

EBR PARISH SCHOOL SYSTEM

ADMINISTRATIVE GUIDELINES

and

BEST BUSINESS PRACTICES

FOR

SCHOOL ACTIVITY

FUNDS

(www.ebrschools.org)

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This School Activity Funds Manual is to be used by all schools within the East Baton Rouge Parish School District as a guide to handling and recording school funds. It includes actual procedures that must be used when handling various accounting functions at the school level. All Principals and School Executive Secretaries should review this manual and should provide copies throughout the school to be used as a reference for faculty and staff. This accounting manual incorporates various policies and procedures of the East Baton Rouge Parish School Board (EBRPSB), as well as laws adopted by the Louisiana Legislature and procedures recommended by the Louisiana Legislative Auditor and the Louisiana Department of Education. Updates to this manual will be properly communicated to all EBRPSB employees. In addition to reviewing this policy manual, all school employees should read and sign the Guidelines for Handling School Funds on an annual basis. If there are any suspicions of fraud, please contact the EBRPSB Internal Auditor or use our anonymous reporting form to make an official report. Also, you may request an audit be performed at your school

by completing the Audit Request Form and turning it in to the Internal Auditor.

DEFINITION AND PURPOSE OF SCHOOL ACTIVITY FUNDS (SAF)

Public schools of Louisiana are supported primarily by state and local taxes, with certain programs totally or partially financed by federal funds. In addition to this funding, individual schools generate additional revenues from fundraisers, athletic events, donations and other school activities. These revenues are used for a variety of purposes ranging from miscellaneous supplies for the school to equipping and maintaining athletic teams and are referred to as “school activity funds.” Projects for the raising of school activity funds should contribute, in general, to the educational experience of pupils and should supplement the instructional program and general welfare of the school.

GENERAL PRINCIPLES

- Student body activity funds should be used to supplement and not replace funds for activities and services provided by the local board. These monies are regulated by Louisiana Revised Statute 17:414.3 and School Activities Funds Management Policy File.
- Monies derived from the student body should be used to benefit the student body as a whole.
- Monies or property derived directly or indirectly using EBRPSS facilities or funds received by a public official (including individual school employees) become public property or funds. Monies thus derived should be handled and safeguarded as if the funds were tax proceeds.
- School facilities and equipment should not be used during the school day by special or select groups for fundraising purposes that are to benefit only a select or special group to the detriment of some other equally deserving group or program.
- School activity funds should be expended in such a manner as to benefit those pupils currently in school who have contributed to the accumulation of such funds.
- Student body representation is an important factor in the democratic management of funds raised by the student body and expended for its benefit and should be required when possible.
- The management of school activity funds should be in accordance with sound business practices, including sound budgeting, purchasing and accounting practices.
- Student body business should be conducted in such a manner as to offer minimum competition to commercial concerns, while still benefiting the student body as a whole.
- Student body business should be in an open and businesslike manner to afford students the experience of public participation and management of public resources.
- Contracts or agreements require the superintendent’s signature and will be reviewed by the director of risk management prior to being sent to the superintendent’s office. No school shall enter into a contractual agreement for products or services on behalf of the East Baton Rouge Parish School System.

- Schools using school activity funds to purchase materials and supplies must comply with the state purchasing law and school system policies and procedures. Schools must use bid holders or state contracts when making purchases for commodities, which are on bid or state contract. When schools need to make a purchase for an item that is not on bid or state contracts, competitive pricing and **three** quotes must be obtained when required by law.

FUND ACCOUNTING

A “fund” is an independent accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Types of School Activity Funds

•Unrestricted School Activity Funds • General Funds:

The General Fund is used to account for all revenues and expenditures which tend to benefit the general school population.

- Are to be used to supplement, not replace, the school's operating budget in providing materials, supplies, equipment, furniture and services as deemed appropriate for the normal operation of the campus.
- Examples are:
Schoolwide Fundraiser Yearbooks Unrestricted Donations

•Restricted School Activity Funds:

- All school-related activities should have their financial transactions recorded currently in the school records. The receipts and disbursements of some of these activities are considered restricted. As such, the expenditure of the funds is restricted to the wishes of the governing group if approved by the sponsor and the school principal.
- Restricted funds should not be allowed to incur deficit balances.
- Examples include:
Beta Club Cheerleaders Band
Student Council Speech Club Restricted Donations

Use of unrestricted or restricted funds must comply with EBRPSS Board policy, guidelines and principles presented in this manual.

SCHOOL FUND ACCOUNT SPONSORS

All expenditures made from school activity funds must have written approval from the “account sponsor” or person authorized to expend funds for that account (other than those accounts sponsored solely by the principal). **A listing of all accounts and the names of their sponsors must be provided to the school accounts auditor for filing at the beginning of each fiscal year. Administrative guidelines for handling school funds shall be signed by each employee handling funds on behalf of the school. This listing must include the printed name of each of the sponsors, followed by the signature of each of the sponsors, and the listing must be signed by the principal.** Any change to the sponsor's account or the addition of new accounts must be made in writing to school accounts auditors.

The principal must be listed as sponsor on the following accounts: General Funds (Acct 100)

RESPONSIBILITY FOR SCHOOL ACTIVITY FUNDS

School principals have the ultimate responsibility for all activity accounts in their school. The principal shall be fully accountable for any shortages, deficits or mismanagement of funds.

If there is any shortage, deficit or mismanagement of funds, principals and school accounts must be notified immediately. **Written statements** from all the people involved must be obtained as soon as the situation occurs.

All school personnel are expected to comply with Louisiana Revised Statutes and the Louisiana Code of Governmental Ethics. It is the principal's responsibility to ensure that all school personnel understand these statutes and code of ethics, as well as related board guidelines/best business practices.

All principals, assistant principals, secretaries/bookkeepers and clerical assistants will be required to sign and submit SAF Form #1 Administrative Guidelines for School Accounts at the beginning of each school year. If there is a change in the principal, assistant principal, secretary, bookkeeper and/or clerical assistant position at any time during the school year, SAF Form #1 will need to be resubmitted to reflect the change. Activity account sponsors and or anyone handling funds will be required to sign SAF Form #2 Administrative Guidelines for school accounts at the beginning of each fiscal year, as evidence of their understanding and agreement to comply with these statutes, code of ethics and board guidelines/best business practices. These forms will be kept on file by the school and a copy must be forwarded to the school accounts auditor by Sept. 30 each year. For new teachers starting during the school year, SAF Form #1 should be completed at that time.

Stamps and or photocopies of signatures **are not allowed** on any school accounts document for any reason.

PROHIBITED SCHOOL ACTIVITY FUND EXPENDITURES

Expenditures prohibited by local policy or regulation, or state law may not be made from school activity funds (includes restricted and unrestricted activity accounts). Examples of prohibited expenditures are:

- Gratuitous expenditures including cash awards, meals, gifts, gift certificates, gift cards or flowers to employees, sponsors, parents and other nonstudents.
- Membership of private clubs.
- Alcoholic beverages.
- Articles for personal use by EBRPSS employees.
- Charitable contributions (unless raised by employees for specific purpose; do not deposit in school accounts).
- Spousal travel.
- Traffic citations.

- Payments to an employee for services (must be made through Central Office-Payroll Department) ex: Coach working extra duty at a football game must be paid by Central Office Payroll. **Ex: SRO working at a school event and employed part-time by EBRPSS must be paid through payroll.**
- Payments for refreshment or meals at routine regular meetings (exception: see Guidelines for Use of Public Funds (School Accounts MEMO #1)).
- Loans to employees, parents, or students.
- Membership dues and subscriptions in the name of the EBRPSS employee.
- Article 7 Section 14 of the Louisiana Constitution prohibits the donation of public funds to an individual. (Purchases for employees or students who are/have faced personal or family tragedies are not allowed. Ex: Flowers for a funeral or a hospital stay or monetary donations for a house fire, etc.).

PERSONAL TRANSACTIONS

Personal transactions must not be processed in school activity fund accounts. Personal transactions include, but are not limited to, loans, cashing checks, purchasing stamps from the school and ordering and paying for merchandise for personal use through the school. If supplemental nutrition assistance program funding (**food stamps**) or gift cards are used to purchase items for the school, the school cannot reimburse for these expenses.

ACCESSING SCHOOL ACTIVITY FUND ACCOUNTS

Schools are only allowed to access EPES Software at school. **DO NOT ACCESS EPES OFF-SITE.** If there is a need to access EPES off-site, request permission from the school accounts auditor.

AUDIT REPORT-FINDINGS/VIOLATIONS AND DISPOSITION

An audit finding shall include, but not be limited to, noncompliance with all guidelines/best business practices included within this manual. All findings/violations identified during an audit by the school accounts auditor or external auditor shall be summarized in an audit report and presented to the executive director or chief financial officer. Moreover, the chief of schools and the superintendent along with the Audit Committee can become involved if deemed necessary by the auditor. The audit report shall be accompanied by the principal's signed corrective action plan rebuttal SAF#3.

First-time findings/violations that relate to good business practices rather than statutory noncompliance or violations of the Louisiana Code of Ethics will be handled administratively by the chief administrative officer, assistant superintendent- Business Services and superintendent. Examples of these types of findings/violations include but are not limited to:

- Failure to conform to established guidelines/best business practices.
- Poor accounting procedures.
- Failure to enter into accounting system, all amounts received.
- Failure to deposit funds promptly.
- Unauthorized purchases.
- Bookkeeping errors when there is no evidence of falsification.

Unauthorized disbursements of gifts or meals from unrestricted and restricted funds

- totaling less than \$25 during a school year.

Repeat occurrences of these violations may be reported by the superintendent to the EBRPSS Parish School Board for disciplinary action.

The following findings/violations shall be reported immediately to the executive director, chief financial officer, chief of schools, Human Resources and the superintendent along with the Audit Committee. The findings/violations will also be reported by the superintendent to the board for disciplinary action, which may include probation, suspension and/or termination:

- Shortage of funds due to embezzlement.
- Shortage of funds due to substandard bookkeeping practices.
- Disbursements for loans to individuals.
- Bookkeeping errors involving falsification of records.
- Any illegal purchases of goods or services.

The superintendent will notify the board of any other item he/she deems to be significant.

Each school will receive a rating based on the audit review results. The report will include an overall rating and an individual rating for disbursements; voided checks; receipts; class fees; fundraisers; and athletics (if applicable). The accuracy rating scale is as follows:

- Excellent: 92%-100% accuracy
- Good: 83% -91% accuracy
- Fair: 74% -82% accuracy
- Monitoring Recommended: 65% - 73% accuracy
- Noncompliant: 64% and below accuracy

The school accounts auditor will schedule a meeting to review the findings with the principal. After the meeting, schools will be required to submit a signed corrective action for each finding listed on the audit report. The corrective action MEMO must be signed by the principal. If an audit receives a rating of Monitoring or Noncompliant the Executive Director for the school's region will be notified and requested to attend the exit interview. Monitoring will be scheduled by the school's account auditors. If any issues resulting in findings during the recommended monitoring period, the auditors will have an official meeting with the executive director for a corrective action plan that will be sent to Human Resources.

BANKING

A singular interest-bearing bank account should be established in accordance with LSA•RS 17:414.3(B)(l). Deposits must be made in insured depositories and deposits must not exceed the insured amount unless the bank pledges collateral for any funds on deposit which exceeds the insured amount. The school accounts auditor must be notified in writing when a school bank account is closed or opened. The ***Request to Modify School Account Signature Card (SAF#4)*** must be completed and submitted to the assistant chief of school's administrator to be signed by the superintendent. This form is located on EBRPSS/school accounts/forms. This will be for any changes being made to your school's bank account.

Any excess funds should be deposited in a savings account or certificate of deposit pursuant to **LSA•RS 17:414.3(B)(7)**. Interest income should be deposited to the General Fund, unless restricted through donation.

Receipts should be deposited intact and within 24 hours. All deposits must equal receipts issued. Deposits should be made on duplicate bank deposit slips. The deposit slip must be completed in detail, indicating the receipt numbers being deposited, date, currency deposited, a list of checks being deposited, etc. The bank-validated copy of the deposit slip must be retained to support the entry made to the cash journal. Every check received by the school should be immediately endorsed "For Deposit Only (Name of School)."

Occasionally, certain checks deposited by the school may be returned by the bank for various reasons. If the returned check is made good immediately, the money may be marked as a redeposit and not considered as an additional receipt (although the bank debit memo should indicate the check was covered). If it is found that the check will never be made good, the amount of the check must be deducted from receipts. The check should be attached and filed with the document used to enter adjustment to receipts and the bank.

All money must be disbursed by prenumbered checks. "Starter" or "counter" checks are not allowed. A check must not be altered, erased, or destroyed. Should an error be made, void the check in EPES, write "void" on the face of the check and remove the signature section of the voided check. Issue another check. Retain the check in the numerical file of canceled checks. Checks must never be preassigned.

The principal of each school should designate one individual, assistant principal, to sign checks on his or her behalf in his or her absence. If the assistant principal is not available, the superintendent can sign checks. Persons signing checks must review the supporting evidence for the disbursement and initial the supporting documents indicating his or her review. Authorized signatures should be changed as personnel change or other occurrences and vacancies dictate. A copy of the current signature card must be provided to the school accounts auditor for record-keeping purposes. Authorized check signers on your school's bank account are not allowed to sign checks made payable to themselves. One of the other signers on your school's bank account must sign for those checks. All schools have the principal, assistant principals, executive secretary and the superintendent listed as authorized signers.

All unissued checks must be safeguarded and kept under lock. The bank should be notified not to accept any checks on school accounts made payable to cash or deposit slips in which cash is retained by the depositor. **Cash back on deposits is not allowed.**

All bank balances must be reconciled with book balances on a monthly basis due on the 15th of the following month to school accounts. See Appendix E. The completed reconciliation must be reviewed and signed by the principal. Any variances in **the balances must be investigated and justified.**

FUND COLLECTIONS, ISSUING RECEIPTS AND DEPOSITS

Schools derive funds from a variety of sources, such as fundraisers, class fees, athletics, donations, publications, clubs, gifts, etc. Most of these funds are handled by one or more people before they are received by the school secretary or bookkeeper. However, accountability must be initiated when a school employee first receives funds. Teachers who handle money must be aware of the need to maintain accurate and systematic records of all cash collected and the requirement to issue receipts. Teachers must maintain a log to record collections of monies for various activities and purposes, e.g.,

class rings, clubs, pictures, supplies, etc. The amounts collected should be recorded on the log. Each individual, teacher, sponsor or individual collecting school funds must complete a two-part **SAF Form #5** deposit transmittal form for all funds received. These funds must be delivered to the secretary/bookkeeper daily along with a copy of the receipt issued to the payee from a triplicate receipt book. The school deposit receipt must be completed on the same day the funds are collected and the receipt is issued to the payee. The depositor must make an individual listing of each student's name and amount collected for both check and cash on the school deposit receipt. Individuals collecting funds for multiple class fees paid with one check should prepare **SAF Form #6A Distribution of Student Fees Paid by Check**. All donations received by the school should be listed separately and a copy of the check stub, copy of the check, letter signed by the donor or some other supporting documentation from the donor should be attached to the school deposit receipt. The check number must also be listed on the school deposit receipt (SDR) form for all checks received. The school deposit receipt must be checked for accuracy, completeness, initialed by the secretary/bookkeeper and entered in the accounting records. The date of the deposit in EPES must match the date of the school deposit receipt. The secretary/bookkeeper must date stamp the school deposit receipt on the date that the SDR and the funds are received from the teacher/sponsor. A copy of the school deposit receipt with the receipt number should be given to the teacher/activity account sponsor and used to reconcile to the monthly reconciliation report issued by the secretary/bookkeeper. The account sponsor should keep these copies for five (5) years. When completing the deposit transfer in EPES, use the transfer note description to include the SDR numbers that are associated with that deposit. This will help with locating a discrepancy during monthly reconciliations. See Appendix E.

There should be a proper accounting for admission fees charged for all events such as athletics or entertainment, whether such is assessed in advance or upon entering the event. All such fees must be controlled with prenumbered tickets for each event, with a different ticket color and numerical series for each price group. The tickets must be controlled and safeguarded by the secretary/bookkeeper from the point they are returned from the printer with **SAF Form #7** Ticket Sale Reconciliation through the point of issuance. The Ticket Sale Reconciliation Form must be maintained as an audit trail of available tickets. One ticket log is required for each ticket roll and must be maintained for all events that use that specific roll.

When individuals collect funds from ticket sales, **SAF Form #3** Ticket Sales Report must be completed and signed by each individual collecting for ticket sales. These forms along with unsold tickets must be reconciled to the Ticket Control Log. All ticket reports and unsold tickets must be retained for five (5) years.

The control of fees or assessments of clubs and classes lies primarily with the sponsor for the group who should maintain proper accountability for the amounts collected. Control is normally maintained through the class or club roster, which should indicate those who have paid and those who have not paid. The amounts transmitted to the school secretary/bookkeeper should be receipted back to the sponsor.

All funds collected by the school must be deposited within 24 hours. The best business practice is for an administrator to bring the deposit to the bank. If a large amount of funds on hand is received after the daily bank deposit is made, the funds should be deposited in a night depository and not left in the school building overnight. If available, a safe or vault should be used: (a) the combination should be changed whenever there is a change in personnel; (b) the combination should be restricted to only an authorized few and not left available for others to obtain. Any loss of funds should be reported promptly to the school accounts auditor in accordance with the guidelines established by the School Board. **No checks may be cashed with school activity funds.**

Receipts must be obtained from the bank within two business days if your school uses a night depository drop box. Schools are not allowed to wait until they receive the bank statement to confirm the bank received and deposited funds that were submitted through the night depository

drop box.

Triplicate receipts must be issued for **all** collections. One copy must be handed to the payee, one copy must be attached to the school deposit receipt, and the last copy must remain intact in the receipt book. (Receipts are not required for collections of concession sales or ticketed admission fees. Concession reconciliation must be accomplished by using an **inventory system**. The reconciliations for those activities will be used for school deposit receipt supporting documentation.) Receipts must not be filled out in advance of collections. Receipts must be issued to the student for proper reconciliation. The name on the teacher/sponsor issued receipt must match the name on the SDR and the name on the teacher/sponsor roster.

For each day that advance tickets are sold, the ticket seller must be issued tickets by the secretary/bookkeeper and the seller must sign the ticket control log for the range of tickets that they receive. Tickets for advance sales must be issued on a **DAILY** basis.

At the end of the day, the ticket seller must turn in the following to the bookkeeper/secretary:

- (1) Completed school deposit receipt.
- (2) Completed ticket sales report gate.
- (3) Copy of the completed ticket Sale Reconciliation Form.
- (4) All funds collected.
- (5) If funds are to be split please include SAF#19 shared sales distribution form detailing the amount to transfer.

Each school deposit receipt for each day of advance ticket sales **MUST** include all of the support listed above. This is acceptable in lieu of issuing receipts.

Copies of all of the items listed above **MUST** be maintained in the fundraiser folder. The sponsor will need to include all of this with the fundraiser reconciliation.

