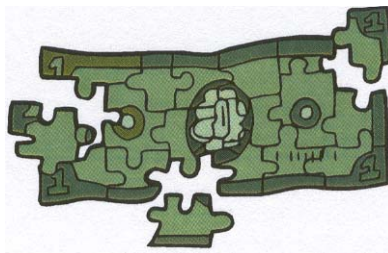


Southwest Regional Education Center

FISCAL POLICIES & PROCEDURES MANUAL



REVISED JULY 2004

SOUTHWEST REGIONAL EDUCATION CENTER COUNCIL

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Dane Kennon	Hatch Valley Public Schools
Harvielee Moore	Deming Public Schools
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TABLE OF CONTENTS

SECTION I—FISCAL MANAGEMENT

A. Fiscal Accounting and Reporting	1
B. Annual Budget	1
C. General Financial Management	2
D. Budgeting System	2
E. Fiscal Year	2
F. Budget Deadlines and Schedules	2
G. Budget Recommendations by Advisory Committee	2
H. Budget Implementation	2
I. Budget Transfers	3
J. Depository of Funds	3
K. Authorized Signatures/Check Writing Services	3
L. Bonded Employee and Officers	3
M. Fiscal Accounting and Reporting	3
N. Audits	4
O. Purchasing/Procurement Policy	4
P. Local Purchasing	5
Q. Center Purchasing	6
R. Procuring/Purchasing Procedures	6
S. Guidelines for Purchasing under State Procurement Code	9
T. Vendor Relations	11
U. Code of Conduct	11
V. Payment Procedures	11
W. Payroll Procedures	11
X. Payday Schedules	12
Y. Levy or Garnishment of Wages	12
Z. SWREC Properties Disposal Procedures	12

SECTION II—BUDGETARY ACCOUNTING

A. Initial Budget	13
B. Purchasing	13
C. Encumbrance System	13
D. Disbursing	13
E. Posting	13
F. Travel Reimbursement	14
G. Bids and Quotations	14
H. Budget Transfers and Increases	14
I. Reports	14
J. Federal Projects	14
K. Other Accounting	14

SECTION III—PAYROLL ADMINISTRATION AND ACCOUNTING	
A. Employee Records	15
B. Payroll Check Writing	15
C. Re-Capping and Summarizing	15
D. Payroll Deductions	15
E. Reports	16
F. Payroll Reimbursements	16
SECTION IV—REVENUE ACCOUNTING	
A. Initial Installation	17
B. Receipting of Cash	17
C. Descriptions of Bank Accounts	17
D. Bank Reconciliation	17
E. Reports	17
SECTION V—EQUIPMENT INVENTORY ACCOUNTING	
A. Receipting of Equipment	18
B. Recording of Equipment	18
C. Transfers of Equipment	18
D. Physical Inventory of Equipment	18
SECTION VI—OTHER ACCOUNTING	
A. Current Filing System	19
B. Prior Year Filing System	19
C. Records Security	19

I. FISCAL MANAGEMENT

The Southwest Regional Education Center (SWREC) Council recognizes that its primary purpose is to assist member districts in providing the best education possible within the limits of the established programs and the financial ability of the school districts and the SWREC. The SWREC Council also recognizes its deep responsibility for the efficient use of public funds. The SWREC has the following goals:

1. To encourage advance planning through sound budgeting practices.
2. To explore practical and legal sources of dollar income.
3. To guide the expenditures of funds in order to achieve acceptable education returns.
4. To require efficiency in accounting and reporting procedures.

As trustees of funds allocated for use in local education, the SWREC Council or designee has the responsibility to protect the funds and use them wisely.

A. Fiscal Accounting and Reporting

The SWREC Council shall, through the Director and the Business Manager, make sure that financial records are kept in accordance with generally accepted principals of governmental accounting. Financial transactions of the SWREC shall be recorded on general, appropriation, revenue and expenditure records. Appropriate entries from the adopted budget shall be maintained for each of the several funds as prescribed. Continuing balances of the various budgetary accounts shall be maintained on a monthly basis.

The SWREC Council shall receive, through the Director and the Business Manager, monthly reports of the financial condition of each fund. These reports will be mailed monthly to the Superintendent, Business Manager and Director of programs in each district.

