REVENUE AND RECEIPTS

Property Taxes

Property taxes are collected by the county, and the Assistant Superintendent receives a notice monthly by email from the County Treasurer outlining the amounts received for the district in the various tax categories.   This e-mail is sent to Accounting Manager, who then prepares and posts the journal entry regarding collections. The Assistant Superintendent then reviews the journal entry. Monthly, the County Treasurer electronically transfers the tax amount received into the SC Local Government Investment Pool account. Accounts Payable Clerk or Payroll Clerk then request funds based on the total payroll and/or accounts payable amount and how much they already have available in the bank account. The Accounting Manager electronically transfers the amount from the SC Local Government Investment Pool account into either the accounts payable or payroll account. The Assistant Superintendent receives electronic notification of the transfers. Accounts Payable and Payroll keep a running total of all check runs and deposits into their account.   Procurement office then fills out a cash receipts posting register on a weekly basis which she posts cash receipts from. This is reviewed & initialed by the Accounting Manager.

State funding

The Accounting Manager monitors the State Department of Finance website to print when payments are posted to our LGIP account. The Accounting Manager codes from the printout and post the cash receipts to the general ledger and also reconciles the SCLGIP cash account monthly. Both of these are reviewed by the Assistant Superintendent. In addition to the Accounting Manager, the Accounts Payable clerk can also print out the EFA & EIA State allocations from the State Department of Finance website and prepare and post journal entries to record revenue to ledger. These journal entries are reviewed and initialed by the Accounting Manager. The Assistant Superintendent, Superintendent, and the Accounting Manager are the persons authorized to transfer money from the LGIP to the District's AP and Payroll accounts. The Assistant Superintendent is also the only person who can add or delete account numbers to wire funds from the LGIP to the District. Two signatures are required on changes to the LGIP accounts.

Grants (special project funds)

When the District has grants or special project funds, they expend all funds necessary for the project and then request reimbursement. Expenditures are approved by the program person at the time of purchase. The Assistant Superintendent and the Accounting Manager have the responsibility of ensuring expenditure reports are filed within a timely manner for each fund. The Accounting Manager generates the information needed for the reimbursement claim report from information provided by the District's computer system.   The Accounting Manager prepares a reimbursement claim report and the Assistant

Superintendent then signs the report. Once approved, the Accounting Manager logs into GAPS (The State Department of Education Finance System) to enter the claim. Once the claim is entered into GAPS, the Assistant Superintendent logs in for the approval process. The State Department of Education transfers the reimbursement amount to the district's local government pool account at the South Carolina State Treasurer's Office. The Accounting Manager goes online to State Department Website to print off weekly payments to school districts and she uses this to match the claims made and to record the revenue correctly (this entry is prepared by Accounting Manager and reviewed by Assistant Superintendent).

Several grant programs, (IDEA, Title I, etc), contain an indirect costing plan. The plan allows for reimbursement of indirect costs. The reimbursement is calculated using a pre-approved state formula. The formula contains information derived from the following sources: the State Department of Education, the federal government, and the previous year's audit. The indirect cost amount is sent to the District and is also posted on SDE website. The form is called a "Negotiation Agreement." The State Department calculates the indirect costs and verifies that the indirect rate is in compliance with federal laws and regulations.

Cash Receipts (District Office)

The Accounting Manager collects all money received at the District Office. Depending on the amount or type of money received, Accounts Payable clerk prepares the deposit on at least a weekly basis and takes it to the bank. Any money held at the District Office overnight is secured in the District vault. When the accounts payable clerk returns from the bank, she files the deposit receipt with her monthly receipts information. Procurement office completes a cash receipts posting register on a weekly basis which she posts cash receipts from. This is reviewed and initialed by the Accounting Manager.

Bank Reconciliations

The procurement office is responsible for preparing all the District's monthly bank account reconciliations (AP, PR and petty cash), except for Food Service and SCLGIP. The Accounting Manager reviews the AP, PR and petty cash reconciliations that the procurement office completes. The Accounting Manager reconciles the Food Service and the SCLGIP checking account. The Assistant Superintendent reviews the bank reconciliations and statements for reasonableness to make sure that nothing seems to be out of place. The schools send their bank reconciliations to Procurement office for review on a monthly basis and she reviews and signs them for reasonableness, she then sends them to the Accounting Manager who reviews and signs off on them.

