

# Internal Controls Manual



# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

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# CONTACT INFORMATION

If you have questions or concerns about internal controls, or want to share a suggestion, please contact:

- SBCSC Internal Auditor - auditor@sbcsc.k12.in.us
- SBCSC Chief Financial Officer, (574) 393-6100
- SBCSC Superintendent, (574) 393-6129

# REPORTING CONCERNS

To report potential misuse of funds, or concerning behavior, please contact any of the individuals above or:

- SBCSC School Board, 737 Beale St, South Bend, IN 46616
- Indiana State Board of Accounts - (317) 232-2513 <https://www.in.gov/sboa/political-subdivisions/schools/> (you are able to remain anonymous)

NOTE: You are able to share concerns anonymously internally, too.

- You can send interdepartmental mail to: Internal Auditor – Finance
- You can mail a letter to: Internal Auditor – Finance, 737 Beale St, South Bend, IN 46616

Any and all internal reports will be investigated by the Chief Financial Officer (CFO), and/or the Director of Internal Audits, and/or the District Accountant Director.

If a report is substantiated, the CFO, Auditor, Legal, and Human Resources will determine next steps. Next steps may include a combination of additional training, performance improvement plan, corrective action (up to and including termination), and/or escalating the concern to the State Board of Accounts.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### INTRODUCTION

The purpose of this manual is to document the internal controls for accounting, budgeting, treasury, and procurement policies and procedures of South Bend Community School Corporation (SBCSC). This manual is designed to provide guidance and direction on SBCSC procedures.

The guidelines to achieve these objectives are derived from various financial best practices, state and federal laws and regulations. Sources used include Indiana State Board of Accounts' (SBOA) website (<https://www.in.gov/sboa/political-subdivisions/internal-control-standards/>), SBOA's report on Uniform Internal Control Standards for Indiana Political Subdivisions Policies (<https://www.in.gov/sboa/files/UniformInternalControlStandards.pdf>), Comptroller General of the United States, Committee of Sponsoring Organizations of the Treadway Commission, as well as example manuals of other school districts within Indiana.

**Failure to follow the Internal Controls processes outlined herein will result in corrective action, up to and including termination.**

### HIERARCHY

In the event that there is a question about a policy or procedure not specifically outlined in this manual, administrative interpretations should be made first in accordance first with Federal Statutes, then State Statutes, then by similar existing SBCSC policies and procedures.

### INTERNAL CONTROL SYSTEM

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

- Misstatement of account balances because errors go undetected (both intentional and unintentional); and
- 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 accounting system, control procedures and internal control systems.

### ADOPTION OF INTERNAL CONTROL STANDARDS

Indiana Code 5-11-1-27(g) provides that, after June 30, 2016, the legislative body of each political subdivision must adopt the minimum internal control standards as defined by SBOA. Additionally, the legislative body must ensure that personnel receive training concerning the internal control standards and procedures adopted by the political subdivision. The purpose of internal controls is to provide reasonable assurance that the mission and objectives of the school corporation will be achieved.

The same law requires that training be given to all employees whose duties include receiving, processing, depositing, or having access to funds that belong to the federal government, state government, school corporation, or another governmental agency. This training must be done for current employees and new employees whose duties entail any of the above described duties hired after the internal control standards are adopted. The training must be documented.

The SBOA has developed training materials and these materials may be found on the following website <http://www.in.gov/sboa/5072.htm> under the training section.

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The internal control standards define “Legislative Body” as the School Board for both corporation funds and extracurricular activities funds oversight and define “Management” as a combination of the Superintendent and the financial officers, (i.e. CFO, District Accountant Director, ECA treasurers, and food service director).

The policies and procedures of SBCSC were established in accordance with State and Federal Statutes. As statutes and case laws change over time, so may internal procedures. This manual will be routinely updated to stay in compliance with State and Federal guidelines.

### OBJECTIVES OF INTERNAL CONTROLS

- Reporting – financial and non-financial information is reliable, accountable, and transparent
- Operations – continued improvements to effectiveness and efficiencies of the organization, and safeguarding of its assets
- Compliance – adherence with applicable laws, regulations, contracts, and grant agreements

### CONTROL ENVIRONMENT

The control environment is the foundation for all other components of internal control, providing discipline and structure.

- An environment in which competent people understand their responsibilities, the limits of their authority, and are knowledgeable, mindful and committed to doing what is right and doing it the right way.
- Employees in this environment are committed to following the organization's policies and procedures, and its ethical and behavioral standards.
- The control environment encompasses technical competence and ethical commitment. It is an intangible factor that is essential to effective internal control.



