

# Charles A Beard Memorial School Corporation



## Internal Controls

## **INTERNAL CONTROL SYSTEM**

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

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

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

These elements of the internal control structure are as follows:

### **Control Environment**

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

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

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

### **Accounting System**

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

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

### **Control Procedures**

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

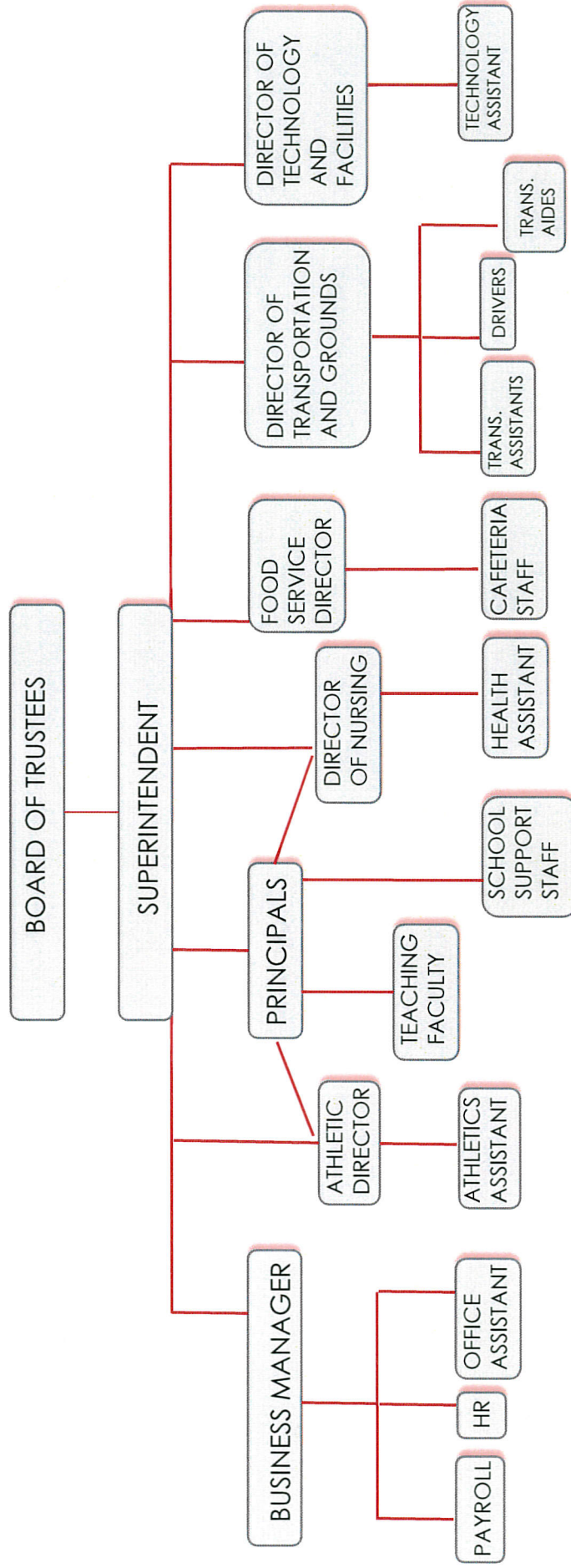
1. Proper authorization of transactions and activities;
2. Segregation of duties to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal error or irregularities in the normal course of his or her duties. A proper segregation of duties entails assigning different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

### **Monitoring System**

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



# CHARLES A. BEARD MEMORIAL SCHOOLS ORGANIZATIONAL CHART





# Charles A. Beard Memorial School Corporation

## Job Description



**JOB TITLE:** Business Manager / Treasurer

**REPORTS TO:** Superintendent of Schools

**DAYS and COMPENSATION:** 260 (12 Month) - \$53,000.00

**GENERAL DESCRIPTION:** The Business Manager / Treasurer administers all aspects of the school system's business operations. The primary responsibilities include managing a municipal financial accounting system, preparing the annual budget and monitoring expenditures, preparing and analyzing strategic and long-range planning projections, and managing the fiscal aspects of federal and state grants.

**QUALIFICATIONS:** Bachelor's Degree required; Business Administration, Accounting or Finance, preferred.

- IASBO Chief Business Officer Certification
- Prior Experience as a Corporation Treasurer or Business Manager

### ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Process approved requisitions and encumber purchase orders to proper accounts
- Prepare / Oversee Accounts Payable Voucher for completed orders
- Enter and post corporation revenue and print receipts
- Answer questions from buildings secretaries/principals concerning financial matters
- Enter vouchers and check for errors. Liquidate purchase orders if applicable
- Verify vouchers entered and compare to voucher edit
- Pre-write checks for checks claims
- Run accounts payable voucher list and do register preparation. Check totals to make sure they balance
- Check monthly vendor statements for accuracy
- Balance appropriation and revenue reports with fund report after each posting
- Balance fund report with the bank statement
- Check individual building ECA bank statements to ensure they balance
- Prepare claim docket and checks
- Assist Superintendent in financial forecasting – review appropriation reports monthly
- Process state quarterly reports for grants and meet with Superintendent on grant reports
- Complete and balance all fund, budget & appropriation reports for the state including Form-9 and annual report card
- Maintain compliance with Annual Performance Reporting
- Gather information from all buildings on delinquent textbook rental payments
- Collect F/R information from all buildings
- Complete all year end reporting and close books for calendar year
- Assist building administrators with textbook rental and fees for all students
- Communicate with parents, faculty and staff in a professional manner
- Perform additional duties as directed by the Superintendent

**Charles A. Beard Memorial School Corporation**  
**Job Description**

**Title:** Central Office Assistant

**Job Summary:** This position requires a carefully selected individual with strong communication, technical and organizational skills. This individual is employed by the Charles A. Beard Memorial School Corporation on the recommendation of the Superintendent of Schools.

