

# ***Dell Rapids School District #49-3***



## **Policies and Regulations Code: DIA – UNIFORM GUIDANCE COMPLIANCE**

### **DIA UNIFORM GUIDANCE COMPLIANCE**

The primary purpose of this policy is to establish guidelines for the Dell Rapids School District’s internal controls that reduce the likelihood of funds being misused.

#### **Fiscal Year:**

The fiscal year shall begin on July 1 and end on June 30. (SDCL 13-26-1)

#### **Chart of Accounts:**

School districts are required to use the chart of accounts as shown in the South Dakota Department of Legislative Audit School District Accounting Manual. The structure includes funds, revenues, expenditure functions, and expenditure objects. The district may further identify its expenditures by building level and operational unit. The Governmental Accounting Standards Board has defined the term “fund” as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund type prescribed by Legislative Audit for the district’s operational costs is the General Fund. Revenues are classified by source and type in the various funds. Revenues are defined as additions to assets which do not increase any liability, do not represent the recovery of an expenditure, and do not represent the cancellation of certain liabilities or a decrease in assets. The purpose of classifying expenditures is to provide a basis for grouping the expenditures so that a meaningful analysis can be made. The district’s expenditures are classified by function, object, building level, and operational unit (if applicable). The chart of accounts can be modified by the business manager to accommodate changes in existing expenditure functions/objects or additional expenditure functions/objects, or to facilitate any specific reporting requirements. Expenditures for each grant are identified by unique function or operational unit codes.

#### **Budget Controls and Modifications:**

The business manager and superintendent, with input from building principals and directors, are involved in the budget preparation process. A preliminary budget is presented to the school board at their regular meeting in May. A budget hearing is held in July, and the budget is adopted in July. The budget is constructed using the current budget, historical revenue and expenditure data, proposed salaries and benefits, state and local growth data and projections, current enrollment data and projections, and specific grant allocation amounts. Administrators have access to online financial reports to use to compare budgeted amounts, obligations, and actual expenditures. The school board is provided a financial report and bill listing at their monthly meeting.

#### **Audits and Resolution:**

The school district contracts for an annual financial and compliance audit. The audit is performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards. The audit may be done by the Department of Legislative Audit (DLA) or by a private auditing firm authorized by the DLA to conduct the audit. The audit is to be completed no more than nine months after the end of the fiscal year unless an extension is granted by the US Department of Education. After evaluating the audit recommendations, the business manager and superintendent are responsible for preparing and seeing to the implementation of any corrective action plans.

### **Cash Management – Federal Programs:**

The business manager is responsible for tracking the financial expenditures and reimbursements for all programs that operate on a reimbursement basis (reimbursements are requested from the granting agency for costs previously incurred). Each program has its own identification code within the accounting system's general ledger for tracking purposes. Reports are generated through the school district's accounting system using coding specific to the desired grant. The business manager ensures the costs are reasonable, necessary, and allowable under federal guidelines. The business manager utilizes the South Dakota Department of Education (DOE) grant management system website to enter the expenditures and request reimbursement. The South Dakota DOE Bureau of Finance and Management sends approved reimbursements via Automated Clearing House (ACH) to the district's designated bank account. The business manager receipts the specific grant information and dollar amount of the ACH deposit, and reconciles the receipted ACH amount with the bank statement. Files specific to individual grants are maintained with expenditure information, grant reimbursement requests, and DOE payment information.

### **Procurement:**

The Dell Rapids School District shall purchase, establish contracts, and generally carry on its procurement functions in a manner that will ensure the fair and equitable treatment of all persons who deal with the procurement system of the school district and will properly account for the expenditures of district funds. These procedures are applicable to all funds administered by the Dell Rapids School District.

The business manager is responsible to carry out the procurement functions of the school district and to ensure such functions are in accordance with established policies and written procedures. The business manager may delegate purchasing authority to other district employees as necessary to fulfill the purpose and philosophy of this policy. Principals and directors are responsible for observing budget allocations in their respective schools or departments.

A list of invoices/vouchers and monthly payroll amounts will be presented by the business manager to the school board for their consideration. Only items that have been properly ordered, invoiced, and vouchered will be considered by the school board for payment.

