



Documentation of Financial Reporting System for each significant audit area

For Fiscal Year 2024

CASH

Receipts:

General and Federal Funds: All receipts are handled at the School Administration Building – Business Services Department. Most receipts for the general fund are received via electronic deposit (from the State Department of Education, Anderson County Trustee Office, and eFunds for some non-resident tuition payments online). A minimal number of receipts are received by mail and/or from walk-ins at the Business Services Department. The electronic deposit of funds is verified by the accounting office and noted with the appropriate revenue account code. Then accounting staff gives the printed documentation to the AP Specialist to issue cash receipt(s) of those funds into the accounting software. The batch report with documentation is signed by the AP Specialist and then provided to the accounting office.

The mail or walk-in payments are immediately stamped “for deposit only” and are receipted by the AP Specialist in the accounting software. For check deposits the AP Specialist securely signs into the bank website to complete a remote deposit utilizing a check scanner located in the Accounting Office. Copies of all checks are stored by the bank also with the deposit paperwork. Original checks are filed and kept for one month. For cash deposits, the bank deposit ticket and funds are then given to the District Courier who makes the deposit into the general fund bank account. (Note: the backup for processing and entering cash receipts is the Data and Reporting Specialist and the Purchasing Specialist.) (Note: the backup for taking the deposit to the bank is the Business Services Coordinator.) The deposit ticket receipt is attached to the batch report for cash receipts and submitted to the accounting office. The District Accountant reconciles the receipts and batch reports with the deposit ticket receipt and updates the cash receipt(s) to the general ledger.

Cafeteria Fund: The cafeteria staff at each school location handles all walk-in payments. Daily receipt reports are reconciled to daily deposit receipts at each school location by the cafeteria manager. The cafeteria manager makes the bank deposit and provides the supporting documentation and deposit ticket receipt to the District Food Service Supervisor. Online payments are submitted through the District’s eFunds site.

Funds are tracked in the food service financial software for each individual student payment (both for direct payments received at the cafeteria location and online payments submitted through eFunds (ACH) electronic deposits).

The Food Service Supervisor’s office submits the weekly deposit tickets with backup and a summary of all transactions to the AP Specialist in the Business Services Office. They are entered in the cash receipt process into the financial software. The cash receipt(s) of those funds is entered by school location for each week. The batch report with documentation is signed by the AP Specialist and then provided to the accounting office for review and updating to the general ledger.

Extended Childcare Fund: All walk-in receipts are initially handled by the Extended Child Care (ECC) on-site manager at each individual school location who posts the payment to the weekly log sheet. A District policy for ECC only permits payment by check or money order at the ECC sites (no cash payments are allowed) The check is immediately stamped “For Deposit Only” and included on the bank deposit slip prepared by the ECC Site Manager. The District ECC Manager or Assistant Manager reconciles the deposit ticket and weekly log sheet and then District Courier takes the deposit to the AP Specialist for remote deposit to the Bank.

eFunds (ACH) online payments are also received for ECC fees. The District ECC Manager or Assistant Manager enters all cash receipts (both on-site payments and eFunds online payments) into the financial software system and signs the cash receipt batch log printed from the financial software system. The deposit ticket receipt and backup documentation (including the batch log report) are then provided to the District Accounting Office for reconciliation and posting to the general ledger.

All Cash Receipts (all funds): The district accountant reconciles the receipts and batch reports with the deposit ticket receipts, back-up documentation and bank records, and then updates the cash receipt(s) to the general ledger. The Accounting Office reconciles monthly receipts with general ledger postings both daily and at the end of each month. The revenue totals are included in the monthly financial report to the Board of Education by the Superintendent.

Disbursements (except payroll):

Purchases: All tangible purchases require a purchase order. Purchases up to \$9,999.99, including those of individual schools, may go to the vendor meeting their needs at the best obtainable price. Note: Requisitions cannot be artificially divided in order to stay under the \$10,000 threshold. All purchases between \$10,000 and \$49,999.99, including those of individual schools, require three informal quotes, and they should be attached to the purchase requisition. All purchases \$25,000 and above require approval by the Board of Education. All purchases over \$50,000 require sealed bids, including those of individual schools. The recommended choice must be approved by the Board of Education. Before purchases are made, electronic requisitions and purchase orders are approved at a minimum by the Superintendent of Schools or his Designee (an Executive Director) and the Finance Director. (Additionally, building principals, department supervisors, and grant administrators are required to approve the requisition for their location/area/grant.) All required approvals are made through the financial software with established approval controls and setup for each group.