**Qualifications/Skills:**

- Strong ability to work with Public, Faculty and Staff
- Confidentiality/Flexibility
- Knowledge and ability in basic accounting procedures
- Must pass a National Criminal History Check
- Strong Computer Skills which include, but are not limited to:
  - Microsoft Office Suites
  - Komputrol
  - Knowledge of IDOE Web-Site and on-line reporting procedures

**Reports to:** Superintendent of Schools

**Evaluation By:** Superintendent of Schools

**Supervises:** None

**Terms of Employment:** 12 Month Employee

**Job Goal:** This position requires an individual to perform duties and responsibilities with minimal supervision. Must have the ability to communicate, articulate and complete responsibilities given by the Superintendent, HR Specialist, and Corporation Treasurer.

**Performance Responsibilities/Duties:**

Receptionist Duties:

- Greet walk-in patrons with professionalism and courtesy.
- Open and Close building as needed.
- Answer telephone calls in a polite, courteous manner.
- Sort and distribute in-coming and out-going mail in a timely manner.
- Telephone messaging as needed.
- Other Duties as assigned by Superintendent, HR Specialist and Corporation Treasurer.

Superintendent Support Duties:

- General Filing and daily organization of the Administration Office.

## **Charles A. Beard Memorial School Corporation**

### **Job Description**

- Prepare Posting for upcoming Board Meetings as needed.
- Distribute Board Packets monthly to each Board Member as needed.
- Assemble Board Books for upcoming Board Meetings as needed.

#### Human Resource Support Duties:

- Provide applications for walk-in applicants.
- Provide Building Use Forms for patrons.
- Complete Transcript requests.
- Follow and keep current on record retention schedule and destroy records as appropriate.
- Maintain current Criminal History File.
- Assist with maintaining Professional Development (PD forms) Requests.
- Register all Administration Office staff for training as well as registrations on PD forms.

#### Corporation Treasurer and Deputy Treasurer Support Duties:

- File, prepare and monitor invoices and Purchase Orders appropriately.
- Organize claims and match checks for Financial portion of Board Packets.
- Distribute accounts payable checks after each board meeting.
- Assist Treasurer with distribution of Purchase Orders and Textbook Rental.
- Set up new vendors and maintain current file of W-9 forms.
- Alphabetize file for vendor paid, stuff checks and remittance copies.
- Prepare TBR Invoices to delinquent parents and follow-up as appropriate.
- File TBR receipts for easy access.
- Other Duties as assigned by the Corporation Treasurer or Superintendent.

**I have read, understand and agree with the job description for my position.**

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Human Resources or Supervisor

\_\_\_\_\_  
Date

**Charles A. Beard Memorial School Corporation**  
**Job Description**

**Title:** Human Resource Specialist

**Job Summary:** This position requires a carefully selected individual with strong communication, technical and organizational skills. This individual is employed by the Charles A. Beard Memorial School Corporation on the recommendation of the Superintendent of Schools.

**Qualifications/Skills:**

- Strong ability to work with public and faculty/staff
- Confidentiality & Flexibility
- Strong Computer Skills which include, but are not limited to:
  - Microsoft Office Suites
  - STI Student Management System
  - Komputrol
  - Knowledge of IDOE Web-Site and on-line reporting procedures

**Reports to:** Superintendent of Schools

**Evaluation By:** Superintendent of Schools

**Supervises:** Oversight of Human Resource Items

**Terms of Employment:** 260 days per year/12 Month Employee

**Job Goal:** This position requires an individual to perform duties and responsibilities with minimal to no supervision. Must have the ability to communicate and articulate responsibilities and requirements of the Human Resource Department activities as well as instructions from the Superintendent of Schools.

**Performance Responsibilities/Duties:**

Human Resource Duties:

- Maintain Personnel Files and record keeping as mandated by state/federal law.
- Initiate application procedures for corporation vacancies and walk-in applicants.
- Maintain applications and disperse to supervisors as needed.
- Track and schedule interviews for all substitutes.
- Maintain Highly Qualified Teacher Documentation and Licensing.
- Assist in Student Teacher certifications and placement.
- Maintain employment verifications for faculty and staff.
- Keep evaluation schedules for all employees.
- Assist with the compilation and updating of all employee handbooks.
- Work closely with Payroll to assist with benefit questions as they relate to pay.

**Charles A. Beard Memorial School Corporation**

**Job Description**

- Maintain current file of all employee benefits and do training and orientation to employees to keep current information.
- Coordinate and maintain workman's compensation and unemployment claims.
- Coordinate annual employment training and ensure all employment postings are followed.
- Assist directors with employment law questions or concerns.
- Track employee hours.
- Ensure compliance with PPACA.
- All other duties as assigned by the Superintendent.

Miscellaneous Duties:

- Prepare and maintain expulsion paperwork and duties associated with expulsion meetings.
- Assist with ISTEP and other testing procedures as necessary.
- Monitor IDOE on-line reporting by the Technology Department.

**I have read, understand and agree with the job description for my position.**

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Human Resources or Supervisor

\_\_\_\_\_  
Date

**Charles A. Beard Memorial School Corporation**  
**Job Description**

**Title:** Payroll/Benefits Coordinator

**Job Summary:** This position requires a carefully selected individual with strong communication, technical and organizational skills. This individual is employed by the Charles A. Beard Memorial School Corporation on the recommendation of the Superintendent of Schools.

**Qualifications/Skills:**

- Strong ability to work with public and faculty/staff
- Confidentiality/Flexibility
- Ability to obtain certification through IASBO
- Must pass a National Criminal History Check
- Strong Computer Skills which include, but are not limited to:
  - Microsoft Office Suites
  - Komputrol
  - Knowledge of Fringe Benefit web-sites

**Reports to:** Superintendent of Schools

**Evaluation By:** Superintendent of Schools

**Supervises:** Oversight of all payroll transactions

**Terms of Employment:** 260 days per year/12 Month Employee

**Job Goal:** This position requires an individual to perform duties and responsibilities with minimal to no supervision. Must have the ability to communicate and articulate responsibilities and requirements of the Payroll/Benefits Department activities as well as instructions from the Superintendent of Schools.

