

# **FINANCIAL PROCEDURES MANUAL**

## **CLARKE COUNTY BOARD OF EDUCATION**



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## **ACCOUNTING PROCEDURES**

The financial accounting records and reports for the Clarke County Board of Education will be prepared using the NextGen/Harris Solutions accounting software. No other accounting system may be used in the Clarke County Schools without the approval of the Board.

All local school accounting records are processed through the NextGen/Harris Solutions accounting software and imported into the Board financial records through the LSA Import Data function on a monthly basis.

The Chief School Financial Officer (CSFO) or his/her designee shall post the Board's financial information on the Clarke County Board of Education website ([www.clarkecountyschools.org](http://www.clarkecountyschools.org)) to inform the stakeholders of the Board's financial position. At a minimum, the following reports will be posted monthly:

F-I-A	Balance Sheet
F-II-A	Financial Summary
F-II-A,B,C	Budget to Actual Comparison
	Check Register Accountability Report

The annual budget shall be posted annually.

In an effort to maintain separation of duties while working with limited personnel, the Clarke County Board of Education Bookkeeping Department will practice the following procedures for issuing purchase orders, verifying satisfactory completion of shipments received, preparing invoices for payment, processing accounts payable checks, entering cash receipts, reconciling bank statements, entering personnel payrolls, processing personnel payroll checks, maintaining fixed assets and inventory, and running child nutrition program processes.

## **DETERMINATION OF ALLOWABLE COSTS**

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the Chief Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program.

Actions to determine allowable costs will assure that:

1. The proposed expenditure is included in the federal program budget;
2. The proposed expenditure is reasonable and necessary for the federal program;
3. The proposed expenditures is consistent with procedures for financial transactions of the board including:
  - Purchase order approval procedures;
  - Contract review and approval procedures;
  - Applicable competitive purchasing procedures and;
  - Documentation supports allow ability of transaction.

Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

## PROCUREMENT POLICY

The board will follow state laws of the procurement of property and services. The primary state procurement laws for Alabama school boards are:

*Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975); Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16 Code of Alabama 1975); and, Public Works law (Title 39 Code of Alabama 1975).*

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board's *Conflict of Interest Policy* and the procurement decisions of the board will:

- Avoid acquisitions of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Maintain records sufficient to document the history of the procurement; and,
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement of property and services.

The board will request proposed for those professional services contracts (excluding architectural and engineering services) that are exempt under state procurement laws if the contracts exceed \$250,000 and will be paid from federal or child nutrition program funds. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's *Conflict of Interest Policy*.

## **PURCHASE ORDER PROCESSING**

Purchase orders will be issued by bookkeepers, secretaries, and/or receptionists. Completed purchase orders will be checked and prepared for payment by bookkeepers. Each batch of invoices will be prepared for payment by a bookkeeper.

Steps for processing purchase orders:

1. Requisition must be completed by the person initiating the order. The requisition indicates a listing of materials to be ordered, cost of each item and designates the funds from which the items are to be paid.
2. The proper administrator checks the budget to verify that funds are available in the expenditure code. Requisition must be signed by the administrator responsible for the ordering school or department.
3. The requisition is provided to the bookkeeper who is responsible for entering the purchase order into the Nextgen Budgetary system.
4. Purchase orders must be completed with all pertinent information and submitted to the administrator responsible for the fund or program from which the vendor is to be paid for approval of the expenditure.
5. The purchase order is given to the administrator for approval. The administrator reviews the information and signs the first "Approved by" and dates the purchase order.
6. The purchase order is submitted to the Superintendent of Education for authorization to purchase, with the exception of Child Nutrition Program purchase orders. The CNP Director will authorize all purchase orders for the CNP program that do not exceed \$15,000. In instances where the purchase order exceeds \$15,000 the Superintendent will authorize.
7. When the authorized purchase order is returned to the bookkeeper, the bookkeeper processes and submits the purchase order to the vendor. The purchase order is then filed in the open purchase order file.
9. The bookkeeper then matches the purchase order to the vendor invoice and prepares for payment.

In the event that a purchase order is cancelled for any reason, the purchased order is to be voided in the Nextgen system.

## PURCHASING CARD PROCEDURES

The Clarke County Board of Education Purchasing Card is issued for you to purchase supplies as outlined. These cards are provided as a convenience in order to streamline the acquisition of materials and supplies. It is important that the cards are used as intended and that the accounts are handled responsibly. The following procedures regarding use of these cards must be followed.

**Purchasing cards** shall be used exclusively for expending classroom instructional funds in accordance with **Ala. Code 16-1-8.1 (as amended by Act No. 99-389)**.

**Ala. Code 16-1-8.1 (as amended by Act No. 99-389)** states “(11) *Examiners of Public Accounts. All expenditures for classroom instructional support and related documents by each county and city board of education shall be subject to audit by the Examiners of Public Accounts...*” The guidelines contained in this document were developed with the assistance of the Examiners of Public Accountants and LEA personnel.

### GENERAL GUIDELINES

1. Purchasing card use is optional; the purchase order system may be used at any time.
2. Anyone using the purchasing card to obtain items for personal use is subject to **criminal prosecution**.
3. Items costing less than \$15,000 may be purchased with the purchasing card without competitive bids.
4. Items purchased with the purchasing card must be received before payment is made. *The Clarke County Board of Education **prohibit** the use of purchasing cards for **Internet orders**, telephone orders, mail-in orders, lay-a-ways, confirmations, guarantees, and other charges made to the purchasing card prior to receipt of the materials, supplies, equipment or other items purchased. Legal opinions have stated that school boards cannot pay for items that have not been received.*
5. Items may be purchased from vendors that do not accept credit cards by issuing purchase orders.
6. Itemized, legible receipts must support items purchased with the purchasing card.
7. The Chief Financial Officer will determine the purchasing limit of each purchasing card.
8. All purchases utilizing the purchase card must occur prior to April 15th of each school year. Cards must be turned in to the central office no later than May 1<sup>st</sup> of each school year.
9. Notification of lost or stolen purchasing cards must immediately be reported to the school bookkeeper.
10. Each cardholder will be required to sign a purchasing card agreement.
11. Each cardholder will be required to sign the “Purchasing Card Sign In/Sign Out” register upon receipt of card and upon return of card.

12. Cardholders violating any guidelines or terms contained herein will be subject to immediate cancellation of purchasing card privileges. Purchasing Card privileges may be suspended for the following reasons:

- Cardholder allows another individual to use the card. (One Offense)
- Cardholder makes attempts to use the card for the Merchant Exclusions. (One Offense)

Merchants Exclusions include:

Airlines	Restaurants
Auto Rentals	Convenience Stores
Hotels and Motels	Beverage & Tobacco Stores
Transportation (Taxi, Limo...)	Adult Stores
Cash Advances	Movie Theaters
Department Stores	Long Distance Phone Calls
Clothing Stores	Misc. Stores (Nightclubs, Bars
Mail Orders	Music, Pawn Shops)
Confirmations, Preview Orders	Gas Stations
Guarantees	Automatic and Delayed Billing
Layaways	

- Cardholder purchases unallowable items. (Two Offenses)
- Cardholder does not provide legible itemized receipts for purchases within five school days after receipt is received. (Two Offenses)
- Lost or Stolen Cards (Two Offenses)
- Cardholder allows merchants to **charge sales tax** (Two Offenses)

13. If purchasing card privileges are suspended and the card is revoked, the suspension will remain in effect for the entire school year. Depending on circumstances, privileges may be restored the following school year. If privileges are suspended twice, then cardholder loses privileges permanently.

## PREPARING INVOICES FOR PAYMENT

The receptionist who picks up and sorts the mail gives original vendor invoices to the bookkeeper responsible for preparing a batch of invoices for payment.