[https://www.freepik.com/premium-vector/5-components-internal-control-framework-control-environment-risk-assessment-control\\_172620595.htm](https://www.freepik.com/premium-vector/5-components-internal-control-framework-control-environment-risk-assessment-control_172620595.htm)

### GOVERNING BOARD’S & MANAGEMENT’S RESPONSIBILITIES

- Establish and effectively communicate written policies and procedures, a code of ethics & standards of conduct.
- Behave in an ethical manner, creating a positive tone "at the top."
- Require the same standard of conduct from everyone within the organization.

### MANAGEMENT’S RESPONSIBILITIES

- Set the highest level of integrity, transparency, personal and professional standards.
- Leadership philosophy and operating style that promotes internal control.
- Clear assignment of authority and responsibility.

<https://www.finance.ucla.edu/corporate-accounting/controls-and-accountability/control-practices/how-to-establish-effective-controls>

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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### Guidelines

- If there is a conflict of interest, the disclosure statement may be obtained from Human Resources and must be completed and signed in front of a witness and given to the appropriate supervisor. Conflicts of interest must be disclosed before business is conducted or personnel is hired.
- Policies and corresponding forms are available to all employees and board members on the SBCSC website to include:
  - Administrative Policies & Procedures
  - Business & Finance Bulletins
  - Employee Handbook
  - Purchasing Manual
  - Personnel Memorandum
- The Governing Body formally adopts an annual budget.
- SBCSC adopted a Policy Manual based on SBOA guidelines. Those policies are reviewed and updated regularly by the Governing Body.
- All positions shall be approved through the budget process in accordance with the organizational plan submitted by the Superintendent and approved by the Governing Body.
- All positions require a job description and copies shall be maintained in Human Resources.
- Employee limits of responsibility and authority are defined.
- Control procedures and reporting relationships should be clear.

### RISK ASSESSMENT

Risk assessments assist managers in prioritizing the activities where controls are most needed. The Governing Body and Management must assess the risk of operations continually.

SBCSC has chosen to transfer the most common types of risk through the purchase of the following types of insurance:

- Property and Casualty
- Liability
- Errors and Omissions
- Workers Compensation
- Surety Bonds

There are some risks that cannot be anticipated as they relate to financial and compliance issues. We have assessed and identified certain risks that necessitate the development of internal control policies and procedures. Internal controls will not eliminate all risk but will help reduce risk to gain reasonable assurance that reporting, and compliance objectives are met.

### Objectives

- Utilize Risk Evaluation to rank the risks SBCSC faces to rank which should be addressed first.
- Collections are complete, timely and accurate.
- Disbursements are for valid SBCSC purposes and are properly recorded.
- Assets are properly safeguarded.
- SBCSC follows contractual, local, state, and federal laws and regulations.

**Risk Evaluation**

		Impact		
		Minor	Moderate	Severe
Likelihood	Very Likely	Medium Risk	High Risk	Extreme Risk
	Likely	Low Risk	Medium Risk	High Risk
	Unlikely	Low Risk	Low Risk	Medium Risk

<https://omb.ri.gov/sites/g/files/xkgbur751/files/documents/control-guide/InternalControlGuide-Section4HowtoConductaRiskAssessment.pdf>

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### SIGNIFICANT AREAS OF RISK

#### Collections (General)

- Deposits not made within 3 business days.
- Deposits not made intact.
- Funds not locked away until they are deposited.
- Absence of segregation of duties in counting and preparing deposits.
- Receipts not coded to proper revenue codes.
- Receipts not assigned to appropriate funds.
- Unreconciled accounts.
- Comingling of funds.

#### Disbursements/Drafts

- Improper reporting on financial statements; inaccurate reporting for the Governing Body – monthly budget vs actual.
- Possible loss of school district funds; inappropriate disbursement; theft malfeasance.

#### Safeguarding Assets

- Misuse or loss of assets (i.e. checking accounts, investment accounts, etc.); not limited to only capital assets.
- Reimbursement of grant funds.

#### Reconciliation of Accounts

- Misuse or loss.
- Missing entries.

#### Debt Management

- Debt issuances not in compliance with state law.
- Violations of the policies of the Board of Trustees.
- Additional effort with the annual budgetary practices.
- Potential for defaulting on principal and interest payments.

#### Grant Management

- Grant requirements may have changed.
- The Director of Federal Grants is not made aware of the grant transactions.

The significant areas of risk are identified above, and policies and procedures will be documented in the next section to explain how SBCSC plan to implement internal controls to help reduce the risks associated with these areas of operations.