**Performance Responsibilities/Duties:**

**Bi-Weekly Payroll Duties:**

- Maintain current payroll files on all current, terminated, and retired employees.
- Calculate and enter figures from time cards on all hourly employees.
- Print trial balance, deduction, and distribution reports as well as send Direct Deposit.
- Print and prepare checks and direct deposit advices for distribution.
- Print check register, federal and social security reports, and deduction reports.
- Prepare claims, reports, and send payment for all required taxes.
- Balance, print, and close payroll and employee trial balance then post to budget.
- Public Employees Retirement Fund (PERF) preparation, reports and remit contributions.
- Teacher Retirement Fund preparation, reports, and remit contributions



## **Charles A. Beard Memorial School Corporation**

### **Job Description**

#### Quarterly Close Duties:

- Prepare and send unemployment and requirement reports.
- Close, post, and clear quarterly totals.
- Print employee history for the quarter.

#### Yearly Close Duties:

- Balance and close yearly totals.
- Prepare, print, and distribute W-2's then report to IRS.
- Back up information and clear totals.
- Prepare and send 100R report.

#### Fiscal Year Close Duties:

- Update all leave days as appropriate.
- Pay balance of contracts for certified employees.
- Assist with contracts for all pertinent employees.
- Back up files to zip drive and clear fiscal totals.

#### Miscellaneous Tasks:

- Check available days, record, and file all leave form requests.
- Complete Termination and Retirement Paperwork.
- Assist Corporation Treasurer in Invoice and Purchase Order Discrepancies.
- Database creation from Komputrol for Special Projects.
- Answer all questions from employees pertaining to any payroll issue.
- All other duties assigned by the Superintendent, or Corporation Treasurer.

#### Benefits Duties:

##### Annuities, Insurances, and Miscellaneous Deductions

- Maintain employee information for each deduction.
- Prepare claims and reports for all employee benefits.
- Prepare claims for court required garnishments.
- Prepare claims for Classroom Teacher Association (CTA) dues.
- Coordinate plan renewals.
- Answer employee and insurance company inquiries.

**I have read, understand and agree to the job description for my position.**

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Human Resources or Supervisor

\_\_\_\_\_  
Date

# School Corporation Accounting Activities Internal Control Procedures

Activity	Employee	Separation of Duties
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## DAILY PROCEDURES:

### Cash Receipts Activities:

Open mail and write receipt	Office Assistant	
Receive money, issue official receipts	Office Assistant	
Prepare bank deposits	Treasurer	
Review bank deposit in detail before taking to bank	Treasurer	Treasurer initials and dates all deposits
Take deposits to bank	Treasurer	
Post receipts	Treasurer	
Access to computer system to make receipt adjustments	Office Assistant	
Approves adjustments	Treasurer	
Post credits to accounts receivable	Treasurer	
Prepare customer billings (retiree health ins. bills)	Office Assistant	
Mail billings or statements	Treasurer	
Approve accounts receivable adjustments	Treasurer	

### Cash Disbursement Activities:

Authorize purchases	Dept. Supervisor	
Prepare purchase orders	Treasurer	
Certify receipt of goods or services	Dept. Supervisor	The person receiving goods does not write checks
Prepare claim for payment	Office Assistant	The person preparing the claim is not approving the claim
Approve claim	Treasurer	Claim is approved before processing
Audit claims	Office Assistant	

Reviews invoices/receipts attached to each claim to support the disbursement

Approve claims - Disbursing Officer	Treasurer	
Write checks (generated by accounting system)	Treasurer	
Write manual checks	Treasurer	
Have receipt of W-9 form before paying vendor	Office Assistant	
Post checks	Treasurer	
Sign A/P checks--automated in accounting system	Treasurer	
Manual checks have a "live" signature		
Mail or distribute checks	Office Assistant	
A/P checks are accounted for in numerical order	Board of Trustees	
A/P check numbers are reconciled to the A/P bank acct	Treasurer	
A/P checks are in a secured location	Treasurer	Access limited to Payroll and Treasurer
Custodian of petty cash	Treasurer	Payroll approves claim
Custodian of investments	Treasurer	Treasurer reviews all investments monthly
Access to check stock	Payroll & Treasurer	Check stock is locked
Access to computer system to make adjustments	Payroll & Treasurer	Treasurer approves adjustments

#### Payroll Activities:

Post vacation and sick leave records	PR processor
Check and extend time cards	Dept. Supervisor
Approve corrections to recorded time	Dept. Supervisor
Input corrections to recorded time	Payroll Processor
Prepare payroll claims	Payroll Processor
Approve payroll claim to be run in accounting system	Treasurer
Approve payroll claims for department	Dept. Supervisor
Approve payroll claims for disbursing officer	Treasurer
Calculate deductions and net pay	Payroll Processor

Generate payroll checks	Payroll Processor	Payroll Processor does not sign checks
Sign payroll checks--automated in accounting system Manual checks have a "live" signature	Treasurer	Treasurer signs checks but does not prepare checks
Distribute payroll checks	Payroll Processor	
Payroll checks are accounted for in numerical order	Payroll Processor	
Payroll check numbers are reconciled to payroll account	Treasurer	
Payroll checks are in a secured location	Payroll Processor	Access limited to Payroll and Treasurer
Prepare earnings and deductions reports	Payroll Processor	
Access to computer system to make adjustments	Payroll Processor	
Approves adjustments: Authorizes Payroll Changes (new hires, terminations...) Prepares Payroll Change form Checks Payroll Change form Inputs Payroll Changes into accounting system Checks Payroll Changes in accounting system	HR and Board Human Resources Treasurer Payroll Processor Treasurer	HR and School Board authorize payroll Changes but does not input data Input is done by payroll only

#### MONTHLY PROCEDURES:

##### Cash Activities:

Receive bank statement online or by mail, open and print	Payroll
Compares checks cleared to disbursements posted	Treasurer
Compares deposits to receipts posted	Treasurer
Prepares bank reconciliation	Treasurer
Prepare bank reconciliation statement summary	Treasurer
Check clearing account balances for the month	Treasurer
Update investment report	Treasurer
Prepare Food Service analysis of 3 month operating cash balance	Treasurer
Balance revenue to receipts	Treasurer

<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> In depth review and approve bank reconciliation	Superintendent	In depth review is done monthly because of lack of separation of duties in cash receipt activities due to the lack of the number of employees
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<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Close month in accounting system	Treasurer
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#### Cash Disbursement Activities:

