

Preliminary and Tentative - For Discussion Purposes

Jericho Union Free School District

Initial Risk Assessment Report Pertaining to  
The Internal Controls of The  
School District's Financial Operations

June 2007

*Table of Contents*

Risk Assessment Overview.....	Page 1
Scope and Methodology.....	Page 1
Internal Audit Objectives .....	Page 2
Internal Audit Plan .....	Page 3

**Risk Assessment Observations and Recommendations**

General Policies and Procedures .....	Page 4
Accounting and Reporting.....	Page 6
Revenue and Cash Management.....	Page 7
Purchasing/Accounts Payable .....	Page 8
Payroll and Personnel .....	Page 9
Fixed Assets .....	Page 10
School Lunch .....	Page 11
Extra-classroom Activity Funds .....	Page 12
Information Technology .....	Page 14

**Preliminary and Tentative - For Discussion Purposes Only**

**Jericho Union Free School District**  
**Initial Risk Assessment on Internal Controls**  
**Pertaining to Financial Operations**

**Risk Assessment Overview**

This Risk Assessment report provides a presentation of our view of the school district's risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District risk profile. It will provide an overview of the key risks facing the District's financial operations.

**Internal Audit Objectives**

In accordance with the laws of New York, 2005, Chapter 263, all school districts and BOCES are required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of the district's operations, including but not limited to:

- a review of financial policies, procedures and practices
- an annual review and update of such risk assessment
- annual testing and evaluation of one or more areas of the District's internal controls
- preparation of reports which analyze significant risk assessment findings
- make recommendations to strengthen internal controls, reduce identified risk, and specify the time frames for the implementation of such recommendations.

The objective of our engagement is as follows:

- Develop an understanding of the critical business processes of the District within each functional area.
- Identify key risks based on the understanding of the business processes and stated business rules.
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively.
- Recommend improvements in internal controls

Preliminary and Tentative – For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

Scope and Methodology

The Board of Education of Jericho Union Free School District has engaged Callaghan Nawrocki as the District's internal auditor. In compliance with New York State Laws we have performed a risk assessment with respect to policies, procedures and internal controls pertaining to the District's financial operations. Our risk assessment was performed during the fiscal year ending 2006 - 2007 in order to determine an internal audit plan for fiscal year 2007-2008 and thereafter. This risk assessment will be updated annually to reflect any changes in current risk environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of administration and other appropriate personnel
- Document procedures within key functional areas
- Identify key controls and perform audit tests of those controls
- Make observations and recommendations pertaining to the identified key controls
- Identification and review of strategic plans and organization structure
- Analysis of risks that are a threat to the achievement of objectives
- Create a risk profile and internal audit plan for 2007-2008, and thereafter

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures
- Recent Focus of the State Comptroller's Audits
- Board of Education/ Audit Committee Meetings
- Materiality to financial statements
- Changes in management or key personnel
- Financial reports provided to the Board
- External auditor management letters
- District corrective action plans
- Organizational chart and job descriptions

Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

Internal Audit Plan

Based upon our risk assessment of the District's financial operations, we recommend the following internal audit plan:

<b>Audit Area</b>	<b>Internal Control Evaluation Cycle</b>	<b>Internal Control Evaluation Plan</b>	<b>On-Going Monitoring Plan</b>
School Lunch	Every Two Years	In Process	Semi-annually
Information Technology	Every Two Years	2007/2008	Semi-annually
Extraclassroom Activity Fund	Every Two Years	2007/2008	Semi-annually
Revenue and Cash Management	Every Two Years	2007/2008	Semi-annually
Fixed Assets	Every Three Years	2008	Annually
Accounting and Reporting	Annually	2008	Annually
General Policies and Procedures	Every Three Years	2008	Annually
Purchasing and Accounts Payable	Every Three Years	2008/2009	Semi-annually
Payroll and Personnel	Every Three Years	2009/2010	Semi-annually

Our internal audit of each functional area noted above will include an in depth evaluation inclusive of validation testing of key controls to ensure the operating effectiveness of segregation of duties and internal controls. Upon completion of our evaluation of each area, we will be providing you with a report with observations and recommendations to improve the internal control environment.

