



PURCHASING MANUAL

2020-2021

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To: All District Employees

The purpose of this Purchasing Manual is to assist all Board of Education employees in the proper purchasing practices to be in full compliance with Worth County Board Policy, state, and federal law and codes.

The Purchasing Manual is designed to achieve three (3) goals:

- Follow the law and board policy on purchasing;
- Promote efficiency in purchasing practices; and
- Achieve financial savings through proper purchasing practices.

We ask you to help achieve these goals through proper planning. Please allow yourself enough time between requesting a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services will you need on an annual basis?

Through proper planning, we can eliminate much of the frustration that is encountered in district purchasing procedures.

This manual should be reviewed with department heads, teachers, bookkeepers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adheres to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call Christopher Stephens, Accounting Compliance Specialist at 229-776-8600 extension 1423.

Thank you,

Seth D. Freeman, CPA

Director of Finance

Worth County Schools

INTRODUCTION

Considerable authority has been delegated to departments and schools to make purchasing decisions. This requires that employees involved at every step of the purchasing process take full responsibility for understanding the District's policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of the district and therefore should be made with the utmost consideration for what is in the best interest of the district. Purchases also need to be made in the most efficient and cost effective manner. By following policies and procedures, ensures that appropriate business processes occur when dealing with outside vendors.

The District's goal for every purchasing transaction is to obtain the best value possible. Best value is determined by evaluating many factors (such as price, delivery capabilities, quality, past performance, training, financial stability, service capabilities, ease of ordering, payment options, etc.) and selecting a vendor that offers the best combination of those factors. When bids are required by policy, they are to be conducted on an open and competitive basis and without favoritism, in order to maximize the best value to the department/school and District. Interested suppliers will receive fair and impartial consideration. The District's procurement policy is intended to be consistent with Generally Accepted Accounting Principles.

ETHICS

Ethical business standards shall govern all procurement transactions. Disciplinary action for those violating ethical business standards will be taken in accordance with applicable District policy, up to and including the termination of employment.

District personnel shall not solicit a gift or accept a significant gift from any supplier or prospective supplier. A 'significant gift' is defined as any item, service, favor, monies, credits, or discounts not available to others which could influence purchasing decisions. District personnel may accept trivial items as a matter of courtesy, but may not solicit them.

Acceptance of social invitations to occasional business meals, entertainment, and hospitality will be subject to prudent judgment as to whether the invitation places or appears to place the recipient under any obligation, judgement to the appropriateness of the occasion, frequency, and choice of facilities. Questions about the value of a gift or the appropriateness of an invitation should be referred to your supervisor to ensure compliance with the District's conflict of interest policy.

The District values its suppliers and assumes that vendors, in turn, value the District's business. No token or display of appreciation is necessary or encouraged. All vendors are asked to comply with District's standards by not offering incentives, gifts, or services to individual personnel.

Gifts for staff are not permitted to be purchased with district funds since there is no educational purpose or benefit to students. Gifts for staff may be purchased only with staff-generated funds maintained in the school activity fund bank account. Outside entities (local business, booster organization, private donor) may provide gifts directly to staff within limits allowable per the Internal Revenue Service.

AUTHORITY AND RESPONSIBILITY

The District maintains a procurement environment that delegates considerable decision making authority to departments/schools.

These activities include:

- Determining which products and services are needed to meet objectives.
- Initiating requisitions to Preferred Vendors.
- Appropriately handling individual purchases.

Employees involved in the purchasing process take full responsibility for understanding the district's policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of the district and therefore should be made with the utmost consideration for what is in the best interest of the district.

Segregation of duties and responsibilities in the purchasing process provides proper controls. As the dollar value and complexity of a purchase increases, so does the level of authority and responsibility required to obligate the district for a purchase.

An example of segregation of duties within a department/school is as follows:

Requestor (teacher, secretary, aide, maintenance worker, etc.):

- Determine what is needed.
- Determine whether the need can be fulfilled by a Preferred Vendor.
- Research vendors.
- Solicit prices.
- Analyze costs and assess other important factors (i.e. delivery, customer service, etc.).
- Select a vendor.
- Initiate an electronic Requisition through the District's financial system by communicating needs to authorized requestor.
- Track documents and paperwork flow.
- Ensure the proper receipt of ordered goods or services.

Approver (superintendent, director, principal, etc.):

- Validate the legitimate business purpose of the transaction.
- Determine whether the need can be fulfilled by a preferred vendor.
- Approve purchase orders.
- Validate that adequate funding is available.
- Ensure compliance with district policy and applicable regulations regarding Cost Accounting Standards.
- Monitor and reconcile purchase transactions using the financial system and associated financial statements and reports.

- Review and approve reimbursement requests and other special purchasing transactions.
- Monitor budgets.

Why Do We Use Purchase Orders and How Do They Work?

A purchase order serves several very important functions, including:

- **Protection against overspending**-The primary function of a PO is to ensure funds are available **before** they are committed to a purchase of goods or services. A PO is a legally binding document, committing WCSS to purchase from that vendor that either for the specific items listed on the PO or up to the amount of a blanket PO. Failing to obtain a PO eliminates the opportunity to confirm funds are available in the budget.
- **Account code integrity**-The PO is the source document to indicate how the purchase will be recorded in the financial management system. If the account code is inaccurate on the PO, the payment of the invoice will be recorded improperly.

Types of Purchase Orders

There are three types of purchase orders: standard purchase orders, blanket purchaser orders, and emergency purchase orders.

Standard purchase order- A standard purchase order is generally created for a one-time purchase of various items. Standard purchase orders are generated when the details of the goods or services required are known. The standard purchase order should be utilized unless a blanket or emergency PO is approved to be used by the Director of Finance.

