



TIPPECANOE SCHOOL CORPORATION

GUIDE TO INTERNAL CONTROLS AND RISK MANAGEMENT

PURPOSE

The School Board of Trustees and administration of the Tippecanoe School Corporation place significant importance on the establishment, effectiveness, and monitoring of internal control to safeguard the assets of the Corporation. The Tippecanoe School Corporation has created this Guide to Internal Controls and Risk Management to identify, document, and enforce internal control policies and procedures.

INTERNAL CONTROL

Internal control is defined by the Indiana State Board of Accounts as a “conceptual process that is applied to a wide range of situation in a wide range of environments for the purpose of providing reasonable assurance that the mission and objectives of an organization will be achieved. This purpose includes the reduction of risk associated with fraud as well as a safeguard of resources against loss due to waste, abuse, mismanagement, or errors. Internal control provides a check and balance system over operations, promoting operational effectiveness and efficiency. A system of sufficient of internal control produces reliable financial and management data; ensures accuracy and timeliness in reporting; and promotes compliance with the laws.”

There are five key components of Internal Control as well as guiding principles within each component.

- **CONTROL ENVIRONMENT**
 - Control environment is the foundation for all other components of internal control, providing discipline and structure. The School Board of Trustees leads by example in the area of integrity and ethical values and extends this standard to all employees.
 - **Principle 1** - The oversight body and management demonstrate a commitment to integrity and ethical values.
 - **Principle 2** - The oversight body oversees the entity’s internal control system.
 - **Principle 3** - Management establishes an organizational structure, assigns responsibility, and delegates authority to achieve the political subdivision’s objectives.

- **Principle 4** - Management demonstrates a commitment to attract, develop and retain competent individuals.
 - **Principle 5** - Management evaluates performance and holds individuals accountable for their internal control responsibilities.
- **RISK ASSESSMENT**
 - Risk is the possibility that an event may occur and adversely affect the achievement of Corporation goals. Risk Assessment is the process used to identify and assess both internal and external risks and how the Corporation can establish risk tolerances.
 - **Principle 6** - Management defines objectives clearly to enable the identification of risks and defines risk tolerances.
 - **Principle 7** - Management identifies, analyzes, and responds to risk related to achieving the defined objectives.
 - **Principle 8** - Management considers the potential for fraud when identifying, analyzing, and responding to risks.
 - **Principle 9** - Management identifies, analyzes, and responds to significant changes that could impact the internal control system.
- **CONTROL ACTIVITIES**
 - Corporation policies are established and the procedures developed in order to be in conformance with these policies. An integral part of control activities is segregation of duties. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions.
 - **Principle 10** - Management designs control activities to achieve objectives and respond to risks.
 - **Principle 11** - Management designs the political subdivision's information system and related control activities to achieve objectives and respond to risks.
 - **Principle 12** - Management implements control activities through policies.
- **INFORMATION AND COMMUNICATION**
 - Relevant information from both internal and external sources is necessary to support the functioning of the other components of internal control. Communication is the continual process of providing, sharing, and obtaining necessary information to organizational stakeholders both internally (employees, parents, students) and externally (taxpayers, vendors, other business entities).
 - **Principle 13** - Management uses quality information to achieve the Corporation's objectives.
 - **Principle 14** - Management internally communicates the necessary quality information to achieve the Corporation's objectives.
 - **Principle 15** - Management externally communicates the necessary quality information to achieve the Corporation's objectives.
- **MONITORING ACTIVITIES**
 - Evaluations are used to determine whether each of the five components of internal control is present and functioning.
 - **Principle 16** - Management establishes and operates monitoring activities to monitor the internal control system and evaluate results.
 - **Principle 17** - Management remediates identified internal control deficiencies on a timely basis.

LIMITATIONS OF INTERNAL CONTROL

Internal Control does not give absolute assurance about the Corporation's achievement of its goals. Internal control can only provide reasonable assurance. Breakdowns in the internal control structure can occur due

to a simple error or mistake. Faulty judgements that can be made at any level can also lead to breakdown in the internal control structure. Controls can also be circumvented by collusion.

INTERNAL CONTROL STRUCTURE

The internal control structure within the Tippecanoe School Corporation consists of policies and procedures established to provide reasonable assurance that the Corporation's objectives will be achieved. Internal control is a process that is affected by people, both internally and externally. It is not simply the manual and the forms, but the people at every level within the Corporation.

Internal administrative controls provide for the operation efficiency and adherence to prescribed policies throughout the Corporation. Internal accounting controls are those directly relating to the dependability of accounting records and financial reporting. Internal control structure for financial reporting is comprised of the control environment, the accounting system, control procedures, and internal control systems. This internal control structure will ensure that the five key components are met.

CONTROL ENVIRONMENT

The School Board of Trustees for the Tippecanoe School Corporation has set forth policies that outline the objectives on which the School Board of Trustees has agreed for the operation, control, and management of the school district. The Chief Financial Officer is responsible for establishing an internal control structure that will be reviewed at least annually for changes that may affect internal control.

The control environment encompasses the collective efforts 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 operational style including but not limited to:

- The Corporation's organizational structure;
- The functioning of the School Board of Trustees;
- Methods of assigning authority and responsibility;
- Management's control methods for monitoring and following up on performance;
- Personnel policies and procedures; and
- Various external influences that affect the Corporation's operations and practices.

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:

- Identify and record all valid transactions;
- Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting;
- Measure the value of transactions in a manner that permits recording the proper monetary value in the financial statements;
- Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period; and
- Present properly the transactions and related disclosures in the financial statements.

Current accounting system software providers:

Financial, Payroll, and Extra Curricular Accounting -

Software Systems, Inc.
432 S. Emerson Avenue, Suite 200
Greenwood, IN 46143
(317) 783-5373; (800) 506-3262

Timekeeping System -

Frontline Education
200 W. Monroe St; Suite 2100
Chicago, IL 60606
(888) 245-3938

Textbook Payment System -

Rycor Software
4960 S. Gilbert Road; Suite 1-267
Chandler, AZ 85249
(800) 310-3660

Food Nutrition Payment System -

Heartland Payment Systems
Nutrikids
787 Elmgrove Road Building 1
Rochester, NY 14624