The bookkeeper attaches the completed purchase order to the invoice. Invoices for utilities or professional services will not have a purchase order.

The bookkeeper checks the following:

1. Each item on the vendor's invoice is checked with the original purchase order for quantity, item description, unit price and extended price.
2. The date on the invoice is compared with the purchase order date to see that no shipment was made prior to purchase order date.
3. The appropriate administrator or designated person has signed the material receipt indicating that items have been received.

A calculator tape is run to verify all extensions and additions on handwritten invoices only. This tape is attached to the front of the invoice and serves as the amount which is entered for payment. Any discounts for prompt payment are subtracted from the invoice total.

**The Clarke County Board of Education is exempt from county, city and state sales tax. Any sales tax shown on an invoice is deducted from the invoice total.**

Each batch of invoices will be reviewed by the Chief School Financial Officer prior to payment. The approved batch will be given to a bookkeeper who will input the invoices into the Nextgen Budgetary system for payment. The Cash Disbursements Register is printed and presented to the Superintendent for review and approval.

The bookkeeper prepares the invoices for payment and prints the vendor checks using the Nextgen Document Services system. Blank green check stock is loaded and printed using a MICR cartridge. The check batch is posted to the General Ledger and updated in the Cash Disbursements menu with the current date. Copies of the checks are made and placed with the corresponding invoices and forwarded to the receptionist.

Checks are signed electronically in the Nextgen system.

The printed checks are matched to the invoice. The bookkeeper places the check and any remittance advices in an envelope. The receptionist seals and puts postage on the envelope. The sealed envelope is placed in the outgoing mail basket in the office of the receptionist for daily delivery to the post office. The receptionist files a copy of the check with the corresponding invoice after stamping each invoice paid with the date.

## **VOID CHECKS PROCEDURES**

When a check is voided, all invoices and/or purchase orders associated with the check are reopened.

If the check was lost, a replacement check can be printed by voiding the check and reprinted a new vendor check using the Print Accounts Payable Check Procedure instructions.

If a check was written to the wrong vendor or the amount of the check is incorrect, the invoice must be corrected from the Invoice Entry/Maintenance Menu.

## **ACCOUNTS PAYABLE TRANSFER**

In order to maintain a clear audit trail, when deemed necessary (Capital Projects over \$1,000,000 or the Child Nutrition Program) a separate account will be established with the bank designated by the Board of Education. All accounts payable checks will be issued on these Accounts Payable bank accounts.

The Cash Disbursements Register and General Ledger Reports are used to calculate the appropriate funds to transfer from the expenditure accounts (Capital Projects and Child Nutrition) bank account to the Accounts Payable bank account. This transfer is made at the end of every month and receives approval from the CNP Director and CSFO.

## PROCEDURES FOR RECEIPTING

All checks and/or cash items are recorded on a mail list maintained by the Board's secretary/receptionist.

1. Receptionist picks up the mail at the Post Office.
2. Receptionist sorts the USPO mail and interoffice mail from the schools and distributes to the proper recipient.
3. Any checks are recorded on the mail list showing the date received, from who received, the item, item number, amount, comments as to what the item is for, and the employee logging the item.
4. A receipt is written for ALL cash received and for all checks received from sources other than the county and state. (Example: Checks or warrants received from the State Department of Education are logged on the mail list but are not receipted.)
5. After being logged and receipted, each check is given to the bookkeeper who is responsible for making the bank deposits. Copies are made of all checks.
6. The bookkeeper determines into which bank account the item should be deposited, prepares the deposit ticket and takes the deposit to the bank.

A. Items received should be deposited in the bank on the date received.

7. The bookkeeper who delivers the deposit to the bank will return the duplicate deposit ticket bearing the bank's validation.
8. The bookkeeper gives the duplicate deposit ticket to the bookkeeper responsible for entering the cash receipts into the computer.
9. The bookkeeper assigns the proper General Ledger code to each item on the deposit ticket and enters the deposit through the journal entry procedure for cash receipts as follows:

DEBIT – CASH ACCOUNT OF PROPER RECEIVING FUND  
CREDIT – REVENUE ACCOUNT OF PROPER RECEIVING FUND OR  
CREDIT – ACCOUNTS RECEIVABLE ACCOUNT OF PROPER RECEIVING  
FUND

The bookkeeper initials the deposit ticket, attaches any copies of checks or remittance advices and files it in a file labeled with the applicable month and year.

The copies of deposit tickets are retained for end of month cash reconciliation and audit purposes.

## WORTHLESS CHECKS

For checks written to federal funds such as the Child Nutrition Program, the Bookkeeper should lower the cash account (0112) and increase Returned check receivable (0137) by journal entry and notify the person who issued the check in writing to bring cash to the school to cover the check. After ten (10) days, if no response has been received, a certified letter should be sent as per Clarke County District Attorney's office requirements. When money is received, write a new receipt for the cash received and mark it re-deposited. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount. The name on the returned check should be entered on the deposit ticket. Returned checks not promptly redeemed by cash must be collected by legal means. Assistance should be obtained from the District Attorney's office in the Clarke County Courthouse. The fee charged by the system for a returned check shall be \$15.00 and a separate receipt shall be written for this amount.

Federal funds **may not** be written off. In the event a returned check written to a federal fund is not collected by the school or the District Attorney, the amount of the check must be transferred from a non-public fund from the school the check was received.

The use of school funds for the personal use of any member of the school staff is prohibited. Personal checks of personnel that are returned for insufficient funds must be given immediate attention. If the matter is not promptly resolved, the Chief School Financial Officer must be notified immediately.

## **PROCEDURES FOR JOURNAL ENTRIES**

Entries made for the purpose of reclassifying information or correcting previously made entries shall be made and/or approved by Chief School Financial Officer (CSFO). When an error is discovered or a reclassification is needed, the employee discovering the error or incorrect classification shall provide to the CSFO copies of the incorrect information. The CSFO will review the information and make the necessary journal entries. If the entries are made by the CSFO, the Superintendent will review and approve. In some circumstances, the CSFO may designate another employee to make certain journal entries. In that case, the entries will be made by the designated employee and the CSFO will review and approve the entries.

Journal entries made at the local school level will be made by the school bookkeeper through the Nextgen Local School Accounting system. The Principal will review and approve the journal entries made by the school bookkeeper.

## ACCOUNTING PROCEDURES FOR BONDS AND/OR WARRANTS

From time to time, the Clarke County Board of Education may find it necessary to issue bonds or warrants to finance a capital project of the Board. A bond or warrant issue requires approval of the Board and the following accounting procedures shall be observed:

### TO RECORD THE CLOSE OF A BOND OR WARRANT ISSUE:

1. The Full (Face) Amount of the Bond or Warrant issue is recorded to the LONG TERM DEBT ACCOUNT GROUP

DEBIT – (Fund) Account Number 89-1-0192-000-0000-0000-0-0000-XXXX  
Amount to be provided for retirement of long term debt

CREDIT – (Fund) Account Number 89-2-0291-000-0000-0000-0-0000-XXXX  
Bonds payable

2. The Actual Amount of the Cash Received is recorded in the CAPITAL PROJECTS FUND (Fund Number 14)

DEBIT – (Fund) Account Number 14-1-0111-000-000-XXXX-0-0000-0000  
Cash Account

CREDIT – (Fund) Account Number 14-4-9110 Sale of School Bonds or Warrants

**If interest is received from the purchaser of the issue for the interim period of time between the bid date of the issue and the close date on which the Board receives the proceeds, this amount is to be recorded:**

DEBIT – (Fund) Account Number 14-1-0111-000-0000-XXXX-0-0000-XXXX  
Cash Account

CREDIT – (Fund) Account Number 14-2-0289 Other Current Liabilities

3. A DEBT SERVICE FUND will be established for each issue (Fund Number 13).
4. As specified in the Bond or Warrant, specific amounts will periodically be paid into the DEBT SERVICE FUND. An internally prepared TRANSFER voucher will be processed to move funds into the DEBT SERVICE FUND and recorded as follows:

PAYING FUND – (The fund source providing the cash to pay the obligation)  
This will normally be the fund where the obligated revenues are recorded.

