

6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

All employees, board members, consultants, vendors, contractors and other parties maintaining a business relationship with the School Corporation shall act with due diligence in duties involving the Corporation's fiscal resources.

The Superintendent shall establish and maintain effective internal control standards and procedures for all funds received by the Corporation, including financial grants and awards from Federal and State sources, that provide reasonable assurance that the program and funds are managed in compliance with applicable Federal and State statutes, Federal and State regulations, and the terms and conditions of any award made to the Corporation.

The Corporation will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. Effectiveness and efficiency of operations;
- B. Reliability of reporting for internal and external use; and
- C. Compliance with applicable laws and regulations.

The internal control standards and procedures must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements that are consistent with Generally Acceptable Accounting Practices (GAAP) and Federal and State reports; maintain accountability over assets; and demonstrate compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of the awards.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of the award that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the compliance supplements issued by the U.S. Office of Management and Budget (OMB) or directives of the State Board of Accounts (SBOA).

The Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss from theft, fraud, or unauthorized use or disposition.

Erroneous or irregular variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

In the absences of specific internal control standards established by the Superintendent under this policy, the Board adopts and the Corporation shall comply with the Uniform Internal Control Standards for Indiana Political Subdivisions in order to aid in the prevention and detection of fraud, financial impropriety, or irregularity.

Materiality and Process for Reporting Material Items

The Plymouth Community 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.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, the Board directs that:

- A. All erroneous or irregular variances, losses, shortages or thefts of Corporation funds or property shall be promptly reported to the Superintendent or his/her designee.

- B. It will be the policy of the Corporation to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash items 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 Corporation.
- C. It will be the policy of the 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 \$5,000.00 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 Corporation.
- D. The Corporation reserves the right to report any and all occurrences of irregular variances, losses, shortages, or thefts of Corporation cash or non-cash items to the State Board of Accounts and other authorities regardless of the amount.
- E. All Corporation elected officials, and all Corporation employees are directed to comply with this policy.

In support of this policy, the Corporation shall:

- A. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards, whether the funds are received directly from the Federal government or are distributed through the State Department of Education or another State agency or department;
- B. Comply with State statutes and regulations related to the management and control of all funds received by the Corporation from any source;
- C. Evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards, as well as all other funds received by the Corporation;
- D. Investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;
- E. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
- F. Report all misappropriations of Corporation funds or property to the SBOA and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriation has occurred;
- G. Provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and
- H. Take reasonable measures to safeguard protected "personally identifiable information" (PII) and other information the awarding agency or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, state, local, and tribal laws and Corporation policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual."

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

I.C. 5-11-1-27

2 CFR 200.61-.62

2 CFR 200.79

2 CFR 200.203

OMB Circular A-21 Compliance Supplement OMB Circular A-110 Compliance Supplement OMB Circular A-133 Compliance Supplement
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