

Business Office Guidelines 2011-12 Mullin Independent School District

The Mullin ISD does not discriminate on the basis of race, religion, color, national origin, sex, or disability in providing education or providing access to benefits of education services, activities, and programs in accordance with Title VI of the Civil Rights Act of 1964, as amended; Title IX of the Educational Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, as amended, and Title II of the Americans with Disabilities Act. Superintendent has been designated to coordinate compliance with the nondiscrimination requirements of Title IX. Coordinator has been designated to coordinate compliance with the nondiscrimination requirements of Section 504 of the Rehabilitation Act of 1973.

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Section 1

Payroll Guidelines

Annual Payroll Calendar

Mullin ISD employees are paid once a month. Their annual salary is divided by twelve months and paid in equal installments. In December each year, the end of the month payroll check is issued early, typically just before staff is released for the Christmas Holidays.

Required Payroll Deductions

Full-time employees of the District do not contribute to the social security system. Instead, they participate in the Teacher Retirement System of Texas, a state, local and member funded program. Each employee has 6.44% of their gross pay withheld before taxes and contributed to the system on a pre-tax basis. Additionally, the state of Texas contributes an equal amount up to the statutory minimum salary amount for each employee. The District makes a contribution on behalf of each employee for the difference between the state and employee contribution. Also, each employee makes a contribution to the TRS-CARE health insurance program of 0.50% of the gross pay.

All school district employees are required to have some amount of federal tax withheld from their check and remitted to the federal government. The amount deducted from an employee's check depends on how many exemptions and filing status claimed by the employee. The IRS form W-4 is the document used by each employee to document his or her filing status (single, married, married but withhold at the higher single rate) and number of exemptions claimed. Employees usually fill out this form when they first come to work, but they may change their exemptions or status once a year or whenever an event occurs (new baby, divorce, death of spouse, marriage) that changes either one.

All employees who were hired after March 31, 1986 are required to pay 1.45% of the gross pay to the federal government for Medicare. Employees not eligible to participate in the TRS program (typically part-time employees, less than 15 hours a week) and are not exempt from paying Social Security will have Social Security withheld.

Child support payments are processed by payroll only when properly received from a county Child Support Office, from the Child Support Services division of the Attorney General's office or from an appropriate court of jurisdiction. It is the employee's responsibility to file a change of employment request with the State Child Support Office.

Tax levies from the Internal Revenue Service or payment orders from the Texas Guaranteed Student Loan Fund for repayment of student loans are also processed by Payroll, and are mandatory employee deductions when properly received by the District.

Optional Payroll Deductions

Many optional payroll deductions are available to Mullin ISD employees. Among just a few of these are the following options:

- 403b tax sheltered investments – open to all employees and available through any vendor on the TRS-approved list.
See the entire list at [http://www.trs.state.tx.us/403B/403\(b\)CertifiedList.htm](http://www.trs.state.tx.us/403B/403(b)CertifiedList.htm)
- Health insurance, vision, dental, cancer, additional life, short-term disability and other health-related coverage's
- Professional organization dues

Direct Deposit

The Texas Labor Code, Section 61.016, specifies that the District may choose the form of payment to its employees. The three choices prescribed by law are:

1. Cash payment in U. S. currency
2. Written, negotiable instrument in U. S. denomination (check), or
3. Electronic transfer of funds.

In order to conserve District funds and improve productivity, the electronic transfer of funds (Direct Deposit) has been determined to be the most efficient system of paying employees. Direct payroll deposit is not required but recommended for all employees paid through the District payroll system. Direct Deposit can be made to any bank, savings or brokerage account in the United States Federal Reserve banking system as long as an account number and an ABA routing number are available. Signing up for Direct Deposit is quick and easy. The appropriate form is available from the Business Office and is included in the back of this manual.

All employees should begin checking their bank accounts on the date of the payroll schedule. In the event the employee's pay does not reach his/her account, first contact your bank. A check cannot be issued until the bank rejects the ACH wire. This may take as long as two days. If a check is mailed and not received, the check cannot be reissued for seven working days. After seven days, a stop payment request is issued to the bank and a check can be reissued 24 hours after the stop payment request. If a new check is issued the original check is delivered to the employee, the original check must be returned to the Business Office. **DO NOT ATTEMPT TO CASH THE CANCELLED CHECK**

Resignations: *When an employee resigns, the Business Office must be notified immediately.* Final pay off calculations will not be determined until written notice is submitted to the Business Office and forwarded to the Superintendent.

Change of Address/Telephone Numbers – It is important that our files contain your most current address. When an employee moves to a different address or changes a telephone number, the Business Office must be notified immediately.

Other life-changing events – Marriage, divorce, birth of a child, adoption, death of a spouse and other life-changing events usually trigger a need to notify the Business Office. When in doubt, call and check with these departments to see what information they may need or assistance they may offer.

Jury Duty – Employees must provide a receipt from the court when they are absent for jury duty. The subpoena is not sufficient proof for jury duty. A copy of the jury receipt must accompany the Absence from Duty Form.

W-4 Forms - Employee Withholding Allowance Certificate – Check with the Business Office to make any changes on your W-4 form.

W-2 Forms – Annual Wage and Tax Statements – This calendar year statement is issued no later than January 31 each year to all current and former employees who received any compensation from the District during the previous year via a payroll check.

Timesheets – Timesheets should be submitted to the Business Office on a monthly basis by the 10th of each month for all paraprofessional and other hourly employees. Non-exempt employees are obligated to record actual hours worked. Should a supervisor request an employee to work “off the clock” or otherwise instruct him/her to work without recording time; the employee must report this incident to the Business Office.

Overtime –

The District compensates overtime for nonexempt employees in accordance with federal wage and hour laws. Only nonexempt employees (hourly wage employees) are entitled to overtime compensation. **EMPLOYEES MUST RECEIVE PRIOR APPROVAL FROM THEIR PRINCIPAL OR PROGRAM DIRECTOR BEFORE WORKING OVERTIME.** An employee who works overtime without prior approval is subject to discipline but shall be compensated in accordance with the Fair Labor Standards Act. Weekly time sheets will be maintained on all nonexempt employees for the purpose of wage and salary administration.

Overtime is legally defined as all hours worked in excess of 40 hours weekly and is not measured by the day or by the employee’s regular work schedule. Employees must work more than 40 hours in a week to earn overtime compensation. For the purpose of calculating overtime, a workweek begins at 12:01 a.m. Monday and ends at midnight Sunday. At the District’s option, nonexempt employees may receive compensatory time off, rather than overtime pay, for overtime work. The employee shall be informed in advance if overtime hours will accrue compensatory time rather than pay. See Local Policy DEA for more information.

It is each employee’s responsibility to examine each paycheck stub for accuracy and immediately notify the Business Office if a discrepancy is noted. Please allow reasonable time for the discrepancy to be researched and corrected, if necessary.

Section 2

Purchasing Guidelines

I. PURCHASING OVERVIEW

Purchasing in the public sector environment presents numerous challenges including the requirements to comply with the statutes, policies, legal interpretations, and procedures, the dynamic and diverse nature of the school district environment, the competition among vendors for school district business, the consistent oversight by interest groups and the many “gray” areas relating to purchasing methods and procedures.

II. RESPONSIBILITY FOR PURCHASING

The main focus of the Purchasing Office is to facilitate the acquisition of goods and services in order to meet the needs of schools and departments. The District’s objective is to purchase the best value of products, materials, and services at the lowest practical prices within relevant statutes, policies, and procedures. School district staff is not authorized to override the procedures found in this section which have been written to comply with the State laws and regulations, as well as preserve a level of internal accounting control necessary to demonstrate accountability, ethical conduct, and responsible behavior.

1. The Business Office and Superintendent approves all requisitions and purchase orders. The function of this office is to make sure procurement/purchasing for the district in accordance with the responsibility and authority delegated by the Superintendent of Schools and the Board of Trustees in a manner consistent with State Law, Board policies and sound business practices.
2. Acquisition of all requested goods and services shall be made only by the issuance of an official numbered District purchase order, approved by the Superintendent or designee. Purchase requisitions will be used for maintenance and transportation items.
3. The Purchasing procedures contained in this document are intended to comply with Local, State, and Federal Statutes and Ordinances. In the event of conflict the appropriate statute or ordinance shall prevail.
4. In accordance with Article 6252-16 of the State of Texas statutes, the Mullin Independent School District does not discriminate against individuals or companies with respect to race, religion, color, sex, handicap, or national origin in the awarding of bids.

III. STANDARDS OF CONDUCT

A. Ethics

1. The District subscribes to the "Code of Ethics and Standard Practices for Texas Educators," (Board Policy, DH-Exhibit) which establishes proper conduct for District staff members. Principle I, Professional Ethical Conduct, Practices, and Performance, clearly applies to those individuals engaged in the purchasing process. This principle includes the following standards:
 - a. The educator shall not knowingly engage in deceptive practices regarding official policies of the school district or educational institution.
 - b. The educator shall not knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.
 - c. The educator shall not submit fraudulent requests for reimbursement, expenses or pay
 - d. The educator shall not use institutional or professional privileges for personal or partisan advantage.
 - e. The educator shall neither accept nor offer gratuities, gifts, or favors that impair professional judgment or obtain special advantage. This standard shall not restrict the acceptance of gifts or tokens offered and accepted openly from students, parents, or other persons or organizations in recognition or appreciation of service.
 - f. The educator shall not falsify records, or direct, or coerce others to do so.
 - g. The educator shall comply with state regulations, written local school board policies, and other applicable state and federal laws.
 - h. The educator shall apply for, accept, offer, or assign a position or a responsibility on the basis of professional qualifications.
2. All District staff members are public servants and therefore subject to Title VIII of the Penal code, regarding offenses against public administration, including bribery and corrupt influence (Chapter 36), perjury and other falsification (Chapter 37), obstructing governmental operation (Chapter 38), and abuse of office (Chapter 39). All District staff members shall perform their

duties in conformity with District policy, ethical standards for professional educators, and state and federal law.

B. Conflict of Interest

Employment Requirements and Restrictions:

Conflict of Interest (Board Policy, DBD Local)

1. An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities.
2. An employee shall not have a personal financial interest, a business interest, or any other obligation that in any way creates a substantial conflict with the proper discharge of assigned duties and responsibilities or that creates a conflict with the best interest of the District.
3. An employee who believes he or she has or may have a conflict of interest shall disclose the interest to the Superintendent or designee, who shall take whatever action is necessary, if any, to ensure that the District's best interests are protected.

C. Gifts

1. The State Ethics Commission established a workable limit of \$50 for meals and other gifts. In 1992, the Ethics Advisory Board held that benefits not allowed under state law included the following examples: a \$50 clock, a hotel room, an airline ticket, a hunting trip, football tickets, a hunting rifle, and a \$60 or more restaurant meal.
2. The State Board of Educator Certification has defined "tokens of recognition" such as plaques, fruit, baked goods, coffee mugs and ornaments as acceptable gifts.
3. *The Texas Child Nutrition Program Handbook* summarizes Child Nutrition limits as follows. "... if you have any influence on what is purchased and accept gifts from vendors, you have committed a Class A misdemeanor."
4. GIFTS (Board Policy, DBD Legal) A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of the District commits a class A misdemeanor offense if he or she solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions. *Penal Code 36.08 (d)*.

IV. LEGAL REQUIREMENTS

A. Contracts

1. All school district contracts for the purchase of **real property (goods) valued at \$50,000** or more in the aggregate during a 12 month period are covered by state legal requirements. EC 44.033
2. All school district contracts, (with few exceptions) **valued at \$50,000** or more in the aggregate during a 12 month period are covered by state legal requirements. EC 44.031
3. Exceptions:
 - a. Professional Services - architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser. EC 44.031f
 - b. Only Source Goods - items covered by a patent, copyright, or monopoly; films, books, manuscripts; utility services; and captive replacement or component parts for equipment repair. EC 44.031j
 - c. Repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. EC 44.031h
4. Contracts for all goods and services with an annual aggregate value above \$50,000.
 - a. Exceptions:
 - 1.) Computers and peripheral attachments with an annual aggregate value above \$15,000, EC 44.031k
 - 2.) School buses with an annual aggregate value above \$20,000 EC 44.031l
 - b. These contracts must be preceded by a competitive pricing mechanism.
 - 1.) Bids
 - 2.) Sealed proposals for construction
 - 3.) Requests for proposals (received the same way as bids)
 - 4.) Texas Building and Procurement Commission contracts
 - 5.) Texas Catalogue Information Systems Vendor quotations.
 - a.) Vendors must be CISV qualified by the TBPC.
 - b.) Purchases must be supported by three proposals or quotes.
 - 6.) An inter-local agreement based on bids or proposals. EC Section 44, Subchapter B
 - 7.) Reverse auction procedure. EC 44.031

- 8.) Design build method
- 9.) Job order contracts method
- 10.) Construction manager method
- 11.) Political subdivision compensation for electricity purchases
- c. Notice is required for bids and requests for proposal:
 - 1.) To be published once a week for at least two weeks prior to the deadline for receiving responses.
 - 2.) In a newspaper for the county in which the school district's central office is located. EC 44.031g
- 5. Political subdivision corporations may be used in lieu of competitive pricing mechanisms for the purchase of electricity. LGC 304.001
 - a. The Board of Trustees must pass a resolution to accept the by-laws of the corporation.

b. Emergency Purchases

Emergency purchases shall be made in conformance with paragraph (h) Section 44.031 Education Code that states:

*Text of subsec. (h) as amended by Acts
1999, 76th Leg. ch. 922*

"If a school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then the contracts for replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section."

