

**Beaumont Independent School District
3395 Harrison Avenue
Beaumont, TX 77706
409-617-5000**

Financial Services Procedures Manual

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Table of Contents

Section 1.....	Payroll Procedures.....	page 3
Section 2.....	Purchasing Procedures.....	page 19
Section 3.....	Accounts Payable Procedures.....	page 60
Section 4.....	Accounting Procedures.....	page 70
Section 5.....	Budgeting Procedures.....	page 87
Section 6.....	Fixed Assets Procedures.....	page 94
Section 7.....	Employee Benefits Procedures	page 99
Section 8.....	Student Activity Procedures	page 122
Section 9.....	Booster Club Procedures.....	page 126
Section 9a	Booster Club Requirements.....	page 134

Section 1

Payroll Procedures

General Information

Introduction

The primary goal of the Beaumont ISD payroll department is to administer the payroll affairs of the district efficiently and in accordance with generally accepted accounting principles and within the Texas Education Agency (TEA) guidelines. The payroll department abides by state and federal laws and the policies of the Beaumont ISD board.

This payroll manual is designed to provide a set of standardized guidelines for Beaumont ISD employees; policies and procedures apply to all campuses and departments.

Location

The payroll department is located in the Administration Building at 3395 Harrison Avenue, in the Business & Finance hall.

Definitions

Non-exempt employee: defined as an employee whose pay is based on an hourly rate and subject to the stipulations of the Federal Labor Standards Act (FLSA). Nonexempt employees must be paid at least the federal minimum wage for each hour worked and given overtime pay of not less than 1 ½ times their hourly rate for hours worked beyond 40 hours each week.

Exempt employee: defined as an employee whose pay is based on a specified salary regardless of the number of hours worked and are exempt from overtime provisions of the Fair Labor Standards Act.

Straight time: hours physically worked up to 40 hours. If an absence is part of the total hours worked for the work week, and the hours physically worked do not exceed 40, then all hours worked will be paid at the straight time rate.

Overtime: hours physically worked beyond 40 hours in the workweek

Example #1:

Overtime paid as straight time:

43 hours worked (during a week with an absence)

-8 hours absent

35 hours physically worked

+8 hours paid absence (if employee has accrued leave)

43 hours paid at regular hourly rate (no overtime)

Example #2

Overtime paid at time and a half:

42 hours physically worked

40 hours paid at straight time

2 hours paid at overtime rate

Work Week

The work week begins on Monday at 12:00 am and runs through Sunday at 11:59 pm.

Employee Responsibilities

The payroll department makes every effort to ensure the accuracy of payroll information. Corrections of errors are handled as judiciously as possible. Employees grant the District the right to deduct from future paychecks any amount which is overpaid in error or amounts owed to the district.

Change of Address/Telephone Numbers

It is the employee's responsibility to report any name or address changes to the Human Resources Department.

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 Human Resources, Payroll and Employee Benefits departments. When in doubt, call and check with these departments to see what information they may need or assistance they may offer.

Employee Self-Serve

All employees have access to their own personal and payroll information via the TEAMS employee self-serve center. It is the employee's responsibility to review his/her payroll information on the employee self-serve center each payday and to report any errors including compensation, leave, federal withholding status, benefit elections and other deductions.

To Access Employee Self-Serve:

- Go to www.bmtisd.com
- Click on "for Staff"
- Click on "TEAMS" link
- Log-in using your username and password
(Call Information Services Department at 617-5072 if you do not have a username or password)
- Click on the Menu "Employee Self-Serve"
- Click on "Employee Service Center"
- Log-in with the same user name and password (and click Sign-in)
- You may now access the following items:
 - Personal Information
 - Leave Balances
 - Absence Reporting
 - Time Cards
 - And other important information

Annual Payroll Calendar

Payroll calendars are posted on the Beaumont ISD staff site. To view payroll the calendars:

- Go to www.bmtisd.com
- Click on “for Staff”
- Look under the “News” heading

Please note that there are 2 payroll calendars posted that have separate deadlines:

- Annualized hourly/subs/tutorials
- Salaried

Pay Days

Beaumont ISD employees are paid on the 10th and 25th of each month on an annualized basis. To determine the standard check amount, an employee’s annual salary is divided by 24 and paid in equal installments.

If payday falls on a weekend or holiday, payroll is issued on the last workday prior to the weekend or holiday.

Direct Deposit and Pay Cards

Effective September 1, 2013, Beaumont ISD no longer prints payroll checks and will offer the following payroll payment options:

- **Direct Deposit** (employee’s choice of financial institution)
- **Pay Card** (District’s financial institution; currently Bank of America)

Direct Deposit

The Texas Labor Code, Section 61.016, specifies that the District may choose the form of payment to its employees. In order to conserve District funds and improve productivity, the electronic transfer of funds (direct deposit and pay cards) has been determined to be the most efficient system of paying employees.

Direct Deposit can be made to any bank or credit union 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 and requires that employees complete a direct deposit form. This form is available in the payroll department. All direct deposit changes must be submitted to the payroll department **10 business days prior to payday**.

Pay Cards

Employees who do not present a direct deposit authorization form to the payroll office prior to August 23, 2013, will be required to apply for a pay card issued by the District’s depository (currently Bank of America). Employees may receive information on the payroll card from the payroll department. Pay cards will be mailed to the employee’s

address on file with the Beaumont ISD Human Resources office. **Please allow 10 days for processing new pay cards.**

All employees should check their bank accounts on payday to ensure that funds have been credited to their bank account. In the event the employee's pay does not reach his/her account, he/she should first contact his/her bank before contacting payroll. **An adjustment wire cannot be issued until the bank rejects the original ACH wire.** This may take as long as two days.

If a check that was mailed was not received, the check cannot be reissued for 3 working days. After 3 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 and the original check is delivered to the employee, the original check must be returned to the payroll department. **DO NOT ATTEMPT TO CASH THE CANCELLED CHECK.**

Effective March, 2014, BISD will no longer print check stubs for regular employees (substitute check stubs are still printed and mailed). Employees may view and/or print their check stubs through TEAMS employee self serve, as follows:

1. Log into TEAMS (click the link on the BISD staff portal)
2. Click "employee self-serve"
3. Click "employee service center"
4. Log in (same log-in and password as step 1)
5. Click "my payroll information"
6. Click "my paycheck"
7. Click on the check you would like to view or print

Electronic Placement Sheets

All placement sheets for extra duty pay must be submitted in an electronic format in either Liquid Office or Eduphoria. It is the responsibility of the person submitting the electronic placement sheet to ensure that it reaches "completed" status prior to the expected pay deadline.

Payroll "Docks"

Effective September 1, 2013, Beaumont ISD will no longer spread docked days to a future pay date. Instead, the employee's paycheck will be reduced for the full amount of the absence (when all sick leave is exhausted).

For example, if you were out 3 days with no available leave and your daily rate is \$211 per day, then your wages will be reduced by \$633 (\$211 daily rate x 3 days).

Paycheck Discrepancies

In the event an employee does not feel he/she has received proper payment for services rendered, the employee should first ask the campus secretary/timekeeper or his/her supervisor to review hours worked. If necessary, the secretary/timekeeper or supervisor will direct the employee to the payroll department for further review of the matter.

Employees must have a copy of their most current pay stub available when contacting the payroll department. Do not call the payroll department with a question based on the direct deposit amount as it appears on the bank's website.

If the paycheck amount was incorrect, an adjustment will be issued as follows:

Adjustment Runs

The payroll department will process adjustment runs on the first Tuesday and Thursday following payday. Adjustments are also run on payday. Adjustment runs require approval of the Comptroller.

Compensatory Time

Beaumont ISD does not allow the accrual or use of Compensatory Time. However, supervisors have the option to allow employees time off in lieu of overtime if the time off is provided within the **same work week**. As previously noted, the work week is defined as Monday 12:00 am to Sunday 11:59 pm.

At this time, Beaumont ISD is not allowing nonexempt employees to earn compensatory time.

Overtime

Unauthorized overtime is prohibited. Employees must obtain permission from their supervisors **prior to working** beyond their regular work schedule. Non-exempt (hourly) employees are not permitted to simply clock-in early or clock-out late without supervisory approval.

Overtime is legally defined as all hours *physically* worked in excess of 40 hours weekly and is not measured by the day or by the employee's regular work schedule. Employees must actually work more than 40 total hours in a week to earn overtime compensation.

Overtime for non-exempt (hourly) employees is calculated at 1½ times the employee's regular rate of pay. Hours worked in excess of the employee's schedule, but less than 40, are compensated at the employee's regular rate of pay. Overtime is included on the paycheck that corresponds to the pay period in which overtime was incurred. (See "Definitions" section in this manual for further explanation of straight time and overtime).

Non-exempt employees may not work from home.

Pay Advances

Beaumont ISD will not issue pay advances.

Dual Assignments

In some cases, Beaumont ISD employees are working in dual assignments. Due to the nature of the assignment, it may be necessary for an employee working a dual assignment to record time worked with both a manual time card and also an electronic time swipe. If there is any time overlap between the manual time card and the electronic time swipe, the manual time card will be adjusted so that there is not any overlap in time, thus preventing the employee from being over-compensated.

Mandatory Payroll Deductions

Social Security Protection Act of 2004

Beaumont ISD's full-time employees do not contribute to the Social Security system. Instead, they participate in the Teacher Retirement System of Texas, which is a state, local, and member-funded program.

Employees not eligible to participate in the TRS program (typically part-time employees, less than 20 hours a week) are required to contribute to Social Security.

For example:

- Substitutes (that have NOT retired from TRS) will pay Social Security and Medicare
- Substitutes that HAVE retired from TRS will pay Medicare only; (no Social Security or TRS contribution)

Teacher Retirement System of Texas

Teacher Retirement System of Texas administers a defined benefit retirement plan that is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The pension trust fund provides service and disability retirement, as well as death and survivor benefits, to eligible Texas public education employees and their beneficiaries. Retirement benefits are financed by member and state contributions. Beaumont ISD participates in the Texas Teacher Retirement System as authorized by law.

Employee contributions to TRS are made on a pre-tax basis in the amount of 6.4% of gross salary (prior to tax withholdings). In addition, the state of Texas contributes an equal amount up to the statutory minimum salary amount for each employee. Each employee is also required by TRS to contribute to the TRS-CARE health insurance program (insurance provided to retired members) in the amount of 0.65% of gross salary.

Employees that separate from Beaumont ISD have 3 choices regarding their TRS contributions:

1. Retire from TRS
2. Request a refund from TRS for contributions
3. Leave retirement contributions with the TRS System until eligible for retirement.

For additional information about TRS, you may visit: www.trs.state.tx.us

Federal Withholdings

All school district employees are required to have some amount of federal tax withheld from their checks and remitted to the federal government. The amount deducted from an employee's check depends on how many exemptions and the 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 as needed **at least 2 weeks prior to the affected pay date.** (See the "W-4" section of this manual for additional information regarding the W-4 form).

Medicare Withholdings

All employees that were hired after March 31, 1986 are required to pay 1.45% of their gross pay to the federal government for Medicare.

Wage Garnishments/Court Orders

Beaumont ISD is required by law to comply with wage garnishments (IRS tax levies, student loan defaults, bankruptcy orders, etc.) and court-ordered child support. Child support and wage garnishments are processed by the payroll supervisor only when properly received from an appropriate court of jurisdiction or by the Attorney General's office. There is a \$2.50 processing fee to set up each wage garnishment. There is no fee to process child support.

Workers' Compensation

If a Beaumont ISD employee is unable to work due to an on-the-job injury, Workers' Compensation benefits begin to pay a portion of the employee's wages **on the 8th day after the injury** (5 workdays, plus weekend).

The first 7 days of lost time are not compensated by the Workers' Compensation carrier. This means that the employee must use 5 full leave days or be docked if all leave is exhausted.

TIBS benefits are typically paid at 70% of the employee's average weekly wage (beginning on the 8th day after injury). Beaumont ISD has an "offset" policy in which accrued leave is coordinated and used in fractional amounts to supplement the employee's TIBS (Temporary Income Benefits). The fractional amounts are deducted from the employee's leave balance at the rate of 1 full day of leave for each 3 days of lost time.

Under Texas law, an injured employee is not allowed to receive more than 100% of their pre-injury income.

Optional Payroll Deductions

Many optional payroll deductions are available to Beaumont ISD employees. Below is a sample of optional payroll deductions:

- 403(b) tax sheltered investments – open to all full-time 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, supplemental life, accident, disability, flexible spending
- Professional organization membership dues
- See "Insurance" section in this manual for a complete list of optional benefit deductions.

Professional Membership Dues

Contact the organization representative for enrollment information. Once enrolled, the organization will forward the dues information to the payroll department and payroll will set up the monthly membership dues on payroll deduction.

Rollover memberships continue from year to year until the employee cancels directly with the professional association. The organization will forward to the payroll department the authority to cancel the payroll deduction.

Leave & Absence Processing

Leave Day

A "leave day" for purposes of earning, use, or recording shall mean the number of hours per day equivalent to the employee's usual assignment, (6 hours, 7 hours, 8 hours).

Earning Leave

The District will make state personal leave and local leave for the current year available for use at the beginning of the school year. If an employee separates from employment with the District before his or her last duty day of the year, or begins employment after the first duty day, state personal leave and local leave shall be prorated based on the actual time employed. (See “Pay Upon Separation” section in this manual for additional information).

An employee will not earn any local leave when he or she is in unpaid status. An employee using full or proportionate paid leave shall be considered to be in paid status. The amount of leave that an employee earns is based on his/her assignment and the number of workdays; please refer to Board policy for details regarding how much leave time is earned.

Sick Leave (Local)

Local sick leave may be used for illness of the employee; illness of a member of the employee’s immediate family; or death in the employee’s immediate family. Refer to Board Policy DEC (Local) for a definition of the term “immediate family”

Absences for salaried employees are processed (consumed) according to the “hourly” payroll calendar.

Sick Leave (State)

State sick leave may be used for illness of employee; illness of a member of employee’s immediate family; or death in the employee’s immediate family. Not all employees have state sick leave; Education Code was updated beginning with the 1996 school year, and if employees were employed by a District their service record would reflect such leave.

Personal Leave (State)

State personal leave may be taken at the employee’s discretion.

Vacation

Vacation leave is available to employees working 235 days or more per year. Vacation leave may be used with the supervisor’s prior approval. Please review Beaumont ISD board policy DED (LOCAL) for a complete definition of vacation leave.

Employees hired/promoted prior to July 1, 2001:

Full-time employees working **235-242** days shall be entitled to vacation time based on length of employment with Beaumont ISD as follows:

1. At the end of the first year of full-time employment through June 30 of the 7th year: 2 weeks paid vacation **to be used between July 1 and June 30.**

2. At the end of the eighth year of full-time employment through June 30 of the 15th year: 3 weeks paid vacation **to be used between July 1 and June 30.**
3. At the end of the sixteenth year of full-time employment and thereafter: 4 weeks paid vacation **to be used between July 1 and June 30.**

Full-time employees working **243** or more days shall be entitled to vacation time based on length of employment with Beaumont ISD as follows:

1. At the end of the first year of full-time employment through August 31 of the 7th year: 2 weeks paid vacation **to be used between September 1 and August 31.**
2. At the end of the eighth year of full-time employment through August 31 of the 15th year: 3 weeks paid vacation **to be used between September 1 and August 31.**
3. At the end of the sixteenth year of full-time employment and thereafter: 4 weeks paid vacation **to be used between September 1 and August 31.**

Employees hired/promoted after July 1, 2001:

Full-time employees working **235-242** days shall be entitled to 12 days of paid vacation time **to be used between July 1 and June 30.**

Full-time employees working **243** days or more shall be entitled to 12 days of paid vacation time **to be used between September 1 and August 31.**

Unused vacation days cannot be carried over to the next year. Employees shall not be paid for unused vacation days. At the end of the contract year, vacation balances will be cleared.

Leave Balance Carry Over

Local sick leave, state sick leave, and state personal leave will carry over year to year. Vacation leave does not accumulate and does not carry forward into the next contract period.

Reporting Absences

Employees are required to notify their supervisor if they will not be at work. They must also either call the substitute call system or enter their absence via TEAMS employee self-serve.

The call-in system will only allow an employee to report an absence on the day of, or the day before the absence occurs. If the employee needs to record an absence from previous days, or an absence that will occur more than one day in the future, he/she must report it in the TEAMS Employee Self-Serve center.

Using Leave

For positions in which a substitute is normally required, leave shall be recorded in half-day increments, even if a substitute is not employed. For positions in which a substitute is not normally required, leave shall be recorded on an hourly basis.

Campus/department timekeepers will enter the type of leave to be used for the absence. If the employee is out of the type of leave entered for the absence (e.g. Local Leave), TEAMS will look at all other types of leave EXCEPT vacation. If all other types of leave (State & Personal) are exhausted, TEAMS will process a dock for the absence.

Note: TEAMS will not deduct from available vacation leave unless the absence is entered as vacation leave.

Absences 5 or more days

When an employee is absent from duty for 5 days or more due to personal illness, he/she must provide a doctor's note to his/her campus supervisor upon return.

Extended Sick leave

Use of extended sick leave days is available for employees with 5 or more consecutive years of service with the District and shall be permitted only after all available state and local leave has been exhausted. The following guidelines shall apply to the District's extended illness benefit:

1. The first ten days of leave (following exhaustion of paid leave benefits) shall be without pay.
2. For up to 60 equivalent (workdays) leave days, the employee's pay shall be reduced by the amount of the substitute's rate of pay or one-half the employee's rate of pay, whichever is less.
3. Medical certification shall be required before the leave is granted and periodically, as required by the Superintendent.
4. Employees who have used the extended illness benefit shall not be eligible to again apply until nine calendar months of work have elapsed.

Leave Absence Correction

An after-the-fact-memo must be submitted to the payroll department, signed by a Principal or Director, to correct absences for a prior pay period. (For example, change from sick leave to release authorized, change vacation to sick leave, etc.)

Jury Duty

Employees must provide a receipt from the court when they are absent for jury duty. The jury duty receipt should be submitted to the employee's supervisor.

Retirement/Resignation

Employees planning to retire or resign need to notify their supervisor and also the Human Resources department as soon as possible. Employees should contact the Teacher Retirement System at 1-800-223-8778 to obtain a retirement packet. The retirement packet will contain several forms. The employee will need to bring the **TRS-7 Form (Notice of Final Deposit Before Retirement)** to the payroll department. The employee will need to complete the following information on the TRS-7 prior to bringing it to the payroll department:

- name
- social security number
- retirement date

Pay upon Separation from the District

Employees that leave Beaumont ISD before completing their calendar year assignment will receive their final check according to the regular payroll calendar.

If an employee separates from employment before the last duty day of the school year, the employee's final paycheck shall be reduced for:

1. State personal leave the employee used beyond his or her pro rata entitlement for the school year; and
2. Local leave the employee used but had not earned as of the date of separation.

If an employee uses more local leave than he or she earned and remains employed with the District through his or her last duty day, the District shall deduct the cost of the excess leave days from the employee's pay in accordance with administrative regulations

Time Clock Policy Guidelines

Official Time of Record

TEAMS swipe cards are issued to all full-time employees. All exempt (salaried) employees are required to swipe IN each day. All non-exempt (hourly) employees are required to swipe IN at the start of their shift and swipe OUT at the end of their shift each day. In order to ensure the consistency of treatment for hourly paid employees, the data

recorded in the electronic time clock system shall be considered as the “official” record of the workday.

