

# Lane Education Service District Administrative Rule

Code: **DI-AR(3)**  
Adopted: 1/16/97  
Revised/Readopted: 12/11/01, 2/24/04  
Orig. Code(s): DI-AR(3)

## **Fiscal Procedures and Responsibilities**

### **Section 1: Requisitions**

Expenditures of budgeted funds other than those automatically committed and encumbered (salaries, employee benefits, utilities, etc.) may be initiated by a requisition.

- A. The requisition should be generated by an employee authorized by the service area director and properly instructed to carry out this function.
- B. The requisition should provide these elements of information: date, name of the employee requesting the goods or services, service area, fund and budget account number to be charged, quantity and unit of measure, item(s) description, unit price, extended cost (units times unit price), total cost, vendor name and address. Directors may authorize managers to approve requisitions.

### **Section 2: Purchase Orders**

All expenditures of budgeted funds (other than those excepted above) are to be authorized by purchase orders.

- A. Purchase orders are to be prepared by an employee who has been authorized by the service area director. These authorized employees will be properly instructed to carry out this function by the service area administrative assistant and accounting department staff.
- B. Administrative rule DI-AR(3) specifies the procedures and responsibilities we must follow in conducting financial transactions in our roles as managers and administrators of Lane Education Service District. The administrative rule is flexible as to the degree of authority accorded administrators to initiate and authorize purchase orders. The following is a clarification of the procedures and responsibilities, as they apply to purchase orders.
  - 1. The directors of special education, curriculum/teaching support services, business support services and technology/learning support services may authorize purchase orders, in budget code objects 300-699, up to \$5,000.
  - 2. The managers of communications, marketing and government relations, network services and finance/student information services may authorize purchase orders, in budget code objects (300-699, up to \$3,000.
  - 3. The assistant superintendent may authorize purchase orders, in budget code objects 300-699, up to \$10,000.

4. The superintendent will continue to authorize purchase orders, in budget code objects 300-699, which exceed the limitations or are outside of the management responsibility accorded the administrators specified above, e.g., Lane ESD Board of Directors.
5. The assistant superintendent and the director of business support services are the superintendent's designees to authorize purchase orders when the superintendent is unavailable.
6. Two signatures are required on all purchase orders. At least one of the signers must have authority to expend from the account(s) appearing on the purchase order.

The delegation of authority to approve purchase orders does not include the authority to approve contracts. The authority to review and approve contracts shall remain within the purview of the superintendent.

- C. Superintendent's office staff members are to submit purchase orders or requisitions to the superintendent for authorization.
- D. In general, confirming purchase orders (those written after the fact) should be avoided or used sparingly. Confirming purchase orders are to be initialed (countersigned) by the service area director or superintendent or a designee for each service area.
- E. Open-ended purchase orders are not allowed. (Refer to Section 12: Charging Items for guidelines on use of business charge accounts.)

### **Section 3: Processing of Purchase Orders**

Within each service area, one employee should be designated and properly instructed to process purchase orders once they have been executed.

- A. Processing should consist of transmitting the various parts to the appropriate recipients and maintaining such records as needed.
- B. Transmittal of purchase order parts or copies should be as follows:
  1. White (original) to the vendor, by mail or other method;
  2. Goldenrod and pink copies to the accounting department (for the encumbrance file and then to numerical file);
  3. Green and canary copies to the service area's file.
- C. Upon receipt of goods ordered, the pink copy, receipted will be transmitted by shipping/receiving to the designated person in the originating service area. (Usually the employee who processes purchase orders.) The goods may then be delivered to the appropriate party and the pink purchase order copy retained for further use in authorizing payment to the vendor.
- D. In the case of partial shipments (part but not all of the goods ordered), a copy of the purchase order with received items noted by circling the quantity and/or written indication of quantity received will

be transmitted in lieu of the pink purchase order copy. Transmittal of the pink copy signifies “All goods received and ready to pay.”

- E. In the case of purchase orders for services (e.g., for annual service agreement for a piece of equipment), the pink purchase order copy should be retained by the division, marked “received” or “okayed” as soon as the service is rendered or verified and used in the regular manner in authorizing payment. (Shipping/Receiving has no means of knowing the status or service transaction and should therefore not receive such purchase orders.)