<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Prepare monthly docket for board meeting Run voucher register for docket Organize claims alphabetically and verify claim total	Treasurer Treasurer Office Assistant
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<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Approve claim docket  Approve claims in accounting system (See daily procedures for more details)	School Board  Treasurer	Claims are approved by School Board prior to payment
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#### Other Activities

<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Update Cash Flow spreadsheets	Treasurer
<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Prepare Grant reimbursement forms Run grant expenditure reports Sign and approve Grant reimbursement forms	Treasurer Treasurer Superintendent
<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Balance Appropriations w/Budget Order and Cash by Fund	Treasurer

#### Payroll Activities:

<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Prepare and pay WH-1 form online on or before the 20th (State and County monthly payroll taxes)	PR processor
<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Enter leaves and terminations in accounting system	PR processor
<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Submit PERF and TRF files to INPRS <b>after each payroll</b> Process payment Enter leaves and terminations in INPRS	PR processor  Treasurer Human Resources

#### QUARTERLY PROCEDURES:

##### Cash Activities:

<div style="background-color: #d3d3d3; width: 15px; height: 15px; display: inline-block; margin-right: 5px;"></div> Prepare and submit Federal interest report	Treasurer
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### Other Activities

Prepare and submit CE report to DOE	Technology Assistant
Print CE report and prepare file for transmission	Technology Assistant
Prepare and submit CP report to DOE via STN	Technology Assistant

### Payroll Activities:

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

### Other Activities

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

### Payroll Activities:

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



Submit Form 100R to County Treasurer via email

Submit Form 100R to Gateway

Review Form 100R

Review and sign all back up documentation

Treasurer

Treasurer

Treasurer

## FISCAL YEAR END AND OTHER ANNUAL PROCEDURES

### Cash Disbursement Activities:

Void stale dated checks by end of February each year

Treasurer

Approved by Board

### Other Activities

Prepare Annual Financial Report

Treasurer

Reviewed by Superintendent

Free and Reduced applications

Office Assistant

Reviewed by Treasurer

Audit of Free and Reduced applications

Superintendent

Textbook Rental Reimbursement Report

Technology Assistant

Treasurer and Superintendent sign

Monitoring Segregation of Duties

Treasurer/Superintendent

Bidding Procedures

Treasurer

Post bid in newspaper

Treasurer

Bid Opening

Bid Committee

Award Bid

School Board

Oversee work

Dept Supervisor

Prepare claims for payment

Dept Supervisor

Approved by Treasurer

Contract Management

Dept Supervisor

Review by Superintendent

Prepare and submit CE report to DOE

Technology Assistant

Print CE report and prepare file for transmission

Technology Assistant

Prepare and submit CP report to DOE

Technology Assistant

Prepare and submit NE report to DOE

Technology Assistant

Balance Appropriation with Budget Order and Funds

Treasurer

Budget Process

Treasurer

Board Review and Approve

Review and Update Corporation Policies and Administrative Guidelines	Superintendent	Board Review and Approve
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Review and Update the Classified Employee Handbook	Superintendent	Board Review and Approve
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#### CALENDAR YEAR END PROCEDURES

##### Cash Activities:

Present the Annual Report	Treasurer	Board of Finance Review and Approve
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##### Cash Disbursement Activities:

Prepare forms 1099 and 1096	Treasurer
Order 1099 and 1096 forms	Treasurer
Update W-9 file	Office Assistant
Print calendar year vendor reports and review all activity	Treasurer
Balance vendor report to 1099 report	Treasurer
Print 1099 forms and mail to vendors	Treasurer

Review: reports, 1099's and 1096 (prior to mailing)	Treasurer
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Review 1099's and sign 1096	Treasurer
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Review outstanding PO's and void if necessary	Office Assistant
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Make Year End appropriation adjustments within funds	Treasurer	School Board review and approve
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##### Other Activities

Prepare 1095-C forms (Affordable Health Care Act)	Payroll Processor
Order 1095-C forms	Payroll Processor
Upload Ins. Co. file into accounting system	Payroll Processor
Print health insurance reports	Payroll Processor
Reconcile 1095 C reports to Ins. Co. monthly billings	Payroll Processor
Print forms 1095C and distribute to employees	Payroll Processor
Transmit 1095-C and 1094-C to federal government	Payroll Processor

Review reports and spot check 1095-C forms	Treasurer
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Responsible for 1095-C and 1094-C contents	Payroll Processor	
Balance Appropriations to Budget Order to Cash by Fund	Treasurer	
Close Year End in accounting system	Treasurer	
<b>GATEWAY REPORTING:</b>		
Other Post Employee Benefits Report	Treasurer	
Prepare and Review Data from Accounting system	Payroll Processor	Treasurer Reviews and Submits
Debt Management Report (prepare and submit)	Treasurer	
Economic Development Report	Treasurer	
ECA Risk Report	ECA Treasurers	School Principals and Deputy Treasurer review & Treasurer submits
Annual Financial Report	Treasurer	
Prepare and Review Data from Accounting system	Treasurer	
Collective Bargaining Report	Treasurer	
Prepare Data from contract and Accounting system	Treasurer/ Payroll Processor	
Collective Bargaining Upload	Treasurer	
Data from CBA	Supt. & Exclsv Barg Rep	
Bargaining Status Form (Pre-Impasse)	Supt. & Exclsv Barg Rep	Treasurer Submits

#### **Payroll Activities:**

Prepare W-2's	Payroll Processor
Order W-2 forms	Payroll Processor
Print calendar year wage and PR deduction reports from accounting system	Payroll Processor
Balance W-2's	Payroll Processor
Print and distribute W-2 forms to employees	Payroll Processor
Transmit W-2 files to state and federal governments	Payroll Processor
Review and approve W-2 balancing report	Treasurer

## **Retention of Records**

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

### **Data System Security and Access to Records**

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

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

See the below Authorized User Policy (AUP)

### **7540.04 - STAFF NETWORK AND INTERNET ACCEPTABLE USE AND SAFETY**

Advances in telecommunications and other related technologies have fundamentally altered the ways in which information is accessed, communicated, and transferred in our society. Such changes are driving the need for educators to adapt their means and methods of instruction, and the way they approach student learning, to harness and utilize the vast, diverse, and unique resources available on the Internet. The School Board is pleased to provide Internet service to its staff. The Board encourages staff to utilize the Internet in order to promote educational excellence in our schools by providing them with the opportunity to develop the resource sharing, innovation, and communication skills and tools which will be essential to life and work in the 21<sup>st</sup> century. The Board encourages the faculty to develop the appropriate skills necessary to effectively access, analyze, evaluate, and utilize these resources. The instructional use of the Internet will be guided by the Board's policy on Instructional Materials.