Food Nutrition Student Account System -

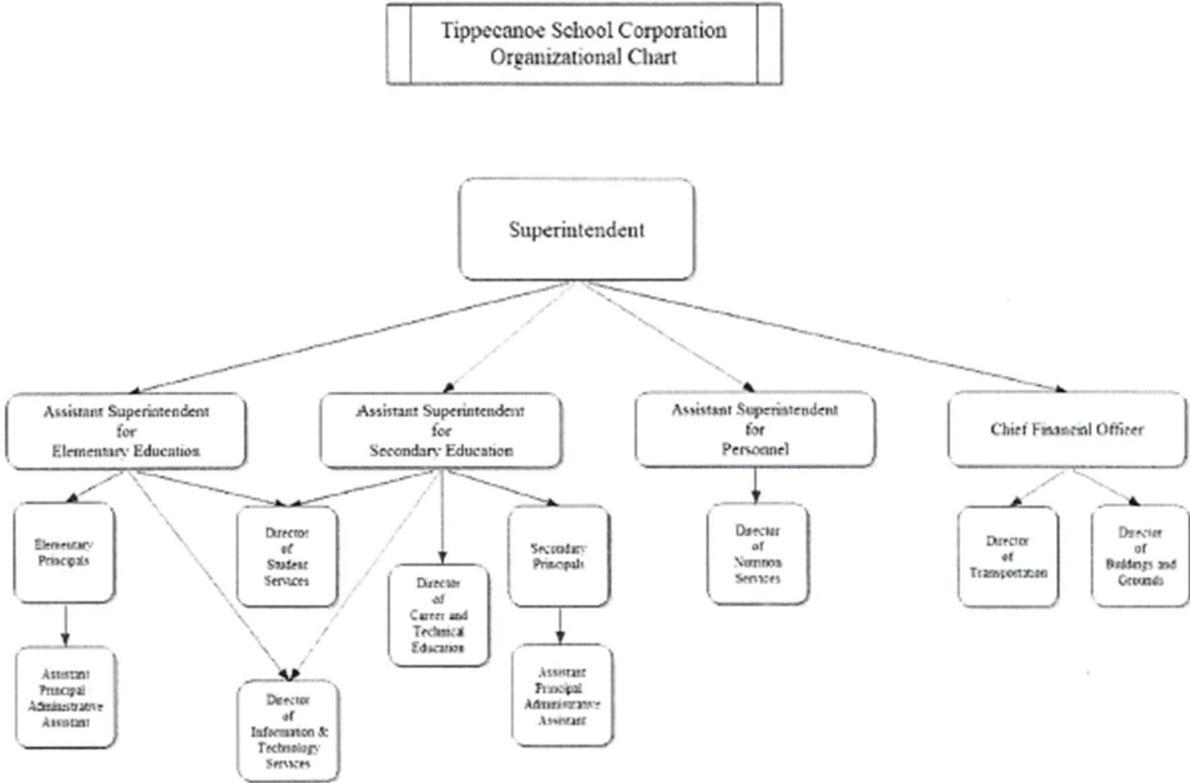
Student Information System -

PowerSchool
150 Parkshore Dr.
Folsom, CA 95630
(877) 873-1550

RISK ASSESSMENT

The School Board of Trustees for the Tippecanoe School Corporation has assessed risk through Board Policy, strategic planning documents, and established practices and procedures. Job descriptions are in place for all positions and the corresponding evaluation instrument is utilized annually. Job assignments and the segregation of duties are examined at the building level and control procedures are tested on an on-going basis. If controls are not working properly, appropriate measures are taken to ensure compliance. The cost/benefit of the controls are taken into account when analyzing and reviewing measures.

ORGANIZATIONAL CHART



JOB DESCRIPTIONS

See the Personnel office for job descriptions. The Personnel office keeps current job descriptions for administrative, teaching, support staff, and lay coach positions.

REVENUE AND CASH MANAGEMENT

BANKING INSTITUTIONS

First Merchants Bank
250 Main Street
Lafayette, IN 47901
(866) 833-0050

Huntington National Bank
45 N Pennsylvania Street
Indianapolis, IN 46204
(317) 269-4889

CASH MANAGEMENT

CASH RECEIPTS/DEPOSIT PROCEDURES

School Registration – Curricular material fees are collected by the Corporation Extracurricular Treasurer during the registration process each fall. Families are able to utilize the online payment system in order to pay curricular material rental and associated fees using an electronic method (credit card/ACH). Families are also able to pay with cash, check, or money orders at each of the schools. Receipts are given for all cash and checks received. Receipts are electronically provided for online payments. At the close of each day, collected money is counted and put in a locked safe. Funds are deposited into TSC's district operating account at least weekly or more often if deposits total more than \$500. The Extracurricular Treasurer balances each deposit and matches the receipts to student information system reports that correspond to student accounts. The Corporation Treasurer verifies each deposit and balances the reports to the system reports on a daily basis as a check and balance procedure. The daily receipt is then submitted to the Business Office Executive Secretary for receipting into the financial management system. The Deputy Treasurer balances the bank reconciliation making sure to verify each deposit.

A list of students and the amount that was paid for each student is updated when fees are paid. Fees paid online will be posted the next day. Student statements are electronically sent at least three times prior to a final statement being mailed to the student's home address. Students that still have outstanding fees at the end of the school year will be sent to the district's contracted collection vendor who will start the collection process. Students that are eligible for free and reduced lunches will not be responsible for outstanding textbook rental and/or course fees. These students, however, are responsible for lost books/equipment, damages to books/equipment, or other fees that are not directly related to textbook rental or course fees.

Lunch Money – Student lunch, breakfast, and ala carte fees may be paid electronically using the online student food nutrition portal. Each student's guardian has an individual user id and password to login to his/her child's account. Guardians are able to access account balances, transaction history, as well as make online payments. Cash, checks, or money orders are also accepted at the building.

Electronic payments are posted to each student's account once daily.

Fund received in the office of the school buildings are counted by the school extracurricular treasurer. The treasurer totals the cash and checks, completes the deposit slip, places the cash, checks, and three-part deposit slip along with an adding machine tape documenting the deposit into a secure bag (lock zipper bag/plastic secure bank bag). This deposit is then taken to the bank by the building treasurer or district courier. If a courier is used, a log will be maintained showing that the deposit was signed out by the treasurer and turned over to the courier for deposit. The courier drives a district vehicle that has a built in safe within the vehicle. The courier is covered under a surety bond. All [positional bonds](#) are effective July 1 and continue through June 30. Bonds are approved by the School Board of Trustees each summer.

The courier will leave deposits with the bank and pick up receipts from the prior day. If the treasurer takes the deposit to the bank, he/she will wait for the teller to make the deposit and provide a bank receipt as well as a copy of the deposit slip. The receipts will be maintained with the bank reconciliation records.

Funds received in the Administrative Office - all cash or checks received at the administrative office are given to the Corporation Extracurricular Treasurer if the monies are for curricular materials and/or course fees, or the Deputy Treasurer if the fees are for non-textbook rental and/or course fees. A receipt is given for all funds received. The cash or checks are placed in a locked safe until Deputy Treasurer or district courier is able to make a deposit. Deposits are made at least weekly or more often if monies total or exceed \$500.

Checks received by the Deputy Treasurer are electronically scanned by the Payroll Secretaries and submitted to the bank. All cash is counted and a deposit slip is prepared and placed in a sealed bank bag for pick up by the district courier. The Executive Secretary in the Business Office receipts the deposits into the financial accounting system. The reports generated by the financial accounting system are then balanced back to the daily deposits by the Deputy Treasurer. All bank receipts are maintained with the bank reconciliation.

Returned Checks are sent from the bank to the extracurricular treasurer for each corresponding account and/or the Deputy Treasurer. Prior to the check being returned to the district, the bank will make a second attempt to deposit the check. If the check is insufficient after a second attempt, the payee is contacted by the ECA Treasurer or Deputy Treasurer and cash is requested to replace the returned check. A nominal fee is collected in addition to cover any banking fees that are incurred due to the check being returned. Board policy 6151 refers to the collections of monies for bad checks and uncollectable debts. If the check is never collected, the amount will be forwarded to the collection agency for acquisition of the debt.

CASH MANAGEMENT AND INVESTMENTS

The District maintains all corporation level accounts with one bank, chosen through a bid process. School extracurricular accounts are maintained with the same banking institution that the district utilizes. These accounts were chosen based on the same bid process as the district level accounts. Banking services are reviewed every quarter with banking representatives, Chief Financial Officer, and Deputy Treasurer. The Chief Financial Officer will review banking services and decide if a Request for Proposal is needed to bid new services. The Treasurer verifies annually that the funds are properly collateralized and adhere to Indiana Code 5-13 guidelines.

PETTY CASH

Petty cash funds are prohibited and are not maintained in any school building.

CASH CHANGE DRAWERS

Each school is able to maintain a cash change drawer to retain the ability to provide change to parents when paying curricular material rental, course fees, and/or other payments due. Access is restricted and limited to the extracurricular treasurer or his/her designee. The cash change drawers are reconciled daily. The cash change drawer reconciliation form is used to document the balance in the drawer. The extracurricular treasurer signs this form, and the building principal reviews and approves this form. The form is retained at the school building and submitted to the Administrative office at the end of the school year when the cash change drawer is redeposited into the bank account.

Internal audits are conducted randomly to verify that all cash change drawer funds are accounted for in all the buildings.

REVENUE/RECEIVABLES

The majority of revenue to the district is received from governmental sources. These revenues are monitored on an ongoing basis utilizing the Banking secured websites. The Deputy Treasurer prepares deposit receipts and the Executive Secretary for the Business Office records the deposit in the financial accounting system.

The Indiana Department of Education and the Tippecanoe County Treasurer transfer funds to the Tippecanoe School Corporation electronically, eliminating any delay in the deposit process.

The Corporation utilizes a cash basis of accounting and does not record accounts receivable but recognizes revenue as it is received.

Bank statements are sent from the bank directly to the school or administrative office. Bank statements may also be accessed using the bank secure online system. The Extracurricular treasurer prepares the reconciliation monthly for his/her school. Principals shall review and approve the monthly reconciliation. The Deputy Treasurer prepares the bank reconciliation for the Corporation accounts. The Chief Financial Officer reviews and approves the monthly reconciliation for the Corporation accounts. Internal audits will be conducted randomly throughout the year by the Chief Financial Officer or Deputy Treasurer for school level ECA accounts.