Employees clocking in 7 minutes or later after their scheduled starting time will be recorded as tardy. Employees shall not clock out before their scheduled ending time unless authorized to do so by their supervisor.

Unapproved Time cards

Supervisors are required to approve all swipes and submit time swipe reports to the payroll department according to the payroll deadlines listed on the annual payroll calendar.

TEAMS will not approve a blank time card. Therefore, any days that an employee did not swipe in or report an absence will need to be addressed by the time card approver prior to submitting the time swipe report to the payroll department.

Falsification, Tampering, and Unauthorized Viewing

The following infractions are prohibited and may be subject to immediate corrective action, up to and including termination:

- Any attempt to tamper with timekeeping hardware or software
- Swiping in or out for another employee
- Interference with another employee’s use of the swipe clock system
- Unauthorized viewing of another employee’s time in the swipe clock system
- Possession of another employee’s badge at any time
- Possession of another employee’s password for the TEAMS employee self-serve center

Swipe Clock Malfunctions

If an employee is unable to swipe in or out because of a swipe clock malfunction, accidental oversight, or other reason, it is the employee’s responsibility to immediately inform his/her supervisor of the situation. In this situation, the supervisor will manually enter the employee’s time into the TEAMS time card system. The supervisor is to report the swipe clock malfunction to the Beaumont ISD Information Systems Department at 617-5072.

Unreported Hours:

The FLSA does not permit an employer to benefit from the work of a non-exempt (hourly) employee without compensating him/her for such work. Any time spent working while not clocked in (for example, working “off the clock”) is strictly prohibited. Employees are required to clock in before performing any work and are not

permitted to clock out until all work has stopped. Employees that under-report or fail to report hours worked are subject to corrective action. Examples of “working off the clock” may include:

- Voluntarily continuing to work at the end of regular working hours
- Taking work home to complete on the weekend or in the evening
- Checking/reading/reviewing work-related emails or listening to work-related voicemail messages while away from the office or workplace
- Answering phones, emails, or attending to customers while on lunch break

Once an employee is clocked in, he/she is responsible for starting work. When a shift has been completed, it is the employee’s responsibility to clock out. Employees conducting personal business or simply not working while clocked in may be considered “riding the clock” and could be subject to corrective action. Some departments require employees to leave their workstation for lunch and breaks. Check with your supervisor regarding the policy in your area.

Disputes Regarding Time

In the event an employee has a dispute over time that was clocked in or out, he/she should bring it to the attention of their supervisor immediately.

Time and Attendance

Non-exempt (hourly) employees are obligated to record actual hours worked. Non-exempt employees that are “on-call” for the district are required to record all time associated with their duties which may include responses to phone calls beyond their regular work schedules.

If a supervisor requests that an employee work “off the clock” or otherwise instructs him/her to work without recording his/her time, the employee must report this incident to the payroll supervisor. Failure, by a non-exempt employee, to comply with this reporting requirement may result in disciplinary action up to and including termination.

Lost or Missing Swipe Card

Please contact the Human Resources department to report a lost or missing swipe card and to obtain a replacement.

W-4 Forms

Processing of IRS W-4 Forms

The IRS regulations recommend that all employees review their W-4 status each year.

If no W-4 is filed, the employee's withholding is based on a default of single status with zero dependents.

Beaumont ISD is not required to verify the accuracy of the information on an employee's W-4; however, the payroll department cannot knowingly accept an invalid form. A form is invalid if it is altered (e.g., sections are crossed out or information other than the requested entries has been added) or if the employee indicates that it contains false information. If forms received are illegible or incomplete, withholdings will be made as if the employee is single and claimed zero allowances.

W-2 Wage & Tax Statement

Processing of IRS W-2 Forms – (Annual Wage and Tax Statements)

Beaumont ISD produces employee W-2 Wage and Tax Statements for a calendar year, and distributes to all employees no later than January, 31. Total wages are wages paid from January - December of each year; (*not school year*).

Employees may print or view their W-2 forms from the employee self-serve center. Please see "Employee Self-Serve Center" section in this manual for information about using the TEAMS employee self-serve center.

Section 2

Purchasing Procedures

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. This includes the dynamic and diverse nature of the school district environment and the competition among vendors for school district business.

II. RESPONSIBILITY FOR PURCHASING

The main focus of the Purchasing Department 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.

- The Purchasing Department of the Beaumont Independent School District is a part of the Business Office Division. The function of this office is to organize and administer procurement/purchasing for the district in accordance with the responsibility and authority delegated by the Superintendent of Schools and the Board of Trustees.
- As a support organization of the District charged with the responsibility of acquiring goods and services requested by Instructional and Administrative Departments, the Purchasing Department will function in a manner consistent with State Law, Board policies and sound business practices.
- The Purchasing Department shares with the Business and Finance Office and other Administrative Offices, the responsibility of expenditures of district funds in such a manner that all transactions will pass numerous audits with respect of State, Federal, and District procurement regulations.
- Acquisition of the requested goods and services shall be made only by the issuance of an official numbered District purchase order, approved electronically by the Director of Purchasing.
- Effective purchasing is a cooperative venture between the Purchasing Department and other departments within the District. The level of service rendered by Purchasing Department personnel will be improved by a thorough understanding of the procedures listed in this manual.
- Situations will undoubtedly arise which are not fully covered by these procedures. The Purchasing Department staff is available to discuss any special procurement procedure that serves the best interest of the District and the department concerned.
- 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.

- In accordance with Article 6252-16 of the State of Texas statutes, the Beaumont 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 to 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 disclose to his or her immediate supervisor a personal financial interest, a business interest, or any other obligation or relationship that in any way creates a potential conflict of interest with the proper discharge of assigned duties and responsibilities or 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. **Gifts to educators have never been condoned by the State.**
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, (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
2. Exceptions:
 - a. Professional Services under EC 44.031(f): architect, attorney, certified public accountant, engineer, or fiscal agent.
 - b. Professional Services under GC 2254.002: certified public accountant, architect, landscape architect, land surveyor, physician, optometrist, professional engineer, real estate appraiser, or registered nurse.
 - c. 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 44.031(j)
 - d. Repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. EC 44.031(h)
 - e. The exceptions provided for one source purchases equipment do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.

- f. Each contract proposed to be made by a school district for the purchase or lease of one or more school buses, including a lease with an option to purchase, must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

B. Contracting Dollar Ranges

- 1. Contracts for all goods and services with an annual aggregate value above \$50,000. EC 44.031
 - a. Exceptions:
 - 1) Purchase of produce
 - 2) Purchase of vehicle fuel
 - b. These contracts must be preceded by a competitive pricing mechanism.
 - 1) Bids competitive for service other than construction services;
 - 2) Competitive sealed proposals services other than construction services;
 - 3) Requests for proposals for services other than construction services;
 - 4) An inter-local agreement
 - 5) A method provided by chapter 2269, TX Government Code for Construction Services
 - 6) Reverse auction procedure. 2155.62(d), TX Gov't. Code.
 - 7) The formation of a political subdivision corporation LCG, 304.001
 - c. Notice is required for bids and requests for proposal:
 - 1) To be published once a week for at least two weeks (14 days) 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
- 2. 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.

C. 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."

D. 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. Impact on the ability of the district to comply with laws or rules relating to Historically Under Utilized Business (HUB) status
 - e. For a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
 - (1) has its principal place of business in this state; or
 - (2) employs at least 500 persons in this state ; and
4. Any other relevant factor specifically listed in the request for proposals or bids. EC 44.031(b)

E. 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 44.032(b)
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 44.032(b)

F. Personal Property and Services Notes

1. Bid and proposal openings shall be at public meetings of the Board of Trustees or by an officer 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 plus the prime rate of 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 Procurement and Support Services 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 \$25,000 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

G. 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 \$25,000, 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)

H. 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.
- 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.
- 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.
- 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.
- 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.
 - 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.
- 6. Proposals for Design Build Contracts Tex. Gov't Code 2267.301-311
 - 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.
 - 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.
7. Proposals for a Construction Manager/Agent Tex Gov't. Code 2267.201-208
- 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.
8. Proposals for a Construction Manager-At-Risk Tex Gov't Code 2267.251-258
- 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.
 - 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.

9. Job Order Contracts Tex Gov't Code 2267.401-411

- 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.
 - 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.

I. 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

J. 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. Construction quality is established by adoption of the City of Beaumont Building Codes.
 - a. A plan review will be conducted by a certified building code consultant for all project specifications prior to soliciting bids and proposals.
 - b. Any conditions not conforming to the code must be revised in the plans and specifications. 19 TAC 61.1034 b
- 4. Americans With Disabilities Act standards will be applied to all new construction and renovations. 28 CFR 35.151; 34 CFR 104.23 (Federal)
- 5. 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

K. 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/her to understand the relationship between himself/herself 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, he/she 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

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's 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.

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.)

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.

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 Comptroller must sign this contract.

VII. BISD PURCHASING GUIDELINES

A. Purchases

Board Policy, State and Federal laws mandate that all purchases made by Beaumont I.S.D. must be in compliance with bid laws. Since the majority of items and services purchased by the district are required to be bid, the purchases must be made from vendors who have been awarded contracts for these items and/or services. The Purchasing Department sends emails to key principals and administrators at various times during the school year, with information about the different annual contracts for items and/or services that require bids to each principal and Comptroller. This information contains the vendors who have been awarded the bids along with their terms and conditions.

B. Independent Contractors vs. Employee

A wage or salary payment to an employee requires the District to withhold income tax and the employee's portion of Social Security and Medicare taxes. Further, the District is responsible for paying Social Security, Medicare and unemployment (FUTA) taxes on the payment to the employee. There are other obligations that the District must bear for employees including worker's compensation coverage and state unemployment compensation insurance.

Failure on the part of the District to withhold the above taxes can result in a significant tax liability being assessed to the District.

Payments to Independent Contractors do not require the District to withhold or pay any of the above taxes. Since individual Independent Contractors are viewed as self-employed individuals, they are responsible for paying their own Social Security tax (at higher rates than an Employee) and federal and state income taxes. A COMPLETED W-9 MUST ACCOMPANY THE INDEPENDENT CONTRACTOR AGREEMENT.

These guidelines have been developed for your use to assure compliance with the law regarding the definition of the term "Independent Contractor." It will also outline the method for preparation of an Independent Contractor Agreement and accompanying purchase order.

When a contract is entered into, a financial liability is incurred but never encumbered; therefore, budget reports are not up-to-date. In order to have more current financial reports for the building/departments administrator, the handling of Independent Contractor contracts has changed.

1. Procedures for Independent Contractor

- An Independent Contractor Agreement must be completed for Independent Contractor services.
- The Administrator will send the prepared Agreement along with a W-9 form to the Independent Contractor to sign and return.
- The Administrator will sign and code the Agreement and submit it to the Business and Finance Office for approval. Once approved, it will be returned to the initiating Administrator. A PO should be created to encumber funds.
- When services are completed, the vendor will submit an invoice to the Administrator.
- If approved for payment by the Administrator, the invoice will be sent to Accounts Payable along with a copy of the contract for payment.
- Partial payments can be authorized by submitting a copy of the order with partial payment notation. This is the same procedure used for ordering other goods and services.

C. Types of Contracts

Professional and Technical Services have been defined as the following:

“Services which by their nature can be performed only by persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, independent contractors, accountants, etc.”

Official/Administrative Services: Services in support of the various policy-making and managerial activities of the school district.

Included would be management consulting activities oriented to general governance or business and financial management of the school district; school management support activities; election and tax assessing and collection services.

Professional/Educational Services: Services in support of the instructional program and its administration.

Included would be curriculum improvement services, counseling and guidance services, library and media support and contracted instructional services such as correspondence courses. Library and media support includes film rentals, user fees and telephone charges for electronic databases and satellite feeds.

Distance Learning Professional-Educational Services: Contracted services in support of the distance learning programs.

Other Professional Services: Professional services other than educational in support of the operations of the school district.

Included are medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, guest speakers, accreditation evaluation services, editors, music accompanist, DJ's for dances, drug testing, security for school activities, etc.

Technical Services: Services to the school district which are not regarded as professional but require basic scientific knowledge and/or manual skills.

Included are referees for athletic events, University Interscholastic League judges and assistants, judges for musical or speech activities, graphic arts, etc.

Contracted Services: Includes contract for services such as audiologists and speech or physical therapy.

A. Quotation Threshold

The district has a quotation threshold for purchases of \$2,000 or more. This means that any order that is \$2,000 or more, that has not been bid, will need to have as a minimum

three formal quotes attached to the order before it can be processed, or a very clear description of the items and/or services being requested so that the Purchasing Department can obtain the quotations. All quotes shall have a company signature. The exceptions to this would be for professional services, sole source purchases and items purchased from a bid.

E. Cooperative Bids and other Purchasing Information

The District is a member of many cooperative purchasing organizations 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 Purchasing Department.

F. Purchase of Instructional Supplies and Materials

Instructional Supplies and Materials are purchased from the District approved Primary Vendor through their web site. Limit requests for these products to this source only.

G. Purchase of Office Supplies

Office Supplies are purchased from the District approved Office Products Supplier through their web site. Limit requests for office products to this source only.

H. 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 utilized to select a contractor to supply the goods or services requested.

I. Purchase of Computer Hardware/Software/Supplies

1. If you plan to purchase a computer or computer hardware, contact the Technology Department 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 Technology **Director or designee.**

J. Record Keeping

Maintain 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 school year.

K. Open Records

The Beaumont 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."

L. Gift Cards

According to the IRS, if an employer gives an employee a gift certificate or similar item that can easily be exchanged for cash, the value of the gift is additional taxable income, regardless of the amount.

Therefore, cash or gift cards are explicitly prohibited using Budget or Activity funds unless purchased for an acceptable use.

Acceptable Uses:

- Student recognition/awards (\$50 maximum)
- Gift card received from store for return of merchandise can be used to purchase miscellaneous consumable items necessary in the classroom such as supplies for Science, Life Skills, etc. (\$100 maximum)-receipts from the use of the gift card must be turned in to the campus secretary.

Unacceptable Uses:

- Appreciation gifts
- Gifts to individuals for services performed
- Grant funds cannot be used to purchase gift cards
- Benevolence and retirement gifts

M. Local Store Policies

Use this page to find out which local stores will accept District purchase orders, and how to use them. If a store does not accept District purchase orders, contact Purchasing for information.

Best Buy

Does NOT accept purchase orders at the **retail store**, but Purchasing can order through the cooperative contract representative for a drop shipment directly to (www.bestbuyedu.com). Contact Purchasing for sign-on information.

Barnes & Noble Bookstore

The local store **DOES** accept our purchase orders.

JoAnn Fabric

Does **Not** accept purchase orders.

M&D Supply

M&D requires that each individual be listed as an authorized user in order to purchase or pick up at the store. Accounts Payable is authorized to add/delete individuals. If you need to make a purchase and your name is **NOT** on file, your purchase will be denied even if you have a copy of the PO with you! Once you

have a valid purchase order in place, you can contact the Accounts Payable Department to have your name added to the M&D Supply authorized list in order to purchase/pick-up at the store location. Before Accounts Payable can pay the invoice, a supervisor must sign for the purchase of merchandise.

Lowe's

After getting the purchase order, call purchasing for an appointment to get a Lowe's card to purchase in the store. You will have to have that card to buy.

The person that goes into the store must be the authorized user on the purchase order.

Michael's

Does not accept purchase orders.

Office Depot

You may **NOT** shop at the local Office Depot stores for your office supply items. These purchases **MUST** be completed through Office Depot blanket online. Technology items are restricted.

Sam's Club

You must have a current, up-to-date, direct-bill Sam's membership card (\$15/each) **AND** a purchase order to shop at Sam's Club. You may **NOT** use a personal Sam's card to purchase for the District; we are set up on a direct-bill status where the invoice is directly billed to the District on a monthly basis. Membership cards are only valid for 1 year from February to January and can be renewed at \$15.00 per person (paid through your blanket purchase order). It is recommended that only one person per department be the authorized individual for making purchases at Sam's Club. If you need a **NEW** card, a temporary card will be given to you by the Purchasing office so that you may take it to Sam's in order to obtain your permanent direct-bill membership card which will be renewed annually in February. **NO** capital items are allowed to be purchased on a blanket purchase order at Sam's Club.

Sears

Purchasing orders directly through our Sears cooperative contract. **Do NOT** order through the local store in the mall.

Target

Does accept purchase orders on a limited basis. Please verify with Purchasing prior to submitting a request for a purchase order.

Home Depot

Home Depot requires that each individual be listed as an authorized user in order to purchase or pick up at the store. Purchasing is authorized to add/delete individuals. If you need to make a purchase and your name is **NOT** on file, your purchase will

be denied even if you have a copy of the PO with you! Once you have a valid purchase order in place, you can contact the Purchasing office to have your name added to the Home Depot authorized list in order to purchase/pick-up at the store location.

VIII. UNAUTHORIZED CHARGES/PURCHASES

1. Any commitment to acquire goods or services from budgeted funds prior to securing a bona fide purchase order or without prior approval from the Purchasing Director 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 Purchasing Director or Business Office designee.
3. All exceptions to this policy are to be made in writing by the Comptroller or the Superintendent of Schools.
4. No purchases are authorized without issuance of a Purchase Order or authorization from the Purchasing Director 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 Beaumont 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.
2. Staff members or their designees are strongly encouraged NOT to call in purchase order numbers to vendors. The Purchasing Department is responsible for distributing the purchase order to the vendor to avoid duplicate shipment of an order.

X. TAX EXEMPTION

1. The Beaumont 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 Purchasing Department.

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 School District is \$50,000 or greater, the requesting department is to follow the procedures as listed below:
 - a. Submit a bid item request via email to the Purchasing Director with all levels of approval (if required).
 - b. The email request 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 Purchasing Department 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 Purchasing Department and regulated by the deadline date schedule to meet school board document preparation timeline.

B. Specifications

Detailed descriptions and specifications shall be supplied by the user department for Purchasing staff to prepare the bid document. The Purchasing Department will review the specifications to determine 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. Bid requests 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.
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 Department

C. Opening Sealed Bids/RFPs

- 1. All sealed bids/proposals shall be received in the Purchasing Department where they will be opened publicly on the date and at the time advertised. The Purchasing Director 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 Purchasing Director based upon a written acceptable reason.
- 5. Withdrawal of a bid or failure to honor a bid may result in the removal 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 if submitting a paper copy; or, electronically signed is submitting a bid through the eBid system.
- 7. All accepted bids will be tabulated and awarded as provided under Approval/Awarding of Bids.
- 8. If no acceptable bids are received, the proposed acquisition will be re-advertised seeking an acceptable bid.

D. 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 administrative purchasing committee.
- 3. The Administrative purchasing committee is made up of the following: the Comptroller, Purchasing Director, and the head of the department concerned with the proposed purchase.
- 4. If circumstances warrant, Board consideration of any purchase may be requested.
- 5. Proposed emergency purchases shall be submitted to the Board of Trustees for approval prior to making any commitments (also see Emergency Purchases).

6. The best bid from a responsible bidder that meets the requirements of the District shall be recommended for purchase.
7. The user department shall be responsible for making recommendations for purchase of bid items. The user department shall provide written justification for such recommendations.
8. 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.
9. Upon receipt of recommendations from the user department and the Director of Purchasing, the Comptroller shall present all recommendations for purchase to the Superintendent of Schools and 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.

