

PLUM BOROUGH SCHOOL DISTRICT

BUDGET PROCEDURE MANUAL

2018 – 2019



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Introduction

The school district budget is one of the planning tools used by the district to introduce, discuss and fund program initiatives throughout the district. The budget process allows decisions to be made for the continuation and implementation of various district programs, which best utilize the districts limited resources.

The budget is developed by a combination of site based (schools), departmental and district wide basis. All of these components are considered prior to the adoption of a preliminary budget. Refinements are made to this preliminary budget and incorporated into the final school board approved budget. Multi year budgets for both the operational and capital needs are considered in conjunction with prudent fund balance management to determine the final budget amount and tax structure for the school district. Budget management is practiced throughout the year and adjustments are made through school board approved budget transfers. Prior year spending and revenues are also considered in the budget development process.

This budget manual is designed to enhance the total understanding of the budget process and provide useful information as the budget is developed.

The budget process entails a number of steps and includes staff, school board and public review. The budget calendar provides a time line for this process.

Budget Calendar 2018/19 PBSB Budget Calendar

November 2017

- Estimate Retirements / Update staff lists, salary lists and assignments
- Complete First Draft Revenues
- Rough Draft of Building and Department Expenditures
- Meeting and Distribution of 2018-19 Budget Manual to Administrators (November Principal Meeting)

December 2017

- 5-year model review with Finance committee
- Facility and Technology Meeting to review to Capital Budget
- Farmstead/Homestead Notification to Residents who are Currently Not Approved
- All Building/Department budgets due on December 22nd

January 2018

- Initial Presentation on the Budget at Finance committee and 5 year model update
- County locks in assessed value
- **School board will prepare proposed preliminary budget for the 2018-19 FY for public inspection no later than January 25, 2018**

February/March 2018

- Board Review of Department budgets
- **School board will pass preliminary budget for the 2018-19 FY no later than February 14, 2018**
- Referendum exemption request- Notice of intent to apply Feb. 4, 2018
- Deadline to request referendum exceptions March 1, 2018
- Review Budget with Administrative Team
- Department/Building finalize budgets (March 31, 2018)
- Deadline for Homeowners to File Homestead Application

April 2018

- Budget Workshop

May 2018

- PDE Notifies School District of Funds Available for Property Tax Relief
- County Assessor Provides a Certified Report on the Number of Farmstead/Homestead Properties in the District
- Appoint tax collector
- Deadline to report LTEA taxes to DCED
- **School board will adopt proposed final budget for the 2018-19 fiscal year no later than May 31, 2018**

June 2018

- Publish notice of intent to adopt final budget
- **School board will adopt final budget for the 2018-19 FY no later than June 30, Homestead/Farmstead exclusions for the fiscal year and installment resolution for small business**

1. Budget Account Structure

The Accounting structure used in the budgeting system is outlined below. The Account code is an expanded version of the budget units used in the requisition system. * See tables below

Fund	XX	In all cases this will be "10"
Function	XXXX	Is the functional area of expense
Object	XXX	Account code, type of expense
Funding Source	XXX	Is always 000 unless assigned by Bus. Office
Level	XX	Elementary or secondary grade level
Location	XX	Building or Responsible Unit
Designation	XX	Special Designations

Budget Unit Structure – Example

Fund	10
Function	1110
Object	330
Funding Source	000
Level	10
Location	18
Designation	00

FUNCTION TABLES

Function Code	Function Title
1110	Regular Program – Elementary / Secondary
1210	Life Skills Support
1211	Life Skills Support – Public
1212	Life Skills Support – Private
1221	Hearing Impaired Support
1224	Visually Impaired Support
1225	Speech & Language Support
1231	Emotional Support – Public
1232	Emotional Support – Private
1233	Autistic Support
1241	Learning Support – Public
1242	Learning Support – Private
1243	Gifted Support
1250	Detention Support
1260	Physical Support
1270	Multi-Handicapped Support
1281	Developmental Delay Support
1290	Other Support
1390	Other Vocational Education Program
1420	Summer School
1430	Homebound Instruction

