



INDIANA SCHOOL CORPORATION BUSINESS OFFICE PROCEDURES AND INTERNAL CONTROLS

This Document serves as a Sample Draft of what your individual School Corporation's Business Office Procedures and Internal Controls might look like. It attempts to incorporate daily practices and the five components of internal controls. This document is to be used as a **guide only**. As always refer to your own **local policies** as well as federal, state, and local regulations. Be sure to have **your school attorney** review your document before Board adoption.

Table of Contents

I. GENERAL INFORMATION	1
a. Sample Organizational Chart	
b. Sample Job Description (Staff Job Descriptions on File)	
c. Daily Procedures	
d. Monthly Procedures	
e. Quarterly Procedures	
f. Semi-Annual Procedures	
g. Fiscal Year Procedures	
h. Calendar Year Procedures	
i. Annual Procedures	
j. Retention of Records (subject to change)	
k. Data System Security and Access to Records	
l. Assignment of Access and Passwords	
m. Revoking Access	
n. Procurement/Credit Cards	
o. Statement of Acceptable Risk and Materiality Threshold	
p. Attorney Opinion on Fees	
q. Individual Corporation Bonding Procedures and Policies	
r. Resolution of Board of Trustees adopting Internal Controls	
II. Business Staff Training	29
a. Indiana Code 5-11-1-27 required Internal Control Policy Training	
b. Uniform Internal Control Standards for Indiana Political Subdivisions	
c. Annual Training Calendar to include but not be limited to topics such as:	
• Payroll and Human Resource Compliance Issues	
• Audit Requirements	
• Procurement Rules	
• Legal Changes	
• State and Federal Grants Management	
• Financial Software	
• Travel Guidelines	
• Budget Development	
• ECA Treasurer Training	
III. Federal Grant	31
a. List Departmental Responsibilities	
b. Insert any Local Policies	
c. Completion of Forms (7,9,13) from SBOA	
d. Acronyms and Definitions listed in Edgar	
e. Financial Management Rules/Internal Controls	
f. Inventory and Asset Management (Capital Asset Policy)	

IV. State and Federal Programs	37
a. State	
i. Special Education	
ii. Career and Technical Education	
iii. High Ability	
iv. English Language Learners	
v. School Safety Grant	
vi. Other	
b. Local Grants	
V. Extra-Curricular Accounting	38
a. Organizational Chart	
b. Job Descriptions	
c. Daily Processes	
d. Monthly Processes	
e. Semi Annual/Fiscal Year Processes	
f. Separation of Duties	
g. Gateway Reporting	
h. Bonding Requirements	
i. Cash Handling Practices	
j. Athletics	
k. Concessions	
l. Fundraisers	
m. Gifts and Donations	
n. Ticket Taking	
o. Processing of Personnel Payments	
p. Gift Cards	
q. Form Approval	
r. Write-off Procedures	
s. Procurement/Credit Card	
t. Signature Stamps	
u. Disposition of Old and Outstanding Checks	
VI. School Nutrition Program	43
a. Daily Procedures	
b. Monthly Procedures	
c. Fiscal Year End Procedures	
d. Prepaid Food	
e. Write-off Procedures	
f. Approval of Staff and Student Meal Prices	
g. Separation of Duties	
• Endorsement of checks	
• Bank reconciliations	
• Entering and Posting of Data	
• Purchasing and Receiving Functions	
• Contract Management	

- Reconcilements
- Free and Reduced Applications/Textbook Assistance
- Receipts
- Bank Deposits
- Payroll
- Monitoring of Segregation of Duties

ACKNOWLEDGEMENTS

The Indiana Association of School Business Officials wishes to thank the IASBO Region 1 members involved with the development of this Internal Controls manual. Their time and efforts on the manual went above and beyond the normal work day.

The members of the committee who completed this project are as follows:

- Kelley Kitchen, New Prairie United School Corporation (Chair)
- Cindy Adams, School Town of Highland
- Mary Jo Brust, Duneland School Corporation
- Robert Doctor, School City of East Chicago
- Cynthia Kattau, Indiana ASBO
- Lynn Kwilas, Duneland School Corporation
- Dawn Powers, School City of Hobart
- Ronda Ross, Michigan City Area Schools
- Denise Sempf, Hanover Community School Corporation
- Kathy Smith, New Prairie United School Corporation
- Tammy Watkins, New Prairie United School Corporation
- Ted Zembala, School City of Hobart

IASBO also thanks Ella Adamson of Indiana ASBO for editing the manual.

This document is to be used as a guide only and the local school attorney should review your specific corporation document before school board adoption.

INTERNAL CONTROL SYSTEM

The Corporation's internal control system comprises the policies and procedures established to provide reasonable assurance that specific Corporation objectives will be achieved. Accounting responsibilities, procedures, and policies should be implemented and designed to prevent:

1. Misstatement of account balances because errors go undetected (both intentional and unintentional); and
2. Misappropriation of cash and other resources of the School Corporation.

These objectives are pursued through a sound internal control structure which is carefully established and followed by business office personnel as well as all other applicable personnel. Such an internal control structure can also tend to promote operational efficiency. From a financial statement perspective, the School Corporation's internal control structure is comprised of the control environment, the accounting system, control procedures and internal control systems. This internal control structure will ensure that the five requirements are met — Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

These elements of the internal control structure are as follows:

Control Environment

The control environment encompasses the collective effort of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies or procedures. The control environment includes such factors as management's philosophy and operating style including but not limited to:

1. The Corporation's organizational structure;
2. The functioning of the Board of Trustees;
3. Methods of assigning authority and responsibility;
4. Management's control methods for monitoring and following up on performance;
5. Personnel policies and procedures.
6. Various external influences that effect the Corporation's operations and practices.

The control environment reflects the overall attitude, awareness, and action of the Board of Trustees, Administration, and others concerning the importance of control and its emphasis in the Corporation.

Accounting System

The accounting system encompasses the methods and records established to identify, assemble, analyze, classify, record, and report the Corporation's transactions and to maintain accountability for the related assets and liabilities. An effective accounting system gives appropriate consideration to establishing methods and records that will:

1. Identify and record all valid transactions;

2. Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting;
3. Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements;
4. Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period; and
5. Present properly the transactions and related disclosures in the financial statements.

Control Procedures

Risk assessment encompasses those policies and procedures, in addition to the control environment and accounting system, that administration has established to provide reasonable assurance that specific Corporation objectives will be achieved. Control procedures pertain to:

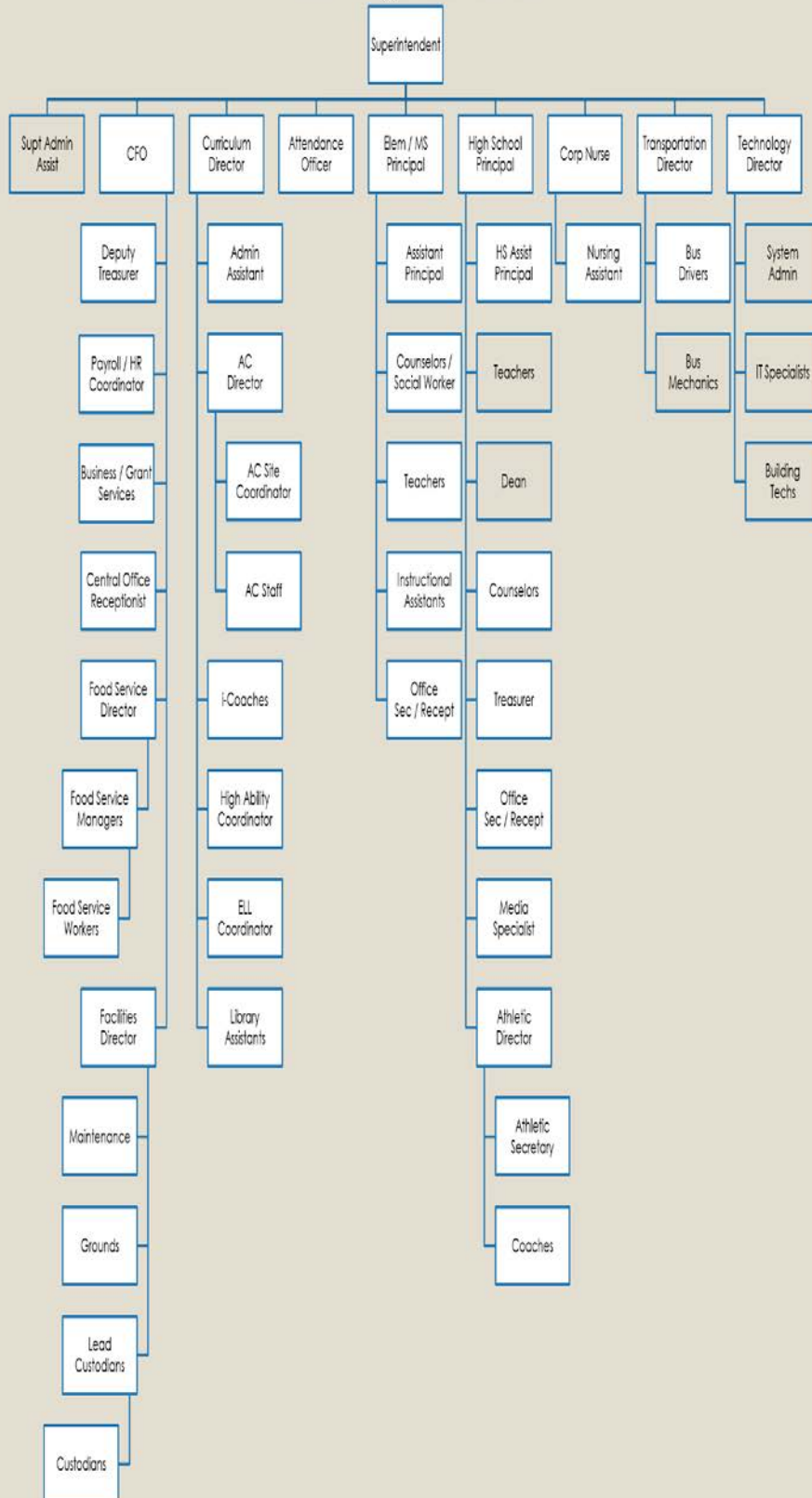
1. Proper authorization of transactions and activities;
2. Segregation of duties to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal error or irregularities in the normal course of his or her duties. A proper segregation of duties entails assigning different people the responsibilities of authorizing transactions, recording and reconciling transactions, and maintaining custody of assets; and
3. Design and use of adequate documents and records to help ensure proper recording of transactions and events, such as monitoring the use of pre-numbered documents.