Blanket purchase order- A blanket purchase order is created for a period of time (monthly, quarterly, or annually depending on the situation) and invoices are liquidated against the total. Blankets are useful in situations involving agreements with scheduled charges or vendors where frequent small dollar purchases are made.

Emergency purchase order-An emergency purchase order may be used only in the event of a bona fide emergency declared by the Superintendent or Director of Finance. An emergency PO can be created instantly and bypasses the standard processes. An emergency PO is created by contacting the Director of Finance for the PO number to use. Documentation of the purchase shall be submitted to finance department **immediately** following the purchase.

PURCHASING PROCESS

The purchase of goods and services from outside vendors is to begin with the requisition request initiated through the district's financial system (allow three working days for request to be processed). **This shall occur before the product or service is ordered, not when it is time to pay for the product or service.**

Employees must be authorized to commit the district's resources to a purchase. District faculty and staff are responsible for adherence to all sections of the policy. Examples of improper use of purchasing authority include:

- Stringing or splitting a large purchase into two or more smaller orders in order to avoid bid requirements.
- Using an inappropriate account code.
- Conflict of interest and/or poor ethical conduct.
- Failing to follow the purchasing guidelines for each transaction.

Starting with a Requisition ensures that an approved and official purchase order is issued. Once approved, an official Purchase Order is the legal document that governs the transaction and properly protects the department/school and district. An official purchase order is ready to be sent to the vendor. The system provides an appropriate audit trail since all transactions are captured in the system specific to each individual purchase.

CHANGES TO PURCHASE ORDERS

Departments/schools can make their own changes to purchase orders after submitting them for approval. However, changes must meet prior approval.

Changes to purchase orders that have already been sent to the vendor can only be made by the Accounts Payable Specialist.

Unauthorized Purchases

Purchases without an approved purchase order are not considered valid by the district. Departments/schools that initiate purchases with outside vendors without an approved purchase order will assume responsibility for such purchases at their own risk.

Any school district employee who orders and/or receives any material, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

Unauthorized purchases are a violation of Worth County School District Policy and penalties may be assigned by the Superintendent of Schools for unauthorized purchases. In addition, **invoices received for which there is no approved purchase order will be tracked back to the purchaser and WILL become the responsibility of the purchaser.**

Corrective Action for Non-compliance

It is important that purchasing procedures are strictly followed. All financial transactions are subject to audit review. Failure to comply with local board and state policies may result in an audit finding which may lead to sanctions against the school district.

If it is determined that an unauthorized purchase has been made, a memo will be sent to the responsible administrator informing the administrator of the unauthorized purchase.

The responsible administrator shall then prepare a memo explaining the reasons why proper purchasing procedures were not followed. The memo will be attached to the purchase order and a copy of the memo will be sent to superintendent, director of finance, and accounting compliance specialist of Worth County Schools.

The Purchasing Agent will also send a letter to the vendor who provided either unauthorized services or goods. The letter will advise the vendor that payment may not be made for the unauthorized purchase. The school board attorney will be copied on the letter.

At any time, during the corrective action process, the superintendent may invoke penalties for noncompliance.

ENFORCEMENT/CONSEQUENCES

Departments/schools, as well as individuals, will be subject to disciplinary action for failing to handle purchases according to district policy and procedures. This may include:

- Informal Letter of reprimand placed in employee file
- Formal letter of reprimand placed in employee file
- Unsatisfactory evaluation
- Reimbursement to district
- Termination of employment

INFORMATION TO VENDORS REGARDING PURCHASING POLICY

Vendors are informed of the following with regards to Purchasing Policy:

- All purchases of goods and services from outside vendors are to be preceded by the issuance of an official purchase order generated in the district's accounting software system that is then provided to the vendor.
- All invoices should be sent directly to Accounts Payable. Invoices should not be sent until after the product has been shipped or the service has been performed and must reference the appropriate Purchase Order number.
- Accounts Payable will make sure departments/schools receive a copy of invoices. Approval of invoice is required prior to payment.

VENDOR RESPONSIBILITY

Any vendor doing business or proposing to do business with the Worth County Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other item of value of any kind to any official or employee of the Worth County School District.

PREFERRED VENDORS

A list of preferred vendors is maintained in the district's accounting software system. Departments/schools are strongly encouraged to utilize preferred vendors for the following reasons:

- It is more efficient to order from preferred vendors; tax exempt and payment status is set up to be utilized.
- It has been determined that preferred vendors deliver the best overall value to the district based on price, delivery capabilities, quality, past performance, training, financial stability, ease of ordering, etc.
- Consolidation of usage drives up volume, which is what provides incentive for vendors to offer the best possible price to the district.

REQUESTING NEW VENDORS

If a vendor needs to be added, departments/schools must fill out the new vendor request form. This form can be accessed in the district's accounting self-service portal. This process is administered by accounts payable, who will first verify whether the vendor already exists in the system and may also check several other sources (the Federal 'Do Not Use' list, US Treasury, etc.) before adding the new vendor. A signed W9 form must also be obtained from the vendor to set up a tax exempt account.

If the vendor requested will perform a service, there is additional information required prior to the beginning of service. A **Certificate of Liability for Worker's Comp** must be received if services are to be performed on any Worth County School District Policy. If this is not provided, Worth County School District will be responsible for paying worker's comp insurance for the vendor.