1441	Adj. / Court Placed Program
1442	Alternative Education Program
Function Code	Function Title
1490	Additional Other Instructional Programs
2110	Supervision of Pupil Personnel Services
2120	Guidance Services
2130	Attendance Services
2140	Psychological Services
2160	Social Work Services
2170	Student Accounting Services
2220	Technology Support Services
2250	School Library Services
2271	Certified Instructional Staff Developer
2272	Non-Certified Instructional Staff Developer
2310	Board Services
2320	Board Treasurer Services
2330	Tax Assessment & Collection Services
2340	Staff Relations & Negotiations Services
2350	Legal Services
2360	Office of the Superintendent Services
2380	Office of Principal Services
2440	Nursing Services – Public
2450	Nursing Services – Non-Public
2500	Support Services – Business
2610	Supervision Operations & Maintenance – Plant Supervisor
2620	Operation of Building Services
2630	Care & Upkeep – Grounds
2640	Care & Upkeep – Equipment Services
2660	Security Services
2690	Other Operations & Maintenance – Plant Supervisor
2710	Supervision of Student Transportation Services
2720	Vehicle Operation Services
2730	Monitoring Services
2740	Vehicle Servicing & Maintenance
2750	Non-Public Transportation
2750	Non-Public Transportation
2790	Other Student Transportation Services
2818	System – Wide Technology Services
2841	Supervision Data Professional Services
2900	Other Support Services
3100	Food Service
3210	School Sponsored Student Activities
3250	School Sponsored Athletics
3310	Community Recreation
3320	Civic Services
3330	Public Library Services
3390	Other Community Services

LEVEL TABLE

Level Code	Level Title
00	District Wide
10	Elementary
30	Secondary

RESPONSIBILITY TABLE

Location Code	Location Title (Budget Chair)
00	District (John Zahorchak)
16	School Board (John Zahorchak)
15	Superintendent/Asst. Super. (Gail Yamnitzky)
17	Maintenance (Regis Fate)
11	Transportation (Scott Mergen)
18	Business Office (John Zahorchak)
19	Technology (Chris Burkey)
21	Special Education (Ashlea Rineer)
01	PHS (Justin Stevens)
03	Oblock (Joe Fishell)
08	Regency Park (Jeff Hadley)
02	Pivik (Kristen Gestrich)
06	Holiday Park (Fran Sciuolo)
04	Center (Jason Knisley)
23	Student Services - Safety (Jeff Wolfe)
22	Athletics (Bob Alpino)
24	Federal Programs (Jason Knisley)
25	Human Resources (Michael Brewer)

2. Frequently Used Account Codes

Account Codes	Description
330	Professional Services
432	Repair Maintenance Services – Equipment
442	Rental of Equipment
530	Postage
538	Telecommunications
540	Advertising
550	Printing and Binding
581	Travel / Mileage
582	Conference Travel
610	General Supplies
640	Books and Periodicals
648	Education Software / Licensing Fee
751	Non-Capitalized Equipment < \$4,000 - Original & Additional
752	Capitalized Equipment ≥ \$4,000 - Original & Additional
810	Dues & Fees

3. Budget Requests

Any staff member can initiate a budget request, prior to the new school year. All building requests must be submitted through the principal. Budget requests can be:

Routine - to maintain, replenish, or enhance a program; the budget chair approves and funds come out of the building budget

Major Impact - requests are approved by the budget chair and approved by central administration. There is a separate one-time allocation for these items, (including text books and uniforms) and must have budget chair, Business Manager and Superintendent signatures, over \$5,000

Facilities - requests are approved by the principals who in turn will discuss the merits with the Maintenance department. Requests will then be discussed at the central office. Projects which merit further discussion will be included in the draft general fund or 5-year capital budget.

Staffing - requests for staff increases must be made in writing to the Superintendent.

4. Bidding

1. Public bidding required for purchases of furniture, equipment, school supplies and other appliances costing \$19,300 or more.
2. Requires three quotations for amounts more than \$10,500 and less than \$19,300.

It is important that bid specifications are very descriptive in order to ensure that the quality of the items received meet the program needs.

5. Major Impact Items

Major impact items are special funding requests (usually one year) for items over \$5,000 that cannot be accommodated in the normal budgets.

Major impact items must be submitted with the following information:

1. Person making request
2. Supervisor(s) approval
3. Total cost of the request (including staffing)
4. Description of the major impact item(s)
5. Justification / need for the major impact item

6. Technology

The technology department will be involved in the determination of items to be included in the budget. For a technology item to be included in the budget (hardware and/or software), it must be consistent with the curriculum and the technology plan. Requests for technology items, upon approval by the budget chair, should be forwarded to Chris Burkey. Individual buildings should not enter

any technology hardware and/or software as part of their building budgets. This includes on-going software licenses.

The district will provide funding in accordance with the school district technology plan. The technology department will budget, order and maintain an inventory listing.

7. Field Trip Costs and Conference Requests

Scheduling field trips and conferences is to be included as part of the budget process prior to the start of the school year. A staff member that wishes to sponsor a field trip or conference should submit a completed preliminary request to the budget chair in accordance with the building level budget developmental timeline.

8. Facilities Needs / 5 Year Capital Plan

The Facilities Needs are funded either by an allocation in the general fund or by inclusion in the district *5 year Capital Plan*.