Monitoring System

1. Provide adequate safeguards over access to and use of assets and records, such as secured facilities and authorization for access to computer programs and data files; and
2. Independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparisons of assets with recorded accountability, computer-programmed controls, administrative review of reports that summarize the detail of account balances, and user review of computer-generated reports.

****SAMPLE****

School Organizational Chart



****SAMPLE****

POSITION DESCRIPTION

JOB TITLE: Deputy Treasurer/Accounts Payable

Exempt (Y/N): No

Work Days: 260

Salary Benefits: Established by Board Policy

Department: Business Office

Location: Corporation Central Office

Supervisor: CFO

Employment Terms: At-Will

Date Revised: March 13, 2014

Summary: Serves as Deputy Treasurer and Accounts Payable Coordinator

Essential Duties and Responsibilities:

- Responsible to assist the CFO and maintain the extra-curricular accounts and assists in the day to day business functions of the central administrative office.
- Assists in the preparation and submission of state and federal financial reports.
- Prepares and enters receipts for the Corporation.
- Makes daily bank deposits for multiple accounts.
- Is directly responsible for the following for all of the corporation:
 - a. Accounts payable
 - b. Purchase orders
 - c. Vouchers
 - d. Vendor checks
- Responsible for the maintenance of fixed assets and permanent records management.
- Work with the CFO to calculate contract and payment amounts.
- Attend meetings/conferences to stay current on Indiana school finance issues.
- Responsible for the Procurement Card Program.
- Supervises business office staff in the absence of the CFO.
- All other necessary duties as assigned by the CFO and or Superintendent.

Employee Requirements:

- Maintains own regular and prompt attendance.
- Maintains appropriate appearance.
- Promotes good public relations for the School Corporation and community.
- Remains free of any alcohol or non-prescribed controlled substance abuse in the workplace throughout his/her employment in the Corporation.

Supervisory Responsibilities:

Backs up CFO in supervision of the business office.

Qualification Requirements:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Education and/or Experience:

High school diploma or general education degree (GED); one to three years related experience and/or training is preferred.

Language Skills:

Ability to read and comprehend information such as state and local instructions, reports, correspondence, or government regulations. Ability to write routine reports and correspondence. Ability to effectively present information in one-to-one and small group situations to students, staff, parents, and community members.

Mathematical Skills:

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers common fractions, and decimals. Ability to apply concepts such as fractions, percentages, and ratios to practical situations.

Reasoning Ability:

Ability to deal with problems involving a variety of concrete variables in standardized situations. Ability to interpret a variety of instructions furnished in written, oral, or schedule form.

Other Skills and Abilities:

Ability to operate a personal computer and related software including word processing and spreadsheets. Ability to pass a skills test. Ability to communicate clearly and concisely both orally and in writing. Ability to be accurate and have good proofreading skills. Ability to develop effective working relationships with students, staff, and the school community. Ability to perform duties with awareness of all Corporation requirements and school board policies.

Physical Demands:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is continuously required to sit; repeat the same hand, arm, or finger motion to operate computers and or office machinery. The employee is frequently required to stand or walk. The employee frequently lifts up to 5 pounds and occasionally up to 25 pounds such as boxes of papers and files. Specific vision abilities required by this job include close vision.

Work Environment:

The work environment characteristics described here are representatives of those and employee encounters while performing essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is moderately quiet. The employee frequently will be required to meet multiple demands from several people. The employee has continuous interaction with students, staff, and the school community.

The information contained in this job description is for compliance with the American with Disabilities Act (A.D.A.) and is not an exhaustive list of the duties performed for this position. Additional duties are performed by the individual currently holding this position and additional duties may be assigned.

Employee

Date

****SAMPLE****
School Corporation Accounting Activities
Internal Control Procedures

Activity	Employee	Separation of Duties
DAILY PROCEDURES:		
<u>Cash Receipts Activities:</u>		
Open mail and write receipt	Receptionist	Person who opens mail does not write official receipt
Receive money, issue official receipts	Deputy Treasurer	
Prepare bank deposits	Deputy Treasurer	
Review bank deposit in detail before taking to bank	Treasurer	Treasurer initials and dates all deposits
Take deposits to bank	Deputy Treasurer	
Post receipts	Deputy Treasurer	
Access to computer system to make receipt adjustments	Deputy Treasurer	
Approves adjustments	Treasurer	
Post credits to accounts receivable	Deputy Treasurer	
Prepare customer billings (retiree health ins. bills)	Deputy Treasurer	
Mail billings or statements	Deputy Treasurer	
Approve accounts receivable adjustments	Treasurer	
<u>Cash Disbursement Activities:</u>		
Authorize purchases	Dept. Supervisor	
Prepare purchase orders	A/P Processor	Treasurer approves PO before it is issued
Certify receipt of goods or services	Dept. Supervisor	The person receiving goods does not write checks
Prepare claim for payment	Dept. Secretary	The person preparing the claim is not approving the claim
Approve claim	Dept. Supervisor	Claim is approved before processing
Audit claims Reviews invoices/receipts attached to each claim to support the disbursement	A/P Processor	
Approve claims - Disbursing Officer	Treasurer	A/P Processor does not approve claims

<ul style="list-style-type: none"> Write checks (generated by accounting system) Write manual checks Have receipt of W-9 form before paying vendor 	<ul style="list-style-type: none"> A/P Processor Deputy Treasurer A/P Processor 	A/P Processor does not sign checks
<ul style="list-style-type: none"> Post checks 	<ul style="list-style-type: none"> A/P Processor 	
<ul style="list-style-type: none"> Sign A/P checks--automated in accounting system Manual checks have a "live" signature 	<ul style="list-style-type: none"> Treasurer 	Treasurer signs checks but does not prepare checks
<ul style="list-style-type: none"> Mail or distribute checks A/P checks are accounted for in numerical order A/P check numbers are reconciled to the A/P bank acct A/P checks are in a secured location 	<ul style="list-style-type: none"> A/P Processor A/P Processor Deputy Treasurer A/P Processor 	Access limited to A/P and Deputy Treasurer
<ul style="list-style-type: none"> Custodian of petty cash--we do not have petty cash 	<ul style="list-style-type: none"> N/A 	
<ul style="list-style-type: none"> Custodian of investments 	<ul style="list-style-type: none"> Deputy Treasurer 	Treasurer reviews all investments monthly
<ul style="list-style-type: none"> Access to check stock 	<ul style="list-style-type: none"> A/P & Deputy Treasurer 	Check stock is locked
<ul style="list-style-type: none"> Access to computer system to make adjustments 	<ul style="list-style-type: none"> A/P & Deputy Treasurer 	Treasurer approves adjustments
<u>Payroll Activities:</u>		
<ul style="list-style-type: none"> Post vacation and sick leave records 	<ul style="list-style-type: none"> PR processor 	
<ul style="list-style-type: none"> Check and extend time cards Approve corrections to recorded time Input corrections to recorded time 	<ul style="list-style-type: none"> Dept. Supervisor Dept. Supervisor Payroll Processor 	
<ul style="list-style-type: none"> Prepare payroll claims Check payroll claim with excel spreadsheet Approve payroll claim to be run in accounting system 	<ul style="list-style-type: none"> Payroll Processor PR & Dep Treasurer Deputy Treasurer 	
<ul style="list-style-type: none"> Approve payroll claims for department 	<ul style="list-style-type: none"> Dept. Supervisor 	
<ul style="list-style-type: none"> Approve payroll claims for disbursing officer 	<ul style="list-style-type: none"> Deputy Treasurer 	
<ul style="list-style-type: none"> Calculate deductions and net pay 	<ul style="list-style-type: none"> Payroll Processor 	
<ul style="list-style-type: none"> Generate payroll checks 	<ul style="list-style-type: none"> Payroll Processor 	Payroll Processor does not sign checks
<ul style="list-style-type: none"> Sign payroll checks--automated in accounting system Manual checks have a "live" signature 	<ul style="list-style-type: none"> Treasurer 	Treasurer signs checks but does not prepare checks
<ul style="list-style-type: none"> Distribute payroll checks Payroll checks are accounted for in numerical order 	<ul style="list-style-type: none"> Payroll & system portal Payroll Processor 	