#### **Section 4: Invoicing**

Authorization of payment for all goods and services supplied to the ESD is to be by invoice.

- A. Invoices received should be transmitted to a designated person in the service area from which the transaction originated.
- B. Invoices are to be matched with the receipted pink purchase order copy (or copy in the case of partial shipment) and the invoice and purchase order checked for accuracy and validity.
- C. The invoice should then be approved (initialed and saying “OK to pay”) by the service area director (or the employee to whom this responsibility is delegated) and transmitted to the accounting department for payment.
- D. A copy of the invoice may be retained by the service area for filing with the service area’s copy of the purchase order.
- E. Purchase orders with invoices attached should be approved and transmitted as promptly as possible, on a day-by-day or week-by-week basis. Accounts-payable runs are scheduled weekly (except during the month-end closure); approved invoices must be submitted to accounting. (See schedule for actual run dates.)
- F. In emergency situations, invoices for which advance payment is requested should meet the same requirements as in Section 13: Travel Prepayments.

#### **Section 5: Consortia Procedures**

Lane Education Service District may, with the approval of the Board, serve as fiscal agent for consortia. Consortium activities which will involve the ESD as fiscal agent must follow ESD fiscal guidelines, policies and procedures. Unless approved as a part of resolution service a management fee will normally be charged. The following procedures are to be followed when the ESD acts as fiscal agent in such cases.

- A. **Special Fund Accounts.** Monies for these activities are deposited and withdrawn from a Special Fund account authorized by the ESD Board. As fiscal agent, the ESD is responsible to follow state and federal statutes for the manner in which the funds are handled.

- B. **Written Records and Minutes.** It is the responsibility of the consortium to maintain such nonfiscal written records as letters, memos and minutes of the consortium governing body and to provide copies to the superintendent as requested.
- C. **Purchases.** Purchases are subject to the same rules as all other ESD purchases. The procedures for a purchase order follow the standard ESD procedures.
  - 1. The governing body of the consortium directs the funds to be allocated for a particular purchase. The purchase order is prepared, including the appropriate account number. The purchase order is then sent to the service area director for approval.
  - 2. It is the responsibility of the service area director to ensure that the purchase follows ESD purchase guidelines and that the purchase is within the purpose of the consortium or grant proposal.
  - 3. When the goods or services have been received, the invoice or other required documentation is approved by the service area director or designee and submitted to the accounting department for payment in the same manner as shown in Section 4: Invoicing.
- D. **Hiring of Staff.** The hiring of paid staff by the consortium, when the employee is to be paid directly by the ESD, must follow ESD personnel procedures, policies and administrative rules.
- E. **Approval of Grants.** All grant applications of consortia for which the ESD is fiscal agent must be approved by the Lane ESD Board. The original copy of the grant, a copy of the Board minutes approving the proposal and any final report are to be filed in the official contract files in the office of the superintendent.

### **Section 6: Financial Statements and Invoice Listings**

Each service area director will receive monthly a statement of all ESD budget accounts and a listing of all invoices processed during the month.

- A. Service area directors are expected to review the financial statement, noting the condition of all accounts for which they are responsible.
- B. Any accounts registering abnormal conditions or activity should be called to the attention of those concerned - employees, the superintendent, etc.
- C. Directors will peruse the invoice listing, noting any possible incorrect account numbers, etc.
- D. Directors may wish to review the financial statements with appropriate employees.

### **Section 7: Receipts and Invoices**

All funds received for the ESD should be transmitted to the accounting department for deposit.