DEBIT – (Fund) Account Number 5-9910-920-CC-XXXX-0-9700-8913  
Fund Transfers Out

CREDIT – (Fund) Cash Account

RECEIVING FUND – The Debt Service Fund serving the Issue

DEBIT – (Fund 13) Debt Service Cash Account

CREDIT – (Fund 13) Debt Service Account Number 4-9210 Fund Transfer In

5. At the specified due dates (as designated in the bond/warrant issue) a check will be written to the ISSUE PAYING AGENT. This transaction will be recorded:

DEBIT – (Fund) Account Number 1-114-000-00 CASH WITH PAYING AGENT

CREDIT – (Fund) Account Number 1-0111-000-00 CASH ACCOUNT

This transaction shows that the cash from the debt service fund for this specific issue has been sent to the paying agent. This is accomplished by issuing an accounts payable check through the process designated for the preparation of accounts payable checks.

6. When the PAYING AGENT sends verification that payment has been made to the BOND or WARRANT HOLDERS, the Chief School Financial Officer will record the following accounting entries through the NEXTGEN BUDGETARY ACCOUNTING GENERAL LEDGER JOURNAL ENTRY PROCESS.

DEBIT – (Fund) Account Number 5-8100-931 PRINCIPAL, LONG TERM DEBT

DEBIT – (Fund) Account Number 5-8200-932 INTEREST, LONG TERM DEBT

CREDIT – (Fund) Account Number 1-0114-000-00 CASH WITH PAYING AGENT

***NOTE: When the first interest payment is made, the entry will include the accrued payable on the books for the portion of the interest received from the purchaser for the interim period.***

DEBIT – (Fund) Account Number 2-0289-000-00 OTHER CURRENT LIABILITIES

CREDIT – (Fund) Account Number 5-8200-932-00 INTEREST, LONG TERM EBT

**The only interest expenditure claimed by the Board of Education will be the actual interest incurred by the Board!**

## **BANK STATEMENTS RECONCILIATION**

All bank accounts of the Clarke County Board of Education will be reconciled between the bank statement, check register/check book and the general ledger cash account on a monthly basis. This reconciliation will be prepared as soon as is practicable after the end of each month and reported to the Board of Education along with the monthly financial report. This reconciliation shall be performed in the following manner:

1. Bank statements shall be downloaded from the Board approved bank by a designated bookkeeper. They will review the statement, cancelled checks and deposit tickets. The bookkeeper will also verify that the interest rate posted by the bank is the agreed upon rate. Cancelled checks (or copies of checks) will be scanned for vendor, alteration or any other discrepancy. Any error, discrepancy or unusual circumstance will be noted and brought to the attention of the CSFO immediately.
2. After reviewing the statement, the designated bookkeeper will reconcile the bank statement and give it to the CSFO for review.
3. The bookkeeper will reconcile all bank statements to the check register/book and the General Ledger Cash Accounts.
4. After balancing each account, make a copy of Page 1 of the bank statement, highlight the interest earned for the month and place the copy in the permanent binder with the monthly reconciliation report.
5. Make a list (by account) of all interest earned and any ACH (wired) deposits to be used by the bookkeeper who is responsible for entering these transactions into the Nextgen Accounting System general ledger.

A list of all checks written each month is posted on the Board website at [www.clarkecountyschools.org](http://www.clarkecountyschools.org).

Effective January 1, 2001, the Board's deposits are covered under the SAFE Program (Security for Alabama Funds Enhancement Program encompassed in Title 41, Chapter 14A, Code of Alabama 1975, as amended). (See attachment "Public Deposit Identification Form")

## **CASH MANAGEMENT FOR FEDERAL FUNDS**

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of those federal funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursement that are generally fixed, such as monthly program salaries and benefits. Disbursements will be made within twenty business days after receipt of funds.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

## **PERSONNEL PAYROLL PROCEDURES**

All employees of the Board are paid on a monthly payroll which is issued on the last working day of each month. The pay period is established prior to the beginning of the school year by the Board of Education and a schedule is given to each local school designating the beginning and ending dates of each pay period as well as the date on which the payroll information is due in the central office for processing.

### **IMPORTANT DATES**

<b>Monthly</b>	Report New Hires to Dept. of Labor Process Monthly Payroll Procedures Submit federal taxes by the last day of the month Submit state taxes by the 15 <sup>th</sup> Submit Retirement by the 10 <sup>th</sup> Leaps monthly submittal
<b>Quarterly</b>	941 Report by the 31 <sup>st</sup> of the monthly following quarter end Alabama Department of Industrial Relations Multiple Worksite by the 10 <sup>th</sup> Alawages/Unemployment Compensation
<b>January</b>	Process Calendar Year End Procedures Print W-2's by January 31 <sup>st</sup> Update Tax tables before first payroll of new year Calculate Taxable Fringe Benefits
<b>July</b> (prior to processing July payroll)	Leave Initialization 240 day employee salary step increase Balance Retirement
<b>August</b>	202 day employee step increase
<b>September</b>	Terminate retired, resigned and non-tenured employees 197, 187, 182 day employee salary step increase Process new employees Update Board paid PEEHIP rate (if applicable) Update non-mandatory deductions
<b>October</b> (Prior to Processing October payroll)	Run Payroll Accrual Update Retirement rates, SUI, Social Security & Medicare (if applicable) Leaps Financial
<b>November</b>	Begin new Christmas Club deductions Begin new United Way deductions

**December**      Update/Import Cafeteria Plan deductions  
Calculate Taxable Fringe Benefits

### **EMPLOYEE SALARY CONTRACT DATES**

Certified and support salary schedules are updated annually and approved by the Board. A complete listing of the both salary schedules are located on the Board website at [www.clarkecountyschools.org](http://www.clarkecountyschools.org).

**240 day employees**      Contract July – June  
Central Office Administrators  
Central Office Bookkeepers and Secretaries  
High School Principals  
Transportation & Maintenance Department Employees  
Technology Department Employees  
Custodians  
High School Guidance Counselors  
Job Coach

**202 day employees**      Contract August-July  
School Bookkeepers

**197 day employees**      Contract September – August  
9 ½ Month Employees

**187 day employees**      Contract September – August  
Teachers  
Elementary & Middle Counselors  
Aides  
Lunchroom Managers & Workers  
Maids

**182 day employees**      Contract September – August  
School Nurses  
Bus Aides  
Bus Drivers

## NEW HIRES

Documentation of the hiring of an employee by the Clarke County Board of Education must be furnished to the payroll clerk. The Board Secretary shall give to the payroll clerk a copy of the minutes of each Board meeting as soon as possible after the meeting has been concluded. These Board approved minutes shall show the employee's name, the hire date, the position and the cost center to which this employee is assigned, and the salary which this employee is to receive (unless the position and pertinent salary is designated on the Board's approved salary schedule).

The payroll clerk will establish a PERSONNEL FILE for each employee of the Board. These files will be maintained in the bookkeeping department of the Central Office.