The following sections of this report provide a summary of our initial observations and recommendations pertaining to each area within the financial operations of the District. These observations and findings are based upon the procedures performed as noted within the scope and methodology section of this report. Upon our evaluation of each area, as noted above, we will be providing an in depth report and other observations and recommendations that may come to our attention. The observations and recommendations made within our report are based upon our initial risk assessment.

**Preliminary and Tentative - For Discussion Purposes Only**

**Jericho Union Free School District**  
**Initial Risk Assessment on Internal Controls**  
**Pertaining to Financial Operations**

**GENERAL POLICIES AND PROCEDURES**

The objective of our risk assessment within the general policies and procedures area is to ensure that the District's goals and objectives are effectively and efficiently met, laws and regulations are complied with, resources are adequately safeguarded and efficiently used, and reliable data is obtained, maintained, and accurately and fairly disclosed in reports. In order to verify that this functional area has proper internal controls, we interviewed District personnel and reviewed pertinent documentation i.e. Board of Education Policy Manual, Minutes of Board of Education, Reorganization Meeting Minutes, general accounting and organizational aspect of fiscal operations.

**Observations**

1. It was noted that there was no policy for "Authorized Signors" within the District's policies. We did note that there is a "Use of Facsimile Signatures" policy was revised on 3/15/2007. However, it was noted that there are no dollar thresholds within the policy.
2. We have noted that during fiscal year 2006/2007 there was a plan put into place where the Board of Education will review certain policies on a monthly basis during the monthly Board of Education Meetings.

**Recommendations:**

1. We recommend that the district update its policy in regard to Authorized Signors to reflect Education Law 1720 (2). We have enclosed a sample policy for the District's consideration as Exhibit I to this report.
2. Callaghan Nawrocki, as the District's Internal Auditors, will review and evaluate the District's current policies and work with the Board of Education to review and update, if necessary the District's Business Operation policies. We recommend that the Board of Education continue to review and updated the District's policies on during the 2007/2008 fiscal year and thereafter.

Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

ACCOUNTING AND REPORTING

The objective of our risk assessment within the Accounting and Reporting area is to ensure that the District's financial position is properly disclosed and reported. In order to verify that the Accounting and Reporting area has proper internal controls, we interviewed the Assistant Superintendent for Business and other personnel within the Business office and reviewed financial reports provided to the Board of Education on monthly basis.

Observations:

1. It was noted that manual cash ledger book is kept for cash receipts, bank reconciliations, and school lunch funds. However, we have noted that in the recent time period, this was changed and the District now keeps these records on an excel spreadsheet.
2. It was noted that the Board of Education has adopted a budget transfer policy authorizing the Superintendent to transfer funds within the budget up to \$25,000.

Recommendations:

1. We recommend that the district transition all manual record keeping into an electronic format in order to ensure safekeeping of records and prevent loss in case of a disaster. We have noted that the District recently implemented procedures to keep all records electronically.
2. We recommend that the budget transfer policy be revised to include "transfers made in excess of \$25,000 must be approved by the Board of Education" and should be documented within the Board of Educations meeting minutes. Additionally, the Board of Education should be provided with a completed budget transfer request and any applicable supporting documents regarding the purpose of the transfer.

**Preliminary and Tentative - For Discussion Purposes Only**

**Jericho Union Free School District**  
**Initial Risk Assessment on Internal Controls**  
**Pertaining to Financial Operations**

**REVENUE AND CASH MANAGEMENT**

The objective of our risk assessment within the revenue and cash management area is to ensure that all revenue and cash is properly safeguarded. This area includes revenue (property taxes, state aid, etc.), cash receipts, wire transfers, investments, and petty cash. In order to verify this area has proper internal controls, we have reviewed and considered District policies and procedures, regulatory requirements, interviewed personnel and tested various transactions to ensure the operating effectiveness of the key controls within the cash management area. Sufficient controls includes; adequate segregation of duties, ongoing monitoring of functions, adequate security and timely reconciliations.