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. Procurement 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.

Procurement Categories

Accompanist	Accreditation Fees
Acoustical tile, insulating materials/supplies	Adult Education Services
Advance Travel, Non-Employee	Advertising, Media and News Media
Afterschool Center Education Provider	Air Conditioning & Refrigeration Parts
Air Conditioning Water Treatment/Service	Alarm Permits & Fees, security, fire
Alterations	Ambulance Services
Amusement & Entertainment Services -	Animals, birds, marine life and accessories
Performing Arts	Arbitration/Mediation dispute resolution
Appliances	services
Architectural Services	Armored Car Service
Art Equipment & Supplies	Asbestos Abatement/Consulting/Removal
Asphaltic Sidewalks & Repairs	Athletic Clothing & Uniforms
Athletic Helmets, Reconditioning	Athletic Field Turf Care
Athletic Game Worker	Athletic Revenue
Athletic Supplies/Equipment	Auction Services
Audio Equipment & Accessories	Auditorium Seating and Furniture
Automotive Services and Etc.	Automotive Vehicles and Related
Auxiliary Building Relocation	Transportation Equipment
Awards (Student & Employees)	Award Jackets
Band & Orchestra Equip & Supplies	Background investigations & drug testing
Beverages, Chips, Snacks & Bread	for employment
Bleacher Inspection, Maintenance & Repair	Band/Choir Uniforms
Bookbinding & repairing services	Bilingual / ESL Curriculum Material
Boxes	Body Work and Refinishing Services
	Books (Miscellaneous)
	Building Construction Services, New (Incl
	Maint & Repair)

Procurement Categories

Building Maintenance, installation & repair services	Burglar Alarm Maintenance
Bus Washing Equipment and Supplies	Business Cards
Cafeteria & Kitchen Equipment, Commercial	Calculators, Classroom
Car & Van Rental	Car Seat child restraint
Carpentry Supplies	Carpet Installation and/or Repair
Catering Services	Catering Supplies
Ceiling Tile, Sheetrock & Related Items	Certification Programs
Childcare Services	Choreographer
Claims processing services	Classroom Furniture
Cleaning Services	Cleaning Supplies, Cafeteria
Clothing & Apparel	Cold Mix Asphalt
Commercial Charter Bus Service	Communications & Media services
Computer Accessories & Supplies	Computer Hardware, Software, Peripherals
Computer Software	Computer Supplies
Concrete Polishing, Grinding and Staining	Concrete Polishing, Grinding and Staining
Concrete Purchase and/or Installation	Construction
Construction Equipment, Ditching, Trenching, Utility Equipment	Construction Manager-at-Risk
Construction of Managed Data Network	Consulting Services, Human Resources
Consulting Services, Training	Consulting Services, Special Education
Consulting Services, Educational	Contracted Services
Copiers	Cosmetology Equipment & Supplies
Costume or Apparel Rental	Counseling Services
Courier/Delivery Services	Crane Rental & Operator Service
Curriculum/Resources	Custodial Services
Dirt	Disaster Services
Distance Learning Lab Maintenance	Document Imaging
Door (Overhead) Repair/Service	Door Hardware & Accessories
Drainage Improvement	Drill Competition
Driver Education Supplies and Equipment	Drug Testing
Drugs & Pharmaceuticals	Dry Cleaning
Dual Credit	Dust Mop Service
Educational Services	Electrical Supplies
Electrical Systems Repair, Installation & Maintenance Services	Electronics-Repairs and Services
Elevator Maintenance & Repair Services	Embroidery
Emergency Response Telecommunications Training	Employee Benefits
Energy Management Control Systems	Engineering Services
Enrichment Resource	Environmental & Ecological Services
Equipment Rental & Repair	Facilities Maintenance and Management

Procurement Categories

Fax Machine Maintenance & Repair	Feed, bedding, vitamins, & supplements for animals
Fencing Repair & Maintenance Services	Fertilizers & Soil Conditioners
Financial & Accounting Services	Fingerprinting Services
Fire Extinguisher Inspection & Maintenance	First Aid & Safety Equipment & Supplies
Flags, Flag Poles, & accessories	Floor Covering
Flooring Products & Sports Surfaces	Flowers, arrangements
Food	Food Services Equipment & Services
Food, Restaurant	Food, Bakery products, fresh
Foods, Dairy products, fresh	Foods, Frozen
Foods, Perishable, fruits & vegetables	Foods, Staples, grocery & misc. items
Forklift Maintenance & Repair Services	Fuel
Fuel System Parts & Repair	Fundraisers
Furniture: Classroom, Cafe, Library, Office	Garbage Services
Gas Welding Cylinders	General Maintenance & Hardware Supplies
Glass & Glazing supplies	Golf Equipment & Supplies
Graduation Accessories	Graduation Supplies
Grass, Seed, Sod, & Soil	Grease & Sand Trap Pump & Clean
Grease Trap Cleaning	Grocery Stores
Grounds Supplies	Gymnasium Floor Refinishing
Gymnastics Equipment & Supplies	Health Related Services
HP Products and 3rd Party Products to Purchase or Lease	Human Services, includes Drug testing (not for new employees)
HVAC Cleaning Services	HVAC Equipment, Supplies & Installation
HVAC Parts & Accessories	Ice Cream
Insecticides	Inspection and Certification Services
Installation of Suspended Ceilings	Instructional Materials and Supplies
Insurance & Insurance Services	Intercom, Paging & Classroom Voice Enhancement IP System
Interpreter Services	Irrigation Systems
Janitorial Supplies	Job Order Contracting
Laboratory Tests and Reagents	Laundry Supplies & Equip
Lawn Service, Equipment & Repairs	Legal Services, Attorneys, Lawyers
Library Books & Media Materials	Library Services
Locksmith Supplies	Lumber & Related Products
Magazine & Newspaper Subscriptions	Mailing Equipment - Postage Meter Rental
Maintenance & Repair Services - appliances & furniture	Maintenance & Repair Services - athletic equipment
Maintenance & Repair Services - computers & office equipment	Maintenance & Repair Services - laundry & M&O equipment
Maintenance & Repair Services - musical instruments	Maintenance & Repair Services - sewing equipment
Maintenance and Repair Services-Chillers	Management Services
Marketing Education Supplies	Medicaid Billing Services

Procurement Categories

Medical Services	Milk & Juice
Milk and Milk Products	Modular Classrooms & Ramp Systems
Motor Fuel, diesel, gasoline, propane	Motor Oil, Grease & Lubricants
Music Lessons	Networking Equipmt, Supplies/Maintenance
Notary	Office Supplies & Equipment
Online Subscription	Paint (Automotive & General) Supplies
Paint and Body Repair	Paper
Paper-Print Shop	Parking Lot Striping
Parks & Recreation & Field Lighting	Party, Holiday, & Event Decorating
Performing Arts	Permits
Personal Hygiene/Grooming Eq & Supplies	Personnel - Temporary Services
Photography Services	Piano Tuning
Playground & Swimming Pool Eq/ Supplies	Playground Equipment
Plumbing Equipment, Fixtures & Supplies	Police and Security Equipment & Supplies
Pool Supplies and Equipment	Portable Buildings
Portable Building Moving	Postage Meter Lease
Postage Related Purchase; Stamps, Meters	Printing & Copying Services
Printing Equip & Supplies	Professional Services
Promotional Items & Advertising Specialty	Prosthetic devices & hearing aids
Psychological Services	Public Speaking Services
Radio & Telecommunication Eqmt/supplies	Real Estate & Property Rental or Lease
Real Estate Acquisition	Refrigeration and Cooking Supplies
Refuse Bodies-Trailer	Repair and Service of HVAC Equip
Repair and Service of Plumbing Systems	Repair of Band and Orchestra Instruments
Repair of Cleaning Equipment	Roofing materials & supplies
Safety Supplies	Sand Spreading Equipment
Scantron Forms for Inventory & Catalog	School Bus Parts
School Buses	School Buses/Repairs
Science Supplies and Equipment	Scoreboards
Sewer Inspection & Cleaning Products	Sewing Notions, Accessories & supplies
Sheet Metal/Angle Iron Materials/Supplies	Sheet Music
Shop Equipment and Supplies	Sign Language Services
Signs & Sign Making Equipment/Supplies	Sole Source
Special Education	Specialized Equipment for the handicapped & disabled
Spraying Equipment (not household, nursery plant or paint)	Staff Development
Stage Lighting Dimmer Systems Repair	Standard Curriculum Material
Street Sweepers	Teacher Certification Program
Technology Eq., Software, Supplies & Telecomm. Prod.	Telephone Services, Cellular
Telephone Services, Long Distance & Local	Television Equipment & accessories
Temporary Labor Services	Test Material

Procurement Categories

Test Preparation classroom or online	Testing & Calibration Services; equipment
Textbooks	Therapy
Tickets/Fees	Time Clocks Parts & Repair
Tire, Pneumatic (New), For Passenger, Light Truck, Medium Truck,	Tires & Tubes
Towing Service	Translation Services
Trash Disposal	Travel Agency Services
Trophies, awards, medals, ribbons, emblems	Trucks(Incl.Diesel,Gasoline,Electric,Hybrid & Alternative)
Turf grass for BISD Competition Athletic Fields	Uniforms, School
Uniforms, Services	Uniforms, Security
Uniforms, Band, Choir, Orchestra	Uniforms, Food Service
Uniforms, Work and Floor Mat Rental	Utilities
Vehicle Inspections	Vehicle Maintenance & Repair Services
Venue Rental	Veterinary Services
Waste-Medical	Water Treatment and Service
Weightlifting Equipment & Supplies	Welding Equipment & Supplies
Window Coverings	Wrecker Service

XII. PURCHASE ORDERS

A. Purchase Order

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

1. A purchase order, 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 approved by the Purchasing Director after receipt of an authorized purchase order/requisition.
 - a. The Beaumont 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 Purchasing Department where it is signed by the Purchasing Director or designee, assigned a purchase order number, encumbered and officially designated as a "Purchase Order".
 - b. The purchase order will remain in effect as a valid offer and/or contract binding the District with a supplier for 90 days from the date of its approval by the Purchasing Director. It will be the requesting departments responsibility to re-submit a new purchase order document for items needed or services required beyond that date. All purchase orders that reach a maturity date of 90 days may be evaluated by the Purchasing Director or Comptroller as to its possible cancellation or closing at that time. All Department/Campus will be notified of all purchase order cancellations or closings with the exception of the ones your department/campus request.

2. All purchases shall be submitted through Teams and be approved by the business office 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. Due to the cost involved in processing a purchase order and the fact that many vendors require minimum dollar amounts for purchases, please consolidate purchase orders for a specific vendor to an amount in excess of \$100 if possible. If the anticipated purchase is less than \$100, please refer to the paragraph concerning "Spot Purchases".
 - d. Purchase orders are used to order materials or services. Please do not process a purchase order if an item or service has already been ordered and received. If the materials have already been received, payment should be requested on a "Check Request". Purchases made without a purchase order are unauthorized.

B. Specific Purchasing Procedures

1. PURCHASE ORDER/REQUISITION

- a. All requests for purchase shall be submitted through TEAMS and approved by the Administrator prior to the Purchasing Department processing the order.
- 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 the Purchasing Director, given an official purchase order number, and encumbered, only at that time does the purchase order requisition become 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. Only the original purchase order form is acceptable.
- e. A purchase order must be clear and accurately represent all requirements. Purchase Orders should include the following:

Items underlined are to be listed on the purchase order by the person who is typing the P.O. Other items are already listed somewhere on the P.O. form.

- 1) Company Name and Address
- 2) Date
- 3) Purchase Order #
- 4) Shipping Instructions (Complete ship to address including receivers name.)
- 5) F.O.B. Point (F.O.B. Destination)
- 6) Terms of Payment
- 7) Tax Status
- 8) Shipping Schedule
- 9) Quantity and Unit
- 10) Description of goods or services ordered
- 11) Unit price

- 12) Discount
- 13) Freight and/or Delivery Charges if applicable
- 14) Invoicing Instructions
- 15) General Terms and Conditions
- 16) Signature
- 17) Prices Extended and Totaled Correctly
- 18) Correct Budget Code
- 19) Proper Authorizations
- 20) Prices Quoted By, District Bid #, and or Company Quote # or Bid #, Catalog # and Page if applicable.
- 21) Pages of request.

C. Authorization/Approval Of Purchase Order

1. A properly authorized purchase order must include the approval of:
 - a. The Principal and/or Director
 - b. The appropriate Assistant Superintendent or Department Head
 - c. The Comptroller, if order totals or exceeds \$5,000
 - d. and the Purchasing Director or designee, for final review

D. Conditions Of Purchase

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

1. INSTRUCTION TO VENDOR: This order is subject to the following instructions, terms and conditions of the Beaumont Independent School District.
 - a. Under no circumstances is the amount of this purchase order to be exceeded without prior approval of the Purchasing Director or designee.
 - b. BISD 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 Comptroller, Beaumont Independent School District, 3395 Harrison Avenue Street, Beaumont, Texas 77706.
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 Purchasing Director or designee appears in the space provided.
 - b. Authorization: Beaumont 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 Purchasing Director or designee. If you cannot fill this order as specified please notify the Purchasing Director 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 Purchasing Director or representative. 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. Tax exemption number is 1-74-6000-317.
- 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 3:00 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. It is important that vendors understand the DISTRICT CANNOT AND WILL NOT ACCEPT TAIL-GATE DELIVERY AT A SCHOOL ENTRANCE UNLESS Specified OTHERWISE ON THIS ORDER.
- 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 shipments 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 have been made with the Purchasing Director 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 an order will automatically be cancelled ninety days after date of order unless prior approval by the Purchasing Director has been obtained. The date of the order is indicated by the Purchasing Director'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 Beaumont 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 of \$100 or more shall be made to the Beaumont Independent School District except that covered by a purchase order, which has been through the budget control system and released by the Purchasing Director for mailing or faxing to the vendor.
2. The Purchasing Department will not release purchase order numbers to cover such charges in advance of this procedure except as provided under Emergency Purchases.

3. Request for a department to pick up a purchase order to take to the vendor in person can be made by attaching a small note to the purchase order requesting such action. Do not type these notes on the purchase order. The requesting department will be contacted when the purchase order is ready to be picked up.

4. Confirmation purchase order numbers will not be released to the requesting party until a hard copy such as faxed copy is obtained by the Purchasing Department with the proper approval signatures required on a purchase order. Only after this hard copy has been obtained with proper authorization approvals will the purchase order number be released to the requester.

F. Changing or Canceling Purchase Orders

1. Whenever it becomes necessary to modify or cancel the items or conditions as listed on Beaumont 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 Purchasing Department is responsible for making all 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 Purchasing Department.
 - d. Requests to have items listed on a purchase order returned, deleted, canceled or in any way adjusted must be made in writing by email to the Purchasing Director. Appropriate authorization (Principal, Department Head) must accompany each request.
 - e. Upon receipt of an authorized request, the Purchasing Department 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. Project 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 Purchasing Director and are issued to vendors as identified by the user department on the purchase order document. The order will remain in effect for fiscal year or stated time days from the Purchasing Director's signature.
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

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. Receive items in TEAMS.
2. Upon receipt of the goods or services listed on the purchase order the User Department must enter the showing quantity and condition of the items received or services rendered in TEAMS.
3. Payment to vendors is processed by the Accounts Payable Office upon receipt of:
 - a. A valid purchase order.
 - b. An original invoice from the vendor, and
 - c. Receiving department entry of goods or services received .

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, Comptroller) 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 Comptroller must notify the Purchasing Department 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 Purchasing Department will attach the notice to the P.O. and the following will occur:

- a. Purchasing Department 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 Purchasing Director 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 Campus/Department is to be sent to the Purchasing Director. In this case the following is to be adhered to:
- a. The Campus/Department or designee 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 Purchasing Department for documentation on the order.
 - b. It will be the responsibility of the Department/Campus 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 Purchasing Department 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 Beaumont 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.
 - f. In the event no one can check the items coming in, sign the freight bill and/or bill of 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 Purchasing Department.

M. Miscellaneous Purchase Order Information

1. Use a PO, regardless of the dollar amount, for computers, software (requiring signed agreement) and maintenance agreements.
 - **EXCEPTION:** If you are paying for the professional services of an *individual*, which involves a binding contract. Allow sufficient time when requesting a pre-payment or deposit be made to a vendor. Pre-payment/deposits are not automatically handled as “rush” payments, so plan accordingly.
2. Contracting with a business to provide your campus/department with services also constitutes “independent contractor” services, and the department is required to execute a contract with the vendor before the services are performed.
 - **Vendor must complete a Form W-9.**
 - In order to comply with the Internal Revenue Service (IRS) 1099 Information Reporting regulations, BISD must determine the type of business entity (i.e., sole-proprietor, corporation, partnership, tax-exempt, etc.) in order to determine if our payments to the vendor would be taxable and reportable on a Form 1099-MISC.
 - The W-9 Form also assists us in setting the vendor account up appropriately for 1099 reporting (i.e., 1099 must be issued in the “legal” name of the business).
 - All Purchases are subject to the Texas Open Records Act and can be viewed by vendors or the media and end up in the News media; exposing the District to legal and political repercussions should any fraudulent or questionable purchases be viewed.
3. Instruct vendors to send ALL invoices, credit memos, or refund checks, which must include PO number, directly to:
Beaumont ISD, Accounts Payable, P.O. Box 672, Beaumont, Texas 77704
4. If the department receives the invoice, credit memo, or refund check - forward **original document** to Accounts Payable for processing.

5. Monitor purchases made against your blanket PO. If the PO **“amount “Still to be invoiced”** is approaching zero (0) send a request to Purchasing to add funds to it before making additional purchases.

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.

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.

HCDE - Harris County Department of Education

HGAC - Houston Galveston Area Council – a cooperative

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 Purchasing Department 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. For the District it is primarily used when making purchases over \$2,000.

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

Procedures

Accounts Payable Calendar

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

Friday, 4:00pm	All requests, invoices, receiving reports or other documentation must be received by this time.
Monday-Thursday	Checks are processed and compared to supporting documents for accuracy of vendor name, address and dollar amount
Friday, Noon	Checks are released for mailing or pickup

Absolutely no exceptions are made to the Friday 4:00pm deadline without approval of the Superintendent or the Comptroller.

Check Request Instructions:

Check requests should only be submitted for the following as indicated by the Comptroller Those exceptions are:

- Medical Payments
- District Membership Dues
- Tournament Fees
- Lunch Reimbursement
- Subscriptions
- Tuition Payments
- Conference Registration
- Permits

All others should be submitted in the system requesting a purchase order BEFORE any goods/services have been rendered

Invoice Direct Pay Instructions:

Majority of our invoices are entered in our TEAMS system, so the approval is done electronically. However, vendors will send invoices into Accounts Payable and we enter those invoices into the system directly. Make sure all signatures are on the Direct Pay request according to the Comptroller and amount of check request. Some direct pay requests require signatures from administrators that travel, causing a delay in processing. Please call to make sure the person you may need is available.

Payment for an employee of the district that works in other areas (ex: athletic games, accompanist, etc.) needs to be submitted to payroll, **not** accounts payable. Direct pay requests need the correct name for employees that need reimbursements, **not nicknames**. Social Security numbers and signatures **must** be included for non-employees.