If a receipt is completed with any incorrect information, the only way that a change can be made is if all three parts of the receipt are together and the correct information is written on the top copy and initialed by the individual making the change. This will ensure the same information is on all three copies.

Every school deposit receipt must be supported. A copy of the check or the check stub can be attached as support for commission deposits. These would include vending machine profits, donations and fundraiser commissions. Ticketed collection deposits will be supported with a copy of the ticket log and reconciliation report.

A letter from the donor to support the activity account in which it will be deposited must support funds received as a donation. Any donation that is received and is not accompanied by a letter to support a specific activity account must be deposited into the school's general fund.

VOIDING TEACHER/SPONSOR ISSUED RECEIPTS

To properly void a receipt, all three parts of the receipt must be reattached and included in the receipt book. The word "VOID" must be written across the face of the receipt.

HANDLING RETURNED CHECKS

When a check is returned, it should be posted to NSF clearing account. A journal adjustment should be made to charge (expense) this clearing account and credit your checking account. The check should not stay in the NSF clearing account for more than 45 days (about 1 and a half months). When the maker of the check makes the check good, remove it from the clearing account

by posting a school deposit receipt to the account. Be sure to post the transaction description by using the maker's last name followed by NSF. A detailed breakdown of the NSF account should be included with the monthly financial reports. The breakdown should include the outstanding NSF as of the end of the month to include the date, check number, check payer, student's name, amount, and account.

The secretary/bookkeeper should keep all uncollected NSF checks on file. If a returned check is deemed uncollectible, the check should be removed from the clearing account. This should be done only with the approval of the principal by transferring funds from the general activity account or the activity account originally debited to the NSF clearing account.

FUND EXPENDITURES

A completed Request for Withdrawal Form (**SAF Form #8**) must be completed for all school activity fund expenditures — checks and transfers (this form must be used; no alternative format is acceptable). Expenditures include all charges, paid or unpaid, made from school funds for goods or services. All expenditures must be properly authorized, **LSA•RS 17:414.3 (B)(3)**, with a minimum of two authorizing signatures, one of which must be the school principal. The other signature must be:

- Account sponsor: Sponsor of the account who is listed on the chart of accounts. In his or her absence, the assistant principal should sign. In the event an assistant principal is not available, the school's secretary/bookkeeper can sign as the sponsor only for the General Account 100. This does not allow secretaries and bookkeepers to sign as the General Account 100 sponsor all the time. Secretaries and bookkeepers are not allowed to sign as sponsors on any other account.
- If the principal is the account sponsor, the principal will sign as the principal and the assistant principal would be the second signature and sign as the sponsor.

Vendor information must be added into the SAF accounting system prior to issuing any checks.

The vendor information must include a vendor code (which should match the vendor's name — or as many characters allowed), vendor name, address, city, state, ZIP code and tax ID number. Schools are required to obtain a Form W-9 and enter all this information prior to issuing a check. "Blank" or "Miscellaneous" vendor codes are not acceptable.

The expenditure of funds must only be approved when there are sufficient funds available.

- All disbursements must be made by prenumbered checks based on properly approved invoices showing the receipt of goods or services, or some other authorized detailed document. The secretary/bookkeeper should promptly post the transaction as a disbursement in the SAF accounting system.
- All expenditures require the prior written approval of the principal with "an amount not to exceed" provided on the Request for Withdrawal. The principal's approval confirms that related account funds are available to cover the expenditure, that the persons requesting the expenditure is authorized to do so and that the disbursement is in accordance with **LSA•RS 17:414.3 (B) (3)**. If the prior approval amount is changed, only the principal's initials are allowable for the change. The principal must date next to his/her signature. Assistant principals can initial/change/update anything a principal can, but this should not be the norm. Principals have full responsibility over school activity funds.
- Athletic directors are responsible for ensuring a **Coach Activity Checklist SAF#9** is completed before any items are ordered. Coaches are responsible for a complete due diligence check of fund availability, inventory, roster information and approval of all items ordered within their department. Principals will only approve invoices from the athletic department that includes the coach activity plan checklist. Ordering merchandise and paying vendor invoices without prior authorization is prohibited and EBRPSS will seek full compensation from the employee making the orders without approval.
- All payments should be made as promptly as possible to maintain the activities on a cash basis and to realize all discounts available for prompt payment. A check request when paid, must be marked with the number of the check by which it is paid (or the transfer number),

the date paid, and the amount paid.

- Checks shall only be signed after all information has been completed on the check and the **principal** has verified its accuracy. Blank checks must never be signed. Blank checks must never be given to anyone without first being processed in the SAF accounting system. Principals are ultimately responsible for all school account transactions. It is recommended that all principals and assistant principals require proper paperwork, balance reviews and any other information deemed necessary prior to consent/signing on any checks.
- For activity transfers, a request for withdrawal should be completed. There must be supporting documentation for the transfer attached to the request for withdrawal. The documentation must support the amount of the transfer.
- Checks must be made payable to a business or an individual. Checks are not allowed to be made payable to “cash” or “petty cash”.
- The use of counter checks is strictly prohibited.

Internal controls relative to the expenditure of school funds are to include, but not be limited to, the following:

- a. No expenditure may be made based on vendor statements. Original invoices are required for all expenditure when available. Appropriate support must be provided for every transfer.
- b. Vendor invoices/receipts are to be checked for mathematical accuracy and proper pricing.
- c. Invoices are to be paid on a timely basis, within 30 days of the invoice date or on the date listed on the invoice, whichever is sooner, and cash discounts should be taken.
- d. Supporting documents are to be checked to avoid duplicate payments.
- e. Supporting documents are to be attached to every check request and filed in check number order.
- f. Expenditures are to be correctly charged to individual activity accounts.
- g. Voided checks must be kept on file and voided properly in the EPES accounting system. The signature section of all voided checks must be torn off and thrown away and the word “VOID” written across the face of the check. Lost or damaged checks must have written authorization prior to the void. If the payee no longer wants the funds, the payee must provide written authorization prior to the void. Teachers/sponsors are not allowed to give permission to void a check that was payable from one of their accounts.
- h. Students receiving awards via check, gift certificate, gift card, or other educational incentives must sign a log sheet acknowledging receipt of the item(s). This sheet must be attached to the supporting check documentation.
- i. SAF Form #2A Receipt of Payment for Nonemployee Contract Services must be completed for all disbursements for contract services performed. A current W-9 must be kept on file for all individuals that receive payment for services rendered or prizes, must be signed and dated each school year.
- j. All payments for meals must have a receipt along with a list of all individuals receiving the meal attached to the request for withdrawal. The receipt(s) for the meal must be provided upon return. A listing of the students' printed names, student signatures and amount received by each student must be attached to the Request for Withdrawal upon return.

- k.** Payments to employees or substitutes (including bus drivers) funded by school activity funds must be processed through the business office. If a bus driver is not an employee of the East Baton Rouge Parish School System and has driven for a field trip, then you are required to obtain from Human Resources, a completed form, EBRPSS Contract/Consultant Services Earnings Verification of Teachers Retirement System of LA (TRSL) status (copy attached).

If the non-employee bus driver is an active, vested, or retired member of TRSL, the payment will have to be processed through the business office. (If officials are assigned by and/or the work is controlled by the LHSAA, their earnings are not reportable to TRSL.)

- l.** Reimbursement for payments made by gift cards is not allowed.
- m.** Membership dues and subscriptions in the name of the employee are not reimbursable.
- n.** Form W-9 must be accurately completed and on file for all vendors. Payments must be labeled as 1099 eligible when issuing checks in EPES. This will ensure that all applicable payments are listed on the 1099 report and 1099 forms are properly issued to those vendors.
- o.** Coaches, band technicians, composers, consultants, choreographers, arrangers, show coordinators, show engineers and any other positions that have been paid by contract in the past must now be paid as employees and through payroll.
- p.** All employee salaries and benefits must be paid through payroll. Schools could be subject to penalties from the retirement system and penalties and interest from the IRS for payroll taxes not being withheld for EBRPSS staff members being paid 1099 while working for the district.
- q.** Food items that are purchased and given to students, including rewards and incentives, must follow Child Nutrition guidelines. Please contact Child Nutrition for detailed information.

Disbursements made without a proper invoice may be considered a violation of LSA•RS 17:414.3 (B) (3). Ordering merchandise, services, booking events on the school behalf and are not reimbursable, the employee will be charged, and a memo sent to human resources to payroll deduct for the total amount of the charges.

When using multiple accounts to pay for an expense, each account number must be listed as a line on the payment screen. There should not be any transfers from one account to another to combine the funds prior to issuing the check.

REFUNDS

All refunds should be made by check. If a large number of small refunds are needed, a check may be written to the teacher to cash and disburse to individual students. Supporting documents should list the names of those who received the refunds with their signatures. There should also be documentation to prove the original payment was made, i.e., school deposit receipt with student name. Checks should never be made payable to cash or petty cash.

STALE DATED CHECKS

There is a one-year holding period for checks. Secretaries/bookkeepers must issue a stale dated check letter to the payee 60-120 days after the issue date of the check. There must be a documented list of outstanding Checks (w/ Stale Dated Letter Sent Dates and/or notes) evidence during the month of attempted contact on the list of outstanding checks. After one year, remit the funds to the Louisiana Department of the Treasury Unclaimed Property Division. Submit all information electronically at <https://www.treasury.la.gov/unclaimed-> contact accounting for detail before remitting unclaimed property.

Properly set up all vendors in EPES with addresses and phone numbers. This will ensure that the necessary information is available prior to sending out state dated check letters and/or remitting funds to the state.

BOOSTER CLUBS

Schools are allowed to have booster clubs. The name of the booster club should not include the name of the school. These clubs must set up a bank account separate from the school's bank account. The tax ID number used to set up the booster club's bank account must be the tax ID number for the booster club. **Booster clubs are not allowed to use the school's tax ID number.** Booster clubs can conduct a fundraiser using the school's name and/or mascot as long as they receive written permission from the school's principal and the superintendent. They must also obtain written permission to conduct fundraisers on the school's campus.

GENERAL INTERNAL CONTROLS AND PROCEDURES

1. General Internal Controls

Any adequate system of internal accounting control is based on segregation of duties. Where two or more people have separate responsibilities in the accounting process and their activities provide for a check on prior activities, we have a system of checks and balances. For example, when monies are transferred from the school classroom teacher to the school secretary, there should be an exchange of receipts, with signatures, to provide for such a check and balance in the accounting system.

In addition, retention of records that support the audit trail is important. All school activity fund accounting records should be retained for five (5) years. The disposal of public records should be supervised by the principal, and a record should be made of the disposal, including the disposal date and names of those observing the disposal.

Formal policies not only address the procedures that are used to process school transactions but also the safekeeping of the assets that result from these transactions. For example, the use of locking files, storing inventories in a secure area and a well-lighted school facility all provide asset security. All accounting records of the schools should be subjected to appropriate security measures, which would protect them from theft, loss, unauthorized entry, fire, water damage, etc.

The financial records of the school shall be reconciled monthly with the school fund account statement of the bank regarding activity in the school fund account. Bank statements shall be signed by the principal and secretary/bookkeeper once reconciled with the records and retained with the school fund record. A copy of the signed, reconciled monthly financial records should be sent to the school accounts Office by the 15th of each month.

The following documents are required:

- Signed checklist acknowledging review and approval of all reports (SAF #10).
- Complete copy of the bank statement for the month.
- Bank reconciliation for the month.
- Activity Report/General Ledger Report for the month.

Each of the above documents must be signed by the principal and secretary/bookkeeper.

Each month, the secretary/bookkeeper will print a detailed reconciliation report for all school activity accounts. A complete copy of the reconciliation needs to be printed and reviewed by the principal and kept on file at the school. Another reconciliation report will be given to each account sponsor for restricted accounts and to the school principal for all unrestricted accounts. This report can be printed by a sponsor. All account sponsors should reconcile the report to their copies of check withdrawals and school deposit receipts for the month. Once reconciled, the sponsor signs and returns it to the secretary/bookkeeper. Any discrepancies should be reported to the school's administration for review, approval, and reconciliation with the secretary/bookkeeper. All discrepancies should be documented, signed by the administrator, filed with the school's financial records and a copy sent to the sponsor of the school activity accounts, which may be affected.

This approval should be kept by all parties for audit purposes.

The school fund records must be reviewed annually (June statement) by the principal and assistant principal. Should the principal or assistant principal not be available another member of his/her administrative staff would sign. Such review shall be reflected in the record by the signature of both reviewers. The signature and date of the principal/assistant principal/sponsor must be their own. No one should date someone else's signature.

2. Fundraising

Until the school system can provide sufficient funds to supply all needed instructional materials and funds for professional improvement and travel, schools must continue generating funds through various sources with approval of their principal.

Prior to engaging in fundraising, the sponsor should file SAF Form #6 Fundraiser Approval Form with his/her principal, disclosing a need for the funds. The principal's approval is required for each project, regardless of the profit account.

A specific and complete explanation of what the fundraiser profit will be used for is required. A brief description of the fundraiser is required and/or a copy of the promotional material. A copy of this preapproved SAF Form #10 must be kept on file for auditing purposes. Upon approving the fundraiser form, the secretary/bookkeeper should forward the form and any required promotional material to the school accounts office for notification purposes prior to the start of the fundraiser.

Fundraisers for which a percentage of the proceeds are identified for deposit into the General Fund Account will require an attachment to SAF Form #10 the SAF Form#11 EBRPSS Transfer Form. This attachment should be a sample of the notification that will be given to the students and parents, notifying them of the percentage of the proceeds (not to exceed 25%) that will be utilized for other purposes. Fundraisers must receive prior approval to allocate a percentage of the profit. If prior approval is not obtained, the fundraiser will not be able to allocate any funds. Principals should inform the students and parents, in writing, of the need and purpose of all fundraising activities. Plans for utilizing the funds raised should be explained to the parents and students. Records should be kept of the funds raised and disbursed by the person responsible for the fundraiser.

It will be the principal's responsibility to address the negative balance within two months or by year end, whichever is sooner.

Upon completion of the fundraiser, both pages of a Fundraiser Reconciliation Form (A. Inventory Items, B: Catalog Items, C: Book Fair) must be completed and turned to the principal or designee for filing in case of future audit review. Fundraiser reconciliations must be completed, and the profit must be transferred within 30 days. This form along with SAF #10 Fundraiser Request Approval Form should be kept on file in the office with other school financial records. A copy of these forms should be maintained with the sponsor's fundraiser documentation. Ticketed entry event fundraisers can be reconciled using SAF #7 and the ticket sales report for online payment and prepaid ticket receipts.

All fundraisers must start and end the year at a \$0 balance. The profit from one fundraiser can't be used to fund another fundraiser. The profit will be used out of the account that funds are transferred to. Fundraisers lasting longer than three months must be reconciled on a quarterly basis.

A copy of the prior fundraiser reconciliation must be provided to verify “items currently on hand” on the reconciliation form. Each school is advised to have an inventory checklist for reconciliation purposes.

Remaining fundraiser inventory can be transferred and used as beginning inventory on another fundraiser, incentives for students during school day (if Pennington list approved), incentives for students during after school activities (if not Pennington list approved) or donated to a shelter.

Parent and volunteers account sponsors are not exempt from fundraiser requirements. It is the responsibility of the school to ensure that parents/volunteers are properly trained. Schools that allow PTO/parent volunteers to sale concession must put the group on notice that they must abide by the same principles for collections of school account funds. The usage of **CASH APP IS A PROHIBITED SOURCE OF PAYMENT.**

Solicitations are fundraisers, which are required to follow all fundraiser guidelines. These include sponsorships. Donations, which are unsolicited, are not considered fundraisers and must be deposited and used according to the written documentation using form SAF#13 Donor Receipt Letter.

Donations that are not accompanied by written documentation should be deposited into a general account 100 or community donations account 119.

3. Documentation for Fundraising Projects (SAF #10)

For each fundraising project, the sponsor should ensure that records are maintained with an adequate audit trail, to include:

- The name of each student/fundraiser participant.
- The amount/number of items issued to each student/fundraiser participant.
- The amount of funds collected by each student/fundraiser participant.
- An accurate beginning and ending inventory listing (provide a copy of prior fundraiser reconciliation if using that fundraiser’s ending inventory as beginning inventory for new fundraiser, provide an explanation of donated items).
- An explanation of any discrepancies in the amount of funds and/or items returned or given away as prizes.
- Copies of invoices.
- Unsold/unused items and/or tickets which must be prenumbered (raffles, po-boy sales, BBQ, etc.) with an explanation of the location of the remaining inventory.
- Properly maintained receipt books

It is important that complete and accurate records be maintained to protect our employees.

4. Student Class Fees/Activity (Teacher Accounts)-

The following policies relate to money collected from students for classroom materials, workbooks, etc.

- Written approval from the principal must be obtained by each teacher requesting to collect class fees using an internal form stating the purpose of the fee collection and what it will be used for. The principal must sign and date the form. Writing “see attached” on the internal form is not acceptable for what the fee is being collected

for. These approvals should indicate what allowable items will be purchased and the amount of the fee being charged per student. The approvals should be kept on file in the office with the school's financial information as well as with the sponsor.

- Teachers are required to maintain a current and accurate roster of all students who have paid and have not paid their class fees as the fee is being collected. This roster must be created at the beginning of the school year. Any changes for students who transfer in or out of the class will need to be included on this roster. Teachers must remit a list of names and amounts for unpaid fees no later than March 15th to the office. The office must send a letter to all parents notifying them of the unpaid fees. The letter should instruct the parents to contact the office if they disagree with the amounts owed. Please indicate special education classes on the roster since the class sizes are smaller than a regular education class.
- Teachers must also remit a list of names and amounts for unpaid fees to the office at year end. A letter must be sent, prior to year-end, to all parents informing them of the student's outstanding balance that is due. A copy of the letter must also be maintained for audit review.
- The collection of money should be held to a minimum and should be used only for items that supplement the instructional program.
- Parents must be notified in advance in writing as to the amount of the class fees and what the money collected will be used for.
If using the school supply list to notify parents, the list should be detailed specifying what the fee will be used for. This should match the items that are approved and listed on the internal usage form.
- Supply money should be spent for consumable classroom supplies and materials only and **not** for permanent equipment (computers, printers, desks, etc.). Teachers Pay Teachers items are not consumable (they can be reprinted and used year after year) and are not a valid expense of class fees. These items can be purchased from your school's general account.
- Yellow copies of the request for withdrawals and school deposit receipts are maintained by the teacher. Copies of the invoices/receipts should also be maintained with the class fee account information.
- Sponsors are encouraged to spend fees by April 15 of the school year on materials and supplies for the current students. Funds must not be used to purchase items for the next fiscal year.
- Teacher account balances for class fees that exist at the end of each school year must be transferred to the school's General Fund. Transfers are not allowed prior to May 15 of each school year.
- Funds received from grants, fundraisers, field trips and donations must be deposited into an activity account. Funds deposited in the class fee account must only be from student class fee collections and follow class fee guidelines.
- Receipts must be issued from a triplicate book. The original copy goes to the payee, one copy is attached to the school deposit receipt and one copy remains intact in the receipt book. Funds collected must be turned into the office daily.
- The school deposit receipt must be completed on the same day the funds are collected

and the receipt is issued to the payee.

