



# **HANDBOOK FOR FINANCE OFFICE PROCEDURES**

THE FOLLOWING ARE PROCEDURES AND HELPFUL INFORMATION WHEN:

- COLLECTING MONEY FOR VARIOUS EVENTS THROUGHOUT THE SCHOOL YEAR
- MAKING PURCHASES
- USING YOUR CREDIT CARD

\*\*\*If you have questions, please contact the Finance Office

## **DEPOSITS**

All money collected (i.e., fundraisers/contributions/uniforms/trips/supplies etc.) should be deposited in a timely manner.

*Depositing money in a timely manner is an effort to protect the person paying the funds, the person taking the deposit, and the district. It also is a testing point of our auditors.*

1. Checks should be made out to Lakewood Public Schools with a notation of what the event is in the memo section.

*If there is a memo on the check, it makes it much easier if there is a need to research a payment.*

2. Complete an account deposit ticket (form attached – Appendix A) and send a copy along with the bank deposit slip to Central Office after you have made your deposit.

*This deposit slip is a requirement of our auditors – it requires two signatures – the person turning in the funds and the person taking the funds.*

3. The deposit will then be entered into the financial software.

\*\*Monies received for lost textbooks or equipment are to be deposited back into your General Fund account – as this is where it was paid from and where the money will be taken from to replace the item.

## **PURCHASES**

State and Federal guidelines have been established to limit what can and cannot be purchased using public and grant funds.

*380.1814 of the State of Michigan Revised School Code states, "a person shall not use school district, intermediate school district, public school academy, or education achievement authority funds or other public funds under the control of a school district, intermediate school district, public school academy, or educational achievement authority for purchasing alcoholic Beverages, jewelry, gifts, fees for golf, or any item the purchase or possession of which is illegal."*

*Gift cards have been interpreted as "gifts" under this section of the school code and therefore cannot be purchased with district funds.*

*Consistent with guidelines for the use of Federal funds, the MDE Child and Adult Care Food Program Allowable and Non-Allowable Costs guidelines provide a non-all-inclusive list that reflects those items most frequently asked about whether an item is an allowable cost or not.*

*Candy, gum, food costs for meals/snacks\* not claimed or not approved on site application, and food not for day care children are non-allowable costs.*

*Per Michigan but not Federal law, "Snacks, refreshments, and food for students in the course of the school day that are deemed to contribute to the educational process" are allowable expenses." Therefore, use of any Federal funds (e.g., Title funds, ESSER funds, etc.) is not allowable.*

*When considering using General Funds, first ask yourself, "Is there an 'educational nexus', a direct link between the item being purchased and the curriculum?"*

- I'm an elementary teacher teaching colors, sorting, or counting, can I buy a big bag of Skittles? The answer is no if you are using Federal funds, but if you are using your classroom budget from the General Fund, it is an allowable purchase.*
- I'm an elementary teacher and my kids have been so good over the last week, can I buy a big bag of Skittles for a treat? No, not with Federal or General Fund monies.*

Purchases of materials and/or services totaling \$250 or more should have a pre-approved purchase order. (This includes student activity accounts, items ordered on approval, purchases that employees are going to be reimbursed for, and building internal accounts.) The following procedures are to ensure that all purchases are ordered, received, delivered and paid for in a timely manner.

*This process allows the budget to be checked prior to a purchase. If there are not sufficient funds, then it allows the principal/administrator to move funds within their budget (to the extent allowed by MDE standards) or decide if the purchase can wait.*

*MDE and the State of Michigan requires all districts to stay within the budget that the Board of Education has approved.*

*Checks are only run once a week, so without purchase orders, there would be no way to know what is committed from any given budget until it has been spent and at that point it is very possible that the budget could be over spent.*

*Recent changes to general accounting principles, specifically [GASB 84](#), require student activity accounts to be considered part of the General Fund thereby falling under General Fund accounting requirements.*

1. Use a requisition form (form attached – Appendix B) for all purchases.
2. Fill in all necessary information, including: vendor name, address; quantity, unit of measure, description, price per unit, and the total amount for each item. (If the number of items is lengthy and there is already a list or order form put the words "Per Attached Sheet" in the description column and put the total in the amount column. **After the last item of the order, add a line for shipping and handling. (Most vendors will provide an estimate for this.)** Then put the total for the entire purchase on the total line.
  - a. If you wish to order on-line, indicate this on the requisition and the white copy will be sent to you once it has been converted into a PO.
  - b. If it is something that needs to have the check sent with the order, then please indicate on the requisition the following:  
"PLEASE PAY – CHECK MUST BE SENT WITH ORDER"

- c. You must add shipping to each order or indicate "FREE SHIPPING" if applicable. If there is nothing indicated regarding shipping, then the Business Office will add a line for 10% shipping to your Purchase Order for you. It is very important that you note the shipping charges, as it can have a major impact on your budget.
3. Approvals
    - a. Once your order has been input, it will go to your principal/admin to approve.
    - b. After the principal/admin has approved, it will electronically come to the Finance Office for approval and processing.
    - c. Once all approvals are complete, the Finance Office will process the purchase order, send it to the vendor, and a copy will be sent to the secretary.
  4. When the merchandise is received please make sure to check in your order against the packing slip, sign and date the packing slip, and return it to the Finance Office along with the copy of the PO. Once the invoice is received, the Finance Office can match up the PO, packing slip, and the invoice. As long as everything is as expected, the invoice will be paid.

## **ON-LINE ORDERS**

When doing orders to places such as Amazon, Quill, School Specialty, etc. the purchase order should be done prior to the on-line order. Then once you have your approval, you will have a copy of the PO and will be able to enter that into the order on-line.

*Amazon, School Specialty, and Quill have all made it possible for the person ordering to enter their order at the same time they are filling out their purchase requisition form. The form can consist of one line – "see attached order" -- \$\_\_\_\_\_ of entire order. (Saving time on paperwork). Then print the on-line order, attach it to the form and submit it to your building secretary.*

*Amazon: Each teacher, secretary, and administrator can set up a Lakewood Public Schools account. If you do not have one, email Jammie Sprank and she can send you the link. You then can create your cart, (Amazon does give you a free shipping option for orders over \$25, but you have to check that box), submit and print your cart, complete the purchase requisition form, and submit it to your building secretary. Once the principal signs the form then the Finance Office receives a copy, your Amazon cart is approved and Amazon will process.*

*Quill: Each secretary already has an account set up, so you can contact them if there is something from Quill that you wish to order. The process is very similar to Amazon, but Quill is already set up to get free shipping.*

*School Specialty: Each teacher, secretary, and administrator can set up a Lakewood Public Schools account. If you do not have one, email Jammie Sprank and she can send you the link. You then can create your cart, (School Specialty gives free shipping automatically), submit and print your cart, complete the purchase requisition form, and submit it to your building secretary. Once the principal*

*signs the form then the Finance Office receives a copy, your School Specialty cart is approved and Amazon will process.*

*These are the most widely used on-line vendors, but if you have another vendor that you would like to use, please contact us and we can find out if we have used them before and if not, if they will take a purchase order.*

## **EXCEPTIONS**

Orders that you are going to physically pick up:

1. Take a copy of the PO to the vendor and make your purchase.
2. After you have made your purchase, attach the receipt to the PO copy and return it to the business office for payment. Unless there are extenuating circumstances, the receipt/invoice should reach the Business Office within 48 hours following the purchase.

Transportation and Operations

1. Due to the nature of these two departments, purchase orders are expected on items that are known ahead of time.

## **OTHER PURCHASES**

In extenuating circumstances if you have to make a purchase using your own money (only allowed for an order of less than \$250), you will need to do the following:

1. Meals purchased while on Professional Development travel (\*\*per IRS regulations, we must have itemized receipts for meal purchases)
2. Still need prior approval – either complete a purchase requisition form or a professional development form and obtain proper approvals.
3. **Sales tax exempt** certificates cannot be used with personal payment – and is not reimbursed.

*A school district is exempt from sales tax. This is a tremendous savings to the district – just looking at the 2021-22 Supplies/materials budget (object codes 51xx and 59xx) the total budget for those line items is \$429,763 if we paid sales tax on everything, it would cost the district \$25,785.78. There are many avenues to make purchases through the school district so that sales tax is not incurred. This is quite a savings to the district.*

*Therefore, it should be understood that if an employee does not follow the guidelines set forth, or does not speak with the business office to explain any extenuating circumstances that may exist and receive permission prior to making the purchase, sales tax will not be reimbursed to the employee.*

*Accounts have been established with various local vendors where tax exempt purchases can be made. The majority of these accounts are used by transportation and maintenance staff (e.g.,*



*Lake Odessa Parts Plus, Menards, etc.), but accounts have also been established at Carl's Supermarket and Penney's Pizza. Please work with your building principal, who in turn will work with the Business Department, to establish accounts at other local vendors.*

4. **Credit Card fees** are not reimbursed.

\*\*\*If you have any questions or need assistance please call the Finance Office **before** you make a purchase. \*\*\*

*There are a few different ways to be able to make a purchase without incurring a credit card fee. The School District has the ability to make purchases at many different vendors who allow us to charge and they will send us a bill. This also makes it so that the employee does not have to incur any cost themselves, they can make their purchase and the vendor will invoice the district directly.*

## **BMO CREDIT CARDS**

**DUE DATE FOR STATEMENTS INCLUDING RECEIPTS AND SIGNATURES IS THE 30<sup>TH</sup> OF EACH MONTH.**

You are responsible for making sure there is no tax charged to your order. If you receive your statement and you find that you were charged tax, then you have two options:

1. Take your receipt back to the store and have them credit your account – then attach the credit to your statement.  
OR
2. Pay the tax yourself by attaching a check to your statement when you send it on to the Finance Office.
3. When using your credit card for larger purchases you still need to obtain a purchase order. The credit card is a method of payment, not an approval to purchase.

It is the responsibility of the card holder to print their statement, match up all receipts, assign proper account numbers; and sign the statement prior to sending it to the Finance Office. If we have repeat offenders for not turning in receipts with their statement; not reconciling with any tax that was charged; and turning in paperwork past the deadline, the card will be put on hold until the issue is resolved.

## **PROCEDURES FOR USING THE CREDIT CARD**

1. Make your purchase - **\*\*PLEASE MAKE SURE YOU GIVE THE STORE THE MICHIGAN TAX EXEMPT FORM (obtained from the Finance Office) AND TELL THEM THAT YOU ARE TAX EXEMPT\*\***
2. Save your receipts, invoices, proof of delivery, etc.

3. Once you have received your BMO statement, match up all the back up to your items on the statement. There must be a receipt or an invoice showing paid.
4. Write the proper account number that is to be charged, sign the statement, and send the packet to the Finance Office. I would advise keeping copies for your own records.
5. NOTES:  
Please do not send over receipts until you have the statement to match to.