An **E-Verify Affidavit form** must be completed for any project costing over \$2,499.99 whether the service will be performed on Worth County School District property or not. This requirement is mandated by state law and has few exceptions. A vendor may be exempt from having an E-Verify number if they have no employees, are exempt under Title 43, or they are licensed by the State (ex. attorney, accountant, etc.). If the vendor has no employees, we must obtain a copy of his/her driver's license and have them sign a statement that they do not employ and will not employ anyone for work on the project. If they are exempt under Title 43 or licensed by the state, they must complete the **E-Verify exemption form**.

Determination of Worker Status for Purchased Professional Services

The Internal Revenue Service requires employers to make appropriate determination of worker status between independent contractor and employee. Only workers determined to be independent contractors will be paid through accounts payable. (A W-9 must be on file before the independent contractor can be paid.) Workers determined to be employees will follow the same procedures as any other district employee

Quotes

Purchases ranging from \$2,500 to \$9,999 will require the requestor to obtain at least three (3) quotes. Documentation must be maintained and stored with requisition request.

The department or school identifies a need for goods or services.

- The department or school should determine if funds are available for the goods or services.
- The department or school will develop a request for quote that should include the following:

- For goods include specifications, quantity, brand/model number if applicable, unit price and date required.
- For services include scope of work, deliverables, pricing (hourly rate or flat fee) and date required.
- Include the date the quote should be submitted by and whom it should be sent to.
- If assistance is needed contact the finance department.
- Quotes may be obtained by fax, e-mail, internet or catalog.
- Develop a list of vendors and send the request for quote to each.
- Compare all responses received to determine the lowest responsive (meeting all requirements) and responsible (having the required financial and technical capabilities) vendor.
- Enter a requisition in accounting software for the goods or services.

BID PROCESS

The district requires that bids be solicited for some purchases of **\$10,000** or more unless items are offered through another Worth County School District, state, or RESA Bid. Competitive solicitations are encouraged and should be used but can be waived at the direction of the Board of Education. Also, **THE BOARD OF EDUCATION MAY EXEMPT THE BIDDING PROCESS FOR THE PURCHASE OF GOODS AND SERVICES THAT ARE UNIQUE IN NATURE.**

The Finance Department, with the cooperation of the requesting school/department, will develop the bid specifications. The bid will contain all applicable terms and conditions prescribed by federal, state, and local School Board rules and regulations. In this process, an Invitation for Bid (IFB) is posted to the Worth County School District website, and a notice is sent to all capable vendors.

In cases where an Invitation for Bid is not practicable, the Finance Department may determine that a Request for Proposal is the proper competitive solicitation process to obtain the required goods and/or services. Reasons to issue an RFP may be that the specifications cannot be fully defined, various solutions are desired, and/or cost is not the major factor in the award.

All invitation for bids and request for proposals are due to the central office at a specific date and time, and will be read aloud at a public meeting. After the bids/proposals are opened, the Finance Department, with the aid of the requesting school/department, will evaluate the bids/proposals in an effort to determine the lowest, responsive and responsible bid that meets all specifications, terms and conditions.

The award will be made to the most responsive and responsible bidder meeting terms, specifications, and conditions set forth in the IFB and RFQ. **The lowest responsible bidder will not always be the bidder who has submitted the lowest monetary bid.**

SIGNATURE AUTHORITY

End users within departments/schools typically do NOT have the authority to sign ANY contracts or agreements with outside parties in the name of the district or one of its departments/schools.

Contracts and agreements that need to be signed by the district **MUST** be reviewed by the superintendent. The superintendent may also forward contracts and agreements for the purchase of products and services to the school board for review. The school board will review all bid documentation to make sure appropriate policies and procedures were followed in the selection of vendors. Once the contract/agreement is reviewed and approved, it will be forwarded to the appropriate officer of the district for signature.

RECEIVING

A receipt/invoice is the department/school's way of indicating to accounts payable that the product has been received or the service has been provided and therefore the Purchase Order is approved for payment.

A three-way match is required for payment of orders (Purchase Order, invoice/receipt and packing slip).

- Receipts must be sent as soon as possible after receiving the product/service to authorize payment.
- When requesting payment for services rendered a two-way match is required (Purchase Order/invoice).

If a department/school will not be sending a receipt right away (due to a dispute with the vendor, etc.), please notify accounts payable.

INCORRECT OR DAMAGED SHIPMENTS

If a shipment is received with incorrect or damaged goods, the packing material, packing slip, and/or shipping ticket should be saved. These may be required if goods have to be returned or exchanged with the vendor. Adhere to the following to ensure incorrect shipments are handled appropriately:

- The department/school shall notify the vendor immediately in writing so that appropriate action may be taken such as issuing credit or providing a replacement.
- If the order has to be shipped back to the vendor, it should be packed in the original cartons and the vendor's process for return should be followed.
- The department/school should also accurately record this activity (i.e. number of items received, number of items returned, comments, etc.).

CREDITS

Credits may occur due to the receipt of defective merchandise, returned goods, discounts, or incorrect invoice payments. Unlike invoices, the application of credits is not simply a matter of verifying the facts on the memo and confirming that the subject goods or services have been rejected. Specific business and accounting questions may need to be resolved with the vendor before the credit is applied. Improperly applied credits are difficult to correct. If a department/ school believes it is entitled to a credit from a vendor or receives a credit memo that is deemed to be valid, the department/school should contact accounts payable for assistance. All credit memos shall be sent to accounts payable for processing.

INVOICING

A purchase transaction is complete only after the goods/services have been received and the supplier has been paid. When a purchase order is issued, the department/school assumes responsibility to make sure the vendor is paid within an appropriate period of time. By issuing a purchase order through the district's accounting software in advance of the purchase, funds are properly encumbered and set-aside to pay these obligations. The encumbrance is not a contract, but ensures that the required funding is available. Accounts payable pays invoices for the district.

