



ASD FINANCIAL POLICIES AND PROCEDURES



2014–2015



This edition of the Financial Policies & Procedures supersedes and replaces all previous financial policies and procedures issued by the Tennessee Achievement School District.



ACHIEVEMENT
SCHOOL DISTRICT

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FOREWORD

The Tennessee Achievement School District’s (“ASD”) mission is to flip the educational paradigm in Tennessee by proving that the lowest performing 5% of schools in the state can achieve at the same levels as the top quartile schools within five years. The ASD will do this by creating school cultures that support teachers, improve student outcomes, and sustain high levels of student achievement over time.

PURPOSE OF MANUAL

The purpose of this manual is to document the accounting, budgeting, treasury, and procurement policies and procedures of the ASD. This manual applies to the Achievement School District’s directly-run schools (“achievement schools”) and its centralized school support operations. It does not apply to organizations authorized and contracted by the ASD to operate charter schools.

GUIDING PRINCIPLES OF THE ASD FINANCIAL POLICIES & PROCEDURES

- Transparency. Financial reporting will be transparent, and align to the budgets developed for each school and central operations.
- Equity. To the greatest extent possible, funds will follow the students, and will be allocated to address the unique needs of each student at ASD schools.
- Autonomy. School leaders will be given autonomy over the controllable expenditures in their financial statements. They may allocate resources in such ways that maximize student outcomes. These resource allocations may change, even during the school year, as academic results are measured and funding requirements are adjusted.
- Accountability. The ASD assumes responsibility, within its financial capabilities, for providing at public expense all services, equipment, and supplies that may be required in the interest of education in the schools under its jurisdiction. In exchange for autonomy, school leaders will be held accountable for the financial results at their schools.

OBJECTIVES OF THE ASD FINANCE & ACCOUNTING FUNCTION

- To ensure liquidity and solvency of the ASD
- To promote resource allocation in the annual budgeting and long term financial planning process that is aligned to the ASD’s mission and strategic plan and mission
- To provide the ASD’s leadership team and the Commissioner with timely and accurate financial information to make decisions
- To establish efficient procedures for accounting, reporting, purchasing delivery, payroll, and payment of vendors and contractors
- To ensure compliance with all applicable federal, state, local and private funds and regulations

ACCOUNTING, FINANCIAL REPORTING, AUDIT, BUDGETING & BANKING POLICIES

Accounting

a. Conformance with Governmental GAAP & Chart of Accounts

A primary emphasis of the ASD’s accounting policies is to define account classifications that provide meaningful financial management information to its users. As part of this emphasis, the manual is written to conform to generally accepted accounting principles (GAAP) and a uniform minimum

standard of and guidelines for financial accounting and reporting. ASD's adherence to GAAP implies that its financial reports contain the same types of financial statements for the same categories and types of funds and account groups. Such conformity enhances the comparability of ASD financial reporting to similar organizations. The main principles applicable to the ASD are summarized below:

- **Governmental Accounting Standards Board (GASB).** Because the ASD is an organizational unit of the Tennessee Department of Education, the ASD's accounting must follow accounting standards, recognition and measurement bases established by the Governmental Accounting Standards Board (GASB).
- **Fund accounting system.** The ASD accounting system must be organized and operated on a fund basis, using the Tennessee Uniform Chart of Accounts. Shared expenses will be recorded and allocated among locations, functions, funds, and/or contracts according to established policy. The allocation methodology will be reviewed periodically.
- **Financial reporting capabilities.** ASD's accounting system must be capable of producing financial reports in conformity with governmental GAAP and with legal requirements if the two are different;
- **Budgeting, budgetary control and budgetary reporting.** ASD should adopt annual operating budgets and certain of those budgets should be reported in the state's financial statements;
- **Revenue, expenditure, transfer, and expense account classifications.** ASD should provide for the classification of revenues, expenditures, and expenses into certain specific categories in accordance with the Tennessee Uniform Chart of Accounts.

b. Cash

Cash as defined within this manual shall include any and all payments made to or from the ASD with checks, money orders, wires, ACH credits, credit cards, debit cards, as well as currency and coins. The cash attributable to the ASD will be housed within the bank accounts established by the Achievement School District.