PURCHASING AND EXPENDITURES

PURCHASE ORDERS

A purchase order is required for all purchases. In order to receive a purchase order, the purchaser must submit a requisition through the financial accounting system and upload any supporting documentation. The requisition must show the name and address of the vendor, full description of the item(s) purchased, and the accounting codes that will be used when payment is made. The overseeing Administrator must approve all requisitions prior to being electronically submitted to the Chief Financial Officer for final approval before a purchase order is created.

Purchase orders will be electronically submitted to vendors with email accounts on file. If a paper copy is requested, a hard copy will be mailed to the vendor. An accounts payable vouchers will be retained in the Business Office, a receiving copy and a copy of the purchase order will be sent to the purchaser. Once the item(s) are received or service(s) rendered a signed receiving copy along with any packaging receipts must be returned to the Accounts Payable Executive Secretary. The documentation will be uploaded in the financial management system and kept as a digital copy, if applicable. The Secretary will then prepare payment for the vendor once an original invoice is received. A copy of the invoice will also be uploaded into the financial management system to be kept digitally.

Recurring expenses and/or blanket purchases do not require approval for payment. These items would include utility billings and monthly contracts such as trash service, internet services, fuel purchases, and other purchased services that have been approved by the Chief Financial Officer.

ACCOUNTS PAYABLE AND CASH DISBURSEMENTS

The Tippecanoe School Corporation utilizes a cash basis of accounting and do not record accounts payable, but recognizes expenditures when payment is made. However, purchase orders will be recorded and recognized as encumbrances.

The annual budget governs the expenditures and obligations of all funds of the district. The Accounts Payable Executive Secretary and/or Deputy Treasurer pays, by check, or if required electronic ACH/Wire Transfer, all items that are authorized and approved for payment. The Payroll Manager pays, by check, or if required electronic ACH/Wire Transfer benefit payments that are calculated through the payroll process.

Indiana Code 5-22 requires that all contracts in excess of \$150,000 to be awarded through a bid process. One exception to this rule is for contracts for repair, maintenance, remodeling, renovation or construction, or a single project that will not exceed \$50,000. This type of contract does not have to be awarded through the bid process. Other exceptions include contracts for some professional services, printing of financial statements, purchase of data processing equipment, copy machines, goods or services only procurable from one sources. For more detailed information please refer to IC. 5-22-8.

All competitive bids must be sealed by the bidder and are opened by the Director of the purchasing department or designee and the results are announced. Public notice for each bid is given at least 10 days before the bid date in the local designated newspapers. The local newspapers are chosen by the School Board of Trustees each year at the organizational meeting held in January. In addition, all public notices are published on the [district website](#).

CASH DISBURSEMENTS

- Invoices must be approved for payment by the Building Principal, Director of Technology and Information Services, Director of Building and Grounds, Director of Transportation, Director of Food Nutrition, Director of Career and Technical Education, Director of Special Services, Assistant Superintendents, Superintendent, or Chief Financial Officer and is indicated by their signature or initials and date on the invoice, voucher, or receiving copy of purchase order.
- Invoices ready for payment are sent to the Accounts Payable Executive Secretary.
 - Invoices are checked to make sure that they have not been paid. The financial account system will also alert the secretary if an invoice has already been paid.
 - If statements are received, they are used to verify payment of invoices, not to generate payments. **Only itemized invoices can generate payment to a vendor.**
 - Invoices and purchase orders are kept in alphabetical files.
 - When ready to be paid, invoices are entered into the financial accounting system, reports are ran and verified for accuracy, and then checks are printed.
 - The Chief Financial Officer and Deputy Treasurer audit invoices. Changes are made if necessary.
 - Checks are verified against the Accounts Payable register and sealed by the Deputy Treasurer and then mailed by the Administrative Office Receptionist. Invoices are attached to all other documentation related to the purchase creating a claim packet. Electronic documentation will be housed within the financial management system – in the respective claim file. Claim packets are then filed numerically by claim number.
 - Other employees in the Business Office are cross-trained to ensure for better fiscal control.

INTERNAL AUDIT

The Chief Financial Officer or designee reviews all invoices, and key points are examined:

- Verify the payee matches the invoice name
- Verify the account number is keyed as coded
- Verify the account number is correct
- Verify the amount of the check is the same as the amount on the invoice
- Verify the invoice is not a duplicate and paid previously.

- Look for discrepancies or irregularities.
- Staple the invoice and any supporting documentation to the check copy, initial the check copy, and submit to the School Board of Trustees for review and approval of the Accounts Payable Voucher at the monthly board meeting.
- Claim packets are readily available for review by School Board members when requested.

CHECK SIGNING AUTHORITY PROCEDURES

All checks signed by the Chief Financial Officer either hand-signed, or digital signature stamp. If for some reason, the Chief Financial officer will be away and unavailable, the Deputy Treasurer may sign in the Chief Financial Officer's absence. The Deputy Treasurer will inform the Chief Financial Officer any time he/she signed a check.

All checks issued for extracurricular accounts must be signed by both the Treasurer as well as a building Administrator. Elementary, Middle, and Corporation extra-curricular accounts shall only be hand-signed. A signature stamp may not be used. The high school checks can be hand-signed, or use a digital stamp. In the absence of a second signatory, the Chief Financial Officer may sign an extracurricular check with either the building treasurer or administrator.

PERSONNEL AND PAYROLL

PERSONNEL

The Tippecanoe School Corporation follows the guidelines set forth in the Agreements between the School Board of Trustees and the Tippecanoe Education Association regarding the posting of all teaching positions within the Corporation. The Tippecanoe School Corporation also follows the established and codified personnel policies regarding recruitment and hiring, required documents, and staff ethics.

Job descriptions and evaluation instruments are in place for all personnel positions. [Frontline](#) is utilized for job postings and electronic job applications. In addition, reference checks are tracked within Frontline as well as form processing for new hires.

All hiring is approved by the School Board of Trustees.

PAYROLL

The Tippecanoe School Corporation distributes payroll expenditures payable on the 5th and the 20th of each month or if the 5th or the 20th fall on a non-business day, payroll will be payable the business day immediately preceding the 5th or 20th.

Administrators receive a contract that is either annual or multiple year. The defined contract amount will be spread evenly over 24 payments.

Teachers will receive a contract according to the agreement with between the School Board of Trustees and the Tippecanoe Education Association. The defined contract amount may be spread evenly over 20 payments or 24 payments beginning on September 5th. Teachers have the option to change the number of distribution payments prior to the start of every new school year. After the school year has started, the teacher cannot change the number of payments chosen.

Exempt classified support staff will receive an annual salary to be evenly distributed over 24 payments beginning on January 20th. Student service coordinators will receive an annual salary to be evenly distributed over 20 or 24 payments beginning on September 5th.

Non-exempt classified support staff will utilize a time clock to track hours worked. Hours will be paid according to the pay period worked. The pay date of the 5th will reflect time worked and absences from the 10th-24th of the preceding month. The pay date of the 20th will reflect time worked and absences from the 25th of the preceding month to the 9th of the current month. Any overtime or extra time must be authorized in advance by the Building Principal or Director.

All employees are required to use Frontline's Absence Management system to record all sick, personal, vacation, family illness, jury duty, bereavement, staff development or other days in which he/she does not report to work. Vacancies created for certain positions that require substitutes will automatically generate an opening for substitute personnel. Approved substitutes have access to the absence management system and sign up electronically to fill the substitute position. All this information generates daily, weekly, and monthly reports for Administrative Office personnel. Substitutes are hired by a third party, Educational Substitute Services (ESS).

The Payroll Executive Secretary will balance absence management reports to Frontline's Time & Attendance time clock reports to ensure accuracy of absence reporting and substitute payments. The Payroll Executive Secretary will compare Time & Attendance reports to scheduled hours worked to check for discrepancies in pay. Any overtime pay and/or extra pay will be reviewed for approvals and calculated for payment.

All employees are required to receive their payroll checks in the form of direct deposit. Pay advices will be available electronically through the Corporation's [Payroll Portal](#). The Payroll Portal is a secured data warehouse in which each employee has a unique user id and password. All documents contained within the payroll portal have an additional password protection.