Journal Entries

The Accounting Manager prepares and posts most journal entries and they are reviewed by the Assistant Superintendent. The Assistant Superintendent prepares and posts some journal entries made to the ledger and the Accounting Manager approves them. The Procurement office also prepares and posts some journal entries that are reviewed and initialed by the Accounting Manager. These entries normally include monthly entries for Accounts Payable and Payroll accounts when reconciling the

monthly bank statements and school pupil activity account transfers. In addition to the Accounting Manager, the Accounts Payable clerk can also print out the EFA & EIA State allocations from the State Department of Finance website and prepare and post journal entries to record revenue to ledger. These journal entries are reviewed and initialed by the Accounting Manager. All journal entries are kept in a file cabinet in Accounting Manager's office with the appropriate back up.

PURCHASES AND DISBURSEMENTS

Purchase Orders (District Office)

A *Purchase Requisition* form is completed for all purchases at the District Office. The forms are completed by either the department manager or their secretary and approved by the appropriate supervisor. The secretary checks the availability of funds in the schools computer program, CSI, or they will send it to Procurement Office to check and enter. If the funds are available, the purchase requisition is entered. The CSI system assigns a purchase order number to the requisition at the time it is entered. The purchase orders are approved in the system at the point of entry. Procurement Office prints the purchase orders that have been entered on a daily basis. The Assistant Superintendent or Accounting Manager approve all purchase orders over $1,500.00 by signature on the hard copy. A copy of the printed purchase order is sent back to the department or school and the Procurement Office sends the original purchase order to the vendor.

When orders arrive at the District, they are checked by the individuals who placed the order. The purchase order is compared to the invoice and to the items shipped. If the items do not agree with the original purchase order, the vendor is contacted by the individual who placed the original order or Accounts Payable. If the order is complete, then the purchase order or invoice is signed by the department manager or designated school personnel. The department secretary will make a notation on the invoice to inform accounts payable if the order is complete or if there are backordered items. This way accounts payable knows whether to close the purchase order or not. If multiple invoices are to be paid against one purchase order, Accounts Payable keeps a tally of the invoices and amounts that are paid against each purchase order. The Accounts Payable clerk prepares and remits checks for the various vendors. The Accounting Manager acts as backup if Accounts Payable clerk is out for processing AP. All reimbursements (travel, etc) must be approved by Assistant Superintendent or Accounting Manager prior to payment. Invoices that do not have a purchase order are all signed by Assistant Superintendent or Accounting Manager (Examples – utility bills, telephone bills, copy machine, architect fees, etc).

Purchase Orders (Schools)

A *Purchase Requisition* form is completed for all purchases. The forms are completed by either the teacher or school bookkeeper and approved by the principal. The bookkeeper checks the availability of funds in the schools computer program, CSI. If the funds are available (meaning money left in the particular account), the purchase requisition is entered. The CSI

system assigns a purchase order number to the requisition at the time it is entered. The purchase orders are approved in the system at the point of entry. Schools can enter requisitions up to $1,500.00, anything over that must be sent to purchasing. The Assistant Superintendent or Accounting Manager approve all purchase orders over $1,500.00 by signature on the hard copy. A copy of the printed purchase order is sent back to the school and purchasing sends the original purchase order to the vendor.

When orders arrive at the school, they are checked by the individuals who placed the order or the school bookkeeper. The purchase order is compared to the invoice and to the items shipped. If the items do not agree with the original purchase order, the vendor is contacted by the individual who placed the original order. If the order is complete, then the invoice is signed by the designated school personnel. The school bookkeeper will make a notation on the invoice to inform accounts payable if the order is complete or if there are backordered items. This way accounts payable knows whether to close the purchase order or not. Invoices that do not have a purchase order are all signed by Assistant Superintendent or Accounting Manager.

