

SCHOOL DISTRICT OF CLAY COUNTY
INTERNAL FUNDS
COMPENSATION TO EMPLOYEES FOR SERVICES RENDERED

Chapter Seven of "A Manual...Financial and Program Cost Accounting Reporting for Florida Schools" (Redbook) states under General Practices that internal funds will not pay any form of compensation directly to school board employees. All compensation to employees must be paid through the payroll department. In accordance with this proposed general practice and recent Internal Revenue Service rulings, Clay County School Board adopts this practice as policy.

In order to not violate the above rule, the bookkeeper should contact Business Affairs prior to paying any person for a rendered service. If the person is not an employee, payment should be made in accordance with IRS regulations regarding 1099's (see page 65-73).

This policy does not mean that schools may not compensate employees. It means that the compensation must be paid through the payroll department. The school will reimburse the School Board for the amounts paid including taxes and the associated fringe benefits. The policy is also applicable to outside groups who request to compensate school board employees to perform specific duties. (*Note: All these services are to be rendered after the employee's normal working hours.*)

Generally speaking, when using school board employees to perform established CCSB services for extra-curricular activities or for outside groups using school grounds, the following procedures must be followed:

- A. When Internal Accounts are being used to compensate an instructional school board employee to perform an established CCSB service for an extra-curricular activity the following procedure must be followed:
 1. The Assistant Superintendent of Human Resources must be contacted in writing, by the school administration, for approval prior to the service being rendered. This request must include the amount of compensation to be paid to the employee.
 2. After approval is received, a Request for Temporary Employee form should be completed. Payroll clerk at cost center should receive a copy of the Request for Temporary Employee form.
 3. Teacher/sponsor follows appropriate disbursement procedures to have one (1) check processed to reimburse the Clay County School Board for gross salary, retirement, the matching social security, and workers' compensation.. An Excel spreadsheet is available from the bookkeeper to assist in this calculation and Business Affairs may also be contacted.
 4. A copy of the approval, the Request for Temporary Employee form and check (with documentation showing the appropriate budget lines), should be forwarded to Business Affairs.
 5. When the Request for Temporary Employee form has been processed by Human Resources, the employee's name and job number will appear on the payroll certification. Once services have been rendered and payroll certification has been submitted, Payroll department personnel will pay the employee on the regular payday in his/her regular check.
- B. When Internal Accounts or an outside organization or group who is using school grounds, is compensating a support school board employee to perform an established CCSB service the following procedures must be followed:

1. The group/organization requests the employee's services for the event and estimates hours to be worked.
2. The school administration approves request, contacts the payroll department for estimated cost figures, and provides cost information to group/organization.
3. Upon determination of actual hours worked, any recalculation of cost figures should be made.
4. Bookkeeper follows appropriate disbursement procedures to have one (1) check processed to reimburse the Clay County School Board for gross salary, retirement, the matching social security, and workers' compensation.
5. Upon receipt of the check, the school's payroll clerk reports overtime hours for the employee on the regular payroll report. Attach the check to the payroll report and forward to the payroll department. Payroll department personnel will pay the employee on the regular payday in his/her regular check.