*Text of subsec. (h) as amended by Acts
1999, 76th Leg. ch. 1225*

"If a school equipment or a part of a school facility, or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the board of trustees determines that the delay posed by the methods provided for in this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than those required by this section."

C. Awarding Contracts

- 1. Costs
 - a. Purchase price
 - b. Long term costs (service, supplies, maintenance, etc.)
- 2. Product or services
 - a. Quality
 - b. Extent to which the good or service meets District needs
- 3. Vendor
 - a. Reputation
 - b. Safety record LGC 271.0275
 - c. Past relationship with the district
 - d. Historically Under Utilized Business (HUB) status
- 4. Any other relevant factor specifically listed in the request for proposals or bids. EC 44.031b

D. Enforcement

- 1. District staff members commit a criminal offense if they make or authorize separate, sequential, or component purchases to avoid using competitive pricing mechanisms when required. EC 44.032b
- 2. District staff members commit a criminal offense if they fail to use competitive pricing mechanisms when required or award contracts for reasons other than those cited. EC 44.032c
- 3. Conviction of an offense results in an individual's:
 - a. Immediate removal from office,
 - b. Inability to serve in any public office in Texas for four years, and
 - c. Ineligibility to receive any compensation through state or a political subdivision of the state. EC 44.032e
 - d. This is a Class B misdemeanor involving moral turpitude. EC 44.032b

E. Personal Property and Services Notes

1. Bid and proposal openings shall be at public meetings of the Board of Trustees or by Superintendent's designee of the District in a District office. LGC 271.026a
2. A bidder may withdraw a bid due to a material mistake in the bid. LGC 271.026b
3. Bids may not be changed for the purpose of correcting errors after they have been opened. LGC 271.026a
4. The governmental entity has the right to reject any and all bids. LGC 271.027a
5. Contract Length
 - a. Contracts obligate current District revenue only for the year in which they are awarded.
 - b. Multi-year agreements are permissible if they contain:
 - 1.) The right of the Board to terminate the contract at the end of each budget period, or
 - 2.) An appropriate funding-out clause to allow termination should funds become unavailable to pay for the contract. LGC 271.903
6. Payment
 - a. Payment for goods and services received and invoiced is due thirty days after the completion of the contract or receipt of the invoice.
 - b. For each month or part the payment is late, the vendor has the right to **1%** interest on the unpaid balance. GC2251.021, .025, .029
7. Tie Bids
 - a. If the District receives two or more low bids that are identical, the selection of the winner shall be by the casting of lots.
 - b. If only one of the bidders submitting identical bids is a resident of the District, that vendor will receive the award. LGC 271.901
8. Non-resident bidders must underbid resident bidders by not less than an amount (percentage) by which a resident vendor would be required to underbid in the non-resident bidder's state (reciprocity). GC 2252.001; 2252.002
9. Single proprietorships and partnerships where an owner or operator of the business has been convicted of a felony cannot contract with a school district. EC 22.083
10. Inter-local Agreements between school districts, other local governments, and state agencies for the purchase of goods and services satisfies the requirement that contracts be preceded by a competitive pricing mechanism. GC 791.025 b, c
11. Texas Building and Procurement Commission may provide and the District may use state contract prices and vendors to satisfy the requirement that contracts be preceded by a competitive pricing mechanism. LGC 271.082
12. Purchasing Cooperatives
 - a. Cooperatives may be established by school districts, regional education service centers, county departments of education, and other local governments to pool goods and services needs in order to obtain optimal pricing.
 - b. The Board of Trustees must approve a contract with the governmental unit operating the cooperative designating a person to act for the District in all matters pertaining to the cooperative.
 - c. The governmental unit operating the cooperative may collect fees from the participating districts or governments to cover the cost of operating the cooperative. LGC 271.082 b
13. Child Nutrition purchases for personal property exceeding \$50,000 must utilize a bid, proposal, state or federal contract, cooperative purchasing agreement, or inter-local purchasing arrangement due to federal school Lunch program requirements. (Federal law sets \$100,000 as the minimum, but requires meeting state statutes.)
14. The Board of Trustees may not purchase milk or milk products imported from outside the United States. H&SC 435.021
15. The Board of Trustees may not purchase beef and beef products imported from outside the United States. AC 150.012

F. Construction

1. The school district must employ an architect to prepare plans and specifications for:
 - a. New construction where costs exceed \$100,000.
 - b. Building renovations where costs exceed \$50,000. Art 249a, Sec. 16, V.A.T.S.
2. The school district must employ a registered engineer:
 - a. To prepare structural, electrical, and mechanical engineering plans for construction projects with an estimated cost exceeding \$8,000.
 - b. To supervise construction not involving structural, electrical, and mechanical engineering when the estimated cost exceeds \$20,000. Art 3271a, Sec. 19, V.A.T.S.
3. Procedure for acquiring professional services:
 - a. Select the most highly qualified provider on the basis of competence and qualifications.
 - b. Attempt to negotiate a contract with the best provider at a fair and reasonable price.

- c. If a contract cannot be negotiated, consider the next best provider and attempt to negotiate a contract. GC 2254.004
- 4. Payment and Performance Bonds
 - a. For construction projects in excess of \$100,000, the District shall require a performance bond in the amount of the contract. GC 2253.021 a, b
 - b. For construction contracts in excess of \$50,000, the District may require a payment bond in the amount of the contract solely to protect vendors and subcontractors supplying labor or materials. GC 2253.021 a, c
 - c. If the District does not obtain bond coverage it has the same liability as a surety. GC 2253.027
- 5. School districts must pay the prevailing wage to all workers on public works contracts
 - a. The Board of Trustees is responsible for establishing wage rates by:
 - 1.) Conducting a survey of local wage rates or
 - 2.) Using data from the federal Department of Labor.
 - b. Contractors and subcontractors must also pay this rate.
 - c. Complaints from laborers shall be received by the Board and acted on within 30 days.
 - d. If violations have occurred the Board may assess the contractor penalties to reimburse affected workers. GC 2258.021, .022, .023, .052d
- 6. The District must include a requirement for all contractors to provide all workers providing services to construction project appropriate workers' compensation coverage. 28 TAC 110.110 (c) (7)

G. Construction Bids & Requests for Proposals

- 1. The Board of Trustees considering a construction contract, must first determine which competitive procurement method will be used in awarding the project. EC 44.035 (a)
- 2. In publishing the requests for bids or proposals, the District will note in the request document the criteria and weights that will be used to evaluate the offers received. EC 44.035 (b)
- 3. The evaluation for the selection for a construction services contract must be documented and made public by the seventh day after the contract is awarded. EC 44.035 (c)
- 4. Bids for Contractors
 - a. The District may use competitive bids to select a contractor for construction and renovation projects.
 - b. Procedures for bidding shall meet the requirements previously presented. EC 44.040
- 5. Proposals for Contractors
 - a. The District may use a request for proposals to select a contractor for construction and renovation projects.
 - b. Proposals for construction services are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.039
 - c. The District may discuss each vendor's proposal with that vendor to clarify and modify the original proposal.
 - d. Procedures:
 - 1.) Architect or engineer prepares construction documents.
 - 2.) The District will contract independently for inspection, testing and verification services.
 - 3.) The District will prepare an RFP that includes construction documents, selection criteria, estimated budget, project scope, and schedules.
 - 4.) Advertising and opening of proposals shall meet requirements previously noted.
 - 5.) Proposals must be evaluated and ranked within 45 days of opening.
 - 6.) Negotiations begin with the vendor making the best offer and if not successful, be ended in writing before proceeding to the next vendor.
 - 7.) Selection of a contractor shall be based on the best value for the District. EC 44.039
- 6. Proposals for Design Build Contracts
 - a. The District may use a design-build contract to select a contractor for construction and renovation projects.
 - b. Proposals for a design-build contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.036
 - c. Procedures:
 - 1.) Architect or engineer prepares construction documents.
 - 2.) The District will contract independently for inspection, testing and verification services.
 - 3.) The District will prepare an RFP that includes general information on the project site, project scope, budget, special systems and selection criteria.
 - 4.) Advertising and opening of proposals shall meet requirements previously noted.
 - 5.) Evaluation of proposals is in two steps:
 - a.) Rate the companies proposing based on experience and qualifications.

- b.) Rate finalists on safety, long-term project durability, methods to establish costs, and construction schedules.
 - 6.) Select a firm and have project specifications developed.
 - 7.) The design-build firm will supply the District with a set of signed and sealed construction plans at the end of construction. EC44.036
- 7. Proposals for a Construction Manager/Agent
 - a. The District may contract a consultant or construction manager/agent to oversee construction and renovation projects.
 - b. Procedures:
 - 1.) Architect or engineer prepares construction documents.
 - 2.) The District selects the most highly qualified manager/agent on the basis of competence and qualifications.
 - 3.) Attempt to negotiate a contract with the best manager/agent at a fair and reasonable price.
 - 4.) If a contract cannot be negotiated, move to the next best manager/agent and attempt to negotiate a contract.
 - 5.) Once the agent is selected, the District shall then procure a general contractor, trade contractors, and sub-contractors through the use of bids or requests for proposal.
 - 6.) The District or manager/agent will procure all independent inspection, testing and verification services. EC 44.037
- 8. Proposals for a Construction Manager-At-Risk
 - a. The District may contract a manager-at-risk to oversee construction and renovation projects.
 - b. Proposals for a manager-at-risk contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.038
 - c. Procedures:
 - 1.) Architect or engineer prepares construction documents.
 - 2.) The District will contract independently for inspection, testing and verification services.
 - 3.) The District will prepare a request for proposal that includes general information on the project site, project scope, budget, special systems and selection criteria.
 - 4.) The request for proposal may request the manager's proposed fee and other costs separately if a two-step qualification process is used.
 - 5.) All proposals must be evaluated and ranked within 45 days of opening.
 - 6.) Attempt to negotiate a contract with the best manager at a fair and reasonable price.
 - 7.) If a contract cannot be negotiated; the District must end negotiations in writing and then consider the next best manager and attempt to negotiate a contract.
 - 8.) The selected manager shall then procure trade contractors and sub-contractors through the use of bid or requests for proposal. A construction manager-at-risk shall publicly advertise, in accordance with Section 44.031(g), and receive bids or proposals from trade contractors or subcontractors for the performance of all major elements of the work other than the minor work that may be included in the general conditions.
 - 9.) The selected manager may submit his own bid or proposal for portions of the project.
 - 10.) The manager and a District representative will open all trade contractor and sub-contractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process.
 - 11.) All bids and proposals shall be made public within seven days after the final selection is made.
 - 12.) If the manager recommends a bid or proposal and the District requires the use of another trade or sub-contractor, the District must compensate the manager for any additional cost incurred by the manager as a result of the District's action. EC 44.038
- 9. Job Order Contracts
 - a. The District may award job order contracts for repair and renovation work.
 - 1.) Proposals for a job order contracts are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. EC 44.035
 - 2.) Advertising and opening of proposals shall meet requirements previously noted.
 - 3.) Proposals must be evaluated and ranked within 45 days of opening.
 - b. The District selects the manager that offers the best value to the District based on selection criteria in the request for proposal.
 - c. Advertising and opening of proposals shall meet requirements previously noted.
 - d. The District may award job order contracts to one or more vendors.
 - e. The job order for a specific project must be signed by a District representative and the contractor.

- f. Indicated costs may be a fixed price, a negotiated lump sum, or unit based on estimated quantities. EC 44.041

H. Lease Purchase of Real Property

- 1. The Board of Trustees may approve a contract for the lease purchase of buildings and other renovations provided:
 - a. The public is given 60 days printed notice.
 - b. If five percent of the registered voters approve a petition for a referendum on the proposed contract the matter must then be approved by a majority of District voters at a referendum.
 - c. The contract is submitted to the Attorney General for approval. LGC 271.004

I. Construction Notes

- 1. All new construction must meet educational adequacy standards and construction quality standards as set by the State Board of Education. (Renovations need only meet construction quality standards.) (EC 42.352; 19 TAC 61.11)
- 2. All specifications for new construction and major renovations must be based on the requirements of the District's educational program. 19 TAC 61.13
- 3. Americans With Disabilities Act standards will be applied to all new construction and renovations. 28 CFR 35.151; 34 CFR 104.23 (Federal)
- 4. Playground equipment and surfacing purchased after September 1, 1997 must comply with the provisions in the *Handbook for Public Playground Safety*. H&SC 756.061

J. Law Code Abbreviations

EC	-	Education Code
GC	-	Government Code
LGC	-	Local Government Code
H&SC	-	Health and Safety Code
AC	-	Agriculture Code
TAC	-	Texas Administrative Code
PC	-	Penal Code
V.A.T.S.	-	Vernon's Annotated Texas Statutes

V. LEGAL ASPECTS

Every Administrator should have sufficient knowledge of the law to enable him to understand the relationship between himself and the District, and the legal consequences of the acts that he performs in the District's name. With knowledge of the legal fundamentals of purchasing, you will be better equipped to recognize the need for legal guidance and seek it when necessary.

