



Financial Policy and Operations Manual

Published and Maintained by the Business Office

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Oak Ridge Schools is a tax-exempt, public school system, operating grades K-12 in the City of Oak Ridge. This manual is governed by Generally Accepted Account Principles (GAAP), Governmental Accounting Standards Board (GASB), the Board of Education, and the City of Oak Ridge City Charter. The main source for the governing of this document is Board of Education Policy Sections: 2.1 thru 2.9.

OAK RIDGE SCHOOLS FINANCIAL POLICY AND OPERATION MANUAL

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ACCOUNTING POLICY MANUAL – All schools, departments, grants, directors, and supervisors are required by law to follow the acceptable procedures and to properly account for all school funds in compliance with the minimum procedures and documentation described in the TENNESSEE INTERNAL SCHOOL UNIFORM ACCOUNTING POLICY MANUAL. Each school, principal, supervisor, bookkeeper, and department should become familiar with the manual and make it available to all staff for review. The manual can be printed from the Department of Education website at: <http://www.tennessee.gov/education/support/doc/July2011TISUAPM.pdf>

The financial policies and administrative procedures contained in this manual are to be followed by all district staff and supersede all previously issued manuals and memos on the subject. It is not acceptable to bypass the policies and procedures described in this manual at any time without prior written approval from the Finance Director. In circumstances when Student Activity and certain grant funds are used, additional steps may be required. However, the policies and procedures described in this manual must be followed at a minimum with any additional steps as required by the particular funding source.

This document is not intended to omit or replace official Board of Education Policy. Its purpose is to assist school employees in managing the operations of the district and supporting school programming. This document may be amended, expanded, and/or revised as the Business Office deems necessary to reflect changes in financial policies and procedures, as directed by Generally Accepted Account Principles (GAAP), Governmental Accounting Standards Board (GASB), the Board of Education, and the City of Oak Ridge City Charter, or the Oak Ridge Schools' Annual Financial Audit.

General Accounting Practices

- A. Those responsible for budgeted funds should complete a regular analysis/review of revenues/expenditures for their area of responsibility. Each appropriate party should be expected to thoroughly review that all items have been recorded properly when completing approval of expenditures.
- B. Expense reclassifications, if properly supported, must be requested *prior to the 10th day of the month following the original booking of the expense*. If no contact is received from your grant/department/building, this will be our verification that you have reviewed the accounting for the prior month and agree with what has been recorded.
- C. Compliance with the Oak Ridge Schools Chart of Accounts is mandatory, and all expenditures, budget adjustments, transfers, etc. should be reviewed to ensure that they are coded correctly.
- D. If a situation arises that is not directly covered by an already-established policy, it should be brought to the attention of the Business Office before being acted upon. It will then be up to the Finance Director to determine how the situation would best be addressed.

Budget Amendments/Transfers/Reclassifications

- A. If expenditures are required in an account/object code with insufficient funds, a Budget Amendment/Budget Transfer should be prepared and submitted to the Finance Director for review/approval. Budget transfers must be requested prior to spending the funds and submitted on the proper form. (See “Budget Transfer Form”)
- B. After reviewing the request, the Finance Director will obtain the required approval. Once the necessary approval to amend the budget is given, the Accounting Office will receive the supporting documentation and approval for the journal entry to be entered in the accounting software. Monies requested to be moved must not be encumbered and/or spent until the approval is received. Requesters should allow for sufficient time for approvals.
- C. All requests for expense/revenue reclassifications, adjustments/journal entries to the books, or other changes, should be submitted to the Finance Director on the proper form. (See “Expense Reclassification Form”) If approved, the request will be provided to the Accounting Office for processing.

- D. All requests for internal transfer of funds should be submitted to the Finance Director. Internal Transfers are used to process payment from one department to another department within the school system in the general fund, and the request(s) should be supported by an invoice. If approved, the Finance Director will sign off on the request and will provide the Request for Internal Transfer to the Accounting Office for processing. (See “Internal Transfer” Request)
- E. All requests for Payroll Accounting Adjustments/changes should be made through the Human Resources Office on the proper form in the following manner:
- 1) HR will notify Payroll of the change for future checks.
 - 2) HR will notify Accounting of any changes/adjustments to accounting entries for prior payrolls.
 - 3) Accounting will complete an adjustment in the financial software and will submit it to the Finance Director for approval.
 - 4) Accounting will maintain a file of all adjustments by employee name by fiscal year.

