority to conduct some procurement activity, typically for smaller purchases. Currently many of these contracts are not part of this database because not all agencies have transitioned to the S.C. Enterprise Information System. If you cannot find the information your are seeking or have other questions, please call (803) 737-0600 for more information.

Public sector buyers are reminded that not all contracts listed on this site are available for all governmental entities.

For more information on state procurement laws and regulations, go to www.mmo.sc.gov/PS/PS-index.phtm

Sole Source Procurements

S ole source purchases are those purchases in which the district's needs can be met by only one item and can be purchased from only one vendor. Written justification must be submitted by the Principal/Department Head providing an explanation as to what makes the good or service unique. Also state why the good or service is only available from a single source, prior to processing of the purchase order. All sole source requests shall be approved by the Superintendent, Deputy Superintendent, or Chief as outlined on sole source form. All sole source purchases will be reviewed by external Auditors.

2020

RICHLAND
SCHOOL DISTRICT
TWO

SOLE SOURCE STATEMENT FORM

Message Code 27

This form is to be completed when a purchase is deemed to be only available from one source/supplier.
Statements and supporting documentation must be submitted to Procurement prior to Purchase Order approval.

*** *Sole Source Letter from Vendor is not permitted.* ***

Requisition No. (#): _____

Vendor Name: _____   Vendor No. _____

Quoted Price: _____

School or Department & Person _____ / _____
                                School or Department   Person

A contract may be awarded without competition when the School District determines in writing that there is only one absolute source available for the required supply, service or equipment.

This Requisition to Purchase is a Sole Source for the following reason: (Company Letter not Permitted)
PLEASE CHECK ONE AND LIST EXPLANATION ON LINES PROVIDED:

[ ] Compatibility of equipment, accessories for replacement parts is paramount

[ ] Unique Item is needed for trial use or testing

[ ] Unique Item is to be procured for resale

[ ] Item is One of a Kind

[ ] Printed Forms, Pamphlets, and Brochures, exclusive of Printing Equipment

1. State what makes the supplies or services unique.   (Attach additional sheet if needed.)

_____
_____
_____
_____
_____

2. State why the supplies or services is only available from this provider.

_____
_____
_____
_____
_____

****
REQUIRED APPROVAL

Principal *(School Purchase)*   Date   *OR*   Department Head *(District Purchase)*   Date

Print Name: _____   Print Name: _____

SUBMIT TO PROCUREMENT *(after above approvals obtained)*

Director of Procurement or Designee   Date   Chief Financial Officer   Date
****

September 2020   Sole Source - Msg. Code 27

Emergency Procurements

E mergencies exist when there is a threat to public health, welfare, or safety of people or property, or where normal daily operations are affected. The determination that an emergency exists will be made by the Superintendent, Deputy Superintendent, or Chief as outlined on the emergency statement form. All emergency purchases will be reviewed by external Auditors.

2020

RICHLAND SCHOOL DISTRICT TWO

EMERGENCY PROCUREMENT FORM
Message Code 28

This form is to be completed by staff member(s) requesting an emergency procurement.
Must be completed prior to procuring services

Requisition No. (#) _____   Vendor No. (#) _____

Vendor Name: _____

An Emergency is declared when there exists a threat to public health, welfare, or safety under emergency conditions, or where normal daily operations are affected.
Please see Sec. 2-108, page 25 of District Procurement Code for further explanation.

A written determination shall be made stating the basis for an Emergency Procurement and for the selection of the vendor. Written determination must be attached when this form is submitted.
****

1. State reason for the Emergency Procurement and Location of Emergency:

_____
_____
_____
_____
_____

2. State the events which created the Emergency condition:

_____
_____
_____
_____
_____

3. Please list Quotes obtained for Emergency Procurement: *(should have at least 3 quotes)*

Vendor:	**Quote:**
_____	_____
_____	_____
_____	_____

(This indicates that prices were determined to be "fair & reasonable")
****
REQUIRED APPROVALS (Signatures)

Operations *(or Other Department)*	Date	**Head of Operations***(or Other Dept Head)*	Date
Print Name:		Print Name:	

****
SUBMIT TO PROCUREMENT *(after all above approvals obtained)*

Director of Procurement or Designee	Date	Chief Financial Officer	Date

****

September 2020   EMERGENCY-Msg Code 28

Entering Requisitions
Getting There

1. Choose the <u>Menu</u> tab.
2. Under Shortcut on the left, choose <u>Requisition Entry/Approval</u> to begin entering Requisitions.
   A. The alternative way:
      1) Select FAS.
      2) Select Processing.
      3) Select Order Processing.
      4) Select Requisition Entry/Approval
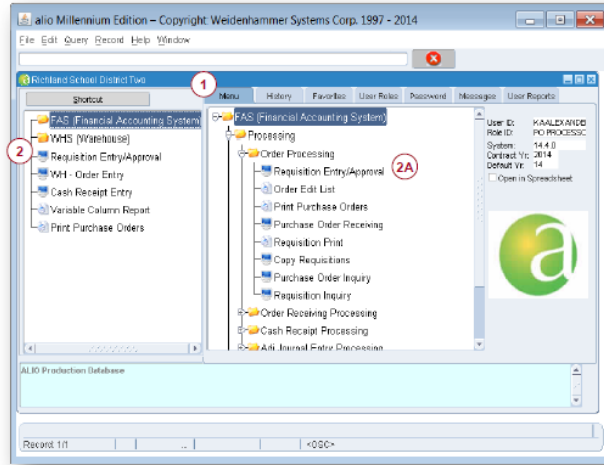
Entering Requisitions

5/5/2014

Entering Requisitions
The Order Header

1. Select Requisition # to have the system auto generate the next Requisition #. If the screen is already filled out, select before selecting Requisition # .
2. Use the Tab key to navigate through the fields.
3. Type in the <u>Vendor #</u> or <u>Vendor Name</u> and select the correct vendor\vendor address from the dropdown list if there are multiple addresses.
4. The <u>Order</u> and <u>Ship Locations</u> automatically populate but can be changed if needed.
5. Enter the <u>Requestor</u> name.
6. Enter the requestor's <u>Phone Number</u> with no formatting included. (e.g., 8037381111)
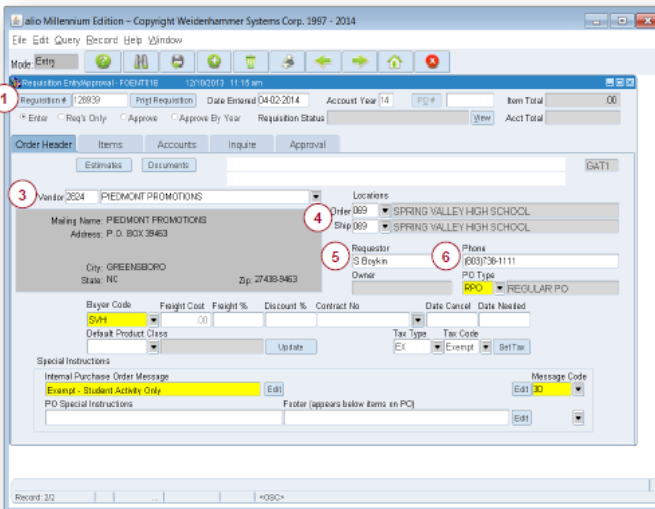
Entering Requisitions