Be sure to have the correct name and address of your request whether using a purchase order or direct pay request. When the check needs to be made out to a different person or company, please include this information in your backup. This will help insure timely vendor payments.

Please make notes on your paperwork for any direct pay requests that need to be held for any reason. Please highlight these notes or call accounts payable for further explanation.

During the school year, checks are run on Thursday. Deadline is Tuesday at 4:00pm in the A/P office, with all signatures, vendor number, budget code approved, and approval from purchasing. During the summer, checks are run on Wednesday, and the deadline is Monday at 4:00pm. Guidelines are the same as during the school year.

THE FISCAL YEAR ENDS AUGUST 31ST

All goods delivered or services received by August 31st need to be paid out of the current school year budget. Therefore, we need invoices received, signed and dated and sent to Accounts Payable promptly at year end. Direct pay requests should be created for items not on a purchase order, but that were received by August 31st. Call or email us with your questions.

Purchase Order Payments

Please go into the TEAMS system and receive items in order for Accounts Payable to release for payment. If an item(s) is being returned or cancelled please contact the purchasing department. When you call the vendor please write the date, return authorization number and the person you spoke to on the pink copy.

Purchase orders that are faxed or mailed, and calls to check status may cause a double shipment of the order. **Please handle this problem 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.

Invoice Numbering System for Direct Pays

Payments to individuals (employees or contractors) for days worked, mileage or other professional services should convert to a numerical date. If services performed are from September 1 to September 30, 2006, the invoice number would be 09.01-30.06. An invoice for one day would be listed as 09.01.06

Reimbursements – Date them for the first or only date of the trip or the date of the refund. For example, a trip that spanned three days from October 3 -5, 2006 would be REIMB10.03.06.

Refunds – refunds are only for payments made that have to be refunded. Enter REFUND and the date, i.e., REFUND 06.15.06. Refunds are made to the parents of students for lost textbooks, library books, returns of athletic participation fees (i.e., something they paid for and now we are refunding to them).

Field trips – Use FLDTRP and the date, for example, FLDTRP 11.01.06.

Mileage and/or Travel Reimbursements – Put the relevant date or dates for travel, such as 11.08-14.06 or 11.14.06. Use actual dates traveled, not the entire month, for mileage reimbursements.

Registration for Workshops, Conferences or Seminars – REGIST 10.15.06. If the workshop goes more than one day, use the first date of attendance or travel.

Entry Fees – Use ENTRYFEE and date of event. For example, use ENTRY 10.11.06, and use the first day of the event if it is for more than one day.

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. Use MEMBER and date of payment, i.e., MEMBER12.12.06.

Order Forms – Use ORDER and the campus number and the year of the order. For example, an order form from the Beaumont High School south campus on July 7, 2007 would be ORDER.002.2007.

NSF CHECKS

(Not Sufficient Funds)

A spreadsheet is kept in the Business Office with all NSF checks that are returned to the district. It is updated frequently and will be emailed to all groups and individuals that handle money for the district.

You are required to check the list before you make any check/money order deposits. DO NOT deposit checks of individuals that are on the list. Have those individuals give you cash or money orders. If any questions arise, please contact Mrs. Rose Mary Bailey at 409.617.5151.

DO NOT DEPOSIT temporary checks or blank checks (lacking individual's personal information: name, address and phone number). Have that individual pay with cash or money order.

PETTY CASH

- Petty Cash should not be used for last minute planning. Please plan ahead for all purchases and follow district purchasing guidelines.
- Each campus shall have a maximum allotment of \$500
- Each petty cash voucher must have a receipt attached.
- Petty Cash may only be used for purchases less than \$50. It is not permissible to use multiple receipts of \$50 for the same purchase.

- Please ensure that petty cash envelopes and vouchers are legible and complete.
- Petty cash must be turned into the Business Office on a yearly basis.

GIFT CARDS

BISD does not permit the use or purchase of gift cards with local, state or federal funds UNLESS authorized by a grant program. Purchase of gift cards for students is also not allowed out of campus or student activity funds.

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 Beaumont ISD

Out-of-District Travel: All other travel outside BISD 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. Make sure Travel Request Forms are completed by campus secretary to ensure form is filled out appropriately and submitted in a timely fashion.
3. Ensure that the individual traveling is informed and aware of these travel regulations.
4. An Employee Advance/Reimbursement Request Form* must be completed for all staff traveling within District boundaries and for out-of-District travel. All employees must complete an Employee Advance/Reimbursement Request Form for overnight travel for out-of District travel. The form must be signed by the applicant requesting permission to travel and approved by the appropriate Comptroller and either the Superintendent of schools or the appropriate Department or Deputy or Assistant Superintendent. This request should be completed fourteen (14) 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) 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.
- c) Advances for meals, mileage and lodging will be made only when absolutely necessary. Be sure to adhere to district guidelines that can be found on the BISD website under Business Office. In order to issue timely advances, the request must be submitted to the Travel Coordinator at least fourteen (14) working days prior to travel.
- d) All out-of-state travel must be approved in advance by the Comptroller, campus Principal, the appropriate Deputy or Assistant Superintendent and the Superintendent of Schools.
- e) The COMPTROLLER OR DEPUTY SUPERINTENDENT OF SCHOOLS and/or the Superintendent of Schools must approve any exceptions to these regulations.

*** - The District's official travel request form is titled "Request for Advance Travel Payment" Form, and may be used for any type of employee travel advance.**

Individuals have the following responsibilities prior to authorizing travel:

1. Ensure funds are available based upon estimated travel costs prior to authorizing travel expenses.
2. Please allow **14 days minimum** for pre-registration. Late fees incurred as a result of late submission are deducted from submitted budget code.
3. A registration form must be attached, especially if pre-registration is required.
4. Travel Request Forms must be approved by Campus/Department Supervisor and appropriate Assistant Superintendent before completion by the Business Office. If travel is being paid through a state or federal grant, the Grant Administrator must approve the request in addition to the approvals required above.
5. Incomplete forms will result in delay of payment and/or on-site registration versus pre-registration.
6. You must use District mileage chart for general fund (199) accounts; for state or federal/grants use electronic mapping source (such as www.MapQuest.com or any other online mapping service). Employee must print out the directions provided by the site and attach them to the travel voucher. Please **DO NOT** round up or down the mileage. Use the exact figure. Map from Beaumont to City destination ONLY. **DO NOT USE** address.
7. Please include time and date of departure and return so that meal/hotel advances may be calculated appropriately.
8. Please indicate if the cost of lodging and/or mileage is being shared with another teacher/staff member. Failure to do this may result in teacher/staff member owing money to the district.
9. Please indicate full names of all employees who are sharing hotel rooms to ensure proper reimbursement.
10. Please refer to district travel form for meal rates. Travel guide information may be found on the BISD website under Business Office.

11. Conference documentation must be attached to travel form to justify higher rate of hotel. Conference rate documentation not attached will result in delay of funds.
12. Hotel advance is actual cost up to the approved district travel rate. If hotel is less than the approved travel rate, you do NOT get to keep the difference. Under no circumstance is an employee to use their “points” from a rewards program. If the employee chooses to use this as a method of payment, then that employee will not be eligible for reimbursement by the district.

Do NOT use Expedia, Orbitz, or any other web service to reserve hotel rooms since they do not provide itemized hotel receipts and will result in failure to receive a reimbursement.

Maximum Transportation Reimbursement for Beaumont 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 BISD 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. BISD travel forms will be updated periodically to reflect the current state rate, currently \$0.565 per mile.

1. You must use District mileage charge for general fund (199) accounts; for state or federal/grants use electronic mapping source (such as www.MapQuest.com or any other online mapping service). Employee must print out the directions provided by the site and attach them to the travel voucher. Please **DO NOT** round up or down the mileage. Use the exact figure. Map from Beaumont to City destination ONLY. DO NOT USE address
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 Comptroller or the Deputy Superintendent of Schools.
4. Car rentals will be reimbursed at actual costs under emergency conditions or if approved in advance by the Comptroller or the Deputy Superintendent of Schools 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.

Vehicle Rental

When appropriate and as approved in advance, vehicles may be rented for out-of-town travel or student transportation to UIL or similar events. All vehicle rentals should be reserved through Enterprise Rent-A-Car unless otherwise approved by the Superintendent, the Comptroller or the Deputy Superintendent. See the information below for details on Enterprise's rates and contact information.

RENTAL GUIDELINES

- The fuel policy with Enterprise rentals is that of a matching policy. Employees will return the tank the same level of gas as given to them.
- 15 Passenger Vans are not permitted to go into or pass through the following states: Connecticut, the District of Columbia, Florida, Massachusetts, Maine, New York, Rhode Island or outside the United States.
- **24 hour Roadside Assistance** is available for any customer who experiences problems with the vehicle they are given. During business hours, a replacement vehicle will be provided within the hour, depending on the availability of the vehicle needed. After business hours, employees can call 1-800-307-6666 for roadside assistance where you will be connected to someone 24-hours a day for any vehicle problems.
- Only employees of Beaumont ISD over the age of 21 will be allowed to drive the vehicles unless otherwise noted.

Meal Allowance -

1. Receipts are not required. Breakfast - \$5.00; Lunch - \$8.00; Dinner - \$12.00 - \$25.00 for a full day.
2. Maximum meal allowance 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 \$105 per night maximum. A higher rate of reimbursement may be approved for lodging at a conference hotel or conference headquarters hotel. \$105 per night is the maximum allowable if the source of reimbursement is federally funded (Food Service, Title I, IDEA funds).
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 five (5) 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. Employees must use the BISD mileage log located on the Staff webpage under Business Office Forms.
5. If supplies and materials are purchased at a workshop or conference, they must be approved in advance by the Comptroller or Deputy Superintendent of Schools and/or campus Principal or department head 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.

REVISED AND UPDATED PROCEDURES TO BECOME A TEXAS NOTARY PUBLIC

Location personnel will be responsible for allocating funds for their campus and/or department notary.

A Notary Public term is four years and is the responsibility of the notary to file his/her term by visiting the Texas Notary website: www.texasnotary.com. A notary package includes:

4-year \$10,000 Bond	\$50.00
State Filing Fee	\$21.00
Self-inking Stamp	\$12.00
Notary Record Book	\$ 7.00
Texas Notary Law Manual	\$10.00
Pocket Notary Record Book	\$ 3.00
Shipping	<u>\$ 4.00</u>
	\$83.00

Once the application and check are sent to the American Association of Notaries, the process generally takes two to three weeks to complete. Application and order form for a Texas Notary Public must be filled out completely and a check mailed to:

American Association of Notaries
8811 Westheimer, Suite 207
Houston, Texas 77063
Phone number: 713-644-2299
Fax number: 713-649-0011

As always, contact the Business Office for additional information if you have questions or concerns.

Section 4

Accounting Procedures

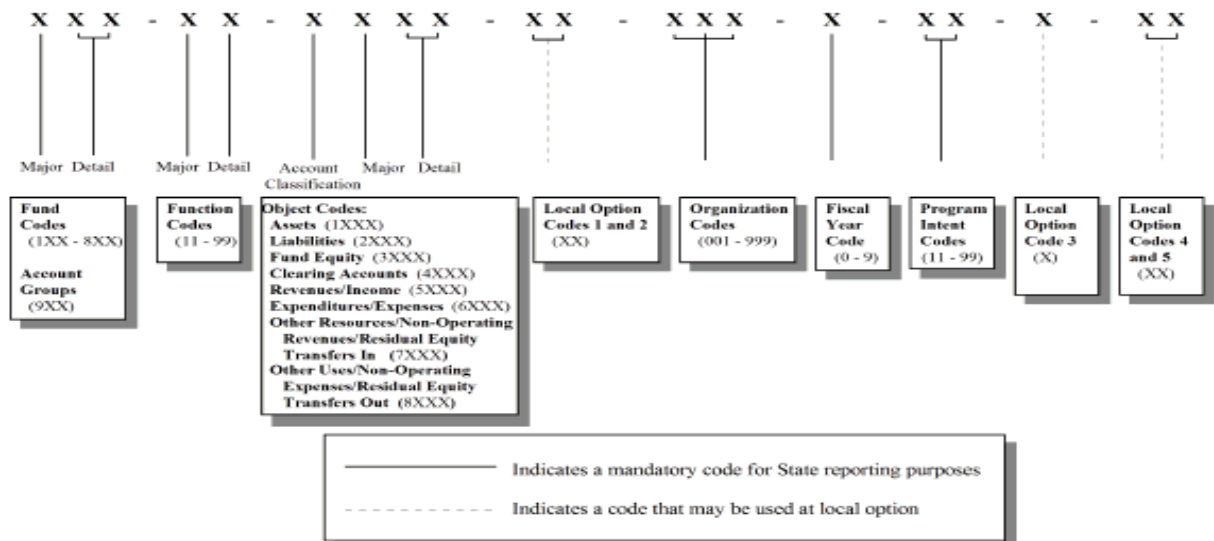
Account Code Structure

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 each 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.

Fund Code	Name	Fund Code	Name
199	General Fund	485	Exxon-Mobil Future Leaders
205	Head Start	487	Exxon-Mobil Reading Initiative
206	McKinney-Vento Homeless Grant	488	Texas School Ready
211	ESEA Title I Part A Improving Basic Programs	489	Community Education Program
220	Title II AEFLA Section 225 Corrections	490	GED Testing – Adult Education
224	IDEA Part B Formula	491	Entergy Grants
225	IDEA Part B Preschool	492	Thomas Center Scoreboard
226	IDEA Part B Discretionary Deaf	493	DaVinci Mind Grant
227	IDEA Part B Formula Deaf	494	Learn to Read Program
228	IDEA Part B Preschool Deaf	495	Texas Data Champions
240	National School Breakfast/Lunch	500	Debt Service
244	Career & Technical Basic Programs	628	Unlimited Tx Sch Build Bond 2008
253	IDEA Part C Early Intervention	629	Unlimited Tx Sch Build Bond 2008A
255	ESEA Title II TPTR	630	Unlimited Tx Sch Build Bond 2009
263	ESEA Title III LEP	631	Unlimited Tx Sch Build Bond 2010A
265	Title IV Part B 21 st Century Grant	632	Unlimited Tx Sch Build Bond 2010B
272	Medicaid Administrative Claims	633	Construction Bond 2010
282	FEMA Hurricane Expenditures	634	Unlimited Tx Sch Build Bond 2011
286	ARRA Tx Title I Priority School	650	Local Capital Projects
288	Child Care Local Initiative	771	Health Insurance Fund
309	Title II AEFLA Section 231 Federal	772	Workers Compensation Fund
312	Federal TANF Adult Education	836	Alex Durley Scholarship
392	Non-Ed Community Based Program	837	Joe A Tonahill Scholarship
404	Algebra Readiness Grant	838	Mike Taylor Scholarship
410	Instruction Materials Allotment	839	Charles Weinbaum Scholarship
427	State Grants	841	Paul A Brown Scholarship
428	High School Allotment	842	Wells, Peyton, Greenburg & Hun Scholarship
431	Title II AELFA State	865	Student Activity Fund
432	State TANF Adult Education	901	General Fixed Assets
435	Regional Day School for the Deaf State	902	General Long-Term Debt
446	Regional Day School for the Deaf Local	950	Public Facilities Corporation
483	Natatorium Swim Program	999	Clearing
484	Campus After School Program		

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.

Function Code	Name
00	Undistributed
11	Instruction
12	Instructional Resources & Media
13	Curriculum Development/Instruction Staff Development
21	Instructional Leadership
23	School Leadership
31	Guidance, Counseling & Evaluation Services
32	Social Work Services
33	Health Services
34	Student Transportation
35	Food Services
36	Co-curricular Activities
41	General Administration
51	Plant Maintenance
52	Security & Monitoring Services
53	Data Processing Services
61	Community Services
71	Debt Services
81	Facilities Acquisitions and Construction
93	Payments to Fiscal Agent Member Districts
95	Payments to JJAEP
99	Undistributed

Object Code

A mandatory 4-digit code used to identify the type of account or transaction. 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.

Series	Codes	Series	Code
1XXX	Asset	61XX	Payroll Costs
2XXX	Liabilities	62XX	Contracted Services
3XXX	Fund Equity	63XX	Supplies and Materials
4XXX	Encumbrance Control	64XX	Other Operating Costs
57XX	Local Revenue	65XX	Debt Service
58XX	State Revenue	66XX	Capital Outlay
59XX	Federal Revenue	79XX/89XX	Transfer In/Out

Object Code, Continued

The Series codes are detailed in the following;

<u>57XX</u>	<u>Local Revenue</u>	<u>61XX</u>	<u>Payroll Costs</u>
5711	Taxes, Current Year Levy	6112	Salaries – Substitute Teachers
5712	Taxes, Prior Year	6117	Extra Duty Pay – Teachers & Oth Prof
5719	P & I and Other Tax Revenue	6118	Extra Duty Pay – Addenda (Personnel)
5722	SSA Local Revenue Member District	6119	Salaries – Teachers & Other Professionals
5735	Tuition Adult/Community Education	6121	Extra Duty Pay – Addenda (Personnel)
5736	Tuition Night School	6122	Extra Duty Pay – Support Personnel
5737	Tuition Summer School	6125	Substitute – Support Personnel
5738	Tuition Drivers Education	6126	Part Time Support Personnel
5739	Tuition & Fees Patrons	6127	Overtime – Support Personnel
5742	Interest – Temp Investments	6129	Salaries – Support Personnel
5743	Rent – Building Use	6137	\$200 – Special Pay
5744	Gifts and Bequests	6138	Incentive Pay
5745	Insurance Recovery	6139	Employee Allowances
5749	Other Revenue – Local Sources	6141	Social Security/Medicare
5751	Food Service	6142	Group Health & Life Insurance
5752	Athletic Activities	6143	Workers Compensation
5753	Extra Co-Curricular Activity	6145	Unemployment Compensation
5754	Quasi-Ext Interfund Transactions	6146	Teacher Retirement/TRS Care
5761	Revenues from Successor	6147	Unused Sick Leave (Retirees)
<u>58XX</u>	<u>State Revenue</u>	6149	Employee Benefits
5811	Per Capita Apportionment	6195	Reserve/Personnel
5812	Foundation Entitlements	<u>62XX</u>	<u>Contracted Services</u>
5819	Other Foundation School Program	6211	Legal
5829	State Program Revenue TEA	6212	Audit Services
5831	TRS On-Behalf Payments	6213	Tax Appraisal & Collection
5839	State Revenue Distributed by TEA	6219	Professional Services
<u>59XX</u>	<u>Revenue Federal</u>	6221	Staff Tuition – Higher Education
5921	School Breakfast Program	6222	Student Tuition – Public School
5922	School Lunch Program	6223	Student Tuition – Other Public Sch
5923	USDA Commodities Program	6239	Educational Service Center
5929	Federal Revenue Distributed by TEA	6249	Contracted Maintenance & Repair
5931	SHARS School Health Related	6255	Utilities – Water
5932	MAC – Medicaid Adm Claims	6256	Utilities – Telephone
5939	Federal Revenue Distributed by Other State Governments	6257	Utilities – Electricity
5949	Federal Revenue Distributed by Other Federal Governments	6258	Utilities - Gas
		6259	Utilities - Other
		6269	Rentals – Operating Leases
		6299	Misc Contracted Services

Object Code, Continued

<u>63XX</u>	<u>Supplies and Materials</u>	<u>65XX</u>	<u>Debt Service</u>
6311	Gasoline & Other Fuels	6511	Bond Principal
6319	Supplies Maintenance & Operations	6512	Capital Lease Principal
6321	Textbooks	6513	Long Term Debt Principal
6329	Reading Materials	6521	Interest on Bonds
6339	Testing Materials	6522	Capital Lease Interest
6341	Food	6523	Long Term Debt Interest
6342	Non Food	6527	Interest on Bonds
6344	USDA Donated Commodities	6599	Other Debt Service Fees
6349	Food Service – Chemicals	<u>66XX</u>	<u>Capital Outlay</u>
6395	Supplies FA (Unit Cost \$500-\$4,999)	6619	Land Purchase or Improvements
6399	General Supplies	6625	Engineering & Architect Fees
<u>64XX</u>	<u>Other Operating Costs</u>	6626	Legal fees for Bond Project
6411	Travel & Subsistence Employees	6629	Building Purchase, Construction or Improvements
6412	Travel & Subsistence Students	6631	Vehicles
6413	Stipends - Non Employees	6639	Furniture & Equipment (Unit Cost Over \$5,000)
6419	Travel & Subsistence Non-Employee	6651	Capital Lease of Building
6429	Insurance & Bonding Expenses	6659	Capital Lease Furniture & Equipment
6439	Election Costs	6669	Library Books & Media
6471	HMO Blue	<u>79XX</u>	<u>Other Sources</u>
6472	Pos Administrative Fee	7911	Sale of Bonds
6473	Pos Claims	7912	Sale of Real or Personnel Property
6474	Auxiliary Life Expenses	7913	Proceeds from Capital Lease
6475	Insurance Admin Cost	7914	Maintenance Tax Notes
6476	Insurance Claims	7915	Operating Transfer In
6477	Insurance Life Expense	7916	Premium or Discount Issuance Bonds
6478	Consultant Study	7949	Other Resources
6492	Payments Fiscal Agent SSA	7989	Other Non-Operating Revenue
6493	Insurance Claims	<u>89XX</u>	<u>Other Uses</u>
6494	Reclassified Transportation Expenditures	8911	Operating Transfer Out
6498	Para Education Program	8912	Special Items
6499	Misc Operating Costs	8949	Other Uses
		8999	Residual Equity Transfer Out

Budget Control Code

An optional 2-digit code used to provide special accountability at the local level. In Beaumont ISD, the budget control codes are used to separate departmental funding. Per Pupil Allocations, State Compensatory Education (SCE), High School Allotment and other funding sources.