Payroll check numbers are reconciled to payroll account	Deputy Treasurer	
Payroll checks are in a secured location	Payroll Processor	Access limited to Payroll and Deputy Treasurer
Prepare earnings and deductions reports	Payroll Processor	
Access to computer system to make adjustments	Payroll Processor	
Approves adjustments:		
Authorizes Payroll Changes (new hires, terminations...)	HR and Board	HR and School Board authorize payroll
Prepares Payroll Change form	Deputy Treasurer	Changes but does not input data
Checks Payroll Change form	Treasurer	
Inputs Payroll Changes into accounting system	Payroll Processor	Input is done by payroll only
Checks Payroll Changes in accounting system	Deputy Treasurer	
MONTHLY PROCEDURES:		
Cash Activities:		
Receive bank statement online or by mail, open and print	Deputy Treasurer	
Compares checks cleared to disbursements posted	Deputy Treasurer	
Compares deposits to receipts posted	Deputy Treasurer	
Prepares bank reconciliation	Deputy Treasurer	
Prepare bank reconciliation statement summary	Deputy Treasurer	
Check clearing account balances for the month	Deputy Treasurer	
Update investment report	Deputy Treasurer	
Prepare Food Service analysis of 3 month operating cash balance	Deputy Treasurer	
Balance revenue to receipts	Deputy Treasurer	
In depth review and approve bank reconciliation	Treasurer	In depth review is done monthly because of lack of separation of duties in cash receipt activities due to the lack of the number of employees
Close month in accounting system	Deputy Treasurer	
Cash Disbursement Activities:		
Prepare monthly docket for board meeting	A/P Processor	
Run voucher register for docket	A/P Processor	
Organize claims alphabetically and verify claim total	A/P Processor	
Approve claim docket	School Board	Claims are approved by School Board prior to payment
Approve claims in accounting system (See daily procedures for more details)	Treasurer	

Other Activities

Update Cash Flow spreadsheets	Treasurer
Prepare Grant reimbursement forms	Treasurer
Run grant expenditure reports	Treasurer
Sign and approve Grant reimbursement forms	Superintendent
Balance Appropriations w/Budget Order and Cash by Fund	Treasurer

Payroll Activities:

Prepare and pay WH-1 form online on or before the 20th (State and County monthly payroll taxes)	PR processor
Enter leaves and terminations in accounting system	PR processor
Submit PERF and TRF files to INPRS after each payroll	Deputy Treasurer
Process payment	Deputy Treasurer
Enter leaves and terminations in INPRS	Deputy Treasurer

QUARTERLY PROCEDURES:

Cash Activities:

Prepare and submit Federal interest report	Treasurer
--	-----------

Cash Disbursement Activities:

Other Activities

Prepare and submit CE report to DOE	Corporation Secretary
Print CE report and prepare file for transmission	Deputy Treasurer
Prepare and submit CP report to DOE via STN	SIMS Coordinator

Payroll Activities:

Prepare Form 941	Payroll Processor
Print 941 reports from financial system	Payroll Processor
Print vendor reports for payroll and EFTPS	Payroll Processor
Print excel spreadsheet of payroll tax calculations for the quarter	Payroll Processor
Review Form 941 and sign form	Deputy Treasurer
Review and sign all back up documentation	Deputy Treasurer
Upload file for SUTA report online and submit	Payroll Processor
Prepare and print SUTA reports and electronic file from accounting system	Payroll Processor
Review SUTA forms UC-1 and UC-5a	Deputy Treasurer
Review and sign all back up documentation	Deputy Treasurer

SEMI-ANNUAL PROCEDURES

Cash Activities:

Cash Disbursement Activities:

Other Activities

Prepare Form 9	Deputy Treasurer
Print and verify all required reports	Deputy Treasurer
Prepare debt analysis for the 6 month period	Deputy Treasurer
Submit Form 9 info on DOE website	Deputy Treasurer
Print and save files after DOE approval	Deputy Treasurer
Review Form 9 in detail and sign signature page	Treasurer
Review Form 9 and sign signature page	Board President and Superintendent
Report ADM to DOE Sept and Feb	SIMS Coordinator
Prepare attendance report and send to Admin	School Principals

Payroll Activities:

Prepare Form 100R	Payroll Processor
Prepare and print 100R report and electronic file from accounting system	

Submit Form 100R to County Treasurer via email
 Submit Form 100R to Gateway
 Review Form 100R
 Review and sign all back up documentation

Treasurer
 Treasurer
 Treasurer

FISCAL YEAR END AND OTHER ANNUAL PROCEDURES

Cash Activities:

Cash Disbursement Activities:

Void stale dated checks by end of February each year

Deputy Treasurer

Approved by Treasurer

Other Activities

Prepare Annual Financial Report

Deputy Treasurer

Reviewed by Treasurer

Free and Reduced applications

Audit of Free and Reduced applications

Food Service Coordinator
 Director Support
 Services

Reviewed by Food Service Director

Textbook Rental Reimbursement Report

Principals & Food Service

Treasurer compiles and reviews report
 Treasurer and Superintendent sign

Monitoring Segregation of Duties

Treasurer

Bidding Procedures

Post bid in newspaper

Bid Opening

Award Bid

Oversee work

Prepare claims for payment

Director Support
 Services
 Treasurer
 Bid Committee
 School Board
 Director Support
 Services
 Custodial
 Coordinator

Approved by Director of Support
 Services

Contract Management

Prepare and submit CE report to DOE

Print CE report and prepare file for transmission

Corporation
 Secretary
 Deputy Treasurer

Prepare and submit CP report to DOE

SIMS Coordinator

Prepare and submit NE report to DOE

Corporation
 Secretary

	Balance Appropriation with Budget Order and Funds	Treasurer	
	Budget Process	Treasurer	Board Review and Approve
	Review and Update Corporation Policies and Administrative Guidelines	Superintendent	Board Review and Approve
	Review and Update the Classified Employee Handbook	Superintendent	Board Review and Approve
Payroll Activities:			
CALENDAR YEAR END PROCEDURES			
Cash Activities:			
	Present the Annual Report	Treasurer	Board of Finance Review and Approve
Cash Disbursement Activities:			
	Prepare forms 1099 and 1096	A/P Processor	
	Order 1099 and 1096 forms	A/P Processor	
	Update W-9 file	A/P Processor	
	Print calendar year vendor reports and review all activity	A/P Processor	
	Balance vendor report to 1099 report	A/P Processor	
	Print 1099 forms and mail to vendors	A/P Processor	
	Review: reports, 1099's and 1096 (prior to mailing)	Deputy Treasurer	
	Review 1099's and sign 1096	Treasurer	
	Review outstanding PO's and void if necessary	A/P Processor	
	Make Year End appropriation adjustments within funds	Treasurer	School Board review and approve
Other Activities			
	Prepare 1095-C forms (Affordable Health Care Act)	HR Generalist	
	Order 1095-C forms	HR Generalist	
	Upload Ins. Co. file into accounting system	HR Generalist	
	Print health insurance reports	HR Generalist	
	Reconcile 1095 C reports to Ins. Co. monthly billings	HR Generalist	
	Print forms 1095C and distribute to employees	HR Generalist	

Transmit 1095-C and 1094-C to federal government	HR Generalist	
Review reports and spot check 1095-C forms	Deputy Treasurer	
Responsible for 1095-C and 1094-C contents	Asst. Supt. HR	
Balance Appropriations to Budget Order to Cash by Fund	Treasurer	
Close Year End in accounting system	Deputy Treasurer	
GATEWAY REPORTING:		
Other Post Employee Benefits Report Prepare and Review Data from Accounting system	Treasurer HR & Deputy Treasurer	Treasurer Reviews and Submits
Debt Management Report (prepare and submit)	Treasurer	
Economic Development Report	Treasurer	
ECA Risk Report	ECA Treasurers	School Principals and Deputy Treasurer review & Treasurer submits
Annual Financial Report Prepare and Review Data from Accounting system	Treasurer Treasurer	
Collective Bargaining Report Prepare Data from contract and Accounting system	Treasurer Treasurer/Dep. Treasurer	
Collective Bargaining Upload Data from CBA	Treasurer Supt. & Exclsv Barg Rep	
Bargaining Status Form (Pre-Impasse)	Supt. & Exclsv Barg Rep	Treasurer Submits
Payroll Activities:		
Prepare W-2's Order W-2 forms Print calendar year wage and PR deduction reports from accounting system Balance W-2's Print and distribute W-2 forms to employees Transmit W-2 files to state and federal governments	Payroll Processor Payroll Processor Payroll Processor Deputy Treasurer Payroll Processor Payroll Processor	
Review and approve W-2 balancing report	Treasurer	

Retention of Records

<http://www.in.gov/iara>

Data System Security and Access to Records

The School Corporation employs numerous information systems for financial processes, human resources management, student processes, and reporting. In order to maintain effective controls over these systems, access to them must be controlled and monitored.

Policy dictates that departments are responsible for ensuring that access to information systems is granted only to those employees who must use the specific information contained in those systems to conduct business.

See the below Authorized User Policy (AUP)

(Insert Corporation's AUP)

Procurement/Credit Cards

****SAMPLE****

PURCHASING CARD “PRO-CARD” PROGRAM POLICY AND PROCEDURES MANUAL

Pro-Card Administrator

Introduction and Overview

Welcome to the School Corporation’s Pro-Card Program. The Pro-Card is a simplified and cost effective method of purchasing and remitting payment for expenditures within the spending guidelines.

The Pro-Card provides an easy to use process suited for small dollar and repetitive purchases. A Pro-Card is much like a credit card and is widely accepted. In the continuing effort for efficiency, this is one more opportunity to meet that goal.

This manual provides the guidelines for the program. Please read it carefully. Training will be provided to ensure each user understands the program.

Issuance of Cards

After you have been approved by the Superintendent’s/Principal’s office to receive a card, you will be notified and sent a copy of this manual. Participants must read this manual and meet with the Corporation Treasurer for training. After the training, your card will be issued and you will complete the Terms of Revocation Form (Appendix A) and the Pro-Card Receipt Acknowledgement Form (Appendix B).

When you receive your Pro-Card, sign the back of the card and keep it in a safe place. Although the card may be issued in your name, it is the property of School Corporation and may only be used for School Corporation purchases as defined in this manual. This card also does not replace the need for an approved requisition if the purchase requires it.