c. Petty Cash

The ASD does not utilize petty cash funds. (Note: current school accounts will be closed prior to the 2015 school year.)

d. Cash Receipts

- Cash will be deposited into the depository bank within one (1) business day of receiving the payment at the point of collection.
- The Accounts Payable/ Contract Specialists opens checks received in the mail.
- Checks are given to the Accounting Manager.
- The Accounting Manager makes a copy of the check with remittance advice and prepares a bank deposit slip listing each item. A duplicate copy of the deposit slip is kept with the check copy.
- The checks are deposited daily the Achievement School District's bank, First Tennessee Bank.
- When the stamped deposit slip is returned by the bank, it is kept with the copy of the check and duplicate deposit slip.
- The Accounting Manager enters the deposit in NetSuite and attaches the bank stamped deposit slip, check copy, and duplicate deposit slip to the deposit entry.
- All deposits must be entered into the General Ledger within five (5) business days of making the deposit to the bank.
- Payments received directly into the depository bank by ACH credit, wire transfer, credit or debit cards must be recorded by ASD's accounting office into the appropriate General Ledger account

within five (5) business days of receipt.

- Bank reconciliations are prepared monthly by ASD accounting staff.

e. Cash Disbursements

- With the exception of student activity accounts, cash disbursements are made by check, electronic debit, or wire from ASD bank account, First Tennessee Bank.
- All expenditures shall be made on an approved purchase order or contract according to ASD's purchasing policies and procedures.
- All disbursements will be prepared by the Accounts Payable / Contract Specialist for the final approval by the Accounting Manager.
- Disbursements will be processed in such a manner as to comply with internal controls that support proper segregation of duties.
- Vendor, through the procurement process and vendor solicitation process, will be informed to send any and all invoices to the ASD main office. Any invoices sent to the school or field office should be immediately sent to the main office for processing along with any receipt of goods information.
- Payables must have a matching purchase order and receipt of goods in order to be processed.
- Checks for payment are prepared in NetSuite.
- Checks for an amount greater than \$2,500 must have two authorized signatures.
- Banks are promptly notified of all changes of authorized check signers.

Expenses

Expenses are charged to programs based upon a direct cost rationale and charged directly to programs and schools when specific identification is available. Shared expenses will be recorded and allocated among functions, funds, and/or contracts according to established policy. The allocation methodology will be reviewed periodically. Expenses are prohibited to be used for any purpose that is ineligible under a funding award. Expenditures for each grant, loan, or contract are to be recorded according to the budget categories for that particular funding source. For each funding award, ASD will maintain records that allow for a comparison of outlays with approved budget amounts. When there are government funds involved, ASD will follow OMB A-87 cost principles. When there are government funds involved, programs and grants will not be charged for OMB A-87 un-reimbursable items such as, but not limited to: entertainment, fundraising expenses, bad debts, fines or penalties or interest on debt. Before ASD seeks reimbursement from a funder, it will ensure that the costs for which it is seeking reimbursement are allocable to that funder. A cost will be considered allocable to an external funding source (unless otherwise prohibited) if it is treated consistently with other costs incurred for the same purpose in like circumstances and if:

- a. The cost is incurred specifically for the award,
- b. The cost benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or
- c. Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

Any cost allocable to a particular award or other cost objective may not be shifted to other awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of any award of funds.

Capital Assets

ASD will follow governmental generally accepted accounting principles when determining whether an

asset or group of assets should be classified as capital or operating. Capital assets are those assets that have a useful life extending beyond a single reporting period. Capital assets should be recorded at their original, historical cost, and their records must be maintained in a complete, accurate and detailed manner with the consideration of depreciation, including infrastructure assets and historical treasures. Examples of capital assets include buildings, equipment, land and easements, machinery, vehicles, and infrastructure (such as lighting systems and sidewalk systems). Purchase of capital assets should be made in accordance with procurement and accounts payable procedures.