**Observations**

- The District's general fund revenue for the 2005/2006 fiscal year was \$85,665,008.
- It was noted that the Business office was given access/approved to have \$500.00 in petty cash funds. Each fund is separated in the following increments:
  - Asst. Supt. For Business                      \$100.00 (regular)
  - Asst. Supt. For Business                      \$100.00 (Mailings)
  - Asst. Supt. For Business                      \$100.00 (Special)
  - Asst. Supt. For Business                      \$100.00 (Special #2)
  - Asst. Supt. For Business                      \$100.00 (Special #3)

**Recommendations**

1. We recommend that the Business office review its petty cash usage for the past year to determine whether five (5) petty cash accounts are necessary to the function of the Business office. We have been informed that effective July 2007, the Business office will reduce the number of Petty Cash accounts as follows:
  - Assistant Superintendent for Business: \$100.00
  - Assistant Superintendent for Human Resources: \$100.00
  - Superintendent of Schools: \$100.00

Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

**PURCHASING AND ACCOUNTS PAYABLE**

The objective of our risk assessment within the purchasing and accounts payable area was to ensure that the Districts' assets are properly safeguarded and that all laws and regulations are being followed. Callaghan Nawrocki performed the function of the Internal Claims Auditor for the period of July 2006 to January 2007. The district has appointed a new Claims Auditor in order to cover that function and meet the state requirements.

**Observations**

- The District reported general fund expenditures of \$77,247,493 during the fiscal year 2005/2006. The following table summarizes the components of the aforementioned expenses:

<u>Expenditures</u>	<u>Actual 05/06</u>	
General Support	8,525,161	11.04%
Instruction	50,090,835	64.84%
Pupil Transportation	3,944,049	5.11%
Community Services	43,096	.06%
Employee Benefits	14,160,192	18.33%
Debt Service	484,160	.63%
<b>Total Expenditures</b>	<b>77,247,493</b>	<b>100.00%</b>

- We completed an evaluation and testing of the Purchasing and Accounts Payable function within the District during the 2005/2006 calendar year and issued a Purchasing report June 2006. Subsequently, we have performed recurring testing of the purchasing and accounts payable function for the 2006/2007 school year and noted there were no issues in this regard.

**Recommendations**

1. Please refer to the Purchasing Audit Report that was issued on June 2006. Within the report we make observations and recommendations regarding the districts purchasing function. We recommend that Callaghan Nawrocki, as the District's internal auditors, follow-up with the recommendations made within the Purchasing Report and provide the Board of Education with a status report. There were no material findings within the 2005/2006 report or during our 2006/2007 recurring Internal Audit testing.



Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

PAYROLL AND PERSONNEL

The objective of our risk assessment was to determine if the internal controls over payroll processing are adequate to ensure that duties are properly safeguarded and that employees are paid accurately and in accordance with board approval. In order to verify that the payroll and personnel areas have proper internal controls, we interviewed personnel and tested various transactions to ensure the operating effectiveness of the key controls within the payroll areas.

Observation

- We have completed an evaluation of the Payroll Cycle within the District during the 2006/2007 calendar year.
- We have performed a complete Payroll Payout Observation for all of the employees within the District during the fiscal year ended June 30, 2007.

Recommendation

1. Please refer to our Internal Audit Report pertaining to the Payroll Cycle which was completed during February 2007. Within the report we make observations and recommendations regarding the districts Payroll Cycle. We recommend that Callaghan Nawrocki, as the District's internal auditors, follow-up with the recommendations made within the Payroll Report and provide the Board of Education with a status report. Our report in regard to the Payroll Payout Observation as of June 30, 2007 will be completed during July 2007.

Preliminary and Tentative – For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

FIXED ASSETS

The objective of our risk assessment was to determine if the internal controls for the tracking of the District's fixed assets are adequate to ensure the safeguarding of such assets for which the District has custody.

Observations

- The District's fixed asset balance as of June 30, 2006 was \$28,329,726. This is a material balance on the financial statements. A full fixed asset valuation should be prepared by an outside appraisal company at regular intervals (every three years) to verify the fixed asset balance is accurate and that fixed assets exist.
- It was noted that the district has not performed a fixed asset physical appraisal within the past three years. However, the district does maintain a tracking system for all purchases for the District through Finance Plus and reconciles Fixed Assets on a monthly basis.