5/5/2014

Entering Requisitions
The Order Header

7. Choose the correct <u>Order Type</u>:
   A. BLKT (BLANKET) – For a specific dollar amount
   B. RPO (REGULAR PO) – Itemized Requisitions
8. Your default <u>Buyer Code</u> will automatically populate but it can be changed. The Buyer Code is tied to your location or dept. This will be used to filter some reports.
9. We do not use the Freight fields.
10. <u>Discount %</u> will be applied to each line on the Items tab. Discounts can also be added on the Items tab.
11. Enter a <u>Contract No</u> if it applies.
12. <u>Date Cancel</u> and <u>Date Needed</u> are optional and only for display.
13. Fill out the <u>Tax Type</u> and <u>Tax Code</u> and then select Set Tax to apply them to each Item on the Items tab. These values can also be changed on each individual line on the Items tab.
   A. If the items are exempt from taxes, choose 'EX' and 'Exempt' from the dropdown list. ****Blanket Requisitions should always have 'EX' and 'Exempt' selected.****
   B. For items that should be taxed, choose 'TX' and 'TAX2'.
   C. The Tax Code and the Tax Type should always match. ('TX' and 'TAX2' OR 'EX' and 'Exempt')

5/5/2014

Entering Requisitions

Entering Requisitions
The Order Header

Refer to Procurement Policy for more details on how to fill out the following fields.

14. Enter the <u>Internal Purchase Order Message</u> for this requisition.
   A. Typically this would be the description of the message code that will be entered next. Include the contract or bid number if applies.
15. Enter the <u>Message Code</u> from the dropdown list.
16. Enter <u>PO Special Instructions</u> if applicable.
17. Enter <u>Footer</u> if applicable
18. Continue to the **Items** Tab.

Both the Internal Purchase Order Message and the Message Code should agree

Entering Requisitions

Updated: September 2017

Purchase Order Message Codes Index

Revised: September 27, 2006 ---- Updated: September 2017

NUMBER	MESSAGE CODES	REQUIREMENTS FOR USE
20	EXEMPTION	Richland School District Two Procurement Code –Sec. 1-103 THIS IS PROCUREMENT EXEMPTION-NOT TAX EXEMPT.
21	PER STATE CONTRACT	You must include State Contract Number on Purchase Order
22	PRICE FAIR AND REASONABLE	Up to and Not to Exceed $2,500.00 to include Shipping and/or Assembly. Cost & Shipping cannot exceed $2,500. If Taxes Carries order over the $2,500 limit, this is acceptable.
23	PER YOUR QUOTE Dated:___/____/____	For Orders $2,500.01 up to $10,000.00 -- Must Use QUOTE FORM to include at least three(3) quotes (Verbal or Written). **All 3 quotes must be documented on Quote Form & Quote Form Signed**

****Any Procurement $10,000.01 or greater must be Publicly Advertised***
A Newspaper of Public Circulation and/or South Carolina Business Opportunities are considered Publicly Advertised. Contact Procurement to submit an Advertisement Notice.

NUMBER	MESSAGE CODES	REQUIREMENTS FOR USE
25	PER YOUR QUOTE Dated:___/____/____	For Orders $10,000.01 to $50,000.00 – Legal Ad Must Be Done. Quotes and Legal Advertisement must be attached with authorized Signatures within Thirty(30) Day Timeframe. Lowest Quote is Awarded unless Written Justification statement is given.
26	PER PUBLIC BID SOL. #_____ Dated:___/____/____	For Orders $50,000.01 or Greater – Legal Ad Must Be Done. Contact Procurement Department for Further Instructions. Invitation to Bid -or- Request For Proposal Required.
27	SOLE SOURCE	MUST COMPLETE "SOLE SOURCE" FORM Prior to Order Only "Unique" Item and/or Only One Vendor can provide
28	EMERGENCY	MUST COMPLETE "EMERGENCY" FORM Prior to Order Contact Procurement prior to purchase
29	**EXCEPTIONS FOR SMALL A/E AND LAND SURVEYING SERVICES CONTRACT- $25,000 OR LESS**	
30	PUPIL ACTIVITY-EXEMPT	Used Only With Pupil Activity (Student Activity) Funds

(All 700 Funds & Only Funds 870-880-885-893-895 are Exempt)

*** **All Other 800 Funds are NOT Msg. Code 30 Exempt** ***

Entering Requisitions

Items

Always group items that will be charged to the same account number together. And If entering an item with a negative <u>Extended Cost</u>, There must be a greater positive amount item going to the same account number. Alio will not accept negative amounts on the Accounts tab

1. Enter <u>Catalog</u> if there is a Catalog # or Item # or ID associated with the Item.
2. Enter the Description of the first item in the first available Item <u>Description</u> field.

If this is a Blanket Requisition, you may enter the total in <u>Extended Cost</u>. Otherwise continue and the <u>Extended Cost</u> will be automatically calculated.

3. Enter the <u>Quantity</u> for the item.
4. Enter the <u>Unit Cost</u>.
5. Select the unit of measure from the list in <u>UOM</u>.
6. Freight fields are disabled. Enter any freight or shipping costs as a separate item. Also make it the last item.
7. <u>Discount</u>: Discount is used for credits. This will calculate a negative amount. A discount % can also be used.

5/5/2014

Entering Requisitions

Entering Requisitions

Items

The <u>Tax Type</u> and <u>Tax Code</u> will default to the selections from the Order Header. (#13 in the Order Header section.)

8. If the <u>Tax Type</u> and the <u>Tax Code</u> need to be changed on the individual items, remember the following.
   A. If the items are exempt from taxes, choose 'EX' and 'Exempt' from the dropdown list. ****Blanket Requisitions should always have 'EX' and 'Exempt' selected.****
   B. For items that should be taxed, choose 'TX' and 'TAX2'.
   C. The Tax Code and the Tax Type should always match each other. (i.e., 'TX' and 'TAX2' *OR* 'EX' and 'Exempt')
9. To enter more items, put cursor into the next row's Catalog field or select [+].
10. When finished adding all items, select [💾] or F3 to save the Items screen before continuing.
11. Continue to the **Accounts** tab.

5/5/2014

Entering Requisitions

Entering Requisitions
Accounts

An account number can be listed only once and alio will not accept a negative in the Amount or Percent fields. Blanket Requisitions should only have one account number on this screen.

1. Enter values under the <u>From</u> and <u>To</u> columns for each GL account to be charged.
   - A. If all items listed in the top half of the screen will be charged to the same account number, leave 1 under the <u>From</u> column and 9999 under the <u>To</u> column.
   - B. If items will be charged to different accounts, select the from and to Item line that will be charged to each account.
     1) i.e., If Item 1 should be charged to a different account number than Item 2, enter 1 under <u>From</u> and 1 under <u>To</u> in the first row. Then you will add another row for Item 2 and you will enter 2 under <u>From</u> and 2 under <u>To</u> for the second row.
     2) Items can also be grouped together. i.e., <u>From</u> Item 1 <u>To</u> Item 2 on the first row then <u>From</u> Item 3 <u>To</u> 3 on the second row.