The Deputy Treasurer/Payroll Manager reviews all payroll adjustments prior to payment. Further information regarding the payroll process is contained in the Timekeeping Procedures Manual.

TRAVEL AND CONFERENCES

AUTHORIZATION FOR TRAVEL

Authorization for travel is made on the Staff Development Request Form, which outlines conference/workshop descriptions, dates, and rationale for attending the conference, as well as estimated expenses. This form is forwarded to the Building Principal or Department Director for approval. If approved at the building level, it will then be forwarded to the Assistant Superintendent for Elementary or Secondary Education for approval. A purchase order must be created prior to the employee registering for the conference.

- The School Secretary or paying Department secretary will input a requisition into the financial management system including the approved staff development form. The Principal or Director will approve the requisition. Once the Chief Financial Officer approves the requisition, a purchase order will be created.
- The employee or secretary can register for the workshop once the purchase order is obtained. The purchase order number should be provided with the registration to ensure the invoice number contains proper and complete documentation.
- If lodging is needed, a requisition made out to BMO must be created. The requisition must go through the approval process and once the purchase order is created, a district credit card will be released for reservation of lodging. Employees must request a payment authorization form from the hotel. The form

must be completed by the employee and approved by the Chief Financial Officer. The Business Officer will release the credit card number to the hotel for reservation and payment of lodging. Only room, applicable taxes, and parking will be allowed to be charged to the credit card. The employee must submit to the Business Office immediately following the conference an itemized hotel statement. If the employee does not submit an itemized statement, he/she will be responsible for reimbursing the Corporation for all lodging expenses. Any expenses not pre-approved will be the responsibility of the employee. If multiple employees are attending the same conference, employees of the same gender may be required to share a room. A listing of all individuals staying in the room must accompany any itemized receipts. If an employee does not share a room and should have, he/she will be responsible for 50% of the cost of the lodging. Any voluntary room upgrades will also be the responsibility of the employee.

- If flight arrangements are needed, a requisition is to be made out to BMO. The requisition must go through the approval process and once the purchase order is created, a district credit card will be released for reservation of flights. Only Executive Level Secretaries and/or Secretaries to Directors, Directors, Assistant Superintendents, Superintendent, or Chief Financial Officer may use a corporation credit card for flight reservations. Employees cannot may their own flight reservations. Flights will be selected based upon the least expensive flight. The Corporation will not make flight reservations for family members, non-employees, or anyone not approved for staff development. If an employee chooses to drive instead of fly, the employee will only be reimbursed up to the cost of the flight. Any lodging that is required due to driving will not be reimbursed/paid by the Corporation. In the instance an employee chooses not to take the flights arranged, the corporation will reimburse the employee up to the cost of the flight that could have been arranged.
- Mileage will be reimbursed for travel during the work day if the employee starts the day at his/her main location and ends in his/her main location. Commuting mileage will not be reimbursed. Commuting mileage occurs if the employee is traveling to/from his/her home to the workshop location. If an employee travels out of county, mileage for travel to/from the workshop will be reimbursed for commuting. Travel within the county, commuting mileage will not be reimbursed. The approved mileage reimbursement procedures must be followed in order to receive reimbursement.
- Employees may be reimbursed up to a maximum of \$35 for food expenses. If the workshop includes meals, reimbursements for food will be not available. In order to be reimbursed, itemized receipts must be submitted immediately following the conference. Receipts should not include alcohol or food for others. Receipts must include date and time. Credit card receipts are not considered proper documentation, unless it includes itemization of meals. Employees must be away from home for at least 24 hours. Prorated meal reimbursement may occur if meals are provided by the event sponsor, partial conference day, or travel days.
 - Breakfast - maximum reimbursement - \$10 Occurring through 10:00 am
 - Lunch - maximum reimbursement - \$10 Between 10:00 am - 5:00 pm
 - Dinner - maximum reimbursement - \$15 Occurring after 5:00 pm

Employees will only be allowed a reimbursement if he/she is at the workshop during these meals.

Breakfast will not be reimbursed on the morning of travel. Dinner will not be reimbursed on day of return

EXPENSE REPORTS

Expense report preparation and reimbursement - immediately after the conference, or within thirty days, the employee will complete the staff development completion form, detailing the actual expenses incurred, and provide itemized receipts to document the reimbursements. The completed form is then submitted to the Assistant Superintendent of Elementary or Secondary Education for review and approval of payment. Reimbursement will be made with the next accounts payable voucher cycle (payable the 2nd Thursday of each month after Board of School Trustees approval).

- Mileage reimbursements are paid on the per mile rate in effect at the time of travel. A completed approved [mileage form](#) must be turned in to be reimbursed.
- The maximum meal allowance is \$35 per day.
- No reimbursements will be made for entertainment expenses or for alcoholic beverages.
- Receipts must be detailed, showing the items purchased, not a summary receipt only showing the amount paid. Summary receipts will not be accepted for reimbursement. Individuals dining must be listed on receipt as well as purpose of travel.

CREDIT CARDS

A corporate credit card is issued to the Superintendent, Chief Financial Officer, and Assistant Superintendents. The Business Office maintains credit cards secured in a locked safe. Credit cards may be checked out for purchases after a purchase order has been issued. Each high school has credit cards that are maintained in the locked safe. Use of the high school cards must accompany a purchase order and will then be checked out to the user by the high school extracurricular treasurer.

- These credit cards are for Corporation business only. No personal charges are allowed on these cards.
- Any excessive charges on the Corporation credit card will be considered for reimbursement by the employee.
- Each employee that checks out the card is personally responsible for the security and safe-keeping of the credit card.
- All credit card receipts must be retained to document the charges that will appear on the monthly statement. Notations should be made on the receipts to clarify any charges that are not self-explanatory, or to designate a certain program designation for bill payment.
- When the statements are received, all charges are reconciled to receipts and purchase orders. Users may be responsible for contacting vendors for any discrepancies between statement amounts and receipt amounts. Users will be required to reimburse the district if proper documentation is not submitted for payments.

FIXED ASSETS

Any long-term asset meeting the capitalization threshold of \$5,000 will be capitalized and depreciated using straight line depreciation for a period of 10 years for equipment, 50 years for buildings, and 20 years for land improvements.

Monthly, the Accounts Payable Executive Secretary will submit all invoices to the fixed asset inventory vendor for update of the Corporation fixed asset listing. Tags will be assigned by the Administrator making the purchase.

Annually, the Corporation conducts a comprehensive inventory of all assets. Forms are printed showing all assets in each building and room within the district. Each year this inventory is checked by building personnel to verify asset placing. Any new assets can be added to the list, and any asset moved to another room within the Corporation is documented on the inventory listing. The fixed asset inventory vendor will maintain a current listing of all fixed assets for insurance and state reporting requirements.

All assets are disposed of, the numbered asset control stickers are removed from the item and are returned to the Business Office for removal of the asset from the inventory listing. An asset may be disposed of, if it is deemed to have no value or useful life remaining. The Director of Buildings and Grounds will conduct a public auction bi-annually or more often if needed to sell any unwanted assets. All assets being removed from the asset listing must

be approved by the School Board of Trustees for disposal. Board policy 7310 discussed district disposition of surplus property.

STUDENT SERVICES

STUDENT TRANSPORTATION

The Tippecanoe School Corporation maintains a fleet of buses and vehicles employing bus drivers and mechanics. A personnel manual is maintained and approved by the School Board of Trustees annually for pay, procedures, and other transportation issues.

The Chief Financial Officer maintains documentation to support and account for information paid for student transportation including contracts, mileage records, and allocated expenses.

FOOD SERVICE

The Tippecanoe School Corporation follows the Indiana Department of Education established guidelines for processing applications for free and reduced meals. The Director of Food Nutrition oversees this program.

EXTRA CURRICULAR ACCOUNTS

Extracurricular accounts are monitored at the building level by the Building Principal and Extracurricular Treasurer for authorized clubs and activities. Each building has different sources and uses for their activity funds, but all follow the same processes to control and verify their use.