Code	Name	Code	Name
00	Generic – Grants	64	Adult Night School
01	Per Pupil Allotment (PPA)	65	Special Education
02	Non – PPA	66	Medicaid
04	State Compensatory Education (SCE)	67	Section 504 Rehab
05	Magnet Schools	68	Medicaid Claims Administration
06	High School Allotment	69	Police
40	Library Services	70	Business Administration
41	Athletics	71	Board of Trustees
42	Fine Arts	72	Superintendent
43	School Volunteer Services	73	Communication &Public Relations
45	Staff Development	74	Deputy Superintendent
46	Drivers Education	75	Asst Supt for Secondary Schools
47	Gifted and Talented	77	Asst Supt for Administration
48	Physical Education	78	Personnel
49	Curriculum	79	Information Services & Technology
50	SCE - District Funds	80	Maintenance & Operations
51	Summer School	83	Print Shop Services
52	Career & Technology	84	Media Resources & Services
55	Planning & Evaluation	86	Hurricane Expenditures
57	Textbooks	87	General Administration
58	Bilingual Education	88	Prior Year – Carry Forwards
60	Health Services	90	Salaries
61	Student Transportation Services	91	Substitutes
62	Special Services	92	Benefits
63	Guidance & Counseling		

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.

Organization	Name	Organization	Name
000	Undistributed	728	Personnel
001	Central HS	730	Medicaid
004	Ozen HS	751	SSA Deaf Campus Personnel
006	Pathways Learning Center	801	Curriculum
008	West Brook HS	802	Library Services
009	Taylor Career Center	803	Staff Development
012	Brown Learning Center	804	Gifted & Talented
041	Austin MS	805	Athletics/PE/Health
042	Smith MS	806	SCE – District
043	King MS	807	Career & Technical
045	South Park MS	808	Guidance & Counseling
046	Marshall MS	809	Bilingual
047	Odom Academy	810	Health Services
048	Vincent MS	811	Transportation
101	Amelia ES	812	Special Services
104	Caldwood ES	813	Night School
105	Curtis ES	814	Special Education
110	Fletcher ES	815	Deputy Superintendent
112	Guess ES	816	Asst Supt Secondary
118	Regina ES	818	Information Services
123	Homer Drive ES	819	Maintenance
125	Pietzsch/MacArthur ES	821	Print Shop
126	Dishman ES	822	Media Center
127	Blanchette ES	823	Outdoor Education
128	Martin ES	824	Zaharias Stadium
129	Jones-Clark ES	826	General Administration
130	Charlton Pollard ES	827	Transportation Annex
131	Fehl/Price ES	830	Title I
132	Bingman Pre K Center	831	Adult Education
133	Lucas Pre K Center	833	Food Service Administration
193	Harrison School	834	Administration Cafeteria
699	Summer School	836	Cradle N Cribs
701	Superintendent	838	SSA Deaf Personnel
702	School Board	839	Special Gift or Grant
709	School Volunteer	840	Community Education
710	Planning & Evaluation	841	Planetarium
711	Textbooks	842	Administration – Harrison
713	Communications	843	Administration – Woodrow (Field)
715	Project Manager	845	Asst Supt Admn - Services
726	Business Administration	846	General Admn - Operations
727	Asst Supt Administration	863	Assumption School
		847	Planning & Evaluation
848	Section 504 Rehabilitation	865	St Anthony

849	Fine Arts	866	St Anne
850	Police	867	Kelly HS
851	21 st Century – ACE Grant	901	Thomas Center Complex
852	Homeless Education	902	Hwy 124 – 3 Acre Property
853	Medicaid Claims	908	Keith Road Ag Farm
854	Title II Part A TPTR	909	Tyrell Park Property
860	Boys Haven	910	Delaware Extension Property
861	Buckner Children Village	952	4301 Highland Property
862	Jefferson Co Juvenile Detention Center	999	Undistributed
864	Our Mother Of Mercy		

Fiscal Year Code

A mandatory 1 digit code that identifies the fiscal year of the transaction or the project year of inception of a grant period. **Examples:** For the 2011-2012 fiscal year of the school district, a 2 would denote the fiscal year. If a grant period started June 01, 2011 and will end May 31, 2013 then the fiscal year of 2011 for the inception of the grant and would carry a fiscal year code 1 until the end of the grant period.

Year	Name
2009	Fiscal Year 2008-2009
2010	Fiscal Year 2009-2010
2011	Fiscal Year 2010-2011
2012	Fiscal Year 2011-2012

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.

Code	Name	Code	Name
00	Undistributed	28	Disciplinary DAEP Basic
11	Basic Educational Services	29	Disciplinary DAEP - SCE
21	Gifted & Talented	30	School Wide Project School
22	Career & Technology	31	High School Allotment
23	Special Education	32	Prekindergarten
24	Accelerated Education	33	Prekindergarten – Special Education
24	Prekindergarten – Bilingual Education	34	Prekindergarten – Compensatory
25	Bilingual Education	91	Athletic/Related Activities
26	Non-disciplinary AEP	99	Undistributed
27	Non-disciplinary AEP Supplement		

Project Code

An optional 2 or 3 digit codes that may be used by the district to further describe the transaction. In Beaumont ISD, we use this portion of the code to identify specific groups within departmental budgets

Beaumont ISD has the capability of sorting general ledger data. Our codes are present below:

Code	Name	Code	Name
000	Undistributed	234	Drafting
001-021	Insurance Codes	235	Dual Credit Program
200	Agriculture	236	Drill Team
201	Art	237	Copier
202	Auto Collision	238	Fine Arts
203	Auto Technician	239	Elementary UIL
204	Awards	240	English
205	Academic Integration	241	Foreign Language
206	Extended Yr – Sp Ed	242	Graduation
207	Extended Yr - Magnet	243	Graphic Arts
208	Dance	244	Future Problem Solving
209	Personal Fitness Health	247	Health
210	Band	248	Health Occupations
211	Banquets	249	Home Economics
212	Building Trades	250	Home Economics Co op
213	Business	251	Horticulture
214	Business Micro Computer	252	Hospitality Services
215	Business Computer Programming	253	Keyboarding
216	Business Education	254	High School
217	AVID	255	Incentives
218	Apparel	256	Information Services
219	Elementary	258	Industrial cooperative Training
220	Adv Placement Training	259	In District Travel
221	Academic Decathlon State	260	Industrial Technology
222	Computer Repair Tech	262	Interscholastic Expense
223	Career Investigation	264	Literacy Coaches
224	Cheerleaders	265	Math/Science Academy
225	Choir	266	Journalism
226	Communication Graphics	267	Language Arts
227	Campus Liaison	268	Life Management Skills
228	Construction Carpentry	269	Manufacturing Graphics
229	Cosmetology	270	Manufacturing Production Systems
230	Child Development	271	Marketing Education
231	Criminal Justice	272	Metal Trades
232	Curriculum Writing	273	Mathematics
233	Credit Recapture Program	274	Music

275	Middle School	409	Golf - Boys
281	NJROTC	410	Golf – Girls
282	Office Administration	411	Lifetime Sports
284	Orchestra	412	Playoffs
285	Parenting/Child Development	413	Power lifting
286	Physical Education	414	Soccer – Boys
287	Plato Learning	415	Soccer – Girls
288	Production Management	416	Softball – Fast Pitch
289	Student Council	417	Team Tennis
290	Parent Involvement	418	Tennis – Boys
291	Recording Studio	419	Tennis – Girls
292	Pre Adv Placement Training	420	Track – Boys
293	SAC	421	Track – Girls
294	Reading	422	Volleyball
295	Science	423	Gymnastics
296	Shuttle Travel	424	Training Room Supplies
297	Social Studies	425	Contracted Trainer
298	Student Project Supplies	426	Game Workers
299	Title II Technology	428	Swimming
300	Theater Arts	430	Wrestling
301	Tutorials	450	Babe Zaharias Press Box
302	TAKS Remediation	490	Read to Succeed
303	VEH Commercial Foods	500	Breakfast – Student
304	Young Audiences	501	Lunches – Student
305	STARR Substitutes	502	Breakfast – Adults
307	UIL – Math & Science	503	Lunch – Adults
308	UIL – Competitions	504	A La Carte
309	Writing	505	Bakery
317	Staff Development	506	Deli
318	Video Production	507	Snack Wagon
319	Princeton Review Testing	508	Catering
320	ESL – English Second Lang	509	FS Process Blanket PO
330	Homeless Allocation	510	Process Supplies Café
348	Title II English/Reading	514	FS – Truck Maintenance
349	Adult Ed – Cradles N Cribbs	515	Purchase Supplies
350	Prekindergarten	516	Paper Products
351	Algebra Readiness Grant	517	Repair & Hardware
352	Title II – ESL Staff	518	Commodity Processing
354	Third Grade	520	Head Start Body Start
400	Baseball	521	Master Teacher Stipend
401	Basketball Boys	522	Reasoning Minds
402	Basketball Girls	560	Fresh Fruit & Vegetables
403	Coaching School	562	Reserve – Set Aside
405	Cross Country Boys	563	Title III Immigrant
406	Cross Country Girls	566	Title Supv Secondary
407	Football	567	Evaluator

568	Title Supv Elementary	802	After School Activities
569	Title Urban Summit	805	Community Education
570	Title Grant Writer	806	Driver Education
571	Statewide Tools for Teaching Excellence	807	Para Education
572	Capacity Bldg Reading First	808	Night School
573	Demonstration Site	810	Student Handbooks
574	Defibrillator Batteries/Pads	811	Postage
576	Title I Homeless Students	814	Summer School Rev
580	SLDS Classroom Link	815	Federal Trade Zone
582	COPS Hiring Recovery	818	New Supplements
589	Residential Placement	819	Crossing Guards
590	High Cost Risk Pool	821	Print Shop
595	Non Educational Student 1	823	Tx School Alliance
596	Non Educational Student 2	824	Zaharias Projects
597	Non Educational Student 3	825	Truancy Sanctions
599	School Improvement	827	Legal Settlements
600	Automotive	828	Head Start Adult Meals
601	Carpentry	829	Title I Part D Prevention
602	Electricians	830	Novanet Services
603	EMS Truck Stock	831	Media Services Harrison
604	Energy Management Systems	832	Media Services Annex
605	Environmental Cleanup	835	Interpreting
606	Fire Extinguishers	838	Child Care - Southerland
607	Grounds	840	SAT Training
608	HVAC	841	TSII Evaluation Team
609	Janitorial	842	Principal Academy
610	Locksmith	844	Maintenance Tax Notes
611	Mechanic	846	PFC
612	Painters	847	HB1200 Abatement
613	Pest Control	853	Compass Learning
614	Plumbers	855	Hurricane Rita
615	Portable Bldg Relocation	860	Computer Lease #1
616	Roofing	861	T E A M S
618	Tires and Tubes	862	Computer Lease #2
619	Truck Stock	863	Computer Lease #3
620	Uniform Laundry	870	Recruiting Bonus
621	Stadium Clean Up	871	Sign On Bonus
623	Moving Crew	877	Hurricane Ike
624	Welding	880	Bond Fees
625	Capital Projects	881	Bond Interest
626	Mold Remediation	899	E Rate
691	K9 Dog	902	Asbestos Abatement
699	Campus Summer School	999	Undistributed
522	Reasoning Minds	523	Eduphoria Inc
524	The Inova Center	525	CSCOPE

526	ISTATION	527	Ticket To Read
528	STAAR Institute	529	Waterford Curriculum
530	5 th Grade Retesters	531	8 th Grade Retesters
532	College Board		

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.
- Two copies of the deposit slip are sent to the bank with the money
- Third party checks and postdated 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
- Courier personnel will sign the Daily Deposit Record when they take possession of the deposit bags from the campuses and departments. A signed copy of the Daily Deposit Record will remain at the campus/department

- The campus or department will secure the large pickup bags in the safe until the courier pickup. The campus or department staff will also verify the identity of the courier employee and monitor the courier employee to be sure each large pickup bag is checked on the manifest and the manifest is signed and dated.

NSF CHECKS

When a student submits a check that is determined to be insufficient, that student's parent will not be able to write checks for the remainder of the current school year.

A NSF list of student names will be generated to all bookkeepers, indicating students that are no longer able to turn in payments by check.

Bookkeepers will be emailed updated list as new students are added to the NSF list. If a check is not cleared during the year, the student's name will stay on the list for the next school year. The deadline for payments will be July 15th of each year. This list will include any checks written for any reason to Beaumont Independent School District.

The master list will be sorted in date order so the bookkeeper can simply see the new additions at the bottom of the list and determine if there is a concern for their campus. If so, you can re-sort by school and then notify the appropriate staff members involved. If you need assistance with sorting, please call the fixed asset clerk, 409.617.5037.

Any students with outstanding NSF checks from the 2004-05, school year will start out the 2005-06 school year on this list. Students will not be on this list if checks were written by someone other than their parents. Students' names must be written in the memo section of the checks they turn in to you.

Templates for sample letters to be mailed to parents are being provided for your use. You may add additional information to meet your campus needs but this format will stay consistent throughout the district. These letters need to be signed by your campus administrator.

RE-DEPOSITS

The word RE-DEPOSIT is at the top of the page on the form template. Enter the following information to the Re-Deposit format.

1. Change the school name to the name of your campus
2. Use the date the bank stamped on the deposit slip
3. Delete the blank lines and fill in the information for each check re-deposited using a separate box for each check
4. Print a copy for your records and one to Comptroller, Business Office
5. Type over this information each time you have a Re-Deposit using this template

Only cash or money orders are acceptable for NSF checks. All Re-Deposits should be on their own separate deposit slip. Please make sure we can read the pink copies of the deposit slips. The carbon copies are hard to read. The junior high bookkeepers will now be handling the collection and re-depositing of Athletic NSF checks. These checks were originally

deposited through your Student Activity bank account and need to be re-deposited to the same bank account.

SALES TAX

Everyone should be using the same calculation for figuring sales tax. To calculate sales tax divide the total actual sales by 1.0825 to get taxable sales. Subtract this amount from your actual sales to calculate your sales tax. You may crosscheck this by multiplying taxable sales by your sales tax rate. Add these two numbers together to get your original actual sales.

Example: $\$50.00 / 1.0825 = \46.19 $\$50.00 - \$46.19 = \$3.81$ (Sales Tax)
Crosscheck: $\$46.19 \times .0825 = \3.81 $\$46.19 + \$3.81 = \$50.00$

All consumable foods are taxed. If it is ready to eat it, is taxed. For example, candy, concession stands, popcorn, snow cones and spaghetti dinners are taxed. Items like t-shirts, window decals, book sox, spirit items, etc. are taxed.

Cookie dough and frozen pizzas are not taxed. Car wash sales are also not taxed because this is a service.

Please indicate on the deposit form, the type of deposit that is being made. For example: Choir fundraiser, 4th grade Field Trip, T-shirt sales, etc. on the line next to the words "Miscellaneous Revenue".

FUNDRAISERS

All fundraiser checks must come from the student's parents. When a student is selling items for a fundraiser, the student is to collect cash and or check made out to their parent. The parent will then write one check to the school. Deposit all checks as soon as possible.

ONE-DAY, TAX-FREE SALES

Each **organization** is allowed **two**, one-day, tax-free sales per year. If there is a school-wide fundraiser and you are unsure if this counts as a one-day sale or not, follow the money. Whatever account the proceeds are deposited into is the organization. This will count toward one of their one-day sales. When two organizations work together and share a fundraiser, both organizations must count this as one of their one-day sales.

If a fundraiser is too large and covers several weeks with a specific end date, please make deposits as you go to avoid checks sitting too long that may become insufficient. On your deposit form, write on the line next to the deposit amount, ONE-DAY FUNDRAISER. A one-day sale must have an end date for orders to be turned in.

Any sales made at a later date will be taxed. For example, t-shirts that are ordered at the beginning of the year with a sale end date may be one of your tax-free sales. Any leftover shirts that are sold throughout the year must be taxed.

Any sales sponsored by PTO's or Booster Clubs do not count toward BISD one-day sales. Always follow the money.

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 types of transactions occurs, please send the Budget Supervisor 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.

Reading Your Monthly Budget Printout

You should check your Budget Reports at least weekly to keep up with your current balances and to analyze for any unusual items or improper coding of expenditures. The **Transactions** column is expenditures that have already been paid to vendors. The **Encumbrance** column is for Purchase Orders that have been processed and encumbered but the items or work have not been completed, invoiced, and paid for yet. The **Ending Balance** is the amount of budgeted money left that is not yet spent or committed. If the **Ending balance** for one of your **Function** totals is a negative balance, a budget amendment needs to be done to transfer some budget in from another function to cover this deficit.