A. Law Of Warranty

Warranties are of two sorts, expressed and implied. An expressed warranty is one that is defined and negotiated into a mutually satisfactory contract between the buyer and supplier. In the absence of expressed warranties of quality, fitness, or performance of product, if the buyer makes known to the seller the particular purpose for which the supplies or equipment are required, relying on the seller's judgment and skill, there is an implied warranty that the goods shall be reasonably fit for that purpose. The inclusion of an expressed warranty covering any of these points renders the implied warranty void, since the latter cannot exist when the supplier expressly guarantees his merchandise. The purchaser is under obligation to take action as soon as a deficiency of goods, or a breach of warranty, is determined.

B. Law Of Patents

A patent is a monopoly created by law. A person or company may be liable for infringement of a patent if he uses it, or if he makes it for his own use, or if he purchases and resells an infringement device, although the purchase is made in the belief that the seller had a license from the patentee to sell or use the device. The owner of a valid patent is privileged to sue for infringement either the manufacturer, the seller, or the user of the invention, or all of them.

C. The Uniform Commercial Code

The single most comprehensive codification of the broad spectrum of laws involved in a total commercial transaction. The code attempts to provide a consistent and integrated framework of rules to deal with all phases ordinarily arising in a commercial sales transaction from start to finish.

D. Title And Control Of Goods

Methods for passing title and control of goods:

1. F.O.B. Point of Origin, Freight Collect: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; buyer bears and pays freight charges.
2. F.O.B. Point of Origin, Freight Prepaid: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; seller pays and bears freight charges.
3. F.O.B. Point of Origin, Freight Prepaid & Charged Back: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; seller pays and invoices buyer for freight charges.
4. F.O.B. Destination, Freight Collect: seller retains title and control of goods and selects the carrier and is responsible for the risk of transportation; title passes to buyer upon delivery and ownership by the buyer; buyer pays and bears the freight charges.
5. F.O.B. Destination, Freight Prepaid: seller retains title and control of goods and selects the carrier and is responsible for the risk of transportation; title passes to buyer upon delivery and ownership by the buyer; seller pays and bears the freight charges.
District standard terms are F.O.B. Destination, Freight Prepaid. (This is the best method to use.)

VI. CONTRACTS/COMMON LAW

1. A District Purchase Order is an offer. A contract is created between the District and the vendor only when the vendor accepts the terms of the Purchase Order by causing the goods or services requested on the order to be delivered. In other words, the District's offer (Purchase Order) is a presentation to the vendor of what the District requirements from the vendor are and under what conditions (terms). Purchase Orders provide a uniform way for the District to make offers to vendors with all terms in writing. This is why it is critical to the purchasing process that the school or departments receiving the goods or services immediately compare the delivery of same with the Purchase Order. If the vendor has altered the terms of the Purchase Order to the point where the recipient is dissatisfied, then a possible breach of the contract has occurred. In such a situation, Purchasing should be notified at once.
2. In the case of bids and request for proposals (all types), a different set of circumstances exists. Here, the offer is the vendor's bid or proposal. This is the vendor's offer to the District of what the vendor will sell the District and under what terms. The acceptance of an offer occurs when the Board of Trustees awards a bid or selects a proposal. (Note: the vendor may withdraw his offer [bid/proposal] at any time up until the offer is accepted [award made] by the Board.)
3. A contract is created between the District and the vendor after the bid is accepted by the Board of Trustees at which time the purchase order becomes the contract.
4. In addition to the issuance of a purchase order on work involving construction, repairs, renovation and maintenance of buildings, a separate contract document may be required. This contract shall be formulated as required to cover the project parameters and work to be accomplished. The Chief Financial Officer(Superintendent) must sign this contract.

VIII. MULLIN ISD PURCHASING GUIDELINES

A. Purchases

Board Policy, State and Federal laws mandate that all purchases made by Mullin I.S.D. must be in compliance with bid laws.

Most equipment purchases and some supply items are not covered by any of the annual contracts but need to be purchased off a bid. These items must be requested on a "Bid Item Requisition" form. This requisition is used only for items that are required to be bid that are not covered under any of the annual contracts. List only one item per page and make sure all the necessary information is given. Items or services that have already been bid are to be submitted on a IISD purchase order (requisition) form.

B. Quotation Threshold

The district has a quotation threshold for purchases of \$25,000 or more. This means that any order that is \$25,000 or more, that has not been bid, will need to have as a minimum three quotes attached to the order before it can be processed. Please note that since these are quotes they will need to have a signature from the company representative who is providing you with the quotation. The

exceptions to this would be professional services, sole source purchases and items purchased from a bid.

When requesting formal quotations from vendors, send a copy of your request to the Business Office and a list of all companies receiving the request. Please provide the name of the contact person at your location and their phone number to notify when all quotations have been received.

Please be sure to include in your request for formal quotations the following information:

1. Quote deadline date and time
2. necessary specifications for product or service
3. quantities
4. delivery site and instructions
5. the length of time the quotation is good for
6. the name and number of a person to call if the vendor has questions concerning your request
7. if the item is needed by a specific date, this should be included in your request

After evaluating the quotations the originator will complete the purchase order. If you are not ordering from the lowest bidder you must attach a justification when sending in your purchase order.

C. Mullin ISD does not reimburse for state sales tax.

D. Cooperative Bids and other Purchasing Information

There are many cooperative bids available that the district can use in place of our district bids. Questions concerning cooperative bids that are available and/or any purchasing related questions may be directed to the business office.

E. Annual Aggregate Category Dates

1. The District establishes the twelve-month period to comply with annual aggregate value of a category of goods or services to run from September 1 to August 31 of the following year.
2. For item categories that exceed \$50,000 during this date range, a competitive pricing mechanism will be employed to select a contractor to supply the goods or services requested.

F. Purchase of Computer Hardware/Software/Supplies

1. If you plan to purchase a computer or computer hardware, contact the Superintendent and use the approved vendor.
2. Before any computer equipment, software, and/or supplies may be ordered the purchase order requisition form must be completed and signed by the Superintendent or designee.

G. Record Keeping

Maintaining purchase files (requisitions, bids quotations, advertisements, and purchase orders). These and other records shall be retained for seven (7) years subsequent to the close of the program.

H. Open Records

The Mullin Independent School District complies with Open Records statutes as outlined in Title 110A Article 5252-17a, of the Revised Civil Statutes of the State of Texas. Special attention is called to Section 3(a) (4) which states the following exceptions to open records: "Information which, if released, would give advantage to competitors or bidders."

VIII. UNAUTHORIZED CHARGES/PURCHASES

1. Any commitment to acquire goods or services from budgeted funds prior to securing a bonified purchase order or without prior approval from the Superintendent or designee is prohibited. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement.
2. The only official authorized to obligate or commit the district involving the acquisition of goods or services from budgetary funds is the Superintendent or Business Office designee.
3. All exceptions to this policy are to be made in writing by the Superintendent of Schools.

4. No purchases are authorized without issuance of a Purchase Order or authorization from the Superintendent, and payment will not be made for such purchases.
5. Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01.
6. No goods or services are to be ordered or repairs made without a Purchase Order (P.O.) number having been issued prior to placing the order with the vendor. The individual placing an order without a P.O. number will be responsible for payment of the invoice.

IX. PURCHASES FOR INDIVIDUALS

1. Any commitment to acquire goods or services in the name of the Mullin Independent School District for personal use or ownership is prohibited. Any individual making such a commitment may be liable to prosecution under the Texas Penal Code Chapter 39, Abuse of Office, and Section 39.01.

X. TAX EXEMPTION

1. The Mullin Independent School District is exempt from payment of taxes under Chapter 20, Title 122A, Article 20.04. Revised Civil Statutes of Texas, for the purchase of tangible personal property.
2. The District is exempt from sales tax because it is a public, free school, is tax supported, and operated under the Texas Education Agency.
3. Any use of the District's tax exemption certificate for personal purchase is prohibited. Anyone using the District's tax exemption certificate for personal purchases may be liable to prosecution under the Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.
4. All purchase orders notify vendors of the District's tax-exempt status. When placing a confirming purchase order with a vendor, the school or department should indicate to the vendor that the District holds this exempt status and should not be charged tax.
5. The Texas Sales Tax Exemption Certificate may be requested from the Administration Office.

XI. SEALED BIDS OR SEALED REQUESTS FOR PROPOSALS

The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, then economies of scale – purchasing in large quantities – will probably result in lower costs either per unit item or in the aggregate. Another reason for competitive bidding – it's an open process.

The purpose and intent of competitive bidding laws were defined in Sterrett v. Bell, as follows:

- “Gives opportunity to bid...on the same undertaking...upon the same thing;”
- “Requires all bidders be placed upon the same plane of equality...each bid; upon the same terms and conditions;”
- “Stimulates competition and prevents favoritism;” and
- “Secures the best work and materials at the lowest practical price.”

A. Requests By Departments To Go Out For Bids/RFPs

1. When the actual cost of acquiring personal property or the commodity category of the Mullin School District is \$50,000 or greater, the requesting department is to follow the procedures as listed below:
 - a. Submit a bid item requisition and or requisitions from the requesting department to the Superintendent via the other levels of approval (if required).
 - b. The requisition should include the following:
 - 1.) Name of items being requested.
 - 2.) A complete list of all items being proposed for purchase
SPECIAL NOTE: The description of items specified should be detailed enough to identify any catalog brand name, or manufacturer's reference number.
 - 3.) Exact number of items needed.
 - 4.) Any special conditions required, i.e. items need to be installed and in complete operating condition.
 - 5.) A list of any vendors who are suppliers or potential suppliers of the items being requested that you would like bids mailed to and their complete mailing addresses.
 - 6.) The budget code from which this purchase once approved will be encumbered and paid from.
 - 7.) Any additional information that is necessary to successfully advertise for bids according to specifications. (Example: Color, installation, etc.)

- c. The requesting department shall be responsible for making all recommendations for purchase of bid items once bid tabulations have been concluded. Whenever the lowest bid price is not recommended, the requesting department shall provide written justification for such recommendations.
- d. The Superintendent has the ultimate authority to amend, accept, or reject all or part of the bid specifications as introduced by the requesting department.
- e. All bid requests or proposals are to be coordinated through the Administration Office and regulated by the Deadline Date Schedule for Submitting Bid Requests or Proposals to the Board of Trustees.

B. Specifications

Preparation of specifications shall be the responsibility of the requesting school or department. The responsibility of the Superintendent's Office is to review the specifications to ascertain whether competitive bids/proposals can be obtained and assure that Board policies and state laws are followed regarding the purchase.

Specifications must contain adequate technical descriptions to clearly identify for prospective bidders the type of material, equipment, or services required. In addition to the detailed specifications, brand names, model numbers, and like descriptions may be referred to as product meeting specifications to inform prospective bidders of the type of quality required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where possible.

All bids will carry descriptive specifications when possible.

1. Properly executed purchase orders and/or requisitions must include adequate descriptive information of the goods or services required.
2. Such descriptive information must be specific, but not so as to prevent competitive bidding on comparable items, if necessary.
3. Many items can be adequately described by giving the name of the item its basic minimum features that you will require and a typical, acceptable brand and model number.
4. Detailed supplemental specifications may be required to fully describe the features and/or requirements of the items or services required.
5. General description should outline the minimal requirements or features.
6. Regardless of the descriptive information, alternate bids or substitute items may be considered for purchase or award if it is determined to be in the best interest of the District.
7. The use of any brand name or manufacturer's reference in a bid is descriptive, not restrictive, and is to indicate the type and quality of items desired.
8. The user department is responsible for the development of specifications in bids. However, these specifications are subject to review by the Purchasing Director or designee.
9. A good specification should do four things:
 - a. Identify minimum requirements. (Define the quality or standards of products or services.)
 - b. Allow for a competitive bid. (Include sufficient descriptive information to insure that all bidders have equal opportunity to bid on comparable products or services.)
 - c. List reproducible test methods to be used in testing for compliance with specifications.
 - d. Provide for an equitable award at lowest possible cost.
10. Sources available for developing specifications:
 - a. Product literature
 - b. Other users
 - c. Vendors
 - d. Purchasing Office

C. Opening Sealed Bids/RFPs

1. All sealed bids/proposals shall be received in the Superintendent's Office where they will be opened publicly on the date and at the time advertised. The Superintendent or designee shall open bids.
2. The closing time for sealed bids is final. Bids received after the closing time will not be opened or considered.
3. Submitted bids are final and may not be altered. Vendors may however, submit sealed alternate bids before the closing time to substitute prices on their formal bid, in which case only the substitute will be considered.
4. No bid can be withdrawn after opening without approval of the Superintendent based upon a written acceptable reason.