- A. A register invoice or receipt should be completed showing the remitting agency, the revenue account to which the payment should be credited, the agency's purchase order number (if one is involved), the goods or services provided by the ESD, the unit price, extension, total amount involved and the name of the employee.
- B. In the case of goods or services to be delivered, the packing and delivery receipt copies should accompany the shipment. The delivery receipt copy is to be signed by the receiving agency's representative and returned to the ESD service area where initiated. It should be retained as a record of the transaction.
- C. Remaining copies should be given to the accounting department for appropriate distribution.
- D. If the automated interdepartmental transfer invoicing system is not used, register invoices should be used similarly in transactions involving interdepartmental transfers within the ESD budget. In such cases, however, both the revenue account to be credited and the expenditure account to be charged (transferred from) should be shown.
- E. Revenues received from workshops or presentation fees are to be submitted to accounting for deposit using the division deposit form. (See Lane Education Service District Deposit Form: Attachment #1).
- F. If payment is remitted at the time of a transaction, the payment and the register invoice should be taken directly to accounting at the time and a receipted copy given the remitter along with the goods or services.
- G. Do not destroy any void invoices. Give all copies to accounting for record keeping.
- H. Do not use invoices for receipts (use a receipt book).
- I. Notify accounting of monies expected to be received for various functions.

### **Section 8: Reimbursement of Expenses**

All claims for reimbursement of expenses should be claimed on the Lane ESD form entitled Request for Reimbursement of Expenses (See Attachment #2) and supported by receipts and/or other documentation required by procedures (Refer to Section 10: Substantiation of Business Expenses).

Employees who wish to attend workshops or meetings should submit the form Request to Attend Professional Meetings (Attachment #3) two weeks in advance of attending professional meetings. This form serves as the "purchase order" for attending workshops or meetings held away from the ESD office and authorizes the employee to submit a request for reimbursement of expenses.

- A. Transportation
  - 1. Travel expenses will not be reimbursed for travel between home and place of work.

2. ESD-owned vehicle: Employees are encouraged to use ESD-owned vehicles for ESD business.

Service areas may be charged back for mileage incurred by employees using district-owned vehicles. The amount will be established by the administration.

Employees driving ESD-owned vehicles are subject to all ESD policies while driving the vehicle.

3. Personal Vehicle: An employee whose work requires travel within the ESD may be required to use a personal automobile; the employee shall, upon approval by the service area director, be reimbursed for mileage. When more than one employee travels to a training or activity on ESD business, they are expected to carpool unless approved by their manager. The ESD may require an employee to use an ESD vehicle for travel to conferences held outside the ESD service area.

When an employee uses his/her personal vehicle for authorized travel, he/she shall be reimbursed at the approved IRS rate. To document the business use, the employee shall provide:

- a. The date of use of the vehicle;
- b. The number of miles driven;
- c. The business purpose/location;
- d. The identity of the vehicle.

4. Common Carrier Travel:

- a. Whenever possible, an employee's expense for travel on a common carrier shall be prepaid by the ESD; otherwise, the ESD shall reimburse an employee for any out-of-pocket expense for common carrier travel;
- b. All in-state common carrier travel shall be approved by the employee's service area director;
- c. All out-of-state common carrier travel shall be approved by the ESD superintendent.

#### B. Meals, Lodging and Miscellaneous

1. The cost of meals will be reimbursed at cost according to the following schedule, if the meal is part of a scheduled work-related meeting or activity in which the employee is participating. Meal receipts are required.

Unless approved by the superintendent, the cost of meals, including gratuity, may not exceed the following: Breakfast \$7; Lunch \$8; Dinner \$15. The only exceptions to these rates are as follows:

Meals purchased in a major metropolitan area (for example: Salem, Portland, Seattle) will be reimbursed at the following rates: Breakfast \$8; Lunch \$9 and Dinner \$20.

Meals purchased as part of an organized function (conference, workshop, etc.) will be reimbursed at the rate charged by the function organizer.

The cost of alcoholic beverages is not reimbursable.

2. The cost of lodging will be reimbursed if the employee's duties require being away from home overnight.
3. Miscellaneous expenses will be reimbursed if authorized by the service area director or superintendent. Miscellaneous expenses may include such items as business-related telephone calls, ground transportation and parking costs.

C. Reimbursement for Duties as a State or National Officer or Appointee to Selected Committees

1. For an employee to be eligible for reimbursement for expenses incurred as a part of his/her performance as an officer in a state or national organization or an appointee to a committee or commission, the employee must comply with each of the guidelines set forth herein.