### CONTENTS OF THE EMPLOYEE PERSONNEL FILE

- A. Teacher Certificate (if applicable)
- B. Application for Employment
- C. Personnel Recommendation Letter/Form
  - 1. Date of Board approval
  - 2. Date entered on duty (EOD)
  - 3. School to which assigned
- D. Transcripts of ALL college credits earned to receive certification
- E. Experience Statements from other systems
- F. Copies of Board correspondence
- I. Background Clearance through the Alabama Bureau of Investigation
- J. Copy of Social Security Card and Driver's License
- K. Copy of I-9 (Determination of Eligibility for Employment)
- L. E-Verification Immigration Form Approval
- M. State and Federal Tax Withholding forms
- N. Teacher Retirement Enrollment form
- O. PEEHIP Insurance Enrollment or Acknowledgement of Receipt form
- P. All payroll deduction authorizations
- Q. Drug-free Workplace Policy form
- R. ACH Deposit Authorization (Required)
- S. 403(b) Acknowledgement of Receipt
- T. New Health Insurance Marketplace Coverage Acknowledgement of Receipt
- U. Sick Leave Bank form (if applicable)

## **PEEHIP PORTAL**

The Public Education Employees Health Insurance Plan (PEEHIP) utilizes online services for employees to enroll in PEEHIP insurance coverage. Employers are **required** to update the PEEHIP portal in a timely manner for new hires, terminated employees and employees on FMLA or unpaid leave of absence. Information is entered through website <https://ep.rsa-al.gov/contents/EmployerServicesHome.aspx>.

## **TRS PORTAL**

The Retirement Systems of Alabama has a Tier 1 and a Tier 2 retirement status. Members with any service prior to January 1, 2013, are classified as Tier 1 participants. Members hired on or after January 1, 2013, are classified as Tier 2 participants. The payroll clerk checks the new employee retirement Tier status in the following TRS website: <https://cra.rsa-al.gov/>. The new employee is placed on the appropriate Tier for employee and board matching retirement deduction percentage rates.

## **SICK LEAVE TRANSFER IN**

Employees transferring in from another Alabama school system may have unused sick days that can be transferred to Clarke County. A sick leave transfer record must be obtained from the previous school system and these additional days added to the employee's leave balance. The sick leave transfer record must be initialed after it is entered into computer then placed in the employee's personnel file. The unused days are entered in Nextgen in the "Input Leave Adj. to History" menu.

## **SUBSTITUTES**

All substitute employees will be employed by the Clarke County Board of Education. The payroll department in the central office must obtain an application, the appropriate fees, fingerprints, background checks, a State of Alabama Substitute Certificate and a Determination of Eligibility (Form I-9) from any individual proposing to substitute BEFORE allowing the individual to work. A copy of the individual's social security card and driver's license or other appropriate identification as specified on the I-9 must accompany the I-9 when submitted to the payroll clerk. The Payroll Clerk will not enter an individual into the payroll system until all of these documents have been properly obtained.

## **SALARY ADJUSTMENTS**

Any change in an employee's salary must be documented with a complete written calculation by the payroll clerk, checked and signed by the Chief School Financial Officer. A copy of the calculation is to be placed in the employee's personnel file. A higher degree earned by a teacher must be validated by providing transcripts or a copy of a diploma prior to salary adjustment.

## **EMPLOYEE PAYOFF**

A checklist designating all items necessary for the “payoff” of an employee terminating employment with the Board during the current payroll period shall be maintained and followed by the payroll clerk in preparing the final payment to an employee.

This employee termination procedures checklist shall include the following:

- A. Repay all days due to the Sick Leave Bank.
- B. Deduct all required deductions such as Professional Membership dues.
- C. Calculate payoff due to employee
- D. Enter employee termination date in the PEEHIP Portal
- E. Teacher Certificate – If a teacher picks up the original copy of his/her certificate, make a copy of it and have the teacher sign a statement showing that he/she received the original. This copy must be put in the teacher’s file.

## **EMPLOYEE FILE MAINTENANCE**

All payroll changes (taxes, deductions, insurance, addresses, etc.) must be changed in the Nextgen Payroll software. Any change to an employee’s name, tax information, direct deposit bank account, or payroll deductions must be supported by the written authorization of the employee. A copy of the written authorization is to be placed in the employee’s personnel file.

## **BOARD MEMBERS**

The Clarke County Board of Education is made up of five (5) members representing the five (5) districts within the county. Each member serves a four (4) year term. Members are elected in the General Election which is held on the Tuesday following the first Monday in November of election year. Compensation shall begin on the first day the board member takes the oath of office. Compensation will continue until the board member resigns or a new board member takes office.

In the event that a board member retires, resigns, is deceased or leaves the service of the board for any reason prior to the completion of the term for which elected, the board member shall be paid for the number of days served in the month of termination. (Example: A board member leaving the board on the 15th day of a month shall be compensated for the portion of the month served prior to termination.)

The new board member who replaces a terminating member shall be paid from the date on which he/she takes the oath of office. (Example: A new board member taking the oath of office on the 20th day of a month shall be paid for the portion of the month remaining to be served.)

**Compensation for board members shall be paid on the monthly Clarke County Board of Education payroll and is subject to all applicable taxes.**

## REPORT NEW HIRE

Alabama New-hire Program: On April 22, 1997, the Governor signed into law a bill requiring the establishment of a mandatory system for employer reporting of all newly hired and recalled workers. Its purpose is to reduce fraud in public programs and locate non-custodial parents who are delinquent in paying court-ordered child support. The law, which is mandated by the Federal Welfare Reform Act of 1996, is effective October 1, 1997.

The New-Hire Act of 1997 (Act 97-228) requires all employers to report all newly hired, rehired, or recalled employees to the State Directory of New-Hires within seven (7) days from the first day of work. As defined by Act 97-228, an employer is “a person or entity, including a state or local government entity or labor organization, who employs an individual to perform a service for hire and pays wages directly to the individual.” An employee is “an individual in the employ of another who performs a service for hire and receives wages.”

All employees are to be reported to the New-Hire Program when they are newly hired, rehired or recalled to work. As defined by law, a newly hired employee is “an individual who is employed by a particular employer for the first time.” An individual is considered a new hire the first day such individual performs services for remuneration, i.e. the first day of work. As defined by law, a rehired employee is “an individual who was separated from an employer on other than a temporary basis but who is returning to work for that same employer.” An individual is considered a rehired employee if the employer/employee relationship has been severed and the returning individual is required to submit a W-4 form to the employer. As defined by law, a recalled employee is “an individual who was temporarily separated from an employer but who was called back to work for that same employer.”

Although not required by law, job refusals may be reported to the State New-Hire Directory. Job refusals are individuals who refuse work when they are offered employment. Reporting job refusals will identify individuals who refuse jobs while receiving unemployment benefits. An individual can be denied U.C. and/or T.A.N.F. (formerly AFDC) benefits for failure to accept suitable employment.

Under the new law, New-Hire will serve to benefit employers and other taxpayers by reducing the cost of Unemployment Insurance, Worker’s Compensation, Food Stamps, T.A.N.F. and Medicaid. Much of the savings will come as a result of locating non-custodial parents who are delinquent in paying court-ordered child support. Fraud detection and prevention will be greatly increased under mandatory coverage.

New hires are reported in the Alabama Department of Labor website [www.dir.gov/nh/NewHireEfile/login](http://www.dir.gov/nh/NewHireEfile/login). The new hire information is downloaded through the Nextgen Document Services Application.

## **MONTHLY PAYROLL PROCEDURES**

The payroll for the employees of the Clarke County Board of Education is processed on the Nextgen/Harris Solutions PAYROLL SYSTEM.

### **CENTRAL OFFICE PAYROLL PROCESSING**

All information regarding the additional payments, new employee information, salary adjustments and pay off for an employee is given to the payroll clerk who checks and prepares it for entry into the Nextgen payroll system.