All principals should meet with the Regis Fate to discuss the needs of each facility. It is important that all needs are identified. Once this is completed, the school board will determine the funding mechanism for accomplishing these projects.

9. Budget Transfers (After Final Budget Adoption Occurs)

Two types of budget transfers can be requested; an internal transfer or board approved budget transfer. A description of each type is shown below.

Internal Transfers – transfers can occur any time during the year if they meet the following criteria: transfer must be within the same function code and the same account (object) group.

For example:

Transfer from: 1110-~~6~~10 Regular Ed Supplies
Transfer to: 1110-~~6~~40 Regular Ed Books

This is a permissible internal transfer

Transfer from: 1110-~~6~~10 Regular Ed Supplies
Transfer to: 1110-761 Regular Ed Non-Capital
Replacement Equipment

This is not a permissible internal transfer

Board Approved Budget Transfers – transfers cannot occur during the first 90 days of the fiscal year. From October 1 on, these transfers can occur with the approval of the school board. Board approved transfers are from one major function to another or from one major account (object) code to another.

For Example: Transfer from:	1110-610	Regular Ed Supplies
Transfer to:	1110-761	Regular Ed Non-Capital Replacement Equipment

A reason justifying the transfer must be submitted with each request. Generally, if the account is overspent then a transfer will not occur.

11. Budget Submission

Each administrator will submit electronically their budget requests to the Director of Business Affairs no later than December 22nd, 2018. Please list the desired item and the approximate cost per item. The Director of Business Affairs will review, approve and assign account numbers.

After the budget has been completed, each budget chair and responsible party will schedule a meeting with the Budget Review Committee (Superintendent, Assistant Superintendent, and Director of Business Affairs) to review and justify the budget requests. Upon approval of this budget review committee, the budget requests will be included in the budget presented to the Board.

12. Purchasing Process During The Year

- 1) Principal receives and approves Requisition Form
- 2) Submit Requisition Form to building clerk for input into ProSoft
- 3) Purchase Order get generated
- 4) Request gets approved in Prosoft by John Zahorchak and Michael Brewer for items under \$5,000. Items over \$5,000 must be signed off and approved by Dr. Gail Yamnitzky
- 5) Once approved, The PO's are emailed back to the building clerk
- 6) Building clerk places the order by sending the PO to the vendor. A copy of the PO is kept to match against the delivery.
- 7) Once the purchase order has been released, the expense account will reflect the charge in the system
- 8) The building clerk will have access to review the budget in ProSoft on an ongoing basis

PURCHASING PROCEDURE

PROCEDURE DESCRIPTION :

The purpose of this procedure is to outline the process a staff member shall follow for purchasing materials and/or supplies for school business purposes.

DISTRICT PROCEDURE:

Any staff member may initiate a requisition request prior to the start of the new fiscal year. The guidelines set forth in the Procurement of Goods and Services and the Allowability of Costs procedures shall be followed. When materials and/or supplies are needed for the following budget year, the staff member shall complete a district requisition request form. The form is available on the District's website or in the main office of each building. All sections of the form must be fully completed in order for it to be processed. Incomplete forms shall be returned to the staff member to correct.

The requisition request is forwarded to the building or department administrative assistant for approval in the accounting software by the building principal or supervisor. Documentation of quotes and bids must accompany the requisition request.

If approved by the principal or supervisor, the accounting software will move up the purchasing chain of command. Orders not approved by the principal or staff supervisor shall be returned to the staff member.

A purchase order is typed into the accounting software by the appropriate support staff person specified in the chart above. The administrative assistant shall be responsible for coding the order with the proper budget code. The Director of Business Affairs shall approve or deny all purchase orders with a total cost of \$5,000 or less. Orders over \$5,000 require approval from the Superintendent. The business office will distribute the approved purchase orders to the appropriate staff member and forwarded to the support staff person to place the order and file. Orders may be sent to the vendor through email, fax or U.S. mail. The accounting software will display to the requestor if the purchase order does not receive approval. Appeals may be made directly to the Director of Business Affairs.

Additional Guidelines

Purchase Order Changes

Purchases orders may be updated to reflect changes. The administrative assistant may enter a change order into the accounting system. An email shall be sent to the Accounts Payable staff indicating that a change order has been requested. The change order shall follow the same approval process as a purchase order.

Purchase Order Voids/Cancellations

The administrative assistant who prepared the purchase order is responsible for contacting the Accounts Payable staff if a purchase order needs to be cancelled/voided. The Accounts Payable staff shall void the purchase order in the accounting system. The funds obligated to the cancelled/voided order shall be returned to the account.

Blanket Purchase Order

A blanket purchase order may be issued during the school year for situations in which the standard purchase order process may disrupt school business. The Director of Business Affairs shall determine when a blanket purchase order is necessary. The administrative assistant shall type a single purchase order for a vendor at a specific dollar value. The same purchase order number shall be used throughout the year for purchases assigned to the blanket purchase order until all funds allotted to it have been spent.