Acceptable uses of the Pro-Card

Generally, the card may be used for routine purchases you make for corporation business. Some examples include supplies, books (not textbooks), repair parts, and repair services. It would be impractical to try and list all allowable uses. Instead, the list below of unacceptable uses should guide your purchases.

Unacceptable uses of the Pro-Card

Items that can be purchased with corporation funds (following purchasing guidelines), but **not** with the Pro-Card:

- Payments to Individuals
- Computers and peripherals and printers
- Lawn equipment
- Software
- Furniture and appliances
- A/V equipment
- Musical instruments
- Custodial maintenance equipment (floor scrubbers, vacuums, etc.)
- Travel

Items that cannot be purchased either through the corporation or Pro-Card:

- Personal purchases
- Gift certificates
- Alcohol or Tobacco
- Sales Tax
- Individual Memberships
- Clothing (except for students-promoting the school)
- Gifts and seasonal greeting cards
- Flowers (except for approved student events)
- Office decorations for personal office
- Logo giveaway items
- Purchases from multi-level marketing companies (Amway, Discovery Toys, etc.)
- Cash Advances
- Splitting transactions
- Purchase made by someone other than cardholder or person assigned to program card

The above lists are not all inclusive. If you have specific questions, please ask the Superintendent's office.

Individual Responsibility for Pro-Card

The cardholder is responsible for the security of his/her card and any transactions made using the card. If the Pro-Card is used to make unacceptable purchases as listed above, the cardholder will be personally responsible for the transaction. The cardholder must report such misuse by completing a Pro-Card Usage Correction Form (Appendix C).

The cardholder is also responsible for the timely submission of documents required for reconciliation and payment to either the Corporation Treasurer or Building Treasurer.

Inappropriate and irresponsible card usage will be reported to the Principal and/or Superintendent for use in employee evaluations. In addition, the card may be revoked.

Program Restrictions

Control limits will be established by the Superintendent's office. The limits will vary according to the budget and buying needs of the department.

The Superintendent's office has the ability to program each card so purchases from certain businesses will not be accepted. This will automatically be done for businesses that generally provide services or commodities not allowed by the corporation.

Additional controls can be put in place to clearly define the individual or unit purchasing limitations. The controls are various combinations of

- Max dollar limit per transaction

- Number of transactions per day
- Monthly cardholder dollar limit
- Merchant Category Code (MCC)

The MCC is a four digit classification code used in the authorization and settlement systems to identify the type of merchant. Certain MCCs may be blocked.

Transactions falling outside the assigned controls are to be declined at the point of sale.

Reconciliation and Payment

All Pro-Card charges are included on one central invoice paid monthly. Prior to the payment, all supporting documentation for the month must be received no later than the last Friday of the month. This does not mean that the cardholder should hold the documentation until the last possible moment but rather submit frequently.

Itemized receipts must be retained for all purchases. For purchases via phone or mail, require the merchant to include a receipt with the goods when the product is shipped. If that is not possible, a packing slip must be retained to document the purchase.

At this time, the Corp. Treasurer/Building Treasurer will reconcile the statement to your receipts.

If an itemized receipt or packing slip was not received, contact the supplier to obtain one.

If the required documentation is inadequate or late in arriving, the cardholder's status may be reviewed and/or suspended.

Resolution of Errors and Disputes

There may be an occasion when items appear on the monthly statement that are in dispute. When this occurs, the Superintendent's office will work with the cardholder and the Bank to resolve the issue.

For issues concerning products not received or quality of goods, begin by contacting the merchant to resolve and notifying the Superintendent's office in writing (Appendix D). If the issue is resolved, please let us know; however, if an agreement cannot be reached, contact the Corporation Treasurer. It is important to report these disputes immediately as the Pro-Card has policies to encourage quick response by the merchant in order to resolve in the same billing cycle.

Lost or Stolen Cards

The Pro-Card is the property of the School Corporation and should be secured just as a personal credit card. If the card is lost or stolen, contact the Corporation Treasurer or Building Treasurer immediately. The card will be deactivated and declined by any merchant if there is an attempt to use it. Prompt action in these circumstances is very important to avoid fraud.

A replacement card will be ordered for you.

Cancellation, Changes, Renewals

When an employee's employment ends or when a card needs canceled, the Pro-Card should be cut in half and hand delivered to the Corp. Treasurer or Building Treasurer.

If any changes are needed, i.e. in name, contact central office.

Sales Tax

Purchases of items by public schools are generally exempt from sales tax. The exemption applies to educational purchases, and may not apply to extra-curricular purchases. Merchants are required by tax law to include sales tax at the time of purchase.

It is the cardholder's responsibility to notify the merchant that the school is tax exempt. The tax exempt number is printed on the Pro-Card and a copy of our tax exempt form is included in this manual (Appendix E). If sales tax is charged and should not have been, it will be the personal responsibility of the Pro-Card holder to reimburse New Prairie United School Corporation.

Appendix A

****SAMPLE****

School Corporation Pro-Card Terms of Revocation Form

As an authorized user of the Pro-Card, I understand that I am the only person authorized to make purchases with the Pro-Card issued to me and that such purchases must be in connection with my employment with, for the benefit of, and authorized by the School Corporation.

I understand that the purchase of the following items constitutes misuse of the Pro-Card and may result in the revocation of my privileges to be a Pro-Card holder or other action.

- Personal purchases
- Gift certificates
- Alcohol or Tobacco
- Sales Tax
- Individual Memberships
- Clothing (except for students-promoting the school)
- Gifts and seasonal greeting cards
- Flowers (except for approved student events)
- Office decorations for personal office
- Logo giveaway items
- Purchases from multi-level marketing companies (Amway, Discovery Toys, etc.)
- Cash Advances
- Splitting transactions to exceed the limit
- Purchase made by someone other than cardholder or person assigned to program card
- Other unacceptable uses as identified by New Prairie United School Corporation

If the Pro-Card is misused in any way by me, I hereby agree to personally pay the School Corporation all amounts incurred for such misuse.

Name of cardholder _____ Date _____

Cardholder Signature _____

Note: In addition to the above consequences for misuse or failure to pay any amounts incurred as a result of the cardholder's misuse, School Corporation retains the sole right and discretion to take further action, whether in the form of disciplinary action, up to and including termination of employment and/or legal prosecution, in the event of misuse, fraud, or other dishonesty involving the Pro-Card or Corporation funds, subject to applicable law.

Appendix B

****SAMPLE****

School Corporation Pro-Card Receipt Acknowledgement

I acknowledge that on the date indicated below, I received my Pro-Card. I have received a copy of the policy and procedures manual explaining my responsibilities and the proper use of the card. I understand that:

The Pro-Card is to be used solely for business purposes, not personal.

I am responsible for obtaining and submitting all necessary documentation in a timely manner.

Should my employment terminate, I am responsible for returning my card to the Superintendent's office.

Pro-Card Number _____

Employee Signature _____

Employee Name _____

Date _____

Pro-Card Return Acknowledgement

I acknowledge that on the date indicated below, the Pro-Card issued to the above named employee was returned

Corporation Treasurer Name _____

Corporation Treasurer Signature _____

Date _____

Appendix C

****SAMPLE****

School Corporation Pro-Card Usage Correction Form

If a cardholder has unacceptable usage (see manual), this form must be completed and submitted to the Superintendent's office as soon as the violation is known.

Cardholder information

Cardholder name _____ Phone number _____

Card transaction information

Transaction date _____ Transaction Amount \$ _____

Merchant name _____

Unacceptable use _____

Proposed corrective action

_____ Cardholder will reimburse on _____ (date)

_____ The item will be returned for credit.

_____ Other, describe below

Cardholder signature _____ Date _____

Superintendent Office use only: Corrective Action ___ Approved Alternative Action ___ (Attach)

Superintendent Signature _____ Date _____

Appendix D

****SAMPLE****

School Corporation

Pro-Card Cardholder Dispute Form

Cardholder Information

Cardholder name _____

Card number _____ Date _____

Disputed Transaction Information

Transaction date _____ Transaction amount \$ _____

Merchant name _____

Dispute Description

_____ Credit not posted

_____ Erroneous amount

_____ Duplicate posting

_____ Product not received or damaged

_____ Other (specify below)

Description of communication with merchant or Bank _____

****SAMPLE****

Resolution to Adopt Materiality and Acceptable Risk Procedures

Whereas, IC 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the State Board of Accounts; and

Whereas, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality; and

Whereas, School Corporation does not condone any erroneous or irregular variances, losses, shortages, or thefts of political subdivision funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts:

Now, therefore, the Board of Trustees "Board" directs as follows:

1. All erroneous or irregular variances, losses, shortages, or thefts of School Corporation funds or property shall be reported to the Superintendent or his/her designee promptly.
2. It will be the policy of School Corporation to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of \$500.00 as a single occurrence or multiple occurrences, except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the School Corporation.
3. It will be the policy of School Corporation to report to the State Board of Accounts any erroneous, or irregular variances, losses, shortages, or thefts of non-cash items in excess of \$5000 as a single occurrence or multiple occurrences, except for those resulting from inadvertent clerical errors or misplacements that are identified timely and promptly corrected with no loss to the School Corporation.
4. School Corporation reserves the right to report any and all occurrences of irregular variances, losses, shortages, or thefts of School Corporation cash or non-cash items to the State Board of Accounts and other authorities regardless of the amount.
5. All School Corporation elected officials, and all School Corporation employees and volunteers are directed to comply with this policy.

Adopted this ____ Day of _____, 2____.