B. Annual Budget

The annual budget process is an important function of SWREC operations and should serve as a means to improve communications within the participating school districts and the SWREC. The Directory will confer with participating school districts on budgetary needs. The Director and Business Manager will be responsible for combining all of the participating school districts' applications into a consolidated application to be submitted to Public Education Department (PED) and/or other agencies involved.

The Director and the Business Manager will also be responsible for preparing and presenting to the SWREC Council for adoption the annual SWREC budget. By law, the adoption of the budget by the SWREC Council and Advisory Panel must take place on or before May 10th.

Public school budgeting is regulated and controlled by statute and state regulations. A budget is required for every fund that the SWREC uses in its yearly operation.

C. General Financial Management

The SWREC, having been designated to serve as a local Board of Finance as per Section 22-8-38, N.M. S.A. 1978 Compilation, shall require from the Director and his/her administrative staff the performance of the following tasks:

1. Implement acceptable, sound management practices in all financial transactions.
2. Maintain a continuous evaluation on accounting and reporting practices in abidance with Rules and Regulations established by the SBE and in compliance with provisions under Section 22-8-38 N.M.S.A. 1978 Compilation.
3. Continuously report to the SWREC Council the financial status of the SWREC and prepare any and all necessary progress reports for review and/or approval.

D. Budgeting System

The budget proposal will be organized and presented in accordance with the format required to comply with the laws of New Mexico and the regulations of the Public School Finance Division.

E. Fiscal Year

The fiscal year is defined as beginning on the first day of July and ending on the thirtieth (30th) day of the following June as established by law.

F. Budget Deadlines and Schedules

Each year the Director, through the Business Manager, will prepare a budget preparation schedule which will ensure that all deadlines established by laws for budget presentation, hearing, and adoption are met.

G. Budget Recommendations by Advisory Committee

The function of the Advisory Committee shall be advisory in nature with final budget determination and approval vested in the Governing Council. For budgets requiring advisory committee participation, a hearing with the Advisory Committee will be conducted prior to final preparation of the proposed annual budget. The public hearing with the Advisory Committee will be published in a newspaper with general circulation. After careful consideration of the Advisory Committee's recommendations the Director shall prepare a proposed budget for presentation to the SWREC Council for adoption.

The completed proposed budget will be made available, on request, to the public during the normal business hours of the SWREC office.

H. Budget Implementation

After adoption by the SWREC Council, both the general appropriation and the budgetary allocation to individual school districts will be the spending planning approved allocation for the fiscal year.

The Director and staff are authorized to make expenditures and commitments in accordance with and in harmony with the approved budget, policies of the Council, and administrative plans approved by the SWREC Council.

I. Budget Transfers

Periodically throughout the year, the budget will be reconciled with actual expenditures of the district through transfer of funds from one line item to another. The Director will call to the Council's attention the need for such transfers and the Council will consider and take action on his/her recommendations. It will then be submitted to PED for approval.

J. Depository of Funds

The State National Bank has been selected by the SWREC Council to serve as the depository of SWREC funds depositories. Any change or additions of banks require an affirmative majority vote of Council membership and approved by the Office of the Treasury. This approval is to be done every two years.

K. Authorized Signatures/Check Writing Services

Checks drawn on all funds will require the signatures of the SWREC Council Chair and Vice Chair.

All checks drawn on SWREC funds will be signed through the check protector used by the SWREC. The Business Manager and/or Director will review all checks before being released. The checks used by the SWREC will be pre-numbered.

L. Bonded Employees and Officers

At the time of his/her appointment or re-appointment, the SWREC Council will authorize the Business Manager to execute a bond in an amount determined and approved by the School Budget Planning Division. The SWREC will pay the cost of the bond.

M. Fiscal Accounting and Reporting

The SWREC's accounting system will be in conformance with the School Accounting Manual published by JAVLAN. An adequate system of encumbrance accounting will be maintained.

The following purposes must be satisfied by the accounting system:

1. Administrative Control: The financial records must be adequate to guide the making or deferring of purchases, the expanding or curtailing of programs, and the controlling of expenses. Current data should be immediately available and in such form that periodic summaries may be readily made from the data.
2. Budget Preparation: The financial records must be adequate to serve as a guide to budget estimates of subsequent years, and to hold expenditures to the amounts appropriated. Accounts are to be kept for each item for which separate budget estimates must be made. An adequate code of expenditure accounts will be used.