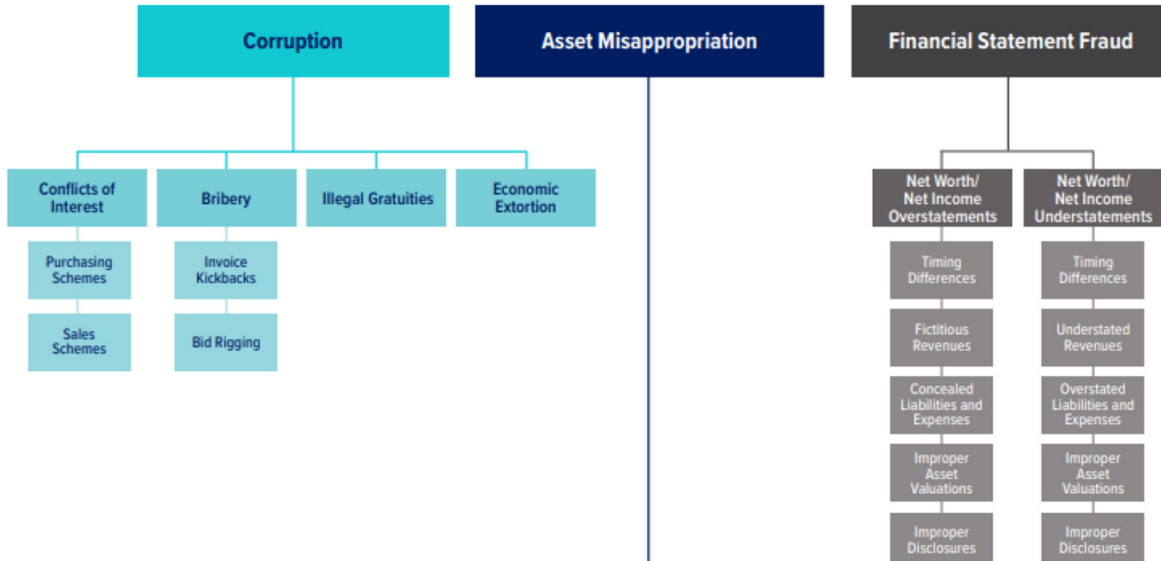
# SOUTH BEND COMMUNITY SCHOOL CORPORATION INTERNAL CONTROLS MANUAL

## FRAUD

Internal controls are the best way to protect against fraud and misuse of funds. Below are examples of fraud.

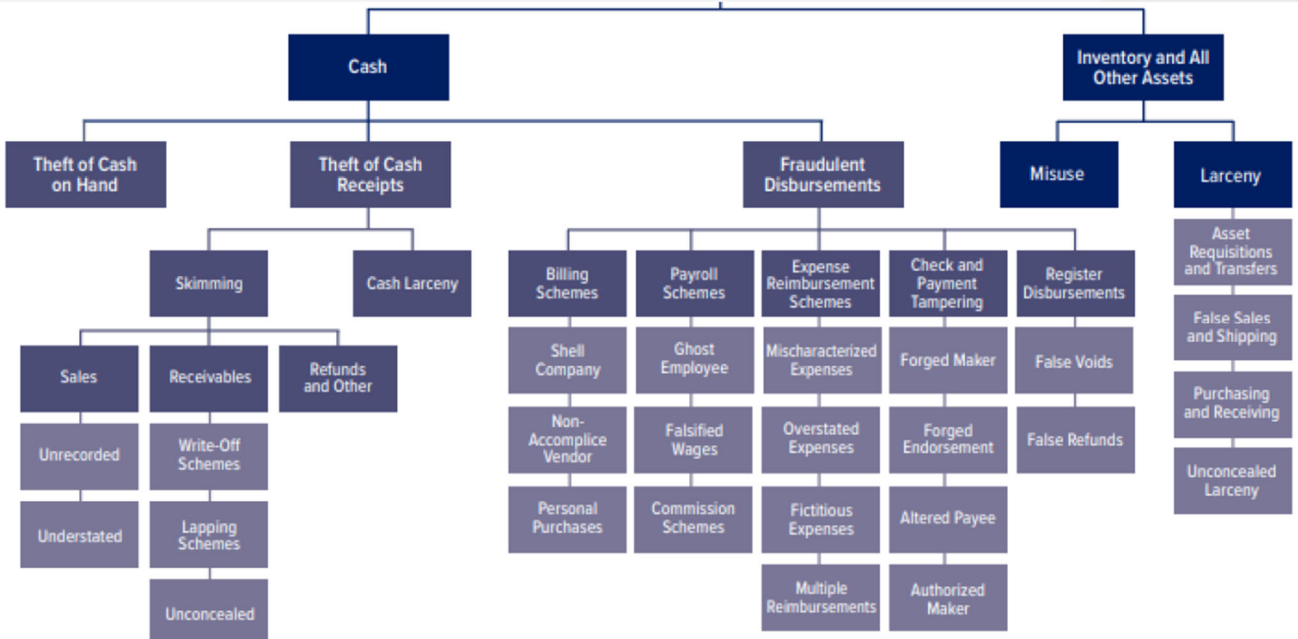
## THE FRAUD TREE

*Via Association of Certified Fraud Examiners (ACFE)*



## THE FRAUD TREE

*Via Association of Certified Fraud Examiners (ACFE)*





# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### SEGREGATION OF DUTIES

One of the most effective ways to prevent fraud is to utilize segregation of duties. No singular person should be overseeing a financial process from start to end.

Examples of duties to segregate within each area are:

1. Receivables (cash, checks, credit card payments, etc.) – collecting, depositing, recording, reconciling
2. Purchasing – ordering, receiving, invoice approval, payment processing, reconciling
3. Inventory – requisition, receipting, disbursements, conversions to scrap, receipt of scrap proceeds

### CONTROL ACTIVITIES

Detailed implemented procedures are documented. The objectives, policies, and procedures are described for each of the significant areas identified in the Risk Assessment section.

### CONFLICT OF INTEREST

To address situations when outside interests may overlap or conflict with someone's activities in the corporation, the School Board should adopt policies regarding financial conflicts of interest.

Indiana Code § 35-44.1-1-4(b) describes a conflict of interest as:

A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

In the event of a possible conflict of interest, the staff member should complete a form and submit to Human Resources.

## Department of Finance Guidelines

### FINANCIAL REPORTING

The district is subject to regulations from different state and federal regulatory authorities. The regulatory authorities require the district's Finance Department to prepare and submit periodic reports. The Finance Department also generates reports for both internal and external audiences.

#### Cash Basis Financial Statement

The district operates on a cash basis accounting method. The District Accountant Director, or designated employee, will prepare a cash basis monthly financial statement. This statement will be prepared after the month is closed and will be approved by the CFO (or designated employee). The monthly financial statements will be presented to the School Board.

#### Accrual Basis Financial Statement

If required by regulatory authorities at a state or federal level, the district will endeavor to prepare accrual basis financial statements. Since the district operates on a cash basis, financial assumptions will have to be made to the best of the expertise of the Finance Department. The Finance Department can seek support from outside consultants to prepare and compile accrual basis statements.

Accrual basis workpapers, based on internal financial data, may be prepared by the Director of Internal Audits or any other qualified designee. The workpapers will need to be reviewed and approved by the CFO.

Based on the workpapers, the department, or outside consultants/firm, can prepare the final accrual basis statements to be reviewed and approved by the CFO.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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### **Gateway Budget Forms**

The Chief Financial Officer (CFO), or a designated employee, should have the permissions to prepare and submit Indiana Gateway budget forms.

### **Annual Financial Report (AFR) & SEFA on Gateway**

The Chief Financial Officer (CFO), or a designated employee, should have the permissions to prepare and submit Indiana Gateway financial reports.

### **Form 9 and Financial Transparency Reports**

The Chief Financial Officer/District Budget Director/District Accountant Director/Director of Internal Audits can perform the preparation and submission of Form 9 reports.

Indiana Gateway requires that the reports be certified and approved by the Superintendent, CFO, and School Board members.

### **Other Reports**

The CFO, or a designated employee, has the authority to prepare and submit other reports to meet state, federal, or other guidelines and requirements, as needed.

## **BUDGETS & BUDGET CONTROL**

Budgets must be approved and adopted by the School Board, as required by the Department of Local Government Finance (DLGF).

Grant budgets shall align with the individual approved Grant Award Notifications.

For other funds, the Finance Department may establish budgets as necessary to meet District needs. The Administration will endeavor to manage District expenditures within budgetary constraints. The Finance Department may implement various budget control measures to ensure adherence to approved or adopted budgets. Budgets may be amended or transferred as required, subject to appropriate approvals and authorization by designated Finance Department personnel.

## **INVOICING**

All invoicing at department or school level needs to be approved and authorized by the Finance Department. Finance will provide guidance on who should generate the invoice(s), the information that is required, the process to send the invoice, the process to collect funds, etc. No invoice shall be sent prior to approval.

## **GIFTS/DONATIONS FOR DISTRICT OR SCHOOL**

If any school or department is considering applying for a gift/donation/"grant", please reach out to the Director of Federal grants BEFORE applying to vet the gift/donation/"grant."

If any school or department within the district receives any donations or gifts from any individual or entity, certain procedures will need to be followed.

For gifts, the requirement is to complete the South Bend Community School Corporation Gift Application Form and submit it with the check, gift letter, and other documentation to the Finance Department. Finance will deposit the check/money order/etc. and share an expense account which can be used for expenditures.

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If donors have certain requirements regarding their donation's utilization scope, the user of the money (i.e.: The Principal at the recipient school, the department head for the recipient department etc.) will be responsible to ensure that the donation is spent in line with the donor's requirements.

All gifts or fundraising events at district buildings will need to be reported to the School Board.

Gifts/donations are different from grants. Grants are usually money received from state or federal entities while Gifts are received from individuals or private businesses.

If there is confusion about the types of funds you are receiving, or applying for, please reach out to the Finance Department for clarification.

### **DEBT MANAGEMENT – BONDS, LEASES, LOANS**

#### **Objectives**

- Ensure that school, state, and federal regulations are understood and followed regarding issuance of debt.
- Ensure that all grant regulations are understood and followed regarding issuance of debt.
- Ensure that note disclosures in the financial statements contain all required elements.

#### **Guidelines**

- All debt issuances are made in compliance with state law and school codes.
- All transfers are examined to ensure they do not meet qualifications to be classified as debt.
- All debt issuances will only be made after approval of the Board of Trustees.

All debt is approved by the School Board. Copies of bonds, loans and lease payments are provided to the Finance Department to initiate the recurring payments until the debt is satisfied. The Finance Department is responsible for uploading any new debt for new General Obligation Bonds and Lease Purchase Agreements to Indiana Gateway.

All debt payments follow the same procedure as other payments. A debt payment claim is processed for the amount specified in the debt schedule. The claim is submitted to the Accounts Payable team and the team processes it similar to all regular vendor claims. The payments are also posted in the financial system; like all other vendor payments or expenses.

### **DEPRECIATION METHOD**

The district operates its finances on a cash-basis methodology; however, for accrual-basis financial statements, the district needs to depreciate its assets. The straight-line depreciation method will be used to depreciate the Corporation's assets.

During the preparation process of the accrual-basis financial statements, the Finance Department will assign standard, appropriate lifetime to the depreciable assets.

Consistency should be maintained in terms of assigning lifecycle to assets within the same or similar categories, unless there are any special circumstances related to an asset or asset category.

### **PURCHASING THRESHOLDS & METHODS**

According to IC 5-22-8-2, for purchases less than \$50,000 the purchasing agent (Superintendent) should follow policies established by the purchasing agency or rules adopted by the governmental body.

IC 5-228-3 states that, "for purchases of \$50,000 to \$150,000 the purchasing agent should invite three quotes from businesses known to be in the field. The invitation to quote must be mailed at least seven days before the deadline for receiving quotes."

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In certain situations, under IC 5-22-10-1, special purchasing methods may be used where quotes are not required. Some types of specific methods include: emergency conditions, savings to governmental body, data processing contract or license agreements, compatibility of equipment, accessories, or replacement parts, no offer received under other purchasing methods, governmental discounts available (Cooperative Purchasing Organization), and single source purchases.

Any and all contracts that an employee may wish to enter into on behalf of SBCSC, needs to first obtain prior written approval from the Superintendent or Chief Financial Officer. The Legal Department must review the contract prior to signing.

In the event the Corporation needs to purchase land or a structure with a total price that exceeds \$25,000 (twenty-five thousand dollars) IC 36-1-10.5-5 requires, "the School Board to pass a resolution that it is interested in purchasing the land. The purchasing agent must appoint two appraisers to determine the fair market value. Appraisals are returned within thirty days and they are kept on record for at least five years. The purchasing agent must present the appraisals to the School Board."

Purchase Type	Dollar Threshold	Procedure Required
Micro	Less than \$10,000	No quote needed.
Small	\$10,001-150,000	Obtain 3 quotes unless there is a special circumstance. Follow most restrictive.
Large	\$150,001 or more	Competitive Bidding Process mandated by the State unless there is a special circumstance.

### Journal Entries/Transfers

In the event the Fiscal Officer needs to make a change to an expenditure that has already been paid (ex: changing which fund line it was paid from, splitting the payment between fund lines, etc.), a journal entry (JE) will need to be completed. The District Accountant Director, or a designated employee, will need to process the journal entries.

### Guidance

- Fiscal Officers need to make every effort to minimize the number of Journal Entries that need to be made through proper grant/fund planning.
- Fiscal Officers are responsible for planning out expenditures from their grants and applicable general funds.
- Fiscal Officers need to identify JEs at least 30 days PRIOR to a grant ending, and/or the year ending.

### Process

In order to complete the JE requests, the Fiscal Officer will need to share a spreadsheet containing:

- Account line moving FROM,
- Account line moving TO,
- amount to move,
- description of transaction,
  - PO number
  - employee number

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### Financial Transparency

The Finance Department is committed to financial transparency and is receptive to constructive feedback.

Some of the methods of achieving financial transparency include:

- Regularly providing reports to internal Fiscal Officers at the department/school level.
- Fiscal officers having access to their financial information in the Corporation's finance software.
- Budgets are planned with department feedback, public feedback, and School Board feedback.
  - Multiple public meetings are held.
- Grant reimbursement requests are submitted regularly.
  - These requests are reviewed by the awarding agencies to ensure that expenditures are in line with approved grant objectives.
- Financial reports are submitted to the School Board for review regularly.
  - The Finance Department will respond to questions, concerns, suggestions of the School Board.
- Financial reports, and budgets are shared with the public via Board Docs (School Board Documents) as well as on SBCSC's website under the Finance Department.

### External Auditing

SBCSC is audited regularly by the Indiana State Board of Accounts (SBOA). The Finance Department will take the lead coordinating with SBOA, or SBOA's designee, to complete the audit as efficiently as possible.

All departments will assist with providing supporting documentation to SBOA as thoroughly and efficiently as possible.

Some of the steps include:

- Providing access to financial software and/or providing numerous comprehensive reports to external auditors.
- Auditors interviewing School Board members.
- Auditors complete a deep-dive into reports and financial transactions.
- Auditors request samples of transactions from Finance, Human Resources, school ECAs, other departments.
  - Samples include copies of: checks, purchase orders, quotes, invoices, conflict of interest statements, employee pay history, employee benefit history, deposit slips, bank statements, employee contracts, benefits statements, etc.
- Auditors review Schedule of Expenditures of Federal Awards (SEFA) to look for discrepancies in grant spending and usage.
- Auditors review individual grant folders to ensure accuracy of grant reimbursements and spending parameters.
- Anonymous questionnaires are sent, randomly, to employees asking about internal controls and any potential misuse of funds.
  - Auditors may request additional information from Finance based upon results.
- Finance completes questionnaires about Finance employees' qualifications.
- Finance answers questions about individual transactions, as requested.
- Upon completion of the audit, the Auditors share findings with SBCSC.
- SBCSC prepares a response/plan to address any findings.
  - Any findings that are shared by State Auditors are addressed to improve our processes and to prevent future findings.

Recent audit reports are available on the SBCSC's website.

## **Purchasing/Accounts Payable**

### **OBJECTIVES**

- Vendor date is well maintained and up-to-date – including vendor forms such as 1099s, W9s.
- Disbursements are for an approved purposes and are necessary.
- Payments are complete, timely, and accurate.
- Disbursements are accurately coded and recorded in the accounting system.
- Disbursements are legally appropriated.

### **GUIDELINES**

- Accounts Payables (A/P) payments are processed daily, weekly, or monthly, as needed.
- More than one person reviews the A/P payment process.
- Checks are printed using Financial Software based on approved AP Check Batches.
- In the event that a purchase order needs modified (after it has been processed through the system), the Purchasing Director must be consulted for guidance.
- Separate employees will code invoices and POs, enter requisitions, and process check files.
- Only employees approved by the Chief Financial Officer will be permitted to overspend any one expenditure line.
- In the even that there may be a Conflict of Interest with a vendor, the Conflict of Interest Form shall be filled out PRIOR to utilizing the vendor.
- SBCSC is tax exempt. If you need a copy of our exemption form for a purchase, reach out to the Finance Department.

### **PURCHASING CARD (“P-Card”)**

The District’s administration, with approval from Finance, can assign P Cards (Credit Cards) to its employees, as needed. To request a P-Card, reach out to the Director of Purchasing. The Finance Department will make the determination of approval. If approved, the user will need to sign an agreement on P-Card usage and responsibilities.

#### **District P-Card**

The District may also allow individuals to use an existing District P-Card for new purchases. Case-by-case requests to use a P-Card need to go to the Purchasing Director and the Operations Manager/Compliance Specialist for approval PRIOR to spending.

The P-Card Usage Request Form needs to be filled out entirely with information to include: the vendor/company, the amount that will be spent, the funding source (where it will be paid from when the bill comes in), and the item(s) that will be purchased. The requestor, then Purchasing Director, then the Operations Manager will need to sign off and provide the card (if approved).

The requestor is responsible for returning the P-Card immediately after purchase(s) is complete.

The District P-Card shall not be used for recurring monthly/annual subscription payments. P-Cards are for one-time purchases.

The requestor will be responsible for filling out the Procurement Card Expense form and providing receipts after the purchase/s are complete.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### All P-Cards

You may not use P-Cards for purchases if you don't have funds currently available to pay the balance in full.

Future travel requests, that will be paid from future funding, shall not be made using a P-Card. P-Cards shall only be used if funds are currently available.

For future travel bookings, the employee will need to follow the process for travel reimbursement.

### Payments/Statement Payoff

The P-Cards are through JP Morgan Chase Bank. JP Morgan billing statements cycle the last day of each month.

Therefore, an individual who has a JP Morgan purchasing card will receive an email on the 1st business day of the new month reminding the individual that procurement card expense forms are due by the 10th day of the month.

An individual preparing to submit a procurement card expense form should adhere to the following:

1. Print out a copy of JP Morgan monthly billing statement to accompany the procurement card expense form,
2. complete a Procurement Card Expense Form,
3. attach all original receipts/invoices to the procurement card expense form,
4. sign-off on the procurement card expense form.

Procurement card expense forms should be given to the Operations Manager in the Finance Department on or before the 10th day of each month so that forms can be reviewed for accuracy.

Once the Operations Manager has reviewed all monthly procurement card expense forms, they are submitted to the Director of Purchasing for final review and payment processing.

### NON-PURCHASE ORDER VOUCHER PAYMENTS

Non-PO vouchers are used to request payment for travel expense reimbursement and anything else that would not be procured through a PO.

Similar to POs, the requester would enter a request for a non-PO voucher that will be routed to the respective Budget/Purchasing/Finance Director for review and approval.

All vouchers require Finance Department approval.

After Finance approval, the request is routed to Accounts Payable. Supporting documentation for the payment must be included.

In the case of contracted services, the executed service agreement, along with the invoice, must be submitted for payment to be issued. The requester must enter the object code and the Budget/Purchasing Director is responsible for ensuring the proper code is used.

### EVENTLINK PAYMENTS

Eventlink is used by SBCSC to collect revenue for athletic events. These collections are then used to pay Game Referees for their services. Payments are made electronically directly from Eventlink to the referee's bank account.

The process for receipting cash/funds still needs to be followed - excepting the posting to current financial software. See information on Unified Athletics in this manual.

All payments through Eventlink shall be signed by two individuals – on paper or through PDF. The Director of Community Programs & K-12 Athletics is responsible for ensuring correct processes are followed and that records are kept and available for audit purposes.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### PURCHASE ORDERS

Purchase Orders (POs) are the most common purchasing method in the Corporation. If you have questions about the process outlined below, please reach out to the Purchasing Director.

When you are seeking to make purchases:

- Make sure the vendor knows that SBCSC is tax exempt.
  - A copy of the exemption can be obtained from Finance.
- Be sure to have shipping and handling included in quotes.
  - This cannot always be added after a PO is created and you may need to find another payment method or potentially cancel the PO and create a new.
- Be aware that POs cannot always be edited. This means you need to:
  - Verify funding sources prior to submitting.
  - Verify available funds.
  - Verify everything on the quote & requisition are correct prior to submitting.
- Be sure to have enough funds available in the fund line you plan to use.
  - If you don't have funds available, you will need to cancel the PO and open a new when you find an alternate funding source.
    - It is the requestor's responsibility to know their assigned funds and what money is available.
- Know that if you cancel a PO after the new year has rolled over, those funds cannot be used for new/other purchases. You will lose that money as they were only approved to roll forward for that specific purchase.



# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### PO Process

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Obtain Quotes	Buyer	School / Department	Purchasing Director	
2	Receive Approval to Order from Supervisor	Buyer	School / Department	Supervisor	
3	Input New Vendor Information, if applicable	Purchasing Director	Central	n/a	Purchasing Director to verify legitimacy of new vendor.
4	Input Requisition	Buyer	School / Department	n/a	Purchasing Director needs to verify that correct object code is used. Example, supplies be paid from a 6 level object number.  If from a grant, Fiscal Officer and Department Lead will verify allowability of cost. System will automatically block overspending of accounts. Individual items and costs need to be listed unless a Blanket PO is being created.
5	Review & Approve Requisition	Department Head	School / Department	Purchasing Director	
6	Create Purchase Order	Purchasing Director	School / Department	Buyer	The system assigns sequential numbering to POs
7	Submit Purchase Order to Vendor	Buyer	School / Department	n/a	Method of submission is defined by the vendor when vendor account created.
8	Receive Product & Verify Accuracy Against Invoice	Designated Employee	School / Department	n/a	
9	Receive Items in Financial Software	Fiscal Officer	School / Department	Buyer	
10	Forward Documentation to Accounts Payable in Finance Dept. within 10 Days	Buyer	School / Department	n/a	Automatic process in software.
11	Verify Supporting Documentation is Complete	Accounts Payable	Central	n/a	Verification includes comparing expenditure type to object codes used to identify discrepancies.
12	Create Payment in Software	Accounts Payable	Central	Accounts Payable Supervisor	
13	Review & Approve Payments	Accounts Payable Supervisor	Central	n/a	Signature is physical.
14	Generate Checks	Accounts Payable	Central	n/a	Checks are kept in a secure location. MICR printer is kept in a secure location.
15	ACH Drafts are Approved in Banking Software	Accounts Payable Supervisor	Central		
16	Commerce Bank Draft Report Generated for Review	Accounts Payable	Central	Accounts Payable Supervisor	Physical signature.
17	Commerce Bank Draft Reviewed, Uploaded (data transfer), Approved	Accounts Payable Supervisor	Central	n/a	Physical signature.
18	Paper Copies are Filed by Check Number	Accounts Payable	Central	n/a	
19	Allowance of Claims Register Review - CFO	Accounts Payable	Central	Chief Financial Officer	
20	Allowance of Claims Register Approval - School Board	Chief Financial Officer	Central	School Board	CFO & School Board sign once approved.
21	Open Payables Reconciliation	Deputy Treasurer	Central	n/a	