Board President

Board Secretary

****SAMPLE****

APPROVED ATTORNEY OPINION ON TEXTBOOK FEES

Date

State Board of Accounts
c/o School Corporation
Street
City/State/Zip

Re: School Corporation Textbook Rental and Fees Assessments

Dear Sir/Madam:

This letter will serve as confirmation that it is my opinion that the textbook rental and fees charged by the School Corporation, and approved by the Board of School's Trustees, are constitutional.

Sincerely,

(Attorney's Signature)

Bonding Resolution

Whereas, IC 20-26-4-5 requires for each school year commencing July 1,

(a) (1) the treasurer of each governing body and the governing body's School Corporation;

(2) a deputy treasurer, if so appointed; and

(3) any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to a school corporation or the governing body of a school corporation;

shall give a bond for the faithful performance of the treasurer's, deputy treasurer's, or individual's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body.

The treasurer shall be responsible under the treasurer's bond for the acts of a deputy treasurer appointed as provided in section 1 of this chapter.

(b) A governing body may authorize the purchase of a blanket bond that:

(1) is endorsed to include faithful performance to cover the faithful performance of all employees and individual acting on behalf of the governing body or the governing body's school corporation, including the individuals described in subsection (a); and

(2) includes aggregate coverage sufficient to provide coverage amounts specified for each individual who is required to give bond under this section.

Now; therefore, the Board of School Trustees of the School Corporation authorizes the following be provided by an insurance company licensed to do business in Indiana.

1. Treasurer faithful performance bond in the amount of \$50,000.
2. Deputy Treasurer faithful performance bond in the amount of \$50,000.
3. Any other individual whose official duties include the access to public funds, including but not limited to extracurricular treasurers, shall be covered under either a blanket bond or public employee dishonesty coverage at \$30,000 per occurrence.

Executed this _____ day of _____, 2_____.

****SAMPLE****

SCHOOL BOARD OF TRUSTEES

RESOLUTION TO ADOPT INTERNAL CONTROLS

WHEREAS, Internal Controls encourage the efficient use of government time and resources; and

WHEREAS, Internal Controls convey the School Board of Trustees' commitment to detect fraud, waste, and abuse; and

WHEREAS, the School Board of Trustees' desires to have a successful and effective internal control system; and

WHEREAS, Indiana Code 5-11-1-27 requires each political subdivision to maintain a system of internal controls to promote government accountability and transparency; and

WHEREAS, Documentation is a necessary part of effective internal control; and

WHEREAS, after 6/30/16, Indiana Code 5-11-1-27 (g) requires the School Board of Trustees' to officially adopt minimum internal control standards as defined by the State Board of Accounts; and

WHEREAS, after 6/30/16, The School Board of Trustees must ensure that personnel (as defined under IC 5-11-1-27) receive training concerning the internal control standards and procedures that are officially adopted

NOW, THEREFORE, BE IT RESOLVED by the School Board of Trustees that the Administration shall make recommendations to the School Board of Trustees in compliance with the State Board of Accounts' approved minimum level of internal controls set forth; and shall further develop a program or procedure for training all applicable employees and board members concerning the internal control standards established by the School Board of Trustees.

PASSED AND ADOPTED BY THE SCHOOL BOARD OF TRUSTEES THIS _____ DAY OF _____, 2016.

AYE

NAY

II. Business Staff Training

a. Indiana Code 5-11-1-27 requires Internal Control Policy Training

After June 30, 2016, [IC 5-11-1-27\(g\)](#) provides that the legislative body of each political subdivision must adopt the minimum internal control standards as defined by the State Board of Accounts. The legislative body must also ensure that personnel receive training concerning the internal control standards and procedures adopted by the political subdivision.

The fiscal officer must certify that the minimum internal control standards have been adopted and that personnel who are not otherwise on leave status have received training regarding these standards and procedures. This certification will be filed as part of the Annual Financial Report submission in Gateway.

In addition, a certification for each elected official, appointee, and employee should be signed as evidence of their individual training. A certification form is provided below and can also be found in the Appendix in the Uniform Internal Control Standards for Indiana Political Subdivisions manual. These certifications are to be maintained by the political subdivision. [Certification Form](#)

b. Uniform Internal Control Standards for Indiana Political Subdivisions

[Indiana Code 5-11-1-27\(e\)](#) provides that through the compliance guidelines authorized under [IC 5-11-1-24](#) the State Board of Accounts (SBOA) shall define the acceptable minimum level of internal control standards for internal control systems of political subdivisions, including the following: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring.

In response, the SBOA developed the [Uniform Internal Control Standards for Indiana Political Subdivisions](#) manual, which contains the acceptable minimum level of internal control standards that a political subdivision is expected to maintain.

c. Annual Training Calendar to include but not limited to topics such as

- Payroll and Human Resource Compliance Issues
- Audit Requirements
- Procurement Rules
- Legal Changes
- State and Federal Grants Management
- Financial Software
- Travel Guidelines
- Budget Development
- ECA Treasurer Training

Training Calendar

All training groups will receive instruction on the generalized topics, including the Internal Control Standards, their five components and the seventeen principles, the Budget Development Process, Audit Requirements, and Legal Changes. The State Board of Accounts has issued a power point presentation called the *Uniform Internal Control Standards for Indiana Political Subdivisions*. This document can be accessed with the link listed above. The training begins on Section 2, page 25.

January Central Office Staff shall be trained as a group to cover generalized topics such as Internal Control Standards, their five components and seventeen principles, the Budget Development Process, Audit Requirements, and Legal Changes. This training session will also include Payroll and Human Resource Compliance, Receipting, Disbursing and Procurement, Travel Guidelines, and State and Federal Grant Guidelines.

August The Extra Curricular Bookkeepers shall meet at Central Office and receive training on generalized topics such as Internal Control Standards, their five components and seventeen principles, Budget Development Process, Audit Requirements, and Legal Changes. In addition, training will include more specialized topics in the area of their responsibility for Extra Curricular Accounting including, but not limited to: safeguarding of assets and money collected, receipting, recording transactions, depositing funds, returned checks, bank reconcilements, procurement and disbursement procedures, and quality reporting functions.

August The Administrative Team including the Superintendent, Directors, Principals, Managers of Technology, Transportation, Facilities & Grounds, and Food Service, Athletic Director, and the Supervisors of the Corporation counselors and nurses will also receive training on generalized topics such as Internal Control Standards, their five components and seventeen principles, Budget Development Process, Audit Requirements, and Legal Changes. This will be completed at the Back-to-School Annual Meeting.

August An individual meeting will be scheduled with the Coordinator of Instructional Technology to insure control activities are secure such as: employee user id's and passwords, access restrictions within the software system allowing employees access to areas only necessary to complete their duties, ensure audit trails are maintained and transactions are identified by user name, confirm back-up processes and disaster recovery procedures are in place and still relevant.

III. Federal Grant Regulations

- a. List Departmental Responsibilities
- b. Insert any Local Policies
- c. Completion of Forms (7, 9, 13) from SBOA
- d. Acronyms and Definitions listed in EDGAR

CFR - Code of Federal Regulations contains the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal government. Divisions in the represent broad areas subject to federal regulation.

EDGAR -CFR Title 34 Parts 74-99 are known as the *Education Department General Administrative Regulations* and contain regulations for administering discretionary and formula grants awarded by the US Department of Education.

Acronyms and Definitions can be found on the Electronic Code of Federal Regulations.

Title 2: Grants and Agreements

[PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS](#)

http://www.ecfr.gov/cgi-bin/text-idx?SID=4dad7d645c2db75dc80ebd732b33af65&mc=true&node=sp2.1.200.a&rgn=div6#se2.1.200_10

LEA –Local educational agency CFR § 300.28
(a) General. Local educational agency or *LEA* means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school Corporation, or other political subdivision of a State, or for a combination of school Corporations or counties as are recognized in a State as an administrative agency for its public elementary schools or secondary schools.

SEA – State Educational Agency CFR § 300.41
State educational agency *State educational agency* or *SEA* means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary schools and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

- e. Financial Management Rules/Internal Controls

Sound financial management is fundamental in the operation of a business. Rules and processes should be in place to protect the financial interests of the entity and to provide guidance and direction to employees. The resources below provide guidance in developing/maintaining internal control standards and processes.

After June 30, 2016, IC 5-11-1-27(g), states that every corporation must adopt the minimum internal control standards defined by the State Board of Accounts (SBOA). Employees must receive training on the internal control processes and standards.

The *Uniform Internal Control Standards for Indiana Political Subdivisions*, released by the SBOA in September, 2015, provides guidance for implementing internal controls standards. Link to the manual: <http://www.in.gov/sboa/5071.htm>

The *Standards for Internal Controls in the Federal Government (Green Book)* by the Comptroller General of the United States, provides in-depth internal controls guidance. <http://www.gao.gov/assets/670/665712.pdf>

Green Book definition - Internal control is a process used by management to help an entity achieve its objectives.

CFR § 200.61 Internal controls *Internal controls* means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations;
- (b) Reliability of reporting for internal and external use; and
- (c) Compliance with applicable laws and regulations

CFR § 200.62 Internal control over compliance requirements for Federal awards

Internal control over compliance requirements for Federal awards means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:
 - (1) Permit the preparation of reliable financial statements and Federal reports;
 - (2) Maintain accountability over assets; and
 - (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- (b) Transactions are executed in compliance with:
 - (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - (2) Any other Federal statutes and regulations that are identified in the Compliance Supplement
- (c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

There are five components of internal control and a set of principles within each component.

Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities

- Allowable Costs CFR Part 200 Subpart E – Cost Principles

§ 200.403 Factors affecting allowability of costs.

