

DeKalb County Board of Education
Budget Procedure
Board Policy 2.200 Annual Operating Budget

The Budget Planning procedure involves the Director of Schools, Program Supervisors, Department Heads, Principals and Bookkeeping Staff.

Federal Budget Preparation:

1. The Federal Programs Supervisor works up the budget, this involves detailed accounting of the program guidelines and cost for personnel, supplies, and services.
2. The Federal Programs Supervisor then presents the budget to the Director of Schools and the DeKalb County Board of Education.
3. The Federal Programs Supervisor submits the budget and program application to the Field Service Consultant for approval.
4. The approved budget is then presented to the Federal Programs Bookkeeper and entered in the Local Government Accounting Program.
5. The same procedure is used throughout the Fiscal year for budget amendments.

General Purpose Budget Preparation:

1. Information is obtained from the DeKalb County Court on local funding and the State of Tennessee. Following this the Director of School, General Purpose Bookkeeper, Department Heads, Principals, and Supervisors calculate the estimated required expenditures within the categories and necessary line items for the fiscal year.
2. The budget is presented and reviewed by the DeKalb County Board of Education. The Board then votes to approve the budget and submit the approved budget to the DeKalb County Commission.
3. The DeKalb County Commission approves the budget and following this the budget is presented to the State Department.
4. The same procedure is used throughout the Fiscal year for budget amendments.

DEKALB COUNTY SCHOOL SYSTEM – DEKALB COUNTY FINANCE DEPARTMENT

INTERNAL CONTROL Guidelines

Leave Time Recordation Procedures

1. Vacation days are earned by certified and twelve month employees. Employees earn 10 vacation days and 2 Personal Leave Days per year.
2. Employees accumulate one sick day per month (every 20 days).
3. Earned and used sick and vacation days are tracked and recorded by the school secretaries and supervisors, then communicated to the Finance Department.

Check Writing Process

The procedure for the check writing process is listed below.

1. A check is created in payroll or accounts payable using FlexGen software.
2. The person printing the checks must load check stock into printer. The check stock is locked up in the Finance Office.
3. After checks are printed, they are then reloaded in the printer and signed using the check signing program, called ImageEase. Two signatures are required, the Director of Schools and the Board Chairman. The signatures are stored in the ImageEase software.
4. After printing and signing, the checks are compared to a check register that is generated after each check run.
5. If everything is correct, an electronic file is sent to Citizens Bank and the Trustees office is faxed a copy of the payroll amounts in order for funds to be released for payment when checks are presented.
6. Checks stubs are then sorted by schools, departments, etc. in order to be delivered to schools for principal/supervisor to hand deliver to employees. Any check stubs left overnight in the Finance Office are locked up.

Payroll Procedures

1. The payroll clerk is in charge of payroll.
2. DCBOE 12 month employees are paid on the 15th of each month. Teachers, Educational Assistants and substitute teachers are paid on the 5th of the month.
3. All employee salaries are prorated annually for 12 months.
4. Each timesheet is monitored and checked for accuracy and employee's with adjustment pay is entered into FlexGen, the Local Government Corporation payroll software program.
5. A file is downloaded and sent to the bank for employees' direct deposits. This file is printed and maintained as a record of the transaction.
6. Pay Stubs are printed and taken to each school for hand delivery for employees or held at the central office for pickup. The detailed payroll process is listed below:
7. The detailed payroll process is listed below:

The School Payroll is managed using the FlexGen system. Before balancing, the payroll must be setup. Payroll is calculated, then balanced 3-7 days prior to the payroll date, balancing must be completed. All changes must be entered and updated prior to balancing. To balance in FlexGen you must do the following:

Go to Payroll Information

> Go to Current Pay

>Compare totals form payroll worksheets to totals under current pay, do this for each location

>Make any necessary changes

>Balance

>Leave is entered in Siesta by school secretaries or supervisors

>View Leave Binder to total user leave taken, do this for each location>Make all changes until in balance

A calculation report is run before payroll is processed and must be gone over thoroughly and corrected before continuing.

The Payroll Summary Report is ran to verify G/L account numbers.

Direct Deposit slips are printed.

The following reports must be generated:

1. Complete Direct Deposit Register
2. Standard register with Direct Deposit #s
3. Payroll register
4. G/L Distribution report
5. Deduction register
6. Direct Deposit report

After this process has been completed, payroll is updated, and the 2 following reports are generated.