Criteria to be used by the director in determining whether the employee will be authorized to accept the position will include the following information which will be provided by the employee.

- a. The number of days that the employee is anticipated to be absent from the job during the term of the position.
- b. The level of financial support requested by the employee.

This information will be reviewed by the director for its impact on ESD service and the anticipated value to be derived by the ESD and component districts from the employee's participation in the organization. In all instances, the financial impact will be calculated and made a matter of record. Financial impact will include the salary and benefits of the employee and the expenses to be reimbursed by the ESD.

2. Upon completion of this procedure, the employee is responsible for complying with the steps set forth in this regulation.
  - a. The employee must receive authorization from his/her director to accept the position. (Failure to receive authorization does not deny the employee the right to hold the position but makes the employee ineligible for reimbursement of expenses or authorization to attend meetings during regular work hours.)
  - b. The request for reimbursement for expenses must be submitted to and approved by the director in advance.
  - c. The employee will submit requests for reimbursement only when the expenses are not reimbursable by another agency. If expenses are partially reimbursed by another agency, the ESD will pay the difference, subject to the limitations set forth in guidelines 1. and 2.

- d. Notwithstanding the previous guidelines, the director may establish a maximum amount that is available for reimbursement of expenses.
- e. At no time will the reimbursement exceed the amount authorized by Board policy or administrative rules. Meal expenses, in all cases, will be reimbursed only upon submission of a receipt.

D. General

- 1. With any of the above expenses, the ESD guidelines regarding expenditures should be followed.
- 2. Receipts for all claimable expenses are required.

**Section 9: Bank Credit Card Expense Rules**

All claims for payment of bank credit card expenses must be claimed on the Lane ESD form entitled Bank Card Charges (See Attachment #4) and supported by receipts and/or other documentation required by procedures (Refer to Section 10: Substantiation of Business Expenses.)

- A. Employees may be authorized to use ESD bank credit cards if they travel regularly on ESD business and/or if business meals are frequently a part of the employee's program responsibilities. Credit cards should be used with discretion and restraint.
- B. Initial requests for authorization to hold an ESD bank credit card shall come from the employee's service area director and shall be approved by the superintendent. All bank credit card users must sign a statement documenting the conditions and responsibilities associated with the use of the credit card. (See yellow page 16-19.)
- C. A current list of all authorized credit card holders and the statement signed by each card holder shall be maintained in the office of the superintendent. Responsibility for ordering, issuing and recalling credit cards shall be vested in the superintendent's office.
- D. Charge card sales drafts are to be retained by the holder, noted as to the purpose and nature of the expense, marked with the ESD account number to which the transaction should be charged and submitted with the monthly charge form. (A separate form is to be submitted for non credit card expense reimbursement.)

**Section 10: Substantiation of Business Expenses (Expenses Charged to ESD Credit Card and Non Charge Card Reimbursable Expenses)**

- A. The amount of each separate expenditure for business purposes must be substantiated.
- B. All claims which are to be reimbursed should be recorded on the appropriate expense claim form and submitted to the service area director for approval in accordance with the accounts payable schedule.

1. Indicate the nature of the claim and the nature of the occasion which precipitated the claim (e.g., Lunch expense - TRC Advisory Committee meeting). Indicate the nature of business benefit derived or expected as a result of the expense. Indicate the name, address or location and designate the type of expense (such as dinner) if that information is not apparent from the designation of the location.
2. If the expense involves other people in addition to the person submitting the claim, indicate the occupation or other information relating to the person(s) in attendance, including name, title or other designation sufficient to establish the business relationship.
3. If the deduction is claimed for expenses directly preceding or following a substantiated bona fide business discussion, it must include:
  - a. The date, place and duration of the business discussion;
  - b. The nature of the business discussion;
  - c. The identity of the persons entertained who participated in the business discussion.
4. Under the appropriate column(s), indicate the amount(s) claimed.
5. Indicate date on the receipt or other document which corresponds.
6. Sign the claim form and submit to the service area director.
7. The service area director will verify the validity of the claim, tabulate (or have tabulated) the breakdown of charges by account number and, upon verification, sign the claim on the “Approved by” line then submit the claim to the accounting department.
8. Employees who are away from the office on ESD business may be reimbursed for business-related long-distance telephone calls by submitting the call and copy of telephone bill on their next regular expense reimbursement claim form.