### **LOCAL SCHOOL PAYROLL PROCEDURES**

Leave taken will be reported by the local schools through the Nextgen/Harris Solutions Automated Input Pay System. The local school bookkeeper completes the spreadsheets loaded on the county share file and the Central Office Payroll Clerk imports these files into the monthly payroll run. Once the spreadsheets are complete the local school bookkeeper submits the following to the Central Office Payroll Clerk.

- Payroll Approval Form
- Copies of Sign-In Sheets for any additional pay
- All Approved Professional Leave Request
- Principal's Sign-in Sheet
- Documentation of Extra Subs (not LSA paid)
- Trip tickets-for additional bus driver pay
- Summer Sign-in Sheets (when applicable)
- Payroll Summary Form (documentation of hours worked by dual employees)

The school bookkeeper, along with the school Principal, must check and sign the Payroll Approval Form.

## **PEEHIP DEDUCTION IMPORT**

Each month the payroll clerk must import the updated Payroll Deduction file. This file includes employee changes that have been reported in the PEEHIP portal or insurance premium changes. The payroll clerk logs into Employer Online Services <https://ep.rsa-al.gov/login.aspx?ReturnUrl=%2f> and downloads and saves the Payroll Deduction file (PEEHIP.txt) for the current month to be imported into Nextgen. Other PEEHIP reports printed from the PEEHIP portal are Monthly Invoice Report, Monthly Coverage Report, and Employer Comparison Report.

## **COMPUTE PAYROLL**

When all local school and central office payroll information has been entered, the following reports are printed in the order listed:

### **1. Input Pay & Leave Edit Report (by school)**

The Payroll Clerk checks the Input Pay and Leave Edit report for leave days entered at the Central Office.

### **2. Precompute Exceptions**

### **3. Compute Payroll**

The Compute Payroll report is reviewed for any exceptions to the payroll entry.

### **4. Payroll Register (by employee name)**

The Payroll Register is used to check additional earnings recorded. This is reviewed by the CSFO as well.

### **5. Post Payroll to GL (Report Only first)**

Running the Post Payroll to GL (Report Only) option checks for invalid general ledger numbers.

Any corrections must be made and another payroll register printed. When all information is correct, the payroll checks are printed.

## **PRINT PAYROLL CHECKS**

The Clarke County Board of Education utilizes the Nextgen Documents Services for printing pay stubs, printing employee checks and vendor deduction checks. The following steps are used to print or email the check information:

- Nextgen /Payroll Menu
- PR Check Processing
- Regular Checks
- DS Print Checks
  - Document Services application opens
  - Enter Payroll Run ID
  - Enter starting check number
  - Print Employee checks

Print Vendor checks

Enter starting pay stub number

Print Employee statements

## **POST PAYROLL**

After checks are printed, the following procedures are run to finalize the posting of the monthly payroll:

- Print Payroll Check Register
- Generate ACH Direct Deposit
- Post Payroll to GL
- PR Check Update

## **ACH DIRECT DEPOSIT PROCEDURE**

The ACH Direct Deposit electronic file is submitted to the Board approved bank **at least two days prior to pay day**. If an employee's direct deposit is returned as account closed, etc., the direct deposit will be voided and a check will be issued to the employee in a timely manner.

## **FEDERAL AND STATE TAXES**

### **Federal taxes**

As the monthly payroll or supplemental payrolls are processed, the federal taxes are deducted and a check is generated. The federal taxes, Medicare and social security payments are submitted to the Department of Treasury via the EFTPS website

<https://www.eftps.com/eftps/payments> by the last day of the month.

### **State taxes**

State withholding is submitted using the MAT website at [myalabamataxes.alabama.gov](http://myalabamataxes.alabama.gov) by the 15<sup>th</sup> of the month. The amount of withholding is entered monthly on the A-6 form, quarterly on the A-1 form.

## **BUREAU OF LABOR STATISTICS**

Each month the total number of employees is submitted to the Bureau of Labor Statistics. The employee counts are obtained from the Payroll Check Register report. The totals are submitted via website <https://cesdata.bls.gov>. The CES Report Number is 010315584.

## **RETIREMENT PROCEDURES**

The monthly retirement and RSA-1 is submitted to the Retirement Systems in the TRS portal website <https://cra.rsa-al.gov> by the 10<sup>th</sup> of the month. The payroll clerk generates the retirement data using the following steps in Nextgen:

- Payroll Menu
- Monthly Procedures
- Retirement Procedures
- Gen/Print Retirement Data
  - Check date: First day of month thru Last day of month
  - Report date: Last day of month
  - Retire code: Select Ret (Retirement) or RSA (RSA-1)
  - Browse for location to save file
- Save files TBLTxxxx.Ret and TBLTxxxx.RSA

After you have saved your RET and RSA files to your computer, you will need to transfer them to the Teachers Retirement System via the CRA File Upload Website <https://cra.rsa-al.gov>.

## **VOLUNTARY PAYROLL DEDUCTIONS**

The Clarke County Board of Education has established guidelines for payroll deductions for insurance and annuity plans.

In order to be given the privilege of selling insurance and/or annuity products in the Clarke County School System, the company must agree in writing to the requirements and procedures established by the Board. To be considered eligible, a written proposal (including a description of the products to be offered with prices) must be submitted to the Central Office by August 15 for the following school year. The Superintendent must review and approve this proposal to allow the company to sell products in the school system.

Only vendors desiring a payroll deduction slot will be allowed in the school system. Provided eligibility has been established, a payroll deduction slot is only available to a company who has secured a minimum of ten (10%) percent of the eligible full-time employees of the Board for each plan offered. Upon approval, the payroll deduction plan will remain in effect so long as the company has at least a minimum of thirty participants.

The companies are required to submit a monthly statement of employee deductions. The statements are balanced to the generated vendor checks and mailed in a timely manner.

## **PAYROLL TRANSFER**

In order to maintain a clear audit trail, a PAYROLL CLEARING FUND ACCOUNT has been established with the bank designated by the Board of Education. All payroll checks are issued from the Payroll Clearing bank account. The Payroll Register report is used to calculate the totals to be transferred from the appropriate fund sources (General Fund, Child Nutrition, etc.) to cover the monthly payroll. These checks will be written from the appropriate bank accounts and deposited into the Payroll Clearing Fund bank account in accordance with the procedures for the writing of all Board checks. The transfer of funds to the Payroll Clearing Account requires the authorization of the Chief Financial Officer.

## **QUARTERLY REPORTS**

After the monthly payroll for the final month of a calendar has been run and all entries completed and posted, the quarterly reports should be prepared.

### **EMPLOYER'S QUARTERLY 941**

The Clarke County Board of Education is required to submit a quarterly 941 federal tax return. This report is balanced to the wages, federal withholding, social security and Medicare totals submitted during the quarter. A 941 form is completed, signed by the Chief Financial Officer, and mailed to the Internal Revenue Service.

### **MULTIPLE WORKSITE REPORT**

Each quarter the number of employees per location is submitted to the Bureau of Labor Statistic via website <https://idcfmwr.bls.gov>. The Multiple Worksite report is printed using the following procedure:

- Payroll Menu
- Quarterly Procedures
- Multiple Worksite Report

### **UNEMPLOYMENT COMPENSATION (SUI)**

The Clarke County Board of Education is established as a Reimbursable Employer with the Department of Industrial Relations. The board uses Form UC-10-R, Wage Report for Employers Making Payments in Lieu of Contributions, to file quarterly unemployment wage information. Employee wages are filed electronically using the online website <https://labor.alabama.gov/eGov/login.aspx>. The Unemployment Compensation report is printed in the Quarterly Procedures Payroll Menu.