PAYMENT PROCESSING

Vendors are instructed to send invoices directly to accounts payable for proper processing. This is the best way to ensure invoices are paid in a timely manner. Invoices will be entered into system by accounts payable. If after review of the invoice, the bill should not be entered/paid (due to a dispute with the vendor, etc.) the department/school should notify Accounts Payable in a timely manner.

In order to maintain a good payment record and to encourage the proper use of Purchase Orders, Accounts Payable will give the highest payment priority to original invoices supported by properly issued and approved Purchase Orders, and confirmation of receipt of goods and services.

PAYMENT TERMS AND PENALTIES

The District's standard for payment of vendor invoices is within thirty (30) days after receipt of the invoice.

PREPAID AND PARTIAL PAYMENT PURCHASE ORDERS

The use of pre-paid 'check-enclosed' purchase orders is discouraged and should be utilized very rarely. Such payments in advance, for receipt of goods places the department/school and the District at risk of loss if these goods are not received as ordered, or in an unsatisfactory condition. However, occasionally a vendor refuses to accept a District Purchase Order without full or partial payment in advance. In order for a pre-payment to be considered, purchase order must be accompanied by documentation explaining the reason for pre-payment. The dollar amounts must be correct and include any handling or shipping charges. Documentation verifying the prices, such as a quote from the vendor, price list, vendor order form, or proforma invoice, must be provided. This documentation must also include evidence of the vendor's demand for pre-payment.

OTHER ACCEPTABLE PAYMENT METHOD

PROCUREMENT CARD

Departments/schools are encouraged to use the Procurement Card for small dollar, low risk transactions. Per the State Accounting Office, the P-Card may be used as the method of payment for unplanned, nonroutine, or urgent point of sale purchases under \$1,000 and for purchases under \$5,000 that are preapproved and go through the requisition process prior to completing the purchase.

When requesting a new purchasing card as well as renewals of existing accounts to be used by a school or department, the request must be approved by the Director of Finance, Superintendent, and the Board of Education for Worth County Schools.

PROHIBITED USE

Intentional use of or approval of the P-Card for personal purchases will result in disciplinary action, up to and including termination of employment and criminal prosecution.

The Official Code of Georgia, annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor. Also, a person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.

USE OF DISTRICT'S GEORGIA TAX EXEMPT STATUS

This tax exemption is to be used exclusively to make purchases for use by Worth County School District and is not for personal use by individuals, faculty, staff, or students. **Any purchase by a student organization must be District-related and paid for through District funds.** Worth County School District's tax-exempt status is a very serious issue and the integrity of how it is utilized must be protected, due to the potential for abuse. Misuse of the district's tax privileges could be detrimental to district's tax-exempt status.

Travel Reimbursements

In accordance with the state and local board policy employees may be reimbursed for authorized travel incurred during their work. Worth County School District follows the state guidelines for meal allowance and travel rate. To initiate a travel reimbursement, the travel voucher must be completed by the employee, be accompanied by the required documentation based on the specific claim, approved by the employee's immediate supervisor and forwarded to Finance **within ten (10) days of travel**. Finance staff will verify that all required documentation is attached and review it for errors. Receipts are required for all reimbursements with exception to meal allowance. Receipts are defined as any preprinted invoice, from a hotel, parking garage, etc., showing the date of service, the amount charged, the location and a description of the expenditure.

Mileage for outside the district will be calculated between the employee's official work site, and requires prior approval. District vehicles, if available, should be utilized when traveling outside of the district for work related duties.

Annual Cut-off Dates

District purchase orders must be approved by the cut-off date established by the Director of Finance each fiscal year. After that date, only emergency purchases will be approved. All other purchases may be requisitioned in the subsequent year if funds are available. This deadline, occurring in mid-May, facilitates the close out process and helps ensure that funds in any given fiscal year are spent for the benefit of students in that same year.

Year End Closing Procedures

Each annual budget is approved by the board for the fiscal year of July 1-June 30. Funds for the year are not available for obligation or spending prior to July 1 therefore no purchase orders shall be created for the subsequent year prior to July 1. The date the purchase order is issued to the vendor is the date the funds are obligated, regardless of when the goods or services are received or invoiced. Requisitions may be entered in June for the subsequent year however, they will remain pending until July 1 when finance will create and distribute the PO's. If goods or services need to be ordered prior to July 1, current fiscal year funds must be utilized to place those orders.



SCHOOL ACTIVITY FUNDS

Purpose of Activity

School Activity Funds have been defined as governmental or agency funds consisting of resources received and held by each school to be expended or invested in accordance with conditions of the fund. Specifically, they are all monies accumulated from student activity programs and various school board approved fundraising activities.

Activity Funds are a major part of the regular school program because of their value in supplementing academics. All activity accounts are approved by the board of education. Each school may maintain a general fund activity account. That account will encompass the care and administration of those activities and functions relating to student and faculty programs. The administrative policy of the account shall be that income received for a specific function shall be disbursed only for that function. Upon dissolution of any function, the principal shall insure that any liabilities of that function are liquidated. Because all funds derived from school sponsored activities are in effect in trust for the benefit of the student body.

Purpose of Accounting Procedures

The primary objectives of these uniform accounting procedures are as follows:

- To meet the standards set by the local and state board of education.
- To provide essential guidance to school principals for receipt, control and expenditure of school generated funds.
- To assist school principals, secretaries, and bookkeepers in maintaining accurate records of all financial transactions.
- To assure uniformity of accounting records for all schools.
- To provide written standards against which school accounting records will be audited and reviewed.
- To reduce the risk of fraud, misappropriation, and waste.