- Teachers are not allowed to receive reimbursement for more than the available balance in their class fee account.
- Teachers are not allowed to withhold a student from participating in any part of the class curriculum due to unpaid class fees.

5. Club Fee Accounts

The following policies relate to money collected from students for clubs.

Parent organizations (i.e., PTO, PTC) are not considered clubs. Fees collected for membership into PTOs and PTCs and any other parent organizations are considered fundraisers.

- Written approval from the principal must be obtained prior to the collection of club fees using SAF #12 Club Fee Approval Form. The principal must sign and date the form. Writing “see attached” on the SAF #12 is not acceptable for what the fee is being collected for. These approvals should indicate what allowable items will be purchased and the amount of the fee being charged per student. The approvals should be kept on file in the office with the school’s financial information as well as with the sponsor.
 - Sponsors/teachers are required to keep a current and accurate roster of all students who have paid and have not paid the club fees.
 - Parents must be notified in advance and in writing as to the amount of the club fees and what the money collected will be used for.
-
- Money collected for one club cannot be used for any other club or for any other expense not related to the club in which the funds were collected for. Any remaining account balance at the end of the school year can remain in the club account.
 - Receipts must be issued from a triplicate book. The original copy goes to the payee, one copy is attached to the school deposit receipt and one copy remains intact in the receipt book. Funds collected must be turned into the office daily. The school deposit receipt must be completed on the same day the funds are collected and the receipt is issued to the payee.
 - Yellow copies of the request for withdrawals and school deposit receipts should be maintained by the account sponsor of the club account. Copies of the invoices/receipts should also be maintained with the club account information.
 - Fundraiser profit for a club will be transferred into the main account for usage as listed on the fundraiser approval form.

6. Extracurricular Fee Accounts

The following policies relate to money collected from students for extracurricular activities. This category includes athletics, dance teams, band, etc. The athletic director and A.P. or principal must approve all extracurricular fee schedules, all covered items, and sign SAF #12 before permission slips and funds are collected.

- Written approval from the principal must be obtained prior to the collection of club fees using SAF #12 Athletic Fee Approval Form. The principal must sign and date the form. Writing “see attached” on the SAF #12 is not acceptable for what the fee is being collected for. These approvals should indicate what allowable items will be purchased and the amount of the fee being charged per student. The approvals should

be kept on file in the office with the school's financial information as well as with the sponsor.

- Sponsors/coaches are required to keep a current and accurate roster of all students who have paid and have not paid the extracurricular activity fees.
- Parents must be notified in advance and in writing as to the amount of the extracurricular activity fees and what the money collected will be used for.
- Money collected for one extracurricular activity cannot be used for any other extracurricular activity or for any other expense not related to the extracurricular activity in which the funds were collected for. Any remaining account balance at the end of the school year can remain in the extracurricular activity account.
- Receipts must be issued from a triplicate book. The original copy goes to the payee, one copy is attached to the school deposit receipt and one copy remains intact in the receipt book. Funds collected must be turned into the office daily. The school deposit receipt must be completed on the same day the funds are collected and the receipt is issued to the payee.
- Yellow copies of the request for withdrawals and school deposit receipts should be maintained by the account sponsor/coach of each extracurricular activity account. Copies of the invoices/receipts should also be maintained with the extracurricular activity account information.
- Athletic Apparel for Coaches: Schools are allowed to purchase apparel for their coaching staff, which must be approved by the principal. The head coach should be able to provide the secretary/bookkeeper with a listing of the individual items necessary for coaches to perform with clear representation of the school. The items that can be purchased are shirts, pants, hats, and masks not to **exceed two** uniforms per coach. The Athletic Director must supply the coach's checklist to the principal showing the available balance necessary to cover the invoices surrounding the purchase. The athletic director must also ensure they use the cash accrual method when purchasing items understanding the true working balance of each account.

7. **Other Program Fee Accounts**

The following policies relate to money collected from students for other program fees. This category includes fees collected for ID, agenda, AR, Chromebook, PBIS, etc.

- Approval from the principal must be obtained prior to the collection of other program fees. Schools are only allowed to collect the board-approved fee amount.
- There will be a \$10 fee for the issuance of each Chromebook per student and it must be deposited into the technology account. All fees collected for technology shall be disbursement in its entirety to the Central Office/ IT no later than May 30 of each fiscal year end.
- Sponsors are required to keep a current and accurate roster of all students who have paid and have not paid the other program fees. These accounts must be reconciled at the end of each quarter.
- Receipts must be issued from a triplicate book. The original copy goes to the payee, one copy is attached to the school deposit receipt and one copy remains intact in the

receipt book. Funds collected must be turned into the office daily. The school deposit receipt must be completed on the same day the funds are collected and the receipt is issued to the payee.

- Parents must be notified in advance and in writing as to the amount of the other program fees and what the money collected will be used for.
- Money collected for one program cannot be used for any other program or for any other expense not related to the program in which the funds were collected for. Any remaining account balance at the end of the school year can remain in the program account or transferred to the general funds SAF 100. In the event that the other program fee is not a mandatory fee, it will be handled as a fundraiser. All fundraisers must be reconciled within 30 days of the end of the fundraiser and the funds will be transferred to the activity accounts based on the profit usage listed on the approved SAF #10 Fundraiser Request Form.
- Yellow copies of the request for withdrawals and school deposit receipts should be maintained by the account sponsor of each program activity account. Copies of the invoices/receipts should also be maintained with the program activity account information.

8. Ticketed Events (Including Admission for Dance and Athletic Events)

There should be proper accounting for admission fees charged for all events. All such fees must be controlled through the use of prenumbered tickets for each event, with a different color and numerical series for each price group. The tickets must be checked and safeguarded, preferably by the secretary/bookkeeper from the point they are purchased/returned from the printer with SAF #7 ticket sales through the point of issuance and returned after a sale is completed. The ticket sales must be maintained as an audit trail of available tickets. When funds from ticket sales are collected by individuals, SAF #7 ticket sales must be completed with mathematical accuracy and signed by each individual collecting for ticket sales. The ticket sales must also include the signatures of the bookkeeper, athletic director and the head coach/sponsor. If gate profit's will be divided between multiple sports, both head coaches must sign and the SAF form EBRPSS transfer form must be completed. These forms along with unsold tickets should be reconciled to the ticket control log. All ticket reports and unsold tickets must be retained for five years. Athletic officials and security must sign a completed SAF #14 Official Check Request Contract Services for receipt of payment for cash and/or check. A W-9 must be kept on file for all athletic officials and security and any other applicable vendor.

- Startup funds for sporting event gates can be issued in advance prior to the event but not more than 48 hours prior. The only exception is if the event is out of town and funds are needed in advance; principal discretion is advised. The startup funds must be deposited separately (on a separate school deposit receipt) from gate funds and in a timely manner (within 24 business days of the game/event).
- Tickets must be issued and signed for per event. For advance ticket sales, tickets must be issued and signed per day for each day that advance tickets are sold. A copy of the ticket control log and a copy of the ticket sales report gate reconciliation report must be attached to the school deposit receipt for each event and/or each day for advance ticket sales.
- Ticketed events/fundraisers are reconciled using SAF #7.
- The only tickets that need to be maintained are the unused tickets. The tickets

that are sold will be reconciled to the amount of cash received.

- The range of tickets returned should match the ticket sale reconciliation report.

Teacher Courtesy Funds

- Schools may have teachers that contribute to Teacher Courtesy Funds, but they cannot be deposited into the school bank account. Sources of money for the Teacher Courtesy Fund are coffee funds, teacher dues and any fundraisers teachers may conduct to raise money for the fund. One important note is that the courtesy fund should not be in the name of the school. They can, however, be named after the school mascot. For example, "Wildcat Teacher Fund." The designated staff member in charge of the account should provide monthly statements to all teachers letting them know the balance in the fund.
- Restock coffee and soft drink supplies in the teachers' lounge (when a teacher pays for coffee and soft drinks).
- Coke commissions and the Neighbors Federal Commission must be deposited into the facility account and used for the following items such as microwaves, tables, and chairs for the teachers' lounge. (Items purchased are considered EBRPSS property.) These items can be purchased using the teachers school activity SAF#900 Faculty Account.

9. Employee Faculty account

The following policies relate to expenditures by schools for meals, awards, flowers, gift, or meals for administrators, teachers, or EBRPSS personnel (see SAF MEMO#1 Guidelines for Public Funds). Expenses for spouses/guests are not allowed. If spouses/guests are paying to attend the event, the funds must be collected in a separate activity account for the exact amount of the meal. If collections exceed the actual amount of meal, it would be _____ considered a fundraiser.

- Each donation must be supported by written documentation from the donor stating that the funds are being donated for the school's faculty account.
Each fundraiser must clearly state on the fundraiser promotion what portion of the funds will be allocated for faculty and a donor letter SAF#3 must be attached.
- All deposits into the faculty account shall be supported by a school deposit receipt accompanied by the proper documentation. Examples of proper documentation shall include
 - Fundraiser — a copy of the notification to parents or students of how funds will be used and a copy of the fundraiser reconciliation form.
 - Donation — a copy of the letter from the donor which specifies that the funds are to be used for employee appreciation expenditures.

GUIDELINES FOR USE OF PUBLIC FUNDS

(Reviewed & Approved 12/10/2021) MEMO#1

To qualify for public use of funds for meetings, training, and workshops:

- (1) Must have a public purpose (as it relates to the EBR Parish School System).**
- (2) Must have a value to the public.**
- (3) Must have proper approval by district.**
- (4) Events cannot be conducted in the normal course of business**

In addition, the following documentation must be provided:

- (1) Agenda/schedule of the event.**
- (2) Number of people attending (anticipated).**
- (3) Cost of the meal not to exceed \$10.00/person for lunch.**
- (4) Refreshments may be provided for events hosted for three (3) or more hours.**

Refreshments include Coffee, juice, and light snacks. Lunch should only be provided if the event is an all-day event.

To qualify for reimbursement for public use of funds for meetings, training, and workshops:

- (1) Agenda/schedule of the event.**
- (2) Sign-in sheet for the event or list of persons who attended the event.**
- (3) Method of payment (if not paid by the district).**

Disallowed specific transactions include but are not limited to:

- (1) Gift card purchases for employees. Purchases for students should be limited to educational items (i.e., Barnes & Noble, School Aids, etc.) A sign-in sheet should be attached to verify proof of receipt.**
- (2) Meals for vendors, consultants and other non-district personnel unless otherwise stated in a contractual agreement.**
- (3) Admission for activities/events held at an off-site facility; Expenses other than the actual cost of the room/building must be paid for with personal funds**

Note:

If there is any doubt regarding the transaction, verify before making the purchase.

11. Business Meals/Working Lunch

- The following policies relate to expenditures by schools for business meals for administrators, teachers or EBRPSS personnel (See SAF MEMO#1).
- School accounts does not provide preapproval for working lunch expenses.
- Schools must send a copy of the meeting's agenda (agenda must indicate this is a working lunch), copy of the sign-in sheet, request for withdrawal and copies of checks and supporting receipts/invoices immediately following the business meal to School accounts.
- Employees must receive a meal, not cash or a gift card.

12. Purchasing

Any good purchasing system should provide for procedures to ensure that only goods that are necessary are ordered; that they are ordered on a timely basis; those goods are ordered of the appropriate quality and quantity; that they are obtained at the lowest possible cost; and that the system provides for follow-up on unfilled orders, inadequate quality items, etc. No payment should be made until there is evidence that the items have been received and the amounts invoiced and ordered agree with the items received as to quality and quantity. (The accuracy of costs and extensions should be checked along with prior authorization forms.) Periodic statements from vendors must not be used to support cash disbursements. Payment should be made in time to take advantage of any discounts allowed. Because supporting documents are necessary for all payments, in certain instances (stamps, commencement speakers, officials of athletic contests, etc.), it may be necessary for the school to prepare a document and have it signed by the vendor.

- All school purchases should be made pursuant to East Baton Rouge Parish School System policy. The authority to purchase should be restricted. Local businesses should be notified of those few employees authorized to purchase and the school's policy on issuing purchase orders. The principal is responsible for authorizing all purchases. All purchase orders or Request for Withdrawal forms must be signed by the principal **prior** to the purchase being made or the purchase will become the personal liability of the employee who initiated the purchase. If the records indicate that the principal allowed the purchase, disciplinary action will be considered in appropriate cases up to termination and legal action. Major withdrawal request must be filed with the Office of the Internal Auditor when any check is written or any withdrawal from investments is to be made in the amount of ten thousand dollars (\$10,000) or more **prior** to the purchase being made. A copy of the invoice must be attached with three quotes unless otherwise authorized in writing. All technology purchases must be made through the EBRPSB Purchasing Department. Purchases of \$10,000 or more, but less than \$30,000 dollars, shall be made by obtaining no fewer than 3 quotes by telephone, facsimile, email, or any other printable electronic form. If telephone quotes are received, a written confirmation of the accepted offers shall be obtained and made a part of the purchase file. For purchases less than \$10,000, but greater than \$1,000, prudent practice suggests obtaining at least 3 written quotes, though the law does not so require."

13. Travel and Other Expense Accounts

Advance payment may sometimes be requested for necessary expenses expected to be incurred by employees and account sponsors engaged in out-of-town travel as well as local school activities and events. Remember the following important points regarding advance payment requests: All travel expenses should be made pursuant to East Baton Rouge Parish School System travel policy.

- The activity sponsor receiving an advance is responsible for any money advanced.
- Use advance payments only for the purpose approved by the principal on the Request for Withdrawal form.
- Sponsor must provide receipts for all advanced money spent.
- The settlement of all advances must be completed upon return to work of the employee or termination of the activity.
- The teacher or club sponsor is responsible for undocumented money and money spent in violation of these procedures.
- All funds not reconciled are the responsibility of the sponsor and can be deducted from employees' paychecks in their entirety.

The secretary/bookkeeper should keep a written log of all advances, noting the dates of travel. Note the date in advance when receipts and unused cash have been returned. This log will assist in keeping track of employees who have not returned receipts. Also, if unused cash is returned, note the date it is deposited on log. Amounts allowed for travel expenses should be in accordance with the practices established by the East Baton Rouge Parish School System. Please review the updated travel guidelines in the Travel Policy and Procedure Manual located on www.ebrschools.org.

The following supporting documentation must be attached to the Request for Withdrawal depending on the travel expense reimbursement being requested:

- Travel approval form with all applicable signatures.
- Agenda / registration form / athletic Schedule which lists the date and address of the event.
- IRS per diem rate sheet.
- Mileage documentation advances for mileage are only valid on out of district travel.
- Parking fee receipt (valet parking is not reimbursable unless it's the only hotel parking option-hotel documentation required).
- Hotel invoice (must show a \$0 balance).

It is the responsibility of the employee to present the EBRPSS Sales Tax Division-Sales/Use Tax & Hotel Lodging Exemption Certificate when incurring costs for an overnight stay in Louisiana hotels and motels. Failure to present this form (which results in charges) will result in the employee not being reimbursed the sales tax charged by the hotel. The form is available on the Budget and Accounting website.

14. Loans

Individual schools are not permitted to borrow or lend money for any reason or purpose. Funds may not be borrowed or transferred from a restricted account to another fund or restricted account without the permission of the club or activity group that raised the

funds, the school principal and the school accounts auditor. The approvals relating to such transfers must be retained for audit.

15. Non-employees/Independent Contractors

Independent contractors are people who are not employees for EBRPSS but who perform a service to the school. Examples of independent contractors include self-employed individuals, contract laborers, consultants and unincorporated businesses.

Refer to IRS forms on Page 29 for additional information required for non-employees / independent contractors.

16. Class Accounts (i.e., Class of 2017)

All school-related activities should have their financial transactions recorded currently in the school records. The receipts and disbursements of some of these activities are considered restricted. As such, the expenditure of these funds is restricted to the wishes of the governing group, if approved by the sponsor and the school principal. The expenditure of the restricted funds should be allowed only to the extent funds of the group are available. Deficits should not be allowed.

Class accounts should be established on the basis of the graduation year so that balances would automatically follow the class until graduation. Graduating classes should make provisions for the disposition of remaining balances prior to graduation. Any inactive and unclaimed restricted balances may be transferred to the General Fund with authorization from the school principal and after the account is dormant for two years.

Only fees paid from students are allowed in the class account.

All fund collections, deposits and disbursements must follow the guidelines on Pages: 8-13. Supplemental guidelines include the following:

- There should be proper accounting for all fees/tuition charged for the Extended Learning Program. All such fees should be controlled through the use of a prenumbered three-part receipt book in addition to the completion of SAF #5 School Deposit Receipt. Receipt book receipts should be properly completed to include at minimum the student's full name, date paid, purpose of payment, amount paid, form of payment (check, cash, money order) and the signature of the person collecting payment. The original receipt must be issued to the student; the pink copy must be attached to the School Deposit Receipt and handed to the secretary/bookkeeper; and the yellow copy must remain intact. Under no circumstances should a receipt be missing from the receipt book.
- A listing of the payments for each student must be provided to the parents at the end of each calendar year for tax purposes.
- All fees/tuition collections must follow the fee schedule as approved by the director of elementary schools or designee.

17. Property Management

Sound accounting practice is essential to property management. Some of these controls will be established at the board level and the remainder within the individual school. Any system of property management will obtain:

- Inventory records of all property owned.
- Annual physical inventory.
- Designation of custodians for each piece of property.
- Tagging or marking of equipment as school property — tags can be requested from the Finance Department.
- Periodic review of insurance coverage on school property, if applicable.

Supplies of the school should be subjected to appropriate security and inventory records maintained on their storage and issuance. Each individual school site's policy regarding tracking should be in writing and maintained with the Fixed Asset/Inventory Custodian.

18. Donations

All monetary donations must be supported in writing SAF Form #13 from the donor stating the requested use of the donation. This support must be attached to the school deposit receipt. The account sponsor should also maintain a copy of the donation letter. Donations without supporting documentation must be deposited into the school's general fund. Donations with a specified usage can only be used for the stated purpose.

The school's principal must be notified of **all** donations received. Schools must maintain a fully detailed listing of all donations received, monetary and nonmonetary. The listing should also include which organization/team/club is the beneficiary of the donation.

All property donated or purchased with individual school funds is the property of the East Baton Rouge Parish School System and may not be sold, traded in or otherwise disposed without the written permission of the superintendent of administration or his/her designee.

Field Trips – activity accounts

The following policies relate to money collected from students for field trips.

- Written approval from the principal must be obtained prior to any field trip using the Trip Tracker system. This form must be printed and maintained with field trip documentation.
 - Teachers are required to keep a current and accurate roster of all students who have paid and have not paid. Field trip files must also include a copy of the returned permission slip for all paid students.
-
- The collection of money should be enough to cover all expenses associated with the field trip. Parents must be notified in advance and in writing of the details of the field trip and what the money collected will be used for. Any funds that were collected for items other than admission and transportation must be used on items related to the field trip on the day of the field trip. It can't be used for other field trips or for any other items.
 - Money collected for one trip cannot be used for any other trip or for any other expense not related to the field trip for which the funds were collected for. Any remaining account balance at the end of the field trip/school year must be transferred to the school's General Operating account. Field trip balances must be transferred within 30 days (about 4 weeks) after the field trip.
 - Yellow copies of the request for withdrawals and school deposit receipts should be maintained by the account sponsor of the field trip account. Copies of the invoices/receipts should also be maintained with the field trip account information.