Each deposit and disbursement into an extracurricular fund is recorded and balanced monthly. The Extracurricular Treasurer prepares monthly reports showing fund balances at the end of each month. This report is sent to the building principal for verification and review of reconciliation. Any discrepancies are researched and corrected if necessary. The monthly reconciliation is then sent to the Chief Financial Officer for review. The Chief Financial Officer or designee audits on a random basis the monthly reconciliation. Annually, the Chief Financial Officer will prepare the Extra-Curricular Risk Audit Report for each Extra-Curricular account. Each building treasurer and principal review and sign the certification form. This report is uploaded into Indiana's [transparency website](#), the Department of Local Government and Finance's Gateway.

STUDENT RELATED DATA

ATTENDANCE

Attendance is checked at each building in the morning and in the afternoon, and posted in the PowerSchool program. Absence slips are compared to the sign-in/sign-out sheets to double check for accuracy. The PowerSchool Messenger system program is utilized to contact parents who do not call to report a student absence.

Daily membership counts are conducted in September and February. These counts are used for state funding. Enrollment reports are prepared by the technology office and sent to Principals for verification. Reports are returned to the Business Office to keep for auditing purposes. The final report is signed and approved by both the Superintendent and the Chief Financial Officer.

Student counts for other programs such as the Career-Tech and alternative education are conducted as well. These reports are prepared by the corresponding Director and reviewed and approved by the Superintendent and Chief Financial Officer prior to submission.

DONATIONS

Board policy 7230 addresses gifts, grants, and bequests. The Business Office will work in conjunction with other corporation departments in the application and monitoring of donations to ensure that all donations meet Tippecanoe School Board Policy. All donations should meet Indiana Code guidelines as well as additional guidance required by the Indiana State Board of Accounts.

Per Corporation Board Policy, all grants should be approved by the Board of School Trustees for acceptance and must adhere to the TSC's mission. The School Administrator should work with the Chief Financial Officer in developing a budget for the donation/gift that is in accordance with the intent of the donor. The Chief Financial Officer will provide fund balances and updates to the Board of School Trustees at each scheduled board meeting.

The Business Office will house any donations at the district level based upon the following criteria:

- The total donation amount is greater than or equal to \$2,000.
- The donation contains staff development regardless of the total grant award amount.
- The donation contains equipment purchases regardless of the total grant award amount.
- The donation spans multiple buildings or has a district-wide purpose.
- All grant awards and scholarships will be housed at the district level.

Each month, the Chief Financial Officer and the Deputy Treasurer reviews financial reports showing revenues and expenditures for that month, as well as year-to-date totals and the approved budget amount from the donating entity/individual. These reports are a snap shot of the grant and are used by Administrators to monitor each grant. A donation report will be provided to the Board of School Trustees semi-annually for review.

NUTRITION SERVICES DONATION

The Business Office will work in conjunction with other corporation departments in the application and monitoring of donations to assist in payment of unpaid lunch balances for students. All donations will be housed within the Business Office in separate Nutrition Services Donation Funds. Each school will have an individual fund established in order to track and monitor donations that are school specific. Any donations that are not school specific will be receipted into a district Nutrition Services Donation Fund.

After the close of each month, the Director of Nutrition Services will provide to the Business Office a listing of all student accounts that have a balance of four or more charged meals. If there is sufficient balance in the donation fund to apply to ALL accounts, the Business Office will then issue a check to be deposited into the Nutrition Services Lunch Fund to assist in payment of unpaid balances. If there is not sufficient balance in the donation fund, unpaid balances will continue to roll into the next month. Any unpaid balances at the end of each semester will be forwarded onto a collection agency for pursuit of unpaid fees.

GRANTS AND FEDERAL COMPLIANCE

The Business Office will work in conjunction with other corporation departments in the application and monitoring of grants, local, state, and federal. All grants should meet Indiana State Award guidelines as well as Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Per Corporation Board Policy, all grants should be approved by the Board of School Trustees for submission prior to the application being submitted. The Grant Administrator should work with the Chief Financial Officer in developing a budget for the grant prior to submission. All state and federal awards will be held in the Business Office in separate funds. The Chief Financial Officer will provide fund balances and updates to the Board of School Trustees at each scheduled board meeting. The Business Office will also house all local grants.

Each month, the Chief Financial Officer and the Grant Manager reviews financial reports showing revenues and expenditures for that month, as well as year-to-date totals and the approved budget amount from the Indiana Department of Education or other granting unit. These reports are a snap shot of the grant and are used by Administrators to monitor each grant.

The Grant Manager prepares a monthly reimbursement request for all grants documenting monthly expenses. The Chief Financial Officer reviews and approves the reimbursement request prior to the Grant Manager submitting to the proper department within IDOE.

Additional internal controls are required for the management of federal grants. Please refer to the section on [Federal Grant Management](#).

TITLE I

Title I is monitored monthly and reports are reviewed with the Director of Student Services during the monthly Title I monitoring meeting. The Director of Special Services prepares budget allocations through IDOE's Title I Reporting website. The Superintendent verifies and approves the budget. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Director of Special Services reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits monthly reimbursement requests. The Chief Financial Officer reviews the reimbursement requests and approves the submission. Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

During the monthly monitoring meetings, the Director of Student Services, Chief Financial Officer, Title I Secretary, Grant Manager, and other necessary personnel discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

All expenses are spent in accordance with [Office of Management and Budgeting Guidelines](#).

TITLE II

Title II is monitored monthly and reports are reviewed with the Assistant Superintendent for Secondary Education. The Assistant Superintendent for Secondary Education prepares budget allocations. The Chief Financial Officer and Superintendent verify and approve the budget application. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Assistant Superintendent for Secondary Education reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits monthly reimbursement requests. The Chief Financial Officer reviews the reimbursement requests and approves the submission.

Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

Quarterly monitoring meetings are held between the Assistant Superintendent for Secondary Education and the Chief Financial Officer, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

TITLE III

Title III is monitored monthly and reports are reviewed with the Assistant Superintendent for Elementary Education and Director of Student Services. The Director of Student Services prepares budget allocations. The Chief Financial Officer, Assistant Superintendent for Elementary Education, and Superintendent verify and approve the budget application. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Assistant Superintendent for Elementary Education and/or Director of Student Services reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits monthly reimbursement requests. The Chief Financial Officer reviews the reimbursement requests and approves the submission. Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

Monthly monitoring meetings are held between the Director of Student Services and the Chief Financial Officer, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

PERKINS

The Perkins grant is monitored monthly and reports are reviewed with the Director of Career and Technical Education and the Chief Financial Officer. The Director of Career and Technical Education prepares budget allocations. The Chief Financial Officer and Superintendent verify and approve the budget application. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Director of Career and Technical Education reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits monthly reimbursement requests. The Chief Financial Officer reviews the reimbursement requests and approves the submission. Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

Monthly monitoring meetings are held between the Director of Career and Technical Education and the Chief Financial Officer, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

NON ENGLISH SPEAKING GRANT

NESP is monitored monthly and reports are reviewed with the Assistant Superintendent for Elementary Education and Director of Student Services. The Director of Student Services prepares budget allocations. The Chief Financial Officer, Assistant Superintendent for Elementary Education, and Superintendent verify and approve the budget application. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Assistant Superintendent for Elementary Education reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits cash request forms via Intelligrants. The Chief Financial Officer reviews the reimbursement requests and approves the submission. Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

Monthly monitoring meetings are held between the Director of Student Services and the Chief Financial Officer, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

HIGH ABILITY GRANT

The High Ability grant is monitored monthly and reports are reviewed with the Assistant Superintendent for Elementary Education and Director of Student Services. The Director of Student Services prepares budget allocations. The Chief Financial Officer, Assistant Superintendent for Elementary Education, and Superintendent verify and approve the budget application. The Chief Financial Officer prepares and submits financial reporting requirements. The Grant Manager and Assistant Superintendent for Elementary Education reviews and signs acknowledging approval of reports. The Grant Manager prepares and submits cash request forms. The Chief Financial Officer reviews the reimbursement requests and approves the submission. Reimbursement requests are submitted prior to the 15th of each month for the preceding month's expenditures. All purchases and services must use the Corporation's purchasing procedures.

Monthly monitoring meetings are held between the Director of Student Services and the Chief Financial Officer, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

SPECIAL EDUCATION GRANTS

The Tippecanoe School Corporation's Special Education Grants are maintained through an agreement with Greater Lafayette Area Special Services (GLASS). The Special Education grants are monitored monthly and reports are reviewed with the Director of GLASS. The Director of GLASS prepares budget allocations. The Chief Financial Officer and Superintendent of each participating district verify and approve the budget application.