The Alabama Department of Industrial Relations makes an assessment annually for State Unemployment Insurance. A rate is established for the Fiscal year beginning October 1, XXXX and ending September 30, XXXX. The average quarterly covered payroll for the calendar year is multiplied by the advance payment rate to establish the amount to be remitted each quarter. The payment is debited to Prepaid Items: 11-1-0151-000-0000-6001-0-0000-0000

As the monthly payroll is processed the SUI check generated is deposited and credited back against the prepaid account.

At September 30, XXXX, the Department of Industrial Relations performs an analysis of the Board's advance payment account and sends a Credit Memorandum if the Board has made an overpayment to the Unemployment Compensation Trust Fund Form (CR-4G) or Debit Memorandum if the Board needs to pay an additional amount. If the Board has made advance payments which exceed the benefit cost, the Board may apply the credit to future payments or request a refund. If a refund is received, the check from the Alabama Department of Industrial Relations should be deposited into the Board's general fund.

## CALENDAR YEAR END PROCEDURES

### W2 PROCESSING

After all payrolls for the calendar year ended December 31, XXXX have been processed and any needed corrections made, the employee W-2's are printed and information submitted to the Social Security Administration.

- Make sure all payrolls for previous year are complete.
- Perform all Quarterly payroll procedures.

(Run Payroll Verification Report for Quarters 1 thru 4 and verify the Quarterly Totals - Update, if necessary.)

- Verify that W2 codes are properly set up. Current W2 codes may be obtained by contacting Nextgen/Harris Solutions.

### SOCIAL SECURITY ADMINISTRATION REQUIREMENTS

Beginning with wage reporting for calendar year 2001, the Social Security Administration requires a Personal Identification Number (PIN) for each employer that submits W-2 data. To change your password, create a login for the first time or to update your information, go to the following website: [www.ssa.gov/bsowelcome.htm](http://www.ssa.gov/bsowelcome.htm).

Beginning with tax year 2001, the Social Security Administration offers a downloadable program that performs a series of more than 200 edit checks against the W2REPORT magnetic media file. To download this program, go to the web page

<http://www.ssa.gov/employer/accuwage/> and follow the instructions for downloading and installing the ACCUWAGE software. Once installed, you will have an "AccuWage" icon on your desktop. Additionally, AccuWage software will automatically open and you will be ready to run AccuWage against your W-2 magnetic media file.

### Import Cost of PEEHIP Insurance

Effective with tax year 2012, the cost of employer-provided health coverage must be reported on the W-2. The NextGen system has been updated to report this information. The system may report the actual withholding and/or matching benefit amounts that have been processed throughout the year as employee checks were generated OR it may report other amounts provided to you by the state insurance program or by your insurance vendors.

The Retirement Systems of Alabama provides districts with the cost of PEEHIP insurance that should be reported for each employee based on the COBRA cost rather than actual withholding and matching. The cost of PEEHIP insurance is downloaded from the PEEHIP Employer Services portal. Once downloaded, the W2 Table Maintenance transaction located on the Calendar Year-End Procedures Menu must be run. Upon entering the transaction, a message will appear if you have not imported the data for the calendar year to be reported (current year minus one). Click "Yes". The program will allow you to browse to the location of the file you have downloaded from RSA. After you have located the file to be imported, the transaction will prompt you to enter tax year of the adjustments to be imported. You must enter the W2 tax year you are processing. After the data has been imported, you must exit the transaction. You may

rerun this transaction or you may run the W2 Adjustment Table Report to view the data that was imported.

### **Generate the W2 Magnetic Media File and create W2 Tables**

To do this, go to:

- Calendar YE Procedures Menu
- Generate W2 Data

Enter the appropriate information and generate the magnetic media file.

**\*\*NOTE\*\*** The calendar year should be the previous year when running this transaction. Check the box “Submitting Magnetic Media to State”.

For additional instructions select “Help” from the Toolbar, then “Transaction Level Help”. The W2 Generate is very important in that it combines all of the W-2 adjustments that were entered for each employee with the employee’s payroll yearly data to output a file for storing and printing W-2 information. **Any time you add adjustments or pay an employee for the calendar year, you must generate again before printing W-2’s for said calendar year.**

Once the file has been generated, final totals will be displayed for verification.

Print this verification screen for future reference. Verify that the totals match the total of all four (4) of the Quarterly 941 Reports for the calendar year previously submitted to the Social Security Administration plus any adjustment amounts that were entered through the W2 Adjustment Amount Entry transaction. If any employees were excluded on the Errors/Warning screen, make sure to adjust quarterly/year-to-date wage and withholding totals on other payroll reports to balance to the W2 Totals displayed on the above screen.

The Quarterly Procedures Menu and the Calendar YE Procedures Menu contain several reports that may be used to balance and verify W2s. For additional instructions select “Help” from the Toolbar, then “Transaction Level Help”.

### **Test the W2 Magnetic Media file with the Social Security Administration’s AccuWage System**

Once AccuWage shows “No Errors,” print the Magnetic Media File. Do not attempt to print the Magnetic Media File if it contains negative figures as it may cause unpredictable results. To print the Magnetic Media File, go to:

- Calendar YE Procedures Menu
- Print W2 Report

**\*\*\* NOTE \*\*\*** Click the “Browse” button and locate the current W-2 magnetic media file that you previously generated. For additional instructions select “Help” from the Toolbar, then “Transaction Level Help”.

Verify that the W2 Report is correct.

## **PRINTING W-2'S**

The employee W-2's are printed in the Document Services Application Center:

First –Print Employee Status of “Active” by Check location

Second –Print All other Employee Status by Employee Name

## **Updating Tax Tables**

From the PR Setup menu, select Tax Table Maintenance. Select tab 8 – Tax Table Update. Check the Federal Tax Table and Update Annual Federal Exemption boxes as shown below:

Click on the Change button and the Save button will become enabled. Click on the Save button to update the data selected. You will be given a warning message notifying you that continuing will replace the selected tax tables in your system. You should click on the Yes button to continue with the update.

Once updated, your screen will show “Tax Table Updated and Update Successful”

## **Updating Social Security**

Verify the Social Security Employee Rate and update the Withholding and Wage Limit, as shown below:

- PR Setup Menu
- Deduction Master Maintenance
- Deduction # – Social Security Withholding

Select 2. Deduction Parameters and set the Employee Deduction Percentage to 6.2 %. The Employer Deduction Percentage remains at 6.2%. If you have any trouble accessing the employee percentage field, you may need to uncheck and recheck the DT % box in order to make the percentage field accessible.

Select 3. Deduction Type Options and set the Employee Wage Limit and the Employer Wage Limit are set to the current dollar limit.

Run the Mass Change Deductions to set Monthly Percent – Employee to current social security rate.

Run the Mass Change Deductions to set Limit on Deduction Employee on the Social Security deduction to the current dollar limit.

Run the Mass Change Deductions to set Total Deducted on the Social Security deduction to \$0.00.

### **Update Medicare rates and limits**

To verify Medicare Rates and Wage Limit, go to:

- PR Setup Menu
- Deduction Master Maintenance
- Deduction number – Medicare Withholding

Select 2. Deduction Parameters and verify the current Employee Deduction Percentage and the Employer Deduction Percentage.

Select 3. Deduction Type Options and verify that the Employee Deduction Limit is Zero and the Employee and Employer Wage Limits are Zero. (Zero = No Limit)

### **TAXABLE FRINGE BENEFITS**

Calculate Taxable Fringe Benefits for Term Life Insurance annually in December (prior to payroll being run) and Vehicle allowance will be calculated monthly. Internal Revenue Code (IRC) Section 79 requires each employer to report imputed premiums on the cost of group term life insurance provided directly or indirectly for their employees to the extent that it exceeds \$50,000. The taxable fringe benefits are reflected on the employee's W-2 in box 12a.