5/5/2014

Entering Requisitions

Entering Requisitions
Accounts

2. Enter the full <u>Account Number</u> for item(s) or select ▼ to use the account lookup.
3. Choose to enter <u>Amount</u> OR <u>Percentage</u> for the item(s) in the row to be charged to this account number. *All subsequent rows must be entered the same way.*
   - A. Enter the total <u>Amount</u> for the included item(s).
   - B. Or enter the <u>Percent</u> of the included item(s).
   - C. After entering the Amount or Percent, check that the <u>Calculated Amt</u> is correct for this row.
4. Continue to the next line in the grid or select 🔵 or F4 to enter more accounts if needed.
5. After all accounts are added, the Item Total and the Acct Total must match before continuing.

Entering Requisitions

5/5/2014

Entering Requisitions
Saving and Finishing the Requisition

1. After The Item Total and Acct Total matches and everything is complete on the Requisition, click [Finish] to start the approval process.
   A. If you only want to save the requisition and then come back later to finish it, select [save icon] to save.
2. If there are not enough funds in the account(s) to cover the charges or the budget has not been entered into the system yet, the following warning will appear: "*Insufficient funds for account: xxxxx by: xx.xx*". If the account should still be charged, select "Yes" to continue.
3. Once the Requisition is finished, Requisition Status will appear at the top and the system will send you back to the Order Header tab.

Requisition Status Needs Approval by SVHS

4. If finished adding Requisitions, close the screen by selecting [X].

To add another Requisition at this point select [+] and start again with Step 1 in the Order Header section

5/5/2014

Entering Requisitions

Entering Requisitions
Printing the Order Edit List

1. Run the Order Edit List to check for errors.
   A. Location is FAS \ Processing \ Order Processing \ Order Edit List
2. Enter Buyer Code (with capital letters) in the Begin and End Buyer Code Fields or select the Buyer Code from the dropdown lists.
3. Print Option should be 'First Time Requisitions'.
4. Click [Submit Query] to preview the report.
5. If any errors appear on the report, go back to the Requisition Entry\Approval screen, find the requisition and make any necessary changes. Then run the Order Edit List again.
6. After the Order Edit is clear of errors, the Requisition will go through the Approval Process.
   A. To see the status of the Requisition, either look it up on the Requisition Entry\Approval screen or the Requisition Inquiry Screen under FAS \ Order Processing.

5/5/2014

Entering Requisitions

District Procurement Card

This section outlines Richland School District Two's procedures for using a Procurement Card (P-Card) to procure goods and services on behalf of the district, in accordance with state and federal guidelines, board policy, district procurement code, and generally recommended accounting practices.

T he responsibility for properly procuring all purchases rests with the principal or department head over each budget. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in procuring goods or services for your location using a district procurement card. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

What is a Procurement Card?

A Procurement Card (also known as a Purchasing Card, a PCard or P-Card) is a form of district regulated charge card that allows goods and services to be procured without using the traditional purchasing process. One of the most significant differences in a Procurement Card vs. a traditional credit card is the ability to implement a variety of controls for each card. For example, a single purchase dollar limit, a monthly limit and daily limit can be set on each card. In addition, merchant types/category codes (MCC) restrictions can also be put in place to restrict the type of purchases that can be authorized with a PCard.

A purchasing card will be issued to selected Richland School District Two employees who are entrusted with authority to expend District funds for low dollar, off-the-shelf supplies available locally. With this authority rests the responsibility to assure that the District Procurement Procedures are followed. Failure to comply with these rules and procedures may result in removal of authority to serve as Cardholder and is subject to all disciplinary action up to and including termination. Each cardholder must sign a Cardholder Agreement at the time of card issuance.

Procurement Card Procedures

The Procurement Card must be secured at all times. Employees should not carry the Richland School District Procurement card with his/her personal credit cards. Loss or theft of the card shall be reported immediately to the Financial Services Office. If a cardholder retires or resigns the Procurement Card should be returned to Finance prior to issuance of the final paycheck. The Principal or designee must use a checkout

log for the card and issue an Authorization Form. When the card is returned, a receipt and the Authorization Form must also be returned. The receipt will assure proper documentation when the statement is received.

The Procurement Card is to be used to purchase low dollar, off-the-shelf items, such as classroom supplies and software. The Procurement Card should not be used to purchase any Fixed Asset Items or items on District contracts. Under no circumstances should the Procurement Card be used to purchase alcoholic beverages or any substance, material or service that violates policy, law or regulation pertaining to Richland School District Two.

Under no circumstances will personal items be purchased using the District Procurement Card with the intent of reimbursing the District. The Procurement Card is restricted to School/Department expense.

Use of the Procurement card in no way relieves your responsibility to follow all other District Policies and Procedures. For example, all bid requirements and related procurement requirements are still in place when using a District Procurement Card. Keep in mind that it is not acceptable to purchase gift cards with district funds, regardless of the form of payment used.

Purchasing Limits

Spending limits will be established for each Procurement card and attempted purchases in excess of these limits will be blocked at the point of sale. Purchases may not be split in order to circumvent the spending limitations.

In the event that a situation legitimately warrants a limit increase, the cardholder must complete and submit the Procurement Card Limit Increase Request Form.

Additional Procurement Card Guidelines

- Supplies purchased must be stocked by the Vendor. Back orders and Partial Shipments should not be made using a District Procurement Card.

- Cash advances are not authorized and are not permitted with Procurement Cards.

- The Principal/Department Head will review monthly invoices for proper charges matching Sales Slips/Invoices to the bank statement and returning to Finance within five days. Attach adding machine tape to Sales Slip/Invoices making certain Sales Slip/Invoices and Visa Statement balance.

- The School/Department will attach to the bill each original receipt, which should be signed and marked with the appropriate account number. **Receipts are mandatory— not optional.**

- Appropriate documentation, should be uploaded to the BOA Works system as soon as possible following purchase or within 5 working days.

- If after 30 days, documentation is not uploaded to Works, a supply account will be expensed, and additional corrective actions may be utilized for the related Procurement Card.

- The School/Department is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the bank should be notified. Any disputed charges must be reported to Accounts Payable within 30 days of receipt of the statement.

- The Principal/Department Head will maintain the internal procedures for control of the Procurement Card and use of the card.

- The following information must be provided for procurement card limits to be increased beyond the limits set:

  o Justification for the increase and a description of the item to be purchased.

  o Funding source of the purchase.

  o Three (3) quotes for purchases that exceed the procurement limit of $2,500 for items subject to the limits enforced within the District's procurement code.

  o Vendor name. If the vendor accepts purchase orders we will not approve the limit increase unless it is deemed an emergency purchase. A purchase order must be used for the purchase.

Fixed Assets

State and federal laws mandate that fixed assets be controlled and accounted for throughout their useful life. Richland School District Two has guidelines in place to document fixed assets. It is important that all fixed assets are accounted for by completing the necessary paperwork and by placing a fixed asset tag on the asset.

> **FIXED ASSETS**
> *Document all individual items with a cost over $5,000*

Roles and Responsibilities

A fixed Asset System form must be filled out when an item is purchased using any district/school funds and that item has a purchase price over $5,000.00. This form is filled out at the school level and documented at the district office level.

> ## Question
> ### What is a fixed asset?
>
> A fixed asset is a purchased item that is not consumed or sold during the normal course of business and is expected to be used for more than one accounting year. The District tracts all individual assets that have a purchase price over $5,000.00.