5. Withdrawal of a bid or failure to honor a bid, may result in the deletion of the company from future bid requests.
6. Bids will not be considered unless they are manually signed by an authorized representative of the company.
7. All accepted bids will be tabulated and awarded as provided under Approval/Awarding of Bids.
8. After the bids have been opened and tabulated they will be available for those interested to copy and study. They shall not, however, be removed from the Administration Office.
9. If no acceptable bids are received, the proposed acquisition will be re-advertised seeking an acceptable bid.

D. Approval Awarding Of Bids/RFPs

1. Approval for all purchases and contracts valued at \$50,000 or over shall be made by the Board of Trustees.
2. Administrative action may be taken on purchases of capital items, supplies and services under \$50,000 by the Superintendent.
3. If circumstances warrant, Board consideration of any purchase may be requested.
4. Proposed emergency purchases shall be submitted to the Board of Trustees for approval prior to making any commitments (also see Emergency Purchases).
5. The lowest and best bid from a responsible bidder that meets the requirements of the District shall be recommended for purchase.
6. The user department shall be responsible for making recommendations for purchase of bid items. Whenever the lowest bid price is not recommended the user department shall provide written justification for such recommendations.
7. The recommendations for purchase shall include an assessment of these considerations: individual item price, total price of items, life cycle cost, delivery dates, terms, location of the vendor, quality of materials, safety, past performance of goods and vendor, transportation charges, good business practices, and conformance to appropriate Local, State, and Federal Ordinances, Statutes and Regulations.
8. Upon receipt of recommendations from the user department, the Superintendent shall present all recommendations for purchase to the Board of Trustees.
10. Bids awarded by the Board of Trustees may be extended for additional purchases without additional Board consideration provided that:
 - a. The prices, terms, and conditions of the original bid remain firm.
 - b. The extended bids do not total more than 25% of the original bid award, the original bid had provisions for additional purchases, and all legal requirements are fulfilled.

E. Performance And Payment Bonds/Good Faith Deposits

1. Non-construction purchases:
 - a. Performance and payment bonds MAY BE required when deemed necessary on purchases.
 - b. Payment and performance bonds WILL BE furnished as required by law. (GC 2253.021 a,b,c.
 - c. Good faith deposits in the form of a cashier's check or bid bond in the amount of 10% of the bid may be required when deemed necessary.

F. Reasons For Denial Of Receiving Requests For Bids Or Quotations

1. A vendor may be denied the opportunity to receive bids or quotations for these reasons:
 - a. Previous failure to honor a bid or quotation.
 - b. Unusual delays in delivery of previous awards.
 - c. Repetitive failure to respond to requests for bids or quotations.
 - d. Unauthorized substitution of merchandise in other awards.
 - e. Previous failure to perform service satisfactorily.
 - f. Discrimination against an employee or applicant in regards to race, religion color sex, or national origin.
2. The decision to deny a vendor the opportunity to receive bids or quotations shall be made by the Superintendent. (The Superintendent must have written documentation for support prior to denying any vendor the opportunity to receive bids or quotations.)
3. Any vendor protesting the denial to receive bids or quotations shall follow these procedures:
 - a. Make a written request to the Superintendent, showing cause to receive requests for bids and request an audience to discuss the matter.
 - b. If the request is again denied by the Superintendent, the vendor may request an audience with the Board of Trustees to appeal the decision. The Superintendent shall place the item on the Board of Trustees regular meeting agenda.

G. Receiving Requests For Bids Or Quotations

1. Bids shall be sought from sources able to offer the best prices consistent with quality, delivery, and service.
2. No employee of the District or school board member shall receive requests for bids, quotations, or conduct business for the District in any manner other than that necessitated by their assigned or elected responsibilities.
3. All vendors receiving sealed bids or quotations must be responsible and possess the ability to perform the contract according to its terms. A responsible vendor must exhibit adequate financial standing, reputation, experience, resources, facilities, judgment and efficiency. Additionally, vendors must not discriminate against any employee or applicant in regards to race, religion, color, sex, or national origin.

H. Bid Related Categories

The following is a partial list of bid related categories to be used as a guide to determine bidding requirements. Districts shall add to this list as aggregate dollars of products exceed the bid limit. This list is non-inclusive. Note: Items in the supplies and materials sub-categories or within each equipment/non-consumable category listed below must be considered as an aggregate purchase if available from a single vendor; however, bids may be split into seasonal purchases.

Commodity Categories/Sub-Categories

Athletics

Athletic/Trainer Supplies

Sports and Supplies (i.e., Baseball, Basketball, Cross Country, Football, Golf, Soccer, Swim, Tennis, Track, Volleyball)
Uniforms.

Athletic Equipment/Non-Consumables

Commodity Categories/Sub-Categories (Continued):

Food Service

Bread
Dry Goods, Canned and Frozen Foods
Fresh Meat and Poultry
Milk
Non-Food Supplies

Food Service Equipment/Non-Consumables

Instructional/General - Capital Equipment

Instructional/General - Supplies

Maintenance

Maintenance Equipment/Non-Consumables

Transportation

Gasoline/Diesel

Commodity Categories/Sub-Categories (Continued):

Transportation Equipment/Non-Consumables

Buses (Lease/Rent/Lease Purchase/Buy)
Capital Equipment
Storage Tanks
Vehicles, Trucks and Vans

Miscellaneous

Bank Depository

Printed Forms

I. Vendor List

1. The Business Office maintains a vendor list for bids and quotations. A vendor may request to be placed on the purchasing vendor list in one of the following ways:
 - a. The vendor mails a letter to the Business Office on the company's letterhead indicating the goods or services offered, company address, telephone number, and sales representative.
 - b. A sales representative visits the Business Office in person informing an employee he would like to be placed on the purchasing office vendor list and leaves a business card.
2. Bid packages are mailed to vendors registered on the computerized bid list on or before the date that notice of the bid opening is published.

3. A vendor may be removed from the vendor bid list by failing to respond to three consecutive bids, failing to update addresses and telephone numbers, withdrawing a bid, failing to honor a bid, failing to honor contracts or warranties, or making false or misleading statements (written or oral) during any business negotiation with the District. Once removed, a vendor will not be reinstated on the bid list until he can demonstrate that any past problems have been corrected and his organization can meet all bidding requirements.

J. Quotations

(Refer to Mullin ISD Purchasing Guidelines, B. Quotation Threshold for more detailed information and instructions.)

1. The term quotation is used to identify the task of securing pricing information from a vendor for goods or services.
 - a. District policy requires that written quotations must be requested from vendors for one-time purchases \$25,000.
 - b. Formal written quotations are required for purchases \$25,000 in the aggregate during the District's annual aggregate contract period from September 1st of one year through August 31st of the following year.
2. Any required quotations whether written or faxed obtained by a department or school must be attached to your purchase order/requisition.

XII. PURCHASE ORDERS

A. Purchase Order/Requisition

The purpose of the Purchase Order/Requisition is to give staff members a method to ask for goods or services.

1. A purchase order/requisition, after it is approved is not a contract but an offer. If the purchase is made from a bid award or at the time a vendor ships materials listed on the purchase order than the purchase order becomes the contract document that commits the District to an obligation. Purchase orders are officiated by the Business Office after receipt of an authorized purchase order/requisition.
 - a. The Mullin Independent School District utilizes the purchase order document as the official contract for purchasing. It is a purchasing requisition as submitted by the requesting department to the Business Office. Once approved by various levels of authority it is forwarded to the Superintendent's office for approval, assigned a purchase order number, encumbered and officially designated as a "Purchase Order".
2. All purchases shall be submitted on a purchase order/requisition form or through the Regional Service Center Computer Cooperative (RSCCC) Requisition system and be approved by the business office and Superintendent prior to the purchase being made. (The reason this must be done prior to the purchase is to assure reimbursement for the goods or services. If approval has not been obtained prior to the purchase, there is a possibility that reimbursement will not be made if it violates the law.)
 - a. Please complete all information requested on the form, including the bid number if there is one.
 - b. Use only one purchase order per vendor.
 - c. Items being purchased from one vendor but from different budget codes may be listed on one purchase order. Items for each designated code should be listed and totaled separately.
 - d. When the order is received, the district copy of the purchase order should be signed and any notation made on it concerning the accuracy of the order. This copy should promptly be returned to the business office. Packing slips and delivery tickets should be attached to the PO copy. A signed PO copy must be received in the business office before payment can be made.
 - e. Purchase orders are used to order all materials or services or check requests.

B. Specific Purchasing Procedures

1. PURCHASE ORDER/REQUISITION

- a. All requests for purchase shall be submitted on Mullin Independent School District purchase order/requisition approved by the Superintendent's Office.
- b. All purchase orders must be approved as required under the Authorization/Approval of purchase orders.
- c. Once approved, the purchase order is signed by Superintendent, given an official purchase order number, and encumbered, only at that time does the purchase order requisition become a an official purchase order. All liability for processing and payment is passed on

to Business Office. In addition, the main identifier of the purchase order becomes the purchase order number.

- d. A purchase order must be clear and accurately represent all requirements.

C. Authorization/Approval Of Purchase Order

1. A properly authorized purchase order must include the approval of:
 - a. The Principal and/or Program Director
 - c. The Business Office for budget code review; and the Superintendent or designee, for final review

D. Conditions Of Purchase

(Items below apply to and become a part of the terms and conditions of Mullin ISD Purchase Orders.)

1. INSTRUCTION TO VENDOR: This order is subject to the following instructions, terms and conditions of the Mullin Independent School District.
 - a. Under no circumstances is the amount of this purchase order to be exceeded without prior approval of the Superintendent or designee.
 - b. Our purchase order number must appear on all invoices, delivery memorandum, bill of lading, packages and correspondence.
 - c. Address all communication (Excluding Invoices) concerning problems with this purchase order to the purchaser, Mullin Independent School District, 403 West Bulldog P.O. Box 128, Mullin, TX 76864.

2. CONDITIONS OF PURCHASE
 - a. Validation: This is a valid order only when the following two conditions have been met:
 - 1.) That a purchase order number appears in the space provided.
 - 2.) That a written or stamped signature of the District's Superintendent or designee appears in the space provided.
 - b. Authorization: Mullin Independent School District will not be responsible for articles delivered and/or services performed without a specific written purchase order.
 - c. Articles or Service: Articles to be delivered and/or services to be performed shall be in accordance with the terms, prices, delivery time, specifications, and conditions as recorded on your bid proposal and as itemized on this order. No substitution of articles or change of any nature shall be made without the authorization of the purchaser. If you cannot fill this order as specified please notify the purchaser in writing.
 - d. Price Changes: The district accepts your bid as recorded on your bid proposal and on this order but reserves the right to cancel the order if the prices are to be increased prior to the delivery of articles or the completion of services. Therefore, do not fill this order at increased prices without authorization from the Superintendent or designee. No separate charges, except those clearly recorded on your bid proposal and on this order can or will be allowed.
 - e. Taxes: The District is exempt from the payment of (1) federal excise taxes, (2) federal transportation taxes, (3) Texas State or Local sales taxes. If it is determined that the prices quoted are recorded on this order or the invoice rendered include any such taxes, the amount of the taxes will be deducted from the total of the invoice.
 - f. Warranty, Guarantee, Laws And Regulations: By accepting this order you hereby in addition to the guarantees and warranties provided by law expressly guarantee and warrant as follows:
 - 1.) Warrant that the articles to be delivered hereunder will be in full conformity with the specifications or with the approved sample submitted and agreed that this warranty shall survive acceptance of delivery and payment for the articles and that you will bear the cost of inspecting and/or testing articles rejected.
 - 2.) Guarantee and agree that the articles to be delivered hereunder will not infringe on any valid patent trade mark, trade name, or copyright and that you will, at your own expense, defend any and all actions or suits charging such infringement and will save the District, its agents and employees, harmless in case of any such action or suit.
 - 3.) Warrant that the articles to be delivered hereunder will be manufactured, sold, and/or installed in compliance with the provisions of all applicable Federal, State, and Local laws and regulations.
 - 4.) That nothing contained herein shall exclude or affect the operation of any implied warranties otherwise arising in favor of the District.