Once the final approval is in place, the Purchasing Specialist updates the PO and prints it to be provided to the Vendor. A Goldenrod color copy is provided to the Department ordering the items. When purchases are received or a service is completed, the packing slips are matched with the Goldenrod copy of the Purchase Order. The receiving department signs Goldenrod to acknowledge that the items or services have been received and forwards it with any backup information to the Purchasing Specialist. The Purchasing Specialist matches invoices with the received copy of the Purchase Order and provides to the Accounts Payable Specialist for payment processing.

The Accounts Payable Specialist audits the payment requests and invoices and enters them into the financial software as a batch process. She then prints the pre-check register and attaches a calculator tape of all invoices to match the report. The report along with the AP Check-Off List and all backup documentation for the payments (signed as being audited by the AP Specialist) is submitted to the Data & Reporting Specialist and the Business Services Coordinator (or the District Accountant, Grant Accountant, Business Services Specialist if the Data & Reporting Specialist and/or the Business Services Coordinator is unavailable). The Data & Reporting Specialist and the Business Services Coordinator (or the District Accountant, Grant Accountant, Business Services Specialist) audits the check register and supporting invoice(s) and purchase order(s) to confirm the proper account code, vendor, invoice number, and amounts are used. Once each person has completed the audit, the AP Check-Off List is signed off on to indicate that the auditing has been completed. The check batch packet is then returned to the AP Specialist for processing.

The Business Services Coordinator reviews the pre-check register and supporting documentation and initials as evidence of review. The AP Specialist processes the checks using financial software. A secure password is required to be entered to approve the check printing process by the Business Services Coordinator. (If the Business Services Coordinator is unavailable and approves, the District Accountant or Grant Accountant will provide the required password for printing accounts payable checks.) Once the actual AP checks are run, the AP Specialist provides all original checks and backup to the Business Services Coordinator for review and confirmation of the vendor name and amounts on the actual

checks. The Business Services Coordinator provides all original checks and back-up to the Finance Director for final review. The checks are then returned to the AP Specialist for mailing and filing.

During the final check processing, the financial software system automatically removes the encumbrance that was set up when the purchase order was created. At the end of each month, all checks are reconciled by the District Accountant. An outstanding check register is pulled and filed with the bank reconciliation.

The expenditure amounts are reported by the Superintendent to the Board of Education each month in a financial report.

Check Requests (Electronic or Paper): Check requests should be initiated through the financial software for requesting payment for conference registrations, legal fees, continuing contract payments and services, utilities, software renewals, travel reimbursements, subscriptions, and membership dues, etc. Before payment is made, electronic check requests are approved at a minimum by the Superintendent of Schools or his Designee (an Executive Director) and the Finance Director. (Additionally, building principals, department supervisors, and grant administrators are required to approve the payment request for their location/area/grant.) All required approvals are made through financial software with established approval controls and setup for each group.

The AP Specialist prints all electronic check requests with backup documentation after final approvals are in place and audits for completeness. (Both the AP Specialist and the Business Services Coordinator initial the printout to support the completion of review and auditing)

The Electronic Check Requests then follow the same process as completed purchase orders for payment, auditing, and check printing and review.

PAYROLL

Disbursements – (payroll) All new hires are approved by the Superintendent of Schools. Payroll records are then completed and or obtained from the new employee by the Human Resources Coordinator. The HR office staff then inputs the appropriate information into the computer software payroll/finance software package. Once approved by the Executive Director of Human Resources – those records are exported from the HR employee management module of the software for the Payroll Specialist in the Business Services Office to use for payroll processing. All support staff use the True-Time Employee Access module of the HR/Finance software to clock in and out. Weekly time sheets are submitted to the appropriate supervisor for approval through the Human Resources/Financial Software. The Payroll Specialist posts their time into the system for payroll processing. Professional and managerial staff do not complete any daily time records but are paid for a set number of hours per day per week. The payroll is processed routinely bi-monthly by the Payroll Specialist.