At the time of this manual's development, it is anticipated that the ASD will lease, not own, buildings and land. It is anticipated that ASD will assume ownership of capital assets such as computer equipment, lab equipment and furniture in its leased school buildings. ASD shall abide by the corresponding legislation to guide the financial matters associated with transfers of schools into and out of the ASD, including the capital assets assumed by the ASD upon transfer of the school. At the time of this manual's development, it is anticipated that legislation will provide for the "ASD to have the right to use any school building and all facilities and property otherwise part of the school and recognized as part of the facilities or assets of the school prior to its placement in the ASD and shall have access to such additional facilities as were typically available to the school, its students, faculty and staff prior to its placement in the ASD. Such use shall be unrestricted and free of charge, except that the ASD shall be responsible for and obligated to provide for routine maintenance and repair such that the facilities and property are maintained in as good order as when the right of use was acquired by the ASD... Extensive repairs to buildings or facilities considered capital expenses shall be the responsibility of the LEA and not the ASD. Any fixtures, improvements or tangible assets added to a school building or facility by the ASD shall remain at the school building or facility upon its return to the LEA."

In the future, should the ASD own infrastructure assets, and those assets are part of a network or subsystem of a network, they will not be required to be depreciated as long as the ASD manages those assets using an asset management system that has certain characteristics and the ASD can document that the assets are being preserved.

Student Activity Funds

The ASD adopts the Tennessee Internal Uniform Accounting Policy Manual as a guide for the internal school accounting system for each school. Each school shall maintain a copy of this guide and the ASD will ensure that each school's Director of Operations receives related training. Student activity bank accounts are established as required by the Tennessee Department of Education ("TDE"). Cash will be deposited into the depository bank within one (1) business days of receiving the payment at the point of collection. Cash deposits will be entered into the general ledger within five (5) business days of making the deposit to the bank. All checks over a pre-approved threshold (\$ 2,500) written on the ASD accounts require two (2) signatures. Individuals authorized to sign checks may include the School Principal, Director of Finance, Chief Operating Officer, and the Superintendent. All persons authorized to sign checks out of a student activity bank account will be formally approved by the Commissioner. Banks are promptly notified of all changes of authorized check signers. All checks are to be pre-numbered and accounted for (used, voided, not used). Voided checks are to be properly defaced and maintained. Bank reconciliations are to be done monthly by the school, and the trial balance shall be provided by each school to the Accounting Manager by the 20th day of each month.

Financial Reporting

- a. Reporting. ASD accounting staff will be responsible for compiling monthly and year-to-date reports .
- b. Fiscal Year. The ASD's fiscal year begins July 1 and ends June 30 of the following calendar year.
- c. Regular Reporting. Monthly financial reports which analyze the ASD financial position and the effectiveness of its management and programs will be presented to the Superintendent and reported to the Commissioner within 5 business days of Finance & Administration's closure of the ASD's books. Monthly closing activities are completed by the 15th day of the following month. Quarterly reports will be completed by the end of the month following the quarter end.
- d. Financial Statements. The financial statements consist of a combined balance sheet and combined statements of revenues, expenditures and changes in fund balance. These reports should be presented both in a consolidating (i.e. by school and district) and consolidated basis (all of ASD). Annual financial statements will be prepared in accordance with governmental accounting standards. In addition to making available the ASD's Statement of Net Assets, the Statement of Activities, the Governmental Funds Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balances, the ASD shall make available to its management team, upon request, budget to actual comparisons of revenue and expenditures by location with corresponding analysis of remaining budgets, significant negative and positive variances, and potential risks to the fund balance of the ASD.
- e. Reconciliation. Financial reports are reconciled to the general ledger and accounting records for all significant balance sheet accounts as part of the monthly close and within the required timeframe noted in the close policy.
- f. Maintenance of Records. ASD will maintain records that identify adequately the source and application of funds for all activities.
 - These records shall contain information pertaining to awards, authorizations, obligations, assets, outlays, income and interest.
 - Records to be maintained include copies of contracts, invoices, proof of payments, payroll records, and allocation tracking.
 - All files that can be stored electronically will be done so in a manner consistent with all applicable laws and regulations.

Audit

Because the ASD is an organizational unit of the Tennessee Department of Education, the ASD's financial statements will be subject to the Tennessee Comptroller of the Treasury's audit of state and local governmental entities.

Budget Process

The ASD determines the distribution of funds to provide a high quality education for students in its schools. ASD will submit its budget to the commissioner of the Department of Education for inclusion into the state's annual budget in accordance with the Department of Finance and Administration's budget instructions. The ASD shall incorporate its budget information into its accounting system by location and fund.