- g. Transportation: All shipments are to be made "F.O.B. Destination, Freight Prepaid" unless otherwise specified on your bid proposal and on this purchase order. When articles are sold "F.O.B. Point of Origin" and the District's purchase order so confirms. Please pre-pay shipping charges and record prepaid charges as a separate item on the invoice. It is understood that title of the merchandise appearing on this order will not pass until merchandise is accepted at the delivery destination.
- h. Inspection, Rejection, And Excess Shipment: In addition to other rights provided by law the District reserves the right (1) to inspect articles delivered and to return those which do not meet specifications or reasonable standards of quality. (2) to reject articles shipped contrary to instruction or in containers which do not meet recognized standards and (3) to cancel the order if not filled within the time specified. The District may return rejected articles or excess shipment on this order, or may hold the articles subject to the vendor's order and at his risk and may in either event charge the vendor with the cost of shipping, unpacking, inspecting, repackaging, reshipping, and other like expense.
- i. Delivery To A School Building: When a delivery is to be made direct to a school building (a) such delivery shall be made between the hours of 8:30 a.m. and 2:00 p.m., Monday through Friday, exception school holidays and (b) such delivery shall be made and articles shall be placed inside the school building in the room or rooms to be designated at no additional charge
- j. Invoices: To be submitted in duplicate only for items that have been shipped or services that have been rendered. Invoices without reference to this purchase order number and listing items or services other than those shown on this order will not be paid. All items must be shipped at one time, no partial payments allowed. Please note if a back order is shipped the invoice will not be set up for partial payment of the purchase order and the net thirty days will start from the time all items on the purchase order have been received or a proper invoice, whichever is later.
- k. Payments: No partial payments on purchase orders will be allowed unless prior arrangements had been made with the Business Office or noted on bid document. Please note if a back order is shipped, the invoice will not be set up for payment until all items on the purchase order have been received and invoiced. Upon receipt of a properly executed invoice and verification of delivery from the consignee, payment will be processed for items or service delivered.
- l. All unshipped items on this order will automatically be cancelled ninety days after date of order unless prior approval by the Superintendent or designee has been obtained. The date of the order is indicated by the Superintendent's signature. Shipments initiated after such date will not be accepted.
- m. In accordance with Article 6252-16 of the State of Texas statutes. The Mullin Independent School District does not discriminate against individuals, or companies with respect to race, religion, color, sex, handicap, or national origin in the awarding of bids.

E. Releasing Purchase Orders

- 1. No charge shall be made to the Mullin Independent School District except that covered by a purchase order that has proper approvals.
- 2. The Business Office will not release purchase order numbers to cover such charges in advance of this procedure except as provided under Emergency Purchases.

F. Changing Or Canceling Purchase Orders

- 1. Whenever it becomes necessary to modify or cancel the items or conditions as listed on Mullin Independent School District purchase orders, these procedures shall apply:
 - a. A purchase order is an offer and/or contract that obligates the District and vendor to the terms and conditions as listed thereon.
 - b. THE BUSINESS OFFICE IS RESPONSIBLE FOR MAKING ALL OFFICIAL ADJUSTMENTS TO A PURCHASE ORDER.
 - c. All arrangements for returning, adjusting, deleting, modifying, substituting, or canceling items or conditions (including lease or rental arrangements) as listed on the purchase order must be made through the Business Office.
 - d. Requests to have items listed on a purchase order returned, deleted, canceled or in any way adjusted must be made in writing to the Business Office. Appropriate authorization (Principal, Department Head, etc.) must accompany each request.
 - e. Upon receipt of an authorized request, the Business Office will, when possible make the necessary arrangements and adjustments as requested.
 - f. All arrangements and adjustments shall conform to the requirements of the Purchasing and Business Offices, District Policies, and legal statutes.

- g. School and administrative departments will be notified when an item on the order of the complete order must be canceled for reasons other than their request, examples of cancellations are:
 - 1.) The company is unable to provide the goods or services; or
 - 2.) The item(s) has/have been discontinued.
- h. According to the Uniform Commercial Code, Section 52-713, 52-715, contracts may be legally canceled or terminated for the following reasons:
 - 1.) Vendor fails to make delivery within the time specified on the contract for purchase.
 - 2.) Vendor delivers goods, which do not meet specifications and does not promptly replace them with acceptable goods.

G. Blanket Purchase Orders

- 1. Blanket purchase orders are issued to make miscellaneous supplies, materials, or services available as needed by the user department. These blanket purchase orders ARE NOT intended to be used to acquire items or services required for specific one-time job requirements.
- 2. The general purpose of blanket purchase orders is to:
 - a. Eliminate the need for numerous individual purchase orders for small dollar-value items or services.
 - b. Provides a means of acquiring urgently needed items or services not available in the District.
- 3. Blanket purchase orders are approved by the Business Office and Superintendent and are issued to vendors as identified by the user department on the purchase order document.
- 4. Information needed when requesting blanket purchase orders:
 - a. Name and address of supplier/vendor or company
 - b. Nature of items or services requested
 - c. Total costs or charges for the period
 - d. Appropriate authorization; and
 - e. The name and/or names of employees that are authorized to make charges against this open purchase order.
- 5. The guidelines for use of the blanket purchase order are:
 - a. Individual items to be capitalized (such as machinery, furniture, cabinets, or equipment) ARE NOT to be purchased on blanket purchase orders; individual bid item requisitions must be issued for such items.
 - b. The estimated total cost for a purchase order MAY NOT be exceeded. The user department is responsible for maintaining records to insure that the total amount of the requests does not exceed this amount.

H. Accounting For Receipt Of Goods And Services

(Refer to Accounts Payable Section for more detailed information.)

- 1. Accounting for the receipt or non-receipt of goods or services for which a purchase order has been issued is accomplished by two means:
 - a. The packing list and bill of lading sent with the shipment.
 - b. The signed receiving copy of the purchase order.
- 2. Upon receipt of the goods or services listed on the purchase order the User Department must submit this document to the Business Office showing quantity and condition of the items received or services rendered.
- 3. Payment to vendors is processed by the Business Office upon receipt of:
 - a. A valid purchase order.
 - b. An original invoice from the vendor, and
 - c. The signed receiving department copy of purchase order that shows that goods or services have been received in good order.

I. Material Preview/On Approval Purchase Orders

- 1. A purchase order is to be filled out for materials to be received on approval examination, or preview basis. The P.O. is to be approved by the appropriate budgetary official (i.e. principal, program director) prior to requesting the material. The P.O. should clearly state that the materials listed are for approval, examination, or preview. The approval P.O. must be processed in the normal manner. If the material is found to be acceptable then the authorized budgetary official must notify the Business Office in writing of their intent to purchase. If only a portion of the merchandise is to be retained, please specify which items will be accepted. Upon notification, the Business Office will attach the notice to the P.O. and the following will occur:

- a. The Purchaser will notify vendor of acceptance. To do this the phone number of the vendor as well as the name of the order clerk to whom the order was originally placed or given will be necessary. Insure that this information, as well as any other requested, is made available.
- b. Invoices are to be sent to the Accounts Payable within 30 days of notification of acceptance to vendors. Any invoices received prior to vendor notification date by Business Office will not be paid at that time.
- c. Vendors will be asked to state specifically on the invoices that the invoicing is for materials previously received on approval examination or review, which are now being accepted.
2. If the material is found to be non-acceptable, notification in writing by the budgetary official is to be sent to the Business Office. In this case the following is to be adhered to:
 - a. The Purchaser will notify the vendor of non-acceptance of materials in writing and this notification should be mailed return receipt. A copy of this notification must be sent to the Business Office for documentation on the order.
 - b. It will be the responsibility of the purchaser to return the material to the vendor.
 - c. The material should be insured upon return.
 - d. A copy of the shipping documents and insurance form are to be sent to the Business Office as proof of materials being returned.
 - e. The original shipping document is to accompany a direct pay request if reimbursement for postage, shipping, or handling is necessary.
3. Items received on approval in violation of these requirements will become the property of the requesting individual and Mullin ISD will not accept responsibility for the material as far as any expenses incurred.

J. Receiving Procedures

1. Procedures For Receiving Merchandise
 - a. Check for damages.
 - b. Count the shipping units and compare to the count indicated on the freight bill and/or suppliers packing list. Also check these with purchase order copy.
 - c. Compare the supplier's name.
 - d. Sign and date freight bill and retain proper copy.
 - e. Attach copy of the freight bill and packing list to the receiving report.
 - f. In the event no one can check the items coming in, sign the freight bill and/or bill or lading indicating what it is you signed for. Example: Received 4 boxes subject to check and sign.

K. Inspection

1. Inspection Rights
 - a. You have the right to inspect goods before paying for them.
 - b. You are responsible for identifying errors in a timely manner.
2. General Duties For Inspection
 - a. Assure the quality and quantities conform to specifications.
 - b. Originate rejection forms and make sure to keep the packaging and boxes that the items were delivered in.
 - c. Cancel rejection forms when material has been replaced.

L. Purchase Order Discrepancies

1. Notify vendor of the rejection or discrepancy within a reasonable time.
2. Hold the goods for the vendor's disposition in the packaging and boxes that the items were delivered in.
3. Follow any reasonable instructions as to the return or disposition of the goods. (All expenses incurred by the district are the responsibility of the vendor as well as any damages suffered). A notice of rejection should specify all defects rather than just the main reason for rejection. (Please note any damage in detail, as much as possible).
4. Write a memorandum explaining what is damaged and forward it to the Business Office.

XIII. GLOSSARY

Annual Aggregate - This pertains to the total amount of purchases made by a school district within a single category of items during a twelve-month period. The state does not prescribe on what date the period starts and stops.

As Is - An expression signifying that goods offered for sale are without warranty or guarantee. The purchaser has no recourse with the vendor for the quality or condition of the goods.

Authorized Deviation - Permission given to a supplier authorizing production or delivery of items within stated limits other than those specified originally.

Backorder - The undelivered part of a previous order which the vendor re-enters for shipment at a later date.

Bid - a response to a specified request for goods or services. Usually requested for contracts exceeding an annual aggregate of \$50,000.

Bid Bond - Bid bond guarantees an owner of property that a party bidding for a contract will, if his bid is accepted, enter into a contract and furnish performance and payment bonds for the carrying out of the work, or pay the owner the difference between the amount of his bid and that of the bid finally accepted.

Caveat Emptor - "Let the buyer beware": The sale is at the buyer's risk.

Caveat Venditor - "Let the seller beware": In some cases, the vendor is liable to the buyer if the goods delivered differ in kind, quality, use, and purpose from those specified in the contract of sale.

Certified Check - A check endorsed by a bank which guarantees its payment.

Change Order - A purchaser's document used to modify or add to a purchase order.

C.I.S.V. - A Catalogue Information System Vendor is approved by the Texas Building and Procurement Commission for the sale of computers and related components without having to use competitive bids or proposals. The vendor must have a state identification number and have a catalogue of components that can be accessed on the Internet. Quotations between several C.I.S.V.s are strongly recommended to deal with market changes and quantity purchases.

Competitive Pricing Mechanism - A term used to collectively describe the various methods the state has provided to meet bidding requirements for purchases above \$50,000. These include bids, requests for proposal, C.I.S.V. catalogue purchases, Texas GSC contracts, Federal GSC contracts, and inter-local government contracts.

Confirming Order - A purchase order originally placed verbally for goods or services.

Delivery Schedule - The agreed time or rate of future deliveries of purchased goods or services.

Discount - An amount deducted from the selling price by the vendor. It is generally applied when a purchaser meets a stipulation that reduces the cost of the goods.

Expediting - "Follow-up" Tracing the status of an order to ensure efficient movement of goods to the School or Department in accordance with the terms of the Purchase Order.

Express Warranty - Vendor's representations concerning the nature and use of goods, which he intends the buyer to rely on.

Inventory - A stock of goods or an itemized list of a stock of goods on hand at a particular time. When ascertained by a physical count of the items it is a "physical inventory"; when determined from records maintained for routine business activities, it is a "book inventory."

Invitation to Bid - A request made by a purchaser to prospective suppliers for their competitive price quotations on goods or services.

Invoice - The vendor's itemized list of goods or services shipped which specifies price and terms of sale.

Knocked Down (k.d.) - A term to indicate that the article described is delivered unassembled. When an article is shipped "k.d.", it must be reduced in size by one third or as specified in the carrier's tariff to be eligible for the applicable freight rate.

Lump Sum - The price agreed upon between vendor and purchaser for a single job or a single purchase of merchandise in bulk.

Manufacturer - One who produces or assembles items from raw materials or components.

Negligence - Under a legal duty the doing or omission of some act which a reasonable, prudent person would not have done or omitted under the circumstances.

Open Account Purchase - A purchase made by a buyer who has established credit with the seller. The transaction is charged to the purchaser's account, payment for which is to be made at some future date agreed upon by buyer and seller.

Original Equipment Manufacturer - (OEM) Seller's classification of a buyer whose purchases are incorporated into a product he manufactures, usually without changing the item which he acquires.

Payment Bond - often referred to as a Labor and Materials bond, guarantees that bills for labor and material used in the work project will be paid. This coverage is usually included automatically in the Performance Bond so no additional charge is necessary.

Performance Bond - guarantees the owner that work will be completed according to the contract specifications. This is considered the key bond in a work project because the owner not only wants the work completed - usually within a specified time - but also completed according to the owner's specifications.

Political Subdivision Corporation - a corporation that acts for multiple political subdivisions to negotiate the purchase of electricity.

Proprietary Article - An article made and marketed by a patentee.

Purchase - To acquire goods or services for a price.