1. Factors

- a. Necessary and Reasonable - Is the purchase -
 - i. Necessary to accomplish the grant objectives?
 - ii. Listed in the detailed budget?
 - iii. Allowable according to the grant guidelines?
 - iv. Reasonable -§ 200.404 Reasonable costs.
 - 1. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- b. If a purchase is not listed in the award budget or there may be concern that the cost may not be allowable, get written approval from the grantor before making the purchase.
- c. Classification of costs – Direct or Indirect
 - i. CFR § 200.412 Classification of costs.
 - 1. Direct costs – those that can be associated with a specific cost objective
 - 2. Federal Awards – important to determine whether costs are direct or indirect.

- Indirect Cost Rates

The Indiana Department of Education determines the indirect cost rates for each corporation. Corporations are notified yearly when the application process begins.

Indirect costs are classified as Restricted and Unrestricted. The restricted rate is used for most awards and must be approved through the budget process. Unrestricted rates are allowable in limited circumstances.

- General Administrative Responsibilities

Collaboration among the grant writer/administrator and business office personnel is essential and ongoing communication is key to ensure the grant is executed as written. All will have responsibilities for some internal control processes.

Grant Administrator

- 1. Responsible for carrying out grant activities according to the approved grant
- 2. Direct contact with the grantor
- 3. Approves all purchases
- 4. Executes budget amendments
- 5. Approves reimbursement requests

6. Completes narrative for required reports

Business Office personnel

1. Responsible for the grant fiscal activity
2. Maintains an award file for each grant
 - a. Application
 - b. Approved grant and budget
 - c. Start and end dates
 - d. Fiscal reports
 - e. Communication from grantor/grant administrator
3. Meets with grant administrator on a regular basis
4. Monitors grant timelines, expenditures
5. Creates salary / benefits projections
6. Requests timely reimbursements
7. Completes fiscal reports
8. Prepare for fiscal audit

● Cash management— Included in internal controls processes

Internal Control practices – all staff who handle paperwork should initial and date

1. Processing
 - a. Requests to Purchase –
approval by requestor, grant administrator
processed into purchase order
 - b. Payments –
approval for payment by requestor/administrator
processed by Business Office
 - c. Reimbursements –
 - ii. Request on timely basis after expenditures
 - iii. Federal awards
 1. Cannot have cash on hand
 2. Request funds after expended
 - iv. Signed & dated by the staff completing the request form/grant administrator/
treasurer or CFO
 - d. Fiscal Reports – signed by person completing report, Treasurer or CFO, grant administrator

● Carryover

Most grants require all federal awards are spent by the grant expiration date. Title I allows for carryover funds. Follow Title I rules for requesting a carryover.

- Recordkeeping

It is important to keep all documentation relating to awards, including personal documentation of concerns, questions, correspondence for questions that may arise during an audit. Keep award folders in the office until the audit of the award is completed. Follow the Indiana Records Commission timeline for retention and destruction of records.

- Documenting Time and Effort

Staff whose salary/benefits are paid by federal funds must document their time. There are two methods of recordkeeping.

1. Semi-Annual certification – This form is completed when a staff member is paid 100% from a single cost objective with federal funds. The form must be completed twice a year and states that the staff member was paid entirely with federal funds.
2. Personal Activity Report (PAR) – This form is completed when a staff member is paid from more than one funding source, including federal funds. The staff member must complete a monthly report documenting the percentage of time spent on each funding source. Example 1- a teacher is paid 100% from Title I instruction category. The teacher will complete a Semi-Annual certification form.

Example 2 - a teacher is paid 50% from federal funds and 50% from general fund OR a teacher is paid from federal funds with split cost objectives (50% Title I instruction and 50% Title I Improvement of Instruction). The teacher will complete the Personal Activity report documenting their daily time worked split between the 2 cost objectives.

The employee and the grant administrator must sign the report. The reports are kept for audit.

- Conflict of Interest

To address situations when outside interests may overlap or conflict with someone's activities in a corporation, the School Board should adopt policies regarding financial conflicts of interest. In the event of a possible conflict of interest, the staff member should complete a form and submit to the office that will hold the policy.

- Suspension/Debarment

[CFR §200.213](#) Suspension and debarment. Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, sub awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

The Suspension/Debarment process protects the Federal Government from fraud, waste, and abuse to avoid doing business with irresponsible contractors/vendors. This process also applies to federal awards

to grantees. Before contracting or purchasing from vendors, check the Excluded Parties List System (EPLS) on the System for Award Management (SAM) at <https://www.sam.gov/portal/SAM/##11>.

The most effective way to search the database is using the DUNS number. The record can be printed and the documentation kept with the contract/purchase for audit purposes.

g. Inventory and Asset Management (Capital Asset Policy)

Every corporation should have a capitalization policy that sets a dollar amount as a threshold to be used in determining which acquisitions should be included in the inventory of capital assets.

34 CFR Subtitle A CFR § 80.32 Equipment addresses the purchase, use, management, and inventory of capital assets purchased with federal funds.

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

((5) If the grantee or sub grantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

IV. State and Federal Programs

- Special Education
- Career and Technical Education
- High Ability
- English Language Learners
- School Safety Grant
- Any Other State or Federal Grants

Follow the grant guidelines as listed on the Grant Award Letter. Verify reporting requirements, amendments, and deadlines are followed.

Verify if the grant is reimbursable after expenses incurred or if the grant is payable via cash request by the submission of the proper request form.

Be sure to keep documentation on all expenditures and personnel transactions.

As with all grants, follow the five (5) internal controls cited in the [Uniform Internal Controls Standards for Indiana Political Subdivisions](#) which include the following:

- a. Documented segregation of duties
- b. For State and Federal reports, reimbursement requests, and bank reconciliations, for example, the SBOA will be looking to see if the document(s) have been reviewed (initialed) by a second party, other than the preparer.
- c. Verification that all expenditures are allowable under the grant guidelines

All other local grants will follow the grant award guidelines.

V. Extra-Curricular Accounting

- 1) Organizational Chart
- 2) Job Descriptions
- 3) Daily Processes – IC 20-40-1-3 – the treasurer shall receive, receipt, account for and disburse all funds flowing through the extra-curricular accounts. All transactions will be reviewed and signed by the building administrator
- 4) Monthly Processes -
 - a) Fund balances – The extra-curricular treasurer should advise the activity sponsor periodically, preferably monthly, of the current balance in the fund of their activity
 - b) IC 5-13-6-1(e) The bank shall be reconciled to the books, or financial software, by the 15th day of the following month
 - c) Building administrator and treasurer complete and sign monthly check list stating that the following has been completed
 - i) Claims are properly executed with all supporting documentation attached
 - ii) Receipts have been properly executed with all supporting documentation attached
 - iii) Receipts balance to the financial software system
 - iv) Bank statement balances to the financial software report, Summary of Receipts and Expenditures
- 5) Semi Annual and Fiscal Year Processes
 - a) Financial Report - IC 20-41-1-8 the treasurer shall file a copy of the treasurer's financial report of receipts and disbursements with the board of school trustees no more than 2 weeks after the close of each semester. Records and files of extracurricular activities for the entire school year shall be filed with the last financial semester report of any one school year. (Forms SA5-1 Financial Report of ECA's, SA5-2 Cash reconciliation, SA5-3 Detail of Receipts and Expenditures by Fund, and SA5-4 Report Certificate)
 - b) ECA Risk Assessment Report - Per IC 5-11-1-4 the Fiscal Officer (Treasurer/Controller) is required to provide electronically and in a manner prescribed by the State Examiner, financial reports for the fiscal year not later than **sixty days after the close of the fiscal year**.
 - i) Effective July 1, 2015, Public Law 181-2015 amended IC 5-11-1-25 to require the SBOA to develop risk based examination criteria and then determine the frequency each audited entity is required to be examined based on the results of a risk based assessment.
 - ii) The ECA Risk Report filed through Gateway is a part of the financial reports required to be filed by the Fiscal Officer (Treasurer/Controller) per IC 5-11-1-4 and has been designed as the tool for school corporations to provide the risk based criteria for their extra-curricular accounts (ECAs) to allow SBOA to evaluate for an appropriate level of risk.
- 6) Separation of Duties

Part of the control activity component is segregation of duties. An individual should not be permitted to initiate, approve, undertake and review the same duty. Separating the ability to record and authorize reduces the risk of error and/or fraudulent activities. In a school setting,

segregation is not practical due to the limited number of staff available. Therefore, compensating activities will be utilized. This includes the principal reviewing and approving ECA reports, and bank statements.

a) Expenditures and Endorsement of Checks –

- i) IC 20-41-1-4 - Expenditures by the treasurer of the extra-curricular account are limited to those approved by the principal of the school and they should be in accordance with general administration policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board.
- ii) Unless specifically authorized by statute, payments made for goods or services which are not received shall not be made. Payments made in advance of receipt of goods and services may be the personal obligation of the responsible official or employee
- iii) All checks will be signed by both the extra-curricular treasurer and building administrator.

b) Bank Reconciliation – Bank reconciliation shall be done by the treasurer monthly, no later than the 15th day of the month following the reconciling month. The completed reconciliation shall be reviewed and approved by the building administrator.

c) Entering and Posting Data

The ECA Treasurer is expected to keep current with the accounting of ECA funds, including entering and posting receipts and expenditures on a daily basis.

d) Purchasing and Receiving Functions

- i) Purchase orders shall be created at the approval and direction of the building administrator
- ii) Compensation and any other payments for goods and services should not be made in advance of receipt of the goods or services unless specifically authorized by statute.
- iii) Orders will be checked in by the teacher/club sponsor. Signed packing slips will be attached to the purchase order along with the approved invoice.

e) Receipts – A receipt is to be issued for any and all money received.

- i) The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extra-curricular account.
- ii) A receipt is to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt.
- iii) The receipt must be signed by the extra-curricular treasurer or collecting authority
- iv) IC 20-41-1-9 states the treasurer shall deposit all receipts in one bank account without unreasonable delay.

f) Bank Deposits – IC 20-41-1-9 – the treasurer shall receive all funds and prepare a bank deposit. The deposit will be reviewed and approved by a second person. Deposits will be made without unreasonable delay.

g) Payroll

ECA Treasurer or Secretary will complete time and attendance records for hourly employees reporting to that building. This report along with the time cards will be submitted to Central Office bi-weekly.

h) Monitoring of Segregation of Duties

The Corporation Treasurer shall make unannounced visits to the school buildings to review the Segregation of Duties. In addition, the ECA Treasurer shall report internal control issues identified while executing their duties. These issues will be documented and evaluated by the Corporation Treasurer. Corrective actions will be implemented if needed.

7) Gateway Reporting

The State Board of Accounts created the ECA Risk Report which is reported through Gateway. This report includes beginning balance, receipts and expenditures, along with questions designed to determine the risk level at each school building. The reporting period runs from July 1st through June 30th each year. It is due near the end of August. Please check on Gateway for the specific due date. Additional information can be found on the State Board of Accounts website at

<http://www.in.gov/sboa/4449.htm> . The user guide can be found at

<https://gateway.ifionline.org/guides> .

8) Bonding Requirements – IC 20-41-1-6 / 20-26-4-5

- a) Issued in an amount fixed by the Superintendent and principal of the approximated amount totaling the anticipated funds that will come into the possession the treasurer at any one time during the regular school year.
- b) Bonds shall be filed with the trustee or board of school trustee
- c) IC 20-26-4-5 states a blanket bond may be purchased as long as it is endorsed to include faithful performance of all required bond holders and includes aggregate coverage for all of the specified amounts of the required bond holders.
- d) SBOA update issued 10/22/15 states that SVOA will not take exception to coverage via a crime insurance policy as long as it is authorized by resolution and endorsed to cover faithful performance and includes aggregate coverage.
- e) Will be required to submit a copy of the official bonds to the SBOA on subsequent submissions of the Gateway Annual Report

9) Cash Handling Practices

Cash shall be collected and turned over to the ECA Treasurer along with a SA-8 form detailing the deposit. The ECA Treasurer will verify the amount of the deposit with the SA-8 Form and will issue a receipt. The deposit will be prepared and taken to the bank. If the Treasurer is unable to get to the bank at that time, all cash, checks and money orders are required to be locked in the safe until they are able to make the deposit.

10) Athletics

Since most events take place in the evening hours when the ECA Treasurer is not duty, a safe must be maintained by the Athletic Director to lock up the proceeds from the game or event. The following business day, the Athletic Director will complete a SA-8 Form and submit to the Treasurer.

11) Concessions – Internal controls should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received.

- a) Any discrepancies noted should be immediately documented in writing to proper officials

12) Fundraisers

- a) Permission of the governing body is required.
- b) School Board shall approve / accept donations to be received.
 - i) Handling of cash

- 13) Gifts and Donations – The State Board of Accounts states that Cash donations that are extra-curricular in nature may be accounted for in extra-curricular accounts. The acceptance of the donations shall have prior approval by the Board of School Trustee's
- 14) Ticket Taking – Serially pre-numbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events which admission is required.
- a) These tickets shall be two part with one part going to the person paying for admission, and the other part being retained as part of the financial accounting of the event.
 - b) Tickets for each group shall be different colors and or different series numbers.
 - c) The treasurer shall be responsible for the proper accounting of all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. (Form SA-4)
 - i) The treasurer receipt issued therefor should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash.
- 15) Processing of Personnel Payments
- a) Employee – Pay of teachers or other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the extra-curricular account.

Pay of concession stand supervisors and of ticket takers, etc., for fine arts events should be paid from the proceeds of the activity sponsoring the event. **A claim shall be sent to the Payroll Department for processing through the financial software. The sponsoring club shall reimburse the expense.**

Non-Employee – All non-employee vendors shall be paid by claim once a W-9 form has been obtained and entered into the financial system software.
- 16) Gift Cards – The school board must authorize gift card purchases through a resolution, which has been approved in the board minutes
- a) The purposes for which gift cards may be issued must be specifically stated in the resolution
 - b) The responsible official shall maintain an accounting system or log which would include the name of the business from which gift cards were purchased, their amounts, fund to be charged, date the card was issued, person gift card was issued to, proof that the gift card was received by the person it was issued to, etc.
 - c) Purchase and issuance of gift card should be handled by an official or employee designated by the school principal
 - d) Gift cards shall not be purchased to bypass the accounting system.
 - e) Procedures for payments should be no different than for any other claim. The school principal must approve the expenditure and supporting documents such as paid bills and receipts must be available.
- 17) Form Approval – IC 20-41-1-4 Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed
- a) A desired change or addition to a prescribed form must be approved by the State Board of Accounts as discussed in the Accounting and Uniform Compliance Guidelines Manual for School Corporations at: www.in.gov/sboa/2821.htm

- b) The use of computer-generated prescribed forms should be brought to the attention of the Field Examiner during the next regularly scheduled audit. The forms and computer system generating the forms are subject to a technical audit based upon the results of the Field Examiners risk assessment.
- 18) Write off Procedures
- a) Documentation should exist for all efforts made to collect amounts owed prior to any write-offs
 - b) **SCHOOL BOARD POLICY**
- 19) Procurement/Credit Card – The State Board of Accounts criteria;
- a) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes
 - b) Issuance and use should be handled by an official or employee designated by the board
 - c) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution
 - d) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
 - e) The responsible official or employee should maintain an accounting system or log which would include the names of the person requesting usage of the card, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
 - f) Credit cards should not be used to bypass the accounting system.
 - g) Payments should not be made on the basis of a statement or credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents must be available.
 - h) If properly authorized, and annual fee may be paid
- 20) Signature Stamps – A rubber stamp or other signing device should be used only under the personal direction of the public official and should be properly safeguarded when not in use since each official is responsible for his or her own signature
- 21) Disposition of Old Outstanding Checks –
- a) No later than March 1 of each year, the Treasurer shall prepare or cause to be prepared a list in duplicate of all checks outstanding for two or more years as of December 31 last preceding year. The original copy shall be filed with board of finance of the school corporation and the duplicate copy maintained by the Treasurer. The Treasurer shall enter the amounts so listed as a receipt to the fund or funds upon which they were originally drawn and remove the checks from the list of outstanding checks. If the fund on which the checks were originally drawn is not in existence, or cannot be ascertained, the amount of such checks shall be receipted to the General Fund. Each list prepared must show:
 - i) The date of issue of each check
 - ii) The fund upon which the check was originally drawn
 - iii) The name of the payee
 - iv) The amount of each check issued
 - v) The total amount represented by the checks listed for each fund
 - b) State Board of Accounts suggests that the school corporation attorney provide written guidance concerning claims that might be presented.

VI. School Nutrition Program

****SAMPLE****

Food Service Elementary School Daily Procedures

Description: Patrons are able to deposit money into their “lunch account” in the Point of Sale (POS) to purchase meals and ala carte. The account is then used each day for purchases and is drawn down for the amount of the purchases. All money taken in is then deposited daily into the bank by a courier.

- 1) Envelopes are printed and sent home with students for the purpose of sending in money for purchasing meals and ala carte.
- 2) Each day, the Teachers collect the sealed envelopes in the classroom and place them into a collection envelope.
- 3) The collection envelope is delivered to the cafeteria.
- 4) The Food Service Cashier then opens each envelope and verifies the amount inside against the amount listed on the envelope. The amount is circled and cash or check number is written on envelope. (Envelopes are kept for a rolling 3 month period for reference.)
- 5) The money amounts are then entered into each child’s lunch account in the POS.
- 6) The money is then counted by the Food Service Cashier and entered onto a daily count sheet and the total is entered into the daily deposit log and signed.
- 7) The money is then counted again to ensure accuracy by the Food Service Manager and a second signature is entered into the deposit log. A deposit ticket is completed and the cash and coin is placed in a tamper proof bank bag for pickup by the Courier. ****The Food Service Manager takes deposit to bank. ***** The tab of the deposit bag is kept by Food Service.
- 8) Checks are scanned by an electronic scanner directly into the bank account and kept in a secure file for a rolling 30 day period. Checks are then shredded by the Food Service Manager when they meet the expiration. A printout of the electronic deposit is initialed and kept on file at the school and a copy is kept COS.
- 9) The amounts are then entered into the POS close screen and a Receipt and daily Sales Activity Sheet is printed which lists the amount of cash, coin and checks. This amount is checked against the deposit and initialed by the Foodservice Manager on the daily Sales Activity Sheet. A copy is kept on file at the school and a copy is sent to the FSD.
- 10) The Courier then picks up the deposit and signs the deposit log and takes the deposit to the bank. The bank opens the sealed deposit, counts the deposit and gives the Courier the deposit ticket. The deposit ticket is then given to the Food Service Manager the next day. The Food Service Manager checks the deposit ticket total against the Sales Activity Total and initials the ticket. The Sales Activity, Electronic Receipt, Bank Bag Tab and Deposit Ticket are then sent to the FSD for totaling.

****SAMPLE****

Secondary School Daily Procedures—Food Service

Description: Patrons are able to deposit money into their 'lunch account' in the Point of Sale (POS) to purchase meals and ala carte. The account is then used each day for purchases and is drawn down for the amount of the purchases. All money taken in is then deposited daily into the bank by a courier.