- Payroll Menu
- PR Check Processing
- Regular Checks
- Calculate Taxable Fringe Benefits

The Pre-retirement Death benefit (PRDB) is equal to the salary on which the member made retirement contributions for the previous SCHOLASTIC year (July 1, XXXX – June 30, XXXX) on all employees who have at least one year of contributing membership service.

## LEAVE INITIALIZATION

Prior to processing the July payroll each year, the Employee Leave Initialization process is performed to create employee leave records, including the beginning balance for the new leave-year and allocating leave for leave types that accrue leave annually. Leave balances are retained, and transferred to beginning balances, or discarded based on leave-type parameters. Selection is based on leave type, job location, job status, and employee type.

You must create the new fiscal year general ledger accounts using the Create New GL Year Tables transaction in the Budgetary Accounting software before the new fiscal year is available for selection. You cannot create new employee leave records until the fiscal year is available.

To process the Leave Initialization go to:

Payroll Menu

Fiscal Year End Procedures

Employee Leave Initialization

### Initialization Procedure

1. Select the new leave year.
2. Select the effective leave date. This date is used to calculate years of service to determine leave earned and allowed sick days.
3. Select the option to review the proposed changes only, or select the initialize leave option to create the new leave records.
4. Check the leave types for which leave records must be created.
5. Check the status of the jobs for which leave records must be created.
6. Check the job locations for which leave records must be created.
7. Check the employee types of the employee jobs for which leave records must be created.
8. Click on Enter to display the proposed records in the list view.
9. Click on Update to create the new leave records with beginning balances and allocate leave for annual accrual leave types.

## LEAPS

The Alabama State Department of Education uses two main sources of data to determine funding through the Foundation Program. Those two sources are the Average Daily Membership (ADM) 20 days after Labor Day report and the LEAPS/SLEAPS Report. The LEAPS (Local Education Agency Personnel System) provides personnel data to the Department of Education required for state funding for personnel. The LEAPS annual financial data is due by October 15th each year and monthly submittal through the State Department of Education website.

Leaps process:

1. Set up the next fiscal year G/L records in payroll by the Fiscal Y/E Reorganization option. If the Payroll Officer uses the Budget Work option for updating G/L account numbers for the next fiscal year, the Fiscal Y/E Reorganization will not be run.
2. Update Experience and Tenure Code
  - Human Resources Menu
  - Personnel Procedures
  - Update Experience
3. Update Tenure
  - Human Resources Menu
  - Personnel Procedures
  - Update Experience
4. Generate SDE Work file
  - Payroll Menu
  - Payroll Site Specific
  - AL Procedures
  - Generate SDE Extract file
5. If an error listing appears, **correct errors in payroll** and extract again.
6. Print and check SDE report.
7. Add vacancies if necessary.
8. Print Degree/Years Matrix
9. CHECK DATA!! Make sure all employees are in the LEAPS file with correct years of experience and degree. All certificated personnel are matched to the SDE Teacher Certification website for verification of degree.
10. Create SDE Extract Magnetic Media file and save to computer.
11. Approve the October financial LEAPS file through the Application Center.

## **CHILD NUTRITION ACCOUNTING PROCEDURES**

All policies and procedures listed in the Clarke County Board of Education Accounting Procedures Manual must be followed by the Child Nutrition Program. The items listed below are unique to the Child Nutrition Program.

### **LUNCHROOM POINT OF SALE**

All school lunchrooms serve breakfast and lunch utilizing Titan, a LINQ Solution, point of sale software. Students may pay for meals or deposit money into prepaid lunch accounts. The following are the procedures for processing student meals.

1. Cashier opens POS for breakfast or lunch.
2. Cashier enters prepaid money collected.
3. Students enter their pin# into touchpads to purchase meals.
4. Cashier enters food purchased and collects money for the meal or debits the student's prepaid account, if necessary.
5. Cashier closes POS at the end of the lunch period.

### **RECEIPTING AND DEPOSITING DAILY SALES**

The following are the accounting procedures for balancing and depositing money collected in the lunchrooms.

1. Cashier closes POS at the end of lunch, counts money in drawer and enters amount onto the Cash Count. Money is then given to Lunchroom Manager.
2. The Lunchroom Manager recounts money and compares to Cash Count.
3. The manager prints the Building and Sales Reconciliation report. Both the Cashier and the manager sign the Building and Sales Reconciliation report.
4. The Building and the Sales Reconciliation report are reviewed by the manager and cashier.
5. The bank deposit is made out by the manager/cashier and taken to the bank each day by a designated staff member.
6. The Building and Sales Reconciliation Report and copy of the bank deposit are sent to the CNP bookkeeper weekly.

## **WORTHLESS CHECKS**

For checks written to federal funds such as the Child Nutrition Program, the Bookkeeper should lower the cash account (0112) and increase Returned check receivable (0137) by journal entry and notify the person who issued the check in writing to bring cash to the school to cover the check. After ten (10) days, if no response has been received, a certified letter should be sent as per Clarke County District Attorney's office requirements. When money is received, write a new receipt for the cash received and mark it re-deposited. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount. The name on the returned check should be entered on the deposit ticket. Returned checks not promptly redeemed by cash must be collected by legal means. Assistance should be obtained from the District Attorney's office in the Clarke County Courthouse. The fee charged by the system for a returned check shall be \$15.00 and a separate receipt shall be written for this amount.

Federal funds **may not** be written off. In the event a returned check written to a federal fund is not collected by the school or the District Attorney, the amount of the check must be transferred from a non-public fund from the school the check was received.

The use of school funds for the personal use of any member of the school staff is prohibited. Personal checks of personnel that are returned for insufficient funds must be given immediate attention. If the matter is not promptly resolved, the Chief School Financial Officer must be notified immediately.

## **CENTRAL OFFICE ACCOUNTABILITY PROGRAM**

The Central Office utilizes the Titan Software program for processing and posting daily sales data. Scheduled tasks are established to import and export information to and from Powerschool and Titan each day. The following are daily scheduled tasks that are set up to run automatically:

- IMPORT FROM SITES (Imports staff and student updates from Powerschool)
- ELIGIBILITY/STUDENT DATABASE IMPORT (imports student demographic information, creates a student pin# for processing meals served and/or entering prepaid monies, and imports eligibility data from Powerschool to Titan)
- EXPORT TO SITES (Monthly sales data and USDA reimbursements exported to NextGen)

## **CENTRAL OFFICE MONTHLY DEPOSIT POSTING**

The following is the process for posting daily sales and deposits into NextGen.

1. The CNP Bookkeeper reconciles the daily deposits to the Building and Sales Reconciliation Report.
2. The CNP Bookkeeper generates the Reimbursement and Daily Sales files for import into NextGen from Titan:
  - a. Select Reports>>Point of Service>>NextGen Extract
  - b. Select Building, Date Range and Extract Type (either Daily Sales or USDA Reimbursement)
  - c. Save the files for import to NextGen
3. Reconcile the GL to the Bank Statement and Titan.
4. The bank deposits shown on the Cash Reconciliation Section are verified to the deposits posted to the Child Nutrition banking account.

## **PURCHASING**

Clarke County Board of Education guidelines must be followed in the Child Nutrition Program. Food is purchased from the Statewide Bid. The supplemental PACA Bid is also used.

All other goods and services will be purchased either by bid or by obtaining quotes using the small purchase method. All purchases will be governed by the applicable regulations either federal or state.