### **Section 11: Cellular Phones**

Cellular phones may be provided to employees whose regular worksite is away from the ESD building. These phones are to be used for ESD job-related purposes only. Because of costs associated with cell calls, staff members are expected to use these phones with discretion.

Cell phones are available to employees using ESD vehicles for trips out of the Eugene metro area.

### **Section 12: Charging Items**

- A. Some businesses have extended credit to the ESD and allow items to be charged by authorized employees. On approval of the director of business services, an ESD department may establish a credit account with a business. The accounting office must fill out a credit application with the business indicating authorized users. Each authorized user must have his/her signature on file at the business.
- B. Before charging items, ESD employees must first have a signed ESD requisition or purchase order for the item(s) to be charged.

- C. The receipt and requisition or purchase order must then be turned into the service area director or designee who will process for payment.
- D. The accounting office will reconcile receipts and requisitions with the monthly statement.
- E. The accounting office will keep a record of authorized business accounts for the entire agency.
- F. Credit cards which are required by some businesses will be kept in the superintendent's office and may be checked out by employees who have an authorized purchase order for the item(s) to be charged. Custody of unissued credit cards, as well as responsibility for ordering, issuing and recalling credit cards shall be vested in the superintendent's office.
- G. Monthly purchase orders: "Open" purchase orders are not allowed. Aggregate purchase orders for regular purchases exceeding petty cash allotments may be drawn monthly. Such purchase orders are null and void at the end of every month.
- H. Annual purchase orders: For services which are paid on 12 monthly payments, an annual purchase order may be drawn. The accounting office shall maintain a list of vendors and authorized signatures for annual purchase orders.

### **Section 13: Travel Prepayments (Advance Payment of Certain Expenses)**

Prepayment should be used judiciously and normally will be limited to commercial air transportation, conference registration and lodging when the conference or professional meeting has been approved as required. (See ESD form Request to Attend Professional Meetings - Attachment #3).

- A. Requests for prepayment must be authorized by the superintendent and must be submitted five days prior to the next scheduled accounts payable run. Requests are to be submitted on the form Lane ESD Request for Reimbursement of Expenses (See Attachment #2) and should indicate the nature of the expenses to be prepaid and the account number(s) to be charged.
- B. When expenses are prepaid, a detailed accounting of the actual expenditures, supported by receipts, should be submitted on the expense claim form immediately following the expenditure.

### **Section 14: Petty Cash Fund**

Petty cash funds administered by the accounting supervisor may be provided for all ESD service areas.

- A. Requests for payment of expenditures from petty cash will not exceed \$50.
- B. Requests should be submitted on the form provided and authorized by the service area director or his/her designee. In the event the exact amount required for a transaction is not known, an estimated amount should be requested. Immediately following the transaction in such cases, any change

remaining (or additional costs beyond the estimate) should be returned (or drawn) and receipts conveyed. The request is to include the account number to be charged.

- C. Requests should be supported by receipts to be transmitted to the person supervising the petty cash fund.
- D. The petty cash funds will be kept secure at all times.

### **Section 15: Time Sheets**

Time sheets are the “purchase orders” for many salary accounts and should be processed carefully.

- A. One person should be designated in each service area to process time sheets for that service area.
- B. Time sheets for hourly employees should be approved by the service area director (or his/her designee) and submitted to the accounting office on the 20th of each month or the last working day prior to the 20th. The time sheets should be signed by the employee and should include time worked through the 15th.
- C. Time sheets for salaried employees should be checked for accuracy, approved by the service area director (or his/her designee) and submitted to the accounting office by the fifth working day of the following month. The time sheet should be signed by the employee and should include time worked through the last working day of the month.

### **Section 16: Supply Requests**

Office supplies can be requested from the cooperative purchasing clerk, business services.