Accounts Payable

Accounts Payable clerk is responsible for printing all accounts payable payments made by check. All new vendors must be setup by Purchasing or Accounting Manager. The District does not use blank checks. A laser check printer is used with blank check stock and magnetic ink. The printer is located in the District's accounts payable office. The printer encodes all check information, including payer, payee, amounts, bank account numbers, and the signature. The printer signs all checks with the Superintendent and Assistant Superintendent's signatures. The signature key is kept in the vault in the Accounting Manager's office. Anyone has access to the Disk that is in Finance, but the individual must come through Accounting Manager's office to get into the vault. The vault is locked when she leaves every day.

The only people authorized to print checks are AP, Payroll, Accounting Manager as backup, and Purchasing (backup only). Each of these District employees has the necessary software installed on their computer, which allows them to print checks. The beginning and ending check number for all check runs are monitored by appropriate individuals. Accounts Payable clerk accounts for all accounts payable checks and bus driver payroll checks and Payroll clerk accounts for regular payroll checks. Accounts Payable invoices are paid on Thursdays or Fridays. Accounts Payable enters all invoice information into the computer system before checks are printed. She then prints a *Check Proof Report* that lists all vendors and invoice amounts to be paid. She reconciles all invoices against the *Check Proof Report* to ensure all information is accurate. Assistant Superintendent or the Accounting Manager review all vouchers and verifies that all of the items are approved. The checks are then printed after all information has been reviewed. After the checks have been printed, they are sorted and mailed by Accounts Payable clerk. A printed check register listing all checks issued for the check run is also printed.

In addition to checks, some accounts payable payments are made electronically.   These payments are called virtual payments. These payments are made through a 3rd party vendor: EFS/Strategic Payments Services (SPS).   Our vendors that have agreed to accept these electronic payments are flagged as such in our system (CSI/Smart Fusion). When invoices are paid, the process is the same as when we pay vendors using checks. Once the voucher has been created in AP in the system, the system creates a file for the vendors who are flagged as electronic. The system will then prompt us to process virtual card payments. Once that step is completed, the file is submitted to our 3rd party vendor who will then generate a one time "ghost card credit card number" and email the vendor with the card info. Once the vendor processes payment using the card number provided, the charge will then clear our bank as a T-Chek payment.

PAYROLL SYSTEM

Hiring and Termination

The District's personnel department handles all hiring for the District with the direction and approval of the Board. Personnel also execute terminations of employees. Personnel issues contracts around the first of April every year to all certified and administrative staff. Letters of resignation are accepted by the Superintendent and submitted to the Board for approval. After Board approval, Payroll clerk immediately makes the appropriate changes to the payroll system. Personnel clerk enters all new employees. If there are changes to an employee throughout the year, personnel clerk or payroll clerk will make those changes.

Regular Pay

The Board approves hiring recommendations and the related salaries, per the recommendation of the Director of Personnel. After Board approval, personnel complete the hiring paperwork and forwards necessary information to payroll. A *Personnel Action Form* is used to submit information to payroll. In late 2018/2019, Human Resources began using new onboarding software through TalentEd. The information contained in the *Personnel Action Forms* is now entered online using this software. Payroll receives an email when a new employee is entered online by Human Resources. Payroll then logs in to software to retrieve all necessary information. Payroll enters the salary, benefits and related information into the CSI system for payroll purposes. Payroll can only modify salary information in the payroll system and that personnel enters all new employees into the system. All employees are paid monthly on the 25th. Maintenance, cafeteria workers and custodians complete timesheets/cards and a designated person at each location totals onto a work report, which is sent to payroll. They also clock into Kronos (a biometric time clock that interfaces with CSI) on a daily basis. Each day the time in Kronos is approved by the supervisor and then at the end of the payroll period it is routed to payroll for final approval. The time is then transferred into CSI for payroll processing. As with maintenance, cafeteria workers and custodians, the bus drivers clock into Kronos and their time is approved by Transportation Director. At the end of the payroll period the transportation secretary

makes adjustments in Kronos and accounting reviews the information in Kronos and transfers to CSI for payroll processing. The goal with Kronos is to eventually do away with the time sheets/work reports.

The District is on-line with the Professional Certified Staff Listing (PCS). This is a listing maintained by the Department of Education that entails every teacher's current level of certification. Payroll clerk enters all new employees into the system along with the number years of service and education level. Each year the system updates this information. When a teacher receives accreditation from the State, a copy is given to payroll.