Purchasing

- A. All purchases, regardless of funding source or dollar amount, require that a requisition/purchase order be submitted and approved before the purchase can be made.
- B. For purchases up to \$9,999, school sites/departments may go with 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.
- C. Purchases between \$10,000 and \$49,999 require three informal quotes, and they should be attached to the purchase requisition. In order to be in compliance with established rules governing records retention, these quotes must be kept on file for at least seven (7) years.
- D. All purchases \$25,000 and above require approval by the Board of Education.
- E. All purchases \$50,000 and above require that sealed bids are received for consideration. The recommended choice must be approved by the Board of Education. Approval must be obtained in the form of a passed resolution at a formal meeting, unless deemed to be of an emergency nature by the Superintendent. No agreement shall be entered into, including the signing of contracts, unless the required obligations are met and before a requisition has been created and a purchase order has been approved.
- F. Requisitions for professional services \$25,000 and below may be procured annually by school sites/departments, and school sites/departments may go with the offer meeting

their needs at the best price.

- G. Emergency purchases may be made with the knowledge of the Business Office and with the approval of the Superintendent. If the purchase is \$25,000 or greater or is outside the official bid process and/or competitive bidding policy, the Board of Education must be advised promptly.
- H. Sole-Source or Single-Stream purchasing *does not* immediately grant exemption from the purchasing process. If there is more than one potential bidder, the item is not a sole source service or product, and quotes must be obtained. If, the item is a single-source this must be documented, and proof must be provided. Continued service agreements that are required to service a purchased product will be considered a sole-source purchase.
- I. Purchases to be made by credit card are to be made through the Purchasing Department ONLY on the district's VISA card. (See "Credit Card Usage")
- J. With respect to "last-minute" or unplanned purchases, employees must have budget authority/approval from their immediate supervisor in place before an actual purchase is made if they are to be reimbursed for the purchase. If an employee makes a purchase without having an approved purchase order in place or prior approval from his/her supervisor, the employee will not be reimbursed for the purchase he/she has made.
- K. Wherever possible, school sites and departments are encouraged to establish blanket purchase orders with vendors such as Wal-Mart so that budget/purchasing authority is in place at the beginning of the school year, and small, frequent purchases can be made without waiting for approval.

Accounts Payable

- A. Check requests should be initiated through Skyward Financial software. Detailed information regarding purpose, support, and mailing address should be complete to avoid misinterpretations and delays. Account numbers should be confirmed, and available balances should be verified. Check Requests should be used for paying conference registrations, legal fees, continuing contract payments, etc. (They should not be used to circumvent the purchasing policy)
- B. PO amounts should match invoice amounts. If not, then adjustments to the purchase order should be made before the documents reach Accounts Payable. Purchase orders that indicate "For Payment Only" will not be allowed.
- C. It is necessary to always make a detailed indication where a payment should be mailed. In the case of employees, their home address is required to verify correct vendor number.

- D. For travel payments, all supporting documents with clear instructions for payment must be attached. Conference registrations should include detailed conference information including dates and times. The bookkeeper or approving authority completing payment request forms clearly indicate contact information for questions related to the request. If payment by purchase order is an option, please use this as the preferred method of payment. Please see the Travel Policies & Procedures & Travel Process Overview documents on the ORS website for detailed travel requests and payment instructions.
- E. It may take up to 5 -7 business days before your request reaches the Business Office. Depending on the timing of receipt of your request, payment may take up to 5 additional processing days. Please plan accordingly.
- F. Monthly mileage reimbursement requests for within-district travel should be submitted by the 15th of the following month.

Credit Card Usage

- A. District-authorized credit cards (Bank of America VISA) will be issued to the following individuals:

- 1) School Board members
- 2) Superintendent
- 3) Executive Directors
- 4) Directors
- 5) Supervisor of Special Education

The individuals listed above should restrict use of their personal ORS credit cards to travel-related expenses, subject to revocation at the request of the Superintendent or Board of Education for failure to follow district procedures. Administrative Procedure 2.800 should be followed for all district credit card usage.

- B. School Principals will be issued district-authorized credit cards (Bank of America VISA).

These shall only be used as needed for purchasing items using Internal School Funds on behalf of the individual school. These shall NOT be used for purchases that are the responsibility of the Board of Education, as those should follow the aforementioned purchasing guidelines.

- C. The Business Office will maintain a district-wide credit cards for use when necessary for district purchases previously approved through the requisition/purchase order process.