Periodic monitoring meetings are held between the Director of GLASS and the Chief Financial Officer of each participating district, and other necessary personnel to discuss spending needs, personnel changes, and programmatic updates. A log and minutes are kept for auditing purposes.

FINANCIAL REPORTING

MONTHLY REPORTING

- Monthly Balance Report (Trial Balance)
 - The Deputy Treasurer provides the Chief Financial Officer with monthly balance reports. This report balances the financial system. Fund balances, expenditures, receipts must equal bank balances, expenditures, and receipts which must balance to distribution reports, appropriation reports, and revenue reports.
- Monthly [Statement of Revenues and Expenditures](#)
 - The Chief Financial Officer prepares the report of Receipts and Expenditures. This series of reports document the receipts and disbursements in the Education, and Operations Funds as well as receipts and disbursements from all other funds.
- Appropriation Report
 - The Deputy Treasurer prepares this report. It must agree with the Monthly Balance Report and the Monthly Report of Receipts and Expenditures. This report shows the remaining balances in each budget account.

- Substitute Analysis
 - The Payroll Manager prepares this report, showing substitute costs by budget line per month.
- Cash Flow Analysis
 - The Chief Financial Officer and/or Deputy Treasurer prepares this report, showing cash receipts and disbursements per month against the cash flow projected. This report is used for investment purposes.
- Affordable Care Act Analysis
 - The Payroll Manager prepares this report. The report details employees that may be eligible for insurance under the Affordable Care Act.
- Budget Report by School
 - The Chief Financial Officer prepares this report, showing the disbursements of each school's accounts. These reports are then reviewed by the School Principals.
- Investment Report
 - The Chief Financial Officer prepares this report, showing the amount of outstanding investments and the interest received. This report is presented to the School Board of Trustees each month for approval.
- Fund Report
 - The Chief Financial Officer prepares this report, showing a summary of each fund's revenues, expenses, and balances. This report plus the investment report should match the Cash Flow Analysis, the Monthly Report of Receipts and Expenditures and the Monthly Balance Report.
- Other reports prepared by the financial accounting program:
 - Expenditure Distributions
 - Revenue Distributions
 - Grant Distributions
 - Payroll Distributions
 - Benefit Distributions
 - Payroll Reports including tax reporting, employee deductions, and garnishments

QUARTERLY REPORTING

- Grant Reports
 - The Chief Financial Officer prepares grant reports for monitoring and review of disbursements by the grant Administrator.
- Payroll Reports
 - The Payroll Manager prepares the required quarterly payroll reports. Reports include IRS Form 941 and Indiana UC-1 and UC-5.

YEARLY REPORTING

- Annual Financial Report
 - The Chief Financial Officer prepares this report. This report contains information on expenditures, revenues, investments, and other relevant financial information. This report is uploaded into Indiana's Transparency website, Gateway. This report is to be completed no later than August 30th of each year. This report reflects the period of July - June. This reports is reviewed by pertinent personnel and signed off.
- Annual School Financial Report
 - The Deputy Treasurer prepares this report. This report contains information for the Corporation's taxable funds. In addition, information on enrollment, staff, as well as tax rates are included. This report is to be published in a local newspaper one time between August 1st and August 15th of

each year. This report reflects the period of January - December. The Chief Financial Officer reviews and approves the Annual School Financial Report.

- Debt Certification
 - The Chief Financial Officer certifies through Gateway that all debt and debt payments are listed correctly. Certification is required by March 1st.
- Other Post-Employment Benefits Report
 - The Chief Financial Officer and Benefits Manager prepare this report. This report shows the annual costs of insurance benefits for employees. This report is due by April 1st.
- Collective Bargaining
 - The Chief Financial Officer prepares this report after the School Board of Trustees and the Tippecanoe School Corporation reach an agreement. If an agreement is not reached the Chief Financial Officer will report the status of collective bargaining.
- Form 100R
 - The Chief Financial Officer prepares this report showing all employees, the rates of pay, and addresses. This report is uploaded into Gateway by January 31st.
- ECA Risk Audit
 - The Chief Financial Officer prepares this report for each extra-curricular account. This report provides annual information on revenues and expenditures, fund balances, risk surveys, and a bank reconciliation. This report is uploaded into Gateway. This report reflects the period of July - June.
- Payroll Reporting
 - The Payroll Manager with assistance from the Technical Specialist prepare Forms W-2 and Forms 1095 for all employees. Uploads of these forms are submitted to the Social Security Administration, Indiana Department of Revenue, and the Indiana Department of Workforce Development.
- Vendor Reporting
 - The Accounts Payable Executive Secretary prepare Forms 1099-misc for vendors that are paid over \$600 in a calendar year.
- Annual Board of Finance
 - The Chief Financial Officer reports to the School Board of Trustees in January of each year the annual Board of Finance Report as required by Board Policy 6232.
- Annual Grant Reports

DEBT SERVICE

All long-term debt instruments are accounted for in the Debt Service Fund. This fund designates the taxes levied for payment of debt instruments or other revenue to pay principal, interest, or service charges on long term debt instruments.

The Chief Financial Officer maintains amortization schedules documenting the various items of long-term debt, including capital leases and general obligation bonds. In addition, all long-term debt is maintained on public record in the Indiana transparency website Gateway. The debt is certified by March 1st of each year in accordance with IC 5-1-18 by the Chief Financial Officer.

Any new long-term debt must be approved by the School Board of Trustees, and, if applicable, the taxpayers by way of referendum.

GENERAL COMPUTER CONTROLS

EMPLOYEE COMPUTER ACCESS

Each employee with computer access is assigned a computer access unique user id. System access is available from any computer using each individual’s unique password. Employees are limited access from the ability to login to a program down to read only, edit, and approval access levels for different modules/screens within a program. Each employee with computer access is also assigned a unique e-mail access for Tippecanoe School Corporation business use. Employees are forced to change passwords two times per year following fall break and spring break. Employees are able to change their passwords at any time, if desired.

SYSTEM CONTROLS

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

The Chief Financial Officer will meet with the Director of Technology and Information at least annually to ensure control activities are secure such as: employee user id’s and passwords, access restrictions within the various software programs allowing employees access to areas only necessary to complete the duties assigned, ensure audit trails are maintained and transactions are identified by user name, confirm back-up processes and disaster recovery procedures are in place and relevant.

[Board Policy 7540.04](#) – Staff Technology Acceptable Use and Safety asserts 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.

The financial accounting program, FMS, operates on a stand-alone server and is backed up by the Corporation Technology Department every night. Software Systems Inc., software provider, also conducts an off-site backup nightly.

The Tippecanoe School Corporation’s Technology Department installs any new programs as they are acquired and any updates as they become available. In addition, the department is available should there be any malfunction of any program or computer equipment and oversees all district-wide software programs. All programs have individual user ids and passwords that require the user to change his/her password periodically.

Program	Purpose	Access Granted By:
FMS - Financial	Financial and Payroll Management	Chief Financial Officer
ECMS – Financial	Extracurricular Accounting	Chief Financial Officer
PowerSchool	Student Management	Technology System Specialist
Rycor	Curricular Materials Payment Portal	Chief Financial Officer
Heartland	Student Nutrition Services Management	Director of Nutrition Services
Synovia	Transportation Services	Director of Transportation
Frontline	Personnel Recruiting, Absence Management, Time/Attendance	Director of Personnel

Safe Schools	Employee Training	Director of Personnel
School Dude	Work Order Management	Director of Buildings/Grounds
Canvas	Student Curriculum Management	Director of Technology
Google Mail	Employee/Student Email	Director of Technology

This is not a comprehensive listing of all district programs. Please consult each individual department for a full listing of programs.

ADJUSTING JOURNAL ENTRIES

It is necessary at times to need to make adjusting journal entries. Adjustments are made in the FMS program under Financial - Adjustments. The program does not allow for unbalanced entries. All debits and credits per adjustment must be in balance before a transaction may be posted.

All adjusting entries require approval from the Chief Financial Officer or Deputy Treasurer.