> ## Question
> ### Why is it important to document fixed assets?
> The fixed assets are part of the district's inventory. Documenting these fixed assets helps to provide accountability for the public funds that have been used to purchase these items. It is important to have record of these assets in case of loss from vandalism or any catastrophic event. It is also important to track these assets and their depreciation for the district's financial records.

Bookkeepers are responsible for completing the Fixed Asset System form. This form needs to be completed at the time a check is requested for payment of the item. Send the completed form to the accounts payable department along with the purchase order and invoice.

The First Step

The first step is to complete the **Fixed Asset System Form**. The following information is required on this form:

Action

- A- Adding a newly purchased fixed asset
- T- Transferring an already recorded fixed asset to another school.
- R- Retiring an already recorded fixed asset due to the asset being lost, stolen, damaged or no longer a possession of the school/district.
- U- Upgrade an already recorded fixed asset due to the asset being upgraded.

Asset Description

Provide a detail description of the asset

Type of Asset

B – Building
B/A&I – Building/Addition and Improvement
CIP – Construction in Process
E – Equipment
F – Furniture
L – Land
PC – Portable Classroom
V – Vehicles

Location- Provide the school's location code. Also provide a room number of where the asset will be housed, if available.

Cost- The cost of the asset includes the asset's purchase price along with any associated taxes, shipping and installation costs.

Date Asset Received- This is the date the item was received at the school/location.

Manufacturer- Provide the name of the assets manufacturer.

Year- Provide the year the item was made, if available.

Model Number- Proved the model number of the asset, if available

Serial Number- Enter the manufacturer-provided serial number of the item. Not all items have a serial number, but if a serial number is given, be sure to list it on the form. If the item does not have a serial number write 'no serial number listed'.

Purchase Order Number

Date of Purchase Order (found on Purchase Order)

Vendor Number (found on Purchase Order)

Invoice Number

Account Number (found on Purchase Order)

Fixed Asset Number- This number will be added by the finance department once the asset has been recorded.

The Second Step

Send the completed and signed Fixed Asset System form to the accounts payable department when you are ready for a check to be sent to the vendor. Attach the fixed asset system form to the purchase order and invoice.

The Third Step

Once the district office has documented the fixed asset, a copy of the Fixed Asset System form will be returned to the bookkeeper for filing. A fixed asset tag will be attached to the Fixed Asset System form. This tag will contain the fixed asset number. Place the fixed asset tag on the actual asset.

The Final Step

If the asset is transferred, updated, or retired (due to theft, damage, etc…) send a completed Fixed Asset System Form to the finance department showing the change.

Section

VIII

PAYROLL

Process for generating payments to Employees for wages earned

This section outlines Richland School District Two's procedures for requesting and generating payments to employees for wages earned, in accordance with state and federal guidelines, board policy and generally recommended accounting practices.

The responsibility for authorization and approval of all timesheets and payroll requisitions rests with the principal or department head. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remains with the principal.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in submitting payroll timesheets or requisitions for your location. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

Deadlines and Check Schedule

The Payroll Schedule is published at the beginning of each fiscal year, which includes, payroll dates, days covered, and the dates that payroll requisitions and timesheets are due in payroll (Schedule can be found on the Google Shared Bookkeeper/Principal Drive). The "Due in Payroll" dates should be adhered to in order to insure the Payroll Department has the time needed to process all requests to pay, this includes all time sheets and requisitions. Also, time entered in the time clock system will be uploaded on that date, therefore all entries should be correct and approvals made by the due in payroll date.

General Payroll Information

Employees shall be paid wages and/or salary in accordance with salary schedules or contracts recommended by Administration, adopted by the Board of Trustees and reported to Payroll by Human Resources. Current year salary schedules can be found on the R2HQ.

Payment of Salaries

The District pays all employees on the 15th and 30th of each month during a 12-month period. As a general rule, when the 15th or the 30th falls on a holiday or weekend, or on a Friday during summer hours, the District will pay employees on the last workday prior to the holiday or weekend.

All employees will receive their annual contract salaries each month beginning as follows:
- ❖ 240-day employees – July (will be paid in 24 payments for 10 days each payday)
- ❖ 220-day employees – August (will be paid in 24 payments for 9.16 days each payday)
- ❖ 210-day employees – August (will be paid in 24 payments for 8.75 days each payday)
- ❖ 205-day employees – August (will be paid in 24 payments for 8.54 days each payday)
- ❖ 200-day employees – August (will be paid in 24 payments for 8.33 days each payday)
- ❖ 195-day employees – August (will be paid in 24 payments for 8.12 days each payday)
- ❖ 190-day employees – August (will be paid in 24 payments for 7.91 days each payday)
- ❖ 186-day employees – August (will be paid in 24 payments for 7.75 days each payday)
- ❖ 183-day employees – August (will be paid in 24 payments for 7.62 days each payday)

This may vary in cases where employees miss work for unauthorized absences during a particular pay period or when an employee changes contract days between two fiscal years.

Direct Deposit

The District encourages our employees to have their checks deposited directly to their personal bank account of any participating financial institution through our Automatic Deposit feature. Enrollment in Direct Deposit requires the employee to complete an online Authorization for Automatic Deposits form with an attached voided check or direct deposit form from their financial institution. Employees may enroll in Direct Deposit at any time during the school year. Required forms are available on R2HQ under Employee Resource Center/Direct Deposit Forms.

New Employees first pay check after enrolling for direct deposit will serve as a test between the district and the financial institution. Therefore the first payment will be a district-issued check. On the second pay period after the direct deposit test, pay will be deposited automatically in the designated account. In order to change accounts, an employee must complete a new form and submit it to the district's Human Resources Department at least ten days prior to the pay period for which the change is requested. It may take up to two pay periods for the change to take effect. Employees may sign up to have a portion of their paychecks direct deposited into a secondary bank account if they choose.

Payroll must be notified at least five days prior to payday if a bank account has been closed so that no funds will be sent to this account.

Payroll Deductions

Social Security (FICA)

The Social Security portion of FICA is 6.20 percent of covered wages, up to a maximum wage base of $128,400. The Medicare tax is 1.45 percent. There is no cap on earnings for the Medicare portion of FICA.

Retirement Contribution

Beginning July 2017, employees participating in the SCRS and State ORP will contribute 9% on all earnings and employees participating in the PORS will contribute 9.75%. This rate is set by state law and is subject to change. All teachers and employees may participate in the South Carolina Retirement System or the Optional Retirement Program (ORP). Please contact the district's Benefits Department for details.

State and Federal Income Taxes

State and Federal Income taxes are withheld according to schedules provided by the state and federal governments. Employees who have experienced changes in tax exemption status should file a new exemption certificate (Form W-4). Responsibility for the accuracy of exemption certificates lies with the employee. Electronic forms are available online via MyHR. Learn more about the W-4 form at irs.gov.

Voluntary Deductions

- Voluntary deductions from salary may include:
- Insurance benefits, including but not limited to health, dental, vision, life and disability
- Extended family insurance benefits
- Deferred Compensation and tax-sheltered annuities
- Credit Union deductions (Palmetto Citizens Federal Credit Union)
- Medical Spending – funds are deducted through payroll on a pre-tax basis and are set aside to pay for medical expenses
- Dependent care – funds are deducted through payroll on a pre-tax basis and are set aside to pay for child care

The administration has the right to approve requests for additional types of voluntary deductions. After giving prior notification, the district reserves the right to deduct through payroll any amounts owed to the district by the employee.

