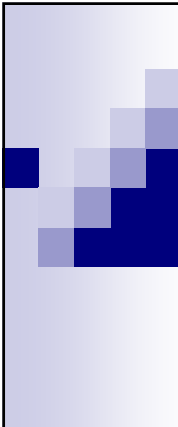


**FINANCIAL PROCEDURES
FOR
LOCAL SCHOOL
ACTIVITY FUNDS II**

March 2019



PAYROLL



**Payroll
Procedures**

Payroll Procedures

- Payroll is processed monthly using an exception-based method¹
- Payroll checks are issued the last working day of the month unless otherwise notified by the Payroll Department²
- Direct Deposit³
- Printed Payroll Checks⁴

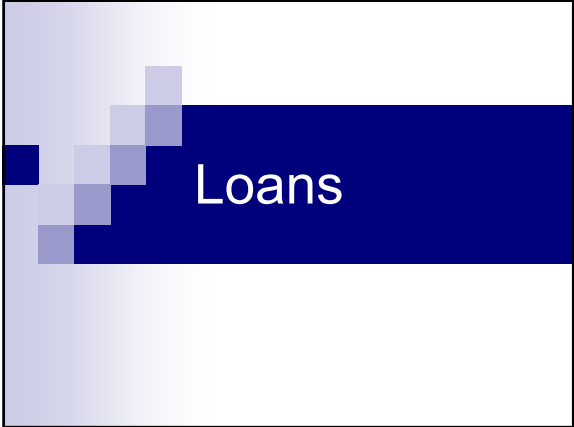
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Payroll Procedures

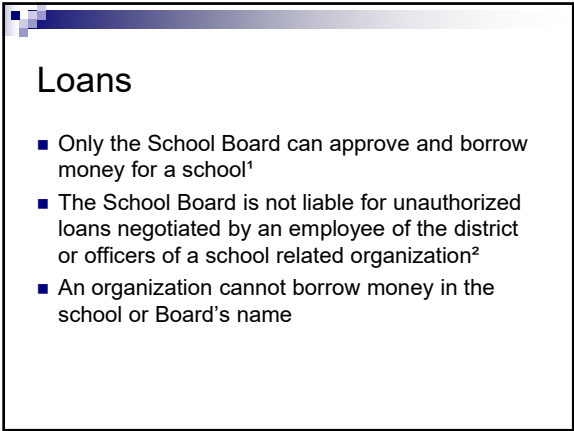
- Contact the Payroll Department immediately following the notification that an employee will not be returning¹
- Responsibility of the employee to sign in/out daily^{*}
- An employee must take some form of leave when not performing his/her normal job function²
- Extra Pay³
- Dual Employment⁴

5

MISCELLANEOUS ITEMS



Loans

- 
- ## Loans
- Only the School Board can approve and borrow money for a school¹
 - The School Board is not liable for unauthorized loans negotiated by an employee of the district or officers of a school related organization²
 - An organization cannot borrow money in the school or Board's name



Disposition of Records

Disposition of Records

- Records destruction and disposition is the process by which public records are retained (stored) and destroyed (various methods)
- Retention periods are based on a record's legal, administrative, fiscal, historical, and aesthetic value

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Disposition of Records

- Records should be retained beyond their RDA retention periods if
 - The records are needed for pending audit or litigation purposes,
 - The agency has a continuing administrative need for them, or
 - The records are essential to reestablish agency operations after a disaster.

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Disposition of Records

- Retained
 - Paper
 - Electronic (e-mail, text messaging, voicemail, word processing documents, spreadsheets, web content, databases, scanned images)¹

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Disposition of Records

- Destroyed¹
 - Shredding
 - Landfilling²
 - Burning
 - Recycling
 - Deletion of Electronic Records

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Disposition of Records

- Steps
 - Consult the Boards of Education retention schedule (archives.alabama.gov)
 - Ascertain whether litigation or other hold prevents the legal destruction of records
 - Complete "Local Government Records Destruction Notice"
 - Ensure the appropriate supervisor or records liaison signs off on the destruction notice

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Disposition of Records

- Steps continued
 - Submit the "Local Government Records Destruction Notice" to ADAH¹
 - Receive a "Letter of Eligibility"²
 - Securely destroy records through shredding or some other secure means

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Disposition of Records

- Records Retention Label
 - RDA Record Number
 - Records Title
 - Date Span
 - Date of Last Audit
 - Contents may be destroyed after...