MANAGEMENT OF ACTIVITY FUNDS

School principals are responsible for the management of all funds involving school activity. Management of these funds requires compliance with federal and state laws, and the Worth County school board policies.

Purchasing Procedures

The school principal is responsible for all purchases utilizing Activity Funds monies. All purchases made in the name of the school must be approved by the principal in writing prior to purchasing. Any purchase made utilizing Activity Funds should be for educational purposes only and in accordance with Board Policy.

Segregation of Duties

Segregating duties means that all the responsibility for a given function doesn't rest with one individual. General principles of accountability require that functions related to handling, obligating and receiving funds be distributed among as many people as possible to reduce the risk that one person may successfully divert funds. Certain functions should be handled by different people rather than assigned to one individual. For instance, schools should assign at least two people to count and verify receipts, and at least two people to verify the amount of deposits. However, if limited staffing makes total segregation not feasible, one person may be involved with both functions – so long as there are two different people who will verify the receipts and the deposits.

Specific Guidelines

Some specific internal account guidelines for student activity funds include:

- Purchases for any school shall not exceed the cash resources of that school at any time.
- The school may not assume responsibility for the financial records and transactions of any supporting organization such as PTA, Booster Clubs, etc.
- A principal may not enter into any financial agreement or contract that extends beyond one fiscal year. Any contract of this nature will be entered at the approval of the Superintendent.
- Activity funds shall not be used for any purpose that represents a loan or credit to employees or students. Personal checks may not be cashed from these funds under any circumstances.

Internal Controls

The principal of each school has overall responsibility for all funds received and disbursed through the school activity account. Because of large sums of monies that may flow through the account, provision should be made for the safe and efficient management of these funds. Separation of accounting duties is a key factor. With the limited staff available and the difficulty involved in this process, attempts should be made to separate duties if at all possible.

Internal Auditing of Activity Funds

The School System's Accounting Compliance Specialist shall audit all schools' financial records. Audits are the final control to give assurance to school principals that their procedures for handling funds entrusted to them are entirely adequate for the protection of themselves and their personnel. A copy of the audit will be made available to the principal and appropriate administrators.

Maintenance of Records

All accounting records should be maintained for five years after the end of any fiscal year. A report should be maintained of items destroyed and the date destroyed.

Bank Accounts

Board Policy authorizes that each school establish and manage bank accounts in the name of the school by requesting the Board of education authorization to the bank to open the account. Any change to the bank accounts which affects authorized signatures, direct or automatic debits to the account, or similar matters requires the specific authorization to the bank by the Superintendent of schools, and Director of Finance.

All funds must be deposited in a Worth County federally insured banking institution. The school system recommends that only one checking account be maintained to simplify record keeping. All accounts and investments must be made in the school name.

The principal is ultimately responsible for all financial transactions and proper check signatures at his/her site location. The principal will generally sign the majority of checks. In the event of his/her absence checks will be signed by the Director of Finance for Worth County Schools. The school system recommends the principal and school bookkeeper as the authorized persons to sign checks. The use of a stamped signature is prohibited.

Surplus/Deficits from Inactive Accounts

Any remaining balance in the account of a completed project, discontinued club or activity group should be closed into the general fund at the end of the fiscal year. Also, if the remaining balance is negative (deficit) in any club account, a transfer from the principal's general fund account will be made to cover the deficit and to close the activity account with a zero balance.

An activity account should be considered inactive if the school administrators do not anticipate further activity to occur within the account. Once inactive status has been determined, the closure of the inactive activity account must be approved by the Board of Education (BOE).

Fund Raising Activities

The approval of fund raising activities as well as the collection and expenditure of activity funds must be handled in accordance with the Board Policy. All fund raising activities must be approved by the superintendent and school board. Organizations related to the school (such as parent groups, booster clubs, or PTA who are soliciting funds) must make it clear that the funds are being solicited in their name and not in the name of the school or the Worth County School System. Guidelines for fund raising activities include:

- Student participation will be voluntary and the project will not interfere with regular school activities unless there are compensating educational values to the activity.
- All funds collected will be maintained in the school's bank account. **Under no circumstances shall funds be deposited into any personal bank account.**
- **ALL FUNDS must be turned in to the school bookkeeper.**

- As in any other school activity, sound business practices should be observed. The price of the items to be sold should be set high enough to ensure that an adequate profit is made or at least a breakeven point is obtained. In considering the level of adequate profit, the probability of unpaid items, bad checks, etc. should be taken into consideration.
- Each project sponsor should maintain records on the number of items given to, the amount of money received from, and the amount of items outstanding with each student.
- Teachers and other employees should not use school time or school facilities in connection with any personal activity for personal financial profit outside the regular school program.

RECEIPTS General Information & Requirements

The primary source for local school receipts and related requirements include:

- Athletics. The collection of funds may be from ticket sales, donations, and other sources consistent with local board policy.
- Fund Raising activities must be approved by the principal, superintendent, board of education and be consistent with local Board policy.
- Publications. The selling price of yearbooks and other publications shall be set at a point consistent with good business practices so that the maximum number of students may benefit from the publications.
- School Store. Drinks, snacks, and other approved items and merchandise consistent with local board policy may be sold in the school store.

Purpose of Cash Receipts

Cash receipts are the necessary means of accurately recording cash received and providing backup or documentation to substantiate each bank deposit. A pre-numbered receipt book issued by the school bookkeeper will be used. (There should never be more than one receipt book in use at any given time.) Receipts protect the person remitting the money and the person receiving the money.

All monies collected shall be receipted by the designated staff member using a pre-numbered two-part receipt book. An original receipt must be issued to the remitter at the time the monies are presented. The copy of the receipt will remain in the receipt book for a permanent record to serve as source document for bank deposits and posting to cash journal.