Purchase Order - A purchaser's formal written offer to a vendor containing all terms and conditions of a proposed transaction.

Purchase Requisition - A formal request made to the Business Office to procure goods or services from vendors.

Quotation - A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser. When given in response to an inquiry, it is generally considered a sales proposal. Also, the stating of the current price of a commodity. For the District it is primarily used when making purchases between \$5,000 and \$25,000.

Rebate - A form of discount in that the vendor returns, (or rebates) to a purchaser in consideration of the purchase of a specified quantity or value of goods usually within a stated interval.

Receiving Copy - A receiving department document used to inform other in the company of the receipt of purchased goods. Copies are usually distributed to the accounting department.

Request for Proposal (RFP) - This is an alternate to the competitive bid process. The proposals are advertised and received in the same way as bids. Once opened, the District can select the best proposal and negotiate specific terms with the vendor to further lower the price or improve the contract.

Reverse Auction Procedure - A bidding process using an internet site where vendor can offer one or more bids for goods or services. Vendor does not know the identities of the other vendors. Bidding is in real time.

Sample - A small portion of goods taken as a specimen of quality.

Sealed Competitive Proposal - A term coined by the state to identify proposals dealing with construction. The term sealed is used to indicate that the proposals are not to be made available for public review. In reality this proposal is no different than the standard RFP.

Separate, Sequential, and Component Purchases - Dividing a purchase into several parts or buying parts of a system on separate orders avoid having to use competitive pricing mechanisms to purchase goods and services.

Specification - A comprehensive and accurate statement of the technical requirements descriptive of a good or a service, and of the procedure to be followed to ascertain if the requirements are met. A federal specification is a specification established in accordance with procedures prescribed by the Federal Specification Board and approved for use by all government agencies.

Stock - The supply of goods maintained in a stores system to satisfy anticipated demand.

TBPC - The Texas Building and Procurement Commission.

TCPN - The Cooperative Purchasing Network formally Texas Cooperative Purchasing Network.

Terms of Payment - The method of payment agreed upon in a sales contract. The three basic terms are cash, open account, and secured account.

Tracer - A request made to a carrier to trace a shipment for expediting purposes or to establish date of delivery.

Vendor - A seller of goods or services.

Warranty - An undertaking, either express or implied, that certain fact regarding the subject matter of a contract is as it is declared or promised to be. Not to be confused with "guarantee," which entails contractual responsibility for the substandard performance or nonperformance of another party.

Wholesaler - A purchaser who buys goods for resale to a retailer or industrial user.

Section 3

Accounts Payable

Guidelines

Accounts Payable Calendar

The Accounts Payable Department issues checks each week District personnel are scheduled to work. Their schedule is as follows:

- | | |
|---------------------|---|
| Monday--Friday | Purchase Order numbers are issued on these days. |
| One week in advance | All check requests must be received in the Business Office in order to be processed the following week. |

Absolutely no exceptions are made to these deadlines without approval of the Superintendent or designee.

Be sure to have the correct name and address of your request whether it is on the purchase order or direct pay request. If the check needs to be made out to a different person or company, the information should be found in your backup to allow the payment to be issued in a timely manner.

Checks that have been issued for purchase orders/expense requests without backup must have receipts sent to accounts payable within one week following the event or receipt of merchandise. Receipts for meals including multiple people must have a list of every person attached. A copy of the front of a personal check is **not** acceptable backup for a request. Failure to provide receipts on a timely basis may prevent the opportunity for check issues without purchase orders in the future.

THE FISCAL YEAR ENDS AUGUST 31ST

Anything delivered by August 31st needs to be released for payment out of the current school year's budget. Therefore, we need purchase orders checked in, and the copy signed and dated and sent to Accounts Payable. Direct pay requests should be done for items not on a purchase order, but were received by August 31st.

Purchase Order Payments

When items or service are received or an event has been attended against a purchase order, the following documents are needed to produce timely payment to our vendors.

1. Check off the items received on a copy of the Purchase Order and make any notes for the business office.
2. Sign and date the PO copy.
3. Attach a copy of the packing slip and receipts, if available, to the PO copy and submit to the Business Office.

If an item(s) is being returned or cancelled please contact the business office. When you call the vendor for the return, write the date, return authorization number and the person you spoke to on the PO copy and submit to the business office.

Purchase orders that are faxed or mailed, and calls to check status can cause a double shipment of the order. **Please handle this situation carefully.** Let accounts payable know right away of double shipments. If you receive a double shipment, call the vendor immediately for a return authorization number. Please make notes on your PO copy of the purchase order (date, who you talked with and the RA#).

When processing blanket purchase orders, (ex: Groceries, etc.) list everyone that can pick-up and sign on that particular blanket. To release for payment make a copy of the PO, attach packing slip/receipts, sign/date and send to A/P.

Professional Memberships – professional society and association memberships often come in two options. One is for individual membership; one is for institutional membership. The institutional membership should always be selected when there is a choice. This will allow the membership to stay with the district after an employee leaves.

Travel Guidelines

Employees authorized to travel for business and educational purposes on behalf of the District shall be reimbursed for all usual and customary travel-related expenses made on behalf and in connection with District business according to District rates and state law. The processes established herein have been developed on the premise that employees will use good judgment and prudence in the expenditure of District funds when traveling. Travelers are expected to select the most economical and practical accommodations, arrangements and services in accordance with the needs of the trip. All travelers, as well as supervisors approving travel, are responsible for compliance with the provisions of the District's Travel Expense Regulations. Requests for exceptions to these regulations must be made in writing prior to taking a trip and signed by the Superintendent of Schools or his designee.

Travel Regulations for In-District and Out-of-District Travel

Definitions: In-District Travel: All travel within the boundaries of Mullin ISD

Out-of-District Travel: All other travel outside Mullin ISD boundaries

Supervisors have the following responsibilities prior to authorizing travel:

1. Ensure funds are available based upon estimated travel costs prior to authorizing travel expenses.
2. Ensure that the individual traveling is informed and aware of these travel regulations.
3. A Travel Reimbursement Request Form must be completed for all staff traveling within District boundaries and for out-of-District travel. All employees must complete a Travel Reimbursement Request Form for overnight travel for out-of-District travel only. The form must be signed by the applicant requesting permission to travel and approved by the appropriate Principal or Program Director and the Superintendent. This request should be completed ten (10) working days prior to travel.
 - a) If the employee is traveling to a conference, a conference brochure should be attached to the travel request
 - b) Travel must be overnight in nature to be eligible for the meal allowance.
 - c) The employee should include a reasonably accurate estimate of expenses (excluding sales tax) on the travel request. The Travel Reimbursement Request Form will be used for all expense reimbursement requests.

- d) Advances for meals, mileage and lodging will be made only when absolutely necessary. In order to issue timely advances, the request must be submitted to Accounts Payable at least ten (10) working days prior to travel.
- e) All out-of-state travel must be approved in advance by the Principal, and the Superintendent.
- f) The Superintendent must approve any exceptions to these regulations.

Maximum Transportation Reimbursement for Mullin ISD Employee

Airfare -

- 1. The cost of airline tickets paid by the employee for official travel on commercial airlines is reimbursable when this mode of travel has been approved and when the employee is requesting reimbursement for airfare not exceeding the average coach fare. Employees should make airfare arrangements directly with the airline via phone or internet to access the lowest available fares (no travel agents). Failure to utilize the most economical travel method available may result in non-reimbursement of some excess costs.
- 2. Special discounted fares should be used when available, and trips should be planned far enough in advance when possible to qualify for discounted travel fares.
- 3. If airfare is purchased over the Internet, Accounts Payable will require a printed confirmation, with a confirmation number and total fare charged that demonstrates that the fare was charged to the employee's credit card. The employee may black out credit card numbers and expiration dates.
- 4. Authorized Mode of Transportation for Mullin ISD Employees: Employees should make their own travel arrangements utilizing the most economical travel methods available.

Private Automobile:

The maximum mileage rate for use of privately owned automobiles is the current State of Texas Comptroller of Public Accounts maximum mileage rate. Mullin ISD travel forms will be updated periodically to reflect the current state rate.

- 1. Mileage will be based on distance from Mullin ISD School to the location using MapQuest. A copy of map quest print out must be turned in attached to travel reimbursement form.
- 2. Generally, if two or more employees from the same campus/department are going to attend the same function; on the same date and time, they should carpool together. The employee's immediate supervisor must approve exceptions to this reimbursement rule prior to travel.
- 3. Reimbursement for taxi fares, personal and District vehicle parking fees, toll road fees, telephone and facsimile calls are authorized at actual costs in conjunction with their business use. Receipts are required for all fares and fees and may be reimbursed through Accounts Payable with accompanying receipts. The District will not reimburse employees for valet parking unless approved in advance by the Superintendent of Schools.
- 4. Car rentals will be reimbursed at actual costs under emergency conditions or if approved in advance by the Business Office or the Superintendent prior to actual travel. The rental must be less expensive than taxi fares. Mileage charges do not apply to rented vehicles. Mileage for personal travel on a business trip is not reimbursable. A detailed statement or justification for the car rental, reflecting the emergency nature or other reasons why car rental is justifiable should be attached to the Travel Reimbursement Request Form.

Note: Any District employee who rents a vehicle in connection with District business must take the collision damage waiver and/or loss damage insurance coverage for each day the vehicle is rented. The insurance coverage may be called collision damage waiver (CDW) or loss damage waiver (LDW) by the rental agency.

Meal Allowance -

1. Receipts are not required (per diem). Board has approved \$15 per meal. \$45.00 for a full day.
2. Maximum meal and gratuity per diem for all travelers conducting District business who stay overnight shall not be more than the most current rate established by District regulations. This is the maximum amount allowed per day, and unused amounts from one day do not carry over to the next day.
3. The meal allowance is for travel that includes an overnight stay only. IRS rules do not allow for a per diem meal allowance on non-overnight trips.
4. Alcoholic beverages are not reimbursable by the District.

Lodging -

1. Lodging will be reimbursed at the actual rate not to exceed the maximum amount in District regulations, currently set at \$85 per night maximum. A higher rate of reimbursement may be approved for lodging at a conference hotel or conference headquarters hotel. ** See federal guidelines (such as Food Service, Title funds, IDEA funds, Carl Perkins).
2. Out-of-state lodging shall not exceed the rate established in federal/state travel regulations for each locality, if travel is funded from state or federal grants.
3. Travelers staying at a hotel within the state should complete a State Hotel Occupancy Tax Exemption Form at the time of check-in to qualify for State tax-exempt status. Travelers will only be reimbursed for non-state taxes.
4. The District will only reimburse travelers on actual, itemized hotel bills. Credit card receipts are not acceptable substitutes.

Reimbursable Expenses -

1. Expenses that require prepayment such as registration fees and airline tickets can be paid or reimbursed to the employee on the Travel Expense Reimbursement form or can be directly paid by Accounts Payable.
2. All employees who traveled and are seeking reimbursement for expenses after their travel is complete shall submit a Travel Expense Reimbursement Form to settle up their expenses. This request should be submitted no later than ten (10) working days after a trip.
3. Each employee should turn in a report of travel expenses. The Business Office will not accept one report for several employees.
4. Employees who are reimbursed mileage for in—district travel should submit their reimbursement request on a monthly basis.
5. If supplies and materials are purchased at a workshop or conference, they must be approved in advance by the Principal in writing prior to taking the trip. Prior written approval should be documented and the maximum amount specified on the written approval.
6. Personnel authorized to travel using federal grant funds should be aware of any restrictions these funds place on travel expense reimbursement. These restrictions may be found by contacting the appropriate grant administrator. At no time will the District reimburse federally funded travel at a rate in excess of that prescribed for all other District employees.

Beginning September 1, 2010, the Federal Rate Schedule will be used for reimbursement of in-state meal and lodging expenditures. Because the reimbursement rates can change, it is recommended that travelers print the page at the time reservations are made and submit the printout with the travel reimbursement voucher as a supporting document.

The following table summarizes reimbursement rates for in-state and out-of-state travel.