The Internet is an electronic highway connecting computers and users in the Corporation with computers and users worldwide. Access to the Internet enables staff members to explore thousands of libraries, databases, and bulletin boards, while exchanging messages with people throughout the world. Access to such an incredible quantity of information and resources brings with it, however, certain unique challenges.

First, and foremost, the Corporation may not be able to technologically limit access to services through the Corporation's Internet connection to only those that have been authorized for the purpose of instruction, study and research related to the curriculum. Unlike in the past when educators and community members had the opportunity to review and screen materials to assess their appropriateness for supporting and enriching the curriculum according to adopted guidelines and reasonable selection criteria (taking into account the varied instructional needs, learning styles, abilities, and developmental levels of the students who would be exposed to them), access to the Internet, because it serves as a gateway to any publicly available file server in the world, will open classrooms and students to electronic information resources which have not been screened by educators for use by students of various ages.

The Corporation has implemented technology protection measures which block/filter Internet access to visual displays that are obscene, child pornography or harmful to minors. The Corporation utilizes software and/or hardware to monitor online activity of staff members to restrict access to child pornography and other material that is obscene, objectionable, inappropriate and/or harmful to minors. The Superintendent

or principal may disable the technology protection measure to enable access for bona fide research or other lawful purposes.

The Superintendent shall prepare guidelines which address students' safety and security while using e-mail, chat rooms and other forms of direct electronic communication, and prohibit disclosure of personal identification information of minors and unauthorized access (e.g., "hacking") and other unlawful activities by minors online. Staff members are reminded that personally identifiable student information is confidential and may not be disclosed without prior written parental permission.

Building principals are responsible for providing training so that Internet users under their supervision are knowledgeable about this policy and its accompanying guidelines. The Board expects that staff members will provide guidance and instruction to students in the appropriate use of the Internet. All Internet users are required to sign a written agreement to abide by the terms and conditions of this policy and its accompanying guidelines.

Staff members are responsible for good behavior on the Corporation's computers/network and the Internet just as they are in classrooms, school hallways, and other school premises and school sponsored events. Communications on the Internet are often public in nature. General school rules for behavior and communication apply. The Board does not sanction any use of the Internet that is not authorized by or conducted strictly in compliance with this policy and its accompanying guidelines. Users who disregard this policy and its accompanying guidelines may have their use privileges suspended or revoked, and disciplinary action taken against them. Users granted access to the Internet through the Corporation's computers assume personal responsibility and liability, both civil and criminal, for uses of the Internet not authorized by this policy and its accompanying guidelines.

The Board designates the Superintendent and the principal as the administrator responsible for initiating, implementing, and enforcing this policy and its accompanying guidelines as they apply to the use of the Network and the Internet for instructional purposes.

H.R. 4577, P.L. 106-554, Children's Internet Protection Act of 2000  
47 U.S.C. 254(h), (1), Communications Act of 1934, as amended  
20 U.S.C. 6801 et seq., Part F, Elementary and Secondary Education Act of 1965,  
as amended  
18 U.S.C. 2256  
18 U.S.C. 1460  
18 U.S.C. 2246



## Credit Card Usage

### Policy 6423

Please abide by the following guidelines when using a Corporation credit card.

- A. All credit cards issued to and in the name of the Charles A. Beard Memorial School Corporation shall be held and supervised by the Corporation Treasurer.
- B. After use, school credit cards are to be immediately returned to the Corporation Treasurer along with appropriate receipt copies (not credit card billing statement) of all charges.
- C. Credit cards are not to be used for personal expenses not related to Corporation activities.

**Materiality  
Policy 6111  
Reporting Losses, Shortages, Variances, or Thefts and Internal Controls**

*Reporting Losses, Shortages, Variances, or Thefts*

All members of the school community need to be watchful for fraud, theft, or misuse of the resources of the Corporation. All Corporation employees or contractors must report any known or suspected loss, shortage, variance, or theft of Corporation funds or property to the employee's supervisor or to the Fiscal Officer.

The Fiscal Officer shall take appropriate steps to investigate and remedy any loss, shortage, variance, or theft. The Fiscal Officer 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 Corporation funds or property is substantiated, the Fiscal Officer 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 \$500.00. 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 directs the superintendent, with the Fiscal Officer, to develop administrative guidelines to implement internal control standards and procedures consistent with State Board of Accounts guidance, and to ensure that Corporation personnel receive training concerning the internal control

<sup>1</sup> Any employee may be disciplined up to and including termination for causing any loss, shortage, variance, theft, or misappropriation of Corporation assets regardless of amount. The "material" threshold is only for external reporting purposes.

standards and procedures. These administrative guidelines shall be in place by June 30, 2016.

Legal References: *IC 5-11-1-27*

*IC 5-11-1-16(c) & (d)*

*State Board of Accounts Directive 2015-6*

*State Board of Accounts, Uniform Internal Control Standards for Indiana Political Subdivisions*

<sup>1</sup> Any employee may be disciplined up to and including termination for causing any loss, shortage, variance, theft, or misappropriation of Corporation assets regardless of amount. The “material” threshold is only for external reporting purposes.

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church church hittle + antrim  
ATTORNEYS AT LAW

August 2, 2016

To: Charles A. Beard Memorial School Corporation (CAB)  
From: Church Church Hittle & Antrim  
Re: Student Fees

The general issue of school authority to charge fees was addressed by *Nagy v. Evansville-Vanderburgh School Corporation*, 844 N.E. 2d 481 (Ind. 2006). In the Nagy case, the Indiana Supreme Court examined whether the school had the authority to charge a student fee of \$20 to all students as a fee for the coordinator of student services, nurses, media specialist, alternative education, elementary education counselors and activities such as athletics, drama and music. The Court analyzed the state constitution providing that the General Assembly was charged with the duty to provide “a general and uniform system of Common Schools, wherein tuition shall be without charge, and equally open to all.” Ind. Const. Art. 8 Sec. 1.