AUTHORIZATIONS

Document	Who must approve?
Requisitions	Administrators (for their building/program) Head Nurse for health service items
Purchase Orders	Chief Financial Officer, Deputy Treasurer
Invoices for Payment	Administrators (for their building/program) Head Nurse for health service items
Course Approvals	Superintendent Assistant Superintendents for Education And School Board of Trustees
Staff Development Request Form	Administrators (for their building/program) Classified Supervisors/Managers And Asst Superintendents for Education
Reimbursements for Conference Travel	Assistant Superintendents for Education And Chief Financial Officer
Credit Card Purchases	Administrators (for their building/program) And Chief Financial Officer Or Superintendent
Adjusting Journal Entries	Chief Financial Officer or Deputy Treasurer

FRAUD

If fraud is suspected, the following steps are to be followed:

- Initial communications:
 - Notify Superintendent & other key personnel
 - Consult legal counsel
 - Notify School Board of Trustees and State Board of Accounts
 - Notify insurance agent
- During consult with legal counsel
 - Determine and review all known case facts - what criminal or civil actions may be involved
 - Assess skills needed to conduct a proper investigation
 - Determine who should conduct an investigation
- Other initial steps to an investigation
 - Document all allegations
 - Obtain and document all pertinent information, documents, and records.
 - Identify all bank accounts involved and consider closing or freezing.
 - Determine who needs to be interviewed.
 - Develop details of investigation plan.
- Preserve physical evidence
 - Secure suspect's work area and restrict access.
- Preserve electronic evidence
 - If suspect's computer is off, leave it off.
 - If suspect's computer is on, leave it on.
 - Do not access any files.
 - Once the investigator has properly copied files, retain them and do not use originals. Conduct the investigation using copies.
- Interviews
 - If legal counsel is present, inform the employee that:
 - Legal counsel represents the organization, not the employee
 - The purpose of the interview is to obtain information in order to provide legal advice to the organization
 - Information provided by employee will initially be treated as confidential, but organization will ultimately decide whether to disclose to law enforcement
 - The employee is expected to answer all questions fully and truthfully
 - Conduct interviews with employees who may be able to provide information about the suspected fraud first
 - Generally, conduct interview with suspect last
 - Utilize an experienced interviewer

POSITIONS WITH INTERNAL CONTROL RESPONSIBILITY

Every employee has some internal control responsibility. After June 30, 2016 IC 5-11-1-27(g) provides that the Board of School Trustees adopt the minimum internal control standards; [Board Policy 6111](#). Additionally, each employee must receive training concerning the internal control standards and procedures that were adopted per IC 5-11-1-27(f). This training is completed annually via Safe Schools. The Chief Financial Officer certifies annually to the Indiana State Board of Accounts that each employee has completed training.

RETENTION OF RECORDS

The Record Retention schedule has been created and updated by the Records Management staff of the Indiana Archives and Records Administration (working with affected agencies and offices). The Business Office oversees the administration of district records and utilizes the guidance as outlined in the [County/Local Records Custodian Handbook](#). In addition to the [general retention schedule](#) outlined by the Indiana Archives Commission, educational institutions have an additional [schedule](#) that applies.

CREDIT CARD USAGE POLICY AND PROCEDURES

Tippecanoe School Corporation utilizes a purchasing card program in conjunction with the Illinois Association of School Business Officials and the Bank of Montreal (BMO). Each high school utilizes a purchasing card program with Regions Bank. Purchasing card programs are a simplified and cost-effective method of purchasing and remitting payment for expenditures within spending guidelines.

The purchasing card provides an easy-to-use process suited for small-dollar and repetitive purchases, as well as travel and conferences. A purchasing card is much like a credit card and is widely accepted. In the continuing effort for efficiency, the purchasing card program is one more opportunity to meet that board goal of maintaining sound financial practices to ensure financial stability – [Goal 3.1](#).

ISSUANCE OF CARDS

Individuals will not be issued cards with their name on the card. All cards will be retained in the Business Office, and may only be checked out with an approved purchase order. The user of the card must sign out the card and must return the card with itemized receipts within 1 business day of checking out the card. If a card is failed to be returned or proper documentation is not submitted, the user may lose the ability to use a card in the future.

ACCEPTABLE USES OF CARDS

Generally, the card may be used for routine purchases you make for corporation business that do not accept a purchase order or for travel accommodations such as lodging and flight. Some examples include supplies, books (not textbooks), food purchases (for board meetings/workshops), repair parts, repair services, and hotel arrangements.

UNACCEPTABLE USES OF CARDS

Items that can be purchased with corporation funds (following purchasing guidelines), but not with a credit card.

- Payments to individuals
- Computers and peripherals
- Lawn equipment

- Software (unless all other purchasing methods have been exhausted)
- Furniture and appliances
- A/V Equipment
- Musical instruments
- Athletic equipment
- Custodial maintenance equipment

Items that cannot be purchased either through the corporation purchasing procedures or a credit card.

- Personal purchases
- Gift certificates/Gift cards
- Alcohol, tobacco, or drugs
- Sales tax
- Memberships (individual or corporation)
- 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 (unless student promoted or district promotional budget)
- Purchases from multi-level marketing companies (Amway, Discovery Toys, etc.)
- Cash advances
- Splitting transactions (Corporation pays part; PTA pays part)
- Purchases made by someone other than the employee who signed out the credit card

The above lists are not all inclusive. The Chief Financial Officer will grant final approval on all purchases.

RESPONSIBILITY OF CARD HOLDER

The employee checking out the card will be deemed the card holder until the card is returned and checked back in. The card holder is responsible for the security of the credit card and any transactions made using the card during the time frame that it was checked out. If the 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 informing the Business Office of such use. The Business Office will research and request that payment be made in the amount of purchase within 10 working days.

The cardholder is also responsible for the timely submission of documents required for reconciliation of the credit card statement. Lack of required documentation will result in the cardholder being personally responsible for the payment.

Inappropriate and irresponsible card usage will be reported to the Building Principal and/or Superintendent for use in employee evaluations. In addition, the cardholder will revoke their rights to future credit card purchases.

PROGRAM RESTRICTIONS

Control limits will be established by the Business Office. The limits will vary according to the budget and the buying needs of the department. Limits will reflect the approved purchase order that was submitted prior to checking out the credit card.

The Business Office has the ability to program each card so purchases from certain vendors will not be accepted. This will automatically be implemented 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

- Maximum dollar limit per transaction
- Number of transactions allowable per day
- Date range of purchases
- Monthly purchase 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 MCC's may be blocked.

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

RECONCILIATION AND PAYMENT

All credit card charges are included on one central invoice paid monthly. Prior to payment, all supporting documentation for the month must be received and approved. Documentation is to be turned in when the card is returned to the business office.

Itemized receipts must be retained for all purchases. For purchases via phone or mail, an itemized receipt is to be requested when the product is shipped. All packing slips must be retained to document purchases. If a receipt or packing slip was not received, it is the responsibility of the cardholder to contact the vendor to obtain one.

The Accounts Payable Executive Secretary reconciles the statements and verifies that all documentation has been received. The Chief Financial Officer approves the statement for payment.

RESOLUTION OF ERRORS AND DISPUTES

At times, items may appear on the monthly statement that are in dispute. When this occurs, the Business Office will work with the cardholder and the bank to resolve the issue. In addition, there will be times when items appear on the statement, yet the goods have not been received. The Accounts Payable Executive Secretary will work with the cardholder to get this resolved. If a resolution cannot be reached, the Chief Financial Officer shall be notified. Both BMO and Regions have policies to encourage quick response by the merchant in order to resolve disputes in the same billing cycle.

LOST OR STOLEN CARDS

Any credit card checked out to an employee is the property of the school corporation and should be secured in the same manner as a personal credit card. If the card is lost or stolen, the Chief Financial Officer is to be notified 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. If fraud does occur, the Chief Financial Officer will work with the bank to ensure complete repayment for any transactions that were made due to the fraudulent instance.

CANCELLATION, CHANGES, RENEWALS

When a credit card expires, the Business Office will verify with the bank that the card has been deactivated. The Business Office will then dispose of the card in a manner in which the account information would not be able to be accessed.

Any changes in address or contact information will immediately be reported to the bank by the Chief Financial Officer to avoid fraudulent instances from occurring.

Any renewals in credit cards will be reviewed annually to evaluate the need for changes in credit limits and/or number of cards.

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 all extra-curricular purchases. Merchants are required by tax law to include sales tax at the time of purchase unless a sales tax exempt certificate is presented.