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Fixed Assets

Fixed Assets

- Ownership
 - All property belongs to the State of Alabama and is under the control of the BOE and the Superintendent
 - An item purchased with funds raised by school-related organizations becomes the property of the State of Alabama and is under the control of the BOE and the Superintendent (these items shall remain at the school of origin)

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Fixed Assets

- Ownership continued
 - An item purchased with funds from the ETF becomes the property of the State of Alabama and is under the control of the BOE and the Superintendent (these items shall remain at the school of origin)
 - An item gifted to the school or a member of the faculty becomes the property of the State of Alabama and is under the control of the BOE and the Superintendent (these items shall remain at the school of origin)

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Fixed Assets

- Ownership continued
 - An item purchased with funds from donations becomes the property of the State of Alabama and is under the control of the BOE and the Superintendent (these items shall remain at the school of origin)
 - An item purchased with funds from a grant becomes the property of the State of Alabama and is under the control of the BOE and the Superintendent (these items shall remain at the school of origin)¹
 - An item purchased with personal funds may follow the teacher in or out of the school district

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Fixed Assets

- Capitalized and non-capitalized fixed assets are to be recorded at cost¹
- Donated fixed assets are to be recorded at estimated fair market value

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Fixed Assets

- Capitalized Equipment
 - Costs \$5,000 or more per unit,
 - Retains its original shape and appearance with use,
 - Under normal conditions is expected to serve its intended purpose for longer than one year, and;
 - Is non-expendable (more feasible to replace than to repair)

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Fixed Assets

- Examples of Capitalized Equipment
 - Buses, Service Vehicles, Drivers Ed Cars
 - Furniture and Fixtures
 - Lab equipment
 - Computer Hardware and Software
 - Athletic Equipment
 - Tractors and Mowers

23

Fixed Assets

- Real Property
 - Land¹
 - Land Improvement
 - Exhaustible (deteriorate over time) greater than \$50,000 (excavation, grading, site work)
 - Inexhaustible (does not deteriorate with use or passage of time) regardless of price (parking lot, fencing, sidewalk)
 - Building greater than \$50,000²
 - Building Improvement greater than \$50,000²

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Fixed Assets

- Non-Capitalized Equipment
 - Costs less than \$5,000 per unit,
 - Retains its original shape and appearance with use,
 - Under normal conditions is expected to serve its intended purpose for longer than one year, and;
 - Is non-expendable (more feasible to replace than to repair)

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Fixed Assets

- Examples of Non-Capitalized Equipment
 - Sewing Machine
 - Office Printer
 - Chromebook
 - Microscope
 - Pitching Machine

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Fixed Assets

- Monthly Procedures
 - Identify items to be tagged
 - Tag placement
 - Occasional spot checks
 - Record inter-campus transfers
 - Record additions and disposals
 - Produce reports
 - Reconciliation

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Fixed Assets

- Physical Inventory¹
- All acts of vandalism against school property should be reported to the Superintendent, or his/her designee, immediately
- Misuse of school property should be reported to the Superintendent, or his/her designee, immediately²

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Fixed Assets

- Third Party Request for Use of Equipment¹
- Theft of school property should be reported to the Superintendent, or his/her designee, immediately²
- Change in Location³

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Disposition of Fixed Assets

Disposition of Fixed Assets

■ Obsolete Designation

- The definition of obsolete inventory is an item which is no longer usable in the service for which it was purchased and cannot be utilized safely or economically in any other matter

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Disposition of Fixed Assets

■ Surplus Designation

- The definition of surplus inventory is an item in good repair that is no longer needed or used.

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Disposition of Fixed Assets

■ Methods of Disposal

- Sealed Bids¹
- Public Auction
- Recycle
- Sale to another local unit of government at fair market value
- Donation to another local unit of government

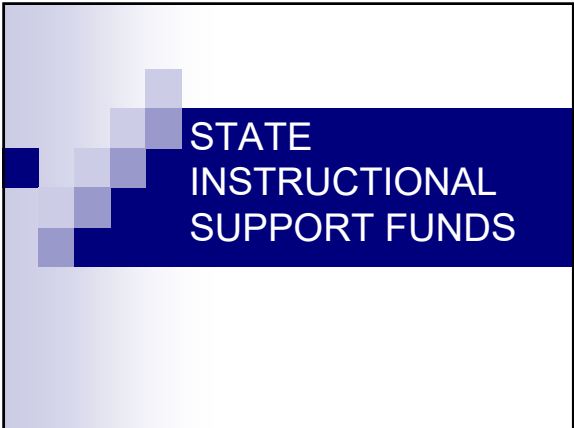
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Audits


Audit reports are records created and maintained to document the findings of the independent auditor on the financial activities and operations of a local school. Information available in these records includes school name, audit period, findings, comments, recommendations, schedules, and exhibits.

