
FISCAL MANAGEMENT – THRESHOLD FOR MATERIAL LOSS, SHORTAGE, OR THEFT OF SCHOOL FUNDS OR PROPERTY AND INTERNAL CONTROLS

Adoption Date: March 8, 2016; Revised April 18, 2017
Legal Ref: IC 5-11-1-27; IC 5-11-1-16(c) & (d)
Cross Ref:

Reporting Losses, Shortages, Variances, or Thefts

All members of Westfield Washington Schools (WWS) need to be watchful for fraud, theft, or misuse of the resources of WWS. All WWS employees or contractors must report any known or suspected loss, shortage, variance, or theft of WWS funds or property to the employee's supervisor or to the Superintendent or his/her designee.

The Superintendent or his/her designee shall take appropriate steps to investigate and remedy any loss, shortage, variance, or theft. The Superintendent or his/her designee shall document and maintain a file on any reported incident that includes for each incident, at minimum, a narrative of the situation, communication with authorities, relevant dates, the estimated amount of variance and any individuals involved.

As soon as any material loss, shortage, variance, or theft of WWS funds or property is substantiated, the Superintendent or his/her designee shall immediately report the incident to the State Board of Accounts.

A loss, shortage, variance, or theft is "material" if it amounts to more than \$100.00. These materiality thresholds apply to cash or to the fair market value of other Corporation assets. If there is doubt about whether a loss, shortage, variance, or theft meets the "material" threshold, it should be reported to the State Board of Accounts.

Additionally, Indiana law requires that any individual who holds, receives, disburses, or is required to keep account of funds on behalf of a public school corporation and who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the school corporation to immediately send written notice of the misappropriation to the State Board of Accounts and the local prosecuting attorney. This requirement is not subject to any materiality threshold.

Internal Controls

The Board hereby adopts *State Board of Accounts, Uniform Internal Control Standards for Indiana Political Subdivisions* and directs the Superintendent or his/her designee, to develop administrative guidelines to implement internal control standards and procedures consistent with this State Board of Accounts guidance, and to ensure that WWS employees receive training concerning the internal control standards and procedures.