1. Check register by fund

Accounts Receivable Procedures

1. Upon receipt, they are properly recorded in the receipt book.
2. Checks or monetary payment either in person or by mail is receipted upon collection.
3. All receipts are designated to the appropriate fund account number and deposited with the County Trustee within 3 days.
4. The Trustee in turn issues a receipt for the transaction which is returned to the Finance Office.
5. The receipts are posted from the Trustee's month end report and then reconciled.

Purchasing Procedures General Information

1. A designated person is authorized to make purchases and authority to determine that the item is necessary and the quantity requested is appropriate.
2. Prenumbered purchase orders are used for every purchase except for utilities, communication, and fuel.
3. Prenumbered purchase orders are approved by the finance officer or his designee to indicate that there is sufficient balance in the unexpended appropriation to allow the expenditure and to indicate that the expenditure is in accordance with the purpose of the appropriation.

Purchasing Procedures Competitive Bids

1. DeKalb County has a private act that requires public advertising and competitive bidding for any purchase in excess of \$10,000.
2. Requests for bids are placed by an ad in the local newspaper a minimum of 7 days prior to bid opening.
3. On the specified time and date, bids are opened by the Chairman of the Board or his designee.
4. Department Heads make recommendations to the winning bid.
5. The County then approves the lowest bid if it follows all the required bid specifications.
6. When a contract is not awarded to the lowest bidder, the reason is documented.
7. Accounting reports for purchasing are prepared using the appropriate account software.
8. All invoices are taken to the Finance Office with the following information being required:
 - a) Signature of person receiving the purchase.
 - b) An account number from which payment will be assigned.
 - c) The item requested for purchase is pulled from the vendor and attached to the invoice.
 - d) All account numbers are checked for accuracy.
 - e) Invoices are entered into the computer by name, status and address.
 - f) An invoice listing is then created to check for errors.

Cash Disbursements

1. Checks are printed using the ImageEase software. Before the checks are sent to ImageEase, the sender assigns the check number for the checks. The sender keeps a log of all checks sent in order to keep the checks in sequential order.

2. Both checks and documentation are submitted to the designated officials for examination and signature.
3. If an invoice is cancelled, the following should be written on the invoice:
 - a) Check number
 - b) Amount
 - c) Payment Date
 - d) Account to be charged before the checks are submitted for approval.
4. All checks issued require two signatures: the Chairman of the School Board, School Superintendent.
5. The General Ledger is updated to reflect the expenditure.
6. Supporting documentation is filed alphabetically by vendor or by pay date.

Budgeting Procedures

1. The DeKalb County Budgeting procedure involves developing a consolidated budget, adopting a tax rate and appropriation resolution to fund that budget and specifying a deadline by which these actions must be taken.
 - a. Departments fill out budget requests and submit them to the School Board.
 - b. The County Commission, after public hearings and notice, adopt a budget, tax rate, and an appropriation resolution.
 - c. In the event the budget is not adopted by July 1st of the new fiscal year, the county operates on a monthly allotment, based on the previous year's approved budget, until a consolidated budget is approved locally.
 - d. The approved budget (certified copy) is sent to the State of Tennessee Comptroller's Office for approval and the new fiscal year's budget is finalized.
2. Budget amendment requests, as deemed necessary and appropriate, are made throughout the year by departments as needed and must be approved by the School Board.
3. These proposed amendments are turned into the Finance Office and presented to the Financial Management Committee, and then ultimately, to the County Commission for approval.
4. Once approved, the amendments are filed in the Finance Office by month of approval.

Month End Closing

1. The bookkeeper uses the bank statement to reconcile to the Trustee's monthly warrant listing.
2. Checks are then reconciled.
3. The bookkeeper then enters the month end Trustee's report. The office utilizes Local Government Data Processing software to create a balance sheet, account analysis, and a statement of expenditures and encumbrances.
4. The Trustee's report is utilized to run a balance sheet that allows the office to insure that funds are all in balance.
5. An account balance report is generated, which includes beginning and ending month by account number.