Petty Cash

The term “petty cash fund” refers to a fund that has a fixed amount of dollars allotted to the fund. The funds are used to reimburse employees for small expenditures for District supplies and to make small District purchases. The petty cash fund is restored to its original amount at frequent intervals by the issuance of an accounts payable check to the custodian of the petty cash fund. The replenishment check is equal in amount to the expenditures made from the fund. The size of the fund should be sufficient to meet the normal needs for small cash payments for a period of three or four weeks. As each cash payment is made, a receipt is placed in the fund in lieu of the cash removed.

The principal or department head is responsible for ensuring that the rules established herein are followed by the persons(s) designated to handle petty cash funds. The principal or department head is responsible for reviewing and authorizing advances and purchases from this funding source. Petty cash purchases should be kept to a minimum and employees who have been assigned, as custodians of petty cash funds are required to maintain accurate accounting records for all transactions.

Petty Cash Guidelines

- Only one person from each campus should be charged with the responsibility for handling transactions that require use of petty cash.
- The petty cash box should be locked and placed in a safe when not in use by the fund custodian.

- Periodic petty cash reconciliations should be made to avoid depletion of funds.
- At least two people must be present to count the cash box when there is a change in petty cash custodians.
- All petty cash vouchers reconciled must be accompanied by original receipts/invoices. **No exceptions.** Only expenses related to school district business should be shown on the receipt. It is not permissible to commingle purchases of personal items with school business related items on the same receipt.
- Supplies and materials (6319, 6329, 6399, and 6499 expenditure category) are the only types of expenditures that may be made out of the petty cash fund with the one exception of athletic game money. The District cannot reimburse sales tax. A tax exemption certificate must be taken to the vendor to avoid paying sales tax.
- Personnel are prohibited from using petty cash for purchases out of the Capital Projects Fund. Cash shortages or other irregularities must be immediately reported to the Director of Accounting. The Purchase Order system or Direct Pay Requests must be used for all other purchases.

Section 5

Budget Procedures

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***
- ***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.

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.

- ***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 \$305,000 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 \$1.50 per \$100 valuation. This rate is a nominal rate - it is not tied to the comptroller's taxable value certification. Beaumont ISD, however, held an election in the late 1950s to set the maximum legal cap at \$2.00 per \$100 of assessed value for M&O and I&S combined, which allows our District to exceed the M&O cap of \$1.50 as needed.

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 – Beaumont ISD Campus Budgeting Methodology

Campus Allocations

The District has base allocations are still made based on the following formula:

Per Pupil Allotment

Elementary Schools	\$30.60 per student
Middle Schools	\$35.10 per student
High Schools	\$52.20 per student

Non-Per Pupil Allotment

Elementary Schools	\$ 4.50 per student
Middle Schools	\$ 6.30 per student
High Schools	\$10.80 per student

State Compensatory Education

All Campuses	\$224.64 per student
Campuses receive enrollment times rate, if free and reduced lunch count is 75% and higher.	
Campuses receive free and reduced count times rate, if percentage is 74% and lower.	

Magnet Schools

Magnet Middle Schools	\$ 65,000.00 per school
Magnet High Schools	\$135,000.00 per school

High School Allotment

High Schools	\$275.00 per student
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These base allocations are adjusted for the types of students each campus has, and the funding weight assigned to each type of student is increased in accordance with the TEA Tier I worksheet. Accordingly, these per student allocations are increased accordingly:

<u>Type of Student</u>	<u>Funding Weight</u>
Regular Education	1.00
LEP / Bilingual / ESL	1.10
Accelerated	1.20
Gifted & Talented	1.12
Career & Technology	1.37
Special Education	2.50*

* - There are various funding weights for different types of special education students. The weight assigned to all BISD special education students for campus allocation purposes is an average funding weight based on previous years' data.

Estimated student counts for budget development are taken from PEIMS submissions and compared to pupil projection templates for reasonability. Accelerated education student counts are taken from Food Service Department's free & reduced lunch counts.

An attendance rate factor is added to the budget allocation. Attendance rates by campus are reviewed for the previous two years (taken from the AEIS Reports), and any improvement or maintenance above 95% generates additional funding. No funding penalty is generated for a decrease or maintenance below 95%.

An academic improvement factor is also added in to the budget allocation. First, AEIS data is reviewed for two years to determine growth in passing rates on STAAR tests administered. Growth percentages are averaged and applied to the base allocation to generate additional funds, but no penalty is assessed for a decrease in passing rates. Second, an additional \$15 per student for Exemplary schools or \$10 for Recognized schools is generated for these top two levels of campus academic achievement. Typically, a campus will gain additional funding for one or both of these types of academic improvement.

Lastly, an average Mobility Factor is calculated for the entire district, and compared to AEIS-reported mobility for each campus. Campuses with higher than district average mobility gain additional funding. Campuses with lower than district average mobility are not penalized, but do not gain additional funding.

Finally, the base allocation, attendance incentive, academic improvement incentives and mobility funding are added together to arrive at the total campus allocation for the upcoming year.

Other Departmental Allocations

Other departmental budgets have been adjusted based on previous year's allocations, known changes in funding requirements and previous year's spending patterns.

Section 5.3 – Budget Calendar for Planning

A typical annual budget calendar looks like this:

Perpetual Calendar for Budget Planning

Dates are approximate

January 22	Board Retreat
February 2	Meet with Superintendent regarding goals and assumption for budget
February 3	Superintendent meeting with Elementary grade level chairpersons
February 4	Superintendent meeting with Secondary department chairpersons
February 10	Request projected enrollment numbers for the next fiscal year from Special Services
February 14	Student Appreciation Party with Superintendent
February 16-18	Prepare budget packets for distribution
March 3	Review information packets with Superintendent
March 4	Prepare a report of amendment activity for the year for each location
March 16-18	Distribute budget packets and meet with Principals
April 1-8	Capital Outlay request submitted to Comptroller
April 1-8	Capital Improvement requests submitted to Comptroller
April 13	High School Budget Session
April 14	Elementary School Budget Session
April 15	Middle School Budget Session
May 26	The District receives estimated Tax Roll from Jefferson County Appraisal District
May 27	Estimated revenue from State will be available from the District
May 31	Consultation Committee Meeting
June 2	Budget Workshop
June 9	Budget Workshop
June 16	Budget Workshop/Board Meeting
June 21	Budget Workshop (If needed)
July 28	Budget Workshop/Board Meeting
August 2	Jefferson County Appraisal District adopts certified tax roll
August 18	August Board Meeting – Tax Rate Hearing and Adoption
August 18	August Board Meeting – Adoption of Next Year Budget

Section 5.4 – Budgeting for Payroll and Benefits

In February or March each year, the Business Office will upload all salary and benefit accounts from the General Ledger to the budget module for the next year based on current staffing and salary levels. Any salary increases granted by the Board of Trustees will be added in at a later date. Principals and/or Directors will not be responsible in most cases for budgeting for salaries and benefits in the General Fund. However, for those Principal and Directors who administer federal grants accounted for in other funds, they WILL need to prepare a budget for their fund for all costs, including salary and benefits.

Section 5.5 – Revenue Estimates

The Comptroller will prepare all revenue estimates for the coming year. The COMPTROLLER will use these revenue estimates to prepare the preliminary “Robin Hood” calculation. Under current school finance law, the “Robin Hood” calculation itself is a complex set of formulas that accomplish a fairly simple task – that of determining how much of the District’s tax revenue we can keep and how much

must be given away under Chapter 41 of the Texas Education Code. Currently, Beaumont ISD gives away approximately 35% of M & O tax revenues to “Robin Hood”. I & S (debt service) tax revenue is not subject to this recapture.

Section 5.6 – Budgeting for Funds Other than the General Fund

The District has many different fund accounts. The General Fund 199 accounts for the vast majority of salaries, benefits and other day-to-day operational costs of the District. However, there are many other funds that account for various special purpose activities within the District. There are numerous federal grant programs, debt service and capital project funds, internal service, agency and activity funds and fund groups that exist for accounting purposes. The only funds that require a legally adopted budget are the General, Debt Service and Food Service funds. Other funds may utilize a managerial budget, or one which does not necessarily require legal approval by the Board of Trustees. Currently, Beaumont ISD seeks Board of Trustee approval for the General, Debt Service and Food Service funds, and accepts the Special Revenue funds. With the help of the Budget Office, Grant project managers and other staff responsible for each of these special revenue funds are responsible for preparing the budgets for the fund, including revenue and salary & benefit costs. Budget preparation for these funds should take place during the normal budget process or as soon thereafter as possible. Notice of Grant Awards (NOGA) are not usually received until late summer, which delays accepting of budgets for many of the special revenue (federal or state grant)s funds each year. If these fund budgets are not prepared in time for budget adoption in August, they will be taken to the Board of Trustees once the awarded document has been received.

Section 5.7 – Budget Amendments

There are two types of budget amendments. 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. Amendments that move 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 monthly during the fiscal year.

Section 6

Fixed Assets

Procedures

Fixed Asset Procedures

Purpose

The general purpose of these procedures are to provide guidance for the safeguarding, stewardship, efficiency and effectiveness of use, and accountability of school district resources invested in fixed assets.

As used herein, the term "fixed asset" refers to the land, building, improvements, machinery, equipment, furnishings, facilities, property, vehicles and other resources purchased, leased under a capital lease, or otherwise acquired by the district to be utilized in accomplishing the district's goals for a period of time that extends beyond one budget period.

1.0 Definitions

Acquisition cost – the cost of the asset including freight and set-up charges to get the asset in place and in a useable condition. These costs shall include, but are not limited to architect fees, cost of removing old assets, installation cost, freight, etc.

In the case of donated assets, the acquisition cost is the estimated fair value of the asset at the time of donation; fair market value is the amount one could reasonably expect a willing seller to receive from a willing buyer in an arms-length transaction. Care must be taken in using reasonable fair market value for donation. An independent appraisal is the best source of a reasonable fair market value.

Building – structures or additions to buildings for housing pupils, personnel, or property whether purchased, constructed, or donated.

Building Components – modifications or improvements to existing structures that are "betterments" to the property. These include new heating or ventilation systems, new floors, chillers, etc.

Capital Asset – any fixed asset including land, construction in progress, buildings, improvements other than buildings and machinery, and equipment that have an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. These can be purchased, constructed or contributed assets. Carpeting is an exception to the \$5,000.00 capitalization rule.

Capital Lease – a lease where the asset title will pass to the District at the end of the lease term for a nominal cost.

Controllable Asset – any asset that does not meet the capital asset \$5,000 threshold but has a useful life of greater than one year, an initial, individual cost of greater than \$500.

Disposal/Transfer Form – Record showing that a fixed asset is no longer useful at a location and is to be transferred or sent to surplus.

Equipment – any items such as instruments, machinery, tools, appliances, furniture, fixtures,

equipment, and vehicles with a useful life of more than one year. (Equipment is considered to be movable from one location to another without significant impact on any building.)

Fixed asset – land, building, improvements, machinery, equipment, furnishings, facilities, property, vehicles and other resources purchased, leased under a capital lease or otherwise acquired by the district to be utilized in accomplishing the district's goals for a period of time that extends beyond one budget period.

Repair and Maintenance – Maintenance are those costs, such as lubrication, cleaning, adjustments, and painting, which are incurred on a continuous basis to keep operational assets in usable condition. Repairs are outlays for parts, labor, and related supplies which are necessary to keep the asset in operating condition but neither adds materially to the use value of the asset, nor prolongs its life appreciably. (Replacing a minor part or component is considered a repair; painting a building is considered maintenance.)

Replacements, Major Repairs, Betterments, and Improvements – involve the removal of a major part or component of plant or equipment and the substitution of a new part or component that either significantly extends the useful life of the equipment or significantly improves the performance of the equipment. (Replacing part of a boiler with a new, improved part that will extend the life of the boiler for an additional 10 years is considered to be betterment. Replacing a part of a boiler that merely allows it to keep functioning but does not extend its life is a repair.)

Responsible Person (RP) – the campus principal or appropriate department head.

2.0 General Responsibility For Fixed Assets

School district personnel, at all levels, are responsible to the Board of Trustees for the safeguarding, stewardship, efficiency and effectiveness of use, and accountability for fixed assets under their jurisdiction and/or control. The campus principal or appropriate department head is the responsible person (RP) of the fixed assets assigned to their respective schools or administrative departments.

Each RP shall be responsible for the safekeeping and proper use of the fixed assets entrusted to their care. A responsible party cannot transfer this responsibility to a subordinate; however, subordinates may assist the RP in meeting this responsibility.

3.0 Acquisition of Fixed Assets

The purchase or acquisition of all fixed assets shall be in accordance with all applicable federal, state, local, and school district statutes, regulations, policies and procedures.

All requisitions for fixed assets (\$500 and higher) submitted to the Purchasing department must be accompanied by a completed Equipment Information Form. This information is needed to issue the asset tag.

Unless otherwise determined by the Superintendent, responsible persons shall be deemed to be responsible for assuring that fixed assets under their control have been acquired in accordance

with applicable statutes, regulations, policies and procedures.

3.1 Donated Assets

Any donation of fixed assets must be first approved by the Comptroller. Any campus receiving a donation of a fixed asset that has an estimated fair market value of \$500 or more must complete a Record of Donated Items Form. The form will include a description of the donated asset, the estimated fair market value of the item, the name of the donor, any restriction on the donation (i.e. to be used only at a specific school) and the date the donation was received.

Any items purchased by the PTA's, PTO's or any other organization and then given to the school are considered to be donated items. If the purchase price for any of these items is \$500 or more, the item must be reported to the Comptroller as a donated asset using the Record of Donated Items Form.

4.0 Utilization of Fixed Assets

The use of fixed assets shall be in accordance with all applicable federal, state, local, and school district statutes, regulations, policies and procedures. All district personnel shall share the responsibility for assuring that all district fixed assets are used efficiently and effectively in accordance with district policy to achieve the goals and objectives of the district.

Asset tags will be issued to the ordering department for all assets that have been purchased in accordance with the guidelines set forth in the previous section of this document. It is the responsibility of the ordering department to attach the asset tag to the asset and to complete the Equipment Addition form. The completed Equipment Addition form must be returned to the Fixed Asset department for the item to be entered into the inventory system.

The Purchasing department will review all purchase orders to determine if appropriate account numbers were used to purchase asset accounts fixed assets. Any item purchased on a Purchase Order that meets the requirements for a capital or controlled asset and that has been received will be entered into the fixed asset system, assigned a control number and a fixed asset tag will be placed on that asset by the ordering department.

5.0 Transfer of Fixed Assets

Any department or campus wishing to transfer a fixed asset from one BISD location to another must complete the Request for Removal/Transfer from Inventory Form #380.

This form shall include a description of the asset, the asset tag number, serial number, location it is being transferred from, the signature of the person relinquishing the asset, reason for disposing of the asset and the signature of the responsible person receiving the asset. This completed form shall be sent to the Fixed Asset department prior to the asset being moved. The Fixed Asset department will schedule the transfer through the BISD warehouse.

6.0 Disposal of Fixed Assets

The disposal of fixed assets shall be in accordance with all applicable federal, state, local, and school district statutes, regulations, policies and procedures. Assets of value that are no longer useful to the district shall be taken to auction and the proceeds shall be deposited into the budget. If the asset has no value, the warehouse department will dispose of the asset in accordance with all applicable federal, state, local, and school district statutes, regulations, policies and procedures.

Campuses or departments wishing to dispose of assets shall complete the Request for Removal/Transfer from Inventory Form #380. This form shall include a description of the asset, the asset tag number, serial number, location it is being removed from, the signature of the responsible person relinquishing the asset and the reason for disposing of the asset.

The receiving warehouse personnel will sign the form to acknowledge acceptance of the asset. The completed form shall be sent to the Fixed Asset department prior to disposing of the asset. The Fixed Asset Department shall retain a completed copy of the Request for Removal/Transfer from Inventory Form #380.

6.1 Burglary Vandalism-Loss Report Procedure

The following are the procedures for reporting incidents involving burglaries, break-ins and vandalism:

- If the responsible person discovers the incident, he/she must notify the police department. All others will report the burglary to the responsible person who in turn will notify the police.
- The responsible person will verify that an incident has occurred, being careful not to disturb any equipment/materials that may be used as evidence by the Police department in conducting an investigation.
- All stolen equipment must be reported to the Fixed Asset department via the Incident Report form with a copy of the police report attached.

7.0 Inventory of Fixed Assets

THIS ACTIVITY IS SCHEDULED FOR OUTSOURCE IN MAY/JUNE 2014.

RFP IS IN DEVELOPMENT FOR SENDING TO QUALIFIED FIRMS.

THIS SECTION TO BE UPDATED WHEN OUTSOURCED ACTIVITY IS FINISHED AND NEW PROCESSES ARE ESTABLISHED FOR BISD.

Section 7

Employee Benefits

Procedures

Insurance Important Contacts

BISD Insurance Department:
(Insurance, Workers' Compensation)
617-5029 or 617-5034 or 617-5028

First Financial Group
(Optional Insurance, Flexible Spending Account)
800-523-8422
www.ffga.com

National Benefit Service (NBS)
(Annuities)
800-274-0503
www.nbsbenefits.com

TRS-ActiveCare
(Health Insurance Provider)
1-866-355-5999
www.trs.state.tx.us

Medco/Express Scripts
(Pharmacy Provider)
1-866-355-5999
www.medco.com

BENEFIT PACKAGE OVERVIEW

Overview

Beaumont Independent School District (the District) provides a Basic Employee Benefit Package to all full-time regular employees that includes a (an):

- Health Insurance Plan with prescription drug card and mail in prescription service
- \$10,000 Term Life Insurance policy
- Employee Assistance Plan (EAP)
- Workers' Compensation Plan

The District also offers, (to full-time regular employees), optional group benefits administered by First Financial Group. These optional benefits include:

- Cancer and Intensive Care insurance
- Accident Insurance
- Disability Insurance
- Supplemental Term Life insurance
- Whole Life Insurance
- Dental insurance
- Vision insurance
- Flexible Spending Accounts (medical & dependent care)

A summary description of the plans, eligibility requirements, enrollment information and costs are outlined in the **First Financial Group Benefit Guide**.

Other benefits in the District include:

- TRS - Full-time regular employees must be a member of the Teacher Retirement System of Texas.
- Cobra insurance continuation rights
- Tax sheltered annuities
- Savings Bonds
- Medicare
- Leave and Absence benefits
- Vacation
- Credit Union deduction
- Direct deposit of payroll check

Eligibility for Insurance

To be eligible for the insurance programs at BISD, an employee must work a minimum of 15 hours each week and pay into the Teacher Retirement System. Premiums are payroll deducted. All insurance is eligible for the Cafeteria Plan except for the Disability insurance, and Supplemental Life insurance premiums for spouse/dependents and any Supplemental Life insurance premiums for coverage exceeding \$40,000.

Enrollment

In all cases, an employee must complete a written application for coverage. **BISD does not automatically enroll anyone for any insurance.** All new employees have 30 days to decide which insurance they will take and complete an application.

Cancellations

All cancellations must be done in writing and submitted to the insurance office by the 1st of the month that deductions are to stop. **Disability Insurance and Whole Life Insurance are the only benefits that may be cancelled at any time.** All other benefits can only be changed during annual open enrollment. **Changes or cancellations may not be done by phone.**

Continuation of Coverage

Under District Policy an employee is placed on unpaid leave of absence (other than family and medical leave) when paid leave is exhausted. The employee is allowed to continue the group health insurance at his or her own expense, by paying premiums in advance, for a period not to exceed six months. If, at the end of that period, the employee is still on an unpaid leave of absence, COBRA coverage will be offered.