Each receipt must include the following information:

- Date the cash/check is received
- Name of the remitter (individual or firm)
- Amount received (cash or check)
- Purpose for which the money was received
- Activity account to be credited with the receipt Date:
- Signature of Employee receiving money

The signature of the remitter on the receipt provides documentation that the remitter agrees with the amount recorded on the receipt.

Remitter's name and amount should never be altered on a cash receipt. If an error is made when preparing the receipt, void the incorrect receipt and issue a new one. Attach the original voided receipt to copy in receipt book. Both should be marked "VOID".

Deposit Procedures

Deposit procedures to be followed by the bookkeeper are as follows:

- Deposits must be made when cash on hand exceeds \$200.00 or at least once a week. All monies received should be deposited intact without cashing checks or making substitutions (change).
- The total monies receipted in the pre-numbered receipt book shall always equal the sum of monies deposited into the bank.
- All funds collected shall be stored in a safe until deposited. The responsibility for the safe should be assigned to the individual responsible for making deposits and these funds are not to be used as petty cash.
- Deposit slips shall be prepared in duplicate and should be validated by the bank and kept with the monthly bank statements. The following items must be included on each bank deposit slip: The date, amount of deposit, and the listing of each check (showing maker's name and the amount of the check). All duplicate deposit slips shall be maintained for audit purposes.
- The receipt numbers included in the deposit should be identified on the deposit slip or attached to the Cash Report Forms to provide an audit trail.
- Deposits to the bank should NOT be made by the person preparing the deposit.

Returned Checks

In the event that the bank returns a check for any reason, the procedures for handling the situation are as follows:

- The person from whom the school received the check should be contacted and the situation explained. The person should either pay the amount of the check in cash or money order.
- The returned check should be entered in the receipt book in red on the duplicate copy giving the maker and amount of the check (reference the original receipt number on the copy). Also, enter the amount in cash journal as a negative (-) amount and in description write, "Returned Check"
- When the cash or money order is made, make a new receipt, reference the returned check receipt and make a separate deposit. Note on deposit slip – "Re-deposit" and receipt number.

DISBURSEMENTS Check Disbursements

- No check shall be made payable to "CASH". Payments should always be payable to a specific person, company or organization.
- All payments must be supported by adequate documentation.
- No check should be issued without prior approval from the principal. The principal should review all check documentation for accuracy prior to signing the check.

- A check should not be written against an account unless there are sufficient funds to cover the check. The principal is responsible for obligations and/or expenditures beyond the account balances.
- The check documentation should be filed in check numerical order. The records are subject to review by both internal auditor and independent auditor. Files should be maintained in good order at all time.

Appropriate Expenditures

Activity funds should be used for the furtherance of the educational process at the school level. That may be met through a variety of activities specific to the needs of each school. These activities may cover achievement incentives, motivational materials, small maintenance projects, beautification projects, and needs, which may be specific to the individual school. Expenditures must be for educational purposes and is to be given the broadest significance. This expression is broad enough to cover all things necessary or incidental to the furtherance of education. However, logic and common sense should be applied as judgments are made in this area.

Travel Reimbursements

Travel reimbursement should not be made from the activity funds. All travel reimbursements must be reimbursed through the Worth County School System’s district funds by the Accounts Payable Specialist. The maximum rates for reimbursement are those established by the State Department of Education. Adequate documentation must be provided before reimbursement is authorized.

Prohibited Expenditures

The following types of expenditures shall not be made from the activity funds:

- Salaries, including overtime, bonuses or any school event (**all salaries must be paid through the payroll department**)
- Personal loans
- Expenditures for purposes other than for which the revenues or receipts were solicited or collected.

Bank Reconciliation

The bank statement must be reconciled monthly. This is the only means of maintaining accurate club balances as well as overall book balances. Canceled checks should be placed in numerical order and filed with bank statement and reconciliation.

The individual reconciling the bank statement shall sign and date the reconciliation and Director of Finance shall approve the reconciliation.

Fund Transfers

It may become necessary to transfer monies from one fund to another fund. For example, the General Fund may transfer monies to cover a deficit in another fund, or at year-end. The balance in a closed-out fund may be transferred to the General Fund.

The principal and account sponsor if appropriate must approve transfers. The transfer must be in writing and include the following:

- Fund of incoming transfer
- Fund of outgoing transfer
- Dollar amount
- Reason
- Approval signatures

The record of transfer must be maintained with other accounting information. The transfer must be posted to the cash balance of the funds affected

Financial Report

Each school must submit a monthly financial reports to Director of Finance and Compliance Specialist each month. The report will consist of a summary listing of all school funds within the Activity Account including each fund's beginning cash balance, total receipts, total disbursements and ending cash balance and a grand total of all fund balances.

ATHLETIC DEPARTMENT PURCHASING

PURCHASING

All athletic purchasing is to be approved by the Athletic Director using the approved athletic request forms and purchase order. All purchasing requires the approval of the sport's head coach and athletic director. The following procedures should be followed:

- Requisition Request with items listed or quote attached should be given to the Athletic Director for approval BEFORE items are ordered.

Competitive shopping should be conducted and at least one local quote (if possible) should be secured.
- Different sports requiring common articles and/or equipment shall coordinate purchasing to take full advantage of volume buying.
- Complete a purchase order requisition and forward to the Athletic Director for approval, Finance Director, and potentially the Superintendent for approval.
- The Athletic Director will approve (or deny) and notify bookkeeper to complete purchase with the head coach. Funding must exist before a purchase order can be created.
- The purchase order should be emailed, faxed, or called in to the vendor by the business department unless other instructions are on the purchase order requisition form.