Tax-Sheltered Savings

South Carolina Deferred Compensation Program

This voluntary program allows employees to participate in a 401(k) and/or 457 retirement plan in addition to one of the mandatory plans (SCRS or ORP). Contributions of pre-tax dollars are made through payroll deduction. ROTH options are also available. More information can be found by visiting the following website: https://southcarolinadcp.gwrs.com/login.do. Contact Paul Manville, the state's representative for the district and its employees, at 844.446.8658, extension 20423.

403(b) Tax-Deferred Annuity Plan

This voluntary program allows employees to participate in a 403(b) retirement plan in addition to one of the mandatory plans (SCRS or ORP). 403(b) plans are meant to encourage long-term retirement savings, so income taxes are paid at withdrawal when an employee may be in a lower tax bracket. If withdrawn before age 59½, an employee may be subject to federal restrictions and a 10% tax penalty. For more information, refer to the 403(b) Universal Availability Statement.

Payroll Deadlines

In order to ensure that employees are paid timely and accurately, Payroll will adhere to payroll cutoff dates provided at the beginning of each school year. The Payroll Schedule is shared annually with Principals, Bookkeepers and District Level staff members and is available on the Shared Google Drive. Payroll information submitted after these deadlines will be processed with the next regular scheduled payroll. Incomplete and/or inaccurate information submitted may be returned and delay employee payments. If supervisors encounter unique, emergency situations, a completed Request for Special Payroll Run Due to Missed Deadline Form must be submitted to the Chief Financial Officer documenting the request for an additional check run.

SY 22-23 PAYROLL SCHEDULE

PAYROLL DATE	*DAYS COVERED (for extra hours only)
July 14, 2022	June 6 – June 19
July 28, 2022	June 20 – July 10 **(3 wks)**
August 15, 2022	July 11 – July 24
August 31, 2022	July 25 – August 7
September 15, 2022	August 8 – August 21
September 30, 2022	August 22 – September 4
October 14, 2022	September 5 – September 18
October 31, 2022	September 19 – October 2
November 15, 2022	October 3 – October 16
November 30, 2022	October 17 – October 30
December 15, 2022	October 31 – November 13
December 16, 2022	November 14 – November 27
January 13, 2023	November 28 – December 11
January 31, 2023	December 12 – January 1 **(3 wks)**
February 15, 2023	January 2 – January 22 **(3 wks)**
February 28, 2023	January 23 – February 5
March 15, 2023	February 6 – February 19
March 31, 2023	February 20 – March 5
April 7, 2023	March 6 – March 19
April 28, 2023	March 20 – April 2
May 15, 2023	April 3 – April 23 **(3 wks)**
May 31, 2023	April 24 – May 7
June 15, 2023	May 8 – May 21
June 28, 2023	May 22 – June 4

*"Days Covered" only applies to hourly employees and extra pay for all other employees

RICHLAND COUNTY SCHOOL DISTRICT TWO

REQUEST FOR SPECIAL PAYROLL RUN DUE TO MISSED DEADLINE
(All sections must be completed)

Date:

Department/School: _____

Responsible Person(s): _____

Facts and Circumstances Surrounding the Missed Payroll Deadline:

_____

_____

_____

_____

Disciplinary Actions (if applicable):

_____

_____

_____

Circumstance Preventing Payment with Next Regular Payroll Run:

_____

_____

_____

Corrective Actions to Prevent Reoccurrence (Appropriate Procedures):

_____

_____

_____

_____

Signatures:

Employee: _____   Date: _____

Dept Head/Principal: _____   Date: _____

. . . .

☐ Approved   ☐ Not Approved

Chief Financial Officer:		Date:	

Time Sheets vs Payroll Requisitions

If an employee is performing a job outside of their regularly scheduled hours and are the only one performing this job in this pay period, a Timesheet should be submitted to payroll. A Payroll Requisition should be submitted to payroll when there are several employees doing the same type of extra work, and when they will all be coded to the same account number. There is no need to transfer information from a Timesheet to a Payroll Requisition if only submitting time for one person.

Before a Timesheet is submitted to Payroll, it must include the name of the employee, employee number, job completed, account number and rate of pay approved by HR. In order for Payroll to pay an employee for additional time worked and submitted on a timesheet, the employee must have a "Job Code" set up for the indicated assignment. Managers should contact HR to verify that the appropriate "Job Code" is set up for the employee prior to submitting time to Payroll.

RICHLAND SCHOOL DISTRICT TWO

TIME SHEET

This form is to be used to record payroll information for an employee. Time sheets should be turned in weekly to the payroll department.

CHECK DATE: _____

RICHLAND TWO
NAME OF EMPLOYEE: _____   EMPLOYEE NUMBER (6 DIGITS) _____

WEEK BEGINNING_____ WEEK ENDING _____   ACCOUNT NUMBER _____

SCHOOL OR DIVISION _____   JOB COMPLETED _____

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
Begin Work							
End Work							
Total Hours							
Time Off (Lunch)							
Total Hrs Worked							
OT							

RATE OF PAY APPROVED BY HR _____   TOTAL HOURS WORKED _____

Signature of Employee: _____   Date: _____

Signature of Manager: _____   Date: _____

763 Fashion Drive, Columbia, SC 29229 ~ www.richland2.org ~ 803-787-1910

Revised 7/1/2023

A Payroll Requisition should include more than one person performing the same duty being charged to the same account number. Payroll Requisitions are meant to capture multiple employees, so that way, payroll is not overloaded with many employee time sheets for one account number, and the employees are consolidated on one payroll requisition. Prior to submitting a Payroll Requisition to Payroll, it must include the account number and funding source being used, employee names, employee numbers, hours worked and hourly rates approved by HR for the extra work. Time sheets and or supporting information used to compile the Payroll Requisition must be retained at the school level in accordance with Records Retention guidelines.

RICHLAND SCHOOL DISTRICT TWO

Payroll Requisition

The purpose of this form is to provide a payroll summary of timesheets for a given payroll week. Payroll Requisitions should be submitted to the payroll department weekly.

FUNDING SOURCE _____

ACCOUNT NUMBER _____

CHECK DATE _____

DESCRIPTION OF WORK PERFORMED

WEEK OF: Monday _____ **Through** **Sunday** _____

Name	R2 Employee #	Location	PR	Hours Worked	Rate	Gross Wages
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00
						$ 0.00

LOC = Employee's Base Location

PR = Payroll Category ** To be completed by Payroll Department

TOTAL $ _____ 0.00

This form completed by _____

Authorized Signature _____

Mailing address: 124 Risdon Way, Columbia, SC 29223 / Physical Address: 763 Fashion Drive, Columbia, SC 29229
~ www.richland2.org ~ 803.787.1910

Revised 7/10/17

Fair Labor Standards Act

The following information establishes "work-time" rules for district employees who are covered by the Fair Labor Standards Act (FLSA). Covered employees are those listed in the following personnel classifications. The length of the workday for each position is listed on the individual's *Notice of Intent to Employ.*

- ❖ Custodian
- ❖ Food Service
- ❖ Office Support
- ❖ Teacher Assistant
- ❖ Maintenance Personnel
- ❖ Warehouse Courier

Non-Exempt Employee

A non-exempt employee, as defined by the Fair Labor Standards Act (FLSA), is one who does not meet the test of being an executive, administrative or professional employee exempt from the FLSA minimum wage and overtime requirements. Non-exempt employees are entitled to be paid time-and-a-half, either in cash or in compensatory time, for each hour worked over 40 in a given workweek.