- a. By June 30, contingent upon receiving official BEP funding guidance from the TDE before this date, the ASD will prepare and submit an operating budget to the Commissioner, incorporating finalized BEP and federal funds guidance from the TDE;
- b. By July 31, the ASD will submit its final approved operating budget to the TDE.

Banking & Investments (placeholder to complete in coordination with Treasury)

The primary banking operations and investment matters, exclusive of student activity accounts, shall be managed by the The Achievement School District. All banking and investment matters shall be managed consistent to the Tennessee Internal Uniform Accounting Policy Manual. Conservative policies have been deployed in a manner to preserve capital, while creating some return on investment. For the student activity bank accounts, the Superintendent will approve the placement of assets not needed for immediate operations assuring compliance with all contractual requirements and using the principles identified below.

a. Student Activity Banking

- ASD will keep all funds available in a federally insured bank.
- Support Local Banks if Economically Feasible: All assets kept in bank accounts will be in banks defined as local. “Local” is defined as having a physical presence for customer service within ASD’s service area.

b. Student Activity Investments

- If there is excess cash, it should be invested to align with the banking and investments principles
- All investments should comply with state statutes
- Investment alternatives include savings accounts, interest bearing checking accounts and certificates of deposit

c. Donated assets other than cash

- If necessary, ASD schools will maintain a brokerage account to accept gifts of stock and other market investments.
- All such gifts will be liquidated as soon as practicable, though liquidation should occur no longer than 30 days after their receipt to limit market risk exposure.

Transfer of School Operations

ASD shall abide by the corresponding legislation to guide the financial matters associated with transfers of schools into and out of the ASD.

Insurance (placeholder to complete in coordination with Treasury)

The ASD, as an organizational unit of the department of education, is covered by the State of Tennessee’s self-insurance, and uses the State’s worker’s compensation policy and procedure.

PURCHASING POLICIES AND PROCEDURES

General Policy Guidelines and Philosophy

- a. The Achievement School District (ASD) was created through legislation to function like a local education agency (LEA) under the Department of Education. As such, the ASD procurement policies and procedures adhere to LEA guidelines in accordance with T.C.A. § 49-1-614(i).
- b. The ASD aims to achieve maximum educational value for every dollar expended. Purchases made by anyone not authorized by the appropriate officials shall become the personal responsibility of the persons making the purchase agreement. The ASD will not, under any circumstances, be responsible for payment for any material or supplies purchased by unauthorized individuals or in any unprescribed manner.

Conflict of Interest

- a. ASD employees will exercise reasonable precaution against conflict of interest according to Education Department General Administrative Regulations (EDGAR) Section 80.36 (b) (3).

- b. No employee, officer or agent of the ASD shall participate in award of a contract supported by any and all funds that are the responsibility of the ASD if a conflict of interest, real or apparent, would be involved.
- c. No person employed by the ASD will be an agent for, or have any financial compensation or reward of any kind from, any vendor for the sale of supplies, materials, equipment or service. (T.C.A. § 49-6-2003)
- d. It is hereby declared unlawful for any state official or employee to bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the state of Tennessee during the tenure of such official's or employee's office or employment, or for six (6) months thereafter, or to have any interest in the selling of the same to the state. (T.C.A. 12-4-103)

Authorization thresholds

c. <\$2,500

- i. Requisition originates with any eligible employee
- ii. Approval #1 – School Leader or ASD support team manager
- iii. Approval #2 – COO or CFO
- iv. Purchaser will seek out the best available price for the expenditure.
- v. Any purchase involving funds other than BEP funds requires the purchase approval of the Public Grant Program Manager or designee.
- vi. In accordance with 49-2-203(a)(3), this threshold applies to budgeted supplies, furniture, fixtures and material. Contractual services require additional approval.

d. \$2,500 - \$10,000

- i. Requisition originates with any eligible employee
- ii. Approval #1 – School Leader or ASD support team manager
- iii. Approval #2 – COO or CFO
- iv. Purchaser will receive three (3) written or verbal quotes and document that multiple quotes were received.
- v. Any purchase involving funds other than BEP funds requires the purchase approval of the Public Grant Program Manager
- vi. In accordance with 49-2-203(a)(3), this threshold applies to budgeted supplies, furniture, fixtures and material. Contractual services require additional approval.