The District requires all employees to receive payroll through Direct Deposit. However, until pre-notification of their bank account is confirmed, payroll is processed, and checks printed.

The Payroll Specialist gets a secure password from the Business Services Coordinator or Finance Director so that signatures can be affixed to checks during the printing process. (If the Business Services Coordinator or Finance Director is unavailable and approves, the District Accountant or Grant Accountant will provide the required password for printing payroll checks.) Payroll checks are separated by school, then put in interoffice mail to be taken to each school to be distributed. Once the payroll reports are provided to the accounting office by the Payroll Specialist, the District Accountant creates an ACH report and submits it through the bank's website. The payroll transfer from the general bank account to the payroll bank account is set to occur the day before payday. The District Accountant and Business Services Coordinator review all check registers, ACH listings, vendor, and process and confirm bank transfer to payroll account from general fund account. Once this is done, the District Accountant and Business Services Coordinator will sign all check registers, payroll processing reports, etc. associated with the payroll as evidence of auditing and completion.

The Finance Director and the Superintendent of Schools review and sign each payroll process summary report (backup documentation of payroll payments and accounting are included with this report). Once all signatures are in place, it is returned to the Payroll Specialist to keep them in the permanent payroll file.

ACCOUNTS PAYABLE and ACCRUALS

Accounts Payable and accruals – Accounts payable are booked at year-end by the District Accountant. Payroll accruals are posted through an automated process in the human resources/financial/payroll software system by the Payroll Specialist.

Expenses – Same as cash disbursements.

PROPERTY

Additions: Same as cash disbursements except, a copy of the purchase order is given to the Inventory Specialist who attaches a fixed asset tag to the property when it is received. The property is then added to the fixed asset listing by the Inventory Specialist.

Retirements: Anyone requesting to retire property must complete a Property Disposal Request and Approval Form. If the estimated value of the property is \$500 or greater, the Board is required to approve the disposal and the item must be sold at public auction. If the estimated value of the property is less than \$500, the respective Principal/Program Manager, Superintendent of Schools, and the Finance Director can approve the retirement and method of disposal.

RECEIVABLES

Billings: The Executive Director of School Leadership completes attendance reports and sends them to the state. The state uses the prior year reports to calculate funding for the current year. The State submits TISA payments via ACH monthly (except for the months of May and July). Similar calculations based on student Average Daily Attendance (ADA) are used by Anderson County and Roane County Trustees to distribute percentage of sales and property taxes to the District (Anderson County is received via ACH monthly and Roane County is received by check monthly). Grant funds can take up to three months to collect. The Grant Accountant requests payment at least monthly from the grantor agency via appropriate form or online request. The Finance Director along with the Food Services Supervisor completes the appropriate request for school lunch and breakfast reimbursements – the State then submits payment via ACH on a monthly basis.

Collections: Monies are either directly deposited by the State or Federal agencies, or checks are mailed to the District for Deposit.

Receivables: The District Accountant records receivables at year-end based on the above billings (per se). Except for grant monies, rarely does payment take more than one month to collect. Grant funds can take up to three months to collect. The Grant Accountant periodically reviews grant collections as compared to expenditures and request for reimbursements to ensure that amounts are collected. If not, they follow up with a telephone call, etc. to the grantor agency.

DEBT

Additions: New debt (Capital Leases) must be approved by the Board of Education. After approval by the Board of Education, then approval by the Oak Ridge City Council is required.

Payments/Retirements: Same as cash disbursements.

GRANTS

Revenues: Grant revenue is requested from the State or Federal agency on a reimbursable basis. The Finance Director reviews and approves monthly Grant Reconciliation prior to State/Government Reporting and Drawdowns. The Grant Accountant requests reimbursement through the State's online ePlan system and submits required forms and supplementary information to the State. Revenue requested and amounts disbursed are periodically reviewed by the Grant Administrator and the Business Services Coordinator to ensure that the correct amounts have been requested. All backup documentation is maintained by the Grant Accountant.

Expenditures: Grant expenditures follow the same procedures as other disbursements.

WORK FROM HOME PROVISIONS

In March 2020, Oak Ridge Schools established a Communicable Disease Protocol. In conjunction with this new protocol, the Business Office created an Emergency Work Plan that outlines processes to ensure the continuation of required business services and provisions for employees to work from home, as necessary, with Superintendent's Approval.