Payroll transmits direct deposit for employees and calls in the payroll taxes on a monthly basis. Payroll clerk prints payroll checks on a laser printer only for school-to-work students, all other employees are on mandatory direct deposit. The Superintendent and Assistant Superintendent's signatures are programmed in the system and are automatically printed on the checks. The beginning and ending check numbers are also accounted for. Each employee is responsible for printing his/her own direct deposit stub off the district's Employee Self-Service site. Substitutes are outsourced with Kelly Services and Kelly pays them directly.

Distribution

All District employees are now on direct deposit. We have only a few checks that are written like to interns, etc.

Absences

Twelve-month employees can earn 1 day per month for sick leave, which is a total of 12 days. Each employee can carry up to 90 days to the next year. When an employee retires any accumulated sick leave will be added to that employee's years of service up to 90 days. If an employee leaves the District before retirement, accumulated sick leave is not paid out. For any sick leave or personal leave time, employees fill out a form. This form is approved by the supervisor and sent via interoffice mail to Payroll. Payroll or accounting employee enter the information into the system. If a teacher is out and calls in a sub, their absence is tracked in the Kelly services system. Their time is then checked against the work report. The payroll system keeps up with the amount of sick or personal leave an employee has. If no time is available the system will dock the employee's pay appropriately. The District does have a sick bank which is voluntary for all employees. If a person uses all of their sick days, s/he can apply to receive sick days from the sick bank and a group elected by the each location will decide on whether to grant those sick days to the employee. When funding permits, the Board has historically approved to pay all employees with over 90 days of sick leave a bonus at December 31.

Vacation

All twelve-month employees receive two weeks of vacation per year (after 10 years an additional week is given). The vacation policy states that employees may carry forward 20 days of vacation. When an employee leaves the district, he/she will be paid

for unused vacation up to 20 days, at their given daily rate. Vacation requests are approved by the appropriate supervisor and forwarded to payroll. Payroll or accounting employee will key in absences in CSI. CSI keeps up with the balances and copies of all requests are kept at the District Office.

CAPITAL ASSETS

Assistant Superintendent, Accounting Manager and Accounts Payable Clerk are responsible for all capital assets at the District including food service. The current capitalization policy reflects a capitalization threshold of $5,000. A fixed assets inventory is done each year by the Accounting Manager and Accounts Payable Clerk, and reviewed by Assistant Superintendent, and is kept in hardcopy in notebooks in the Accounting Manager's office and on a spreadsheet. All non-food service fixed assets are keyed into CSI accounting system and backup is saved online. All food service fixed assets are kept up with on a spreadsheet and the backup is saved online.

DEBT AND DEBT SERVICE

When the District wants to raise funds by selling a bond issue, they must first send the request to the District's Board of Trustees. The Board of Trustees must adopt a resolution for the requested bond issue. If the debt limit exceeds the required state limit of 8%, the county must hold a referendum to get approval from the voters.   Once the bond has been approved and issued, the District receives the funds. The County Treasurer sends a B*ond Activity Re*port to the District monthly or upon request. Assistant Superintendent reviews the report and enters the information into the general ledger through a journal entry, which is posted on a monthly basis.

The County Treasurer is responsible for making the District's debt principal and interest payments. The payments are made with proceeds from the tax revenue generated from the debt service millage. The payments are recorded by journal entry based on wire transfers made by County Treasurer and recorded on the monthly Treasurer's report. These amounts are verified to the amortization schedule presented in the bond closing document.

FOOD SERVICE

Purchases

All purchases originate with the cafeteria managers. The cafeteria managers estimate what s/he will need for the upcoming week based upon the menu and what is in the stockroom. The cafeteria manager either calls or emails Food Service Director what they need and she orders the item through the main vendor listing provided by Chartwells. The main vendor listing is the only vendors that have been approved by Chartwells for the schools to order items from. The vendor listing contains only

vendors that have won the bids that were done by Chartwells for the District or vendors that Chartwells has bided out themselves following both their and the District's procurement code.