Workweek

A workweek will be a continuous period of 168 hours in the form of seven consecutive 24-hour periods. The district workweek begins at 12:01 a.m. each Monday for all employees and runs for seven consecutive days. Each workweek stands alone for the purpose of determining overtime pay for non-exempt employees.

Hours Worked

Hours worked means all hours during which the individual is required to be on duty - generally from the required starting time to normal quitting time. Meal periods do not count as hours worked unless the individual is required to perform work duties during the meal period. Duty-free break periods of 20 minutes or longer do not count as work time.

Overtime hours

Overtime hours for all non-exempt employees in the district will be held to a minimum consistent with the needs and requirements of efficient and orderly administration. All hours worked by non-exempt employees must be scheduled and duly authorized by the employee's immediate supervisor. Overtime hours worked in excess of the employee's normal work schedule (as established by the employee's supervisor) during the work week must be authorized in writing prior to the time the work is to be performed. Unauthorized overtime will not allowed.

Where an employee in a single workweek works at two or more different types of work for which different straight-time rates have been established, the employee's regular rate for that week is the weighted average of such rates (that is, the earnings from all such rates are added together.)

This total is then divided by the total number of hours worked at all jobs. With respect to the payment of overtime in money, or in compensatory time off, the district will have the discretion to determine which method of payment to choose.

Compensatory Time Off

Non-exempt employees who work more than their normal work schedule during any workweek may be awarded compensatory time off ("comp time"). Comp time will be awarded at a rate of one and one-half hours for each hour of overtime worked beyond 40 hours during a given work week. Comp time may be accrued up until 240 hours (160 overtime hours). Overtime work beyond this maximum accrual will be monetarily compensated at the rate of one and one-half times the individual's normal hourly rate of pay. Every effort will be made to permit the use of comp time at the time mutually agreed upon by the individual and his/her immediate supervisor. However, where the individual's absence would unduly disrupt the district's operations, the district retains the right to postpone or reschedule the comp time usage.

The district reserves the right to require employees taking comp time to schedule comp time in a minimal increment of one hour. This requirement is subject to change by the district upon written notification to all affected employees.

All comp time will be used within the district fiscal year in which it is earned. (The fiscal year is July 1 - June 30). Unused comp time will be cashed out at the end of the fiscal year.

Time off later for working on an official holiday will not be considered compensatory time off but as a delayed holiday. Employees who are required to work on an announced holiday must be given equal time off within the same fiscal year.

Monetary Compensation

Non-exempt employees who work in excess of 40 hours per workweek will be paid at one-and-one-half times their "regular rate" for hours over 40 in the event that the district has not designated comp time rather than monetary compensation.

Where an employee in a single workweek works at two or more different types of work for which different hourly rates have been established, monetary compensation for overtime work will be paid in accordance with Fair Labor Standards Act provisions.

Additional information related to the Fair Labor Standards Act and employee related guidelines can be found on R2HQ in the Employee Handbook.

Employee vs. Contracted Services

As outlined in the Accounts Payable Section, under no circumstances is an employee of Richland Two to be paid on a Contract Services form. Employees must be paid through payroll if they perform additional services beyond their job description.

Question

Should a worker providing services to the School District be paid as an employee for income/employment tax purposes?

The IRS assumes that a worker is an employee. The district is responsible for providing sufficient evidence if a worker is to be treated as an independent contractor.

IRS Revenue Ruling 87-41 established what is referred to as the "20 Factor Test" to assist in evaluating whether workers should be considered independent contractors or employees. (The control/relationship test can be found at Treas. Reg. 31.3121(d)-1(c)(2).) To simplify the determination, these factors can be summarized into three general categories: Behavioral Control, Financial Control, and Relationship of the Parties. When evaluating the factors it is important to note that the IRS does not look specifically at any one factor…yet one factor can be enough to cause the IRS to determine that a worker is an employee. There is no "magic number" of factors which determines status...determination must be done based on the circumstances as a whole. It is also important to remember that the IRS presumes that a worker is an employee; therefore, the burden to proof differently rests with the employer.

Question

Why is it important to distinguish whether a worker is considered an employee or an independent contractor?

The distinction between employees and independent contractors is important, because an employer must deduct Social Security/Medicare taxes from employee income and must pay an equivalent amount to the Social Security Administration. In most situations, the employer must also withhold state and federal income tax based on the earnings of the individual. If an individual is working as an independent contractor, the "employer" does not make Social Security/Medicare deductions, and the independent contractor must pay his or her own "self-employment taxes" along with income tax on earnings.

Also, if an employer intentionally or mistakenly classifies an employee as an independent contractor, the employer is then at risk for being heavily fined and may be required to pay back-taxes (the uncollected "employment taxes" i.e., income tax and FICA withholding). If the IRS issues an assessment against the employer for these uncollected taxes (plus penalties and interest), the employer has no choice but to pay the assessment and then determine whether an appeal is feasible.

Question

Should athletic coaches be paid as employees or independent contractors for income/employment tax purposes?

Athletic Coaches should be paid as employees based on the IRS guidelines for control/relationship evaluation determination. Over the years, Institutions have asked for clarification from the IRS with regards to coaches and the answer has consistently been that under the applicable facts, sufficient control is either exercised, or available to be exercised, by the institution so that the coach must be regarded as an employee and not an independent contractor. Study of rulings made by the IRS going back to the 1960s conclude that a coach must be regarded as an employee, whether it is a public/private, full-time/part-time, or an occasional/seasonal position. The rulings all walk through a typical examination of the 20-factor test as applied to the facts at hand, and the IRS consistently concludes that a coach is an employee.

Examples of related Rulings Include: PLR 9352022 (October 1, 1993) (swim coach); PLR 9336042 (June 16, 1993) (golf); PLR 9308036 (December 1, 1992) (cheerleading); PLR 9308018 (November 25, 1992) (lacrosse); PLR 8835037 (June 7, 1988) (part-time/seasonal interscholastic coach); PLR 8134185 (May 29, 1981) (football). Additional language from IRS Chief Counsel Advice, CCA 200206053 (Feb. 8, 2002):

"Question 14: A school district pays its coaches a fee for their services. Should the district report these payments on Form W-2 or Form 1099? Coaches are hired under a contract each season. The schedule of practice times, game times and locations is set by the athletic director of the school. The school provides equipment, referees, time keepers, insurance, medical coverage for the players, etc. The school provides transportation to games and liability insurance. It issues general instructions under which the coach works.

Answer: School coaches, like teachers, are subject to sufficient control that they are typically employees under the common law. The school district has a right to control the manner and means by which coaches and athletic directors perform their functions. We know of no case or ruling in which members of the faculty of a school or college were found to be independent contractors. Potter v. Commissioner, T.C. Memo. 1994-356.