The SWREC's financial records will provide the following information:

1. For each account in the participating school district's budget: The appropriation, appropriation transfers, expenditures, encumbrances, and unencumbered balance.
2. For each purchase order: The name of vendor, description of the item involved the amounts, the record of SWREC approval, the call for bids if required, and an abstract of the bids received.
3. For each purchase: The purchase order information above, the record of receipt and condition of goods, and the invoice and record of payment.
4. For each income account: The budget estimate, the estimates as revised periodically, the receipts to date, and the balance anticipated.
5. Income received under the abatement procedure will be debited to the appropriate previously expended account.

N. Audits

In accordance with state statutes, all financial records of the SWREC will be audited following the close of each fiscal year.

The SWREC Council, in cooperation with the State Auditor, will select an independent Certified Public Accountant who exemplifies a quality standard of work to conduct the audit. This audit will show all monies collected, disbursed, and retained together with receipts verifying monies collected and vouchers for monies disbursed. The audit must also show a comparison of the disbursement with monies budgeted and must be completed in time to be submitted to the State Auditor within six months following the close of the fiscal year.

In addition to the above, the duties of the SWREC Council appointed Certified Public Accountant are:

1. Examine the balance sheet of the SWREC as of the close of its fiscal year and the related statements of transactions in the various funds for the fiscal year then ended.
2. Conduct this examination in accordance with generally accepted auditing standards and to include such tests of the accounting records and other auditing procedures as circumstances necessitate.
3. Render an opinion on the financial statements prepared at the close of the fiscal year.
4. Prepare such financial statements for publication as may be required by law.
5. Make recommendations to the SWREC Council concerning its accounting records, procedures and related activities as may appear necessary or desirable.
6. Perform such other related services as may be requested by the SWREC Council.

O. Purchasing/Procurement Policy

The function of purchasing/procuring is to serve the educational program of the SWREC and participating school districts by providing the necessary supplies, equipment and services.

The SWREC intends to purchase competitively without prejudice and to seek maximum educational value for every dollar expended by complying with the State Procurement Code and Federal Procurement Code as applicable.

The Director is responsible for the implementation of this policy. The Director shall be authorized to develop procedures for the requisition of supplies, equipment and services. The Director will retain final authority for all requisitions or may delegate that authority, in specific instances due to emergencies or in his/her absence, to the Business Manager as approved by the Council. All requisitions for supplies, equipment or services shall be within the SWREC Council's approved budgets.

All professional services shall be obtained only after the SWREC has issued a professional service contract. The Director shall be the only employee authorized to sign a contract on behalf of the SWREC as well as the Superintendent of the participating district. The Business Manager will sign for fund sufficiency.

No employee of the SWREC or participating school district, except as prescribed above, is authorized to incur commitments for the purchase or procurement of supplies, equipment or services. Any employee acting outside the requisition procedures developed by the Director and/or Business Manager will be considered to have been acting as a private party and not as an agent of the district.

The SWREC is committed to purchasing at the best obtainable price, taking into account quality, history of performance, dependability, and other important considerations. The size of the purchase will usually determine the complexity of the procurement procedure utilized.

Different options and procedures apply to purchases up to \$1, 500.00, purchases between \$1, 501.00 and \$3,000.00, purchases between \$3,001.00 and \$5,000.00, purchases between \$5,001.00 and \$10,000.00, and purchases \$10,001.00 and higher as well as procurement of professional services. Cooperative bidding sources such as CES, NMRSC and other state or governmental agencies permitted under the Procurement Code may be utilized.

The State Procurement Code primarily controls purchases over \$10,000.00 and the procurement of professional services over \$20,000.00. Other purchases are primarily controlled by these policies.

P. Local Purchasing

It is the intention of the SWREC to purchase locally whenever goods and services of equal quality are available at competitive prices. Distance due to geographic isolation will be considered as a factor.

Goods and services will not be purchased locally if they can be secured elsewhere at a savings to the SWREC and participating school districts or if the non-local source can provide a better quality of product, service, or more efficient delivery.

Q. Cooperative Purchasing

The SWREC, at its option, will join in cooperative purchasing with Cooperative Education Services, Research and Study Council, state or federal agencies and other school districts to take advantage of lower prices for purchasing items, products, services and to reduce the administrative costs involved in bidding.