Purchase Orders are prepared in the Central Office by the CNP Bookkeeper. Purchase Orders are approved by the CNP Director or the Superintendent.

Orders for food, paper goods and chemicals are sent in weekly to the CNP Bookkeeper. The Director checks them, approves them and forwards them to the CNP Bookkeeper. The CNP Bookkeeper sends the orders to that appropriate Vendor. As the product is delivered to the school lunchrooms, the manager checks the order to the invoice and records the invoice on her inventory. At the end of each week, the manager attaches a copy of her daily deposit ticket and copies of her invoices for the week to a weekly report. The report and invoices are sent to the CNP Bookkeeper in the Central Office each week. The CNP Bookkeeper verifies the invoices to the Purchase Order verifying that materials have been received.

## **ACCOUNTS PAYABLE**

At the end of each week, the invoices sent in each week with the weekly report, are balanced by the CNP Bookkeeper to a statement provided by the Vendor. After all invoices are in balance to the statements, they are attached to the monthly Purchase Order for each vendor and entered for payment. All vendor payments are made at least on a monthly basis. Utilities and other invoices for non-bid items are processed at the time they are submitted for payment.

## **USDA DONATED FOODS**

The CNP Director or Bookkeeper completes the State Department of Education Form 12 on the State Purchasing website for disbursement of USDA Donated Foods. USDA Donated Foods are provided to each school based on the percentage of meals served for the previous year. The values of the donations are provided to the CNP Director upon completion of the State Department of Education Form 12. USDA Donated Foods are delivered and checked by the lunchroom manager. The CNP Bookkeeper is given a printout of USDA Donated Food disbursed. At the end of each month, the lunchroom manager completes an Inventory in Titan. The perpetual inventory is maintained at all times through Titan. A physical inventory count is taken at the end of each month. Clarke County uses a single inventory for all food items. USDA Donated Foods are counted with the purchased items for the final inventory on September 30 each year. At the end of the Fiscal Year, the final valuation of inventory is completed by the CNP Director.

## **LINQ CONNECT**

Linq Connect is a web based service provided to parents/guardians to make payments for student lunches by using credit or debit cards. As the parent/guardian makes a payment, it is posted into the child's account at the school. Linq Connect deposits are made available immediately on the child's account upon completion of the transaction.

Linq Connect transactions are reconciled to both the bank statement and the general ledger.

The online payments are recorded as a Deferred Revenue through the monthly deposit posting.

## **MONTHLY CHILD NUTRITION REPORTS**

At the end of each month, the CNP Director prepares financial reports for review. These reports are given to the Chief School Finance Officer and Superintendent. A copy of the Monthly Financials is filed in the monthly claim folder by the CNP Director and then communicated to the lunchroom manager at each cost center.

### **USDA REIMBURSEMENT CLAIM**

USDA Claim requires the following information:

- District Daily Attendance Detail – from Powerschool
- Journal Summary Operations Report – from NextGen
- General Ledger Report (Labor and Fringes) – from NextGen
- Edit Check Reports – from Titan
- Plate Cost and Meals per Labor Hour-from Excel Spreadsheet

Report is printed for the preceding month date range. This report is then entered into an electronic file that is transmitted to the state by the CNP Director. When the money is received from USDA, the receivable is cleared and posted to cash.

### **MONTHLY COMPARISON REPORTS**

The Monthly Comparison reports are prepared for each cost center and reflects the total revenue, total expenditures, meal equivalent, meals per labor hour, food cost per meal, labor cost per meal, expense/MEQ, revenue/MEQ, profit/loss, and total expense to revenue comparison. The costs are shown as percentages and determined by comparison of expenditures to revenues.

The following reports are used to calculate the Comparison Calculation Worksheet:

- District Daily Attendance Detail – from Powerschool
- Journal Summary Operations Report – from NextGen
- General Ledger Report (Labor and Fringes) – from NextGen
- Edit Check Reports – from Titan

Data from these reports are entered into the Comparison Calculation excel worksheet. This worksheet is used to compile the Monthly Claim for Reimbursement.

The Meals per Labor Hour section reflects the number of breakfast, lunch, and snack meals served per labor hour for each cost center.

Lunch counts as one meal, three breakfast meals count as two meals, three snacks count as one meal, and every \$3.00 of a la carte served counts as one meal. The number of meal equivalents served is then divided by the number of labor hours to arrive at the meals per labor hour served. The state provides us with the recommended number and it is used for comparison.

The Monthly Comparison Report is given to the Superintendent and Chief School Financial Officer.

## **FIXED ASSET AND INVENTORY PROCEDURES**

The Clarke County Board of Education follows the requirements established by the State of Alabama for the recording of fixed assets. A supplemental inventory must be maintained at each school.

### **FIXED ASSETS**

The requirements for a fixed asset item are:

- Not consumable
- Acquisition cost of \$5000 or more for furniture and equipment
- Land, Building and Building Improvements of \$50,000 or more

### **SUPPLEMENTAL INVENTORY**

Local Schools are required to maintain a supplemental inventory of items less than \$5000.

An inventory item is a moveable or fixed unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles that meet all the following conditions:

- Furniture costing more than \$750
- Equipment costing more than \$500
- Donated items with value over \$1,000

The following is used to further distinguish furniture and equipment from supplies:

- ✓ Lasts longer than one year
- ✓ Repair rather than replace
- ✓ Independent unit rather than being incorporated into another item
- ✓ Exceeds minimum dollar value

Items that meet the requirement for an inventory item above should be coded with an expenditure object code of 491-499. A copy of the invoice and purchase order with date paid and check number are provided to the inventory personnel.

A Fixed Asset Inventory Form (FA-1) is completed for all items placed on fixed assets and/or inventory. The item is then tagged with a label and information entered into the NextGen Asset Inventory System.

## **ENTERING ASSET INTO NEXTGEN**

The NextGen Asset Inventory System is used to enter, maintain and view asset information. You may add new assets, assign inventory items to an existing asset, and view asset data including: general ledger account information, item audit history, item activity, item comments, item location, item depreciation data and depreciation history, and general information.

## **TRANSFER OR DISPOSAL OF FIXED ASSET OR INVENTORY**

The schools or departments may not transfer or dispose of supplemental inventory items without approval from the Central Office and without documenting the transfer or disposition of the item(s) on the Fixed Asset Inventory Form (FA-1). When a school or department determines that an item must be transferred or removed from inventory, the FA-1 form is retrieved from the Local School Bookkeeper and the appropriate section completed and submitted to the Central Office for approval by applicable administrative person responsible for the inventory items. If an item is being transferred to a new cost center, a new FA-1 form is completed (to reflect new location) and updates are then made in the Nextgen Asset Inventory System. A copy of the new FA-1 form (with the old one attached) is then sent to the new cost center. If the item is being disposed of a new FA-1 form is not necessary.

If an item was stolen, a copy of the police report must be attached to the school's inventory form and sent to the Central Office.

Items with a cost of \$5000 or more purchased with Federal funds are not to be removed from the fixed asset inventory without first obtaining permission from the State Department of Education. This request for permission to remove items must be directed to the Superintendent of Education only.

## **ANNUAL PHYSICAL INVENTORY**

The Principal at each local school (or his/her designee) is required to conduct a physical inventory of all equipment at each school prior to June 30<sup>th</sup> of each year. The Central Office will provide a printout of all Fixed Assets and Inventory. The purpose of this inventory is to locate all items, complete missing information, enter corrections as needed, verify that items are properly marked or tagged and determine that items removed were properly documented. Upon completion of the annual physical inventory, the Principal must sign and submit the Physical Inventory Completion form to the Central Office by June 30 each year.