19. IRS Forms

***Form W-9** – Schools must obtain a Form W-9 for all vendors that they issue payments to. The form must be completely filled out to ensure that proper reporting can be completed at the end of each calendar year. There is a check box in EPES to indicate whether the check payment is 1099 reportable or not. If properly used, a report can be printed at the end of the calendar year to determine which vendors need to be issued a form 1099.

***Form 1099/1096** – Schools must issue a form 1099 to all vendors that were paid for services in excess of \$600 for the calendar year, i.e., Jan. 1 to Dec. 31. If payments were properly tagged during the year, schools can go into EPES to print a 1099 report. The path in EPES is Reports – Accounting - 1099 information - 1099 Report/Form. Each school is responsible for ordering / purchasing form 1099 and form 1096 from a local store or irs.gov website. Each school is also responsible for completing these forms and mailing them out. The IRS copy of the 1099's must be sent to the IRS with Form 1096. These forms are due to the vendors and IRS by Jan. 31 of each year.

****Payment for any penalties assessed by IRS for not properly filing a required 1099 and/or for not having a properly completed Form W-9 on file will be the school's responsibility.***

AUDIT DOCUMENTATION REQUEST EXAMPLES

The following information relates to the documentation that will be requested for the school activity funds audit (internal and external) in addition to all checks, voided checks, transfers, school deposit receipts and W-9's. Audit documentation not provided when requested risks not being reviewed for audit. This could result in an unfavorable audit rating.

Class Fee Audit

- Copy of the Class Fee Approval Form signed by the principal approving the collection of class fees for the fiscal year being audited.
- Copy of the letter that was sent to parents notifying them of the class fees being collected for the fiscal year being audited.
- Copy of the full class roster-maintained tracking students in their class who have/have not paid their class fees for the fiscal year being audited.
- Copy of the list of student's name and amount of unpaid fees turned into the office at the end of the school year.
- Properly maintained receipt books must be intact and not torn out of the book.
- The teacher's yellow copies of the school deposit receipts (SAF#5) and Request for Withdrawals (SAF#8) with supporting documentation.

Club Fee Audit

- Copy of the club fee collection approval signed by the principal approving the collection of club fees for the fiscal year being audited.
- Copy of the letter that was sent to parents notifying them of the club fees being collected for the fiscal year being audited.
- Copy of the full club roster-maintained tracking students in their club who have/have not paid their class fees for the fiscal year being audited.
- Properly maintained receipt books must be intact and not torn out of the book.
- The teacher's yellow copies of the school deposit receipts (SAF#5) and Request for Withdrawals (SAF#7) with supporting documentation.

Athletic Fee Audit

- Copy of the Athletic Checklist SAF#9 signed by the principal approving the collection of class fees for the fiscal year being audited.
- Copy of the letter that was sent to parents notifying them of the athletic fees being collected for the fiscal year being audited.
- Copy of the full sport roster-maintained tracking students in the sport who have/have not paid their athletic fees for the fiscal year being audited.
- Copy of the list of student's name and amount of unpaid fees turned into the office at the end of the school year.
- Properly maintained receipt books must be intact and not torn out of the book.
- The sponsor's yellow copies of the School Deposit Receipts (SAF#5) and Request for Withdrawals (SAF#7) with supporting documentation.

Field Trip Audit

- Copy of the approved Trip Tracker request for the field trip in this account.
- Copy of the permission slip/letters that were sent to parents notifying them of the details for all field trips.
- Copy of the complete roster-maintained tracking students and chaperones that have/have not paid their trip fees for the field trip along with signed permission slips.
- Properly maintained receipt books must be intact and not torn out of the book.
- The teacher's yellow copies of the school deposit receipts (SAF#5) and Request for Withdrawals (SAF#9) with supporting documentation.

Fundraiser Audit

- Fundraiser Approval Form (SAF #12) with promotional material, if applicable.
- Fundraiser Reconciliation Form (SAF #7).
- Documentation maintained by the sponsor including, but not limited to, (depending on the nature of the fundraiser additional documentation may be requested if it is not provided):
 - Name of each student/fundraiser participant (school deposit receipts, log, rosters, order forms, etc.).
 - The amount/number of items issued to each student/fundraiser participant (logs, order forms, etc.).
 - The amount of funds collected by each student/fundraiser participant (school deposit receipt, Log, etc.).
 - An explanation of any discrepancies and the amount of funds and/or items returned or given away as prizes.
 - Sponsor copies of all invoices.
 - Log of unsold/unused tickets and/or inventory (logs, ticket control Log, ending inventory, etc.).
- Properly maintained receipt books.

Athletic Game Gate Audit

- All ticket sales report gate for prior tickets, (SAF#7) for the fiscal year being audited.
- Sponsor yellow copies of school deposit receipts (SAF#5) for these accounts.
- Sponsor yellow copies of Request for Withdrawals (SAF#7) for these accounts.
- All Receipt of Payment for Non-Employee Contract Services (W-9) that relates to officials and security (SAF#14) and (SAF#14a)
- Season Schedule
- Online gate collection printout from vendor

BIDS AND QUOTATIONS

PUBLIC WORKS

The East Baton Rouge Parish School Board shall advertise and let by contract, except in cases of emergencies as provided below, all public work exceeding \$250,000 or such sum as allowed by law, including labor, materials, equipment, and administrative overhead not to exceed fifteen percent (15%). The contract shall be awarded to the lowest responsible bidder who has bid according to the contract, plans, and specifications advertised. Public works which are estimated to cost less than the contract limit may be undertaken by the School Board with its own employees.

As evidence of good faith of the bidder, the School Board shall require bidders for construction, improvement, repair, or other work to attach to the bid submitted a bid bond, certified check, or cashier's check for not more than five percent (5%) of the contract work to be done. The School Board may require a bid bond or certified or cashier's check of not more than five percent (5%) of the estimated price on bids taken for supplies and materials.

When any bid is accepted for construction or doing any public works, a written contract shall be entered into by the successful bidder and the School Board, and the successful bidder shall furnish a bond in an amount not less than one-half of the amount of the contract, for the faithful performance of his or her duties.

When using state or locally generated funds, under no circumstances shall there be a division or separation of any public work project into smaller projects, which division or separation would have the effect of avoiding the requirement that public work be advertised and let by contract to the lowest responsible bidder in accordance with statutory provisions.

The School Board shall retain the option of requiring all bids that are let out for public works to be submitted electronically.

Bids for public works less than the amount specified above may be advertised when the Superintendent and/or Chief Operations Officer deems it advisable.

All public work contracts shall contain provisions authorizing the issuance of change orders within the scope of the contract. All change orders shall be in writing or in electronic format shall be signed by the contractor, design professional and the School Board President, or Superintendent or designee, as authorized. The School Board shall pay the contractor for work performed by change order not later than sixty days after the date the of the application for payment for completion of the work performed in the change order.

Any change order outside the scope of the contract in excess of the contract limit as defined herein shall be let out for public bid.

Any change order pertaining to public work, not required to be let out for public bid, shall either be negotiated in the best interest of the School Board or let out for public bid. Where the change order is negotiated, such change order shall be fully documented and itemized as to costs, including material quantities, material costs, taxes, insurance, employee benefits, other related costs, profit, and overhead. Where certain unit prices are contained in the initial contract, no deviations shall be allowed in computing negotiated change order costs.

MATERIALS AND SUPPLIES

All purchases of materials or supplies exceeding the sum of \$60,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised. In addition, when using state or locally generated funds, purchases of materials or supplies of at least \$30,000 but not more than \$60,000, shall be made by obtaining not less than three (3) documented quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. The School Board may require a written contract or bond when purchasing the materials or supplies. If quotations are received that are lower than the quote accepted, a notation shall be entered into the file as to the reasons for rejection of the lower quotes.

When using state or locally generated funds, purchases cannot be divided by departments or by a school if the effect is to evade the state's public bid law. Purchases of commodities that are bought in small but recurring amounts through the year shall be bid on an annual basis.

The School Board shall retain the option of requiring all bids that are let out for materials and supplies be submitted electronically.

Bids for materials and supplies less than the amounts specified above may be advertised when the Superintendent and/or Chief Financial Officer deems it advisable.

In lieu of formal bids, the School Board may use a *reverse auction process* for the purchase of equipment, supplies, and other materials, or consulting services as outlined in policy *DJE, Purchasing*.

EMERGENCIES

In cases of an emergency or extreme emergency when time is not sufficient to advertise for bids for public works or purchase of materials, the School Board or designee is permitted by law to declare through resolution that a public emergency or extreme public emergency exists and enter into a contract for more than the sums referenced above without bidding. However, in such cases every effort shall be made by School Board personnel to secure competitive quotations. The accepted quote shall be confirmed in writing. State law permits a person designated by the School Board to declare the existence of an *extreme public emergency*. This designated person for the School Board shall be the Superintendent and/or his/her designee as the designated person. Notices of an *emergency* or *extreme emergency* shall be published in the School Board's official journal within ten (10) days of the emergency being certified by the School Board or designee.

An *emergency* is defined by La. Rev. Stat. Ann. §38:2211 as

"An unforeseen mischance bringing with it destruction or injury of life or property or the imminent threat of such destruction or injury or as the result of an order from any judicial body to take any immediate action which requires construction or repairs absent compliance with the formalities of this Part, where the mischance or court order will not admit of the delay incident to advertising as provided in this Part."

An *extreme public emergency* is defined by La. Rev. Stat. Ann. §38:2211 as

"A catastrophic event which causes the loss of ability to obtain a quorum of the members necessary to certify the emergency prior to making the expenditure to acquire materials or supplies or to make repairs necessary for the protection of life, property, or continued

function of the public entity.”

Emergency Procurement – Quotations Required by School Board Policy

When the emergency procurement need is greater than \$10,000, approval prior to procurement by the Superintendent or his/her designee, whichever is accessible at the time shall be required. Documented requests for competitive quotations should be submitted if time permits and an explanation/justification for the emergency shall be included on the related purchase orders/supporting paperwork.

BID ADVERTISEMENTS

All advertisements for bids for public works shall appear in the newspaper selected as the official journal for the East Baton Rouge Parish School Board, except in emergencies as may be declared by the School Board. Any advertisement for any contract for public works, when published, shall appear once a week for three (3) different weeks in a newspaper in the locality and the first advertisement shall appear at least twenty-five (25) days before the opening of bids.

Any advertisement for any contract or purchase of materials or supplies shall be published two (2) times in a newspaper in the locality, the first advertisement appearing at least fifteen (15) days prior to the opening of bids.

In addition to newspaper advertisements, the School Board shall also publish advertisements and accept bids by electronic media in accordance with uniform standards promulgated by the state. In any advertisement, the first publication shall not occur on a Saturday, Sunday, or legal holiday.

If the School Board issues or causes to be issued on a public work exceeding the contract limit set by state law, any addendum modifying plans and specifications within a period of seven (7) days prior to the advertised time for opening of bids, excluding Saturdays, Sundays, and any other legal holidays, the School Board shall transmit a copy of the addendum to all prime bidders who have requested bid documents. The transmission shall be completed within twenty-four (24) hours of the issuance of the addendum and may be delivered by either facsimile transmission (fax), e-mail, other electronic means, or by hand provided the prime bidder has supplied the fax number or e-mail address to the School Board. In addition, a copy of the addendum shall be sent by regular mail. If the addendum cannot be transmitted by fax, e-mail, other electronic means, or hand delivered, the School Board shall be required to postpone the bid opening by at least seven (7) days.

The School Board shall not issue or cause to be issued any addendum modifying plans and specifications within a period of seventy-two (72) hours prior to the advertised time for the opening of bids, excluding Saturdays, Sundays, and any other legal holidays; however, if the necessity arises to issue an addendum modifying plans and specifications within the seventy-two (72) hour period prior to the advertised time for the opening of bids, then the opening of bids shall be extended at least seven (7) but not more than twenty-one (21) working days, without the requirement of re-advertising. The addendum shall state the revised time and date for the opening of bids.

OPENING OF BIDS

All bids shall be opened in public in the presence of one or more witnesses, at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and open to public inspection. However, the School Board shall not accept or take any bids including receiving any hand delivered bids on days which are recognized as holidays by the United States

Postal Service.

BID AWARD

In order to protect the integrity of the competitive bidding process, the determination of responsiveness by the bidder must be made from the bid documents at the time of the bid opening. Any deviation from or failure to supply information required by the bid documents may result in the bid being rejected as *non-responsive*.

The Superintendent and/or other appropriate administrators shall review, summarize, and report bids to the School Board with recommendations for bid award unless the School Board grants permission for staff to evaluate, award, and notify the School Board at a later date.

DISQUALIFICATION OF BIDDER FOR NON-RESPONSIBILITY

If the School Board proposes to disqualify any bidder for *non-responsibility* (the possibility that the bidder may not satisfactorily fulfill the contract being bid), the School Board shall:

1. Give written notice of the proposed disqualification to such bidder, and include in the written notice all reasons for the proposed disqualification;
2. Give such bidder, who is proposed to be disqualified, the opportunity to be heard at an informal hearing to be conducted not later than five (5) business days after the issuance of the notice of the proposed disqualification, at which such bidder is afforded the opportunity to refute the reasons for the disqualification; and
3. Conduct the informal hearing prior to the award of the public work.

No award of the contract for the public work shall be made by the School Board prior to the expiration of at least five (5) working days following the date of issuance of the written ruling from the informal hearing.

EXCLUSION/REJECTION OF BIDS

The School Board, after the opening of bids, shall require each bidder or bidding entity to attest or submit an attestation that the sole proprietor, partner, incorporator, director, manager, officer, or other like individual who owns at least ten percent (10%) of the bidding entity, has not been convicted of, or has not entered a plea of guilty or nolo contendere (no contest) to any of the crimes or equivalent federal crimes listed in La. Rev. Stat. Ann. §38:2227.

In awarding bids or contracts, the School Board shall be authorized to reject the lowest bid from a business in which any individual with ownership interest of five percent (5%) or more has been convicted of, pled guilty or nolo contendere to any a state felony crime or equivalent federal crime committed in the solicitation or execution of a contract or bid under the state laws governing public contracts; professional, personal, consulting, and social services procurement; or the Louisiana Procurement Code.

Any contract between the School Board and a person or entity entered into as a result of fraud, bribery, corruption, or other criminal acts, for which a final conviction has been obtained, shall be null and void.

Any person whose conviction causes the nullity of a contract shall be responsible for payment of all costs, attorney fees, and damages incurred in the rebidding of the contract.

PROPOSALS

Proposals may be used to acquire items or services that are exempt from State bid laws, such as

- Performance based energy efficient contracts;
- Consulting Services - legal, insurance, engineering or architectural services, doctors, or laboratory work;
- Contracted Services - grass cutting, janitorial lease of equipment;
- Data and telecommunications equipment, systems, related services as defined in La. Rev. Stat. Ann. §38:2236. Such equipment or services may be bid or let as proposals in accordance with La. Rev. Stat. Ann. §38:2237.

Revised: September, 2004

Revised: November, 2006

Revised: December, 2009

Revised: December 16, 2010

Revised: November, 2011

Revised: July 21, 2016

Revised: September 21, 2017

Revised: August, 2020

Revised: January 20, 2022

Revised: August, 2022

Ref: 2 CFR 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*), 48 CFR 2.101 (*Definitions*); La. Rev. Stat. Ann. §§9:2716, 9:2717, 38:2181, 38:2182, 38:2211, 38:2212, 38:2212.1, 38:2212.9, 38:2214, 38:2218, 38:2227, 38:2241, 38:2251, 38:2271, 39:1551, 39:1552, 39:1553, 39:1554, 39:1554.1, 39:1556, 39:1557, 39:1558, 39:1597, 39:1710; Board minutes, 12-16-10, 7-21-16, 9-21-17, 1-20-22.

EMPLOYEE ETHICS www.ethics.la.gov APPENDIX A

The Code of Governmental Ethics (Act 443 of the 1979 Louisiana Legislature) was designed to prevent the use of public employment for private gain and to preserve the integrity of governmental employment. In that context, most provisions of the code relate to possible conflicts of interest between a person's public employment and some private interest or contact. All school system employees, especially those in administrative positions, should take care to follow the code since failure to abide by its provisions could result in both disciplinary actions being taken against the employee as well as fines of up to \$10,000. Agency heads have a responsibility to report possible code violations to the board. R.S. 42:1161A. Every public employee is required by the state of Louisiana to take a one-hour ethics training course annually. It is the employees' responsibility to meet this annual requirement.

A summary of some of the provisions of this law, which apply to school system employees, follows:

1. No public servant (public employee or elected official) shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position. "Thing of economic value" means money or any other thing having economic value, except food, drink or refreshments consumed by a public servant while the personal guest of some person.
2. No public servant shall receive anything of economic value from a person to whom the public servant has directed the business of the governmental unit.
3. No public servant shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity.
4. No public servant shall participate in a transaction involving the governmental entity in which, to his actual knowledge, any of the following persons has a substantial economic interest:
 - a. Any member of his immediate family.
 - b. Any person in which he has a substantial economic interest of which he may reasonably be expected to know.
 - c. Any person who is an officer, director, trustee, partner or employee.
 - d. Any person with whom he is negotiating or has an arrangement concerning prospective employment.
 - e. Any person who is a party to an existing contract with such public servant or who owes anything of economic value to such public servant and who by reason, thereof, is in a position to affect directly the economic interests of such public servant.
5. No public servant, member of such public servant's immediate family or legal entity in which he has a controlling interest (25% ownership) shall bid on or enter into contract, subcontract or other transaction which is under the supervision or jurisdiction of the agency of such public servant.

6. No public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent or employee of such person, if such public servant knows or reasonably should know that such a person has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.
 7. No public servant shall use the authority of his office or position, directly or indirectly, in a manner intended to compel or coerce any person or other public servant to provide himself, any other public servant, or other person with anything of economic value.
 8. Supplemental references include but are not limited to:
 - a. Information Sheet #1: Nepotism
 - b. Information Sheet #2: Gifts
 - c. Information Sheet #3: Abuse of Office
 - d. Information Sheet #4: Prohibited Contractual Arrangements
 - e. Information Sheet #5: Post-Employment
 - f. Information Sheet #6: Travel Expenses
 - g. Information Sheet #8: Information from Nonpublic Sources
 - h. Information Sheet #9: Donations
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NEPOTISM

A summary of the nepotism restrictions contained in
Louisiana's Code of Governmental Ethics



Louisiana Board of Ethics
P.O. Box 4386
Baton Rouge, LA 70821



Revised: February 2009

Information Sheet #1

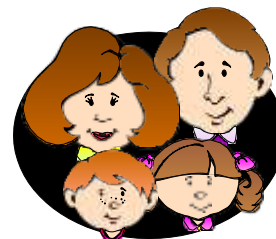
Nepotism is commonly understood to mean preference of any sort given to relatives. Some prohibitions against nepotism are contained in §1119 of Louisiana's Code of Governmental Ethics. (LSA-R.S. 42:1119) The purpose of this information sheet is to outline these prohibitions and to highlight some common misconceptions concerning §1119.