e. \$10,000-\$250,000

- i. Requisition originates with any eligible employee
- ii. Approval #1 – Department Head
- iii. Approval #2 – COO or CFO
- iv. Approval #3 – Superintendent or Designee
- v. Purchaser will receive three (3) written bids and maintain documentation for the multiple bids. These bids will be solicited from vendors using the local newspaper unless they are solicited from a vendor list that the ASD periodically updates through advertisement in the local newspaper. T.C.A. § 49-2-203(a)(3)(A)
- vi. The lowest and best bidder will be chosen for the procurement of goods and services.
- vii. These bids shall be solicited by the purchasing department after the requisition approval process is complete.
- viii. The purchaser reserves the right to reject any or all bids or any part of any bid.

f. Purchases Greater Than \$250,000

- i. Policies and procedures are the same for purchases between \$10,000 and \$250,000 with the addition that any single purchase greater than \$250,000 requires the approval of the Commissioner prior to procurement of the goods or services.
- ii. In the event of an emergency purchase the Commissioner will be informed as soon as possible after the procurement.

g. Exception to competitive bids

- i. Contracts for legal services, educational consultants, and similar services by professional persons or groups of high ethical standards shall not be based upon competitive bids but shall be awarded on the basis of recognized competence and integrity (T.C.A. 12-4-106) through the Request for Proposals (RFP) process unless a single source vendor is identified.

Contracts

A contract is formed when the ASD or another entity makes an offer, and the other entity accepts that offer. Each entity agrees to an obligation, such as payment in exchange for services. A contract may thus be formed through an invoice, an accepted purchase order or a longer contract document (a contract, in fact, does not need to be in writing to be enforceable).

The form and contents of a contract should be determined by what is necessary to ensure each entity understands its obligations, and what will happen if those obligations are not met. In general, formal contracts should be used for professional services.

- a. Formal contracts for goods or service must be reviewed according to the authorization threshold standards stated above.
- b. Contracts shall be made only with responsible suppliers with the following considerations and applicable provisions:
 - i. The supplier has the potential ability to perform successfully under the terms and conditions of a proposed procurement;
 - ii. The ASD has the ability to assure supplier conformance with terms, conditions, and specifications of the contract or purchase order, and to assure adequate and timely follow-up on all purchases;
 - iii. Contract provisions or conditions allow for administrative, contractual, or legal remedies in instances where suppliers violate or breach contract terms, and provide for appropriate sanctions.
 - iv. Contracts are effective no earlier than the date of execution by all parties.
 - v. All contracts, including those of individual schools, comply with state and federal laws, rules, and regulations. (T.C.A. § 49-2-203(a)(3); Section 5-11; T.C.A. § 49-2-206(b)(2)).
 - vi. When applicable, the contractor agrees to comply with background check requirements in T.C.A. § 49-5-413.
 - vii. When contract obligations will be paid for with grant funds that include specific contractor requirements, those requirements must be noted or referred to in such contracts.
 - viii. All applicable insurance requirements of the vendor must be verified prior to the commencement of the services to be provided.
 - ix. Contracts for amounts in excess of ten thousand (\$10,000.00) shall have explicit termination and liquidated damages provisions.

Capital Purchases

- a. The ASD is not responsible for major capital improvements according to T.C.A. § 49-1-614(f). Procurement of construction services will be the responsibility of the home LEA.
- b. Capital Assets
 - i. All capital assets purchased by the ASD and its schools are the property and responsibility of the ASD for tracking and accounting purposes. The same applies to donated assets and items purchased for schools by various clubs and organizations.
 - ii. Once equipment qualifying as a capital asset is received, items are tagged and entered into a capital asset program.
 - iii. Each school and support office is responsible for assuming responsibility for equipment located at the school, including equipment security, inventory control, maintenance and utilization. The school Principal, Director of Operations, or designee are responsible for notifying the

appropriate local law enforcement agency when equipment is stolen or destroyed at school locations. Any relevant information, including, but not limited to, police report number, date stolen or date damaged must be recorded in the asset management system. Unrepairable equipment must be disposed of in accordance with organization policies and/or governmental regulations.