Amazon Orders

All Amazon orders require a purchase order number prior to placing the order through the Amazon website regardless of price. Once a purchase order number is obtained, it is to be entered on the website. The Amazon system requires a purchase order prior to purchase. Once the order has been submitted, an email is automatically send to the Director of Business Affairs for approval. Approval will be granted as long as funds remain in the account where the purchase order is being generated from and the purchase deemed reasonable and appropriate.

Confirming Purchase Orders

The practice of using confirming purchase orders will no longer be accepted with the exception of certain service related maintenance functions where there the price is based on an hourly rate. No employee has the authority to make District purchases without following approval processes.

Employee Reimbursement

Employees requesting reimbursement for school business purchases must have prior approval and a purchase order prepared in advance. The District shall not reimburse employees for items purchased without an approved purchase order. Appeals shall be directed to the Director of Business Affairs.

Car Rental/School Bus Order

Purchase orders shall be required for ordering school buses for transportation outside the regular school day and for district paid car rentals.

Maintenance Purchase Exception

Maintenance staff shall be authorized to make purchases for emergency and repair purposes without a purchase order for supply costs of \$100 or less. These purchases require approval and written receipt verification by the Maintenance Supervisor or Assistant Maintenance Supervisor. Signed receipts shall be submitted to the Accounts Payable Clerk within five (5) business days of purchase.

Sales Tax

Sales tax exemption forms are available in the Business Office. Vendors requesting a copy of the certificate shall be directed to the Accounts Payable Clerk.

Disciplinary Action

Employees who fail to adhere to the school board policies and board approved procedures related to purchasing may face disciplinary action as described in PBSB Board Policy. The Superintendent or Designee shall determine the action taken for each offense.

Plum Borough School District Purchasing

PURCHASE OF SUPPLIES (PA CODE)

Section 801 of the Public School Code (24 P.S. § 8-801) - requires school boards to purchase the necessary supplies and equipment to maintain educational environment.

Requirements to competitively bid – 24 P.S. § 8-807.1

3. Public bidding required for purchases of furniture, equipment, school supplies and other appliances costing \$19,300 or more.
4. Requires three quotations for amounts more than \$10,500 and less than \$19,300.
5. Fragmentation - Illegal to separate portions of like items in order to avoid bid process.
6. Bidding not required for professional services: legal, accounting, banking, consulting.
7. Student Activity Accounts - \$1,000 limit. 24 P.S. § 8-807.1

FISCAL RESPONSIBILITY

- Provide completed purchase order in ProSoft requesting that a certain item be purchased. **Purchase Orders must be obtained on purchases of \$100 or more.**
- **The District *WILL NOT* be responsible for purchases made over \$100 without proper authorization and approval from the Superintendent.**
- PBSB policy 612 Purchases Not Budgeted “When budgeted funds are allocated on a building basis, the total amount budgeted may not be exceeded without prior approval. Any expenditure in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting with a recommendation of funds to be transferred to cover said purchase.”
- PBSB policy 612 Purchases Not Budgeted “In the event of emergency, which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes, a purchase order may be authorized by the Business Manager or Superintendent.”
- Emergency purchasing does not include conditions arising from the neglect or indifference in anticipating normal needs. Upon requesting for an emergency purchase, detailed documentation of the emergency must accompany the request. If this occurs and a purchase must be made without a PO, a Purchase Order will be obtained the following day. All efforts should be made to contact the Business Office before emergency purchases are made.

CLARIFICATION OF PURCHASE ORDER SYSTEM

In School Finance, a purchase order system serves as a vital internal control procedure over disbursements. At the individual building level, the Purchase Order (PO) is used to inform staff that there are limits to their ability to commit the expenditure of District funds.

The PO also allows the Building or Function Administrator to “ration” their appropriation in an effort to avoid the need for budget amendments. The Administrator can direct that only certain employees may initiate a purchase requisition, thus assigning the responsibility to those employees to monitor expenditures against their PO’s. The Superintendent, Director of Business Affairs and Accounts Payable rely on PO’s to help measure the rate at which appropriations are being exhausted.

VENDOR INQUIRES

Often vendors call your office and/or ours to determine the status of an expected payment. We will attempt to resolve these matters to the satisfaction of the vendor. However, we must work within the limits that our staffing will allow. For that reason we require invoices to be submitted for payment prior to our bill paying dates. Our normal bill paying dates are the day after a board meeting. However, the invoice needs to be submitted one week prior to the date of the board meeting. In addition, checks are cut each Friday of the week for other circumstances where expedited payment is necessary.