When an employee resigns from the district it is the employee's responsibility to contact the insurance department if he/she wishes to continue any optional group insurance. The employee will receive COBRA information on continuing the district Health Insurance from the insurance carrier.

EMPLOYEE HEALTH INSURANCE

NAME OF EMPLOYEE BENEFIT PLAN

TRS-ActiveCare
1000 Red River Street
Austin, TX 78701
1-866-355-5999
www.trs.state.tx.us

Employee Eligibility Requirement

All Teacher Retirement System eligible employees.

Dependent Eligibility Requirement

Spouse and unmarried children less than 26 years of age who are considered dependents according to the Internal Revenue Service Code are eligible. **It is the employee's responsibility to inform the BISD Insurance office when a dependent becomes ineligible (reaches age 26).**

General Description of Coverage

TRS ActiveCare offers three PPO plans.

ActiveCare 1HD
ActiveCare 2
ActiveCare 3

These plans are administered by BlueCross and BlueShield of Texas. You do not have to select a primary care physician or obtain a referral to see a specialist. A PPO offers two levels of benefits – network and non-network. A directory of the physicians and hospitals can be located on the TRS website listed above.

Enrollment Procedures

All new employees must complete an application (enclosed in the TRS ActiveCare enrollment guide). An employee who is declining coverage must complete sections (2) and (9) on the enrollment application. Employees may choose to be effective on their actively-at work date (but they must pay **both** the **employee portion** and the **District portion** of the monthly premium), or on the first of the month following their actively-at-work date (example: employed Aug. 10, effective September 1).

An employee whose spouse is also employed by BISD, (and has dependent children) may apply for the “special district contribution”—see page 12 in the Employee Benefit Book.

Health Insurance on-line access:

To become a Blue Access member go to: www.trs.state.tx.us/trs-activecare and create a user name and password. You will have access to your claims status, detailed claims history (explanation of benefits), be able to locate network physicians, request replacement ID cards, take a Health Risk Assessment, and more.

Pharmacy on-line access:

You may also register at Medco (Express Scripts), the pharmacy provider, at www.medcohealth.com to order mail order prescriptions, get drug information, obtain drug costs and more.

TERM LIFE INSURANCE

NAME OF EMPLOYEE BENEFIT PLAN

MetLife
1 Madison Avenue
New York, NY 10010
409-617-5029 (BISD Insurance Office)

Employee Eligibility Requirement

All Teacher Retirement System eligible employees.

Dependent Eligibility Requirement

No Dependent Coverage.

General Description of Coverage

\$10,000 Term Life Insurance.

\$10,000 Principal Amount AD & D

Employee Cost

No cost to the employee. Coverage is provided by the District.

Enrollment Procedures

To enroll in the District provided Term Life Insurance an application must be completed within 30 days of employment. Coverage will cease upon termination of employment.

Listing a Minor as a Beneficiary

A minor is unable to assign the proceeds to a funeral home.

Proceeds are placed into an account until the minor is of legal age.

Proceeds are released to the individual that provides legal guardianship papers.

For a full description of the coverage please refer to the MetLife Benefits Booklet.

EMPLOYEE ASSISTANCE PLAN (EAP)

NAME OF EMPLOYEE BENEFIT PLAN

Interface EAP

10370 Richmond Avenue
Houston, TX 77042
800-324-4327

Employee Eligibility Requirement

All Teacher Retirement System eligible employees.

Dependent Eligibility Requirement

Spouse and unmarried children to age 25.

General Description of Coverage

Limited mental health counseling visits (up to 5 visits)

Limited financial counseling

Limited legal counseling

Employee Cost

No cost to the employee. Coverage is provided by the District.

Enrollment Procedures

All full-time, active employees are covered; there is no application form to complete. Coverage will cease upon termination of employment.

Call 1-800-324-4327 to obtain services.

For a full description of the coverage please refer to the Interface EAP Benefits Booklet.

WORKERS' COMPENSATION

NAME OF EMPLOYEE BENEFIT PLAN

TASBRMF
P O Box 2010
Austin, TX 78768-2010
1-800-482-7276
<http://www.tasbrmf.org>

Employee Eligibility Requirement

All persons working in the Beaumont Independent School District are eligible. This includes full-time employees, part-time employees, substitutes and summer workers.

Dependents are not eligible.

General Description of Coverage

TASBRMF is the servicing contractor that processes the Beaumont Independent School District workers' compensation claims. An injured employee should report **any** accident to his/her immediate supervisor who will report the accident to the BISD Insurance office and file an accident report. The school nurse may file reports at campus locations.

An adjuster will contact the employee for a statement. Income benefits do not begin until the employee has been removed from work by a doctor and has missed seven days. The employee must contact the BISD Insurance office as soon as he/she has been released to return to work. A copy of the doctor release must be sent to the BISD Insurance office. Workers' compensation benefits are coordinated with salary and sick leave.

It is **VERY IMPORTANT** that all accidents are reported immediately. Failure to report an accident within 7 days could result in a \$500.00 fine to the District and the denial of the individual's claim.

Employee Cost

The District provides coverage at no cost to the employee.

COBRA CONTINUATION COVERAGE RIGHTS

In accordance with the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District shall offer continuation coverage under any group health insurance plan established after July 1, 1986 to the following qualified beneficiaries for the stated period of time:

1. To the employee for 18 months after a termination (other than for gross misconduct) or reduction in hours. An employee providing notice of being disabled under Title II or XVI of the Social Security Act before the end of the initial 18 months of coverage shall be offered up to 29 months of continuation coverage.
2. To dependents of the covered employee for 36 months after the employee becomes eligible for Medicare benefits.
3. To dependents of the covered employee for 36 months after the employee's death or the divorce or legal separation of the employee from a spouse.
4. To a dependent child for 36 months after the child ceases to be a dependent under the terms of the plan.

The District may require premium payments not to exceed 102 percent of the usual cost of the plan for continuation coverage. Individuals entitled to 29 months of continuation coverage may be required to pay premiums not to exceed 150 percent of the usual cost for any month after the 18th month. The qualified beneficiary may choose to pay the premiums in monthly installments. In no event may payment be required before the day that is 45 days after the day on which the qualified beneficiary made the initial election for continuation coverage.

The District shall notify its group health plan administrator within 30 days of an employee's death, termination or reduction of hours, or becoming eligible for Medicare payments.

The qualified beneficiary is responsible for notifying the plan administrator of a divorce or legal separation from a spouse or of a dependent child's ceasing to be a dependent. A qualified beneficiary who is determined to have been disabled at the time of termination is responsible for notifying the plan administrator of that determination within 60 days of the determination and within 30 days after a subsequent determination that he or she is no longer disabled.

Coverage of qualified beneficiaries shall end on the earliest of the following dates:

1. The required period of coverage expires.
2. The District ceases to provide any group health plan to any employee.
3. The date on which coverage ceases for failure to pay the premium.
4. The qualified beneficiary becomes covered under any other group plan.
5. The qualified beneficiary becomes eligible for Medicare benefits.
6. The remarriage of a person who is a qualified beneficiary because of being the spouse of a covered employee.

TAX SHELTERED ANNUITIES

BISD employees may choose to purchase income tax-deferred annuities and custodial funds under the terms of Section 403(b) and 403(b)7 of the U.S. Internal Revenue code of 1954 as it existed on January 1, 1981 and as authorized by Article 6228a-5, Vernon's Texas Civil statutes as amended.

The amounts of funds contributed to a tax-sheltered annuity are not taxed when they are earned. They are taxed when the funds are withdrawn from the annuity, which is after the employee has retired or separated from service.

As of August 1, 2009, the Beaumont Independent School District contracted with National Benefit Services (NBS) to act as our Third Party Administrator for 403(b) compliance. The list of approved annuity vendors is available on the BISD staff website:

<http://www.beaumont.k12.tx.us/bisdapps/>

The investment agent must mail or fax the Salary Reduction Agreement to National Benefit Services at 800-597-8206. National Benefit Services will fax or mail your application to Beaumont ISD to begin deductions. For additional questions, you may contact the National Benefit Services at 800-274-0503, ext. 5, or visit the National Benefit Services website at:

www.nbsbenefits.com

UNITED STATES SAVINGS BONDS

Beaumont ISD offers payroll deduction for United States Saving Bonds.

Treasury Direct offers employees the opportunity to invest in savings bonds and other Treasury securities. This convenient and secure web-based system allows you to purchase, manage, and redeem electronic (paperless) savings bonds online 24/7. Using Treasury Direct, you can also purchase Treasury marketable securities (Bills, notes, bonds, and TIPS) to expand your savings portfolio.

After you establish a Treasury Direct account at www.treasurydirect.gov, Beaumont ISD will establish a payroll deduction to be deposited into your Treasury Direct account.

A list of frequently asked questions and other information can be found online at www.frb services.org/PayrollSavings

TEACHER RETIREMENT SYSTEM

As a condition of employment, an employee must be a member of the Teacher Retirement System if working in a position defined as eligible for TRS purposes in a Texas public educational institution.

Each employee contributes 6.4% of their salary to Teacher Retirement and an additional .65% for the TRS-Care Health Insurance program.

For additional information see the Teacher Retirement System Booklet which is mailed to each TRS member each year or visit their web site at [http:// www.trs.state.tx.us](http://www.trs.state.tx.us).

MEDICARE/SOCIAL SECURITY

Beaumont ISD employees that were hired after March 31, 1986 are required to pay the Medicare portion of social security. The rate is 1.45% of the gross salary. All employees hired after this date, regardless of full-time or part-time status, must pay this portion.

All part-time employees must also pay the full social security rate of 6.2% in addition to the 1.45% for Medicare.

BISD is not a contributing member of the social security system for full-time employees. Full-time employees voted in December 1981 not to contribute to the social security system.

LEAVE AND ABSENCES BENEFITS

State Personal Leave

Each employee shall earn state personal leave, in equivalent workdays, at the rate of one-half a workday for each 18 workdays of employment, up to the statutory maximum of five workdays annually.

Additional Local Leave

All employees shall earn an additional five, six, or seven equivalent workdays of local sick leave per school year, concurrently with state leave, according to the following chart:

Positions requiring 10 months of service	5 days
Positions requiring 11 months of service	6 days
Positions requiring 12 months of service	7 days

Extended Sick Leave

Local sick leave shall accumulate without limit and shall be taken with no loss of pay.

Employees with five or more consecutive years of service in the District who have exhausted all state and local paid leave benefits shall be granted an extended illness benefit according to the following:

1. The first ten days of leave following exhaustion of paid leave benefits shall be without pay.
2. For up to 60 equivalent workdays, the employee's pay shall be reduced by the amount of the substitute's rate of pay or one-half the employee's rate of pay, whichever is less.
3. Medical certification shall be required before the leave is granted and periodically, as required by the Superintendent.
4. Employees who have used the extended illness benefit shall not be eligible to again apply until nine calendar months have elapsed.

Federal Family and Medical Leave Act (FMLA)

An employee of a district having 50 or more employees within 75 miles of the worksite who has been employed by the District for at least 12 months and for 1,250 hours during the previous 12-month period shall be entitled to a total of 12 workweeks of leave, without loss of any employment benefit accrued prior to the beginning of the leave, during any 12-month period for one or more of the following reasons:

1. Because of the birth or adoption, including placement for foster care, of the employee's child and in order to care for the child, provided the leave is taken within 12 months of the birth, adoption, or placement of the child. By agreement between the employee and the District, this leave may be taken intermittently or on a reduced leave schedule.
2. To care for the employee's spouse, child, or parent if the spouse, child, or parent has a serious health condition.
3. Because of the employee's serious health condition that makes the employee unable to perform functions of his or her position.

The 12-month period within which employees shall be eligible for 12 weeks of family and medical leave shall be defined as a rolling 12-month period measured backward from the date an employee uses family and medical leave

Temporary Disability Leave

The Board has chosen to extend the benefits of the temporary disability law to all full-time employees. The maximum length of temporary disability leave shall be 180 calendar days.

Jury Duty

An employee shall be granted leave with pay and without loss of accumulated leave for jury duty.

Reimbursement at Retirement or Death

Reimbursement at retirement or death for accrued state and local leave benefits, except for extended leave, shall be made under the following conditions:

- Employees new to the District in the 1996-97 school year and thereafter shall not be eligible for this benefit.
- Beginning June 1, 1994, the reimbursement benefit applies only to leave benefits earned while employed by the District; employees who have earned days from other districts prior to that date shall be paid for all credited days at the time of retirement or death according to the system in place prior to June 1, 1994.
- The benefit is available to all full-time and part-time employees.
- To be eligible, an employee shall have retired under the Texas Retirement System program; benefits may be paid to an employee's estate if a death certificate is presented.
- The maximum number of creditable days shall equal the number of annual workdays of the employee at the time of retirement or death.
- The maximum payable benefit shall be one-half of the accrued number of days payable at 100 percent of the employee's daily rate of pay at the time of death or retirement.

A full description of all Leaves and Absences Benefits is found in BISD Board Policy, DEC (LEGAL) and DEC (LOCAL) at website <http://www.tasb.org/policy/pol/private/123910/>

VACATION BENEFITS

Vacation leave is available to employees working 235 days or more per year. Vacation leave may be used with the supervisor's prior approval. Please review Beaumont ISD board policy DED (LOCAL) for a complete definition of vacation leave.

Employees hired/promoted prior to July 1, 2001:

Full-time employees working **235-242** days shall be entitled to vacation time based on length of employment with Beaumont ISD as follows:

4. At the end of the first year of full-time employment through June 30 of the 7th year: 2 weeks paid vacation **to be used between July 1 and June 30.**
5. At the end of the eighth year of full-time employment through June 30 of the 15th year: 3 weeks paid vacation **to be used between July 1 and June 30.**
6. At the end of the sixteenth year of full-time employment and thereafter: 4 weeks paid vacation **to be used between July 1 and June 30.**

Full-time employees working **243** or more days shall be entitled to vacation time based on length of employment with Beaumont ISD as follows:

4. At the end of the first year of full-time employment through August 31 of the 7th year: 2 weeks paid vacation **to be used between September 1 and August 31.**
5. At the end of the eighth year of full-time employment through August 31 of the 15th year: 3 weeks paid vacation **to be used between September 1 and August 31.**
6. At the end of the sixteenth year of full-time employment and thereafter: 4 weeks paid vacation **to be used between September 1 and August 31.**

Employees hired/promoted after July 1, 2001:

Full-time employees working **235-242** days shall be entitled to 12 days of paid vacation time **to be used between July 1 and June 30.**

Full-time employees working **243** days or more shall be entitled to 12 days of paid vacation time **to be used between September 1 and August 31.**

Unused vacation days cannot be carried over to the next year. Employees shall not be paid for unused vacation days. At the end of the contract year, vacation balances will be cleared.

DIRECT DEPOSIT

The District offers the following payroll payment options:

- Direct Deposit (employee's choice of financial institution)
- Pay Card (District's financial institution; currently Bank of America)

Please refer to the Payroll Guidelines Section for more information about Direct Deposit or Pay Cards.

TRS LONG TERM CARE (Genworth Life Insurance Co.)

What is Long Term Care?

Long-term care is the care you need when you require assistance with day-to-day functions like transferring (getting in and out of bed), eating, continence, toileting or bathing. It is also the care you may need for serious cognitive impairment. The need for this type of care can occur at any age.

WHO IS ELIGIBLE?		HOW TO ENROLL:
TRS members & eligible family members (spouse & surviving spouse, parents, parent-in-law, step parents, step parent-in-law, grandparents, step grandparents; age 18-79, U.S. Citizen)	Apply during your first 90 days of employment for minimal underwriting (full underwriting for some members and their family, depending on age & program choice)	Apply online: www.genworth.com/groupltc Group ID: TRS Password: groupltc Or submit paper application to: Genworth Life Group Processing Center P O Box 64010 St. Paul, MN 55164-0010
Monthly Benefit Options:	\$3,000 \$4,500 \$6,000 \$7,500	
Total Coverage Amount Options:	Beginning at \$108,000	Up to \$900,000
Home Health Care Benefit:	75% of selected monthly benefit	

The **Teacher Retirement System of Texas (TRS)** is pleased to offer you a plan that will help protect you and your family against the devastating effects of a long-term illness – Long Term Care Insurance from **Genworth Life Insurance Co.** This plan is designed to give you the freedom to make your own decisions regarding your long-term care and to help maintain your independence. More information is available at the Genworth website or by calling the number below.

Genworth Life

Group Processing Center
P O Box 64010
St. Paul, MN 55164-0010

1-866-659-1970

www.genworth.com/groupltc

Group ID: TRS
Password: groupltc

OPTIONAL EMPLOYEE BENEFITS

Administered by First Financial Group
(see First Financial Annual Benefit Guide)

- **Cancer & Intensive Care Insurance**
- **Dental Insurance**
- **Accident Insurance**
- **Disability Insurance**
- **Supplemental Term Life Insurance**
- **Whole Life Insurance**
- **Vision Insurance**
- **Flexible Spending Accounts**

Annual Enrollments

Health Insurance

Spring enrollment (May) for current employees
Fall enrollment (August) for new employees
Plan Effective September 1-August 31

Optional Benefits

Fall enrollment (September) for current employees
Plan Effective November 1-October 31
New employees are enrolled during their first 30 days

Workers' Compensation Procedures

An employee who is injured during the course and scope of his/her employment is deemed to be covered under the Texas Workers' Compensation Act.

Exclusions:

Employees may **not** receive benefits if:

- The employee was intoxicated at the time of the injury
- The employee injured themselves on purpose or while trying to injure someone else
- The employee was injured by another person for personal reasons
- The employee was injured while voluntarily participating in an off-duty recreational, social, or athletic activity
- The employee was injured by an act of God
- The employee was injured during horseplay.

Procedures for Reporting Injuries:

- An injured employee must immediately report his/her injury to their campus Principal.
- The injured employee must then complete an Injury Report (obtained from the campus nurse).
- The injury report must indicate whether or not the employee is missing time due to his/her reported injury.
- The injury report must be signed by the employee as well as by the supervisor/or nurse.
- The employee must also sign the Acknowledgment of the Alliance form.
- The campus nurse must separate the Injury Report from other attachments and give the following documents to the injured employee:
 - Notice of Injured Employee Rights and Responsibilities
 - Progressive Medical's First Fill Program
 - Copy of the Alliance Network Doctors
- The campus nurse or supervisor shall immediately fax the completed Injury Report and the completed Acknowledgment of the Alliance to the Beaumont ISD Insurance Department.
- After an injured employee seeks medical attention, the injured employee is required to report back to the Beaumont ISD Insurance Department before returning to work and provide a "Texas Workers' Compensation Work Status Report."
- No Temporary benefits will be distributed for the first seven days of missed time.

Workers' Compensation Choice Form:

Temporary income benefits begin paying a portion of the employee's wages on the **eighth** day after the injury. BISD employees may choose to handle the first five working days by

completing a Workers' Compensation Choice Form and indicating which of the following they choose:

1. Be docked for the first 5 days
2. Use sick leave until all sick days are exhausted. A full day will be charged for each of the first 5 working days. A portion (30%) will be charged thereafter until sick leave is exhausted.
3. Use vacation leave until all vacation is exhausted. A full day will be charged for each of the first 5 working days. A portion (30%) will be charged thereafter until vacation leave is exhausted.