GENERAL PROVISIONS OF §1119

- **No member of the immediate family of an agency head may be employed in his agency.**

An "agency head" is the chief executive or administrative officer of an agency **OR** any member of a board or commission who exercises supervision over the agency. If a person qualifies as an agency head, then the following family members may not be employed in his agency because they classify as members of his immediate family:

1. his children
2. the spouses of his children (daughters-in-law and sons-in-law)
3. his brothers and sisters
4. the spouses of his brothers and sisters
5. his parents
6. his spouse
7. the parents of his spouse (mother-in-law and father-in-law)



Example #1: A parish fire district wants to hire the son of a fire district board member. Is this a violation of §1119?

Answer: Yes. The father is an agency head because he is a member of the fire board which exercises supervision over the fire district. The son is included in the definition of "immediate family." Therefore, the son may not be employed by the parish fire district.

An "agency" is a department, office, division, agency, commission, board, committee or other organizational unit of a governmental entity. In other words, an "agency" is the smallest unit or division in which the public servant works.

Example #2: The Road Design Unit of the Department of Transportation and Development (DOTD) wants to hire X. However, X's father is the supervisor of the Bridge Maintenance Unit of DOTD. Is this a violation of §1119?

Answer: No. Although the father is an agency head, his agency is limited to the Bridge Maintenance Unit. While X may not be employed anywhere within the Bridge Maintenance Unit, he may

be employed by any other unit in DOTD, such as the Road Design Unit.

- **No member of the immediate family of a member of a governing authority or the chief executive of a governmental entity may be employed by the governmental entity.**

A “governing authority” is a body which exercises the legislative functions of a political subdivision. For example, parish councils, city councils and school boards are governing authorities. Therefore, no member of the immediate family of a member of a parish council may be employed by the governmental entity. What is a “governmental entity?” A “governmental entity” is the state or any of its political subdivisions, i.e., parishes, municipalities, and special districts.

Example #3: A parish recreation department wants to hire the son of a parish councilman to perform daily upkeep on baseball fields. Is this a violation of §1119?

Answer: Yes. The father is a member of a governing authority of the parish; therefore, no member of his immediate family may be employed by any part of the parish government.

- **Exceptions**

§1119 contains four exceptions to the general prohibition against nepotism. These exceptions are as follows:

1. A local school board may employ any member of the immediate family of a board member or of the superintendent provided that the family member is certified to teach. However, the board member or superintendent must recuse himself from any decision(s) involving the employee. In addition, school board members and/or superintendents who have immediate family members employed by their school system must file a disclosure statement with the Board of Ethics. These statements must be filed **each year** within 30 days after the beginning of the school year. A disclosure form is available from the board upon request. Those who fail to timely file the disclosure statement(s) may be assessed a late penalty of \$50 per day the statement is late, with a maximum late penalty of \$1,500.

2. A hospital service district or hospital public trust authority with a population of one hundred thousand persons or less may employ a licensed physician, registered nurse or allied health professional as a health care provider, who is a member of the immediate family of any board or authority member or of the chief executive of the district or authority. However, a chief executive or any board or authority member who has an immediate family member employed, must recuse himself from any decision involving the employee. In addition, a district board or trust authority member and/or the chief executive who has an immediate family member so employed, must file a disclosure statement with the Board of Ethics. These statements must be filed by Jan. 30 of **each year**. A disclosure form is available from the board upon request. Those who fail to timely file the disclosure statement(s) may be assessed a late penalty of \$50 per day the statement is late, with a maximum late penalty of \$1,500.

3. §1119 does not apply to pilots appointed by the governor pursuant to R.S. 34:943, 34:1043, and 34:1072.

4. A municipality that has a population of less than two thousand and which owns an electrical or gas distribution system may employ the immediate family members of members of the governing authority if the member recuses himself and if, after advertisement, there is no other resident who is qualified and has applied.

5. A local school board with a student enrollment of 4,950 or less may employ a member of the immediate family of any board member as a school electrician provided that the family member has 20 years’ experience as an electrician.

6. The provisions of §1119 do not apply to the employment of volunteer firefighters or to any decision regarding the employment of a volunteer firefighter by an agency head, a chief executive of a governmental entity, or a member of a governing authority.

- **§1119 does not apply in the following situations:**
-

1. If a person was serving in public employment in violation of §1119 before April 1, 1980, then this person is not affected by the restrictions of §1119.

Nepotism Fact Sheet Page 2

2. A public employee may continue his employment even if a member of his immediate family becomes the agency head of his agency, provided that the public employee has been employed in the agency for a period of at least one year prior to the immediate family member becoming the agency head.

• **Who may be held liable for a violation of §1119:**

In addition to the agency head and the agency head's immediate family member(s) hired in violation of §1119, the following persons may also be held liable for a willful violation of the nepotism restrictions:

1. Member of the governing authority.
2. Public employees have the authority to hire and fire the employees.
3. Immediate supervisor of the employee.

COMMON MISCONCEPTION

A common misconception regarding §1119 is that direct supervision is needed before a violation can occur. However, the law does not require direct supervision. If you are an agency head or a member of a governing authority, then no member of your immediate family may be employed in your agency or by your governmental entity, regardless of whether you actually supervise that employee's day-to-day activities.

Example #4: The director of a youth shelter wishes to hire the son of a parish police juror as a caseworker. The police jury is responsible for the administration of the shelter and directly supervises the director. However, the jury is not responsible for the hiring and firing, assignment of duties, or evaluation of any other employee of the shelter. Would hiring the son present a violation of §1119?

Answer: Yes. Although the facts indicate that the director, and not the police jury, has supervisory authority over the employees of the shelter, a violation of §1119 would still occur. The police juror is a member of a governing authority; therefore, his son may not be employed by any governmental entity which is under the umbrella of the police jury.



The Board encourages public servants to seek advice from the Board as to how the law applies to their own situations by writing for an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at (225) 219-5600 or 1-800-842-6630.

The Board has a web site located at: www.ethics.state.la.us

This information sheet is only a summary of the nepotism provisions contained in §1119 of the Code of Governmental Ethics. If interpretations of this fact sheet conflict with provisions of the Code, the Code will control.

GIFTS

A summary of the gift restrictions contained in Louisiana's Code of Governmental Ethics



Louisiana Board of Ethics
P.O. Box 4368
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Revised October 2019

Information Sheet #2

The provisions restricting the receipt of gifts by public servants are found in §1115 of Louisiana's Code of Governmental Ethics (LSA-R.S. 42:1115). In addition to these restrictions, §1111A of the code also applies to restrict the receipt of gifts in certain situations (LSA-R.S. 42:1111A). Section §1115.1 contains specific limitations concerning public servants receiving food and drink. The purpose of this information sheet is to outline these restrictions and to highlight some common misconceptions and related issues regarding each of these provisions.

GENERAL PROVISIONS OF §1115

- No **PUBLIC SERVANT** shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person who has or is seeking a contractual, business or financial relationship with the public servant's agency.
 - **Who is a "public servant?"** Anyone, whether compensated or not, who is a public employee, appointed or elected official (except judges), or anyone in the performance of a governmental function.
 - **What is a "thing of economic value?"** Money or any other thing having economic value. The exceptions to the definition of "thing of economic value" include:
 - 1) promotional items having no substantial resale value such as calendars, pens, hats and T-shirts which bear a company's name or logo.
 - 2) food and drink consumed while the personal guest of the giver. In order for this second exception to apply, the giver or a representative of the giver must be present when the food and drink are consumed. Reasonable transportation and entertainment which are incidental to the food and drink are also allowed. (Section 1115.1, below, limits the value of the food and drink to \$62)
 - 3) complimentary admission to a civic, nonprofit, educational or political event. This exception applies only when the public servant is giving a speech at the event, is on a panel for discussion during the event or is a program honoree. Tickets to collegiate, professional, and semiprofessional sporting events are not included within the exception.
 - 4) flowers or a donation in connection with the death of an immediate family member of the public servant, if the value does not exceed \$100. §1123(26).

EXAMPLE 1

Q: You are an employee for the Louisiana State Employees' Retirement System (LASERS). A vendor of LASERS invites you and your co-workers to a pregame tailgate party hosted by the vendor. May you and your co-workers attend?

A: Yes, as long as a representative of the vendor is present at the pregame party. In contrast, you could not accept a gift certificate to a restaurant for dinner.

EXAMPLE 2



Q: At the pregame party, the vendor offers you tickets to the LSU game. May you accept the tickets?

A: No. The vendor has a business relationship with your agency; therefore, you may not solicit or accept anything of economic value from them.

*No **PUBLIC SERVANT** shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from a person who is seeking compensation, to influence the passage or defeat of legislation by the public servant's agency.*

What is "legislation?" Any laws, rules, ordinances, etc. which are considered by the public servant's agency.

EXAMPLE 3

Q: You are a member of the metro council. A friend of yours offers you the use of his condominium in Colorado. He is also the attorney who represents a business that wishes to have an area in your district rezoned for commercial use. This item is on the agenda for the next metro council meeting, and your friend is appearing on the business' behalf. May you accept the invitation to use the condo?



A: No. Even though this attorney is a friend, he is seeking compensation, to influence the passage of an ordinance before your agency, and use of the condominium is a thing of economic value.

*No **PUBLIC EMPLOYEE** shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person who conducts operations or activities which are regulated by the public employee's agency.*

This restriction applies **only** to public employees and pertains to regulatory relationships such as permits or licenses.

EXAMPLE 4

Q:

You are an inspector for the Department of Health and Hospitals. You inspect restaurants within a certain area to make sure they comply with certain health requirements. A restaurant owner in your area sends you concert tickets. May you accept the tickets?

A:

No. A concert ticket is a thing of economic value and does not fall under one of the exceptions. Since the restaurant is regulated by your agency, you are prohibited from receiving such a gift from the owner. You would also be prohibited from receiving concert tickets or any other thing of economic value from the restaurant owner's employees.

No PUBLICEMPLOYEE shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from a person who has substantial economic interests which may be affected by the performance or nonperformance of the public employee's official job duty(ies).

Again, this restriction applies **only** to public employees. It is intended to cover situations which are not covered by the other restrictions above. In other words, although the public employee does not regulate the gift giver, nor does the giver have any type of contractual, business, or financial relationship with the public employee's agency, the public employee is still in a position to affect the economic interest of the giver, and the gift is prohibited.

EXAMPLE 5

Q:

You are employed with the Department of Revenue and Taxation. One of your official duties is to determine whether individual taxpayers are entitled to certain deductions. An issue comes before you in which a taxpayer may be entitled to a substantial deduction. After meeting with the individual to collect pertinent information, he sends a potted plant to your office. May you keep the plant?

A:

No. Since one of your official duties at the department is to determine whether the taxpayer is entitled to a deduction, the taxpayer has a substantial economic interest which may be affected by the performance of one of your official duties.



GENERAL PROVISIONS OF §1115.1

- No person from whom a **PUBLIC SERVANT** or a **PUBLIC EMPLOYEE** is prohibited by §1115 or §1111A from receiving anything of economic value shall provide the public servant with more than sixty-two dollars (\$62) in food, drink or refreshment at single event. The amount given at a single event shall not exceed \$62, regardless of the number of people providing the food, drink, or refreshments.
 - ◊ What is an “event?” A single activity, occasion, reception, meal or meeting at a given time and place.
- Where a group of **PUBLIC SERVANTS** are invited to an event, the \$62 limit is calculated by dividing the total cost of the food, drink and refreshments by the number of persons invited to the event.
- The limitation of \$62 does **not** apply to a gathering held in conjunction with a meeting related to a national or regional organization, or to a meeting of a statewide organization of governmental officials or employees.

EXAMPLE 6

Q: Several contractors and vendors of the Department of Transportation and Development (DOTD) volunteer to provide food and beverages for an Employee Appreciation Day. Representatives from the participating companies will be in attendance. Fifty employees of DOTD are invited to the event. The total cost of the food and drink is \$1,250. Is this permissible?

A: Yes. Dividing the total value of the food and drink (\$1,250) by the number of people invited (50), the amount of food and drink does not exceed \$62 at the event.

GENERAL PROVISIONS OF §1111A

- No **PUBLIC SERVANT** shall receive anything of economic value, other than the compensation and benefits to which he is entitled from his governmental employer, for the performance of the duties and responsibilities of his office or position.

If a public servant is given an item because of the office he holds, then it is probably prohibited by §1111A. The most common violation of this section occurs with the payment of travel expenses. (See information sheet on travel expenses.) However, there are other instances where this situation arises.

EXAMPLE 7

Q: You are a workers’ compensation judge. During the month of December, many law firms and attorneys who appeared before you during the year send turkeys, hams and other baked goods to your agency in the spirit of the holiday season. May you accept these items?

A: No. The firms and attorneys are sending you these items because of your position as a workers’ compensation judge and the performance of your duties as a judge. The hams and cookies are all considered things of economic value, even if they are homemade. The exception for food and drink only applies when the giver is present.

COMMON MISCONCEPTIONS AND RELATED ISSUES

- **I can receive the gift or gratuity if it is worth less than \$25.**

A common misconception concerning §1115 is that the dollar value of the gift determines whether or not a public servant can receive it. **However, the law does not set a monetary threshold.** If the gift does not fall under one of the exceptions, then it is a prohibited gift regardless of its price. Where the exception for food and drink applies, it is limited to \$62.

- **Teachers and other school employees may accept gifts valued at \$25 or less and \$75 as a total in one calendar year from or on behalf of students or former students.**

Section §1123(26)(b) created an exception for school employees to receive gifts from students or former students. This exception is **only available if** you are employed by a prekindergarten, kindergarten, elementary or secondary school. The maximum value an accepted gift can have is \$25. The total value of gifts you can receive from any one student or former student in a calendar year is \$75. **Exceeding the value limits is a violation.**

- **I can receive this gift or gratuity because it came from a friend of mine.**

Another misconception is that a public servant may receive gifts from friends even if they fall into one of the categories of prohibited sources listed above or that gifts for special occasions are allowed. Such is not the case.

EXAMPLE 8

Q: A school food service supervisor has a neighbor who sells food products to her school. The supervisor receives a wedding gift from the neighbor. May she accept the gift?

A: **No.** The gift must be returned because the neighbor has a business relationship with the public servant's agency by virtue of the neighbor selling food products to the school.

The application of the “directly or indirectly” language of §1115 presents another tricky issue. If a public servant is prohibited from directly accepting a gift from a person, then the public servant is also prohibited from indirectly accepting any gift from this person. How does a public servant indirectly receive a gift? The most common way is through his spouse or minor child.

EXAMPLE 9

Q: An employee in the Department of Transportation and Development has a minor son who participates in high school rodeos. A trucking company which is regulated by the employee's agency wants to sponsor the employee's son in one of these rodeos. Is the sponsorship permitted under §1115?

A: **No.** Since the son is a minor, the mother would be indirectly receiving the benefit of the company sponsoring her son, she would have to pay for his participation. Therefore, the sponsorship is prohibited.

- **No PUBLIC SERVANT or OTHER PERSON shall give, pay, loan, transfer or deliver or offer to give, pay, loan, transfer, or deliver, directly or indirectly, to any public servant or other person anything of economic value which such public servant or other person would be prohibited from receiving by any provision of the Ethics Code.**

Persons who **give** prohibited gifts to public servants violate §1117 of the code and are subject to the enforcement proceedings and penalties for their violation.

IMPORTANT NOTICE

The board encourages public servants to seek advice from the board as to how the law applies to their own situations by writing for an advisory opinion. Advisory opinions are not issued as to past conduct but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at 225-219-5600 or toll free 1-800-842-6630.

The board has a website located at: **ethics.la.gov**



This information sheet is only a summary of the gift provisions contained in §1115, §1111A and §1117 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.

ABUSE OF OFFICE

A Summary of the prohibitions found in Section 1116 of the Code of Governmental Ethics



Louisiana Board of Ethics
P.O. Box 4368
Baton Rouge, LA 70821



February 2009

Information Sheet #3

Section 1116 of Louisiana's Code of Governmental Ethics (LSA -R.S. 42:1116) prohibits a public servant from requiring another public servant or other person to engage in political activity or to provide a thing of economic value to someone who is not entitled by law to receive that particular thing. § 1116 of the code also prohibits a regulatory employee from aiding in the sale of goods or services if a member of his immediate family or if a business owned by the public servant or a member his immediate family will benefit from the sale. § 1116 of the code appears to be intended to prevent public employees and elected officials from using their position to their economic or political advantage. The purpose of this fact sheet is to outline the specific prohibitions of § 1116.

GENERAL PROVISIONS OF §1116

- **No public servant* may use the authority of his office or position, directly or indirectly, in a manner intended to compel or coerce another public servant or other person, to provide him or anyone else with a thing of economic value that he is not entitled to by law.**

*A "public servant" is an elected official (except for judges) or a public employee.



Example #1: A publicly employed supervisor announces to his secretary that it might be a good idea to remember that his birthday is Friday and that he loves expensive cigars. He hints that the failure to give him cigars could result in a less than satisfactory evaluation. Is this a potential violation of § 1116 of the Code?

Answer: Yes. Once the supervisor made insinuations about job performance in relation to the giving or not giving of a birthday gift, he stepped over the line. The giving of cigars as a birthday present or otherwise is in no way related to the secretary's job performance. Even if intended as a joke, it is highly plausible that the board would perceive such a suggestion as intended to compel or coerce the secretary into giving a birthday gift, preferably cigars.

Example #2: Two public employees have been working on a complicated electrical project for nearly months. One employee has more seniority (Bob) than the other (Tim). Tim is up for a major promotion, on the basis of his performance on this project and the recommendation of Bob. One afternoon, something goes wrong and some property being worked upon is severely damaged. It appears that the mishap was due to the inexperienced protocol in such a situation dictates that Tim must report the damage to his section supervisor.



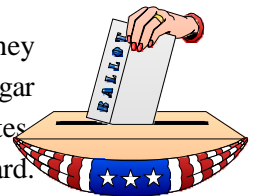
that if Tim will pay for Bob's dry cleaning and cuts his grass for one full month, Bob will act as if nothing happened and if asked, will say that the damaged property was stolen. Does this situation present any Ethics Code violations?

Answer: Yes. Besides having some potential intra-agency problems, Bob may be using his position (as the one who will make a recommendation regarding Tim's promotion) to obtain a thing of economic value from his junior co-worker. It is very possible that the board would perceive Bob's suggestion as an attempt to compel or coerce Tim into providing services which would cost Bob time and money to otherwise obtain.

- **A public servant is prohibited from using the authority of his office or position, directly or indirectly, in a manner which is intended to compel or coerce, any person to engage in political activity*.**

*Political activity is defined by the code to mean an effort to support or oppose the election of a candidate for political office.

Example #3: Mary and Jane have been co-workers for quite some time. In general, they share the same ideas on major life issues. However, when it comes to politics, they are like vinegar and oil. Mary prefers conservative candidates and Jane prefers moderate or liberal candidates. During the election of the local justice of the peace, Mary supports Henry while Jane supports Richard. However, Mary tells Jane that if she does not support Henry, Mary will tell their mutual supervisor about all the times Jane has taken a longer lunch than is generally permitted by the office. Is Mary's behavior indicative of a §1116 problem?



Answer: Perhaps. Mary has "threatened" Jane with an action which will likely get Jane into trouble in the office. It is very likely that the board will perceive this behavior as intended to compel or coerce Jane into supporting Henry, which is considered political activity for purposes of the Ethics Code.

- **A regulatory employee* is prohibited from participating in any way in the sale of goods or service to persons regulated by his agency, if a member of his immediate family* or if a business enterprise in which the regulatory employee or members of his immediate family own in excess of 25%, receives or will receive a thing of economic value by virtue of the sale.**

*"Regulatory employee" was added to the Ethics Code by a 1999 legislative amendment and is defined as "a public employee who performs the function of regulating, monitoring, or enforcing regulations of any agency.

* "Immediate family" is defined by the code to include a public servant's children, the spouses of his children, his brothers, his sisters, the spouses of his brothers and sisters, his parents, his spouse and the parents of his spouse.



Example #4: An employee of the Department of Natural Resources, who is in charge of inspecting oilfield sites, recommends that the owner of the wellhead he is inspecting, needs to obtain a replacement wellhead because the one he is currently using does not meet DNR standards. The owner asks the inspector if he knows where he might quickly obtain a replacement wellhead. The inspector informs the owner that his father sells oilfield equipment and has some wellheads

that might work on this particular well.

Abuse of Office Fact Sheet Page 2

Just being friendly, the inspector brings several wellheads to the owner for inspection. The owner agrees to buy one of the wellheads from the inspector's father if a few minor adjustments are made. The inspector's father agrees and after the adjustments are made, the inspector, again, just being friendly, delivers the wellhead to the owner. Was this transaction a violation of the Ethics Code?

Answer: Yes. Pursuant to newly added subsection C of §1116 of the code, the inspector aided in the sale of equipment to a person who is regulated by his agency and the benefit of the sale went to the inspector's father, who is an immediate family member. Although the inspector thought he was just being friendly by bringing the well owner and his father together, to their mutual benefit, Section 1116C of the code strictly prohibits the inspector from having anything to do with any transaction which would inure to the benefit of a member of his immediate family.

Example #5: One day while patrolling his area, a state police officer makes a routine traffic stop for speeding. Upon obtaining the driver's license, he discovers that the driver has five outstanding warrants for his arrest. The officer takes the driver into custody. On the way to the police station, the driver comments that he is going to need a bail bondsman. Hearing the comment, the police officer says that his brother is a bail bondsman in the neighboring parish, but even so, he thinks his brother would serve as the bail bondsman in this case. The driver asks the police officer if he would call his brother and find out. The police officer politely agrees and calls his brother after they reached the station. His brother agrees to serve as the bail bondsman and the driver gets out of jail on bond. Has the police officer potentially violated the Ethics Code?



Answer: Yes. Despite his efforts to be helpful, the police officer appears to have violated Section 1116C of the Code. By making the suggestion that his brother get involved and by calling his brother to secure his involvement, which involvement will inure to the brother's economic benefit, the police officer participated in the sale of services to a person he was regulating and detaining.



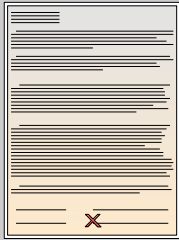
The Board encourages public servants to seek advice from the Board as to how the law applies to their specific situation(s) by writing and requesting an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the address provided at the beginning of this fact sheet. You may also call our staff for informal advice over the telephone at (225)219-5600 or toll free at 1-800-842-6630.

The Board has a web site located at: www.ethics.state.la.us

This information sheet is only a summary of the financial disclosure provisions contained in §1116 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.

PROHIBITED CONTRACTUAL ARRANGEMENTS

A summary of the restrictions concerning contractual relationships
contained in Louisiana's Code of Governmental Ethics



Louisiana Board of Ethics
P.O. Box 4368
Baton Rouge, LA 70821



July 2011

Information Sheet #4

Section 1113 of the Code of Governmental Ethics (LSA - R.S. 42:1113) prohibits public servants and their family members from entering into certain transactions. The purpose of this information sheet is to outline the restrictions and dismiss some common misconceptions regarding §1113 of the Code. The rules as to legislators contracting with state agencies are not covered in this information sheet.

GENERAL PROVISIONS OF §1113

- **No elected official* or public employee or member of such public servant's immediate family, or legal entity in which he has a controlling interest shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the public servant's agency.**

*There are exclusions for a member of a governing authority of a parish with a population of 10,000 or less. Also, municipalities with a population of 5,000 or less may be able to take advantage of an exception contained in §1123(22) of the Code, described later.

Section 1102(13) of the code defines "immediate family," as it relates to a public servant as follows:

1. his children.
2. the spouses of his children (daughters-in-law and sons-in-law).
3. his brothers and sisters.
4. the spouses of his brothers and sisters (*added by 1999 legislative amendment*).
5. his parents.
6. his spouse.
7. the parents of his spouse (mother-in-law and father-in-law).



Section 1102(2) of the Code defines "agency" to be a department, division, agency, commission, board, committee or other organizational unit of a governmental entity.

Section 1102(8) of the Code defines “controlling interest” as any ownership interest in any legal entity or beneficial interest in a trust, held by or on behalf of an individual or a member of his immediate family, either individually or collectively, which exceeds 25% of that legal entity.



Example #1: An employee of the Department of Social Services, Office of Community Services in Caddo Parish, is a board-certified social worker. In her spare time, she operates a computer company, Reliable Computers Inc., with her husband. Her husband does most of the work relating to the computer company. The department decides that it needs 50 new computers for the Baton Rouge and New Orleans offices to help it meet its increased responsibilities in those areas. To purchase the computers, the department solicits bids and will purchase the computers from the lowest bidder. The social worker and her husband decide that their computer company should submit a bid. May Reliable Computers Inc. submit a bid for the contract to supply 50 new computers to the department?

Answer: Yes. The board has generally applied the definition of “agency” in a restricted manner and would therefore likely say that the social worker’s agency is only the Caddo Parish Office of Community Services. This being the case, the entire Department is not her agency and Reliable Computers Inc. is not prohibited from submitting a bid on a contract with the Department. If on the other hand, the contract was with the Caddo Parish Office of Community Services and the computers were designated to go to that office, then Reliable Computers Inc. would be prohibited from submitting a bid on that contract.

Example #2: A local school board decides that the area high school needs a new gymnasium. A company owned by the three brothers and two sisters of a school board member, with each sibling having a 20% ownership interest in the company, wants to build the new gymnasium. May the company submit a bid to build the new gymnasium?

Answer: No. Brothers and sisters are considered members of a public servant’s immediate family and since the five siblings collectively own 100% of the business, the business is prohibited from submitting a bid.



- **No appointed member of any board or commission, member of his immediate family or legal entity in which he has a substantial economic interest shall bid on or enter into or be in any way interested in any contract, subcontract or other transaction which is under the supervision or jurisdiction of agency of the appointed member.**



Example #3: The members of the local drainage and sewage board are appointed by the mayor and the town council. On the agenda for the board’s consideration is a proposal to remove some dirt from a 500-acre tract near the area levee which will improve the drainage for about 5 miles along the levee. The removal of this dirt will dramatically increase the value of this 500-acre tract. However, the improved drainage will benefit approximately 100 residents in the area. The tract at issue just happens to belong to one of the members of the board. This board member did not know this proposal was going to be made and did not vote on the issue at the board meeting. May the board remove the dirt from this board member’s land?

Answer: The Ethics Code does not apply to public entities. As the local drainage and sewage board is a public entity, §1113B could not prohibit the board from removing the dirt. However, §1113B would prohibit the landowner from being in any way interested in the dirt being removed by the board. There are only two ways to solve this problem, the board member would either have to divest himself of the 500 acres BEFORE the board removed the dirt or he could resign from the board.

COMMON MISCONCEPTIONS

One common misconception about §1113 is that if a person is the lowest bidder on a project, then that person can have the job. This is simply not the case. The prohibition includes **bidding** on a contract, as well as entering into a contract.

Another common misconception regarding §1113 is that if there are no other persons in the area who can provide the goods or services needed by the governmental agency, then the prohibition should not apply. However, this is not the case except for the narrow exception below. Many other people believe that if the job is not going to yield a big profit for the person doing it, then it is OK for the person to do the work, regardless of who that person is. This too is not correct. The amount of profit to be gained, or not gained, is irrelevant if you are one of the prohibited persons.

NARROW EXCEPTION FOR SMALL CITIES

A mayor or a member of a governing authority of a municipality with a population of 5,000 or less may enter into transactions with the municipality, if the municipality develops a plan describing how such transactions will occur. The plan must be approved by the Ethics Board before any transactions take place.



The Board encourages public servants to seek advice from the Board as to how the law applies to their own situations by submitting a written request for an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at (225) 219-5600 or 1-800-842-6630. The Board has a web site located at: www.ethics.state.la.us

This information sheet is only a summary of the prohibited contractual arrangements provision contained in §1113 of the Code of Governmental Ethics. If interpretations of this fact sheet conflict with provisions of the Code, the Code will control.

POST EMPLOYMENT

A summary of the post employment restrictions contained in Louisiana's Code of Governmental Ethics



Louisiana Board of Ethics

P.O. Box 4368

Baton Rouge, LA 70821

Revised: February 2009

Information Sheet #5

The provisions restricting post-employment options for public servants are found in §1121 of Louisiana's Code of Governmental Ethics. (LSA-R.S. 42:1101 et seq.) Generally, there is a two-year waiting period before a former public servant can render services relating to his former state agency to or for another. The purpose of this information sheet is to outline the post-employment restrictions which exist as to public servants and to highlight some common misconceptions and related issues regarding §1121 of the code.

AGENCY HEADS AND ELECTED OFFICIALS

- No former agency head or elected official shall, for a period of two years following the termination of his public service, assist another person, for compensation, in a transaction or in an appearance in connection with a transaction, involving his former agency.

AND

- No former agency head or elected official shall render any service on a contractual basis to or for his former agency for two years following the termination of his public service.

"Agency head" is defined by §1102(3) of the code as "the chief executive or administrative officer of an agency or any member of a board or commission who exercises supervision over the agency."



Example #1: You are the director of a state agency. You are about to retire from state service and accept a position as a consultant with a company which is regulated by your state agency. Once you retire, may you represent your new employer in connection with an issue which comes before your former state agency?

Answer: No. Because you classify as an agency head, once you terminate your public service, you are strictly prohibited by §1121A (1) of the code for a period of two years, from assisting another person for compensation, in connection with any appearance involving a transaction before your former agency. Representing your new employer on an issue before your former agency would classify as an appearance in connection with a transaction. You may perform other services for the company that do not involve your former agency.

Example #2: You were the director of a state agency. Two months ago, you terminated your public service as the agency head. Now your former agency approaches you about rendering computer services to the agency. You did not render any computer services while you were employed as the agency head of this state agency. May you provide the computer services?



Answer: No. Because you were the agency head, you would be prohibited for a period of two full years following the termination of your public service, from rendering any service to your former agency on a contractual basis. It does not matter that the services you would render are not the same type of services that you provided to the agency while you were employed there. You are permitted to be rehired, but you may not be contracted to perform any service for your former agency.

- **No former member of a board or commission shall, for a period of two years following the termination of his public service contract with, be employed in any capacity by, or be appointed to any position by his former board or commission.**



Example #3: You are an appointed member of a parish water board. The executive director of the board is retiring. The board would like you to resign and accept the executive director position. May you?

Answer: No. Your former water board may not appoint you to any position for a period of two years following the termination of your board membership.

NOTE: Police juries, parish or municipal councils, selectmen, boards of aldermen, school boards and like bodies have been interpreted to be included within the meaning of “boards and commissions” for purposes of Section 1121A (2) of the code. The board has said that a collective group of people who act as one body and who share responsibility for the actions of the group as a whole, may classify as a board or commission.

OTHER PUBLIC EMPLOYEES

- **No former public employee shall, for a period of two years following the termination of his public employment, assist another person, for compensation, in a transaction or in an appearance in connection with a transaction in which the former public employee participated^{* at} any time during his public employment and which involves his former public employer.**

AND

- **No former public employee shall, for a period of two years following the termination of his public employment, render on a contractual basis to or for the agency with which he was formerly employed, any service he rendered to the agency during his public employment.**

Example #4: Six months ago, you were employed by the city government as a personnel director, however, you did not classify as an agency head. You have ceased your public employment and now want to contract with the city to provide maintenance services. May you do this without violating the Ethics Code?



Answer: Yes. Because the services you would provide on a contractual

basis with the city are not services you had previously provided while employed by the city, you would not be prohibited by §1121B of the code from entering into such a contract. Further, the Maintenance Department would appear to be a separate agency from the Personnel Department.

Example #5: You recently retired from a state agency where your official duties included reviewing applications for grant monies administered by your agency. For purposes of the code, you were not an agency head in your agency. Now a person who has submitted applications in the past for grant monies administered by your agency wants to hire you to handle all of the paperwork for all of his grant applications involving your former agency. May you accept this employment opportunity?



Answer: Because you are not any agency head, the answer depends on your level of involvement with the applications. If the applications for grant monies your potential employer wants you to handle were in the process of being handled by your office when you retired, then you would be prohibited by §1121B of the code from assisting the potential employer in the completion of those applications. However, if the potential employer is submitting new applications for grant monies, then these applications are new transactions in which you did not participate while still employed by your former agency; therefore, you would not be prohibited by §1121B of the code from assisting the potential employer in the submittal of these new applications.

OTHERS RESTRICTED

- **No legal entity in which the former public servant is an officer, director, trustee, partner or employee shall, for a period of two years following the termination of the public servant's service, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which the former public servant participated* at any time during his public service and which involves the agency with which he was formerly employed or in which he formerly held office.**



Example #6: You just left your public position with a state agency where you reviewed applications for various permits. You now own Consulting Firm Inc. which aids companies in the preparation and submission of applications for various permits to various state agencies. ABC Company Inc. is a potential client which currently has an application pending before your former state agency and you had begun reviewing that application before you left public service. May your company, Consulting Firm Inc., assist ABC Company Inc. in finalizing its application with your former agency?

Answer: According to §1121C, your company would be prohibited from being hired by ABC Company Inc. for such a task. Because you began reviewing the ABC Company Inc. application while still employed by the state agency, your new company would be prohibited from rendering any compensated service to ABC Company Inc., which deals with that application. If your company was to provide compensated services to ABC Company Inc. concerning a different application, then no violation of this section would appear to occur.

COMMON MISCONCEPTIONS AND RELATED ISSUES

A common misconception concerning §1121 of the code is that if you classified as an agency head in your former public agency, then you may provide contractual services to your former agency as long as the services to be rendered are not the same services nor are they related to the services you provided as the agency head. This is simply not the case. Agency heads are strictly prohibited from rendering any contractual services to their former agency for a two-year period. Other former public employees do not have such strict restrictions.



Another common misconception surrounding §1121 of the code is that if as a public employee you did not have direct involvement in a specific matter while employed by your former agency, then once you leave public service, you may provide services relating to that matter to a private employer. This is not entirely true. Former public employees are prohibited from rendering services to a private employer in connection with a transaction in which they participated* while employed by their former agency.

**§1102(15) of the Code defines “participate” to mean:*

To take part in or to have or share responsibility for action of a governmental entity or a proceeding, personally, as a public servant of the governmental entity, through approval, disapproval, decision, recommendation, the rendering of advice, investigation or the failure to act or perform a duty.

Therefore, actual “hands-on” involvement is not the only means by which a public employee may be considered to have “participated” in a certain transaction. Questions to ask yourself: Did you make any recommendations as to the matter? Did your department have any supervision over the matter? Who had ultimate responsibility for the matter? The answers to these questions will help you determine if you participated in a particular circumstance.



The Board encourages public servants to seek advice from the Board as to how the law applies to their specific situation(s) by writing and requesting an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the address provided at the beginning of this fact sheet. You may call our staff which is available to provide informal advice over the telephone at (225) 219-5600 or toll free 1-800-842-6630.

The Board has a web site located at: www.ethics.state.la.us



This information sheet is only a summary of the financial disclosure provisions contained in §1121 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.

Travel Expenses

A summary of the gift and payment restrictions contained in the Code of Governmental Ethics relating to Travel Expenses



Louisiana Board of Ethics
P.O. Box 4368
Baton Rouge, LA 70821

October 2019

Information Sheet #6

A common issue that is presented to the Louisiana Board of Ethics is whether a public servant may allow a private source to pay for their travel expenses, such as lodging and transportation. This type of situation arises when a public servant's job duties require him or her to travel. There are situations in which a public servant or their agency may accept reimbursements for travel and lodging. The sections controlling the receipt of travel expenses by a public servant are Sections 1111A and 1115 of the Code of Governmental Ethics.

GENERAL PROVISIONS OF §1111A

- **La. R.S. 42:1111A (1) provides that “no PUBLIC SERVANT shall receive any thing of economic value, other than the compensation and benefits to which he is entitled from his governmental employer, for the performance of the duties and responsibilities of his office or position.”**
- A public servant must consider why the person is offering to provide the travel or lodging. If the public servant is being offered the travel and lodging because of the public position he holds, he is generally prohibited from receiving it, unless the exception in R.S. 42:1115.2 described below applies.
- There is an exception listed in the definition of “thing of economic value” involving travel, but it is very limited. The exception allows for reasonable transportation and entertainment which are incidental to the food and drink consumed in the presence of the giver, or representative of the giver, of the food and drink. Therefore, this exception does not allow a public servant to accept travel expenses to any location merely because meals are provided during the travel.

GENERAL PROVISIONS OF §1115

The following gift restrictions apply to elected officials, board/commission members and public employees:

- **La. R.S. 42:1115A (1) provides that no PUBLIC SERVANT shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person**
 - **who has, or is seeking to have, a contractual, business, or financial relationship with the public servant's agency.**

- **is seeking compensation, to influence the passage or defeat of legislation by the public servant's agency.**

The following gift restrictions apply only to public employees and board/commission members:

- **La. R.S. 42:1115B (1) provides that no PUBLIC EMPLOYEE shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person**
 - **who conducts operations or activities which are regulated by the public employee's agency.**
 - **who has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official job duties.**

In general, a public servant's acceptance of travel and lodging associated with the performance of the duties of their public position that is paid by someone other than a governmental entity may be considered a violation of §1111A or §1115. Accordingly, the Board of Ethics in prior advisory opinions has concluded that if the travel is paid for by the public servant's agency or another governmental entity, he is not prohibited by §1111A or §1115 from receiving the travel and lodging.