Therefore, schools are to remain tuition free; however, deciding whether cost items are part of a publicly-funded education was to be determined from answers to the following questions:

- 1) Is the fee to be charged based on a public education program permitted or mandated by the legislature or State Board of Education?
- 2) Does the legislature provide specific statutory authority to permit the charging of a fee?
- 3) Does the fee relate to an extra-curricular program, activity, project or service?

The Nagy decision also stated that fees could be charged to students who participate in or take advantage of programs, services, activities, and curriculum that are outside of or expand upon those identified by the legislature. I.C. 20-33-5-3 refers to the imposition of fees for “materials, supplies, or other required class fees.” The interpretation of that language, and other sections of the Indiana Code, has resulted in an analysis that there are certain fees that can be acceptable. Consumable, or class fees, are acceptable fees to be charged to students enrolled in particular classes or programs to pay for supplies and materials used by the students in that class or program. Consumable fees are those fees for supplies and materials **used by students** in a class or program for the purpose of *enhancing or expanding* the instructional program – not fees for portions of a curricular program required or permitted by the legislature. In some cases, consumable fees are permissible based on specific statutory authority.

The Nagy case upheld the legality of charging fees for textbooks because the General Assembly passed legislation specifically permitting such charges, codified at IC

20-33-5. IC 20-33-5 describes the types of reimbursements a school corporation shall receive from the Indiana Department of Education including “the costs incurred by the school corporation in providing: (A) curricular materials (including curricular materials used in special education and high ability classes); (B) workbooks, digital content, and consumable curricular materials (including workbooks, consumable curricular materials, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; (C) instead of the purchase of curricular materials, developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, an children’s literature programs.”

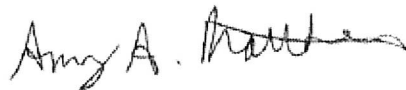
In addition to the above, IDOE guidance has provided that a school may charge for up to 100% of the cost (as a consumable) of a subscription to content used as an alternative to textbooks, as long as each child has access to the content on a regular basis and the cost of the subscription is recurring on a yearly basis. (see “Textbook and Computers Scenarios” May 12, 2009). Also, a school is permitted by statute to charge up to 25% of the retail price per year for textbooks or other “curricular materials” rented to students. IC 20-26-12-2.

Finally, the statutory concept of “Home Rule” under I.C. 20-26-3-4, allows a school to exercise any power that is not expressly denied by the Constitution, statute, by rule of the State Board of Education or expressly granted to another entity. Because no statute or rule denies fees for consumables, the argument would be that they are allowed by implication.

In general, CAB’s proposed student fees are for “curricular materials” or for “consumable” supplies, workbooks, digital content subscriptions, or other resource units that will be purchased for or consumed, accessed or used by individual students. Therefore, the fees are appropriate if they meet this criteria.

Please do not hesitate to let me know if you need further guidance on this matter.

Very truly yours,



Amy A. Matthews

## **Bonding Information**

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

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

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

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

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

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

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

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

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

## CHARLES A BEARD MEMORIAL SCHOOL CORPORATION RESOLUTION TO ADOPT INTERNAL CONTROLS

WHEREAS, Internal Controls encourage the efficient use of government time and resources; and,  
WHEREAS, Internal Controls convey the Board of Trustees' (Board) commitment to detect fraud,  
waste, and abuse; and,

WHEREAS, the Board desires to have a successful and effective Internal Control System that  
meets the standards of Control Environment, Risk Assessment, Control Activity, Information and  
Communication, and Monitoring; and,

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

WHEREAS, Documentation is a necessary part of effective Internal Controls; and,

WHEREAS, after 6/30/16, Indiana Code 5-11-1-27 (g) requires the Board to officially adopt  
minimum Internal Control Standards as defined by the Board; and

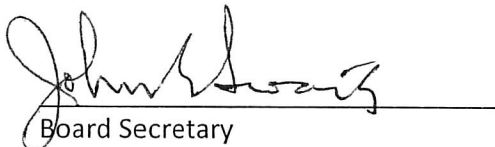
WHEREAS, after 6/30/16, The Board must ensure that personnel (as defined under IC 5-11-1-27)  
receive training concerning the Internal Control Standards and procedures that are officially  
adopted

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

Adopted this 21st day of June, 2016



Board President



Board Secretary

## **II. Business Staff Training**

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

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

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

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

### **b. Uniform Internal Control Standards for Indiana Political Subdivisions**

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

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

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

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



- Budget Development
- ECA Treasurer Training

## Training Calendar

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

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

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

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

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

### III. Federal Grant Regulations

#### 6112 CASH MANAGEMENT OF GRANTS

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The School Corporation's payments methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Indiana Department of Education (IDOE) (pass-through entity) and disbursement by the Corporation, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The Corporation shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The Corporation shall request grant funds payments in accordance with the provisions of the grant. Additionally, the Corporation's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic fund transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the Corporation uses a **cash advance** payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested shall be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The Corporation shall make timely payment to contractors in accordance with contract provisions.

- C. To the extent available, the Corporation shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The Corporation shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments shall be deposited and maintained in insured accounts whenever possible.
- F. Advance payments shall be maintained in interest bearing accounts unless the following apply:
  - 1. The Corporation receives less than \$120,000 in Federal awards per year.
  - 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
  - 3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
  - 4. A foreign government or banking system prohibits or precludes interest bearing accounts.

- G. Pursuant to Federal law and regulations, the Corporation may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment (ASAP), National Science Foundation (NSF) or another Federal agency payment system.

#### 6114 COST PRINCIPLES - SPENDING FEDERAL FUNDS

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

##### Cost Principles

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the School Corporation or the proper and efficient performance of the Federal award;

2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
5. whether the cost represents any significant deviation from the established practices or School Board policy which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the Corporation can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

1. the cost is needed for the proper and efficient performance of the grant program;
2. the cost is identified in the approved budget or application;
3. there is an educational benefit associated with the cost;
4. the cost aligns with identified needs based on results and findings from a needs assessment; and

5. the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received.