R. Procuring/Purchasing Procedures

Procuring/purchasing procedures will be designed to ensure the best possible price for the desired products and services taking into consideration quality, warranty and track record.

The Director or his/her designee will develop procedures for procuring/purchasing. These procedures will require that all purchases be made on properly approved purchase orders and that for items not put to bid, price quotations will be solicited pursuant to the State Procurement Code.

The Director's assigned designee, with the Director's approval, is authorized to process purchase orders, bids, and price quotations pursuant to the State Procurement Code and Federal Procurement Code, if applicable.

General:

1. Only the person(s) designated by the SWREC Council and Director is to procure/purchase or commit the SWREC for a purchase.
2. The materials, equipment, supplies and/or services to be purchased will be of the quality required to serve the function in a satisfactory manner as determined by the requisitioner and the Business Manager.
3. It is the responsibility of the user to provide an adequate description as required by the Business Manager so that the latter may be able to prepare the specifications and to procure most expeditiously and economically the desired commodity and/or services. A source of supply should be included on requisitions for specialty or unusual items.
4. It is the responsibility of the Business Manager to make alternate suggestions to the user if, in the judgment of the Business Manager, the specifications would restrict competition or otherwise preclude the most economical purchase of the required items. In the case of disagreement, either party may refer the matter in accordance with established procedure.

Requisitions:

1. The following are designated as a requisitioner and authorized to issue requisitions against stipulated segments of budgetary appropriations: Superintendents, Administrative Assistants, Directors, Coordinators, Supervisors, Managers, and Building Principals. Each requisitioner will be responsible for limiting his/her requisitions to the amount appropriated for his/her unit/department.
2. Only forms provided by the Director and Business Manager will be issued for requisitioning.

3. Standard supply lists of commonly used items will be jointly developed for all categories or groups of supplies by the Business Manager and the appropriate requisitioner. These standard lists will be used as a basis for requisitioning.
4. The requisition will be submitted to conform to the purchasing schedule established by the Business Manager.
5. Requisitions will be prepared in triplicate with a copy to be retained by the requisitioner.
6. A requisition to be considered appropriate for processing will meet the following requirements”
 - a. Be issued by and bear the signature of an authorized requisitioner (district Superintendent)
 - b. Contain adequate information: ex, complete vendor address
 - c. Be verified for adequacy of budgetary appropriations
 - d. Have the approval of the SWREC Director (or his/her designee)
7. All approved requisitions will be submitted to the Business Manager.
8. After a purchase order has been issued the number of the purchase order will be recorded on the requisition.
9. After processing, the original copy of the requisition will be filed in the business office at SWREC in sequence by source of requisition.

Process for Completing Requisitions (see next page for sample form)

1. School Name
2. Name of person requesting order
3. Superintendent's and/or REC Director signature
4. Date
5. Vendor name with complete address, phone, and fax
6. Fund, program, project name
7. Location where order is to be shipped
8. Quantity requested
9. Order # as shown on catalog
10. Description of item ordering
11. Unit price
12. Total price
13. REC TO COMPLETE
14. REC TO COMPLET
15. REC TO COMPLETE
16. Subtotal of order + shipping and grand total. If no shipping is listed, add 15% to subtotal.

Remember:

- This is an estimate and the actual amount will be shown when the order is received and paid for.
- This is to be sent to the REC and processed through fiscal. Approval for a purchase order then goes to the Director for final approval.
- This process is a very time consuming process and is not done on a daily basis. So *please, do not come in at the last minute and expect to get one approved.*
- Project coordinators or site coordinators need to complete the requisitions so exactly what the district orders is shown. All the proper paperwork should be attached when sent to the REC for processing.
- It is the responsibility of the program coordinators to get this information to site coordinators and other contracted professionals.