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Budgeting Requirements



State Instructional Support Funds

- Classroom Materials and Supplies
- Technology
- Professional Development
- Library Enhancement
- Common Purchases

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Classroom Materials and Supplies

- Funds allocated from the State for “Classroom Materials and Supplies” must be used for classroom materials that are used either by the classroom teacher or students in the teacher’s respective classes¹
- All funds allocated and expended shall be consistent with the latest plans for professional development and technology developed at the local school level by the principal and faculty and submitted by the local board of education to the State Superintendent.

39

Classroom Materials and Supplies

- The Code of Alabama allows for the pooling of student material funds UNLESS a common purchases allocation reaches the \$200 threshold.

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Technology

- It shall be permissible to expend these funds on audio visual equipment used in the classroom for instructional purposes, and the stands, carts and cabinets used to hold or store them IF consistent with the latest plans for technology developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.

41

Technology

- It shall be permissible to expend these funds on electronic game devices used in the classroom for instructional purposes IF consistent with the latest plans for technology developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.

42

Technology

- It shall be permissible to expend these funds on computers and peripherals used in the classroom for instructional purposes IF consistent with the latest plans for technology developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.

43

Technology

- These funds may be transferred from one teacher to another with proper authorization
- The budget committee may recommend and the faculty adopt during the budget process the pooling of these funds

44

Professional Development

- Funds allocated from the State for "Professional Development" may be used to cover the cost of sub pay, registration fees and other conference expenses, and purchase books and periodicals, IF consistent with the latest plans for professional development developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.

45

Professional Development

- These funds may be transferred from one teacher to another with proper authorization.
- The budget committee may recommend and the faculty adopt during the budget process the pooling of these funds.

46

Library Enhancement

- Funds allocated from the State for "Library Enhancement" may be used to cover the cost of books and periodicals as well as instructional software subscriptions. It shall be permissible to expend these funds on instructional equipment which is actually utilized with students in the classroom as well as the furniture to store them (storage carts), IF consistent with the latest plans for professional development developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.

47

Library Enhancement

- These funds may be transferred from one teacher to another with proper authorization.
- The budget committee may recommend and the faculty adopt during the budget process the pooling of these funds.

48

Collective Purchases

- It shall be permissible to expend these funds for either one, or a combination of, the four Classroom Instructional Support funds IF consistent with the latest plans for technology developed at the local school level by the principal and faculty and submitted by the local board of education to the Superintendent.
- It shall be permissible to expend these funds for copiers, copier leases and/or maintenance agreements, copier paper, copy supplies, laminators, etc.

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Unallowable Expenditures of State Instructional Support Funds

Field trip costs
Transportation
Furniture and fixtures
Extracurricular expenses
Teacher Membership Dues

50

Suggested Timeline – Local School

March 1 Begin discussions regarding wants & needs¹
April 15 Budget requests due
April 15 Request budget committee volunteers²
April 20 Faculty elects budget committee
April 25 Committee meets and a proposal is drafted
May 1 Faculty votes on proposed budget
May 15 Committee signs State Budget forms
May 25 Budgets submitted to the Central Office

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Suggested Timeline – Central Office

- June 15 CO budgets Federal, State and Local funds for district
- Aug 15 First of two hearings held for the public
- Aug 30 Second of two hearings held for the public
- Sep 5 BOE approves budget
- Sep 10 Superintendent submits budget to State Superintendent of Education

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Budget Committee

- Four (4) teachers & the school principal, or principal's designee
- Teachers elected annually by a secret ballot vote¹
- Committee elects a chairperson & a recording Secretary
- Committee may form advisory committees²
- Committee to propose budget³

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Approval by Teachers

- Proposed budget submitted to teachers at an annual meeting (may be at the beginning or end of the school year, or both)
- Teachers must have at least two (2) work days to review the proposed budget
- Teachers vote by secret ballot
- Majority vote of the teachers voting at the school before any part of the proposed budget is implemented

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Approval by Teachers

- If not approved, returned to committee for reformulation, taking into consideration the teachers' recommendations
- Revised budget proposed by committee is submitted to a secret ballot vote of the teachers
- If the revised proposed budget is not approved by a majority vote of the teachers, the process will continue until a budget is approved

55

Unspent Funds

Any funds appropriated for classroom instructional support not expended according to this section by the end of each fiscal year shall revert to the Education Trust Fund.¹

56

Teacher Transfer

Classroom instructional support monies are to be expended on behalf of students at a specific school and are not transportable with the teacher if the teacher is transferred to another school.

57

Proration

In the event proration of the Education Trust Fund is declared by the Governor, each school system shall nevertheless insure that at least 80 percent of its allocation per teacher for classroom instructional support shall be expended according to this section. No portion of a teacher's classroom instructional support money shall be withheld until and unless the Governor officially declares proration of the Education Trust Fund.

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Contact Information

If at any time you have questions or concerns, please contact me:

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