- B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the Corporation.
- D. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term “applicable credits” refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Not be included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.

H. Be adequately documented:

1. in the case of personal services, the Superintendent shall implement a system for Corporation personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

#### Selected Items of Cost

The Corporation shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, Corporation staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, Corporation and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable, and Corporation personnel shall follow those rules as well.

#### Cost Compliance

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

#### Determining Whether a Cost is Direct or Indirect:

- A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and



infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective and are not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the Corporation, the governing body of the Corporation, compensation of the Superintendent, compensation of the chief executive officer of any component of the Corporation, and operation of the immediate offices of these officers.

The salaries of administrative and clerical staff normally should be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Indiana Department of Education (IDOE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

#### Timely Obligation of Funds

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

The following table illustrates when funds are determined to be obligated under the U.S. Department of Education regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the Corporation makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the Corporation - when the services are performed.
- C. Personal services by a contractor who is not an employee of the Corporation - on the date which the Corporation makes a binding written commitment to obtain the services.
- D. Public utility services - when the Corporation receives the services.
- E. Travel - when the travel is taken.
- F. Rental of property - when the Corporation uses the property.
- G. A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

## Period of Performance

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is approved, unless an agreement exists with IDOE or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the Corporation shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the Corporation shall closely monitor grant spending throughout the grant cycle.

2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458

2 C.F.R 200.474(b)

## IV. State and Federal Programs

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

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

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

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

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

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

All other local grants will follow the grant award guidelines.

## V. Extra-Curricular Accounting

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

Part of the control activity component is segregation of duties. An individual should not be permitted to initiate, approve, undertake and review the same duty. Separating the ability to record and authorize reduces the risk of error and/or fraudulent activities. In a school setting, segregation is not practical due to the limited number of staff available. Therefore, compensating activities will be utilized. This includes the principal reviewing and approving ECA reports, and bank statements.

a) Expenditures and Endorsement of Checks –

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

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

c) Entering and Posting Data

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

d) Purchasing and Receiving Functions

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

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

- i) The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extra-curricular account.
- ii) A receipt is to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt.
- iii) The receipt must be signed by the extra-curricular treasurer or collecting authority

- iv) IC 20-41-1-9 states the treasurer shall deposit all receipts in one bank account without unreasonable delay.
- f) Bank Deposits – IC 20-41-1-9 – the treasurer shall receive all funds and prepare a bank deposit. The deposit will be reviewed and approved by a second person. Deposits will be made without unreasonable delay.
- g) Payroll
  - ECA Treasurer or Secretary will complete time and attendance records for hourly employees reporting to that building. This report along with the time cards will be submitted to Central Office bi-weekly.
- h) Monitoring of Segregation of Duties
  - The Corporation Treasurer shall make unannounced visits to the school buildings to review the Segregation of Duties. In addition, the ECA Treasurer shall report internal control issues identified while executing their duties. These issues will be documented and evaluated by the Corporation Treasurer. Corrective actions will be implemented if needed.
- 5) Gateway Reporting
  - The State Board of Accounts created the ECA Risk Report which is reported through Gateway. This report includes beginning balance, receipts and expenditures, along with questions designed to determine the risk level at each school building. The reporting period runs from July 1<sup>st</sup> through June 30<sup>th</sup> each year. It is due near the end of August. Please check on Gateway for the specific due date. Additional information can be found on the State Board of Accounts website at <http://www.in.gov/sboa/4449.htm> . The user guide can be found at <https://gateway.ifionline.org/guides> .
- 6) Bonding Requirements – IC 20-41-1-6 / 20-26-4-5
  - a) Issued in an amount fixed by the Superintendent and principal of the approximated amount totaling the anticipated funds that will come into the possession the treasurer at any one time during the regular school year.
  - b) Bonds shall be filed with the trustee or board of school trustee
  - c) IC 20-26-4-5 states a blanket bond may be purchased as long as it is endorsed to include faithful performance of all required bond holders and includes aggregate coverage for all of the specified amounts of the required bond holders.
  - d) SBOA update issued 10/22/15 states that SBOA will not take exception to coverage via a crime insurance policy as long as it is authorized by resolution and endorsed to cover faithful performance and includes aggregate coverage.
  - e) Will be required to submit a copy of the official bonds to the SBOA on subsequent submissions of the Gateway Annual Report
- 7) Cash Handling Practices
  - Cash shall be collected and turned over to the ECA Treasurer along with a SA-8 form detailing the deposit. The ECA Treasurer will verify the amount of the deposit with the SA-8 Form and will issue a receipt. The deposit will be prepared and taken to the bank. If



the Treasurer is unable to get to the bank at that time, all cash, checks and money orders are required to be locked in the safe until they are able to make the deposit.

8) Athletics

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

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

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

10) Fundraisers

- a) School Board shall approve / accept donations to be received.
  - i) Handling of cash

11) Gifts and Donations – The State Board of Accounts states that Cash donations that are extra-curricular in nature may be accounted for in extra-curricular accounts. The acceptance of the donations shall have prior approval by the Board of School Trustee's

12) Ticket Taking – Serially pre-numbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events which admission is required.

- a) These tickets shall be two part with one part going to the person paying for admission, and the other part being retained as part of the financial accounting of the event.
- b) Tickets for each group shall be different colors and or different series numbers.
- c) The treasurer shall be responsible for the proper accounting of all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. (Form SA-4)
  - i) The treasurer receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash.

13) Processing of Personnel Payments

- a) Employee – Pay of teachers or other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the extra-curricular account.

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

Non-Employee – All non-employee vendors shall be paid by claim once a W-9 form has been obtained and entered into the financial system software.