Recommendations

1. The District should include in its fixed asset policy to have an outside valuation performed every three years in order to have a proper and accurate accounting of its fixed assets.

Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

SCHOOL LUNCH

The objective of our risk assessment to determine if the internal controls within the School Lunch Area are adequate to ensure that duties are properly performed and that control over cash is implemented and properly safeguarded.

Observation

- The School Lunch Program reported the following revenues and expenditures during fiscal year 2005/2006:

<u>School Lunch</u>	<u>2005/2006</u>
Revenue	1,074,879
Expenditures	1,117,679
<b>Total</b>	<b>(42,800)</b>

- We are concluding an evaluation of the District's School Lunch Fund for the period of 2006/2007 calendar year. The final report will be completed during July 2007 and we will continue to work in this area.

Recommendation

1. Within the School Lunch report we will be providing observations and recommendations regarding the School Lunch Fund Account operations, cash collections, disbursements, reconciliation and recordkeeping.

**Preliminary and Tentative - For Discussion Purposes Only**

**Jericho Union Free School District**  
**Initial Risk Assessment on Internal Controls**  
**Pertaining to Financial Operations**

**EXTRACLASSROOM ACTIVITY FUNDS**

The objective of our risk assessment was to determine if the internal controls within the District's Extra Curricular Activity Funds are adequate to ensure the safeguarding of assets for which the District has custody. Additionally, it must be determined that district is in accordance with all sections of the Regulations of the Commissioner of Education governing Extraclassroom Activity Funds (Sections: 172, 172.2, The Safeguarding, Accounting, and Auditing of Extra-classroom Activity Funds Pamphlet 2, 172.3 (b), 172.3 (d), 172.3, 172.1).

**Observations**

- It was noted that the Extra-classroom Activity Fund Policy was adopted 1/22/1998.
- It was noted that there are instances where there is no student involvement in the disbursements of the Extraclassroom Activity Fund. Additionally, we noted that there is a Disbursement Form which is utilized for Extraclassroom Activity Fund disbursements. Although the form does not contain a place for the student signature, a procedure has been implemented where students are required to sign the disbursement forms.

**Recommendations**

1. We recommend that the Board of Education review and update the Extraclassroom Activity Fund policy. We have enclosed a sample policy for the District's consideration as Exhibit II.
2. We recommend that the District revise the Receipt and Disbursement forms for the Extraclassroom Activity Fund to include an area for the student's signature. The purpose of Extra-classroom Activity Funds is to educate the student regarding monetary responsibility and fiscal management and revising these forms will promote student involvement.

Preliminary and Tentative - For Discussion Purposes Only

Jericho Union Free School District  
Initial Risk Assessment on Internal Controls  
Pertaining to Financial Operations

INFORMATION TECHNOLOGY

The objective of our risk assessment was to determine if the internal controls over information technology were functioning to ensure that controls are in place for the District's financial management system. Strong internal controls for the District's financial management system include proper segregation of duties, appropriate permissions to the respective modules within the computer and assurance of the accuracy of data generated from the system. There should also be a Board policy addressing computer controls for information technology. This policy would address the appropriate permissions, remote access, daily off-site backup and disaster recovery plan.

Observations:

- It was noted that the Board of Education has not formally adopted an Information Technology policy. A sample policy will be given to the Business office for consideration. It was noted that the district does utilize a form which is signed and approved by three (3) levels of administrators to add or remove employees from the internet, Finance Plus, or email system. Additionally it was noted that BOCES implemented password change policy effective June 1, 2007 requiring employees to change their passwords quarterly. We have also noted that the Assistant Superintendent for Business and the Assistant Superintendent of Educational Operations and Human Resources review reports which monitor user access and permissions on a quarterly basis.

Recommendations:

1. We recommend that the Board of Education formally adopt an Information Technology. We have included a sample policy for the District's consideration as Exhibit III to this report.

**EXHIBIT I –  
SAMPLE “AUTHORIZED CHECK SIGNERS”  
POLICY**

I. AUTHORIZATION FOR THE USE OF MACHINE SIGNATURE PLATES

The Treasurer and the Superintendent of Schools for the District shall be authorized to sign checks using facsimile signature plates as reproduced by a check signer.