<p>In-State Meals and Lodging</p>	<p>Refer to the federal Domestic Maximum Per Diem Rates. www.gsa.gov</p> <p>For cities not listed, apply the rate for the county in which the city is located.</p> <p>If the county is not listed, the rates are as follows: Lodging in-state: Up to \$85/night Meals in state: Up to \$36/day</p>
<p>Out-of-State Meals and Lodging</p>	<p>Refer to the federal Domestic Maximum Per Diem Rates. www.gsa.gov</p> <p>For areas not listed, use the rate for the nearest city. When locating the nearest city, it is permissible to cross state lines.</p>

Section 4

Accounting

Guidelines

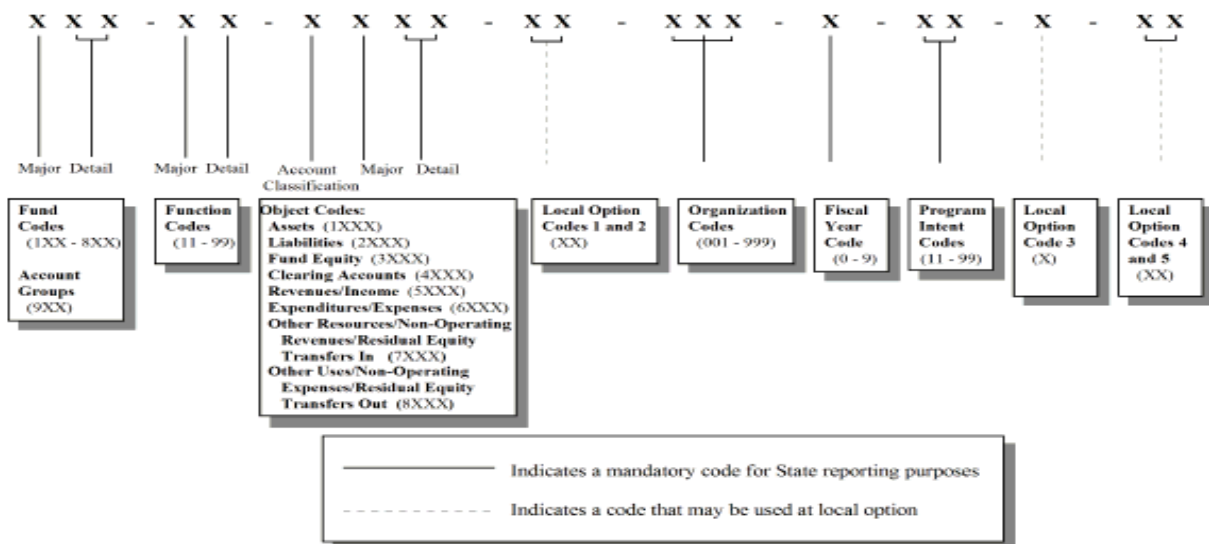
Account Code Structure

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

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

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

The Code Structure



BASIC SYSTEM CODE COMPOSITION:

A complete listing of all revenue and expenditure codes is included at the end of this section.

Fund Code

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

Function Code

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

Object Code

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

Asset codes – 1XXX series	Liability codes – 2XXX series
Fund Equity codes – 3XXX series	Encumbrance control – 4XXX series
Local revenues – 57XX series	State revenues – 58XX series
Federal revenues – 59XX series	Payroll Expenditures – 61XX series
Contracted Services – 62XX series	Supply accounts – 63XX series
Other Misc. Costs – 64XX series	Debt payments – 65XX series
Capital Outlay costs – 66xx series	Transfers In / Out – 79XX / 89XX series

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

A 2-digit code for optional use to provide special accountability at the local level. In Mullin ISD, many of the sub-object codes are used in Activity and Agency Fund groups, with some being utilized sparingly in the General Fund or other fund groups.

Organization Code

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

Fiscal Year Code

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

Example: For the 2010-11 fiscal year of the school district, a 1 would denote the fiscal year.

Program Intent Code

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

Optional Code 3

A single code that is used at the local option

Optional Codes 4 & 5

An optional 2-digit code that may be used by the district to further describe the transaction.

Activity Fund Deposits

All money (checks, coin, and currency) collections should be deposited on a timely basis. Appropriate security measures, locked cash boxes, safes, and vaults, should be used to protect all cash and cash items. The responsibilities of receiving funds and writing receipts should be separate from preparing and making bank deposits when possible.

- All funds should be accounted for by a pre-numbered receipt form, written promptly upon receipt of funds and the person signing the receipt in the presence of the person turning in the money should make an actual cash count. The receipt should be completed in its entirety in ink and be legible.
- The pre-numbered receipts should be used consecutively and be secured in a locked drawer
- Receipts must show date, amount received, source of funds, activity account number (if applicable), name of person submitting the money, and signature of the person accepting the money
- Receipts can only be issued in one name

- Activity fund receipts can only be issued for one name and one activity account for each deposit
- The original of the receipt is given to the person submitting the money
- For monies collected from students, a standard Tabulation of Monies Collected from Students form for recording collection of monies should be used unless there is already a form used, for example, the yearbook form. The student representative and the sponsor should sign these forms. One copy of the Standard Deposit Form is retained with the deposit slip
- All funds should be turned into the school office as soon as possible upon receipt
- All checks must be endorsed for deposit immediately upon receipt with the school's activity fund endorsement stamp.
- All deposited activity fund checks must have the school's endorsement stamp with the account number and school location on the back of the check. The proper account code to be credited for the deposit should be written on the front of the deposit slip along with a brief description, ie. Fundraiser, t-shirts, etc.
- Two copies of the deposit slip are sent to the bank with the money
- Third party checks and post dated checks cannot be accepted from any source
- Bank deposits should be made as promptly as possible, within 3 days and /or if over \$200, then within 24 hours
- Any discrepancies between the deposit total and the bank total will cause the bank to notify the district. The error will be researched and the total adjusted accordingly
- Cash receipts can **never** be used to cash checks from employees or parents

NSF Checks

All Insufficient Fund Checks should be collected within 30 days. A letter notifying the person/business that a check received by Mullin ISD was NSF. After 5 days if NSF has not been satisfied it will then be turned over to the District Attorney's office for collection. The amount of the NSF check will be deducted from the account code in which it was deposited.

Redeposit's for NSF checks will be handled as a normal deposit with appropriate account coding and description.

Only cash or money orders are acceptable for NSF checks. All Re-Deposits should be on their own separate deposit slip.

Fundraisers

Deposit all checks as soon as possible. All funds collected shall be receipted and turned into the office daily. Bank deposits must be made at the minimum of once a week. Teachers/Sponsors shall avoid

keeping money overnight and no money shall be left in classrooms overnight. The sponsor is responsible for all money, merchandise and materials used in the fund-raising project.

State sales tax must be collected on non-edible, tangible merchandise with the exception of the two non-taxable yearly fund raising activities allowable per school.

Depositing of Collected Funds

When a sponsor submits funds collected to the campus secretary or bookkeeper for deposit, these funds should be verified by the bookkeeper in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the bookkeeper and the sponsor. After counting the funds, the bookkeeper and sponsor will sign a Cash Transaction Verification Report documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the bookkeeper.

Journal Entries

Journal entries need to be made when money is transferred from one account to another or when the wrong budget code has been charged on a Purchase Order or Direct Pay Request.

Some examples of these occurrences are:

--- Activity Funds reimbursing the General Fund for things such as Cheerleader Tryout Judges, Band and Choir Contest Fees, Donations

When one of these type of transactions occur, please send the Business Manager a memo from the Principal stating what you are wanting to transfer and what account code you want charged. The Business Office will then take care of the journal entry that is necessary to reflect the transaction properly.

Section 5

Budget Guidelines

Section 5.1 - Legal Requirements for Budgeting

Sections 44.002 through 44.006 of the *Texas Education Code* establish the legal basis for budget development in school districts. The following six items summarize the legal requirements from the code:

- ***The superintendent is the budget officer for the district and prepares or causes the budget to be prepared.***

Note: TEA recommends that an *interactive* approach between the board of trustees and the superintendent be taken to establish the budget process and define related roles and responsibilities.

- ***The district budget must be prepared by a date set by the state board of education, currently August 20 (June 19 if the district uses a July 1 fiscal year start date).***

- ***The president of the board of trustees must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.***

- ***No funds may be expended in any manner other than as provided for in the adopted budget. The board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.***

- The budget must be prepared in accordance with GAAP (generally accepted accounting principles) and state guidelines.

- ***The budget must be legally adopted before the adoption of the tax rate.*** However, if a school district has a July 1st fiscal year start date, then a school district must not adopt a tax rate until after the district receives the certified appraisal roll for the district required by Section 26.01, Tax Code. Additionally, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following: (1) The rate proposed in the notice prepared using the estimate; or (2) The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.

TEA has developed additional requirements for school district budget preparation as follows:

- ***The budget must be adopted by the board of trustees, inclusive of amendments, no later than August 31*** (June 30 if the district uses a July 1 fiscal year start date).

- Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.

- ***Budgets for the General Fund, the Food Service Fund (whether accounted for in the General Fund, a Special Revenue Fund or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis).*** These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates. Funds to be budgeted and reported through PEIMS, both required and optional, are shown in Exhibit 2.

Note: Districts may prepare and approve budgets for other funds and/or with even greater detail at their discretion. Such local decisions may affect the need for budget amendments and financial reporting requirements.

- ***The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines.*** Revenues, other sources, other uses, and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent and amount. These requirements are discussed in further detail in the Data Collection and Reporting module.

- ***A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc., in the total district budget.*** The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.

In addition to state legal requirements, individual school districts may establish their own requirements for annual budget preparation. Local fiscal policies may dictate budgetary requirements which go beyond those required by the Texas Education Code and TEA. These policies may include:

- Fund balance levels
- Debt service fund balance accumulation
- Financial performance comparison measures
- Staffing levels

There are four truth-in-taxation principles, which apply to taxing units:

- Property owners have the right to know of increases in their properties' appraised values and to be notified of the taxes that could result from the new value.
- A taxing unit must calculate and publish the effective and rollback tax rates before adopting an actual tax rate.
- A unit must publish special notices and hold a public hearing before adopting a tax rate that exceeds either the effective tax rate plus three percent or the rollback rate.
- If the unit adopts a rate that exceeds the rollback rate, voters may start a petition for an election to limit the rate to the rollback rate. School districts must hold rollback elections to limit tax increases above the rollback rate for the current year, *without* a petition.

One of the equalization features of the funding formula is a cap on wealth per WADA. Chapter 41 of the Texas Education Code establishes an equalized wealth level of \$340,000 and gives districts above this level several methods to either reduce wealth or increase WADA in order to achieve the equalized level.

Districts may use any combination of five options: (1) consolidating school districts, (2) consolidating school tax bases, (3) contracting with the State of Texas to shed the excess wealth, (4) contracting to educate children in another school district and paying the state for student attendance credits, or (5) de-annexing and annexing property between school districts. These steps affect the truth-in-taxation rollback rate steps.

The *Texas Education Code* also limits school districts' maintenance and operation tax rate to \$1.04 per \$100 valuation. This rate is a nominal rate - it is not tied to the comptroller's taxable value certification. Note: Districts should consult the comptroller's Guide for Setting Tax Rates: Truth in Taxation publication and/or TEA for more information on tax rate limitations and rollback worksheets.

Section 5.2 – Budget Calendar

The District's budget calendar looks fairly similar from year to year. A typical annual budget calendar looks like this:

MONTH	BUDGET ACTIVITY
January	Legislature convenes in odd-numbered years
January	Business Office updates District's long-range financial forecast
January	Budget Allocation Manual distributed to staff
February	Campus EIC's assist Principals in developing budget requests
March	Regular allocation and special project requests due to Business Office
April – July	Compensation decisions are made somewhere in this time frame
April	Business Office staff collates all budget requests, input salary and benefit data into budget development module
May	Legislature adjourns in odd-numbered years
June – August	Budget Workshops conducted with Board of Trustees
August	Certified values received from Appraisal District

August	Combined Budget and Tax Rate Hearing is conducted, budget is adopted on or before August 31
August-September	Tax rate is adopted (after the budget has been adopted)
October	Tax statements issued

Section 5.3 – Budget Amendments

There are two types of budget amendments:

1. Amendments that move budgeted funds between accounts but within the same function do not require Board of Trustee approval and can be processed at any time during the year.
2. Amendments that move budgeted funds from one account to another and which also change function codes must by law be presented to the Board of Trustees for approval. Budget amendments that require Trustee approval are presented to the Board periodically during the fiscal year.

Section 6

Employee Benefits

Guidelines

Employee Health Insurance

Mullin ISD offers its employees a choice of TRS Active Care Health Plans. The District currently contributes the first \$225 of the monthly premium. Premiums for this coverage may be paid under the Flexible Benefits Plan or Section 125 “Cafeteria” plan. In most cases, coverage becomes effective on the first day of the month following the date of employment provided the employee is actively at work and has completed the enrollment process. The new plan year will coincide with the fiscal year.

For details of the plan structure and benefits payable, contact the district Business Manager

Very Important Notices to Employees

COBRA - Federal Law, known as COBRA, requires that most employer sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end. Coverage may be continued according to the rights of employees and dependents as outlined in Title XXII of the Public Health Services Act, which was a result of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

HIPAA –

The privacy rules of the Health Insurance Portability and Accountability Act (HIPAA), effective April 14, 2003, are intended to protect the confidentiality of personal medical information. The privacy rules are primarily targeted at health care providers and are applicable to the following types of health plans:

- Health
- Dental
- Health flexible spending accounts
- Employee assistance programs
- Records, including medical information, not covered by the privacy rules include the following:
- Records covered by the Family Educational Rights and Privacy Act (FERPA)
- Workers’ compensation plan records
- Family and Medical Leave Act records, including medical certifications
- Disability plan records

Section 6.3 - Workers Compensation Benefits

An employee who is injured during the course and scope of their employment is deemed to be covered under the Texas Worker’s Compensation Act.