7. After the Balance Sheets are prepared, reports are generated for each office/department.

Pre-Year End Closing

1. DeKalb County uses the Local Government Data Processing software to close the year's books.
2. The year-end closing occurs at the end of June.
3. First, the Finance Office reviews the June balance sheet and expenditure report to determine if there are over expended expenditure accounts and payroll tax and deduction accounts with balances due to be paid.
4. Next, if any mistakes are discovered that have occurred during the fiscal year, they are corrected as journal entries are made to accounts for all current year payables, receivables and encumbrances.
5. Outstanding accounts payables and receivables are identified, and decisions are made to process them this year or to carry them over to the next fiscal year.
6. As appropriate for schools, payroll checks are run for 11 and 12 month teachers. Accrued payrolls use account number 21200 as the credit amount.
7. Any reserves other than undesignated fund balance are entered as journal entries and processed into the general ledger. If reserves are to be set up as undesignated fund balance the appropriate reserve accounts are credited by account number.
8. After all entries have been entered and processed, the Finance Office prints a balance sheet and account analysis to make a final check prior to closing the month of June.
9. At this point, the budget can be updated to year to date.
10. Outstanding purchase orders are identified and verified. Then a sheet of outstanding purchase orders are prepared and their validity verified.
11. Any outstanding purchase orders that will not be fulfilled are removed.
12. June liquidated purchase orders are posted to the current fiscal year. Then the statement of expenditures and encumbrances are compared to the totals on the current PO listing in account descending order. The totals should match the Statement of Expenditures and Encumbrances.
13. Checks are run for purchase orders dated June.

Purchasing Year End

1. Prior to closing the month of June, the Year-End process must be completed.
2. Year-end totals are updated as year-to-date. A new budget year is established beginning July 1st and ending June 30th of the next fiscal year.
3. The next step is to prepare a PO balancing report to develop a list of all general ledger accounts with outstanding encumbrances. This report includes the general ledger account number, outstanding purchase order amounts, year-to-date encumbrances, future posted encumbrances and the difference between general ledger and purchase order files.
4. All current year purchase orders that have not been fully liquidated are rolled to the prior year PO file.
5. All prior year purchase orders are paid in July before the General Ledger Year-End closing is completed.

General Ledger Year End

1. Before closing the year, the Finance Office uses LGDPC software to close the month of June.
2. All entries for June must be posted prior to closing.
3. June is closed like any other month end.
4. A daily backup is made before the year end closing begins. It is filed as Mid-Closing Backup.
5. The LGDPC software is then utilized to close the year. The steps are listed below:
 - a) The staff runs a transaction balance report that compares the Posted Transaction File to the General Ledger File. Anything out of balance can be identified. Once the balance sheet and trial balance is correct, the system will use the general ledger total to close.
 - b) The second step is to build closing fund balance accounts and if appropriate, sub fund balance accounts. This may be done by individual cost centers as well.
 - c) Summary reports and journals are run, including the General Journal, Budget Journal, and Cash Receipts Journal.
 - d) Account Reports are then run which include Trial Balance, Control Accounts (for Audit use), and an YTD Account Analysis.
 - e) The software then allows the staff to build audit files and control records (STATEPC and YTD audit files).
 - f) The fiscal year is then closed and a beginning balance is calculated that does the following:
 - i. Clears assets, liabilities, and equities.
 - ii. Recalculates the beginning balance for the new fiscal year.
 - iii. Zeroes out the revenues and expenditures.
 - iv. Moves future posted amounts and reads the PO file for CAFR.
 - v. It posts beginning balances and builds control account records and a Year-End Posting Journal will print showing all of the computer generated entries that were posted during this step.
 - vi. A trial balance and balance sheet are then printed for the new fiscal year. Only the beginning balances are shown on this report (No July entries are shown).
6. The Year-to-Date Audit File is then loaded and stored in a folder to be retrieved for the auditor.

Physical Storage

We are required to keep payroll records forever. Everything else, we are required to keep 5 years.

Purchasing Cards

The DeKalb County Board of Education uses 1 purchasing card (also called credit cards). This card is used to book hotel rooms. The cards are kept at the Finance Department, locked up. It can only be used by assigned purchasing representative, which is the Director of Schools (or his/her designee).

Director of Schools must sign a copy of the Cardholder agreement, which describes in detail the cardholder's responsibilities, privileges, and procedures as to the use of the purchasing card. A copy of the signed agreement is kept on file in the Finance Department. These agreements maintain the safety of the program to the school system and the county.

Reconciling to Trustee

Bank statement is provided by the Trustee. Checks are cleared in NextGen. An outstanding list as of the last day of the month is printed and the total is subtracted from the Trustee's end of the month balance. This amount should equal the cash amount from the Trial Balance sheet for the month. Any variance must be explained and corrected. Once completed, these reconciliations are reviewed by the Director of Schools for approval monthly.

Internal Departmental Audit

Monthly statements of revenue and expenditures as well as account analysis statements are reviewed by school system departmental supervisors/administrators to ensure accuracy of financial reporting. Any discrepancies are immediately addressed by the responsible departmental supervisor/administrator with the help of the DeKalb County Finance Department so that compliance in reporting is maintained.

Finance Office User Right

The DeKalb County Finance Department uses two software programs. NextGen is used for General Ledger. Flexgen is used for School payroll and all expenditures. This software is on the Finance Department's server. Each user, for both systems, must have a user name and password.