Purchase Orders (POs)

1. POs will include the following essentials:
 - a. A specification which adequately describes to the supplier the characteristics and the quality standards of the item required
 - b. A firm, quoted, net delivered price whenever possible. Prices will be shown per unit and extended.
 - c. Clear delivery instruction including place and approved order from site.
 - d. Signature of Director/Coordinator/Principal/Manager or his/her assigned designee. The signature of the SWREC Director or his/her designee must appear on all requisition/Purchase orders.
 - e. Budget account code number and purchase order number.
2. POs will be numbered and prepared in sets of four copies each to be used as follows:
 - a. Original to vendor
 - b. Copy 2-filed numerically by PO number and kept at SWREC; pink copy sent to districts
 - c. Copy 3-to requisitioner, to be returned after certification as to receipt in proper quantity and in satisfactory condition. SWREC keeps white copy; district keeps pink copy.
3. Confirmation orders (verbal order) subject to subsequent confirmation by a written PO may be issued only in cases where a bonafide emergency situation exists which can be handled only by this procedure:
 - a. A PO number should be given to the supplier
 - b. A confirming requisition will be issued immediately thereafter
 - c. Contents of the quotation shall not be revealed to any other vendor/provider for whom a quotation is solicited
 - d. Quotations obtained shall be recorded and placed in the procurement file
 - e. Procurement requirements shall not be partially divided so as to constitute one purchase under this regulation
 - f. **Do not order any purchases without proper verification/approval.**

S. Guidelines for Purchasing Under the Public Purchases and Property Act, N.M.S.A., 1978, S 13-1, et. Seq. (State Procurement Code)

1. Purchases up to \$1,500.00 in services, construction or items of tangible personal property: Such a purchase may be made only after reasonable efforts to purchase the goods or services for the best obtainable price. No written quotations are required. Catalog prices or telephone quotes can be used to assist in the purchase.
2. Purchases between \$1,501.00 and \$3,000.00 in services, construction or items of tangible personal property:
 - a. The goods or services should be obtained at the best price.
 - b. The best obtainable price shall be obtained through reasonable effort using such sources as: existing contracts, catalogs, oral quotes, price agreements, and written quotes
 - c. Documentation of the method used to obtain the best price shall be made and placed in the procurement file.

- d. Procurement requirements shall not be partially divided so as to constitute a series of single purchases in order to avoid exceeding the \$3,000.00 price.
- e. Cooperative bidding sources such as CES may also be utilized.
- 3. Purchases between \$3,001.00 to \$5, 000.00 in services, construction or items of tangible personal property: Require three (3) written bids/quotes from vendor and must be attached to requisition.
- 4. Purchases between \$5,001.00 and \$10,000.00: Require sealed bids or sealed proposals pursuant to the Procurement Code of the State of New Mexico.
- 5. Purchases in excess of \$10,00.00 in services, construction or items of tangible personal property: shall be made in accordance with the State Procurement Code and, if appropriate, the Federal Procurement Code. Cooperative bidding such as CES may also be utilized.
- 6. Competitive Sealed Bids-Receipt and Acceptance of Evaluation Criteria: This regulation is issued pursuant to S 12-1-105, N.M.S.A., 1978 Compilation which states in part that the criteria which will affect the bid price shall be objectively measurable, defined by regulation, and set forth in the invitation bids.

The State Procurement Code:

- 1. Procurement requirements shall not be artificially divided so as to constitute a small purchase under this regulation.
- 2. Procedures for procuring professional services:
 - a. Before contracting any person or firm to provide the required services, this office shall examine any current statements or qualifications filed with it. Based on this examination, the firm or person considered most advantageous for SWREC and participating school districts shall be contacted for negotiating a contract for the required services at a fair, reasonable and affordable price.
 - b. Failing to find current statements or qualifications on file or if the statements on file are inadequate to determine such firm or person, technical proposals or statements of qualifications shall be solicited of no less than three (3) unless there are only one (1) or two (2) qualified providers. No price or fee shall be solicited until the most advantageous is chosen and only the most advantageous will be requested to submit a price.
 - c. If a fair, reasonable and affordable price cannot be agreed upon, negotiations will be terminated with such firm or person and begin with the next most advantageous.
 - d. The process shall continue until a contract can be negotiated at a fair, reasonable and affordable price to the SWREC and participating school districts.
 - e. Mandatory Contract Clause pursuant to N.M.S.A., 1978, S 13-1-158 shall be included in all contracts entered into pursuant to the Stat Procurement Code.

Upon certification by the appropriate representative of the SWREC that the services have been rendered and accepted, payment shall be tendered to the contractor within thirty (30) days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date postmarked. For purchases funded by State or Federal grants to the SWREC, if

the SWREC does not receive the funds from this agency, payment shall be tendered to the contractor within five (5) working days of receipt of the funds from the funding agency.