- After receiving equip, supplies, etc. inspect merchandise upon arrival for any damage. invoice should be given to bookkeeper for payment
- Send any packing slips and/or invoices to the AD, who will take them to the bookkeeper for payment.
- **All invoices must have a purchase order number.**

It is recommended that items that are to be given to student athletes be funded through booster clubs and other fund raising when possible.

Purchases funded with school athletic budget funds should be ordered and invoiced separately from the items funded by booster clubs and players. Booster club purchases are not to be charged to the athletic department nor should they be charged to the school. Only athletic department funded purchases can be charged and invoiced to the district. **Booster Club invoices MUST be paid by booster club.**

BANQUET & AWARDS

Each sport may organize their banquet(s) and schedule it through the athletic director & principal. Coaches must meet with the AD and plan out a cost of each banquet. The AD will contact the Booster Club President in order to finalize the spending plan associated with each respective sport's banquet.

Athletes may receive only one school jacket during their four years of high school eligibility.



Worth County School Nutrition Bid Procedures

Worth County School System follows the state requirements when purchasing items. Purchases of \$10,000 or more must be advertised for bids. However, the school system practices advertising and collecting 3 or more quotes for those items costing between \$1,000 and \$10,000. Price alone does not determine award of bid. Some specialized items or services costing more than \$1,000 but less than \$5,000 cannot be accommodated by advertising for bids as the service or item is specific in nature.

Worth County School Nutrition Program Procurement & Bid Procedures

A. Competitive Bids - \$10,000+

The following will be secured by competitive bids:

- Milk
- Produce
- Groceries (Meats, Grains, Staple, Canned goods, Frozen goods)
- Paper
- Chemical Products

The aggregate amount for some of the above items is likely to be more than \$10,000. Therefore, the following procedure will be used:

1. Because of the potential for Worth County School Nutrition Program to purchase more than \$10,000 of any one item, it will be the responsibility of the School Nutrition Program Director to make projections of the amounts to be purchased so the correct method of procurement for the item will be followed.
2. Specifications with contract and debarment certification (Attachment A) will be prepared and mailed by US Mail to the potential contractors desiring to bid the products and posted on the school system website.
3. Competitive bids will be secured as needed, depending on product. See schedule attached (Attachment B) for general proposed schedules.
4. Each vendor will be given an opportunity to provide quotations on the same specifications.
5. The invitation to bid will clearly define the purchase conditions. The following, as a minimum, shall be addressed:
 - a. Contract period
 - b. Date, time, and location of bid opening
 - c. Benefits to which Worth County School Nutrition Program will be entitled if the contractor cannot or will not perform as required
 - d. Termination provisions and the basis for any settlement

- e. Provision requiring compliance with Executive Order 11246 entitled “Equal Employment Opportunity” as amended by Executive Order 11375 and as supplemented in the Department of Labor Regulations
 - f. Provision requiring access by duly authorized representatives of Worth County Board of Education, State Agency, United States Department of Agriculture or Comptroller General to any books, documents, papers, and records of the contractor which are directly pertinent to the contract.
 - g. Protest procedures to resolve disputes by disclosing information regarding the protest to the awarding agency.
 - h. Provision requiring contractor to maintain all required records for five years after final payment and all other pending matters are closed.
 - i. Provision requiring the contractor to recognize mandatory standards and policies relating to energy efficiency which are contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act (PL 94-165).
6. If any potential bidder is in doubt as to the true meaning of specifications or purchase conditions, an interpretation will be provided by the School Nutrition Director.
 7. The School Nutrition Director will be responsible for securing all bids.
 8. The bids will be awarded to the best bid based upon quality, service, availability, and price. This may not be the lowest bid based on raw data.
 9. School Nutrition bids will be presented to the Board of Education for approval.
 10. The School Nutrition Program Managers will be responsible for obtaining documentation that the actual product specified is received.
 11. The School Nutrition Bookkeeper will select the acceptable alternate any time a bid item is not available.
 12. A new product may be purchased on a one-time basis without competitive bid, if the purpose is to evaluate the product.
 13. Identification of purchase orders for documentation that these procedures were followed will be the responsibility of the School Nutrition Program Director.

Section B – MICRO-PURCHASE PROCEDURE – less than \$1,000:

Most of the above items will be secured by Micro-Purchase informal procurement procedure. The aggregate amount of purchases for each of the above-indicated items is less than \$1,000 for the fiscal year. Therefore, the following procedures will be used:

1. Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable.
2. This distribution of purchases among qualified suppliers can happen in one of two ways; at the time of the purchase or over several purchasing events. For example: a school procuring apples may purchase them either:
From various suppliers at the same time (the total of the purchases cannot exceed \$1,000), or choose one supplier for the purchase of the apples and another supplier the next time apples need to be purchased (each of the purchases cannot exceed \$1,000).

3. REASONABLE PRICE: Ways to verify the reasonableness of a price is to compare previous purchases, have personal knowledge of the item being purchased, or compare to similar items being purchased.
4. RECORDS: Records still need to be kept for all purchases regardless of the procurement method used, including micro-purchases.