In compliance with state procurement regulations, the school requests and receives bids for all purchases exceeding state thresholds. If the school district intends to enter into a contract for any public improvement that involves the expenditure of \$100,000 or more, or a contract for the purchase of supplies, equipment, or services (other than professional services) that involves the expenditure of \$50,000 or more, the school district shall advertise for bids or proposals.

In compliance with federal procurement regulations, vendors or contractors that receive more than \$25,000 in federal funds will be screened through the System for Award Management (SAM) or other appropriate databases for active exclusions pertaining to suspension or debarment.

### **Payroll:**

Dell Rapids School District has two classifications of employees – contract employees and hourly employees. Contract employees are teachers, administrators, and professional personnel. These contracts are signed on an annual basis prior to the school year unless contracts are still being negotiated. Contract employees are paid monthly on the 12<sup>th</sup> day of the month. Hourly staff are paid for the preceding time period worked (the prior month) on the 12<sup>th</sup> day of the month.

A board-approved hiring schedule determines initial pay rates for teachers. Base wages for hourly employees are approved each July. Yearly raises, if applicable, are approved by the school board. The district utilizes a computerized time clock system. Hourly employees clock in and out on a daily basis. The business manager and administrative secretary compile all the information to generate the payroll. Employees are paid through direct deposit. Regular employees can access their pay stub information online from the school accounting system. Pay stubs are mailed to temporary/substitute employees. For all payroll dates, payroll reports are run prior to the direct deposit being initiated. The business manager and administrative secretary review these reports for reasonableness and errors. The business manager reviews and approves those employees paid through a grant prior to submitting the reimbursement request through the state's grant management system. The business manager also reviews the payroll for those employees assigned 100% to federal grants. The business manager reconciles the approved direct deposit register with the bank statement withdrawal each month.

Salary expenditures for employees working solely on a single federal program or cost objective must be supported by at least semi-annual certifications that the employee worked only on that program for the period covered by the certification. Employees working in more than one federal program or cost objective must complete monthly certifications showing the percentage of time in each area. Certifications must also be signed by a supervisory official with firsthand knowledge of the work performed by the employee.

Personnel files are maintained by the district administrative secretary and are kept in a locked, fireproof cabinet.

**Food Nutritional Programs:**

The district utilizes a food service management company (FSMC). The procedures for selecting the contracted FSMC shall comply with guidance provided by the South Dakota Department of Child and Adult Nutrition Services (CANS).

The district participates in the National School Lunch Program which provides cash reimbursement and commodity foods for meals served in non-profit food services in elementary and secondary schools. As a pricing program, the district is required to make applications for free and reduced-price meals available to all households. If a household qualifies for free meals, the district will provide meals to those children at no cost to them. If a household qualifies for reduced-price meals, the meal costs shall not exceed maximum reduced prices established by law. Free and reduced-price meal application approvals for the National School Lunch and School Breakfast Programs are to be used for 30 operating days in the next school year, or until direct certification or a new application is submitted, whichever comes first. The district's business manager is responsible for reviewing free or reduced-price meal applications and determining free or reduced-price meal status by utilizing an income scale obtained through the state CANS office. The application information is entered into point of sale (POS) software. The POS software is available to each school secretary and in serving line computers so all purchases are correctly calculated based on eligibility. The business manager also enters the status of each student's household application in the statewide student information system.

Claims for reimbursement are submitted on a monthly basis. The business manager generates reports from POS, enters the information in the CANS web-based program, and submits the claim for reimbursement. The state, in turn, approves the reimbursement amount and sends payment via ACH to the district's designated bank account. The business manager receipts the reimbursement information and dollar amount of the ACH transaction. The business manager reconciles the amount in the school's accounting software to the bank statement. Files are maintained for the reimbursement claims and supporting documentation.

**Conflict of Interest:**

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Any individual or entity with a financial interest or tangible personal benefit from the contract would be considered to have a conflict of interest. An organizational conflict of interest exists if it puts a recipient organization in a position where it is unable (or appears unable) to be impartial.

**Approved:            May 9, 2022**  
**Revised:             December 11, 2023**