- 1) Deposits into a patron's lunch account are made at the POS by the Food.
- 2) Each Cashier's station is counted at the end of the day by the Food Service Manager and totals are entered into the POS close screen and a receipt for each station is printed which lists the total of cash, coin and checks.
- 3) The money is then combined into one total deposit and the total is recorded in the deposit log and signed. The money is then counted again to ensure accuracy by the Food Service Lead and a second signature is entered into the deposit log. The daily Sales Activity Sheet is printed and is checked against the deposit for accuracy and initialed by the Food Service Manager. A copy is kept on file at the school and a copy is sent to the FSD.
- 4) A deposit ticket is completed and the cash and coin is placed in a tamper proof bank bag for pickup by the Courier. The tab of the deposit bag is kept by Food Service Manager.
- 5) Checks are scanned by an electronic scanner directly into the bank account and kept in a secure file for a rolling 30 day period. Checks are then shredded by the Food Service Manager when they meet the expiration. A printout of the electronic deposit is initialed and kept on file at the school and a copy is
- 6) The Courier then picks up the deposit and signs the deposit log and takes the deposit to the bank. The bank opens the sealed deposit, counts the deposit and gives the Courier the deposit ticket. The deposit ticket is then given to the Food Service Manager the next day. The Food Service Manager checks the deposit ticket total against the Sales Activity Total and initials the ticket. The Sales Activity, Electronic Receipt, Bank Bag Tab and Deposit Ticket are then sent to the FSD for totaling.

****SAMPLE****

Food Service Month End Processes

Description: At the end of each month, the Food Service Director (FSD) in conjunction with the Food Service Secretary (FSS) and Central Office Staff (COS) complete procedures to close the month.

- 1) Each week the FSS totals the previous week's sales activity totals and deposit totals for each school and compares to be ensure they match, staples them together and initials each on the tape. Any discrepancies would be brought to the FSD's attention at that time.
- 2) At the end of the month, the FSD prints out the detailed list of all online patron deposits from the Point of Sale (POS) and compares them to the reconciliation information for each individual patron.
- 3) The bank statement is then cross checked for all online payments by the FSD and any outstanding deposits in transit are highlighted and totaled.
- 4) The monthly spreadsheet from the POS is printed that reflects the daily activity.
- 5) The total for each Account Type (i.e. Student Lunch, Student Breakfast, etc.) is entered into the 800 Fund of the Financial Accounting Software by the FSD.
- 6) The total change to Prepaid Food in Trust is entered into the 8400 Fund of the Financial Software by the FSD. The balance of 8400 Fund is then compared to the actual balance of Patron Accounts from the POS on the last day of the month.
- 7) Any catering, rebates or miscellaneous receipts deposited by the COS are entered into the 800 Fund of the Financial Accounting Software by the FSD.
- 8) The FSD then sends the bank statement and patron deposit information to the CFO for reconciliation.
- 9) FSD prints out meal count spread sheet from POS.
- 10) FSD enters meal totals into CNP web claim site.
- 11) FSD prints out copy of claim and submits to CFO for review.

****SAMPLE****

End of the Fiscal Year Process

Description: At the end of the Fiscal Year, the Food Service Director (FSD) completes tools and reports to close out the school year along with storage and destruction of appropriate records.

- 1) In July, the FSD completes the Non-Program Food Tool to ensure that all Non-Program Food revenue meets the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.
- 2) The Tool is then kept on file for review.
- 3) The FSD completes the Annual Financial Report (AFR) using info gathered from the Tool and other financial reports from the Financial Accounting Software.
- 4) The AFR is given to the Chief Financial Officer (CFO) for review and signature.
- 5) Before September 1st, the AFR is submitted online to the Department of Education through the CNP web.
- 6) The approved copy is printed and given to the CFO for signature.
- 7) All paperwork from the school year is placed in storage for 3 years plus the current year.
- 8) A list of all paperwork that is up for destruction is compiled by each Food Service Manager and the FSD and a list is sent to the Central Office Staff for approval for destruction. Once approval is given, all paperwork is destroyed and the destruction record is signed by whomever is completing the destruction.

****SAMPLE****

Prepaid Food in Trust Description

Patrons are able to deposit money into their lunch accounts in excess of their purchases for future use (Prepaid Food in Trust) at the Point of Sale (POS). This money does not actually belong to the Food Service Account until items have been purchased. The money must be accounted for in a separate fund until it has been used for purchases.

- 1) All deposits to patron accounts are accounted for in the POS system daily and broken down by the POS by actual Sales or Prepaid Food in Trust.
- 2) At the end of the month, the POS system generates the spreadsheet of the daily activity for the month including the change to Prepaid Food in Trust and is printed out by the Food Service Director (FSD).
- 3) The total for each Account Type (i.e. Student Lunch, Student Breakfast, etc.) is entered into the 800 Fund of the Financial Accounting Software by the FSD.
- 4) The total change to Prepaid Food in Trust is entered into the 8400 Fund of the Financial Software by the FSD.
- 5) The balance of the 8400 Fund should equal the balance of all Patron Accounts.
- 6) The balance of 8400 Fund is then compared to the actual balance of Patron Accounts from the POS on the last day of the month and a printout is given to the Central Office Staff member that reconciles the bank statement.

****SAMPLE****

Food Service Bad Debt/Patron Balance Write Off Procedure

Description: Patrons who have been withdrawn during the school year are kept in the Cafeteria POS database but made inactive so that their accounts cannot be used. In the event that the patron returns during the school year, the patron will be activated in the POS system and any balances will be available again. At the end of the school year, a list is printed of all inactive patrons and held until the start of the new school year.

- 1) All students in the POS system database are made inactive just before the new school year begins.
- 2) An import is completed of all new and returning students from the Student Information System. This will activate all current students.
- 3) The inactive students from the previous year list is checked to remove any returning students.
- 4) All students who remain on the inactive list from the previous school year will be removed from the POS database and a list containing student name, school and balance will be created.
- 5) The list is then held for that school year to allow for any refund requests.
- 6) In April, the list of balances is then given to the school board for approval to write off the balances and deposit them into the Food Service Account as Miscellaneous Revenue.

Food Service Board Approval for Student and Staff Meal Prices

Description: Each year it is required that the School Board approve Student and Adult Meal Prices. Also, each school year the School Food Authority (SFA) is charged with calculating their paid lunch price increase requirement to meet the requirements in Section 205 of the Healthy, Hunger-Free Kids Act of 2010. The PLE Tool was created to help with the calculation. The completed PLE Tool is required to be sent to the Department of Education each school year.

- 1) The PLE tool is completed each spring to determine if a price increase is required. An exemption from raising prices can be requested if certain criteria are satisfied.
- 2) A student meal price recommendation is then submitted to the School Board for approval.
- 3) Adult lunch prices are required to be equal to or higher than the total cost of a high school student meal.
- 4) Adult prices are assessed each spring and based on the recommendation for student lunches, is calculated and submitted to the School Board for approval.

****SAMPLE****

Separation of Duties

Description: Internal Controls are set in place to provide for separation of duties and to ensure the integrity of the Food Service Program.

1) Endorsement of Checks

a. All checks receipted by the Food Service Cashiers are entered directly into the patrons account and deposited into the bank either by the Food Service Manager electronically or by the Courier at the bank daily.

b. All checks receipted by the Food Service Department not at the Point of Sale (POS) are deposited by the Central Office Staff (COS) and then the information is entered into the Financial Accounting Software by the Food Service Director (FSD). Posting of the entries is then completed by the COS.

2) Bank Reconciliation

a. Completed by the Food Service Director and the COS.

b. The Food Service Director matches all online deposits made to the Point of Sale (POS) online and reports any deposits in transit to the COS.

c. Daily POS transactions are posted at the end of the month by the FSD into the Financial Accounting Software.

d. The COS reconciles the bank statement.

3) Purchasing and Receiving

a. Completed by the Food Service Managers (FSM), Food Service Secretary (FSS) and FSD.

i. Food and supplies

1. Food Bids are advertised and awarded to one single prime vendor by the FSD in May.
2. Food Orders are sent to the FSS and FSD weekly by the FSM.
3. Food orders are checked over by the FSD before placement.
4. The FSS places the order online.
5. FSM checks in all food deliveries.

ii. Other Purchases

1. Small purchase items not on the bid are placed by the FSS in conjunction with the FSD following the procurement guidelines of 3 quotes for each item for anything over the micro purchase threshold of \$3500.

2. Any items over the \$150,000 threshold will be bid with the assistance and guidance of the Chief Financial Officer (CFO). iii. Payments 1. All invoice pricing is double checked against bid and quoted prices by the FSS. 2. Expenses are entered into the Financial Accounting Software by the FSD.

3. Checks, check registers and records are processed by the COS.

4) Contracts

a. All contracts are evaluated by the FSD in cooperation with the CFO and signed by the School Board.

5) Reconcilements

a.

6) Free and Reduced Applications

a. Free and Reduced Applications are processed and entered into the Free and Reduced Meal Application (FARMA) Program by the FSS within 10 days of receipt and signed and dated.

1. A double check of all processed applications for accuracy is completed by the FSD and signed and dated. ii. Being that all applications are processed electronically and double checked for accuracy, the verification review is not necessary.

7) Textbook Assistance

a. Textbook Reimbursement lists are generated by the (FARMA) Software.

b. Status Information only is exported from the FARMA software into the Student Information System daily.

c. Only those involved with billing for Textbooks have access to the information.

8) Receipts and Bank Deposits

a. All POS receipts are received by the Food Service Cashier, counted by the Food Service Managers, double counted by the Food Service Leads and deposited by the Courier.

b. All other receipts are received by the COS, deposited by the COS and entered into the Financial Accounting Software by the FSD. All reports are generated by the COS.

9) Payroll

a. All times sheets are collected by the Food Service Managers, checked for accuracy and signed.

b. Time sheets are turned into the FSS and are double checked for accuracy and initialed by the FSS or the FSD.

c. Payroll is processed by the COS. d. The FSD checks the payroll printout and signs off.

10) Monitoring

a. Audits are performed regularly by the COS.