Section C – SMALL PURCHASE PROCEDURE – Up to \$10,000

Most of the above items will be secured by small purchase informal procurement procedure of three quotes. The aggregate amount of purchases for each of the above-indicated items is less than \$10,000 for the fiscal year. Therefore, the following procedures will be used:

1. Specifications will be prepared and provided to the vendor.
2. Each vendor will be contacted and given an opportunity to provide a price quote on the same specification. A minimum of three vendors shall be contacted.
3. Each vendor will be given a response time of two days to respond and if no response is received within two days they will be deemed non-responsive.
4. The School Nutrition Director or designee will be responsible for contacting the vendors when price quotes are needed.
5. The price quotes will receive appropriate confidentiality.
6. Quotes will be awarded by the School Nutrition Program Director or designee. Quotes awarded will be to the lowest and best quote based upon quality, service, availability and price.
7. The School Nutrition Director or designee will be responsible for documentation that the records show the selection of vendor, reasons for selection, and the names of all vendors contacted and the price quotes from each vendor.
8. The School Nutrition Program Director or designee will be responsible for documenting that the actual product specified is received.
9. Any time an accepted item is not available, the School Nutrition Program Director will select the acceptable alternate.
10. When the lowest quote is *not* accepted, the reason for unacceptability shall be recorded on the quote tabulations.
11. A new product may be purchased on a one-time basis without quotes, if the purpose is to evaluate the product.

Section D – NON-COMPETITIVE NEGOTIATIONS

Items which are available only from a single source may not be obtained competitively. Whenever possible, items which are available only from a single source will be avoided. If the item must be used, the following procedure will be used:

1. Specifications will be prepared and provided to the vendor.
2. The School Nutrition Program Director will be responsible for the documentation of records to fully explain the decision to use the non-competitive negotiations. The records will be available for audit and review.
3. The School Nutrition Program Director will be responsible for documentation that the actual product specified is received.

4. The Superintendent will be responsible for reviewing the procedures to be certain all state and LBOE requirements for using non-competitive negotiations are met

Section E – MISCELLANEOUS PROVISIONS

Worth County Board of Education agrees that the reviewing official of each transaction (Superintendent or Director of Finance) is responsible for the elimination of the purchasing of duplicate or unnecessary items and will determine the economy and practicality of lease and purchase of alternatives.

Positive efforts shall be made to utilize small businesses, woman, and minority-owned business sources, giving them the maximum feasible opportunity to compete. Small businesses, woman and minorityowned business sources will not be given unfair advantage when evaluating competitive bids.

If it is necessary to make an emergency purchase in order to continue service, the purchase shall be made and a log of all such purchases shall be maintained by the School Nutrition Program Bookkeeper or designee. The log of emergency purchases shall show:

1. Item Name
2. Dollar Amount
3. Vendor
4. Reason for Emergency

The Worth County School Nutrition Program will exhaust every effort to purchase foods which are made of 51% or greater domestic product unless such products are considered cost prohibitive or are not available as a domestic product (ex: banana, pineapple).

When receiving bids from vendors, if a product is available as both domestic and imported, prices for both products will be obtained and the School Nutrition Director will determine if it is fiscally wise to purchase the domestic product. Records will be maintained to support the domestic vs. import decision.

A written Code of Conduct that governs the performance of all persons engaged in purchasing procedures and provides penalties for violation has been developed and becomes a part of this procedure. (See Attachment C)

Any contracts over \$10,000 shall contain a provision which requires compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act, Executive Order 11738, and Environmental Protection Agency regulations.

Worth County Board of Education further assures that open and free competition exists to the maximum extent possible during the procurement process.

SIGNED _____

DATE _____

Debarred, Suspended, and Ineligible Status

- (1) Contractor certifies that the Contractor and/or any of its subcontractors have not been debarred, suspended, or declared ineligible by any agency of the State of Georgia or the SFA or as defined in the Federal Acquisition Regulation (FAR) 48 C.F.R.Ch.1 Subpart 9.4. Contractor will immediately notify the School Food Authority if Contractor is debarred or placed on the Consolidated List of Debarred, Suspended, and Ineligible Contractors by a federal entity.

Organization Name

_____ Names(s)
and Title(s) of Authorized Representative(s)

Signature(s) Date

Procedures

Category	Request Quotes Frequency	Methods	Review Quotes and requisitions
Fresh Produce	Annually	Formal Bid	Weekly or Bi-Weekly
Grocery	Annually	Formal Bid	Weekly or Bi-Weekly
Paper Goods/Chemicals	Annually	Formal Bid	Weekly or Bi-Weekly
Milk	Annually	Formal Bid	Weekly or Bi-Weekly
Equipment -Large	As Needed	Formal Bid or three quotes depending on the amount	As Received
Equipment/Supplies - Small	As Needed	Three Quotes when necessary for amount	As Received
Equipment parts and maintenance	As Needed	Three Quotes when necessary for the amount	As Received

Code of Conduct

The following conduct will be expected of all persons who are engaged in the award and administration of contracts supported by School Nutrition Funds.

No employee, officer, or agent of Worth County Board of Education shall participate in selection or in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved.

Conflicts of interest arise when any of the following has a financial or other interest in the firm selected for the award:

- a. The employee, officer, or agent
- b. Any member of their immediate family
- c. His or her partner
- d. An organization, which employs or is about to employ any of the above

Worth County Board of Education employees, agents, or officers shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements.

The purchase during the program day of any food or service from a contractor for individual use is prohibited. Purchase of any food or service from a contractor not during the program day is to be avoided if at all possible.

The removal of any food, supplies, or equipment from program sites is prohibited.

The outside sale of items such as used oil, empty cans, etc., may be sold by contract between Worth County Board of Education and the outside agency.

Failure of any employee to abide by the above-stated Code could result in appropriate disciplinary action, including suspension or dismissal. Interpretation of the Code will be given at any time by contacting School Nutrition Program Director at (229) 463-3053. The Worth County Board of Education will not be responsible for any other explanation or interpretation, which anyone presumes to make on behalf of the school food authority.