14) Gift Cards – The school board must authorize gift card purchases through a resolution, which has been approved in the board minutes

- a) The purposes for which gift cards may be issued must be specifically stated in the resolution
  - b) The responsible official shall maintain an accounting system or log which would include the name of the business from which gift cards were purchased, their amounts, fund to be charged, date the card was issued, person gift card was issued to, proof that the gift card was received by the person it was issued to, etc.
  - c) Purchase and issuance of gift card should be handled by an official or employee designated by the school principal
  - d) Gift cards shall not be purchased to bypass the accounting system.
  - e) Procedures for payments should be no different than for any other claim. The school principal must approve the expenditure and supporting documents such as paid bills and receipts must be available.
- 15) Form Approval – IC 20-41-1-4 Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed
- a) A desired change or addition to a prescribed form must be approved by the State Board of Accounts as discussed in the Accounting and Uniform Compliance Guidelines Manual for School Corporations at: [www.in.gov/sboa/2821.htm](http://www.in.gov/sboa/2821.htm)
  - b) The use of computer-generated prescribed forms should be brought to the attention of the Field Examiner during the next regularly scheduled audit. The forms and computer system generating the forms are subject to a technical audit based upon the results of the Field Examiners risk assessment.
- 16) Write off Procedures
- a) Documentation should exist for all efforts made to collect amounts owed prior to any write-offs
  - b) See School Board Policy 6151
- 17) Procurement/Credit Card – The State Board of Accounts criteria;
- a) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes
  - b) Issuance and use should be handled by an official or employee designated by the board
  - c) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution
  - d) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
  - e) The responsible official or employee should maintain an accounting system or log which would include the names of the person requesting usage of the card, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
  - f) Credit cards should not be used to bypass the accounting system.
  - g) Payments should not be made on the basis of a statement or credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents must be available.

- h) If properly authorized, and annual fee may be paid
- 18) Signature Stamps – A rubber stamp or other signing device should be used only under the personal direction of the public official and should be properly safeguarded when not in use since each official is responsible for his or her own signature
- 19) Disposition of Old Outstanding Checks –
  - a) No later than March 1 of each year, the Treasurer shall prepare or cause to be prepared a list in duplicate of all checks outstanding for two or more years as of December 31 last preceding year. The original copy shall be filed with board of finance of the school corporation and the duplicate copy maintained by the Treasurer. The Treasurer shall enter the amounts so listed as a receipt to the fund or funds upon which they were originally drawn and remove the checks from the list of outstanding checks. If the fund on which the checks were originally drawn is not in existence, or cannot be ascertained, the amount of such checks shall be receipted to the General Fund. Each list prepared must show:
    - i) The date of issue of each check
    - ii) The fund upon which the check was originally drawn
    - iii) The name of the payee
    - iv) The amount of each check issued
    - v) The total amount represented by the checks listed for each fund
  - b) State Board of Accounts suggests that the school corporation attorney provide written guidance concerning claims that might be presented.

## **Food Service Month End Processes**

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

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

## **End of the Fiscal Year Process**

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

1) In July, the FSD completes the Non-Program Food Tool to ensure that all Non-Program Food revenue meets the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.

2) The Tool is then kept on file for review.

3) The Treasurer completes the Annual Financial Report (AFR) using info gathered from the Tool and other financial reports from the Financial Accounting Software.

4) Before September 1st, the AFR is submitted online to the Department of Education through the CNP web.

5) The approved copy is printed and given to the CFO for signature.

6) All paperwork from the school year is placed in storage for 3 years plus the current year.

7) A list of all paperwork that is up for destruction is compiled by each Food Service Manager and the FSD and a list is sent to the Central Office Staff for approval for destruction. Once approval is given, all paperwork is destroyed and the destruction record is signed by whomever is completing the destruction.

## **Prepaid Food in Trust Description**

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

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

## **Food Service Board Approval for Student and Staff Meal Prices**

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

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

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

### 1) Endorsement of Checks

- a. All checks receipted by the Food Service Cashiers are entered directly into the patrons account and deposited into the bank either by the Corporation Treasurer or by the ECA Treasurer.
- b. All checks receipted by the Food Service Department not at the Point of Sale (POS) are deposited by the Central Office Staff (COS) and then the information is entered into the Financial Accounting Software. Posting of the entries is then completed by the COS.

### 2) Bank Reconciliation

- a. Completed by the COS.
- b. The Treasurer matches all online deposits made to the Point of Sale (POS) online and reports any deposits in transit to the COS.
- c. Daily POS transactions are posted at the end of the month by the COS into the Financial Accounting Software.
- d. The Treasurer reconciles the bank statement.

### 3) Purchasing and Receiving

- a. Completed by the Food Service Managers (FSM), Food Service Secretary (FSS) and FSD.
  - i. Food and supplies
    - 1. Food Bids are advertised and awarded to one single prime vendor by the FSD in May.
    - 2. Food Orders are sent to the FSD weekly by the FSM.
    - 3. Food orders are checked over by the FSD before placement.
    - 4. The FSM places the order online.
    - 5. FSM checks in all food deliveries.
  - ii. Other Purchases
    - 1. Small purchase items not on the bid are placed by the FSM in conjunction with the FSD following the procurement guidelines of 3 quotes for each item for anything over the micro purchase threshold of \$3500.



2. Any items over the \$150,000 threshold will be bid with the assistance and guidance of the Chief Financial Officer (CFO).

### iii. Payments

1. All invoice pricing is double checked against bid and quoted prices by the COS.
2. Expenses are entered into the Financial Accounting Software by the FSD.
3. Checks, check registers and records are processed by the COS.

## 4) Contracts

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

## 5) Free and Reduced Applications

- a. Free and Reduced Applications are processed and entered into the Free and Reduced Meal Application (FARMA) Program by the COS within 10 days of receipt and signed and dated.
  1. Being that all applications are processed electronically and double checked for accuracy, the verification review is not necessary.

## 6) Textbook Assistance

- a. Textbook Reimbursement lists are generated by the (FARMA) Software.
- b. Status Information only is exported from the FARMA software into the Student Information System daily.
- c. Only those involved with billing for Textbooks have access to the information.

## 7) Receipts and Bank Deposits

- a. All POS receipts are received by the Food Service Cashier, and then counted and deposited by the ECA Treasurer.
- b. All other receipts are received by the COS, deposited by the COS and entered into the Financial Accounting Software by the COS. All reports are generated by the COS.

## 8) Payroll

- a. All times sheets are collected by the Food Service Managers, checked for accuracy and signed.
- b. Time sheets are double checked for accuracy and initialed by the Building Principal or the FSD.
- c. Payroll is processed by the COS.

#### 10) Monitoring

- a. Audits are performed regularly by the COS.