II. AUTHORIZED SIGNATURE ON PAYMENT DOCUMENTS (CHECKS)

The following school employees shall be the only authorized employees for the signature of checks:

1. The District Treasurer shall be authorized to sign checks on all funds. The District Treasurer shall therefore be required to sign all aforementioned checks before the check shall be deemed legal tender.
2. The Superintendent of Schools shall be authorized to sign checks as the additional signature where a second signature is required.

Legal Reference:

Policy

Adopted: 6/19/85 (approved at Board Meeting 6/18/85)

Amended: 1/19/05 (Approved at 1/18/05 Board Meeting), 7/05/05

**EXHIBIT II –  
SAMPLE “EXTRACLASSROOM ACTIVITY  
FUNDS” POLICY**



# Policy # 1

Non-Instructional/Business  
Operations Page 1 of 4

## SUBJECT: EXTRA-CLASSROOM ACTIVITIES FUND

Extraclassroom activity funds are defined in the Regulations of the Commissioner of Education as "funds raised other than by taxation or through charges of a board of education, for, by or in the name of a school, student body or any subdivision thereof." Basically, extraclassroom activity funds are those operated by and for the students. Monies are usually collected voluntarily by pupils and are spent by them as they see fit so long as they abide by established regulations.

Extraclassroom activity funds must not be confused with funds accounted for in accordance with the Uniform System of Accounts prescribed by the State Comptroller. Procedures discussed in this policy and applicable regulation, apply only to extraclassroom activity funds.

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The Board of Education recognizes that the fundamental task of the schools is to prepare young people for life. In order for this preparation to be done properly, the education program of the schools must be as wide as life itself. An integral part of such a program is extraclassroom activities. They represent an essential part of the educational experience, which should be available to young people. In order to promote the organization and maintenance of extraclassroom activities and to provide for the proper handling and safeguarding of extraclassroom activity funds, the Board of Education hereby adopts rules and regulations for the guidance of students, teachers and principals.

### **Purpose**

Student extraclassroom activities may only be formed for educational and school service purposes and may only be formed by students in grades ~~5-12~~.

### **Definition**

Extraclassroom activity funds are funds raised other than by taxation or through charges of the Board of Education for, by or in the name of a school, student body or any subdivision thereof.

### **Organizational Procedures**

Students desiring to form an extraclassroom activity shall petition their principal in writing. The petition shall state the purpose of and describe the activities of the proposed extraclassroom activity, and shall be signed by at least seven students before it is presented to the principal for action.

(Continued)

**SUBJECT: EXTRA-CLASSROOM ACTIVITIES FUND (Cont'd)**

If the purpose of the proposed extraclassroom activity falls within the scope of educational or school service purposes and if the necessary space and equipment are available, the principal, in conjunction with the petitioning students, shall seek a suitable advisor. When these procedures have been accomplished, the building principal shall recommend to the chief school officer that the extraclassroom activity be approved by the Board of Education.

**Approved Extraclassroom Activities**

All extraclassroom activities shall be approved by the Board of Education. The chief school officer shall maintain an up-to-date register of all extraclassroom activities that are approved or discontinued.

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**Faculty Advisor**

Each extraclassroom activity shall have a faculty advisor recommended by the superintendent and appointed by the Board of Education. The faculty advisor shall attend all meetings of the extraclassroom activity.

**Meetings**

All extraclassroom activities shall meet at least once monthly while school is in session. These meetings shall be held on school property. Extraclassroom activities shall not meet outside school property unless they have received the consent of their school principal.

**Officers**

Each extraclassroom activity shall have a president, secretary and treasurer. These officers shall be elected annually from among the membership by secret ballot.

**Financial Procedures**

All extraclassroom activity funds shall be handled in accordance with the regulation for the safeguarding, accounting and auditing of these funds.