T. Vendor Relations

No favoritism will be extended to any vendor. Each order will be placed on the basis of quality, price, and delivery with past services being a factor if all other considerations are equal

No person officially connected with or employed by the SWREC will be an agent for or have any pecuniary or beneficial interest in, or receive compensation or reward of any kind from any vendor for sale of supplies, materials, equipment or services as per section 21-1-35 & 22-21-1 N.M.S.A.

U. Code of Conduct

No employee, officer or agent shall participate in selection or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- Employee, officer or agent
- Any member of immediate family
- His/her partner
- An organization which employs or is about to employ any of the above

V. Payment Procedures

The SWREC Council will approve all disbursements except those for amounts owing under contracts previously approved by the Council and/or for which by prompt payment the district will receive a discount or other advantage.

As operating procedure, the Council will receive each quarter from the Business Manager lists of checks for payment from SWREC funds.

W. Payroll Procedures

All salaries and supplements paid regular staff members, part-time personnel, and student workers will be paid through the SWREC office. Proper payroll procedures depend on staff attendance accounting. The necessary procedures for this will be established by the Business Manager and carried out by the administrative personnel. Compensation records kept by the SWREC office will reflect an accurate history of the compensation and related benefits accorded each employee.

X. Payday Schedules

All regular employees of SWREC will be paid according to a Council approved payday schedule.

Y. Levy or Garnishment of Wages

The SWREC, through the business office, will comply with all legal summonses and writs regarding levies and/or garnishments.

Z. SWREC Properties Disposal Procedures

The sale or lease of SWREC surplus real property requires a vote of approval by the Council. The sale/lease transaction will be made in accordance with procedures set forth by State law.

The Council may declare SWREC personal property as a surplus and authorize its disposal when such property is no longer useful to the organization or districts, unsuitable for use, too costly for repair, or in order to preserve storage space. The SWREC Council is also allowed to donate items no longer need to other public entities.

The Council will classify surplus property for disposal according to the resale value of the item.

1. Items having a resale value will be disposed of as follows:
 - a. Items having a fair market value will be advertised for sale to the highest bidder.
 - b. The Council shall reserve the right to reject any or all bids for the purchase of SWREC property.
2. Items having no resale value or having insufficient value to defray the cost of sale may be disposed of as follows:
 - a. Salvageable parts may be removed for use in restoring inoperable SWREC equipment to an operable condition and the remainder of the item disposed of for junk value and/or taken to the refuse collection center.
 - b. Usable parts may be removed and stored and the remainder of the item disposed of for junk value and/or taken to the refuse collection center.
 - c. Surplus items may be disposed of for junk value and/or taken to the refuse collection center.
 - d. Worn and obsolete books will not be destroyed until they have been offered to other schools, students, charitable organizations, and made available to the general public.
 - e. Any PC or laptop must be State auditor approved for disposal before disposal can occur.

The Director shall make a request for declaration of surplus personal property and its subsequent disposal from the SWREC Council when deemed necessary.

II. BUDGET ARY ACCOUNTING

General accounting procedures used for Federal Projects and other funds.

A. Initial Budget

At the beginning of the fiscal year, budget computer accounts are set up for each function and object code and fund. The information is taken from the approved PED Budget Adjustment Forms. These accounts reflect approved budget, monthly expenditures, encumbrances, transfers, budget increases, and balances to date.

B. Purchasing

The SWREC uses a computer-generated Purchase Order (PO). Upon receipt of an approved requisition from participating school districts or Director, a PO is prepared. The PO is issued after it has been approved and signed by the Director an/or Business Manager. Original is sent to the vendor, one copy goes to person making the PO request, and one copy is kept on file at the SWREC office.

C. Encumbrance System

All Pos are automatically encumbered when entered on the computer. They are then filed in an outstanding PO file numerically for easy referencing and processing. When all requirements for payment are met the PO, with all supporting documents, is moved to a ready to pay file. As payment is made, Pos are liquidated. Follow up procedures are sometimes required on Pos.

D. Disbursing

When a copy of the PO is returned completed and ready for payment, it is attached to the original invoice and to the receiving copy.

After bills are prepared and ready for payment, the Business Manager goes through them and approval is given for payment. Bills are paid the first (1st) three (3) Wednesdays of the month (change may occur). A check listing is presented to the SWREC Council for approval at its regular quarterly meetings.

Check writing, posting expenditures and liquidating is all done in one operation by computer, which also prints out a journal and check register. Checks are mailed to vendors. One copy of the check is attached to the file papers needed to support payment and filed in a fireproof file. These are filed numerically by check number.

E. Posting

Posting is done by the computer which consists of encumbering Pos, expending amounts as checks are written and liquidating paid Pos. Pos are posted daily.

F. Travel Reimbursements

Travel and per diem are paid according to rule 95-2 per diem and mileage rates. The claimant completes a travel claim with all pertinent information. This form is signed by the claimant and approved by the Director and Business Manager. Claimant should attach copy of agenda to claim form.

G. Bids and Quotations

Bids and quotations are required for certain purchases to comply with state regulations. Copies of bids or quotations are attached to the original order and in paid PO.

H. Budget Transfers and Increases

Budget transfers and increases receive SWREC Council approval before being submitted to the proper unit of the PED for approval. Request for budget transfers are made when needed. Requests for inter-budget transfers are made to the School Budget Planning Unit of PED. Budget adjustments are posted after approval is granted.

I. Budget Reports

The computer prepares the monthly budget report at the end of each month. Information from the computer is summarized and printed in the form of the monthly budget report. Reports are submitted to the School Budget Planning Unit of PED when required.

J. Federal Projects

Federal projects budget reports are prepared in the same manner as the monthly budget report. All information is maintained in the computer system. Information from the computer is summarized and printed in the form of the monthly budget report. Reports are balanced monthly. Copies are sent to the participating districts monthly and to the School Accounting Unit of PED quarterly.

K. Other Accounting

Tax-exempt certificates are issued to companies doing business with the SWREC. The original copy is retained in a master file and a copy is mailed to the vendor.

Each SWREC employee is required to keep a telephone log on long distance calls placed from his/her telephone. These logs are turned into the Business Manager monthly and are checked against telephone bills by the 28th of each month.

III. PAYROLL ADMINISTRATION AND ACCOUNTING

A. Employment Records

An employee worksheet containing the following information is prepared for each employee and attached to the payroll file copy of the contract.

1. Name of employee
2. Years of experience
3. Period of employment
4. Previous salary
5. Current annual salary (per salary schedule)
6. Number and amount of monthly installments
7. Chart of account number, FTE and fund
8. Deductions, etc.

When new personnel are hired, they are referred to the payroll clerk for processing. Here the proper forms are completed and signed. The same procedure is used for setting up payroll. All payroll deductions, except those required by law, are authorized by the employee and consistent with board policy.

Sick leave and other absences are posted to the computer upon receipt of leave reports. Salary adjustments are necessary when employees exceed their allowable sick leave and personal leave. Leave report forms contain the signature and all pertinent information.

Complete files on all employees are kept up to date i.e.: W-4 forms, I-9 forms, etc., in a fireproof file cabinet.

B. Payroll Check Writing

All personnel are paid monthly as per the approved schedule. Payroll information is entered from the payroll analysis.

C. Recapping and Summarizing

After payroll check writing is completed and checks have been passed through the check signer and protector, computerized journals are kept in a fireproof vault. The payroll is automatically posted to the proper chart of accounts number ledger after being established.

D. Payroll Deduction

Checks are written for payroll deductions after the payroll has been summarized and reconciled. Balancing out to deductions, etc., is done from the payroll summary an/or from a master worksheet.

The following checks are written accordingly from payroll deductions. These checks are remitted monthly together with proper form of invoice.

1. Federal Withholding T	SWREC
2. State Withholding Tax	NM Taxation & Revenue Dept.
3. Educational Retirement	NM State Treasurer
4. Social Security	SWREC
5. Medical Insurance	Risk Management Division
6. Life & Disability Insurance	Risk Management Division
7. Professional Dues	NEA, AESA, SW
8. Vision	Risk Management Division
9. Dental	Risk Management Division
10. Retiree Health Care	ERISA

E. Reports

The following reports are prepared and submitted quarterly:

Educational Retirement	Due 10 th of following month
Retiree Health Care	Due 10 th of following month
941 Tax Report	Due 25 th of following month
Unemployment Insurance	Due 31 st of following month
NM Workers Compensation	Due 10 th of following month

The State Withholding Tax report is submitted monthly and is due by the 25th of the following month. Federal Withholding Tax and FICA are submitted per TTL deposit at State National Bank. The federal tax payment system is on the day required.