It is the cardholder's responsibility to notify the merchant that the purchase is tax-exempt. The tax-exempt number is printed on the credit card and a copy of the Corporation's State Sales Tax Exempt Form is available upon request in the Business Office. If sales tax is charged, the cardholder will be personally responsible for payment of the sales tax.

BOARD POLICY REGARDING INTERNAL CONTROL STANDARDS

Board Policy 6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

The Superintendent shall establish and maintain effective internal control standards and procedures for all funds received by the School Corporation, including financial grants and awards from Federal or 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 grants and awards made to the Corporation.

The Corporation shall 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 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 grants and 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 grants and awards 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 Federal Compliance Supplements and/or directives of the State Board of Accounts (SBOA).

Additionally, 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, unauthorized use, or unauthorized disposition.

Further, 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.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular variances, losses, shortages, or thefts of Corporation funds or property in excess of:

- A. with respect to cash funds: \$500.00 in the Extracurricular Activity Fund and \$5,000.00 in all other funds
- B. with respect to assets other than cash funds: any asset valued in excess of \$5,000.00

are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal grants and awards;
- B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation;
- C. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards and State and local funds received;
- 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 State, 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.

Adopted September 14, 2016

CURRICULAR MATERIAL AND COURSE FEE ASSESSMENTS

Each year the School Board of Trustees will adopt curricular material fees and miscellaneous consumable fees for payment by families that are not eligible for free or reduced lunches. Curricular material rental fees will be assessed at the time of adoption and calculated based upon IC 20-26-12-2 guidelines. Miscellaneous consumable fees will be reviewed annually to analyze ongoing need and to calculate the monetary value to be assessed. Per IC, the Chief Financial Officer will consult with the Corporation's Attorney for assentation of an attorney's opinion letter in regards to the legality of the fees being assessed.

BONDING REQUIREMENTS

Indiana Code 20-26-4-5 requires that any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to a school corporation shall produce a bond for the faithful performance of the Corporation Treasurer, Corporation Deputy Treasurer, or individual's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body.

[Positional bonds](#) will be purchased to endorse the faithful performance of all employees and individuals acting on behalf of the school corporation that will include an aggregagte coverage sufficient to provide coverage amounts specified for each position.

Bonds will be reviewed annually by the Chief Financial Officer to make sure that all positions that should be covered are adequately covered. The Chief Financial Officer, acting as the Corporation Treasurer, and the Deputy Treasurer will be required to produce an individual bond annually.

STAFF TRAINING

INTERNAL CONTROL POLICY TRAINING REQUIREMENT

IC 5-11-1-27(g) provides that after June 30, 2016 that the legislative body of each political subdivision must adopt the minimum internal control standards as defined by the Indiana 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 Chief Financial 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. The Chief Financial Officer will post in Indiana's Transparency website, Gateway, as part of the Annual Financial Report the certification attesting to this training.

In addition, a certification for each employee should be completed as evidence of individual training. The Tippecanoe School Corporation will utilize Safe Schools training modules to provide training to all staff members. At the completion of the module, Safe Schools will retain a listing of employees that have successfully compleeted the required training.

INTERNAL CONTROL STANDARDS FOR INDIANA POLITICAL SUBDIVISIONS

IC 5-11-1-27(e) provides that through the compliance guidelines authorized under IC 5-11-1-24, the Indiana State Board of Accounts shall define the acceptable minimum level of internal control components for internal control systems of political subdivisions, including the following:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

In response, the Indiana State Board of Accounts 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.

TRAINING CALENDAR

Employees will be trained annually on topics to include, but not limited to the following:

- Internal Control Standards
- Payroll and Personnel Compliance Issues
- Audit Requirements
- Procurement Rules
- Legal Changes
- State and Federal Grants Management
- Financial Software
- Travel Guidelines
- Budget Development
- Extra-Curricular Accounting

All employees will receive instruction on generalize topics, including the Internal Control Standards which will include the five key components and the seventeen guiding principles. The Indiana State Board of Accounts has issued a [PowerPoint presentation](#) in regards to Internal Control Standards. Information from the PowerPoint has been included in the training issued to employees. Training for all employees utilizing Safe School will take place each August. Each employee will have 60 days to complete required trainings. If additional trainings are needed, additional Safe School courses may be implemented during the course of the school year.

The Chief Financial Officer will provide additional training at least one time annually to all corporation extracurricular treasurers or more often as needed. If additional training is needed for individual extracurricular treasurers, the Chief Financial Officer will provide training as necessary by either conducting an in house training session or by having the treasurer attend a workshop.

The Chief Financial Officer will provide additional training at least one time annually to all building principals or more often as needed. If additional training is needed for individual principals, the Chief Financial Officer will provide training as necessary by either conducting an in house training session or by having the principal attend a workshop.

Training for both extracurricular treasurers and principals will include additional guidance on internal control standards which includes but is not limited to, safeguarding of assets and monies collected, receipting, recording transactions, depositing funds returned checks, bank reconcilements, procurement and disbursement procedures, budget development, audit requirements, and quality reporting functions.

FEDERAL GRANT MANAGEMENT

REGULATIONS AND POLICY

Section 3512(c) and (d) of Title 31 of the United States Code (commonly known as the Federal Managers' Financial Integrity Act (FMFIA)) requires the Comptroller General to issue standards for internal control in the federal government. [*Standards for Internal Control in the Federal Government*](#), provide the overall framework for establishing and maintain an effective internal control system. Office of Management and Budget (OMB) Circular No. A-123 provides specific requirements for assessing and reporting on controls in the federal government.

Other regulations that must be followed in grant management include but are not limited to:

- CFR - Code of Federal Regulations which contains the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal government.
- EDGAR - Education Department of General Administrative Regulations (CFR Title 34 parts 74-99) which contain regulations for administering discretionary and formula grants awarded by the US Department of Education
- Title 2: Grants and Agreements - Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Indiana Code
- Indiana Department of Education (IDOE/SEA - State Educational Agency)
- Local Board Policy
- Other Local School Board Policy (if belonging if Corporation is not the LEA - Local Educational Agency)

FEDERAL GRANT 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. CFR § 200.61 defines internal controls as a process, implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

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

CFR § 200.62 requires that internal controls to obtain reasonable assurance for the following objectives is achieved:

- Transactions are properly recorded and accounted for, in order to:
 - Permit the preparation of reliable financial statements and Federal reports;
 - Maintain accountability over assets; and
 - Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- Transactions are executed in compliance with;
 - 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
 - Any other Federal Statutes and regulations that are identified in the compliance supplement
- Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition

COST PRINCIPLES

CFR § 200.403 addresses factors that affect the allow ability of costs. Factors to be considered are the following:

- Necessary and Reasonable

- Is the cost necessary to accomplish the grant objective?
- Is the cost listed in the detailed grant budget?
- Is the cost allowable according to the grant guidelines?
- Is the cost reasonable? CFR § 200.404 addresses reasonableness of costs in that it , 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.
- Purchase not listed in Award Budget
 - If a cost is not listed in the detailed budget or there is concern that the cost may not be allowable, written approval from the SEA must be granted prior to moving forward with the cost.
- Classification of Costs
 - Direct Costs - those costs that can be associated with a specific cost objective
 - Indirect Costs - those costs that are not directly associated with a specific cost objective

INDIRECT COSTS

The Indiana Department of Education determines the indirect cost rates for each corporation. School Corporations must apply in order to utilize indirect cost rates within federal grant programs. The Office of School Finance will notify school corporations annually when the application process begins. The Chief Financial Officer will apply on behalf of the Tippecanoe School Corporation.

Indirect costs can be classified as Restricted and Unrestricted. The restricted rate is used for most awards and must be approved through the award application process. Not all federal grants will allow for indirect costs to be taken. Unrestricted rates are allowable in very limited circumstances.

RESOURCES

- [Indiana State Board of Accounts](#)
- [Indiana Association of School Business Officials](#)
- [Office of Management and Budget](#)
- [Education Department General Administrative Regulations \(EDGAR\)](#)
- [Indiana Archives and Records Administration](#)
- [Indiana Department of Education](#)
- [Association of School Business Officials International](#)
- [Indiana Department of Local Government Finance](#)
- [Indiana General Assembly](#)