**Inactive Clubs and Leftover Funds**

An inactive extraclassroom activity shall be defined as one having no financial activity for one full school year. If an inactive club is identified, the central treasurer is directed to liquidate the leftover funds of this club in accordance with the following:

(Continued)

**SUBJECT: EXTRA-CLASSROOM ACTIVITIES FUND (Cont'd)**

Leftover funds of inactive or discontinued extraclassroom activities and of graduating classes shall automatically revert to the account of the general student organization or student council. Inactive clubs must follow the organizational procedures set forth in this policy to re-activate previously existing activities.

**Sales, Campaigns and Fundraising Activities**

The chief faculty counselor shall provide information to the superintendent on sales, campaigns and fundraising activities of all extraclassroom activity clubs, including the nature of the event, dates of operation, duration of sale or campaign, and means of solicitation (e.g., door-to-door, direct mailing, etc.).

**Non-Chartered Student Groups**

Any group without a recognized charter, i.e. Athletic teams, classes, etc. is ineligible to take part in the collection of funds raised other than taxation or thru charges of a Board of Education, for, by or in the name of the school, student body or any subdivision thereof and therefore must have fundraising activities approved under the auspices of the student government. Student Government must record in their minutes acceptance of any such events and include purpose, activities and funds distribution.

**Travel and Transportation**

All overnight trips and foreign travel must receive approval from the Board of Education. The chief faculty counselor shall provide a written itinerary to each student, along with a copy of the code of acceptable conduct and secure written permission from a student's parent/guardian for all overnight and foreign travel. Every effort should be made to provide the educational travel opportunity to all eligible students. The faculty advisor must assure that there is sufficient adult supervision at all times.

District transportation may be provided in accordance with district guidelines and must include a review and approval of driver record in accordance with NYS 19-A, upon timely and proper request, at cost. Each club will be invoiced for actual cost upon trip completion. Trip cost estimates may be obtained from the Business Office. Although use of private carrier is permitted, the faculty advisor is required to ascertain that the driver(s) are properly insured, properly licensed and that the vehicle is appropriate, legal and safe. The safety of all students and adults must be guaranteed.

(Continued)

SUBJECT: EXTRA-CLASSROOM ACTIVITIES FUND (Cont'd)

### **Risk Management**

The chief faculty counselor shall work with the business official to assure that the district's exposure to any risk resulting from club activities or fundraisers is minimized. In all cases where a vendor will be using district facilities to conduct its event, the district requires a certificate of insurance ~~in the minimum amount of \$1,000,000~~ with the district named as an additional insured. Periodically, the district may request that its primary liability insurance carrier conduct a review of the activities of its extraclassroom activities and may prohibit certain events based on the review results.

### **Equipment Acquisitions**

All equipment purchases shall be evidenced by official action of a majority of the club or activity members. ~~Title to all equipment acquired with extraclassroom activity funds shall reside with the district and be carried as an insurable asset on its list of insurable values.~~ All equipment shall be operated on district property, unless express permission from the superintendent is secured to use the equipment or have it reside off-premises. Such equipment shall be tagged as district property but is available for exclusive use by the extraclassroom activity club acquiring the item.

### **Tax Exempt Status**

The extraclassroom activities of the district are not included in the exemption granted to the school district from New York State sales tax. Without exception, clubs and activities are prohibited from using the school's tax exemption. The taxable status of all fundraising events specified in the administrative regulations to this policy shall be enforced as listed by the central treasurer. Any event not specifically listed shall be deemed taxable unless a written determination that it is non-taxable has been issued from the business official to the central treasurer. The central treasurer shall be responsible for filing the periodic sales tax returns for the extraclassroom activity funds.

### **Contracts, Commitments and Guarantees**

All contracts, commitments and guarantees require approval of the district's purchasing agent. All commitments and contracts shall be the sole responsibility of the extraclassroom activity club, giving rise to the transaction, regardless of change in advisors, membership or officers.

Under Development \_ \_ \_

Adopted: - - - -

Under Review: . . . . .

Circulator: - - - - -

**EXHIBIT III –  
SAMPLE “COMPUTER RESOURCES AND  
DATA MANGEMENT” POLICY**

## COMPUTER RESOURCES AND DATA MANAGEMENT

The purpose of this policy is to address the varied uses of administrative computer resources in the school district. The board of Education recognizes that computers are a powerful and valuable tool and as such are an integral part of administering and managing the schools' resources, including the compilation of data and recordkeeping for personnel, students, finances, supplies and materials. This policy outlines the Board's expectations specifically with regard to the district's Pentamation Financial Management system and Pentamation Student Management System.