A coach does not have the freedom of action characteristic of an independent contractor, but must function under policies and regulations established for the school. Additional important factors are that a coach has no investment in facilities, has no opportunity for profit or loss, is an integral part of the school's trade or business, and must perform his services personally. A coach performs his services on school property, on a schedule established by the school. Schools are liable for negligent or tortious conduct of their faculty members. The fact that a coach's remuneration is termed a "fee" or "stipend" rather than salary or wages is immaterial. Coaches' wages are subject to employment taxes and should be reported on Form W-2."

The following determining factors are indicators of an independent contractor relationship (i.e., in situations where a significant portion of these factors are true, the relationship could be considered an independent contractor):

1) Behavioral Control

T   F   The district does not have the right to direct and control what work is accomplished.

T   F   The district does not have the right to direct and control how the work is done, through instructions, training or other means.

T   F   The worker is free to set their own rules of business.

T   F   The worker is not required to do the work on the employer's premises.

T   F   The district does not control the worker's schedule and hours worked.

2) Financial Control

T   F   The district does not have the right to direct or control the financial and business aspects of the job.

T   F   The district will not reimburse the worker for business related expenses, unless outlined in contract/agreement.

T   F   The worker invests financially in the facilities or tools used in performing the services.

T   F   The worker provides the same services to other organizations.

T   F   The worker furnishes all their own supplies and equipment.

T   F   The worker provides their own liability insurance.

T   F   The worker realizes a "profit" or incurs a "loss".

3) Relationship

T   F   The worker's relationship with the District is described in a written contract agreement.

T   F   The district does not provide worker with employee-type benefits.

T   F   The relationship is temporary in nature.

T   F   Services performed by the worker are not a key aspect of the regular business of the district.

T   F   The district does not have the right to discharge/fire employee without incurring liability related to a work agreement.

T   F   The employee does not have the right to quit at any time without incurring liability   related to a work agreement.

Section

IX

OTHER FINANCIAL PROCEDURES

Fundraising Activities:

Process for conducting fundraising activities by students and staff.

This section outlines Richland School District Two guidelines for requesting and accepting funds generated by gifts, donations and/or other fundraising methods on behalf of the district and/or schools/programs, in accordance with state and federal guidelines, board policy/guidelines and generally recommended accounting practices.

The District recognizes the educational value fundraising activities can provide for students, in addition to the additional financial resources that enrich our instructional and extracurricular programs. In order for these activities to be done in a manner that maintains an acceptable level of accountability and transparency, it is important that there are established guidelines that are governed by legal and practical considerations.

Who does this section apply to?

These procedures and guidelines apply to all Richland School District Two employees, volunteers or representatives that play a role in requesting, collecting, soliciting and/or accepting funds generated as gifts, donations or other fundraiser at any District location. Principals, assistant principals, bookkeepers, teachers, student activity directors, athletic directors and other administrative professional staff should be very familiar with these guidelines.

Student Fundraising Activities

The District's Board Policy JJE – Student Fund-Raising Activities establishes the basic structure for the conduct of student fund-raising activities.

Policy JJE Student Fundraising Activities

Issued **1/20**

Schools will keep fundraising campaigns to a minimum so as not to impair the efficiency and effectiveness of the education program. In addition, schools may undertake such campaigns only under the following circumstances:

- Students are discouraged from selling items or soliciting contributions, pledges, or orders door to door.
- Fund-raising campaigns sponsored within the school must be in support of specific student activities or projects that will contribute to the improvement of the school's program.
- The principal will approve each campaign.
- The principal or his/her designee will supervise each campaign.
- Students may not participate in fundraising activities during school hours without the express approval of the principal.
- Students will not solicit personal contributions to meet the basic needs of the school.

No student or organization may sell, distribute, or advertise services, written materials, or items from private sources on school premises or in the school or school district without the permission of the principal of the school involved.

Organizations or students seeking to distribute materials to students unrelated to the individual school or school district must have the permission of the superintendent or his/her designee.

Fundraisers for the sale of food or beverages on the school campus during school hours must meet the competitive food standards (see administrative rule EFE-R). Food or beverages that do not meet the standards may only be sold in occasional fundraisers if they are not sold in competition with school meals in the food serving area during the meal service. The standards do not apply to items sold during non-school hours, weekends, or off-campus fundraising events. The number of fundraisers exempt from the competitive food standards will be determined by the South Carolina State Board of Education.

Additional Guidance is outlined in Administrative Rule AR JJE-R Student Fund-Raising Activities:

AR JJE-R Student Fund-Raising Activities

Issued 7/03

All fund-raising activities that take place must be conducted by an organization, not an individual. Any club or organization requesting permission to hold a fundraiser must have a valid charter and board-approved bylaws and have been in existence for at least four months prior to making the request (special permission may be granted by the principal for initial fund-raising activities for new clubs or organizations). The principal and superintendent must approve the fund-raising activities of both parent and student-governed organizations. The approval must be in writing and issued prior to the beginning of the fund-raising activity.

Organizations must make written requests for fund-raising activities to include the following.

- inclusive dates of the activity or sales campaign

- type of activity clearly explained

- name of supplier of sales items or activity

- intended use of the money raised

- how this use of funds can improve the school

All information, advertising, tickets and other materials used for promotion of the activity must carry the name of the sponsoring club or organization. Organizations may not use a board of trustees endorsement on any materials, notices or advertising without the specific written consent of the board.

No teacher or employee of the district will be required to participate in any fund-raising activity sponsored by a parent or student group such as, but not limited to, PTA, band boosters, etc.

Issued 6/20/00; Revised 7/1/03

Affiliate Entities/Private Fundraising Organizations

INTRODUCTION AND PURPOSE

Schools, activities, and programs in Richland School District Two receive valuable support from various private parent volunteer organizations such as booster clubs, foundations, PTOs, PTAs, and similar groups, which are referenced in these guidelines as "PFOs." Richland Two has established these guidelines to provide existing and potential PFOs written organizational and operational guidelines that are compatible with Richland School District Two's policies concerning parental support groups and their activities to support student programs.

PFO CRITERIA

A PFO is formed by a group of parents to provide additional support to a school, a school-sponsored club, an athletic team or program, or other student group. A PFO must meet the following criteria:

1. Each PFO must be organized by adults who are not employees of the school district.

2. Officers of the PFO should be elected and the organization's by-laws adopted before any fund raising activities take place. No employee of the district may serve as an officer of the PFO.

3. Expenditures by PFOs are not subject to board regulations. Their expenditures and fund raising must, however, clearly be distinguished from student activity expenditures and fund raising.

4. Any fund raising event by members of the PFO must clearly be designated as a "PFO" solicitation, and not a solicitation on the part of the school.

5. Any funds received during an activity are given by the donor with the understanding that they are contributing to a PFO and not to Richland School District Two or an individual school.

6.   The school principal must approve functions at school facilities hosted by the PFO in advance.

7. PFOs are responsible for all federal, state and local tax reporting of any compensation made to individuals by the club.

8. PFOs should be chartered as eleemosynary groups and apply for a taxpayer identification number. The district's taxpayer identification number must not be used under any circumstances for a PFO nor may a PFO represent that it falls within Richland School District Two's tax exempt status.

9. Adults (non-employees and non-students of Richland School District Two) have the responsibility for the major part of the work (organizational and manual labor).