Reporting A Claim:

- Injured employee completes the “Employer’s First Report of Injury or Illness” including their supervisor’s signature and immediately contacts the Business Office (RMD).
- Supervisor should notify the Business Office via telephone before the injured employee seeks medical assistance.
- The report should be faxed to the Business Office for processing to the insurance carrier.
- All accidents and injuries are required to be reported to the Business Office.

- After an injured employee seeks medical attention, they are to report back to the Business Office before returning to work and provide a “Texas Workers’ Compensation Work Status Report”
- If the injured employee’s physician prevents that employee from returning to work, then the employee needs to discuss his/her benefit options with the Business Office within seven days.
- No Temporary benefits will be distributed for the first seven days.

Light/Modified Duty:

The District has developed a program where an injured employee may return to Light/Modified Duty if their physician recommends that the employee return to work with specific restrictions and if the District can accommodate those restrictions.

A person has the right to receive benefits regardless of who caused or helped cause their injury. They may not receive benefits if their injury occurred while they were intoxicated, or injured their self intentionally or while unlawfully attempting to injure someone else, or injured by another person for personal reasons, or injured while voluntarily participating in an off-work activity, or were injured by an act of God, or the injury occurred during horseplay. The injured employee has the right to receive the medical care reasonable and necessary to treat their work-related injury or illness for the rest of their life.

There are four types of Workers’ Compensation Benefits:

- Burial Benefits – pay for some of the deceased workers’ funeral expenses to the person who paid the funeral expenses.
- Death Benefits – replace a portion of lost family income for eligible family members of workers killed on the job
- Income Benefits – replace a portion of any wages you lose because of a work-related injury or illness.
- Medical Benefits – pay for necessary medical care to treat your work-related injury or illness.

Medical benefits pay for necessary medical care to treat an employee’s work-related injury or illness. The District’s Workers’ Compensation insurance company pays medical benefits directly to the health care provider who provides the employee’s medical treatment.

Medical benefits are paid only for the treatment of your work-related injury or illness. The insurance carrier does not pay for the treatment of other injuries or illnesses, even if the treatment was provided at the same time you received treatment for your work-related injury. Your health care provider may not bill you for treatment related to a work-related injury or illness, but may bill you for the treatment of other injuries or illnesses.

When medical benefits begin and end:

The injured employee may receive necessary medical treatment immediately after the work-related injury or illness. The employee has the right to an initial choice of doctor. The doctor they choose must be on the Commission’s Approved Doctor List (ADL). The employee may access the ADL online: www.twcc.state.tx.us.

Income Benefits replace a portion of wages you lose because of work-related injury or illness. There are four types of income benefits:

- Temporary Income Benefits (TIBs)
- Impairment Income Benefits (IIBs)
- Supplemental Income Benefits (SIBs)

- Lifetime Income Benefits (LIBs)

Temporary Income Benefits (TIBs)

Temporary income benefits equal 70 percent of the difference between your average weekly wage and the wages you are able to earn after the employees work-related injury. TIBs end the date the employee reaches maximum medical improvement, or the date they are physically able to earn your average weekly wage, which would be the same wages they were earning prior to being injured on the job, or at the end of 104 weeks.

Election of Leave Option

An employee who is eligible for FMLA leave and who is eligible for leave due to a workers' compensation-related injury shall be offered the following options at the time of injury:

1. Employee has earned sick leave and/or earned non-duty days and chooses to use those days until the eighth day and will start earning TIBS on the eighth day.
2. Employee has earned sick leave and/or earned non-duty days and chooses to use those days until those days are exhausted and then they will start earning TIBS.
3. Employee has earned sick leave and/or earned non-duty days, but elects not to use them and will be on un-paid leave for those days and will start receiving TIBS on the eighth day.
4. Employee does not have earned sick leave and/or earned non-duty days will be on un-paid leave starting their first day of disability and will receive TIBS on the eighth day.

Income benefits may not exceed the maximum weekly amount set by state law. Temporary income benefits, impairment income benefits, and lifetime income benefits are also subject to a minimum amount set by state law. Maximum and minimum benefit amounts are based on the state average weekly wage as set by the Texas Legislature.

The injured employee must report any income (other than income benefits they may be receiving) to the Commission and the Insurance Carrier so an adjustment can be made to your income benefit payments. The injured employee may be fined and/or charged with fraud if you receive temporary income benefits while also receiving wages from an employer.

Income Benefits are no longer payable following the death of an injured worker receiving income benefits. The injured worker's beneficiaries may be eligible to apply and receive death benefits if the injured worker's death was due to the work-related injury or illness.

Section 7

Student Activity

Guidelines

Activity Fund

The principal of the school shall be responsible for the proper administration and accounting of all general school activity funds in accordance with state and local law, District-approved accounting practices and purchasing procedures and the Financial Accountability System Resource Guide. The principal has the authority to expend these general school activity funds for any legitimate school-related purpose, consistent with these regulations.

Activity fund accounts may consist of campus activity funds (461) and student activity funds (865).

Campus activity funds (461) are generated by the campus at the direction of the principal with various activities such as class dues or fees, vending machine commissions, school store sales, class ring sales and donations.

Money raised by student organizations are student activity funds held in trust by the school for the benefit of the student organization. These funds shall be distributed only for purposes authorized by the organization or upon approval of the sponsor and principal.

Payment to District Personnel/Campus Stipends

District employees shall not be paid directly from petty cash for stipends, overtime, or compensation for additional services performed. Any such payments shall be included in the employee's paycheck and the principal is responsible for ensuring that any increased amount attributable to the activity fund is transferred to the District payroll account. A campus stipend for a particular supplemental duty must be established prior to an employee's assuming the additional duty. Campus activity funds (461) shall be transferred to the District payroll account to fund each campus stipend paid.

Awards

The principal of a school should exercise caution when rewarding students for an activity that could be associated with the UIL to ensure compliance with UIL rules and regulations. Students participating in fund-raising activities may be awarded a maximum of \$50.00 for top sales. If the fund-raising company is granting the award directly to the student it is acceptable.

Gifts

Campus (461) and student (865) activity funds may not be used to purchase gifts for students or employees. A gift is a gratuitous offering for personal benefit that does not serve a legitimate educational interest. For example, birthday presents, Christmas presents, wedding or new-baby acknowledgements for individuals are considered gifts. Employees and students may, however, donate personal funds to be applied toward the purchase of a gift.

Incentive/Recognition Programs

Incentive and recognition programs may be paid out of campus activity funds (461). These programs are permissible as long as they are designated to achieve a legitimate education benefit. Incentive or

recognition awards cannot be cash or readily converted into cash (e.g., savings bonds, money orders, refundable tickets or gift certificates redeemable in cash, etc.). Incentive and recognition awards shall not exceed a value of \$100 per person per school year unless the principal obtains written approval to do so from the Superintendent or designee.

Purchasing Requirements

Purchases made with campus activity funds (461) are subject to District competitive bidding and purchasing requirements as listed in your employee handbook.

Contracts

No employee may enter into a contract giving any vendor the right to sell property or services to students and/or staff. **All contracts** must be signed and approved by the Business Office. Any contracts not signed by the Business Office are not a liability of the school district or campus, but are the responsibility and liability of the person who signed the contract.

Approved Uses of Funds

In addition to the expenditures explicitly permitted above, allowable uses of campus activity funds (461) include:

- The cost of field trips, including items such as admission fees, snacks and other costs.
- Expenses for snacks, favors and other incidentals used in seasonal or holiday parties and programs for the students.
- Cost of school assemblies and special programs, class picnics student dances, etc.
- Expenses for the sponsor and chaperones for an approved event.
- The cost of legitimate contest entry fees.
- The cost of building use fees and security fees for an approved event.
- Cost of inexpensive symbolic awards for Who's Who, Mr. and Miss, etc.
- Expenses associated with the senior prom, senior day, graduation, etc.
- Awards for student achievement (subject to "cash benefit" limitations discussed in "INCENTIVE/RECOGNITION PROGRAMS" above).
- School supplies, uniforms and other school-related items for students who are educationally disadvantaged. Campus activity funds may also be used to waive a required deposit or fee if the student is educationally disadvantaged.
- Items designated to beautify the school, the classrooms and playgrounds or other school property.
- Items for classroom use or for school operations.
- Campus after school programs.

Collection of Funds

All funds collected shall be receipted and turned into the office daily. Bank deposits must be made at the minimum of once a week. Teachers/Sponsors shall avoid keeping money overnight and no money shall be left in classrooms overnight. The sponsor is responsible for all money, merchandise and materials used in the fund-raising project.

State sales tax must be collected on non-edible, tangible merchandise with the exception of the two non-taxable yearly fund raising activities allowable per school.

Depositing of Funds Collected

When a sponsor submits funds collected to the campus secretary or bookkeeper for deposit, these funds should be verified by the bookkeeper in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the bookkeeper and the sponsor. After counting the funds, the bookkeeper and sponsor will sign a Cash Transaction Verification Report documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the bookkeeper.

Fixed Assets

Student organizations should not own fixed assets or non-consumable supplies carried in the name of the organization. If such assets are to be purchased with student organization funds, they should be donated to the District, with School Board approval, and carried on the District's asset inventory.

Funds Belonging to Outside Organizations

Funds belonging to outside groups, such as PTO's, booster clubs, Project Graduation, etc., are not activity funds and should not be handled by school personnel as part of their official school duties. Such funds should be handled only by officers or the designated treasurer of the organizations.

Section 8

Forms and Schedules

Mullin Independent School District
403 West Bulldog P.O. Box 128
Mullin, TX 76864
325-985-3316

Direct Deposit Agreement Form

Authorization Agreement

I hereby authorize **Mullin ISD** to initiate automatic deposits to my account at the financial institution named below.

Further, I agree not to hold **Mullin ISD** responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until **Mullin ISD** receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit form to the Payroll Department.

Account Information

Name of Financial Institution: _____
Routing Number: _____
Account Number: _____
Checking Savings

Signature

Authorized Signature: _____ Date: _____

Please attach a voided check or deposit slip and return this form to the Payroll Department.

Mullin Independent School District
403 West Bulldog P.O. Box 128
Mullin, TX 76864
325-985-3316

BID ITEM REQUISITION FORM

Item to be Bid: _____

Bid deadline: _____

Specifications: _____

Quantities: _____

Delivery Location & Instructions: _____

Delivery Deadline: _____

District Contact and Phone Number: _____

Requested by: _____

Date Submitted: _____

Mullin Independent School District
403 West Bulldog P.O. Box 128
Mullin, TX 76864
325-985-3316
Fax: 325-985-3915

REQUEST FOR QUOTATION FORM

Item to be Quoted: _____

Quote deadline: _____

Specifications: _____

Quantities: _____

Delivery Location & Instructions: _____

Delivery Deadline: _____

District Contact and Phone Number: _____

Requested by: _____

Date Submitted: _____

Vendor Quote Information *(to be completed by Vendor)*

Vendor Name & Address: _____

Vendor Contact & Phone Number: _____

Quoted Pricing: _____

Proposed Delivery Date: _____

Quote Expiration Date: _____

Deviations from Specs Requested: _____

Vendor Signature: _____

Date Submitted: _____

MULLIN I.S.D.
PRICE COMPARISON SHEET

Date: _____
Department/Campus: _____
Person Submitting Request: _____
Quantity Needed: _____
Item/Service Description: _____

1. Vendor Name _____
Address _____

Phone: _____
Fax: _____
Delivery Charges: _____
Written Quote Received: Yes _____ No _____
Availability & Terms: _____

Pricing: _____

2. Vendor Name _____
Address _____

Phone: _____
Fax: _____
Delivery Charges: _____
Written Quote Received: Yes _____ No _____
Availability & Terms: _____

Pricing: _____

3. Vendor Name _____
Address _____

Phone: _____
Fax: _____
Delivery Charges: _____
Written Quote Received: Yes _____ No _____
Availability & Terms: _____

Pricing: _____

Mullin Independent School District Travel Reimbursement/Advance Request

Employee	Destination		
Departure Date	Time	Return Date	Time

Purpose of trip (conference, workshop, etc.)

EXPENSES: (Federal grant expenditures must have receipts)

Meals:

_____	Breakfasts	@	\$15.00	\$	_____
_____	Lunches	@	\$15.00	\$	_____
_____	Dinners	@	\$15.00	\$	_____

Total Meals \$ _____

\$45 per day allotment

LODGING:

_____	Nights for 1 person @ \$	_____	
_____	Federal expenditure		

Total Lodging \$ _____

TRANSPORTATION:

_____	Miles @ \$.51 per mile	\$ _____	
_____	Public transportation	\$ _____	

Total transportation \$ _____

OTHER EXPENSES:

Registration	\$	_____
Other	\$	_____

Total Other \$ _____

Total Expenses \$ _____
Amount advanced by district \$ _____
Reimbursement to employee \$ _____

Employee signature Date

Principal approval Date

Superintendent approval

Expenditure Code/Federal Expenditure Code

Please attach all receipts for lodging, public trans., & other expenses