### General Provisions

The Superintendent designates the Director of Information Systems as the responsible individual who will oversee the use of district computer resources. The Director of Information Systems will prepare in-service programs for the training and development of district staff in computer skills, appropriate use of computers and for the incorporation of computer use in administrative areas.

The Superintendent, working in conjunction with the designated purchasing agent for the district, and the Director of Information Systems, will be responsible for the purchase and distribution of administrative computer software throughout the district.

The Superintendent, working with the Director of Information Systems, shall establish regulations governing the use and security of the district's administrative computer resources. The security and integrity of the district administrative computer network and data is a serious concern to the Board and the district will make every reasonable effort to maintain the security of the system. All users of the district's administrative computer resources shall comply with this policy and regulation, as well as the district's Instructional Computer Network Policy #4526. Failure to comply may result in disciplinary action, as well as suspension and/or revocation of computer access privileges.

All users of the district's administrative computer resources must understand that use is a privilege, not a right, and that use entails responsibility. Users of the district's computer network must not expect, nor does the district guarantee, privacy for electronic mail (e-mail) or any use of the district's computer network. The district reserves the right to access and view any material stored on district equipment or any material used in conjunction with the district's computer network.

### Management of Computer Records

The Board recognizes that since district data is managed by computer, it is critical to exercise appropriate control over computer records, including financial, personnel and student information. The Superintendent, working with the Director of Information Systems and the district's business official, shall establish regulations and procedures governing management of computer records. The regulations will address:

- passwords,
- system administration,
- separation of duties,
- remote access,
- data back-up (including archiving of e-mail); and
- disaster recovery plans.

### Review and Dissemination

Since computer technology is a rapidly changing area, it is important that this policy be reviewed periodically by the Board and the district's external auditor. The regulation governing appropriate computer use will be distributed annually to staff and students and will be included in both employee and student handbooks.

Cross-Ref: 6600, Fiscal Accounting and Reporting  
6700, Purchasing  
8635, Security Breach and Notification

Adoption Date:

## COMPUTER RESOURCES AND DATA MANAGEMENT REGULATION

The following rules and regulations govern the use of the district's computer network system, employee access to the Internet, and management of computerized records.

### I. Administration

- The Superintendent of Schools shall designate a computer network coordinator to oversee the district's computer network.
- The computer network coordinator shall monitor and examine all network activities, as appropriate, to ensure proper use of the system.
- the computer network coordinator shall develop and implement procedures for data back-up and storage.
- The computer network coordinator shall be responsible for disseminating and interpreting district policy and regulations governing use of the district's network at the building level with all network users.
- The computer network coordinator shall provide employee training for proper use of the network and will ensure that staff supervising students using the district's network provide similar training to their students, including providing copies of district policy and regulations (including policy 4526, Instructional Computer Network) governing the use of the district's network.
- The computer network coordinator shall take reasonable steps to protect the network from viruses.
- All student and employee agreements to abide by district policy and regulations and parental consent forms shall be kept on file in the district office.
- Consistent with applicable internal controls, the Superintendent in conjunction with the school business official and the computer network coordinator, will ensure the proper segregation of duties in assigning responsibilities for computer resources and data management.

### II. Internet Access

Student Internet access is addressed in policy and regulation 4526, Instructional Computer Network. District employees are governed by the following regulations:

- Employees shall be issued an e-mail account through the district's computer network.
- Employees are expected to review their e-mail daily.



- Communications with parents and/or students should be saved and the district will archive the e-mail records according to procedures developed by the computer network coordinator.
- Employees may access the internet for education-related and/or work-related activities.
- Employees shall refrain from using computer resources for personal use.
- Employees are advised that they must not have an expectation of privacy in the use of the district's computers.
- Use of computer resources in ways that violate the acceptable use and conduct regulation, outlined below, will be subject to discipline.