If no choice form is completed, option 2 will be implemented.

Types of Workers' Compensation Benefits:

There are four types of Workers' Compensation Benefits:

- **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.
- **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

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.

Income Benefits replace a portion of wages you lose because of work-related injury or illness. 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.

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)

Initial income benefits paid up to 105 weeks.

Impairment Income Benefits (IIBs)

Income benefits paid for any permanent impairment; 3 weeks' pay for each percent of disability

Supplemental Income Benefits (SIBs)

Income benefits paid for any impairment rating of 15% or greater if employee has not returned to work because of the injury or has returned but is earning less than 80% or pre-injury wages.

Lifetime Income Benefits (LIBs)

Certain work-related injuries may result in a condition for which you are entitled to income benefits for your lifetime.

The injured employee must report any income (other than income benefits they may be receiving) to the Commission and the Insurance Carrier so that an adjustment can be made to his/her income benefit payments. The injured employee may be fined and/or charged with fraud if he/she receives 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.

Seeking Medical Treatment:

Injured employees may only go to network approved physicians. The BISD Insurance office can give permission for the first medical visit only. All doctor visits other than the initial visit must be pre-approved by the workers' compensation carrier.

Status Change/Return to Work/Doctor's Release

- If an employee begins missing time after the initial report was filed, the employee is responsible for notifying the BISD Insurance Department immediately or their paycheck will be delayed.
- If the employee has been missing time due to an injury and then returns to work, it is the employee's responsibility to notify the BISD Insurance Department immediately. The Insurance Department will need a copy of the employee's return to work/doctor release prior to the employee returning to duty.

Light/Modified Duty:

If injured employee's physician recommends that the employee return to work with specific restrictions, the District will attempt to accommodate those restrictions, however the decision to offer light duty will be discussed between the Personnel Director and the injured employee's supervisor. If modified duty cannot be accommodated, the employee will not be allowed to return to work until his/her treating doctor gives him/her a full release without restrictions.

Investigations:

Workers' compensation claims are subject to investigation by the District and the District's workers' compensation carrier. It is essential that the employee cooperate fully with the investigation to ensure effective and timely management of the employee's claim. Insurance law allows for the prosecution of those who have knowingly falsified information relating to a workers' compensation claim.

Section 8

Student Activity

Fund Procedures

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 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.

All funds are centralized and maintained on the District's financial system. Standard purchase requisitions are required to disburse funds from the District's accounting system. No separate bank accounts are maintained by campus or facility. Reconciliation of Activity fund cash accounts are overseen by the Business Office.

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. **For purchases made out of the student activity funds (865) that are not directly related to the benefit of that organization, a prescribed form must be completed.**

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.

Fund-raising companies may not grant any financial or in kind award directly to students.

GIFTS

District (199) 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 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 his/her 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 Comptroller. ***Any contract not signed by the Comptroller is not a liability of the school district or campus, but 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.

APPROVAL FOR FUNDRAISING

See CFD (LOCAL) in Board Policy.

RESTRICTIONS ON FUNDRAISING

See CFD (LOCAL) in Board Policy.

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 must provide the sponsor with a pre-numbered cash receipt 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 (Object 6399) 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 PTA's, booster clubs, other outside groups, 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.

FORMS

Forms required include those below and are subject to change based on process improvements established. Please contact the BISD Business Office with questions regarding necessary forms.

Listing of all Charge Accounts and Creditors.....	SAF-101
Internal Deposit Slip	SAF-102
Tabulation of Moneys Collected from Students	SAF-103
Student Activity Funds Voucher	SAF-104
Non-Invoicing Individual Forms	SAF-106
Tabulation of Moneys Distributed to Students	SAF-109
Review Guide for Activity Funds	SAF-110
Form Letter for Collection of NSF Checks.....	SAF-111

Section 9

Booster Club

Procedures

University Interscholastic League Booster Club Procedures

The Role of Competition

Participation teaches that it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness. Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons. Leadership and citizenship experiences through school activities help prepare students for a useful and wholesome life. Plus, competition is fun!

Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All activities, events and personnel are under the jurisdiction of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.

Role of Booster Clubs

School patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fund-raising role of booster clubs is particularly crucial in today's economic climate.

Written Policies

Booster clubs should develop and annually review policies to cover: How to obtain administrative approval before beginning projects;

- How to plan and publicize meetings;
- Bookkeeping and fund administration including process to obtain superintendent's approval prior to raising funds.
- Election of officers (suggestion: one president; one secretary; one treasurer; and three vice - presidents; one vice president to oversee fall, winter and spring sports);
- Taking, distributing and filing minutes;
- Public communication;
- Proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board;
- A sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and
- Plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Club Finances Relationship with the School

- The superintendent or a designee who does not coach or direct a UIL contest has approval authority over booster clubs and should be invited to all meetings. All meetings should be open to the public.
- Booster clubs do not have authority to direct the duties of a school district employee. The schedule of contests, rules for participation, methods of earning letters and all other

criteria dealing with inter-school programs are under the jurisdiction of the local school administration.

- Minutes should be taken at each meeting and kept on file at the school.
- School administration should apprise booster clubs of all school activities.
- Booster clubs should apprise school administrators of all club activities.
- Periodic financial statements itemizing all receipts and expenditures should be made to the general club membership and kept on file at the school.
- Booster clubs should obtain their own tax identification number from the Internal Revenue Service. Information on how to do so is available in the BISD Business Office and on the IRS web site at www.irs.gov under Publication 557 – Tax Exempt Status for Your Organization.

Fund Raising/Spending/Stipends/Gifts to Coaches

Money given to a school cannot be earmarked for any particular expense. Booster clubs may make recommendations, but cash or other valuable consideration must be given to the school to use at its discretion.

- Fund raising projects are subject to state law. Nonprofit or tax-exempt status may be obtained from the Internal Revenue Service.
- Community-wide sales campaigns should be coordinated through the school administration to minimize simultaneous sales campaigns.
- Sales campaigns should be planned carefully to insure that the projects provide dollar value for items sold, and that most of the money raised stays at home. Otherwise donations are often more rewarding than letting the major part of the money go to outside promoters.
- Fund raising activities should support the educational goals of the school and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.
- Individuals who actively coach or direct a UIL activity should serve in an advisory capacity to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds. Coach's wish lists should have received prior approval from school administration before submission to boosters.

Coaches and directors of UIL academics, athletics and fine arts may not accept more than \$300 in money, product or service from any source in recognition of or appreciation for coaching, directing or sponsoring UIL activities. The \$300 limit is cumulative for a calendar year and is not specific to any one particular gift.

The district may pay a stipend, fixed at the beginning of the year, as part of the annual employment contract. The amount of the stipend can't depend on the success of a team or individual. In other words, a coach can't receive more money if a team or individual qualifies to region or state.

Funds are to be used to support school activities. To provide such funding for non-school activities would violate UIL rules and the public trust through which funds are earned.

Athletic Booster Club Restrictions

- Booster clubs cannot give anything to students, including awards. Check with school administrators before giving anything to a student, school sponsor or coach. Schools must give prior approval for any banquet or get-together given for students. Fans not just members of the booster club should be aware of this rule. It affects the entire community.
- Unlike the music and academic booster clubs, athletic booster club funds shall not be used to support athletic camps, clinics, private instruction or any activity outside of the school.
- Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out of town meals. It would be a violation for booster groups or individuals to pay for such costs directly.
- Individuals should be informed of the seriousness of violating the athletic amateur rule.

The penalty to a student-athlete is forfeiture of varsity athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable. Salable food items or trinkets given to athletes by student, cheerleaders, drill team members, little/big sister, school boosters, and parents of other students, teachers or others violate this rule.

- Homemade "spirit signs" made from paper and normal supplies a student purchases for school use may be placed on the students' lockers or in their yards. Trinkets and food items cannot be attached. Yard signs should be made of commercial quality wood, plastic, etc. If not purchased or made by the individual player's parent, they must be returned after the season.
- The school may provide meals for out-of-town trips only. If the school does not pay for meals, the individual parents need to purchase their own child's food. Parents may purchase anything they wish for their own child but may not provide food or other items of valuable consideration for their child's teammates.
- The school may also provide supplies for games and practices and transportation for school field trips. Students should pay admission fees during school field trips.
- Parties for athletes are governed by the following State Executive Committee interpretation of Section 441: VALUABLE CONSIDERATION SCHOOL TEAMS AND ATHLETES MAY ACCEPT:

Pre-season: School athletic teams may be given no more than one pre-season meal, per sport, per school year such as a fish fry, ice cream supper, etc. provided it is approved by the school and given by a nonprofit organization, usually the booster club, before the team plays in its first contest. It may be given after a scrimmage.

Post-season: School athletic teams are limited to no more than one post-season meal or banquet per sport, per school year, and it must be given by a nonprofit organization and approved by the school.

Banquet favors or gifts are considered valuable consideration and are a violation if they are given to a student athlete at any time.

Other: School athletic teams and athletes may be invited to and may attend functions where free admission is offered or where refreshments and/or meals are served, provided all students from that high school are invited to attend for the same fee and on the same basis as the athletes or the athletic team. Athletes or athletic teams may be recognized at these functions but may not accept anything that is not given to all other students.

VALUABLE CONSIDERATION THAT SCHOOL TEAMS AND ATHLETES MAY NOT ACCEPT: Examples of items deemed to be valuable consideration and thus a violation of this rule include but are not limited to:

1. Meals, snacks or snack foods during or after practices;
2. Parties provided by parents or other students strictly for an athletic team;
3. Anything that is not given or offered to the entire student body on the same basis that it is given to or offered to an athlete.
4. Local school district superintendents have the discretion to allow student athletes to accept, from their fellow students, small "goodie bags" that contain candy, cookies or other items that have no value and are not considered valuable consideration. Gatherings of school athletic teams at parents or patrons' homes require each athlete to contribute equally to any food or refreshment. The burden of proof will be on the athlete, his or her head coach and the school if these occasions are questioned. No overnight lodging or sports instruction or practice is permitted.

Academic Booster Clubs

The rules for athletics are different than the rules for academics and music. Athletes are restricted by the Athletic Amateur Rule, which states that athletes cannot accept money or valuable consideration for participating in a UIL sport or for allowing their names to be used in promoting a product, plan or service related to a UIL-contest.

Academics have no such rule. Journalism participants may work for a newspaper and be paid. Actors may work summer stock and be paid. Students may win calculators and pocket protectors for participating in invitational math contests.

UIL academic students are restricted by the Awards Rule so as a general practice, do not give gifts or awards to students for their participation in UIL contests that count toward district, region or state standing. School booster clubs may raise money to purchase letter jackets, provided the funds are given to the school without designation to buy jackets for particular students and the school determines criteria for awarding the jackets. Parents may purchase jackets for their own children provided the school designates the student as being qualified to receive the jacket.

Even though exceptions to the awards rule exist, it remains a sound policy not to give awards to students because they have participated in or are participating in a UIL academic contest. Don't give a student a t-shirt because he won first place in headline writing at district, region or state.

With prior administrative approval, you may also:

- Purchase equipment for programs such as computers or software for yearbook or computer science;
- Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. They may provide food and refreshments for students on these trips. A purely recreational trip to Six Flags Over Texas would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule;
- Run tournaments, organize fund-raising efforts, recruit corporate donors, raise money for scholarships and arrange for tutors and professional trainers to work with students;
- Fund academic workshop scholarships provided selection of the recipients is not based solely on their success in interscholastic competition. Selection could be based on grade point average or the student's selection of high school courses. All students meeting the conditions for scholarship assistance should be notified and eligible for financial assistance. Funds should be monitored to ensure that they are expended for camp or workshop purposes.

We wish we had more academic booster clubs, whether they cover UIL academic competition in general or specific programs such as drama, speech/debate, journalism or math/science. A great need exists for parental involvement and support.

Music Booster Clubs

- In addition to the general procedures outlined, the following guidelines apply to the Music Booster Club activities. Some music booster clubs assist with expenses for travel to various music related activities such as UIL contests and performances at away athletic events. Such financial support violates no UIL rules provided that it is approved and coordinated by the local school district.
- Many music groups schedule educational field trips with the approval of the local school administration and under local school district policies. For such trips specific educational components must be included such as performing for a music festival, an adjudicated contest or a concert tour. Marching performances such as the Macy's Thanksgiving Day Parade, the Rose Bowl Parade or other similar ceremonial appearances also qualify. However, educational components need not be limited to performances. Concert attendance, visiting university/conservatory music facilities and other music related, non-performing opportunities would also be appropriate if approved by the local school district.
- A recreational trip, on the other hand, would not meet the definition of an educational field trip as provided in Section 480 of the UIL Constitution and Contest Rules. Students receiving the benefits of a purely recreational trip would likely be in violation of the Awards Rule.

- Booster Clubs may also fund scholarships for private lessons and summer music camps provided the selection of the recipients is not based on success in interscholastic competition. Funds for such activities should be carefully monitored to ensure that they are expended for educational rather than recreational activities.
- The awarding of patches, T-shirts or other items for achievement in interscholastic competition would be subject to the UIL Awards Rule. In order to protect all music students' eligibility such awards should be approved and administered by the local school district in accordance with school district policies.
- Be mindful of the fact that there is no Music Amateur Rule. Consequently limitations established in athletics intended to ensure compliance with the Athletic Amateur Rule do not apply to music programs and related activities.

What you can do as Parents?

The classroom comes first! Help conduct fair and equitable competition: adhere to rules; uphold the law and respect authority. Remember that officials are human. Respect their decisions.

- Delegate authority to the school, and then support its decisions.
- Set standards by which you expect children to conduct themselves, and live by those standards yourself.
- Be aware of capabilities and limitations of young people. Don't have unrealistic expectations.
- Allow your children to live their own lives.
- Be involved in areas in which your own child is not involved, thus contributing to school unity and spirit.
- Show respect to the opponents of your children.
- Praise. Don't criticize. Urge others to do the same.
- Help your children and their friends develop integrity through the intensity of competitive activity.

Work with the Administration

- Positive and direct communication can prevent most problems. Keep the superintendent informed of all activities.
- Make sure your local administration has a copy of all club publications. Invite administrators to all booster club meetings.
- Have an officer meet with the school administration regularly.
- Have a chain of command for communication with the administration.
- Clear all activities through your administration.

Coaches and Fine Arts Directors

- Be sure your booster club wish list has been approved by your supervisor before it goes to the booster club.
- Work with your administration to determine what your club can provide.
- Make your request to the club benefit as many students as possible.
- Attend the booster club meetings and/or know what the club is doing.
- Understand that your advisory role to the boosters is without vote.
- Support other programs within your district
- Meet with parents regularly and make them aware of relevant rules.
- Involve your staff with your booster club. Let the booster club know who your staff is and what duties they perform.

Section 9a

Booster Club and PTO

Required Filings with

the Internal Revenue

Service and the

District

Booster Clubs and PTO Groups

Some of the Booster Clubs and Parent-Teacher Organizations in Beaumont ISD have their own tax identification numbers. Few if any have their tax exempt status granted by the IRS. Many choose to use the District's tax identification number in error. Each booster club and PTO is a separate legal organization / entity, and should have its own tax identification number and tax exempt status established with the Internal Revenue Service.

Tax Identification Numbers

All of the Parent-Teacher Organizations and Booster Clubs operating within the District should have their own tax identification number. A tax ID number may be obtained quickly and easily from the Internal Revenue Service by completing and filing Form SS-4, Application for Employer Identification Number.

An interactive, fill in the blanks form and instructions may be accessed on the IRS web page at the following web site: <http://www.irs.gov/formspubs/index.html>, selecting the Form and Instruction Number option under the Section titled Download Forms.

Tax Exempt Status

Obtaining tax exempt status is a bit more tedious than applying for and receiving a tax ID number. Tax exempt status is obtained by completing and submitting Form 1023. This form and its instructions can also be obtained at the link listed above. Form 1023 is a multi-page application form and is often confusing to sort through all the questions and informational items it requests. There is a required filing fee associated with this form also. For most organizations, the filing fee will be \$300.

A booster club or PTO needs to be a tax exempt organization for two reasons. First and most importantly, donations to a tax exempt organization are tax deductible for the donors. Second, tax exempt status exempts organizations with less than \$25,000 in gross annual receipts from having to file an income tax return for tax liability or informational purposes.

Booster Club and PTO officers are encouraged to review these forms and instructions, apply for their own tax identification number and tax exempt status and to contact the District's Comptroller if they have any questions.

Samples of Form SS-4 and Form 1023 are available on the IRS website at www.irs.gov.

PTO and Booster Club Required Filings with the Beaumont ISD Administrative Offices

All Booster Clubs and PTO's affiliated with the District will be required to file the following information with the District Administrative Offices:

- 1. Tax Identification Number issued by the IRS** – each Booster Club or PTO should have its own tax ID number from the Internal Revenue Service. Booster Clubs and PTOs are not allowed to use the District's number, and they should not be using an individual's social security number. This information should be provided initially and anytime the organization changes the number for any reason.
- 2. IRS Determination Letter** – if the organization has a determination letter from the IRS as to the type of organization it is (Section 501c3, Section 115, et cetera), this letter should also be provided to the District.
- 3. Names of Officers of the organization** – annually, each organization should provide a list of officer names, positions, phone numbers and e-mail addresses.
- 4. IRS filings** – annually, any informational returns such as a Form 990 or e-postcard filed with the IRS should be copied and filed with the District.
- 5. Financial Reports** – at least quarterly, each organization should file a simple balance sheet and income statement with the District. Organizations may submit their own form or use the example on the following page. The example document is the minimum amount of information that is required.

Other District Requirements / Limitations on PTO's / Booster Clubs:

- I. District employees may participate in PTO or Booster Club activities, and even serve as an officer. However, ***District employees may not serve as a Treasurer or in any other capacity that is responsible in any way for handling money or financial records of the organization.***
- II. ***District employees should not, under any circumstances, be authorized to sign on a bank account of a PTO or Booster Club.***
- III. ***Booster Clubs and PTO's should regularly share financial information with their members. Providing members with a copy of the financial statement, disclosing assets, liabilities, net equity, and year-to-date revenues and expenditures, on a quarterly basis will suffice.***

FINANCIAL STATEMENT OF THE _____ PTO / BOOSTER CLUB
FOR THE MONTH ENDING _____, 20__.

INCOME STATEMENT

Beginning Balance:		\$ _____
Revenues:		
Dues		\$ _____
Fees Collected		\$ _____
Fund-Raising - _____ Project		\$ _____
Fund-Raising - _____ Project		\$ _____
Interest Earned		\$ _____
Total Revenues		\$ _____
Expenses:		
_____ Project		\$ _____
_____ Project		\$ _____
Other Expenses, if any		\$ _____
Total Expenses		\$ _____
Net Profit (Loss)		\$ _____
Ending Balance:		\$ _____
Other Assets:		
Accounts Receivable _____		\$ _____
Other _____		\$ _____
Liabilities:		
Amounts Owed to _____		\$ _____
Amounts Owed to _____		\$ _____

Signed:

President

Treasurer

Date

(This report should be submitted at least quarterly to the BISD Business Office with a copy of the most recent bank statement. For PTO's, a copy should also be provided to the campus principal. For Booster Clubs, a copy should also be filed with the appropriate District contact person for the Club.).