Once the item has been ordered and received by the cafeteria manager, the signed shipping invoice is forwarded to Food Service Logistics to review and key into Chartwells' billing and invoicing system. She reviews all of the invoices for allowable costs and inquires if anything appears to be unallowable. Food Service Logistics codes the invoice into Chartwells' system based upon what type of item it is (baked goods, canned, etc) and by school location. The invoice is then forwarded to the Director for final review before transmitting all invoices to Chartwells at the end of each week. Chartwells pays all the invoices for the District and then bills the District for the services performed and items ordered once a month. If a vendor is not listed on the main vendor listing, Chartwells, at its corporate office, will not issue a check for the items purchased.

At the end of each month, Chartwells generates an invoice for the District for all services and items supplied to the District. The invoice is sent to the Director, who reviews it and reconciles the invoice from Chartwells to the invoices that were transmitted to Chartwells on a weekly basis. The Director then prepares a breakdown for the Accounting Manager so that she can post the revenue to the general ledger. The Assistant Superintendent approves this entry. The Food Service Director forwards the invoice and breakdown to Assistant Superintendent for approval. She reviews and approves the monthly summary breakdown and the supporting documentation for all of the expenditures.

Cash Receipts

All cash for meals and other food sales are received at the point of sale (register) by the cashiers. The District utilizes a software package (Meals Plus) to accurately collect data regarding number of meals served and revenue. All students are issued an id number and s/he must key that number in before receiving a meal. After the student has keyed in his/ her id number, the cashier is able to tell the classification of the student (free, reduced, etc). For reduced and full priced students, the cashier collects the money from the student and keys the revenue into the system via a touch-screen. To prevent the student from using the wrong id number, the system will not recognize any id numbers that are keyed in that are not in the system at that location and displays the student's name and picture on the screen so that the cashier can verify that the student is using the correct id number. If there has been a history of someone else using a student's id number then an alert is placed on the system for the cashier to check the student's id before the transaction can be completed.

At the end of the day, each cashier is to count and record, in the computer system, the number of currency or coins that is in the cash drawer and not the dollar value. A report is then generated that tells the manager what the cashier counted and what should have been counted. The manager and a cashier count the money in order to prepare the deposit and investigates any variances. One deposit is made for breakfast and lunch for each school location and day. The cafeteria manager or her

designee takes the deposit to the bank on a daily basis. The manager or her designee waits at the bank while the deposit is counted and verified by a bank employee before leaving the bank.

The validated deposit slip is then sent to the District office where slip is attached to a report detailing the amount of revenue collected by location. A report is given to Accounting Manager to book the revenue to the ledger on a monthly basis. Assistant Superintendent reviews and signs this entry.

CREDIT CARDS

The District has a procurement card program through Bank of America, this program is called WORKS. Every principal and department head has a credit card and the principal can allow teachers and staff to use his/her card. When the card is used, invoices/charges must be turned in to the school bookkeeper or department secretary. They are required to keep all supporting documentation at their location. Every time a transaction hits the card the bookkeeper or secretary will receive an email letting them know they have a transaction. This will be their signal to log on to WORKS and code each transaction to the appropriate account number. Once the transaction is coded they will sign off on the transaction. After that, it is routed to Accounting. Purchasing will verify all the transactions that have been coded. They will then run the necessary steps to transfer the information from WORKS into the CSI accounting system. Once in CSI, they will post the transactions to the appropriate general ledger accounts through the form of a journal entry. At least quarterly, Accounting Manager and purchasing will visit all schools and department heads to audit their transactions. The District will require a receipt for every transaction and verify the reasonableness of the transaction.

PUPIL ACTIVITY

The intention of pupil activity funds is that they operate on a self-supporting basis. Student activities will not be conducted for the sole purpose of producing revenue. The accounts should not have deficit balances at the fiscal year end.

The principals review requests for validity. Documentation for checks will be maintained by the bookkeeper and must have documentation to write a check. Two signatures are required on all checks. Approved checks signors are the principal, assistant principal(s), the Assistant Superintendent and the Accounting Manager. No stamped signatures are allowed.