- A. Requisitions are to include:
  - 1. Name of person and department (service area);
  - 2. Date of request;
  - 3. Quantity requested;
  - 4. Catalog number;
  - 5. Description;
  - 6. Budget account numbers: Fund, Object, Function, Center, Area;
  - 7. Approved by service area directors or designee.
- B. Office supply requests will be obtained from the warehouse.
- C. An invoice shall be prepared by cooperative purchasing clerk. To be reported will be:
  - 1. Quantity;
  - 2. Unit measure;

3. Item number;
  4. Description;
  5. Unit price and total amount to be charged;
  6. Signature of the warehouse person.
- D. Supply request orders shall be accumulated by the cooperative purchasing clerk and reported monthly (five copies) to accounting.
1. Green copy for cooperative purchasing clerk.
  2. Pink copy with department receiving supplies (after signed).
  3. Copies to cooperative purchasing clerk:
    - a. Goldenrod copy in service area/department file (cooperative purchasing file).
    - b. White and yellow copies to accounting office.

#### **Section 17: Present Supply Inventory**

- A. Certain paper and supplies are stored in warehouse but charged to Objects and Functions of the budget. These are to be appropriately labeled on the shelves and will require no charge slips for delivery to the department/service area.
- B. Other paper and supplies may have been charged but records will not be clear. These items should be transferred to account 2573 (W-DS) and reported as miscellaneous revenue for ESD.
- C. Finally, as originally noted, inventory on hand - new - is to be charged to 2573 (W-DS) Function and the appropriate Object as Accounts Payable.
- D. Workroom Supply Inventory - General office supply items are to be kept in the workroom.

Items needed for workshops and/or ESD programs are to be requisitioned from the cooperative purchasing clerk. Appropriate budget numbers are to be noted on these requisitions.

Note: Workroom supplies do not require a requisition.

Attachment 1 (Reference, Section #7-E)

**LANE EDUCATION SERVICE DISTRICT  
DEPOSIT FORM**

TO: ACCOUNTING SUPERVISOR

FROM:

DATE:

RE: Revenues for Deposit

ACCOUNT NUMBER: \_\_\_\_\_

Checks:		\$
Cash:		\$
TOTAL:		\$

Activity: \_\_\_\_\_

Submitted by: \_\_\_\_\_ Phone: \_\_\_\_\_

**WORKSHEET**

	Number of Items	Amount
Checks:		\$
Ones:		\$
Fives:		\$
Tens:		\$
Twenties:		\$
		\$
Coins:		\$
TOTALS:		\$



Attachment 3 (Reference, Sections #8 and 13)

**LANE EDUCATION SERVICE DISTRICT  
REQUEST TO ATTEND PROFESSIONAL MEETINGS**

Requests must be received **two weeks** prior to the date of the meeting.

EMPLOYEE \_\_\_\_\_ DEPT. \_\_\_\_\_

Name of meeting/workshop \_\_\_\_\_

Date to be held \_\_\_\_\_ Location \_\_\_\_\_

All advance payments are the employee's responsibility. To receive reimbursement, the reimbursement form must be submitted.

**Registration:** (receipt required) \$ \_\_\_\_\_

**Travel:** (indicate type) \$ \_\_\_\_\_

\_\_\_\_\_ Personal car \_\_\_\_\_ miles @ \_\_\_\_\_ ¢/mile  
(estimate round trip total)

\_\_\_\_\_ District vehicle (must be requested in advance)

\_\_\_\_\_ Other: plane \_\_\_\_\_ train \_\_\_\_\_ bus \_\_\_\_\_  
(receipt required)

**Meals:** Estimated – reimbursement paid on the basis of receipts. \$ \_\_\_\_\_

**Lodging:** (paid on basis of receipt – required) \$ \_\_\_\_\_

BUDGET ACCOUNT # \_\_\_\_\_ TOTAL COSTS \$ \_\_\_\_\_

\_\_\_\_\_  
Employee's Signature Date of Request

\_\_\_\_\_  
Director's Signature Superintendent's Signature (if out-of-state request)

\_\_\_\_\_  
Comments/Limitations