### III. Acceptable Use and Conduct

- Access to the district's computer network is provided solely for educational and/or research purposes and management of district operations consistent with the district's mission and goals.
- Use of the district's computer network is a privilege, not a right. Inappropriate use may result in the suspension or revocation of that privilege.
- Each individual in whose name an access account is issued is responsible at all times for its proper use.
- All network users will be issued a login name and password. Passwords must be changed periodically.
- Only those network users with permission from the principal or computer network coordinator may access the district's system from off-site (e.g. from home).
- All network users are expected to abide by the generally accepted rules of network etiquette. This includes being polite and using only appropriate language. Abusive language, vulgarities and swear words are all inappropriate.
- Network users identifying a security problem on the district's network must notify appropriate staff. Any network user identified as a security risk or having a history of violations of district computer use guidelines may be denied access to the district's network.

### IV. Prohibited Activity and Uses

The following is a list of prohibited activity for all users concerning use of the district's computer network. Any violation of these prohibitions may result in discipline or other appropriate penalty, including suspension or revocation of a user's access to the network.

- Using the network for commercial activity, including advertising.
- Infringing on any copyrights or other intellectual property rights, including copying, installing, receiving, transmitting or making available any copyrighted software on the district computer network.
- Using the network to receive, transmit or make available to others obscene, offensive, or sexually explicit material.
- Using the network to receive, transmit or make available to others messages that are racist, sexist, abusive or harassing to others.
- Use of another's account or password.
- Attempting to read, delete, copy or modify the electronic mail (e-mail) of other system users.
- Forging or attempting to forge e-mail messages.
- Engaging in vandalism. Vandalism is defined as any malicious attempt to harm or destroy district equipment or materials, data of another user of the district's network or of any of the entities or other networks that are connected to the Internet. This includes, but is not limited to, creating and/or placing a computer virus on the network.
- Using the network to send anonymous messages or files.
- Revealing the personal address, telephone number or other personal information of oneself or another person.
- Using the network for sending and/or receiving personal messages.
- Intentionally disrupting network traffic or crashing the network and connected systems.
- Installing personal software or using personal disks on the district's computers and/or network without the permission of the appropriate district official or employee.
- Using district computing resources for fraudulent purposes or financial gain.
- Stealing data, equipment, or intellectual property.
- Gaining or seeking to gain unauthorized access to any files, resources, or computer or phone systems, or vandalize the data of another user.
- Wastefully using finite district resources.
- Changing or exceeding resource quotas as set by the district without the permission of the appropriate district official or employee.
- Using the network while your access privileges are suspended or revoked.
- Using the network in a fashion inconsistent with directions from teachers and other staff and generally accepted network etiquette.

V. No Privacy Guarantee

Users of the district's computer network should not expect, nor does the district guarantee privacy for electronic mail (e-mail) or any use of the district's computer network. The district reserves the right to access and view any material

stored on district equipment or any material used in conjunction with the district's computer network.

VI. Sanctions

All users of the district's computer network and equipment are required to comply with the district's policy and regulations governing the district's computer network. Failure to comply with the policy or regulation may result in disciplinary action as well as suspension and/or revocation of computer access privileges.

Any information pertaining to or implicating illegal activity will be reported to the proper authorities. Transmission of any material in violation of any federal, state and/or local law or regulation is prohibited. This includes, but is not limited to materials protected by copyright, threatening or obscene material or material protected by trade secret. Users must respect all intellectual and property rights and laws.

VII. District Responsibilities

The district makes no warranties of any kind, either expressed or implied, for the access being provided. Further, the district assumes no responsibility for the quality, availability, accuracy, nature or reliability of the services and/or information provided. Users of the district's computer network and the Internet use information at their own risk. Each user is responsible for verifying the integrity and authenticity of the information.

The district will not be responsible for any damages suffered by any user, including, but not limited to, loss of data resulting from delays, non-deliveries, misdeliveries, or service interruptions caused by its own negligence or any other errors or omissions. The district also will not be responsible for unauthorized financial obligations resulting from the use of or access to the district's computer network or the Internet.

Further, even though the district may use technical or manual means to regulate access and information, these methods do not provide a foolproof means of enforcing the provisions of the district policy and regulation.

Adoption Date: