



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Unclaimed Property	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-100	April 2016	

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2 The Knox County Board of Education Fiscal Management Goals and Objectives Policy D-100 states that
3 the Board strives to develop efficient procedures in accordance with local, state, and federal guidelines for
4 accounting, reporting, purchasing, delivery and inventory, payroll, payment of vendors and contractors, and
5 all other areas of fiscal management. In conjunction with this policy, the Knox County Schools (KCS)
6 unclaimed property reporting process is designed to recognize, report, and remit all due unclaimed property
7 liabilities to the State of Tennessee. Per Tennessee Code Annotated (T.C.A.) § 66-29-113, every holder of
8 property belonging to another person, who has not claimed such property or who has not corresponded
9 during the statutory period, is required to file an annual report to the State Treasurer of Tennessee. Per
10 T.C.A. § 66-29-110, property that has remained unclaimed by the owner for more than one (1) year is
11 presumed abandoned, except property held for the owner by an institution or federal court in any pending
12 action.

13
14 Miscellaneous property held for another person shall include but shall not be limited to:

- 15 a. wages, commissions or other compensation,
- 16 b. deposits or payment for repair or purchase of goods and services,
- 17 c. credit checks or memo,
- 18 d. overpayments,
- 19 e. gift certificates (uncashed),
- 20 f. unidentified remittances,
- 21 g. refunds,
- 22 h. credit balances – accounts receivable,
- 23 i. discounts,
- 24 j. vendor checks,
- 25 k. claim payments,
- 26 l. unpaid accounts payable, and
- 27 m. miscellaneous outstanding checks

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29 As specified at T.C.A. § 66-29-114, the report of unclaimed property submitted to the State Treasurer of
30 Tennessee shall include:

- 31 a. The name, if known, and last known address, if any, of each person appearing from the records of
32 the holder to be the owner of any property of the value of fifty dollars (\$50.00) or more presumed
33 abandoned;
- 34 b. The nature and identifying number, if any or description of the property and the amount appearing
35 from the records to be due, except that items of value under fifty dollars (\$50.00) each may be
36 reported in the aggregate;
- 37 c. Except for property reported in the aggregate, the date when the property became payable,
38 demandable, or returnable, and the date of the last transaction with the owner with respect to the
39 property; and
- 40 d. Other information which the treasurer prescribes by rule as necessary for the administration of this
41 part.
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2 The report shall be filed electronically before May 1 of each year, reporting property held as of the previous
3 December 31. The treasurer may postpone the reporting date upon written request by any person required
4 to file a report.
5

6 Not more than one hundred twenty (120) days or less than sixty (60) days before filing the report required
7 by this section, KCS shall send written notice to the apparent owner of unclaimed property at such person's
8 last known address, informing such person that KCS is in possession of property subject to T.C.A. § 66-29-
9 114. KCS shall exercise due diligence to ascertain the whereabouts of the owner. If the apparent owner
10 comes forward claiming the property after the due diligence letter is sent, but before the report is submitted,
11 KCS shall require identification or other supporting documentation to justify refunding monies to the
12 claimant.
13

14 T.C.A. § 66-29-116 states that upon the payment or delivery of abandoned property to the State Treasurer
15 of Tennessee, the state shall assume custody of the property and shall be responsible for its safekeeping.
16 KCS is relieved of all liability to the extent of the value of the property so paid or delivered and for any
17 claim which then exists or which thereafter may arise or be made in respect to the property. KCS may make
18 payment to any person appearing to KCS to be entitled thereto, and upon proof of such payment and proof
19 that the payee was entitled thereto, the State Treasurer of Tennessee shall forthwith reimburse KCS for the
20 payment.
21

22 The KCS Accounting Supervisor shall maintain a listing of all unclaimed properties (and associated
23 supporting documentation) submitted to the state for a minimum of 3 years from the time the associated
24 unclaimed property report is filed with the State of Tennessee.
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Administrative Procedure

Category:	Procedure:	
Fiscal Management	State and Federal Aid Eligibility Determination	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-120	June 1997	August 2001

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Any State and Federal funds (whether received directly or passed through the state) received will be financially managed by the school system's Finance Department because of State and Federal reporting requirements. Other grants or sources of funding, if received by an individual school, can be accounted for in the internal school funds under the guidelines as contained in the *Internal School Uniform Accounting Policy Manual*.

Applications for any funding requiring a local match, whether cash or in-kind, or involving payroll have to be coordinated with, and reviewed by, the Finance Department. Additionally, the proposed budget for any grant not being accounted for in the internal school funds has to be reviewed by the Finance Department before submission of the application. This review will include calculation of the indirect costs to be charged to the grant for administrative services to be provided. All grants, because of their contractual nature, must also be approved by the Knox County Board of Education.

The continuation of any program, including personnel, funded by a grant is contingent upon continued receipt of the associated grant.

Questions should be directed to the Finance Department at 865-594-1679.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Gifts and Bequests	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-130	June 1997	February 1999

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Gifts other than cash, whether to an individual school or to the school system, should be referred, in writing, to the Superintendent for consideration of appropriateness or usefulness. If the Superintendent (or designee) has doubts concerning the appropriateness or usefulness of an offered gift, the gift may be declined or referred to the Board of Education (the Board) for disposition. The written referral to the Superintendent should be from the involved principal or system representative, or from the individual(s) or organization wanting to make the gift.

If the gift is a contribution of equipment, supplies, or services that may involve major costs for installation, maintenance, warehousing, or continuing financial commitments from school or system funds, it shall be presented by the Superintendent to the Board for consideration and approval.

Questions should be directed to the Finance Department at 594-1676.

Category:	Procedure:	
Fiscal Management	Receipt of Funds at School Level	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-140	June 1997	August 2001

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2 All monies received within an individual school are subject to the operating procedures as specified in the Tennessee
3 Internal School Uniform Accounting Policy Manual. As stated in the Manual, the school becomes accountable when
4 these funds are initially received by employees.

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6 A copy of the Manual is on file in the principal's office at each school and in the school system's Finance Department.
7 The Finance Department coordinates compliance with the Manual, providing support and training to the principal and
8 bookkeeper at each school.

9
10 Any money collected by any school shall be documented. Teachers, teacher assistants, or other individuals designated by
11 the principal may collect monies from pupils within the classroom. Teachers are furnished logs and a pre-numbered
12 receipt book by the principal to use in recording collections for each activity, e.g. class rings, school pictures,
13 annuals, etc. Receipts should be given for amounts received when requested by the parent or payor.

14
15 The amounts are totaled and given to the bookkeeper at least daily. The bookkeeper shall issue a receipt for amounts
16 received. If money is taken from a vending machine, the receipt shall be issued to the person who counted the money.

17
18 At the end of the school year, the teacher's logs, receipt books, and Teacher Deposit of Funds forms should be reconciled
19 and submitted to the principal (or designee) prior to principal check-out and the external financial audit.

20 **BOARD ALLOCATIONS**

21 Board allocations may include, but are not limited to, Basic, General, Special Education, Kindergarten, Math, Science,
22 and Social Studies.

23
24 **FINES**

25
26 All money collected as fines shall be placed in the general purpose school fund or internal school funds, as appropriate.

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28 **SUPPORT ORGANIZATIONS**

29
30 Although support organizations do not fall under the principal's jurisdiction it is strongly encouraged that he/she request
31 a reporting of sources and uses of funds on at least an annual basis. Examples of support organizations include, but are
32 not limited to, parent-teacher associations/organizations, band booster clubs and athletic support organizations.

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34 Questions should be directed to Knox County Schools Finance Department at 594-1676.
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Administrative Procedure

Category:	Procedure:	
Fiscal Management	Investment of Funds at School Level	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-141	June 1997	August 2001

1
2 Investment of monies received within an individual school is subject to the procedures as specified in the
3 Tennessee Internal School Uniform Accounting Policy Manual. A copy of the Manual is on file in the
4 principal's office at each school and in the school system's Finance Department.
5
6 Only one combined checking account for the General and any Restricted Funds shall be established.
7 Savings and/or investment accounts may be opened as needed by the principal and approved by the
8 Superintendent or his designee.
9
10 Interest earned on general fund accounts shall be credited to general fund revenue. Interest earned on
11 restricted fund accounts shall be credited to revenue in each restricted account.
12
13 Accounts shall be established only with insured depositories, and accounts cannot exceed the insured
14 amount unless the depository pledges collateral for any funds or deposit over the insured amount. If
15 account balances do exceed the insured amount, a letter of collateralization for the depository must be on
16 file with the principal.
17
18 School food service funds shall be kept separate from other school funds and interest earned on food
19 service fund deposits shall be credited to food service revenue.
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21 Questions should be directed to the Finance Department at 594-1676.
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Administrative Procedure

Category:	Procedure:	
Fiscal Management	Deposit of Funds	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-150-1	June 1997	February 1999

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All monies received for deposit by the Knox County Board of Education (the Board), whether by the internal school funds or all other Board funds, are to be deposited within three (3) banking days after receipt.

In the case of the internal school funds, all monies received within an individual school are subject to the operating procedures as specified in the Tennessee Internal School Financial Management Manual (the Manual). A copy of the Manual is on file in the principal's office at each school and in the school system's Finance Department. The Finance Department coordinates compliance with the Manual, providing support and training to the principal and bookkeeper at each school. Monies collected must be deposited with the principal (or designee) at least once per day by the teacher using the Knox County Schools Teacher Deposit of Funds (Form BO-125). The teacher should be issued a pre-numbered receipt for all monies deposited. All monies received by the principal (or designee) must be deposited within three (3) banking days after receipt. The pre-numbered receipts should be totaled and reconciled to each deposit slip.

Monies received for deposit to funds other than the internal school funds should be forwarded to the Finance Department in a timely manner to allow compliance with State law, which requires deposit with the Knox County Trustee within three (3) banking days.

Questions should be directed to the Finance Department at 594-1676.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Returned Checks	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-150-2	August 2001	

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Checks returned to the school bookkeeper will be collected by the school bookkeeper. If the school ascertains that it cannot recover the funds, it may be forwarded to the KCS Finance Department for assistance in collection of the funds. School checks that are not made good will be returned to the school for their audit records. All Food Service returned checks will be forwarded to the Finance Department for collection. There will be a returned check fee of \$15.00 per check.

After checks are received by the Finance Department, a letter will be written and mailed to the individual who issued the check. A letter will be issued by the Finance Department instructing the individual on the procedure for retrieving the check. The check must be replaced either with cash or a money order, including the bad check charge of \$15.00. This payment must be brought or mailed to the Finance Department, 16th floor, AJ Building.

If the check is not made good within ten (10) business days, the grades, grade cards, diplomas and/or transcripts may be held. Until the check is made good, the bookkeeper and the cafeteria manager will be notified not to accept checks from that individual. Once the check has been made good, the hold will be released. If payment is not received, another letter will be sent (return receipt requested) to inform the individual that the (appropriate) school has been notified and all grades, records, diploma and/or transcripts will be held until the returned check has been paid.

The Finance Department will notify both the individual issuing the check and the school in writing. The school will then be asked to acknowledge this request.

Once the returned check has been made good, the Finance Department will notify the school in writing to release the hold on the grades, grade cards, diploma and/or transcripts. The school will be asked to acknowledge the release of all records.

At the end of the fiscal year, any checks not made good from the Food Service account must be taken from the General Purpose School Funds. Food Service cannot suffer a loss from returned checks.

Questions should be directed to the Finance Department at 594-1676.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Accounting System	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-170	June 1997	August 2001

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Accounting systems related to the internal school funds will be maintained in accordance with the Internal School Uniform Accounting Policy Manual (the Manual). A copy of the Manual is on file in the principal's office at each school and in the school system's Finance Department. The Finance Department coordinates compliance with the Manual, providing support and training to the principal and bookkeeper at each school. The accounting system for each school will be maintained on the bookkeeping system available through the Student Information System.

The accounting system for other funds of the school system is monitored by the Finance Department on behalf of the Superintendent in accordance with all regulations prescribed by the Commissioner of Education, the Charter of Knox County, and other applicable local, state, and Federal guidelines.

Questions should be directed to the Finance Department at 594-1676.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Financial Reports	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-171	August 2001	

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The Superintendent (or designee) shall maintain all financial records as required by regulations and applicable state and federal law. The Board, from time to time, may determine to extend the retention time for certain records. Financial records shall be destroyed in a manner to insure complete destruction, such as incineration or shredding.

Each principal shall submit to the Superintendent (or designee) at the end of each calendar month on a prescribed form the receipts, expenditures and cash balances of all accounts under his/her jurisdiction. These reports shall be made available to the Board at its request.

Each principal shall submit a budget to the Superintendent (or designee) for their respective school showing anticipated revenues and expenditures. In formulating the budget, principals should request information from athletic directors, department chairpersons, club and class sponsors, grade level chairpersons, etc.

Budget should be submitted prior to October 1 each year.

Questions should be directed to the Finance Department at 594-1676.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Audits	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-172	June 1997	August 2001

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2 As required by the Knox County Charter and the Internal School Uniform Accounting Policy Manual, an
3 annual audit of all fiscal accounts of the school system, including all internal school funds, shall be
4 performed by a Certified Public Accountant. Engagement of the auditor for the internal school funds and
5 the central cafeteria fund is done exclusively by the Knox County Board of Education (the Board).
6 Engagement of the auditor for other accounts of the school system, a component unit of Knox County
7 Government, is done by the Knox County Commission.
8
9 Audit work relating to the internal school funds and the central cafeteria fund will be scheduled with the
10 auditor as quickly as possible after the end of the school year to facilitate employee contract ending dates.
11 If a bookkeeper is required to be present after his/her contract has ended, compensatory time will be
12 earned.
13
14 Audit work relating to funds other than the internal school and the central cafeteria funds will be
15 scheduled cooperatively by the auditor, the Knox County Finance Department, and the school system's
16 Finance Department.
17
18 At the Board's discretion, changes in personnel with fiscal responsibilities during the year can require an
19 interim special audit to be conducted. The parameters of such a special audit will be the determination of
20 the Board. If a principal or bookkeeper is terminated, no further internal school financial transactions can
21 be conducted until a replacement has been assigned by the Superintendent.
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23 Questions should be directed to the Finance Department at 594-1676.

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Administrative Procedure

Category:	Procedure:	
Fiscal Management	Petty Cash Accounts	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-180	June 1997	August 2001

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2 In order to facilitate refunds and minor purchases, the central office and the individual schools in the
3 system may maintain petty cash funds. Petty cash refunds should not exceed \$10.00 per purchase per
4 person. These funds shall be used for the payment of permissible and properly itemized bills for materials,
5 supplies, or services under conditions calling for immediate payments. Disbursements from petty cash
6 shall be made upon presentation of original receipt on which is written the name and address of person
7 being reimbursed in addition to the appropriate account number.
8
9 Reimbursement of the petty cash account shall be accomplished at the school level by issuing a check to
10 replenish the cash and posting the charges to the applicable expenditure accounts in accordance with the
11 Internal School Uniform Accounting Policy Manual. Reimbursement of a petty cash account, other than
12 those at the school level, shall be accomplished by submission of an expenditure listing with a Request for
13 Payment (Form BO-132) to the Finance Department.
14
15 A request for approval to establish a petty cash fund at the school level must be made in writing to the
16 Superintendent (or designee) each school year. After approval, a check may be issued to the principal
17 for an amount not to exceed \$100. The principal (or designee) shall be responsible for the petty cash fund.
18 At the end of each school year, the petty cash fund will be closed-out and monies re-deposited to the
19 school bank account. The petty cash fund may be replenished as necessary during the school year.
20
21 Expenditures against the petty cash fund shall be itemized and shall be charged to the appropriate budget
22 account. After a budget account is exhausted, no expenditures against the item shall be made from petty
23 cash.
24
25 Itemized expenditures from the individual school funds shall be maintained and kept on file at each
26 school. Expenditures made from the central office fund shall be itemized and kept on file in the
27 Superintendent's office.
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29 Questions should be directed to the Finance Department at 594-1676.
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Administrative Procedure

Category:	Procedure:	
Fiscal Management	Payroll	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-190	June 1997	August 2001

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2 In an average month no less than six payrolls are produced: some months this number increases to nine.
3 Deadlines must be adhered to or these payrolls to be available to employees at the scheduled time.
4
5 Changes in payroll cannot be accepted between June 6 and September 5 since the June, July and August
6 payrolls must be encumbered and printed in June.
7
8 Any information resulting in a change in an employee's payroll is due in the Payroll Office no later than the
9 end of the business day on the fifth (5th) of the month in which the change is to be effective. If the 5th of
10 the month falls on Saturday or Sunday, the deadline will be on the preceding Friday. If the 5th falls on a
11 holiday not on the weekend, the deadline will be on the last working day preceding the holiday. The deadline
12 for payroll is indicated in the Knox County Schools Calendar each month.
13
14 Monthly checks are available via direct deposit or US Mail. When an employee chooses US Mail as their
15 method of check delivery, ten (10) US Mail delivery days may elapse between the time a check is mailed
16 and the time a stop payment may be placed on a check not received. Once a stop payment has been issued
17 on a check, a minimum of twenty-four (24) hours is required before a duplicate check can be issued. This is
18 the time required for the bank to determine if the check has cleared. A duplicate check may be picked up in
19 the Payroll Department after 3:30 p.m., or the duplicate check may be mailed according to the employee's
20 instructions.
21
22 Forms related to the delivery of any employee's pay check are:
23 a. Form BO-141 - Authorization Agreement for Automatic Deposits (Credit)
24 b. Form BO-140 - Automatic Deposit Rejection
25 c. Form BO-136 - Cancellation Notification for Automatic Deposit
26
27 When changing from one financial institution to another for purposes of direct deposit, a cancellation term
28 must be completed on the current direct deposit before the new direct deposit can be implemented.
29
30 Employees wishing to authorize direct deposit through Knox County Teachers Credit Union or Knoxville
31 Teachers Credit Union do not complete the above forms. These employees contact the appropriate credit
32 union and complete the transactions according to their established procedures. The **Knox County Teachers**
33 **Credit Union** or the **Knoxville Teachers Credit Union** will inform the Payroll Office of your choice.
34 (Note: The **Tennessee Teachers Credit Union** has the same procedure as any other financial institutions.)
35
36 A stop payment begins with a call from the employee to the Payroll Office followed by a call from the Payroll
37 Office to the bank. If the bank determines that the check on which a stop payment has been issued has
38 cleared, the following procedures must be followed:
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- a. The employee in whose name the check was issued must file a report on the stolen check with the appropriate law enforcement agency. The Police (or Sheriff's) Department will assign a number to the report.
- b. The employee must go to First Tennessee Bank to obtain a form entitled "Affidavit - Check Forgeries/Alterations". This form is taken to the Payroll Office where this affidavit will be jointly completed.
- c. The Payroll Office will provide the employee with the original canceled check.
- d. The employee should return to First Tennessee Bank with the completed affidavit and the canceled check.
- e. A duplicate check will be provided to the employee by the Payroll Department by the following Tuesday or Friday, depending upon when the paperwork has been completed. (If this occurs at the end of the month when final reports are being produced, a slight delay ^{may} occur due to necessity of moving to the beginning of a new month before producing a check. At most this delay would be 3-5 days.) The bank will institute an investigation of the stolen check.

MANDATORY DEDUCTIONS

Mandatory deductions include federal income tax, social security, Medicare, retirement, any garnishments or wage assignments, overdrawn leave, and criminal background checks.

FEDERAL TAXES

Withholding (income) tax is determined by information provided by the employee on a W-4 form (available from the Payroll Office or the IRS) except for payment of Career Ladder Incentive (monthly) payments. Career Ladder Incentive payments (October through June) are considered bonus payroll and must be taxed at the bonus rate established by the IRS. Effective January 1, 2002 this rate will be 27%.

Changes may be made to Form W-4 information during any month between September and June by completing a new form. This change cannot be made verbally. As a point of information, the Form W-4 accommodates a request for a deduction of a fixed amount of withholding tax in addition to the calculated amount as well as percentage deduction. The Payroll Office cannot give income tax advice but can guide an employee in proper completion of Form W-4. Certainly, it is in an employee's best interest to be aware of their tax situation and whether or not the withholding they have requested reconciles with their situation.

If an employee claims ten (10) or more exemptions on their W-4 Form, that form must be sent to the Internal Revenue Service. Otherwise, W-4 forms are maintained on file in the Payroll Office.

If an employee claims "exempt" from taxes, a new W-4 form must be completed at the beginning of each calendar year.

A Form W-5 is available for employees who qualify for Earned Income Credit. This allows employees who qualify for this benefit to receive the Earned Income Credit throughout the year instead of a refund from the IRS after filing Federal Income Taxes (Form 1040). Employees eligible for Earned Income Credit must file a new Form W-5 in January of each year.

1 Social security and Medicare (commonly referred to as FICA) are deducted on all wages. The combined
2 amount represents 7.65% of your gross wages. As a point of information, the school system must match the
3 7.65% for each employee, combining for a total of 15.30%.

4 5 **RETIREMENT**

6
7 For most members of the Tennessee Consolidated Retirement System (TCRS) (certified classification only).
8 5% of gross wages is the mandatory deduction for retirement. This 5% is deducted before withholding tax
9 is deducted, sheltering the retirement deduction from withholding taxes. As a point of information, the
10 school system must pay a matching amount. The matching amount is determined by TCRS.

11
12 For members of the Knox County Asset Accumulation Plan (classified employees only), 6% of gross wages
13 is the mandatory deduction for retirement. The school system matches the mandatory 6% which the
14 employee contributes. Employees can place additional amounts in a 457 plan. If an employee has worked
15 five (5) years, the County will match an additional two (2%) percent. If the employee has worked ten (10)
16 years, the County will match four (4%) percent. If the employee has been employed for fifteen plus (15+)
17 years, the County will match six (6%) percent. Investments in individual funds may be changed on a daily
18 basis by use of a pin number and telephone number provided to you. If employee lose their pin number, they
19 should call 865/523-8353 to obtain a new pin number. If the investment is in blended funds, the employee
20 may change your investments by submitting the request by the employee of any month. Contact the Knox
21 County Retirement at 865/215-2323 for the forms.

22
23 Employees wishing to begin retirement proceedings should contact the Employee Benefits office at 865/594-
24 1100.

25
26 Questions regarding retirement deductions should be directed to the Payroll Office at 865/594-1693.

27 28 **CRIMINAL BACKGROUND CHECK**

29
30 Effective August 1997, all new employees (except timecard personnel) were required to be fingerprinted
31 prior to beginning employment. Effective January 1, 2000 this requirement includes all new personnel
32 including substitutes and timecard personnel. There is a \$48 charge for processing by FBI. For a monthly
33 employee a deduction of \$12 per pay period is taken until the \$48 has been paid. For a bi-weekly employee
34 a deduction of \$6 is taken until the \$48 has been paid. Iran employee resigns prior to having paid the entire
35 \$48. The remainder owed by that employee is deducted from his/her final paycheck.

36 37 **GARNISHMENTS**

38
39 When the Payroll Office receives a court-ordered garnishment, child support wage assignment, student loan
40 garnishment, or Internal Revenue Service levy, no option exists regarding the implementation of this
41 deduction. The only way a garnishment deduction can be removed prior to full deduction is when the
42 employee obtains a written release of the garnishment from the court or the established time limit expires.
43 Providing the written release to the Payroll Office is the responsibility of the employee. A lawyer for the
44 employee cannot call the Payroll Office or send a release unless that release has been obtained from the
45 appropriate court. The IRS must also release a levy in writing.

46
47 Upon receipt of an order of garnishment or an IRS levy, a notification will be sent to the employee by the
48 Payroll Office. Additionally, when an IRS levy is received, a form will be sent to the employee requesting
49 information on exemptions. If this information is not provided, we must use an established exemption
50

1 formula. Failure to complete and return any form sent to the employee with garnishment notification may
2 result in a larger amount of deduction for each payroll period.

3
4 A court may also issue an order for health or other types of insurance. Insurance deductions will be placed
5 on payroll unless a court release is received.

6 7 **OVERDRAWN LEAVE**

8
9 If an employee uses more leave days than available, the employee will be deducted for the number of days
10 of "overdrawn" leave multiplied by their daily rate of pay. This daily rate of pay is obtained by dividing the
11 amount of the contract by the number of days of the contract. As a point of information, the daily rate of pay
12 appears on the check stub near the top.

13
14 The Payroll Office cannot switch the type of leave reported when one type of leave is exhausted and there
15 is a balance in another type of leave. The only way the type of leave can be changed is if the school states
16 in writing that the school made a mistake in reporting and submits another computerized absence form,
17 across the top of which is written "**CORRECTED COPY.**"

18 19 **VOLUNTARY DEDUCTIONS**

20
21 **NOTE: Before a new deduction slot can be granted For payroll, the petitioning agency must present**
22 **applications of 250 employees requesting payroll deduction for this benefit.**

23 24 **DUES**

25
26 Membership dues to education associations (KCEA, TEA, NIEA) are deducted October through May if
27 requested by employee. All employees may request Cessation of deductions by making a written request to
28 the Payroll Office and providing a copy to the KCEA Office. Failure to notify the KCEA Office can result
29 in KCEA adding the name to the following month's deduction list. The request should be submitted no later
30 than the normal payroll deadline for which the deduction is to stop.

31 32 **INSURANCE**

33
34 Health, dental and life insurance deductions are available to employees who choose to participate in these
35 benefits. Employees are offered health, vision and dental coverage within thirty-one days of hire. Questions
36 regarding any insurance coverage should be directed to 865/594-1686 in the Employee Benefits Office. The
37 v Benefits Office is the appropriate place for submission of coverage applications or changes in coverage.
38 Payroll deduction for insurance coverage is handled in the Employee Benefits Office.

39
40 The Employee Benefits Office must be notified in order to ensure by either spouse if the employee is eligible
41 for a reduction in health insurance premiums because both the husband and wife (certified and/or classified)
42 are employees of the Knox County Schools System.

43
44 The Knox County Board of Education (the Board) provides partial payment of the cost of (health and dental
45 insurance for all employees. The Board also provides life coverage for employees at the rate of one and one-
46 half times annual wages with a minimum of \$20,000 and a maximum of \$50,000.

FLEXIBLE BENEFITS

A Cafeteria Plan (IRS Section 125 Plan), commonly referred to as Flexible Benefits Plan, is available to all employees. This plan is administered through the Employee Benefits Office. Information is available at 865/594-1100.

TAX SHELTERED ANNUITIES

Deductions are available for employee-sponsored Tax-Sheltered Annuity Plans (IRS Section 403(b) and 457 Plans). For a complete listing, contact 865/594-1100. A company not currently participating in payroll deduction through the Knox County Schools must present applications of 250 employees requesting payroll deduction through their company before that company will be added to the list of participants. The Knox County Board of Education nor the Superintendent, nor any administrative staff of the school system endorse any vendor or its products.

When an employee is interested in enrolling in or changing their Tax-Sheltered Annuity Plan (TSA), the employee should first contact the vendor with whom the employee is establishing/modifying a plan. After the company has been notified and all paperwork required by the vendor completed, the employee should obtain from Employee Benefits a Salary Reduction Authorization (Form BO-I21). This form should be completed and submitted to the Employee Benefits by the employee and/or the vendor no later than the normal payroll deadline for which the deduction/change is to take place. Changes on Tax-Sheltered Annuities cannot be made between June 5 and September 5.

The company is responsible for furnishing the employee with a status report on his/her account. If the employee contacts the company and is told that the deductions which have been removed from the employee's check are not being transmitted, the employee should ask the company to make contact with the Employee Benefits Department if the company has not received the check since these deduction checks are mailed to the companies immediately after payroll.

Questions regarding TSA deductions should be directed to the Employee Benefits Office at 865/594-1100.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Expenses and Reimbursements	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-200	June 1997	August 2001

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TRAVEL EXPENSE – IN-COUNTY

Mileage reimbursement for in-county travel shall be paid to employees after support documentation is presented according to the guidelines established in the Knox County Schools Travel Policy. The rate of reimbursement is established by Knox County Schools Travel Policy. Mileage reimbursement shall be allowed without the Superintendent's (or designee's) approval when travel is within Knox County. Examples of reimbursable travel includes travel to bank, hardware store, post office, central office, etc. Mileage reimbursement must be made within the current fiscal year.

TRAVEL EXPENSE – OUT-OF-COUNTY

Reimbursements for travel shall be paid using the guidelines established by Knox County Schools Travel Policy. Travel reimbursement at the school level shall be limited to the amount of funds sent to each school by Central Office for the general operation of the school. Student activity funds shall not be used for out-of-county travel expenses.

Questions should be directed to Knox County Schools Finance Department, 594-1676.

Category:	Procedure:	
Fiscal Management	Inventory and Asset Management	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-210	June 1997	July 2023

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PURPOSE

These guidelines are set forth to convey the Knox County Schools procedure for asset management. This document has been designed to ensure that the responsible parties understand the Tennessee State Statutes, Federal Acquisition Regulations, and the mandates of the Knox County Board of Education.

SCOPE

Federal Acquisition Regulation 52.245-1(f)(1)(iii)(A)(1) through (10): *Records of Government property*. Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

- (1) The name, part number and description, National Stock Number (if needed for additional item identification tracking and/or disposition), and other data elements as necessary and required in accordance with the terms and conditions of the contract.
- (2) Quantity received (or fabricated), issued, and balance-on-hand.
- (3) Unit acquisition cost.
- (4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).
- (5) Unit of measure.
- (6) Accountable contract number or equivalent code designation.
- (7) Location.
- (8) Disposition.
- (9) Posting reference and date of transaction.
- (10) Date placed in service (if required in accordance with the terms and conditions of the contract).

DEFINITIONS

Asset - is any item that:

- 1. May be removed from the building

2. Must be worth removing (effort/expense)
3. Would not be sold with the building
4. Durable or non-consumable
5. Has a historical acquisition cost of at least \$5,000.00 for items purchased with state or local funds (including internal school funds) or \$100.00 for items purchased with federal funds (i.e., IDEA, Title funding, Perkins funding, etc.)
6. All durable external technology hardware with a unit acquisition cost of at least \$100

Historical Cost – is the original purchase price or cost of an item. Purchase price (acquisition cost) may be estimated if it is unavailable. Donated assets are recorded at fair market value at the time of donation.

Property Manager – is the Knox County Schools employee designated by the Director of Schools who is responsible for compiling and updating a comprehensive accounting of Knox County Schools assets. Communications may be sent to AssetManager@knoxschools.org.

Property Custodian (or School Inventory Contact) - is any school principal or other person designated in writing by a principal or supervisor who is assigned the responsibility for maintaining Knox County Schools' assets. This includes district-level department Asset Managers.

PROPERTY ASSET MANAGER RESPONSIBILITIES

It is the responsibility of the Property Manager to maintain and oversee the Knox County Schools inventory and asset management program. The Property Manager shall:

- A. Develop and implement policy and procedure to ensure that the Knox County Schools is in compliance with all federal, state and local statutory and regulatory requirements for the accountability and disposal of property of the Board of Education.
- B. Maintain the consolidated Knox County Schools Inventory Ledger.
- C. Periodically conduct announced and unannounced inventories of ledgers maintained by the various Knox County Schools Property Custodians.
- D. Assign an unbiased party to conduct a 100% inventory of all property under a specific Property Custodian's control should that Property Custodian leave Knox County Schools before a joint 100% inventory can be completed with the new Property Custodian.

PROPERTY CUSTODIAN/SCHOOL INVENTORY CONTACT RESPONSIBILITIES

It is the responsibility of each school principal or department head to properly account for each asset. He or she may designate a Property Custodian that assumes the responsibility of maintaining the assets of the school or property. The Property Custodian shall conduct an annual inventory audit and maintain the proper logs/registry and tags as detailed below.

- 1 A. Maintains a master fixed asset inventory ledger that can be audited by the Property Manager upon
2 request.
3
- 4 B. Maintains asset acquisition, transfer, and disposition documentation.
5
- 6 C. Periodically audits and verifies inventory records and equipment.
7
- 8 D. Reports all acquired, transferred, lost, stolen, and/or disposed assets to the Property Manager or
9 his/her designee.
10
- 11 E. Upon acquisition of a new asset, the Property Custodian shall enter all required information into
12 the asset management software or complete the Asset Acquisition form (AS-106). Keep one copy
13 at the asset's location and send one copy to the Property Manager. See the Knox County Schools
14 Asset Management Department's website for additional information and instructions related to
15 asset management software.
16
- 17 F. When transferring an asset, either update the asset management software or complete the **Asset**
18 **Transfer** form (AS-108). Keep one copy t the asset-s original location, one copy at the new
19 location, and send one copy to the Property Manager.
20
- 21 G. Before disposing of an asset, either complete an electronic request or complete the **Asset**
22 **Disposition** form (AS-107). Keep one copy at the asset's last location, send one copy to the
23 Property Manager, and update the asset management software.
24
- 25 H. The Knox County Schools **Asset Inventory Ledger** (provided in electronic spreadsheet) is to be
26 updated by the Property Custodian as needed. It should be approved by a new administrator at
27 the beginning of his or her assignment. At the end of each fiscal year, the ledger must be emailed
28 to the Property Manager at Asset.Manager@knoxschools.org.
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Administrative Procedure

Category:	Procedure:	
Fiscal Management	Surplus Property	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-220-1	June 1997	July 2023

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According to the Knox County Charter and the associated Knox County Procurement Code (the Code), the Knox County Purchasing Department (the Purchasing Department) is charged with the disposition of all surplus property. The location and/or original funding source of the surplus property does not alter the control of its disposition by the Purchasing Department. Disposition can include trade-in on replacement equipment, sale at public auction, sale of scrap metal, transfer to another department for use, destroyed, etc.

If the surplus property is to be used as a trade-in on replacement items, this should be indicated on the purchase requisition and approved by the Purchasing Department. Otherwise, it is the practice of the school system to re-inventory any surplus property which is considered to have remaining useful life. When property is determined to be surplus, the school system’s Maintenance Department should be notified in writing through the use of a work order request. If the surplus property can be re-inventoried for use within the school system, the Maintenance Department will arrange for the pick-up of all surplus property to be so inventoried (and not traded-in on replacement items). If the property is classified as an asset as defined in AP-D-210, the District Property Manager should also be notified so that the necessary records can be entered in the asset management software. If the property is not to be re-inventoried, the Maintenance Department will coordinate the appropriate notification of the Purchasing Department through the school system’s Finance Department, and the appropriate records should be entered into the asset management software by the designated Property Custodian or the District Property Manager. The Purchasing Department will then arrange for pick-up.

The transfer of surplus property within the school system will be overseen by the Maintenance Department. If this property includes assets (as define in AP-D-210), transfers will be recorded in the asset management software, either by the designated Property Custodian or the District Property Manager.

Questions should be directed to the Maintenance Department at 865-594-3633 or the Finance Department at 865-594-1676.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Discarding/Accepting Surplus Property	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-220-2	June 1997	July 2023

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Any and all school property that is a part of school inventory must be accounted for at all times. When items are no longer needed or used, the principal must turn in a work order to have the property(ies) picked up by the Maintenance Department. **DO NOT TRASH OR GIVE AWAY ANY SCHOOL ITEMS.**

When accepting equipment, i.e., chairs, furniture, and other items from organizations or individuals, contact the Supervisor of Maintenance and Operations for approval. This process is to determine that items being received are approved for safety and control of the kinds of items received within our schools.

Maintenance is able to accommodate the pick-up of such items if proper notification is given (5 days when possible).

An inventory of accepted items shall be done by the principal/designee and a copy sent to the Director of Facilities' office. The inventory of accepted items should also be updated in the asset management software by the designated Property Custodian or the District Property Manager.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Purchasing	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-230-1	June 1997	May 2011

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All purchases made by the school system shall be in compliance with guidelines provided in the Tennessee Internal School Uniform Accounting Policy Manual or Knox County Purchasing Department Manual as appropriate. A copy of the Knox County Purchasing Department Manual is available in the Knox County Schools Finance Department.

The Superintendent (or designee) shall be authorized to act for the Board in acquiring federal surplus property and in entering into agreements, certifications and covenants of compliance concerning the use of federal surplus property.

STUDENT ACTIVITY FUNDS

All contracts, including those of individual schools, will meet all requirements of state and federal laws, rules and regulations. The principal, i.e. purchasing agent, is the only authorized individual to execute contracts at the building level.

The Board must approve the following purchases:

1. All purchases of \$25,000.00 or more.
2. One that is to be attached to or one that requires alteration of the building.
3. One that will become a permanent fixture.
4. Lease purchase agreements or other contracts that will have the effect of creating long-term liabilities, since schools are prohibited from recording long-term liabilities in the school accounts.

Purchase orders will include the following essentials:

1. A specification which adequately describes to the supplier the characteristics and the quality standards of the item required.
2. A firm, quoted, net delivered price, whenever possible.
3. Signature of purchase agent.

No school shall be obligated to pay for any expenditure made by a student or a teacher or by any other employee unless he/she first receives a written purchase order from the proper office or unless prior written permission or arrangements are made by the principal.

The Superintendent (or designee) shall be authorized to act for the Board in acquiring federal surplus property and in entering into agreements, certifications and covenants of compliance concerning the use of federal surplus property.

Questions should be directed to the Finance Department at 594-1676.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Fuel Purchasing	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-230-2	June 2015	September 2023

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It is necessary for Knox County Schools to maintain a fuel purchase program to manage fuel for the school system’s fleet of vehicles and power equipment. This procedure is applicable to the purchase of fuel for all system owned and/or operated equipment including the vehicles and power equipment purchased and maintained for use at individual schools.

Fuel purchased by or through Knox County Schools (KCS) shall be used for authorized official business only. Personal use of fuel purchased by KCS is prohibited; including fuel for personal vehicles or other non-district owned or operated vehicles or equipment. Fuel for all KCS vehicles shall be purchased from sites participating in the district’s fueling system by using fuel cards which have unique identifiers. Procurement of fuel by any other means is prohibited and will result in disciplinary action.

The KCS fuel purchase program consists of three distinct fuel cards, each with its own operational purpose. The primary fuel card is for purchase of fuel for passenger-carrying vehicles with unique identification numbers (i.e. Vehicle Identification Numbers). The primary card will be embossed with vehicle make, vehicle model, and the TAB number#.

The secondary fuel card is for fuel purchase of fuel for mobile or auxiliary fuel tanks either trailer mounted or affixed to passenger-carrying vehicles, power equipment, landscape equipment, and other similar items. The secondary card will be embossed “Auxiliary” and remain with the associated passenger carrying vehicle.

The third type of fuel card is the Master Department fuel card. In the case an employees loses, breaks, or cannot use their fuel card, the Master Department fuel card may be checked out; the employee must sign for the card upon checking out and returning the card.

When feasible, primary cards shall be issued to vehicles and restricted to use with the vehicle to which it was issued.

The Asset Management Department is the authorizing official for issuance of KCS fuel cards and personal identification numbers (PIN). To obtain a fuel card and/or PIN, the KCS fuel card request form must be completed and submitted to the appropriate Department Director for review and approval. Cards/PINS will not be issued until Asset Management has received the signed approval form from the Department Director.

Asset Management, in coordination with the Director of Business Services, will establish authorization controls for the fuel purchase programs. These limits will include maximum gallons/dollars of fuel allowed per vehicle, per purchase, per day and per week.

1. To use the fuel purchasing system, an employee must:

- a) Have access to: a vehicle-specific fuel card which stays in the vehicle, a secondary card used to fill mobile or auxiliary fuel tanks which stays in the primary passenger vehicle, or the Master Department fuel card.
 - b) Have a unique employee identifier (PIN) assigned by their supervisor and approved by Asset Management.
 - c) Enter the employee's unique identifier (PIN) and the vehicle's correct odometer reading as required at the fuel pump-This is a critical step since the odometer reading is key to the software that is used to track the KCS fleet. Intentionally or repeatedly entering inaccurate odometer readings will result in disciplinary action and may lead to employee termination.
 - d) Use the secondary card embossed "Auxiliary" to fill mobile or auxiliary fuel tanks.
 - e) Purchase only regular unleaded fuel or diesel fuel as may be required.
 - f) Turn the receipt into the employee's supervisor (or supervisor's designee) according to department protocol.
 - i. Fuel receipts must include: employee name, signature, odometer reading and vehicle number
 - ii. If the employee misplaces a receipt, they will be responsible for retrieving a copy of the receipt promptly.
2. Each driver will be assigned a unique identifier. This identifier can be used by the individual with any card on the account. PINs will not be written on the card. PINs are not to be shared. Compromised PINs must be cancelled immediately.
 3. If a card is lost or stolen, it will be cancelled immediately.
 4. If a vehicle is transferred, sold, or surplused, the card will be cancelled immediately.
 5. Transfer tanks will be used to fill power equipment, vehicles (including fire trucks) assigned to schools that only require minimal amounts of fuel, power equipment, lawn maintenance equipment and other similar items.
 6. When using the transfer tanks for dispensing fuel at KCS sites, operators are required to maintain the KCS fuel log (KCS form #...) documenting the dispensing of fuel at the sites. The fuel log will be submitted at the end of each month Asset Management.
 7. If an employee fails to provide accurate and complete information more than two times, disciplinary actions may be taken. The employee's card may be deactivated, and they may lose the ability to operate a Knox County Schools vehicle.
 8. Supervisors of employees assigned KCS vehicles or power equipment will notify Asset Management of employee termination within 24 hours. Asset Management will notify vendor that the card and/or PIN is to be deactivated.
 9. The inventory asset manager and Asset Management will audit departmental fuel statements monthly.
 10. The Director of Business Services will verify that pricing is calculated at cost plus markup solution based upon the OPIS report for the given month, as specified in the current contract.
 11. Random checks will be made to ensure each card is in the correctly assigned vehicle to preserve the integrity of the fuel transaction data. The supervisor will verify that they have performed the check to Asset Management and report any findings.

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This procedure does not pertain to internal school funds. For more information regarding the procurement of fuel with student activity funds, please see the Board of Education Electronic Commerce Policies and Procedures Manual or contact the Director of Internal School Funds.



A d m i n i s t r a t i v e P r o c e d u r e

Category:	Procedure:	
Fiscal Management	Purchase Requisitions	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-232-1	June 1997	August 2001

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This form is a written communication from the organization (activity) to the school principal requesting the principal's approval to order goods and services. The purchase requisition/purchase order form is strictly a purchase requisition until the principal or designated authority authorizes the purchase. At that point the form becomes a purchase order. Forms and additional information can be obtained from the principal at each school.

Inquiries should be directed to the school system's Finance Department at 594-1676.

Category:	Procedure:	
Fiscal Management	Purchase Orders and Contracts	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-232-2	June 1997	August 2001

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Purchase orders will include the following essentials:

1. A specification which adequately describes to the supplier the characteristics and the quality standards of the item required;
2. A firm, quoted, net delivered price, whenever possible; and
3. Signature of purchasing agent.

Contracts shall be made only with responsible suppliers with the following considerations:

1. The supplier has the potential ability to perform successfully under the terms and conditions of a proposed procurement;
2. A system for contract administration shall be maintained to assure supplier conformance with terms, conditions, and specifications of the contract or purchase order, and to assure adequate and timely follow-up of all purchases;
3. Contracts shall contain such provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where suppliers violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
4. All contracts, including those of individual schools, shall meet all requirements of state and federal laws, rules and regulations.

Inquiries should be directed to the school system's Finance Department, 594-1676.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Student Activity Funds Management	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-240-1	June 1997	August 2001

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2 Revenue raised for specific purposes must be expended for that purpose, unless otherwise authorized in
3 writing by both the activity group sponsor and the principal.
4
5 An annual audit of the account and records of all student activity funds shall be conducted as a part of the
6 audit of all other district funds.
7
8 Any unencumbered class or activity funds automatically revert to the general activity fund of the school
9 when a class graduates or an activity is discontinued.
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11 Funds derived from activities sponsored by parent-teacher associations/organizations or other support
12 organizations are not subject to this policy, unless such funds are in sole custody of the school.
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Category:	Procedure:	
Fiscal Management	Re-Allocation of Student Activity Funds	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-240-2	December 2001	

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Student activity funds are monies that are deposited in each school’s individual bank account. These monies are comprised of fund raising proceeds, County allocations, and donations. Student activity funds are the property of the student body, and not the school or the building administrator.

In the event it becomes necessary for students to be re-zoned or transferred, and the numbers moved meet or exceeds the BEP maximum class size, then student activity funds must be distributed to the receiving school based on the procedures listed below. In order to redistribute student activity funds equitably, these procedures will be followed:

1. Each receiving school will furnish the Finance Department with the number of students enrolling from the closed or re-zoned school.
2. The Finance Department will use the June 30 adjusted balance of the checking account and all savings, CD, or investment accounts to compute a total June 30 balance.
3. The total June 30 adjusted balance will be divided by the ADM count on the final reporting period of the school year. This computation will result in a dollar amount per student.
4. The dollar amount per student will then be multiplied by the number of transferring students enrolled in the new school (see 1 above).
5. The Finance Department will compute the amounts to be moved from each account and provide the sending school a list of accounts and amounts to be moved.
6. The sending school will then issue a check to the receiving school in the amount designated by the Finance Department.

This process will be completed early in the school year or as quickly as feasible.

Category:	Procedure:	
Fiscal Management	School Support Organizations	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-250	June 2008	

1
2 The *Local Education Support Group Financial Accountability Act of 2007* amended Tennessee Code
3 Annotated (TCA), Title 49, Chapter 2 by adding accountability provisions for school support organizations
4 and establishing local Board of Education as the oversight and approval agency for the operation of such
5 groups in support of public schools. This document sets forth operational and oversight procedures for the
6 establishment and day-to-day operations of school support organizations in Knox County.

7
8 **Definitions**
9

- 10 (1) **School Support Organizations** (SSO) are booster clubs, foundations, parent teacher associations,
11 parent teacher organizations, parent teacher support associations, or any nongovernmental organization
12 or group of persons whose primary purpose is to support a school district, school, school club, or
13 academic, arts, athletic, or social activities related to a school which collects or receives money,
14 materials, property or securities from students, parents, or members of the general public. A group of
15 persons who merely request that students, parents, or members of the general public make donations to
16 a school district, school, school club, or academic, arts, athletic, or social activity related to a school
17 shall not be considered a school support organization;
18
- 19 (2) **Activity Funds** include all money received from any source for student activities and/or events held at
20 or in connection with a school, including any money derived from a performing arts, athletic, academic
21 or social event involving students, raised by clubs involving students, fundraisers involving students
22 under the guidance of a school official or teacher, or from any and all related activities of the school
23 involving school personnel, students, or school property during the school day.
24
- 25 (3) **School Support Organization Funds** include all money raised by a school support group or any group
26 representing itself to students, parents or members of the general public to be a school support
27 organization.
28
- 29 (4) **Donation** is any gift or contribution of money, materials, property or securities from any
30 nongovernmental source received by a school official or employee for the benefit of a school district,
31 school, school club, or academic, arts, athletic, or social activity related to a school;
32
- 33 (5) **Internal School Funds** are any and all money received and accounted for at individual schools and
34 specifically include, but is not limited to:
35
- 36 A. Any donation or grant made to the school, a school club, or any academic, arts, athletic, or
 - 37 social activity related to a school;
 - 38 B. Funds for cafeteria services operated at the school;
 - 39 C. Fees collected by the school;
 - 40 D. Funds transferred to the local school from the school board, which are to be accounted for
 - 41 E. at the local school level;
 - 42 F. Funds raised through cooperative agreements with outside organizations;

- G. Rental fees charged outside entities for use of school facilities; and
- H. Student activity funds

(6) School Representative

A. When a school support organization's primary purpose is to support a school system or an individual school:

- (i) A school board member;
- (ii) The director of schools;
- (iii) A principal; and
- (iv) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school.

B. When a school support organization's primary purpose is to support a local school club or academic, arts, athletic, or social activity related to a school:

- (i) A school board member;
- (ii) The director of schools;
- (iii) A principal;
- (iv) Any individual who is primarily responsible for accounting for school system funds or the funds of an individual school; and
- (v) Any individual who works for the school system and who as a school system employee is charged with directing or assisting in directing the related school club or activity. "School representative" shall specifically include, but shall not be limited to, coaches, assistant coaches, band directors, or any other school sponsor of a related club or activity.

(7) School support organization funds include all money, materials, property or securities raised by a school support organization or any organization which represents itself to students, parents or members of the general public to be a school support organization; and

(8) School activity funds include all money received from any source for student activities or events held at or in connection with a school and specifically includes, but is not limited to, any money;

- A. Derived from an academic, art, athletic or social event involving students;
- B. Raised by clubs involving students;
- C. Raised by fundraisers involving students which are under the supervision of a school employee;
- D. Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- E. Received for the direct sale of items to students from a bookstore located on school grounds;
- F. Raised from fees charged students;
- G. Obtained from interest from any account which contains student activity funds; or
- H. Obtained from any related school activity involving the use of school personnel, students, and property during the school day. For the purpose of this section, the school day shall be defined as the regular hours of operation of the school during which classes are conducted.

Provision for Establishing School Support Organizations

The following provisions for the establishment and operation of school support organizations align with those mandated under TCA and apply to all individuals or groups who want to operate in direct support of Knox County Schools student activities both curricular and extra-curricular:

- 1 (1) Prior to soliciting, raising, or collecting money, materials, property or securities to support the school
2 district, school, school club, or any academic, arts, athletic, or social activity or event related to a
3 school, a school support organization shall submit to the Director of Schools documentation which at
4 a minimum addresses the following:
5
6 A. The organization's status as a nonprofit organization, foundation, or a chartered member of a
7 nonprofit organization or foundation;
8 B. The goals and objectives of the organization; and
9 C. The telephone number, address, and position of each officer of the organization;
10
- 11 (2) A school support organization shall annually, not later than the first business day of August, provide
12 documentation to the director of schools verifying the SSO's continued recognition as a nonprofit
13 entity or foundation and the current telephone number, address, and position of each officer of the
14 organization;
15
- 16 (3) An SSO shall annually on the first business day of June, provide at a minimum a detailed statement of
17 receipts and disbursements to the Board of Education and the applicable school principal;
18
- 19 (4) The SSO shall maintain a copy of its charter, bylaws, minutes, and documentation of its recognition as
20 a nonprofit organization. Also, an SSO shall maintain financial records for a period of at least four (4)
21 years;
22
- 23 (5) A school support organization must operate within the applicable standards and guidelines established
24 by a related state association, if applicable, and shall not promote, encourage or acquiesce in any
25 violation of student or team eligibility requirements, conduct codes or sportsmanship standards.
26
- 27 (6) Individuals or groups wishing to establish a new support organization may submit the required
28 information to the director of schools at any time during the year. However, regardless of when the
29 group received approval to operate as an SSO, it will still have to submit information required in
30 paragraph (2) above not later than the first business day of the month of August.
31
- 32 (7) A school support organization's officers must ensure that support group funds are safeguarded and are
33 spent only for purposes related to the goals and objectives of the support group. The organization shall
34 maintain a written policy specifying reasonable procedures for accounting, controlling and
35 safeguarding any money collected or disbursed by the group.
36
- 37 (8) A school support organization must obtain the approval of the director of schools or the assistant
38 superintendent for administrative services for any fundraising activity to assure that scheduling of
39 fundraisers does not conflict with school district's or school's fundraising efforts and the fundraising
40 process is consistent with the goals and mission of the school or school district. All fundraising
41 activities shall comply with state and federal law. Requests to conduct a fundraising activity must reach
42 the director of schools or the assistant superintendent for administrative services not later than ninety
43 (90) days prior to the commencement of the proposed activity.
44
- 45 (9) Upon request, school support organization must provide access to all books, records, and bank account
46 information for the group to officials of the Board of Education, school principals, and the state
47 comptroller of the treasury.
48
- 49 (10) A local school support organization may not give away, donate, sell, auction, place a lien upon or lease
50 school property.

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(11) School employees including athletic coaches, trainers or staff sponsors of school-sponsored student groups may not act as a treasurer or bookkeeper for a local school support organization.

(12) A majority of the voting members of any school support organization board may not be school employees.

Public Notice

(1) A school support organization must obtain the approval of the director of schools or the assistant superintendent for administrative services for any fundraising activity to assure that scheduling of fundraisers does not conflict with school district's or school's fundraising efforts and the fundraising process is consistent with the goals and mission of the school or school district. All fundraising activities shall comply with state and federal law. Requests to conduct a fundraising activity must reach the director of schools or the assistant superintendent for administrative services not later than ninety (90) days prior to the commencement of the proposed activity.

(2) Regardless who collects or receives any activity funds, all activity funds are to be turned over to the properly designated school official and considered as activity funds for the purpose of T.C.A. § 49-2-110.

(3) Money raised from the sale of concessions at all school events involving students including entertainment, athletic, or academic events shall be considered activity funds. However, principals have the authority to enter into an agreement with a local school support organization to operate and collect money for a concession stand at a related school entertainment, athletic, or academic event provided that a non-school official is in charge of collecting and accounting for all the money collected or received. If a school support organization enters into an agreement under the provisions of this part, any money it collects shall be considered school support organization funds and not activity funds.

Restrictions: A nongovernmental group or organization including all school support organizations may not:

- (1) Use the school's or school district's sales tax exemption to purchase any items;
- (2) Represent or imply that its activities, contracts, purchases, or financial commitments are made on behalf of or binding upon any school or school district.
- (3) Use school support organization funds for a purpose other than ones related to the goals and objectives of the school support organization which must relate to supporting the school district, a school, school club or school athletic, performing arts or academic activity.
- (4) Maintain or operate a bank account which bears the employer identification number of a board of education, school board, school, or any other governmental entity. Any funds deposited into such an account shall be considered as activity funds.
- (5) A nongovernmental group or organization may not use a school district's or school's name, mascot and/or logos, facilities or property to solicit money from students, their parents, or members of the general public without prior authorization for the board of education or the director of schools.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Vendor Relations	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-260	June 1997	August 2001

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All insurance and/or fringe benefit vendors visiting schools shall contact and secure the permission of the Superintendent (or designee) prior to visiting schools. If approved, the vendor will receive a letter of authorization to present to each principal visited. This letter of authorization does not mandate that the vendor be allowed to meet with the principal; that decision resides with the principal. All other vendors visit a school at the discretion of the principal, no letter from the Superintendent is required. Vendors' visitations to schools shall not be permitted to interfere with the normal instructional and learning program.



Administrative Procedure

Category:	Procedure:	
Fiscal Management	Grants Management	
Descriptor Code:	Issued Date:	Revised Date:
AP-D-270	March 2016	July 2016

1
2 Per Board Policy D-270, all grants must be approved by the Board of Education before funds may be
3 received by the Knox County Schools (KCS). This procedure outlines the process that district and school-
4 based employees should follow to apply for grants, obtain Board approval of said grants, and manage
5 approved and accepted grants.

6
7 This procedure does not apply to the acceptance of donations or restricted gifts. Additionally, this procedure
8 does not apply to funds provided by School Support Organizations such as Parent Teacher Associations
9 (PTAs), school foundations, Booster Clubs, etc. To determine if this procedure is applicable to your
10 situation, please use the flow chart in Attachment A as a guide.

11 **PRE-APPLICATION REQUIREMENTS**

12
13 Before applying for a grant, work with your school principal or department leader to determine that there is
14 support for the grant and that it aligns with the Knox County Schools strategic plan and/or the school's
15 improvement plan (i.e. STAR Plan or ePlan).

16
17 If the source of the grant funds is the state or federal government, you must obtain the Finance Department's
18 approval of the budget and budget narrative prior to submitting your application. For grant budget
19 preparation, consult with the Senior Accountant for applicable fringe benefit rates appropriate to your budget
20 needs (including indirect costs if allowable) before submission to the Finance Department for approval. The
21 Senior Accountant will update budgets with any change in rates and will notify the applicant accordingly.

22
23 If the grant requires matching funds, Finance Department approval is required prior to submitting your
24 application for the grant. Specifically, they will need a description of the match, account numbers and
25 budget categories of the KCS match, and/or information regarding any in-kind matches made by third
26 parties. Additionally, the match may require written approval by the Executive Director of Finance,
27 Assistant Superintendent of Schools, Chief of Staff, and/or Superintendent.

28 **BOARD OF EDUCATION APPROVAL OF FUNDS**

29
30 Because grant approval can take a minimum of 6 weeks, it is recommended that as soon as you receive
31 notice of award for a grant, you submit it for Board approval. Please refer to steps outlined below and/or in
32 Attachment B, which shows a flow chart of the actions that will occur to secure Board approval. (Note that
33 "Grant Applicant" refers to the person who is applying for the grant.)

- 34
35 Step 1: Submit the grant application packet to the Grant Manager including:
- 36 • The Board of Education Grant Application Summary Page (Attachment C)
 - 37 • A copy of the grant application, inclusive of the budget and budget narrative
 - 38 • Any additional documentation required for matching grants

39
40 Step 2: Grant Manager submits the grant to the Board Secretary and/or Chief of Staff, and it will be routed
41 to the appropriate Grade-Level Director/Department Leader, and receive appropriate approvals from the
42

1 Finance and Legal departments. Once approved by the appropriate parties, the grant will be reviewed at the
2 next scheduled Board of Education meeting.

- 3 • Grants that are less than \$25,000 may be compiled and submitted to the Board of Education and/or
4 the County Commission as a single, bundled resolution. Grants greater than \$25,000 will be
5 submitted as individual agenda items.

6
7 Step 3: A grant is considered approved after it has been accepted by both the Board of Education and County
8 Commission. Following the County Commission meeting, the Grant Manager will notify the Grant
9 Applicant of approval. The Grant Applicant may not begin to implement the grant until it has been approved.
10 Once the Board Secretary receives the signed copy with the School Board and County Commission’s
11 approval, she will retain the original and provide a copy to the Grant Manager. The Grant Manager will
12 send copies to the Grant Applicant and the appropriate Finance contact.

13 **POST-AWARD GRANT ACCOUNTABILITY**

14
15 Grantees must adhere to all of the funder’s stipulations and related district policies. Grant funds (and/or
16 products purchased using grant funds) become the property of the school and/or the district and should
17 remain there unless/until the funder directs otherwise.

18
19 Per Board approval, all funding must be expended as stated in the grantor approved budget and budget
20 narrative within the timeframe of the grant as awarded. To facilitate processes of hiring and travel, the KCS
21 required paperwork should be completed following standard procedures. Please write “Grant Funded” in
22 the upper left corner of all forms. Remember, all Finance/Purchasing Policies, including end of year
23 purchasing timeline also apply to grant funded purchases. In addition, equipment purchases must adhere to
24 KCS and grantor policies and procedures with regard to purchasing, inventory and liquidation.

25
26 During the implementation and operation of the grant if there are justifiable changes in the budget scope
27 that need to be made for a successful program, a written request (containing specific details) may be made
28 to the grantor for the approval. Expenditures/changes may not be made outside the scope of the awarded
29 grant until written approval for the change is received from the grantor.

30 For state and federal grants, a copy of the written approval by the grantor for the change must be forwarded
31 to the Senior Accountant to align any revised budget with the Knox County Schools accounting system.

32 For accountability purposes, it is imperative that the Grant Applicant:

- 33 • Ensures that grantor deadlines for reports are met to protect the integrity of the school system and to
34 encourage future funders to place their confidence and money in the Knox County Schools.
- 35 • Submits copies of the final report to the Senior Accountant (if the grant is state or federally funded) and
36 the Grant Manager for their files.
- 37 • Maintains all programmatic documentation in an organized and easily accessible file to respond to
38 requests/audits. These documents should be retained for a period of at least seven years following the
39 grant end date or longer if prescribed by the grant.

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