EXCEPTION FOR RECEIPT OF LODGING, AND REASONABLE TRANSPORTATION

R.S. 42:1115.2 (effective August 1, 2018)

If the public servant's receipt of travel and lodging is a direct benefit to his agency or it will enhance the knowledge/skill of the public servant, he may accept the travel and lodging or receive reimbursement for it, if the following occurs:

- prior to the travel and lodging occurring, the public servant's agency head 1) approves the public servant's acceptance of the travel and lodging and 2) certifies that the public servant's acceptance of the lodging and transportation is either:
 - a. of direct benefit to the agency; or,
 - b. will enhance the knowledge or skill of the public servant as it relates to the performance of his public service.
- within 60 days of such acceptance, the public servant files with the Board of Ethics a statement, on a form designed by the board, disclosing the following:
 - a. the date and location of complimentary admission, lodging, or transportation and a brief description of its purpose;
 - b. the name of the person who gave, provided, paid or reimbursed in whole or in part the admission, lodging or transportation;
 - c. the amount expended on his behalf or reimbursed by the person for admission, lodging and transportation; and,
 - d. the agency head's certification and date of approval.

Form 413 on the Board of Ethics website at ethics.la.gov/PersonalFinancial.aspx should be used to comply with the exception in R.S. 42:1115.2.

NOTE: When the public servant's agency or another governmental pays for the travel expenses, the provisions of §1115.2 do not apply, and the public servant is not required to file the certification form with the Board of Ethics.

The following examples provide better guidance on how the board may interpret the travel provisions:

Example #1: A parish school board member who, along with the superintendent and other board members, was chosen to select new copy machines for the parish schools. A copy machine company offers the members of the committee a trip to Dallas to view copy machines at their expense. May the school board member accept the trip?

Answer: YES, only if the chairperson of the school board certifies the school board member's attendance is a direct benefit to the school system or will enhance the knowledge/skill of the school board member as it relates to his service on the school board **and** the school board member files Form 413 with the Board of Ethics within 60 days of the travel.

Example #2: A detective for Washington Parish Sheriff's Office has been invited to attend a forensic science conference in Santa Fe, New Mexico, hosted by the FBI. The FBI would reimburse her travel and lodging, as well as provide meal vouchers associated with the conference. May she accept meal vouchers and the reimbursement of travel and lodging from the FBI?

Answer: YES. Since the FBI is part of the United States Government, it would not present a violation for her to receive meal vouchers and reimbursement for the travel and lodging. A disclosure statement would not be required to be filed with the board.

The Board encourages public servants to seek advice from the Board as to how the law applies to their own situations by writing for an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at (225) 219-5600 or toll free (800) 842-6630.

The Board has a website located at ethics.la.gov



This information sheet is only a summary of the provisions contained in §1115, §1111A, and §1115.2 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.

PAYMENT FROM NONPUBLIC SOURCES

A Summary of the prohibitions contained in Sections
1111C(1) & 1111C(2)(d) of the Code of Governmental Ethics



Louisiana Board of Ethics
P.O. Box 4368
Baton Rouge, LA 70821



Revised: February 2009

Information Sheet #8

Section 1111 of Louisiana's Code of Governmental Ethics prohibits a public servant from receiving any thing of economic value from a source other than his governmental employer for the performance or any service which is too closely related to his public duties or for any service which draws upon official information which is not a part of the public record or if the person making the payment, is a prohibited source. The purpose of this information sheet is to outline some of these restrictions and to highlight some of the most common misconceptions regarding §1111 of the Ethics Code.

1111C (1) RESTRICTIONS

A public servant is prohibited from receiving anything of economic value for any service which:

1. Is substantially related to the duties and responsibilities, programs, or operations of the agency of the public servant AND in which the public servant participated;
- OR
2. Substantially draws upon official data or ideas of the agency which have not been made a part of public information.



Example #1: If you are a sheriff's deputy who arrests and detains suspects, could you work for a private detention facility located in your parish which sometimes houses suspects when the parish prison is full?

Answer: No, because you participate in the arrest and detention of suspects who could be housed in the private detention facility. It is the responsibility of the Sheriff's Office to house the suspects it arrests and when the parish contracts this responsibility out to the private facility, the private facility becomes a prohibited source of income to you because the duties and responsibilities you would perform for the private facility would be too closely related to what you are paid to do for the Sheriff's Office. However, if we change the facts and the private detention center is located in another parish, then you could work for the private facility because the suspects who would be housed there are out of your jurisdiction, and you would not have participated in their arrest and/or detention. Your duties and

responsibilities at the private facility in a different parish would not be substantially related to your duties and responsibilities at the Sheriff's Office because it is located in a different jurisdiction.

1111C(2)(d) RESTRICTIONS

A public servant and a legal entity in which the public servant exercises control or owns in excess of 25% are prohibited from receiving anything of economic value for services rendered or to be rendered to or for the following persons (from persons whom the public servant is also prohibited from receiving a gift):

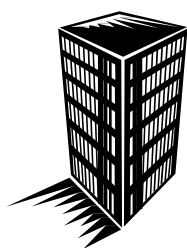
1. Any person who has or is seeking to obtain a contractual, business or financial relationship with the public servant's agency; OR
2. Any person who conducts operations or activities which are regulated by the public employee's agency; OR
3. Any person who has a substantial economic interest which may be substantially affected by the performance or nonperformance of the public employee's official job duties.

*NOTE: A "public servant" is an elected official or a public employee.



Example #2: You are an employee of the Department of Environmental Quality whose official job duty is to visit alleged hazardous waste sites and determine if the area is dangerous to the health of nearby residents. Could you work on the weekend, for the owner of the land you have to analyze?

—**Answer:** No, because the landowner has a substantial economic interest in the outcome of your survey. For example, he may have to pay expensive cleanup costs, or his property value may fall depending on the results of your survey. This being the case, the landowner would be a prohibited source of income for you.



Example #3: You are a member of a police jury. Could you work for a private company that is negotiating with the police jury to construct a new building to house the offices for the police jury?

Answer: No. Because that private company is seeking a contractual relationship with the police jury, it would be a prohibited source of income for you. If the negotiations fail and the private company will not construct the new building, then it would cease being a prohibited source of income for you. However, if negotiations were to resume at a later date, the company would once again be a prohibited source of income for you.

COMMON MISCONCEPTIONS

Section 1111C (1) of the code evokes a couple of common misconceptions. For example, public servants often believe that if the services to be rendered are to be provided after hours, then there can be no Ethics Code violation in providing those services. This is not true. Providing the services after hours does not prevent a violation of the code from occurring. This restriction depends on the type of services you want to provide.

Another common misconception surrounding Section 1111C (1) is that if the additional services are not servicing you normally provide as a part of your job, then there can be no Ethics Code violation in providing those services. This is

also not true. This section was specifically designed to cover situations where the additional services to be provided are not identical to the services provided during work hours but are so close or similar in nature to what is done during normal business hours, that they could logically be viewed as either stemming from the work hour services or as a direct consequence or necessity because of a public servant's work hour services.

Section **1111C(2)(d)** of the code also evokes a few common misconceptions. For example, public servants often believe that because they are actually providing the additional services and are being paid at a fair rate for those services, there can be no Ethics Code violation in providing those services. This is not true. Just because you are actually doing the work and are being paid a reasonable market rate for doing the work does not erase the fact that the services are being rendered to a prohibited source. The Ethics Code views this situation as a conflict of interest which cannot be resolved other than by avoiding the situation all together. You simply may not provide compensated services to the groups of people earlier discussed in this fact sheet.

Another common misconception surrounding Section **1111C(2)(d)** is that as long as the services to be provided are not related to the contract, business or financial relationship the person has with your public agency, then there can be no Ethics Code violation in providing those services. This, as well, is not true. Section 1111C(2)(d) deals with prohibited sources of income and once someone is a prohibited source because of one of the enumerated relationships, then they are a prohibited source of income for you as long as that relationship lasts. Period. The nature of the services you are to provide is irrelevant.



The Board encourages public servants to seek advice from the Board as to how the law applies to their specific situation(s) by writing and requesting an advisory opinion. Advisory opinions are not issued as to past conduct, but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the address provided at the beginning of this fact sheet. You may also call our staff which is available to provide informal advice over the telephone at (225) 219-5600 or 1-800-842-6630. The Board has a web site located at: **www.ethics.state.la.us**

This information sheet is only a summary of the financial disclosure provisions contained in §1111 of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.



Donations

Louisiana Board of Ethics

P.O. Box 4368
Baton Rouge, LA 70821

February 2009

Information Sheet #9



State and governmental employees and agencies are often offered donations from nonpublic sources. These donations range from money and trips to buildings and services. The following information addresses how the Code of Ethics affects the receipt of donations by state agencies and public servants. Generally, Sections 1111 and 1115 govern the receipt of a donation by a public servant or his agency. Section 1123(41) provides an exception for the payment of travel expenses in some instances. There are specific exceptions which apply to legislators, legislative staff and employees of higher education institutions which are not addressed here.

Code of Ethics §1111A

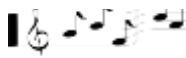
- **No PUBLIC SERVANT shall receive anything of economic value**, other than the compensation and benefits to which he is entitled from his governmental employer, **for the performance of the duties and responsibilities of his office or position.**
- **Who is a “public servant?”** A public employee or an elected official.
- **What is a “thing of economic value?”** A thing of economic value is money or any other thing having economic value. The exceptions to the definition of “thing of economic value” include:
 - Promotional items having no substantial resale value such as calendars, pens, hats and T-shirts which bear a company’s name or logo;
 - Food and drink consumed while the personal guest of the giver. In order for this second exception to apply, the giver or a representative of the giver must be present when the food and drink are consumed;
 - Reasonable transportation and entertainment which are incidental to the food and drink are also allowed.
 - Tickets to a civic, nonprofit, educational or political event, but only where the public servant is a program honoree, a panel member, or giving a speech at the event. (Tickets to collegiate, semiprofessional and professional sporting events do

not fall within this exception.)

Code of Ethics §1111C(1)(a)

- **No PUBLIC SERVANT shall receive anything of economic value for any service, the subject matter of which is substantially devoted to the responsibilities, programs or operations of the agency of the public servant and in which the public servant has participated.**
 - **What is an “agency?”** A department, division, agency, commission, board, committee or other organizational unit of a governmental entity.

Example #1: A parish high school band booster club wishes to donate to the parish school board for the purpose of providing a salary supplement to the band director. May they do so under the Ethics Code?



Answer: The booster club may not make such a donation for the specific purpose of supplementing the salary of the band director. It may donate to the agency and suggest what the donation be used for, but not mandate that purpose.

Code of Ethics §1115

- **No public employee shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person:**
 - (1) Has or is seeking to obtain a contractual, **business or financial relationship** with the public servant's agency, or
 - (2) Is seeking compensation, to **influence the passage or defeat of legislation** by the public servant's agency.
 - (3) Conducts operations or activities which are regulated **by the public** employee's agency.
 - (4) Has **substantial economic interests** which may be substantially affected by the performance or nonperformance of the public employee's official duty.

NOTE: Elected officials are only prohibited from soliciting or accepting a thing of economic value from persons who fall into categories (1) or (2).

Code of Ethics §1123(41)

- A public servant may accept admission and reasonable lodging and transportation to an educational or professional development seminar or conference that is designed to enhance the performance of the public servant's job duties.
- What are the requirements to accept the payment of travel expenses?
 - (1) The agency head of the public servant's agency must give approval.
 - (2) The sponsor must not be compensated to influence the passage or defeat of legislation by the public servant's agency (i.e., lobbying).
 - (3) The public servant is invited to attend the seminar/conference by the organization.
 - (4) The seminar/conference must be held within the U.S. or Canada.
 - (5) The public servant must file an affidavit with the Board of Ethics within **60 days** disclosing the sponsor and the amount expended on the public servant's behalf.

NOTE: These requirements are applicable when an **outside source** pays for the public servant's travel expenses. They do not apply when the public servant's agency is paying for the public servant's travel.



Example #2: You are an employee of a state medical center. A vendor of the medical center wishes to pay the costs for you and other employees to attend an educational seminar which is related to your job duties. May you accept these costs?

Answer:

Yes, provided that your agency head gives approval, that the vendor is not lobbying with your agency, and that the seminar is being held within the U.S. or Canada. You are required to file an affidavit with the Board of Ethics within 60 days disclosing the name of the vendor, the location of the seminar, and the amount the vendor paid for your admission, transportation and/or lodging costs.

When may an agency accept a donation?

According to opinions of the Board of Ethics, the Code of Governmental Ethics does not prohibit an agency from receiving and utilizing unrestricted donations made by nonprohibited sources of income. **Prohibited sources** of income are:

- Any person who has or is seeking to obtain a contractual, business or financial relationship with the public servant's agency; OR

- Any person who conducts operations or activities which are regulated by the public employee's agency; OR
- Any person who has a substantial economic interest which may be substantially affected by the performance or nonperformance of the public employee's official job duties.

Example #3: May a town accept the donation of a historical building from a town citizen?

Answer: Yes, because the donation is to the town and does not present a benefit to a public servant.

Note: Public servants, entities in which they have a controlling interest, and immediate family members may donate goods or services to the public servant's agency.

The board encourages public servants to seek advice from the board as to how the law applies to their own situations by writing for an advisory opinion. Advisory opinions are not issued as to past conduct but can provide crucial advice on how to avoid problems in the future. If you wish to obtain an advisory opinion, please send your request to the above address. In addition, our staff is available for informal advice at 225-219-5600 or toll free 1-800-842-6630.

The board has a website: www.ethics.state.la.us

This information sheet is only a summary of the provisions contained in §1111, §1113, §1115, and §1123(41) of the Code of Governmental Ethics. If interpretations of this information sheet conflict with the provisions of the Code, the Code will control.

Appendix B

STUDENT FEES, FINES AND CHARGES

The East Baton Rouge Parish School Board may impose certain student fees or charges to help offset costs associated with classes or class or school activities or enrollment. Students should not be denied access to any required instructional activity due to failure to pay a fee, fine, debt, or other outstanding obligation.

DEFINITIONS

Fees shall mean any monetary payment or supplies required as a condition of a student being enrolled in school or participating in any curricular or cocurricular activity. Fees shall not mean the cost of school meals and shall not include monetary payment or supplies required for extracurricular activities.

Curricular activities are those activities which are part of the instructional work that goes on in the classroom, in a laboratory, in a workshop, etc., relating to a course curriculum in which there is full involvement of the school instructional staff.

Cocurricular activities are those activities that are relevant and supportive, that are an integral part of the program of studies in which the student is enrolled and that are under the supervision and/or coordination of the school instructional staff.

Extracurricular activities are those activities which are not directly related to the program of studies, which are under the supervision and/or coordination of the school instructional staff and which are considered valuable for the overall development of the student.

SCHEDULE OF FEES

The *Schedule of Fees* for all schools within the East Baton Rouge Parish School System is found in Appendix A to this policy. A school shall not charge or assess a fee unless the fee has been set and included in said *Schedule of Fees*. This policy, including the *Schedule of Fees* (Appendix A), shall be reviewed and revised as necessary.

ECONOMIC HARDSHIP FEE WAIVER/REDUCTION

A student or his/her parent or legal guardian may request and receive a waiver or reduction of payment of a fee due to economic hardship. Requests for waivers of fees due to economic hardship shall be considered based on objective criteria which may include, but are not limited to, the following:

1. A student is in foster care or a student's family is caring for children in foster care.
2. Students are homeless, as defined by law.
3. The student is an emancipated minor.

Waiver Application Procedure

A written request for a waiver of fees shall be submitted to the school principal or his/her designee for consideration. The basis for the requested waiver should be stated and proof of eligibility shall be included with the fee waiver request. A written decision on the waiver request shall be rendered by the school principal or his/her designee within five (5) school days of the date of receipt of the request. Should the initial request for a waiver be denied by the school principal or his/her designee, a written appeal may be made to the superintendent or his/her designee, who shall respond to the appeal in writing within five (5) school days of the receipt of the appeal.

A waiver may be granted in full or denied, or a fee reduction may be granted in lieu of a full fee waiver.

All records associated with a fee waiver request due to economic hardship shall not constitute a *public record* but may be audited to ensure compliance with School Board policy. A student's *personally identifiable information* associated with such a waiver request shall not be made public. This waiver shall have the approval of the principal, executive director and the chief of schools before being granted.

SCHOOL SUPPLIES

The superintendent shall establish administrative guidelines/procedures regarding school supplies requests. No monetary **fees** for school supplies shall be assessed unless included in the *Schedule of Fees* (Appendix A).

DAMAGE TO TEXTBOOKS/INSTRUCTIONAL MATERIALS

The School Board may require parents and/or legal guardians to compensate the school district for lost, destroyed, or unnecessarily damaged books and materials, and for any books which are not returned to the proper schools at the end of each school year or upon withdrawal of their dependent child. Under no circumstances may a student at school age be held financially responsible for fees associated with textbook replacement.

Compensation by parents or guardians may be in the form of monetary fees or community/school service activities, as determined by the School Board. In the case of monetary fees, fines shall be limited to no more than the replacement cost of the textbook or material, but may, at the discretion of the School Board, be adjusted according to the physical condition of the lost or destroyed textbook. A school system may waive or reduce the payment required if the student is from a family of low income and may provide for a method of payment other than lump-sum payment.

In lieu of monetary payments, both school systems and parents/guardians may elect to have students perform school/community service activities, provided that such are arranged so as not to conflict with school instructional time, are properly supervised by school staff and are suitable to the age of the child.

Under no circumstances may a school or school district refuse the parent/guardian the right to inspect relevant grades or records pertaining to the child nor may the school or school district refuse to promptly transfer the records of any child withdrawing or transferring from the school, per requirements of the [*Federal Family Educational Rights and Privacy Act*](#).

Under no circumstances may a school or school district deny a student promotional opportunity as a result of failure to compensate the school district for lost or damaged textbooks or other unpaid fees or charges. Students shall not be denied continual enrollment each grading period nor re-entry in succeeding school years as a result of lost or damaged books or other unpaid fees or charges.

Students shall not be denied the use of a textbook during school hours each day. The school system shall annually inform parents and/or legal guardians of the locally adopted procedures pursuant to state law and regulation regarding reasonable and proper control of textbooks.

APPENDIX C

SCHOOL ACTIVITIES FUNDS MANAGEMENT

School activity funds are those funds raised or collected for school-approved student groups, gate receipts, and student activity card fees. The East Baton Rouge Parish School Board shall require all student activity funds to be collected and expended for the purpose of supporting the school's extracurricular activities program. Student body representation should be encouraged whenever possible.

The principal of each school shall be responsible for all school/student accounts. The principal may assign one or more school staff members to share the responsibility for assuring that the system of accounting for school monies and maintenance of records are in accordance with pertinent district administrative regulations and procedures. The principal, however, shall have the ultimate responsibility for supervising the accounting functions to be performed at the building level.

BOOSTER CLUBS/OUTSIDE ORGANIZATIONS

Funds generated by an entity outside the school, such as a parent club, community, business, civic or other similar type of organization shall be considered to be independent funds under the exclusive control and supervision of the club or organization. The School Board, however, shall require all such funds, when expended for any school function, activity, or purpose, to adhere fully to all state and federal statutory and regulatory provisions.

In addition, the School Board may place restrictions on the donation and usage of any monies by an outside source, i.e., club, organization, or entity, to a school or School Board-related entity. Specifically prohibited shall be the donation to an individual employee of the School Board anything of economic value in the form of money, personalized articles, automobiles and/or their use, travel, entertainment or vacations. The School Board reserves the right to examine the provisions of any and all prospective donations to a school or School Board-related entity to ascertain the propriety of the donation.

Ref: La. Rev. Stat. Ann. §§[17:81](#), [17:414.3](#), [51:224](#)

[Louisiana Handbook for School Administrators, Bulletin 741](#),

Louisiana

Department of Education

Board minutes, [10-7-15](#)

Appendix D

School accounts EPES Procedures Daily Activities

Schools must send all School accounts forms and reports to the School Accounts Auditing office.

School accounts Website

www.EBRPSSonline.com – intranet – Business Services – School accounts and Internal Auditing

To print the chart of accounts...

Reports – Accounting – Chart of Accounts – List of Accounts Only– Preview

To add/change/delete accounts to the chart of accounts (COA)...

Obtain SAF #7 from School accounts website, complete, forward to School accounts –

Accounting – Accounts – Activity Accounts

To delete...list – select activity account to be deleted – click

“del” To add...click “add” – input activity account information

To change...list – select activity account to be changed – click “edit”

Verifying School Deposit Receipts (SDR)...

Verify the SDR is dated

Verify the account name and number on the SDR matches the account name and number on the

COA Verify the explanation of deposit is identified

Verify the individual listing and the total of cash and checks to the totals listed at the bottom of the SDR match

Verify the total amount of cash and checks received (If the deposit contains a check – stamp it with the “For Deposit Only” bank stamp)

Verify the depositor/sponsor signed the SDR

Verify the depositor/sponsor issued receipts are attached to the SDR

Sign/initial the secretary/bookkeeper line. Date stamp the SDR with the date that it is received by the secretary

Inputting School Deposit Receipts into EPES...

Accounting – Accounting – Receipts – Add

Write the system generated receipt number on the SDR.

Ensure the date is the date the money was collected. (The date on the SDR)

Tab to “Received From” – type “dep”

When the box pops up, you will select the vendor code

“Add Line Item” - Select Activity Account (listed on the SDR) – Input total amount of deposit –

Include a note to support the deposit (“see attached” is not allowed)

Separate the SDR and staple the teacher/sponsor issued receipts to the white copy. The yellow copy of SDR's are returned to the teacher/sponsor. Place the yellow copy in the teacher bag and return to the teacher.

Click “save” if you are done. Click “save-add another” to add more receipts.

Once all deposits have been entered, add up all of the school deposit receipts.

To post deposits into EPES...

Accounting – Accounting – Transfers and Deposits – Deposits

Deposit Date – Date that bank deposit is being prepared

Deposit Amount – Total amount of all SDR's included in that bank deposit

Description – SDR XX-XX (list the SDR numbers that are included in that bank deposit) Click Post Deposit

To print a sequential list of receipts...

Reports – Accounting – Sequential List – List of Receipts – By Receipt #

Fields – Recpt No

Operators – Between

Compare to – List beginning receipt number, last receipt number (no spaces) Add Condition

Preview

The total amount of all school deposit receipts entered must match the total amount of the receipts listed on the sequential list print out.

Once verified, add up all of the cash and checks that were received. The total amount of cash and checks must match the total on the sequential list.

Complete the bank deposit slip for the total amount of the deposit. Accounting – Accounting – Transfer and Deposits – Deposits

Verify the deposit amount listed is the amount of the deposit.

Description – List the SDR numbers that are part of the deposit (Ex. SDR 442-457) Click Post Deposit

Click Close

To issue a check-Enter the check payee information...

Accounting – Accounting – Accounts Payable – Add

Vendor ID (this is for anyone who is being paid-employees and nonemployees)- begin to type in the first three letters of the payee. If the vendor does not pop up, you will need to click the paper with the check mark to add the vendor. Input the vendor information, then click "save".

Click "Add Line Item" Input the account number, the amount, the invoice number (if applicable), the note ("see attached" is not allowed), and if the vendor is providing a service select the 1099 box.

Click save.

To print a check...

Reports – Accounting -Print Checks – Verify that the next check number in the system is the next check number to be printed.

Click "print and post".

Once the check has printed, complete the check posting information section at the bottom of the request for withdrawal. You will separate the copies of the RFW. The white copy along with the invoice/receipt will be maintained in the secretary/bookkeeper files. Attach a stub to the white copy of the RFW. The yellow copy will be returned to the teacher/sponsor.

To void a check

Accounting – Accounting - Checks Paid - List

Locate the check number and click on it.

On the left side of the screen at the bottom, locate and click on “Void this check”.

When the pop-up box comes up, input a void reason and click continue.

The check will then be voided and you can proceed to reissue it.

Write void on the face of the check. Cut out and discard the signature line.

File with all other voided checks in numerical order with all other checks or separately in a voided check file.

To enter a journal adjustment

Journal adjustments are processed for corrections/errors that appear on your bank statement.

This could be for an NSF check, a check order fee, a deposit error, or a deposit correction.

Accounting – Accounting – Journal Adjustments – Add

Enter the date of the adjustment

Select Type “I” if the adjustment is income

Select Type “E” if the adjustment is an expense
Select Add Line Item

Enter the activity account, the amount of the adjustment, and a note for the reason for the adjustment *(In the event of an NSF check, you can charge the activity account if you know which account the check belonged to. If not, you can charge general account.)*

To complete an activity account transfer (transferring from one activity account to another)

Complete SAF #2 – Request for Withdrawal (account names and numbers, signatures, description, and supporting documentation for the amount of the transfer)

Accounting – Accounting – Transfers & Deposits – Transfer Activity

Click “add” – Make sure the next transfer number is the next transfer to input. “From Activity Account” is the account where the money is coming out of.

“To Activity Account” is the account where the money is being transferred to.

Allowable expenditures:***From class fee accounts**

Items that are **(1)** listed on the approved SAF 12 form, **(2)** listed on the parent letter that was sent out detailing the amount and usage, and **(3)** consumable. Consumable items are items that will be used during this school year to benefit the students that paid the fee.

***From club fee accounts**

Items that are **(1)** listed on the approved SAF 12 form, **(2)** listed on the parent letter that was sent out detailing the amount and usage, and **(3)** reasonable based on the type of club.

***From athletic fee accounts**

Items that are **(1)** listed on the approved SAF 12 form, **(2)** listed on the parent letter that was sent out detailing the amount and usage, and **(3)** reasonable based on the type of athletic sport.

***From field trip accounts**

Items that are **(1)** listed on the permission slip and **(2)** only items related to the field trip that the funds were collected for.

Fundraisers:

Sponsors must complete SAF #6 fundraiser approval form PRIOR to conducting any fundraisers. The secretary must complete and submit SAF #7 to add the fundraiser account (800 or 900 categories per the standard chart of accounts). Once the fundraiser account number has been entered, the SAF #6 will need to be submitted to the principal for his approval and then submitted to school accounts for our approval. Once you receive the form back, the sponsor can then begin the fundraiser. If the sponsor does not obtain prior approval, it will be an audit finding.

All fundraiser income and expenses must be processed in the fundraiser account. Once the fundraiser has been reconciled using one of the reconciliation forms, the sponsor will need to complete a request for withdrawal to transfer the profit out of the fundraiser account and into the profit account as listed on the fundraiser approval form. Receipts must be issued!

Fundraiser Procedures:

- *SAF #6- sponsor gets with secretary to complete and obtain an account number.
- *Sponsor/secretary gives completed form to principal for their approval.
- *Sponsor/secretary will send to Child Nutrition for their approval (if the fundraiser involves food during the school day).
- *Secretary will send completed form to School accounts for their approval (please allow up to 2 weeks to receive this form back).
- *School accounts will send approved/denied form back to the school's secretary. If denied, make corrections and send back. If approved, proceed with fundraiser.
- *Sponsor will conduct fundraiser and maintain all documentation.
- *Sponsor will use SAF #6A, #6B, or #6C (depending on the type of fundraiser) to reconcile within 30 of the fundraisers ending.
- *Secretary will review and sign reconciliation form and the checklist.
- *Principal will review and sign reconciliation form and the checklist.
- *Maintain all fundraiser files at school for audit purposes.

Inventory Fundraisers (6A Reconciliation Form)

- | | | | |
|----------------|--------------|------------------|----------------|
| *Apparel Sales | *Concessions | *Ad Sales | *Yearbook |
| *Sponsorships | *Candy Sales | *Dues (PTO/Prom) | *Program Sales |

For inventory sales-if applicable, maintain all order forms

Catalog Fundraisers (6B Reconciliation Form)

For catalog sales-maintain all order forms

Issue 1 receipt per student for the total amount that they collected

Book Fair fundraisers (6C Reconciliation Form)**Ticket Fundraisers (SAF #3 Ticket Sales Report Gate and SAF #5 Ticket Control Log)**

All tickets and logs should be maintained by the
secretary

- | | | |
|------------------|----------|---|
| *Dance Admission | *Raffles | *Food Sales using tickets (maintain all order forms also) |
|------------------|----------|---|

Appendix E

EPES and OSP Adjustment- monthly journal adjustments:

Log in to EPES <http://www.osp.com> (School accounts provided each school secretary with a log in. If a message is received.

Under Admin Tools

Click "Reports"

Click "Payments"

Click "G/L Transaction Report"

Enter the start and end date of the month that is being

reconciled Click "View Report"

The report will open in another browser tab.

Scroll to the bottom and compare the report total to the total of MSB deposits on the monthly bank statement.

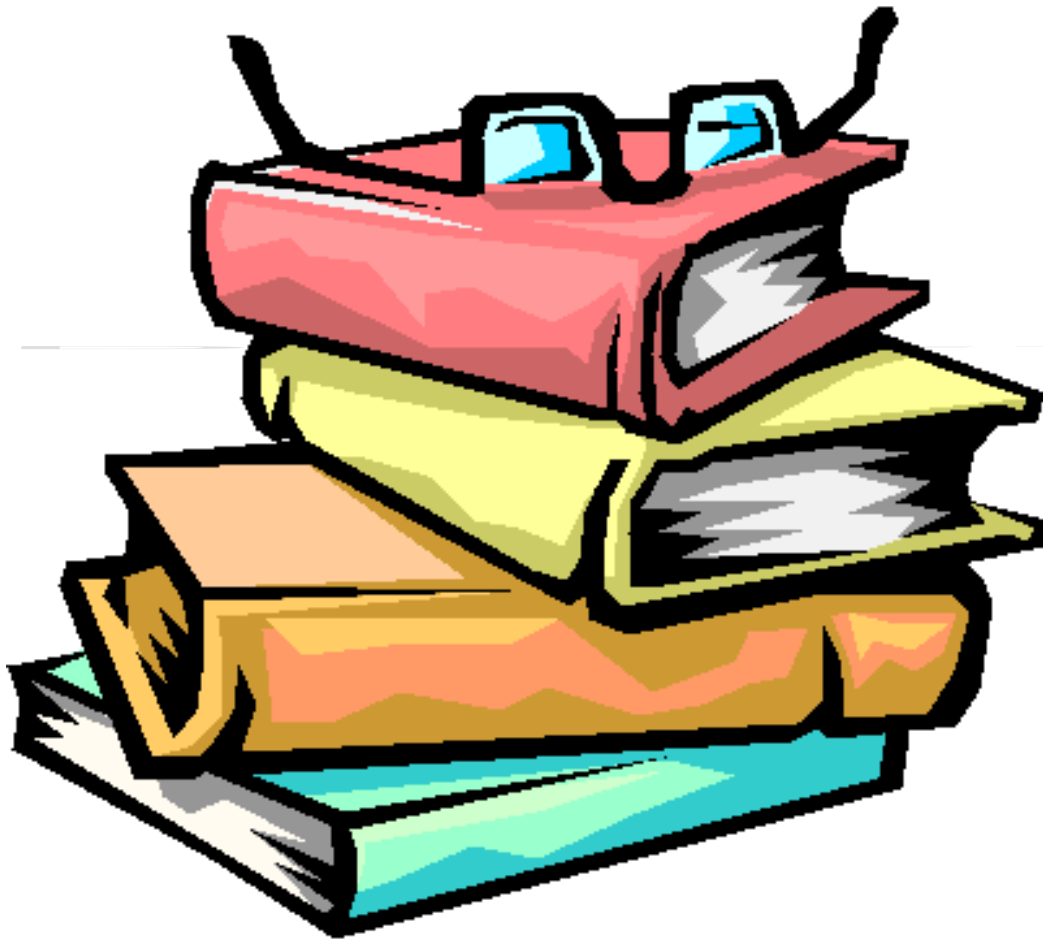
If the totals do not match, the discrepancy needs to be located.

1. Review the dates of the transactions on the statement and reconcile each with the transactions for the month.
2. OSP deposits are entered twice a month between the 15th and the 30th.
3. Login to OSP and download the transaction report to apply funds to the correct activity fund account.
4. Ensure you make all OSP adjustments before balancing in EPES.
5. Once the totals match, print the report and enter journal adjustments into EPES. You will make ONE adjustment and add multiple line items until all g/l accounts and amounts have been entered. On the report, you will see that each g/l account number has a total. Use the total of each g/l account to enter each line item in the journal adjustment.

Appendix F

East Baton Rouge Parish School System
E.P.E.S. Software

Month End Procedures



Monthly Report Reconciliation

Approval/Checklist **SAF Form #10**

Secretary/bookkeeper initial SAF #10 as completed. Obtain principal initials upon completion with all printed reports.

Step 1: Bank Statement – Obtain the principal and secretary/bookkeeper signature.

- Cancel checks that have cleared on your bank statement in EPES.

Accounting – Accounting - Cancel Checks

- Enter Cancellation date – XX/XX/XXXX (enter last day for the month that was reconciled)

- Refer to bank statement and check the cancel box for all checks that have cleared the bank.

- Confirm total – The total of canceled checks should match the total of debits on the bank statement.

- Check images – Verify signature on all cleared checks. (For any unsigned checks, the principal needs to sign on the bank statement in blue ink and date it.)

Step 2: Sequential List of GL transfers (do not submit this report with SAF #10)

- Reports – Accounting - Sequential List - List of GL Transfers

- Fields – Date

- Operators – Month is

- Compare to – X (Enter the digit for the month that you are reviewing- 1=January, 2=February, 3=March, etc.)

- Add Condition

Preview- Confirm that the deposit total matches the total of credits on the bank statement. (If there are any Online School Payment ACH deposits, this total will not match.) Deposits not appearing on the bank statement are outstanding. Calculate total of outstanding deposits for the bank reconciliation report.

****If the bank statement has deposits from the previous month that posted at the bank in the current month, subtract out that total which should match current month deposit total.**

Step 3: Enter Journal Adjustments

(This is for any service charges, interest, NSF's, bank corrections, etc.)

- Accounting – Accounting - Journal Adjustments
- Add.
- Adj No. – This number is system generated.
- Date – Use the date the adjustment occurred on the bank statement or use the month end date.
- Type – select I or E - based on the adjustment (I=income E=expense)
- Add line item.
- Acct. – Enter account number for adjustment.
- Amount – Enter amount listed on the bank statement.
- Notes – Enter a reason for the adjustment.
- SAVE

Step 4: Run Bank Reconciliation Report

- Reports – Accounting - Bank Reconciliation
- Statement Date Range – enter first day and last day of the month being reconciled.
- Ending Balance from Bank Statement – See bank statement for balance.
- Total Deposits not on Bank Statement – If applicable, this is the amount of deposits that are outstanding and will appear on the next month's bank statement.
- Preview – Ensure cash on hand is \$0 and report is in balance. If "Warning, OUT OF BALANCE" message is received, click OK. (Research to locate and correct errors. **DO NOT** proceed until reconciliation is in balance. **DO NOT force balance.**) **Force balancing is prohibited and can result in disciplinary actions.**
- Print – Obtain the principal and secretary/bookkeeper signature.

*Once reconciliation is in balance, proceed with printing reports that will accompany the SAF #10.

General Ledger Report

- Reports – Accounting – Activity Ledger
 - Period Begin XX/XX/XXXX (enter first day for the month that was reconciled)
 - Period End XX/XX/XXXX (enter last day for the month that was reconciled)
- Do not change from or to account range.
- Print – Obtain the principal and secretary/bookkeeper signature.

List of Outstanding Checks

- Reports – Accounting - Outstanding Checks
- Thru What Date - XX/XX/XXXX (enter last day for the month being reconciled)
- Print
- * Checks that have been outstanding for less than 6 months – no explanation needed
- * Checks that have been outstanding for more than 6 months but less than one year
 - mail a stale dated letter and put the date of the letter next to the check on the report (DO NOT send these letters with your monthly report.)
- * Checks that have been outstanding for more than 1 year – Follow Unclaimed Property guidelines and turn funds over to the Louisiana Department of the Treasury. Indicate on the outstanding check listing that funds are being remitted to the State.

Journal Adjustments

- Reports – Accounting - Journal Adjustments - By Account
- Fields – Adj Date
- Operators – Month is
- Compare to – X (Enter the digit for the month that you are reviewing- 1=January, 2=February, 3=March, etc.)
- Add Condition.
- Print.

Breakdown of Account 101 NSF (if account has balance)

- Reports – Accounting - Reconciliation
- Account Range - From 101 To 101
- Date Range XX/XX/XXXX (enter first day and last day for the month)
- Preview.
- * Submit a detailed account breakdown and justification to match the report balance.

Reconciliation Report by Sponsor (do not submit this report with SAF #10)

- Reports – Accounting - Reconciliation
- Date Range XX/XX/XXXX (enter first day and last day for the month)
- Report Options – check off boxes to print as needed
- * Sponsor must review, sign and return. If providing document electronically, an email reply will be sufficient for acknowledgement. Ensure all reports are returned timely.

1099 Reportable Expenses Review (do not submit this report with SAF #10)

Print the sequential list of checks for the month.

- Reports - Accounting - Sequential List – List of Checks – By Check Num
- Fields – Date
- Operators – Month Is
- Compare to – X (Enter the digit for the month that you are reviewing- 1=January, 2=February, 3=March, etc.)
- Add Condition
- Preview

Use this report to review issued checks. Look at each check to determine if the expense is 1099 reportable. If it is a reportable expense, does the 1099 column for that check indicate “Yes”? If it does not, edit the check to indicate that it is a 1099 reportable expense. Complete this process for all issued checks for the month.

*****Close Month*****

- Reports – Accounting – Activity Ledger
- Period Begin XX/XX/XXXX (enter first day for the month that was reconciled)
- Period End XX/XX/XXXX (enter last day for the month that was reconciled)

*****Click Close Month*****

Vendor List Review (do not submit this report with SAF #10)

- Reports – Accounting – Vendor List - Preview
 - Review Vendor List to ensure contact information is complete for each vendor (name, address, phone number, tax id number, etc.).
- Also, ensure that there are Form W-9s on file for all the vendors.

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

This image shows a full page of blank, lined paper. It features approximately 20 horizontal black lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings present.

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.