When checks are written from the school account the bookkeeper is responsible for entering the information into the CSI accounting system. The bookkeepers assign check numbers in CSI and post the transactions to ledger.

The bookkeeper is responsible for receipting revenue and depositing to bank. Teachers receipt money in the classroom and then turn in the information to the bookkeeper. Receipts that are less than $5 per student may be receipted as one receipt

provided that proper documentation is maintained to support that one receipt. All receipts are on a pre-numbered receipt form. The bookkeeper keys in the deposit information into CSI accounting system.

Monthly bank statements are reconciled by the bookkeeper and approved by the principal or assistant principal and submitted to purchasing each month. She verifies the reconciliation and it is reviewed by the Accounting Manager.

The Accounting Manager and purchasing, on at least a quarterly basis, conducts an audit of pupil activity funds at each location. Various deposits and checks are pulled. They look for proper backup for the checks written and receipts for deposits made.

BUDGET ADOPTIONS AND TRANSFERS

The Board adopts the general fund budget on an annual basis, prior to July 1 of each fiscal year. The District disseminates information and holds a public budget hearing, as required by law, related to the budget in accordance with the requirements of the SC Freedom of Information Act. Budgets are adopted for the general fund, but no official board adoption is made of special revenue funds. The Board has the authority to transfer funds from one account to another. The Superintendent/Finance Director has authority to transfer budget amounts between function and object amounts as long as the total spending does not exceed the approved budget. Additions to the approved budget must be approved by the Board. The Superintendent has authority to transfer budget amounts within the same function and sub-function areas. The Accounting Manager keys all budget transfers during the year. The transfers are reviewed and approved by the Assistant Superintendent. The Board receives a budget report from the Assistant Superintendent on a monthly basis.

MONTHLY REPORTING CONTROLS

The Board receives a monthly financial report for the general fund at their regularly scheduled Board meetings. The budget reports are run out of CSI. The report shows budget, current month expenditures, year to date expenditures, and percent remaining. The reports are given to the Board for discussion. At the end of the year we provide our external auditor with our closed out trial balance. We work with the auditor to make sure the year-end tax accrual is done properly for the modified accrual financials. The external auditor prepares all the GASB 34 conversions and we review their work and ensure we have an understanding of what was done in the conversion. Once the auditor is done with the majority of their test work we update the MD&A and Notes. The auditor reviews these numbers and we discuss any needed changes. Changes are not made until the District agrees and understands the changes.

COMPUTER CONTROLS

Director of Technology is responsible for maintaining the computer system of the District. The Information Technology Department handles all requests for computer support for the District for both financial and non-financial systems. No one in

the Information Technology department has the ability to enter transactions or change data in the financial system. The financial software is limited to the users that are setup by the Assistant Superintendent and is safeguarded by requiring the user to enter a username and password to access the system.

To prevent access to the District's computer systems from outside users over the Internet, the District employs a firewall that requests a username and password before allowing anyone over the Internet to access any of the computer systems of the District.

Daily, offsite backups of the financial reporting system are performed to ensure that, in case of a disaster, the District's financial data is safeguarded and could be restored in case of a total data loss on the District's computer system.

WIRE TRANSFERS

Payroll or accounts payable notifies the Accounting Manager of the amount of the transfer that is needed and for what purpose. The Accounting Manager processes the transfer online with the Local Government Investment Pool and the Assistant Superintendent receives an electronic notification of the transfer. Everything is done electronically now with the LGIP. Assistant Superintendent also reviews the wires when reviewing bank reconciliations prepared by the Accounting Manager.

JOURNAL ENTRIES

Assistant Superintendent and the Accounting Manager process journal entries. Back up is required from the schools/departments for journal entries. The Procurement office also prepares and posts some journal entries that are reviewed and initialed by the Accounting Manager. These entries normally include monthly entries for Accounts Payable and Payroll accounts when reconciling the monthly bank statements and school pupil activity account transfers. In addition to the Accounting Manager, the Accounts Payable clerk can also print out the EFA & EIA State allocations from the State Department of Finance website and prepare and post journal entries to record revenue to ledger. These journal entries are reviewed and initialed by the Accounting Manager. All journal entries are kept in a file cabinet in Accounting Manager's office.