- iv. The Director of Technology, Chief Operating Officer or Chief Financial Officer are responsible for notifying the appropriate local law enforcement agency when equipment is stolen or destroyed at support team locations. Any relevant information, including, but not limited to, police report number, date stolen or date damaged must be recorded in the asset management system. Unrepairable equipment must be disposed of in accordance with any organization policies and/or governmental regulations.
- v. The school is responsible for conducting an inventory of all assets on an annual basis and reporting any missing or new items. An inventory report is sent to each location with assets listed by room numbers to facilitate this effort. The principal, department head or designee must verify that all the assets on the report are still at the location. All equipment inventories are subject to internal and/or external audits.
- vi. If items listed on the inventory report are no longer at the location, the same must indicate the items cannot be found. Any new items acquired that are not on the inventory report should be so noted with the name of the item, brief description including serial number, purchase date, cost, room location and any other pertinent information about the asset. Donated items not on the list should be handled in the same manner.
- vii. Once the entire list on the inventory report has been verified annually, the principal or department head must approve the list with their signature and return the list to the Accounting Manager.

Equipment Purchased with Federal Funds

- a. Title I IDEA and CTE equipment purchases, inventory monitoring, disposals and sale proceeds adhere to EDGAR 80.32 and State of Tennessee Department of Education guidelines and regulations.
 - i. Individual items with a unit cost of \$5,000.00 or more and a minimum life expectancy of 3 years. (Freight charges should be included into the cost of equipment)
 - ii. Sensitive “minor” equipment: Items purchased with a cost between \$100.00 and \$5,000.00 which includes computers, cameras, and fax machines, etc.
 - iii. Equipment must have both a system barcode and an additional label identifying it as purchased with Title I funds. Barcodes or other types of designation must have the information below:
 - Name of LEA
 - Name of School
 - Project year of purchase (FY)
 - Title I/SIG/IDEA
- iv. School level inventory records must include the following; (EDGAR 80.362)
 - Description of Property
 - Serial Number or Other identification Number
 - Source of Property
 - Who Holds Title
 - Acquisition Date
 - Cost of the Property
 - % of Federal Participation of the Cost of the Property

- Location of the Property
 - Condition of the Property
 - Ultimate Disposition Data –Date and Sale Price—to be added after disposition
- v. Equipment Inventory
- Physical Inventory with reconciliation is required at least once every 2 years.
 - Inventory control system is required for loss, damage, and theft prevention.
 - Investigation of any loss, damage, and theft is required.
 - Adequate maintenance procedures must be in place.

Emergency Purchase

- a. Purchases which are necessary to avert hazards which threaten health or safety, to protect property from damage or to avoid major disruption of educational activities and systems. Other systems, services or purchases deemed to be of an immediate need by the Superintendent, that without which would cause a significant loss of operational integrity/capacity, may be procured as an emergency purchase so long as the need is documented and the best price for the systems, services or purchases as allowable is utilized.

Purchase Orders

- a. Purchase orders entered in Achievement School District’s Financial System, NetSuite, is the accepted method for payment of goods and services to vendors.
- b. No orders for goods or services can be placed with a vendor before the purchase order is approved.
- c. The purchaser must obtain a quote from the vendor prior to submitting a purchase request. Authorization for quotes or bids are specified in the purchasing policy thresholds.
- d. For school-specific quotes, the School Principal or designee shall approve all requests prior to their submission to the Finance Department.
- e. Support staff will submit quotes and purchase request approved by a supervisor or level of authorization according to purchasing policy threshold directly to the Finance Department via the on line Purchase Request Form located on SharePoint.
- f. The purchase order is entered in the NetSuite purchasing system by the Director of School Operations for school-specific purchases or by the Finance Department for support staff purchases.
- g. Each purchase order requires approval in NetSuite after the purchase order has been created. The Supervisor and/ or next level of authority according to purchasing policy threshold is notified by e-mail that a purchase order requires their approval.
- h. When invoices are received, they are scanned and e-mailed to the Finance Department.
- i. The Finance Department matches the invoice to the purchase order in NetSuite and attaches the scanned invoice to the purchase order. Payment is made via check, ACH or Wire through NetSuite’s Accounts Payable System in accordance with vendor terms.

