

## Accounting

11.05  
(03-11-04)

The Windham School District financial records are developed and maintained on a consistent and systematic basis to provide information and service to the school board, superintendent, administrators, and representatives of other government agencies, both State and Federal.

## Compliance with Legal Requirements

11.05-1

This system has been designed so the accounting records will be kept in compliance with the State and Federal legal provisions. The system has been designed with statutory requirements in mind and establishes at least the minimum accounting system required by the Texas Education Agency, the Texas Department of Criminal Justice and the State Auditor.

## Budgetary Control

11.05-2

A requirement is placed on each agency to adopt a budget to include all anticipated revenues and expenditures. Proper budgetary accounting includes control of expenditures in accordance with budgetary provisions, compilation of data to serve as a guide in the preparation of future budgets and to serve as the basis for information appearing on required reports, and the inclusion of the budget as an integral part of the accounting records.

## Separate Fund Accountability

11.05-3

Windham School District is set-up with four independent accounting entities: Windham Regular Fund, Windham Special Fund, Contract Education Fund, and WSD College Fund.

Windham Regular Fund consists of financial transactions from the regular state foundation program and has sub-funds for bilingual education, academic education, vocational education, and special education.

Windham Special Fund provides separate accountability for all state contracts and grants, and all federal and private projects. Each contract, grant or project is treated as a sub-fund. Contract Education Fund and WSD College Fund accounts for all revenues and expenditures from memorandum of understandings between Windham and Texas Department of Criminal Justice.

## Modified Accrual Accounting

11.05-4

Windham School District employs a modified accrual accounting system. Revenues are recorded when received, except at year end when earned or defined revenue is recorded for the Fiscal Year. Expenditures are recorded as paid except at year end when all outstanding liabilities are recorded as Accounts Payable for the Fiscal Year.

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Double Entry System 11.05-5

For the proper recording, balancing, and control of accounting transactions Windham employs the double entry system. The principle of the double entry system is that for every entry made to the debit side of a fund account or accounts, an entry or entries for a corresponding amount will be made to the credit side of an account or accounts for the same fund. The debits must always equal the credits.

Uniform Classification of Accounts and General Ledger 11.05-6

A uniform classification of accounts is essential for recording financial information in a consistent manner to make possible compilation of data in such form as to be capable of comparison with similar data of prior periods, with other local education agencies of like characteristics, and for summarizing information sent to the Texas Education Agency.

Centralized Accounting 11.05-7

All fiscal functions and funds operated within Windham School District will be under the direction of the school district business manager.

Revenues - Gross Basis 11.05-8

Revenues shall be recorded on a gross basis. This policy will result in showing per revenue account the amount of all revenue from all sources (i.e., federal, state, local, etc.) and providing revenue information within the classification of accounts for budgeting, accounting, and reporting purposes.

Furniture and Equipment Capital Outlay 11.05-9

Furniture and equipment purchased through governmental fund types costing \$5000 or more per unit and meeting the following criteria shall be entered and controlled in the general fund asset group of accounts:

1. Is not consumed as a result of use;
2. Has a useful life of at least one year;
3. Is controllable, in that it is tangible in nature, can be identified by a permanent or assigned number or label, and can be reasonably accounted for through a physical inventory system, either as a single item or as a member of a group of like items.

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All items costing \$1000 or more but less than \$5000 will be included and controlled in the general fund asset group.

Items that should be capitalized if cost exceeds \$500:

1. Televisions
2. VCR's
3. Camera Equipment

## Encumbrances

11.05-10

Encumbrance accounting is used to control budgeted expenditures for supplies, materials, equipment and contracted services, and shall be included in the centralized accounting system. Prior to the end of the fiscal year, every effort should be made to liquidate encumbrances.

## Project Accounting

11.05-11

Project accounting will be used for programs that are approved for carry-over funding and/or for longer periods than the state fiscal year and for programs that are approved for periods that extend into another state fiscal year. The deciding factor as to whether or not to use project accounting depends upon whether cost by project is required. Should any project fall within the examples above and at the same time require costing by project period, project accounting must be employed.

## HUB Accounting

11.05-12

A standardized monthly report shall be submitted to the TDCJ HUB Coordinator which indicates the volume of participation by companies designated as certified Historically Underutilized Businesses (HUBs). The report shall be initiated by the Purchasing Supervisor from data obtained from purchasing documents. It shall be verified and signed by the Director of Business, with a copy submitted to the Superintendent of Schools. A complete file of HUB purchasing activity shall be maintained by the Purchasing Supervisor.