10. PFOs should not provide compensation in any form to any employee of Richland School District Two.

Any PFO that uses the name of a school in Richland Two should:

1. Provide the principal with a written copy of the organization's by-laws. This document will be filed in the main office of the school and must be updated annually. (July/August)

2. Provide the principal with a yearly list of officers of the organization. (July/August)

3. Provide the principal with an annual financial report at the end of each fiscal year.

4. Conduct an annual review of the financial records and provide a written copy to the principal. (Not later than September)

5. Seek advance approval from the principal for any fundraising activities.

6. Seek advance approval from the principal prior to distributing any publications, newsletters, or similar printed information.

FINANCIAL GUIDELINES

1. Gate receipts for all school-sponsored functions held on the school's premises are to be deposited in the school's pupil activity account.

2. The school principal must approve the use of school facilities by the PFO.

3. All canteen activities conducted during an event sponsored by a PFO are deemed the responsibility of the organizations operating the canteen. All canteen funds derived from the efforts of the PFO will be accounted for on the PFO's records and deposited in the PFO's bank account.

4. All financial obligations associated with any PFO activity are the responsibility of the PFO.

5. The disbursement of PFO funds should require joint signatures on all checks. School district employees may not be a signatory on the PFO bank account. A full and complete accounting of all fundraising events should be prepared after each fundraising activity.

6. The number of fundraisers should be limited in order to avoid disgruntled citizens concerned about the number of fundraisers associated with each school. PFOs should coordinate fund raising activities with the school principal in order to insure that conflicts do not arise.

Crowdfunding and Donor Websites

The Board of Education recognizes the educational value of appropriate gifts to schools from Parent Teacher Organizations (PTO), other civic groups, corporations, or individuals, and encourages their use to enrich the instructional program.

All gifts accepted by the District will become the property of the District.

Crowdfunding

The District considers crowdfunding to be a fund raiser. The principal/director must pre-approve a crowd funding project/request PRIOR to it being posted on a crowdfunding platform.

Principals or directors should understand the terms used by crowdfunding sites prior to the start of a project. A few terms include:

Crowdfunding

: the practice of funding a project or need by raising many small amounts of money from a large number of people, typically via the internet/online.

: the process of raising funding online.

AON - All or nothing. This means that if the amount requested is not reached, the project does not get funded. The donor then has the option to pick another project to fund or give the current teacher a credit toward their next project.

KIA - Keep it all. This means that if any amount is reached, the school will get a check even if the goal is not reached.

The principal is responsible for monitoring the crowdfunding site and ensuring that the request is removed from the site when the event or request is completed.

All non-monetary items (supplies, equipment, etc.) obtained are the property of the District and all applicable inventory procedures apply. Technology equipment requests must be approved in advance by the Director of Technology.

All monetary donations must be deposited in accordance with District policy and accounted for through the District's accounting software. A new activity account may be established to track proceeds for specific requests. No District banking information should ever be given out. All checks must be made out to the school in the name of the school, not to an individual person/employee.

When posting pictures/videos/images of any students or staff, all applicable District policies and procedures must be followed. Some platforms may require their own student permission forms.

It is the Principal's responsibility to ensure that all crowdfunding initiatives at his/her school are initiated and implemented in accordance with Board Policy DDB/DDB-R.

Policy DDB Online Fundraising Campaigns/Crowdfunding

Issued **10/18**

Any district employee may submit an online fundraising campaign proposal to his/her principal or director supervisor to seek permission to raise funds or acquire donations of materials for the students of the district via a crowdfunding platform that has been approved by the superintendent and chief financial officer. Approved crowdfunding platforms must meet the following requirements:

- All funds or materials donated through the platform must go directly to the district or school administration and not to the individual employee who initiated the donation request.
- The platform must have safeguards in place to prevent misuse of funds and/or misappropriation of materials.
- Administrative fees, if any, collected by the platform must be reasonable and appropriate.
- District banking information will not be disclosed, and its release should not be required as a condition to receive donations to the platform.

Any individual who has not obtained the express written permission of an authorized district representative may not solicit donations of funds or materials on behalf of the district on any crowdfunding platform; may not use any trademarks or copyrights owned by the district, including, but not limited to, the district logo, school logos, school mascots, etc.; and may not otherwise give the appearance that any donations being solicited will be used by the district, will be used by a district employee or program, or will in any way benefit the district.

The district retains the right to refuse any donation of funds or items collected in violation of law, this policy, or the crowdfunding platform's requirements.

Ownership of Materials

Any materials purchased or donated as the result of a district-approved crowdfunding campaign are the property of the district. The materials will remain available for the use of the requestor of the crowdfunding campaign until the requestor is no longer employed with the district or the requestor is placed in another position in which they are unable to utilize the materials as they were intended in the original crowdfunding campaign. At that time, the materials will remain the property of the school to be transferred to another classroom and/or teacher as appropriate.

AR DDB-R Online Fundraising Campaigns/Crowdfunding

Issued **10/18**

Crowdfunding Campaign Approval Process

Prior to initiating a crowdfunding campaign, a proposal for the campaign must be submitted to the principal or immediate supervisor for approval. The proposal must include:

- the name and job title of the employee submitting the request
- the proposed crowdfunding platform
- the exact text that will be posted regarding the campaign, including the specific items requested or the amount of funds requested
- the students or program that will benefit from any donations
- the instructional initiative or athletic/extracurricular program that will be enhanced by donations to the campaign, including the academic standards that will be addressed if the campaign is fully funded, when applicable
- the proposed end date of the campaign

The approval process will ensure that campaigns do not:

- request the purchase or use of technology that not is compatible with the district's current or future plans for the purchase and/or use of technology (the principal may seek input from the technology department, as needed)
- request materials that could be substituted by similar materials that are already supplied by the district or will be supplied by the district
- seek to start a program that would require the continued use of materials or funding beyond what is sought to be obtained through the proposal
- result in demands on staff not involved in the proposal or otherwise conflict with or take away from instructional time in an inappropriate manner
- seek funds or materials for projects that violate federal, state, or local law or otherwise conflict with board policy
- seek funds that require a matching funds contribution from the district
- seek funds for food items that do not comport will district wellness objectives and USDA regulations for school nutrition
- violate student privacy by including information such as student names; pictures of students' faces; descriptions of the school's student population as disabled, in poverty, as English learners, etc.; or statements that infer the district is unable to meet the needs of the students it serves
- include any photographs of students and/or employees requiring prior consent
- disparage the district or its programs, employees, or facilities

The principal may withhold approval for any crowdfunding proposal at his or her discretion for any reason.

The superintendent may terminate any crowdfunding project for at any time for any reason.

Approval of requests will depend on factors including, but not limited to:

- compatibility with the district's educational program, mission, vision, core values, and beliefs

- congruence with the district and school goals
- the district's instructional priorities
- equity in funding
- other factors deemed relevant or appropriate by the administration

If the proposal is approved, the requestor is required to work closely with school administration to ensure all donations are properly documented and/or cataloged and subject to the same financial and inventory controls as other district property. Additionally, the requester is required to ensure compliance with all federal, state, and local laws, district policies, and crowdfunding platform requirements. The principal will maintain a record of all crowdfunding proposals, including those that are denied.

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