Procurement Cards

- a. The Procurement Card (P Card) is an alternative form of payment for goods or services to vendors.
- b. P Card use is for purchases of \$2,000 or less.
- c. The use of the P Card payment method is not a change in the Achievement School District’s purchasing policies and procedures.
- d. P Card purchases must be for the use and benefit of the ASD. No personal Purchases are allowed.
- e. No cash withdrawals will be allowed on the ASD P Card. This includes ATM or other “debit” cash withdrawals.
- f. The cardholder must obtain supervisor approval before purchases are made. P Card Approval

forms are located on SharePoint Quick Links.

- g. Tennessee State Sales Tax shall not be charged to purchases.
- h. The ASD P Card is not to be used to make payments to another state agency.
- i. Purchases shall not be artificially divided so as to appear to be purchases under \$2,000. Such practice is referred to as a “split invoice” and is prohibited.
- j. Credits – The merchant should issue a credit to a cardholder’s P Card account for any item accepted for return. This credit will appear on a subsequent purchasing card statement. Cardholders cannot accept cash in lieu of a credit to the P Card account. Refunds or exchanges must be credited to the same account number to which the original transaction was charged.
- k. Cardholders are responsible for assuring accuracy of credit card charges, maintaining receipt documentation, and keeping the P-Card account number in a secure location at all times. Transactions on all cards are reviewed weekly by the Finance Team.
- l. Cardholders are responsible for assuring accuracy of credit card charges, maintaining receipt documentation, and keeping the P-Card and account number in a secure location at all times. Transactions on all cards are reviewed weekly by the Finance Team.

Vendor Information

- a. Each order will be placed on the basis of quality, price, and delivery. Past service will be a factor if all other considerations are equal.
- b. Vendors visiting separate schools shall contact and secure the permission of the director of schools and principal’s office prior to visiting the school. Vendors’ visitations to schools shall not be permitted to interfere with the normal instructional and learning process. (T.C.A. § 49-6-2003 Visitors to the Schools 1.501)
- c. Solicitation of Vendors
 - i. Vendors will be notified of bid issuance and at least one (1) bidder will be from the list of MWOB
 - ii. The following guidelines should be employed to ensure proper conduct in dealing with vendors:
 1. Keep competition open and fair paying particular attention to the inclusion of minority, women and disadvantaged business enterprises
 2. Give all suppliers a prompt and courteous reception, as well as fair and equal treatment
 3. Prepare specifications that will encourage competitive bidding
 4. Have consistent buying policies and practices and apply them at all times
 5. Keep free from obligations to any vendor
 6. Maintain and update vendor files as new information is received
 7. Honor requests for information from vendors in a prompt and efficient manner if it is feasible and in the best interest of the school district to release the requested information
 8. Not succumb to “pressure” sales tactics from vendor
 9. The Purchasing Department should be notified when persistent calls, correspondence or visits are received from vendors
- d. Adding Vendors to Accounting System
 - i. New vendor requests are sent to the Accounting Manager by e-mail.
 - ii. Requests for vendor set up must be accompanied by a W-9 form completed and signed by the vendor.
 - iii. The Accounting Manager adds the new vendor in NetSuite using name, address, and tax ID number obtained from the W-9 form.
 - iv. The W-9 form and e-mail request is filed by vendor name.
- e. Local Vendor Preference

- i. The ASD functions state-wide but recognizing that the local schools are supported in great part by the monies paid by individuals, business and industries in the community, the ASD will purchase locally whenever and wherever practical.
 - ii. Local suppliers and contractors will be given preference only as other conditions are comparable.
- f. Minority Owned Businesses
- i. In accordance with T.C.A. § 49-3-322, ASD may set aside an amount not to exceed ten percent (10%) of the total amount of funds allocated for the procurement of personal property and services for the purpose of entering into contracts with small businesses and minority owned businesses. The contracts shall be competitively bid among small businesses and minority owned businesses.
 - ii. For the purposes of this section, "small businesses" and "minority owned businesses" mean a business that is solely owned, or at least fifty-one percent (51%) of the outstanding stock of which is owned, by a person who is impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, religion, ethnic background, sex or service in the armed forces during the Vietnam War; provided, that it is not the policy of the state to encourage employment outside the home of mothers of minor children.