Information for these reports is provided after each payroll run. All reports are computer generated.

F. Payroll Reimbursements

Reimbursement for payroll expenses for personnel approved on consolidated applications may be requested on a monthly or quarterly basis. Request for such reimbursements are to be forwarded by participating school districts' Business Manager to the SWREC Business Manager accompanied by copies of monthly payroll reports indicating payment of salaries and benefits.

IV. REVENUE ACCOUNTING

A. Initial Installation

At the beginning of the new fiscal year, revenue Chart of Accounts are set up for each receipt code for each fund. This information is taken from the finalized PED Business Adjustment Request. These accounts reflect revenue received monthly, to date, and an estimated balance of revenue to be received for the year. A cash control ledger for each fund is also set up.

B. Receipting of Cash

At the time revenue is received, a pre-numbered receipt, showing the source of revenue and receipt code classification, is written in triplicate. The original goes to the source of revenue, a copy remains in the book and a copy is put in the monthly report. Each receipt is posted and bank deposits are made daily in addition to being entered in the Revenue Ledger.

The monthly cash report is prepared from the information above and submitted to the SWREC Council quarterly to be reviewed with the monthly expenditure reports. These reports are carefully checked before they are submitted to the PED School Budget Planning Unit by the 15th of the following month.

C. Description of Bank Accounts

The following funds are deposits as indicated:

1. Federal Projects: State National Bank
2. Other Funds: State National Bank

D. Bank Reconciliation

Upon receipt of the monthly bank statement the following procedures are used:

1. Canceled checks are arranged in numerical order.
2. These checks then entered into computer.
3. Computer generates outstanding checklist for the bank register.
4. All deposits for the month are checked against revenue ledgers to determine accuracy.

E. Reports

A report on certified bank balances for each account will be submitted quarterly to the School Budget Planning Unit of PED together with other required reports by the 10th of the following month at the end of the quarter.

V. EQUIPMENT INVENTORY ACCOUNTING

A. Receipt of Equipment

All equipment is checked by the person making the request, who signs and returns the receiving copy of the PO to the SWREC office for payment. Each piece of equipment is tagged with a SWREC property number and identified as SWREC property. Participating districts must keep an inventory accounting of equipment purchased for their districts.

B. Recording of Equipment

When the equipment is paid for, all information pertaining to each piece of equipment (such as code number, serial number, place of assignment, etc.) is entered on the inventory of fixed assets form. This form contains all information on the PO, the fun, check number, and the cost and inventory tag number assigned to each item.

The information from the inventory of fixed assets form is then transferred to an inventory worksheet, which is kept by the SWREC. In order to keep up with the equipment, all additions deletions or transfers of equipment are entered on the worksheet with a running balance of equipment in that location.

C. Transfers of Equipment

Temporary:

Any time a piece of equipment is moved from one location to another, notification must take place through a memo the business office at SWREC. Changes will be noted and taken to the Council for approval.

Permanent:

Any time a piece of equipment is moved from one location to another, a transfer form is completed which states from what location the equipment was moved and where it will now located. The description, tag number, date and person responsible for the equipment are also included on the form. The transfer form is then turned into the SWREC office at which time this information will be added to the inventory worksheet.

D. Physical Inventory of Equipment

During the last two weeks of the fiscal year, a physical inventory is taken. The SWREC designee or location supervisor should have a copy of the printout for all equipment that the list shows for their location.

The SWREC staff will visit participating districts and check inventory as listed on the inventory list to verify all equipment is in place. After physical inventory is taken, all deletions are presented to the SWREC Council for approval. An approved list of deletions, acquisitions and complete inventory is sent to the IP auditor annually. All inventory of SWREC owned vehicles is also submitted to state auditor and records secured in SWREC office.

VI. OTHER ACCOUNTING

A. Current Filing System

Most records pertaining to the fiscal operation of the SWREC are kept in fireproof locked files at the SWREC office.

B. Prior Year's Filing System

The previous three (3) years' records are retained at the SWREC office.

C. Records Security

All applicable records are stored in fireproof files located in the SWRE office.