TRAVEL POLICIES AND PROCEDURES

The following policy applies to the travel of all employees of The Tennessee Achievement School District in the performance of their official duties. Authorization for travel will not be granted and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with this policy and any approved exceptions hereto.

Use of Personal Vehicle

- a. Employees who utilize their personal vehicles to conduct official school business may request reimbursement for local mileage that is appropriately documented and authorized.
- b. Travel between home to the normal work location is not eligible for mileage reimbursement, including travel when the employee reports to work on a non-scheduled workday
- c. Mileage incurred must be in the normal course of the employee's performance of assigned duties
- d. Travel to meetings and conferences of a professional nature.
- e. This policy and specific reimbursement rates for travel expenses allowed under this policy shall be consistent with those of the Comprehensive Travel Regulations of the State of Tennessee. Current mileage rates are located on the following web site:
[//http://www.tn.gov/finance/act/documents/policy8.pdf](http://www.tn.gov/finance/act/documents/policy8.pdf).

Air Travel

- a. The use of air travel is recommended when time is an important factor or when the trip is so long that other methods of travel would increase the subsistence expense.
- b. When travel is by common carrier, the fare must not exceed the regular coach fare charged the general public, and advantage must be taken of round trip rates when available.
- c. The employee's copy of the ticket, or an acceptable receipt, must be submitted for reimbursement of common carrier expense.

Taxi Service

- a. When travel is by common carrier, reasonable limousine and taxi fares will be allowed for necessary transportation.
- b. Bus or taxi service to and from airports will be used when available and practical

- c. After arrival at destination, necessary taxi fares for traveling between hotels or lodging and meeting or conference will be allowed.

Car Rentals

- a. Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or it is the only practical means of transportation.
- b. Support staff must use Enterprise Car Rental. Click the link [here](#) to go directly to the web site for Enterprise Car Rental.
- c. School based employees must contact the Director of School Operations to arrange car rental.

Tolls and Ferry Fees

- a. Reasonable tolls and ferry fees will be allowed when necessary.

Daily Parking Fees

- b. Employees required to utilize commercial parking facilities while on travel status will be allowed reimbursement for actual costs.
- c. Receipts must be furnished on airport and hotel parking

Lodging

- a. In-State Lodging expenses incurred while on authorized travel will be reimbursable at the state rate. Current rates for lodging are located on the following web site:
[/http://www.tn.gov/finance/act/documents/policy8.pdf](http://www.tn.gov/finance/act/documents/policy8.pdf)
- b. Out-of-state lodging expenses incurred while on authorized travel will be reimbursable. A receipt for lodging must be included in the request for reimbursement.
- c. Sales taxes on lodging costs will be reimbursable
- d. Higher rates for lodging at the location of a convention or conference will be allowed, with special approval, up to the amount indicated on the convention or conference brochure or conference web site.
- e. The convention or conference brochure which indicates the lodging rate must be included with the travel claim. Otherwise, reimbursement will be limited to the applicable lodging rate as provided in these regulations.

Shared Lodging

- d. In the event of double occupancy for school employees on official travel, both employees should attach an explanation to his/her travel claim detailing dates and other employees with whom the room was shared.
- e. The lodging cost may be claimed by the employee who incurred the cost, or one half the double occupancy charge may be allowable for each employee. The receipt for the entire amount should be submitted with the expense account.

Meals

- a. Meals while on authorized travel will be reimbursed at the lower of submitted receipts or the maximum per diem rate of \$66.
- b. Receipts for each meal must be included with the travel claim
- c. Claims for reimbursement for travel expenses should be submitted no later than thirty (30) days after completion of the travel. Any claim submitted after 30 days must be submitted with a memo and supervisors signature.
- d. Claims are reimbursed in the next pay cycle after approval for payment, if received a week prior to the next pay date.

Incidentals

- a. Incidentals are intended to include miscellaneous costs associated with travel such as tips, baggage handling, etc.

Travel Claims – School based staff

- a. All employees must adhere to the travel procedures and rates as stated in the Achievement School District travel policy.