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### COMPETITIVE BIDDING & CONTRACTING

#### Bidding Process

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Initiate Creation of Bid Specs	Buyer (employee seeking item/service)	School/Department	Finance, Legal	Buyer works with Finance and Legal departments to create Bid Specifications
2	Review Draft of Bid Specs	Buyer (employee seeking item/service)	School/Department	Finance, Legal	After all have provided their input, one last review.
3	Final Proposal/Bid Specs	Buyer (employee seeking item/service)	School/Department	Finance, Legal	Sign off on final bid specs.
4	Advertise Bid Project for Two (2) Weeks	Buyer (employee seeking item/service)	School/Department	Legal	
5	Vendors Download Bid Specs from SBCSC's website	Vendor	Vendor	n/a	
6	Vendors Submit Proposals Prior to Close Date (See Next Section for Bid Submission Requirements)	Vendor	Vendor	Purchasing	Purchasing Department receives.
7	Purchasing Department Logs when Proposals are Received	Purchasing	Central	n/a	Date & time recorded
8	Proposals are Evaluated for Best Match	Purchasing	Central		Evaluation criteria are set by management to align with bid specs.
9	Recommendation to Select Vendor is Created	Purchasing	Central	Vendor	Vendor is selected based on the highest score.
10	Recommendation Memo is Created to Submit to the School Board	Buyer (employee seeking item/service)	School/Department	School Board	
11	School Board Reviews and Votes	School Board	School Board	n/a	If approved, proceed. If denied, stop.
12	Notify Vendor of Award	Buyer (employee seeking item/service)	Central	Legal	
13	Vendor Shares Documentation	Vendor	Vendor	Buyer & Legal	Vendor needs to share W-9, Disbarment Certificate, etc.
14	Finalize Award	Buyer (employee seeking item/service)	Central	Legal	Legal Department reviews and signs contract.
15	Clear to Start/Order - Follow Usual Procurement Practices	Legal	Central	Buyer	Signed Contract and related forms are required for payment.

#### Bid Submission Requirements

Contractors seeking to submit bids on any SBCSC project estimated to be at least \$150,000 or more must, prior to the opening of bids, submit a statement made under oath and subject to perjury laws, on a form designated by SBCSC that includes:

- A copy of a print-out of the Indiana Secretary of State's online records for the bidder dated within sixty (60) days of the submission of said document showing that the bidder is in existence, current with the Indiana Secretary of State's Business Entity Reports, and eligible for a certificate of good standing. If the bidder is an individual, sole proprietor or partnership, this subsection will not apply. A list identifying all former business names.
- Statement of compliance with Davis-Bacon Act, for federally funded projects and as applicable.
- Any determinations by a court or governmental agency for violations of federal, state, or local laws including, but not limited to: violations of contracting or antitrust laws, tax or licensing laws, environmental laws, the Occupational Safety and Health Act (OSHA), or federal Davis-Bacon and related Acts.
- A statement on staffing capabilities, including labor sources.
- Evidence of participation in apprenticeship and training programs applicable to the work to be performed on the project, which are approved by and registered with the United States Department of Labor's Office of Apprenticeship, or its successor organization.
  - The required evidence includes, but is not limited to: a copy of all applicable apprenticeship standards or Apprenticeship Agreement (s) for any apprentice (s) who will perform work on the public works project,

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

and evidence that each apprenticeship program has graduated at least five (5) apprentices in each of the past five (5) years for each construction craft the bidder will perform work on the project.

- A copy of a written plan for employee drug testing that: (i) covers all employees of the bidder who will perform work on the public work project; and (ii) meets, or exceeds, the requirements set forth in IC 4-13-18-5 or IC 4-13-18-6.
- The name and description of the management experience of each of the bidder's project managers and superintendents that bidder intends to assign to work on the project.
- Proof of any professional or trade license required by law for any trade or specialty area in which bidder is seeking a contract award; and disclosure of any suspension or revocation within the previous five years of any professional or trade license held by the company, or of any director, officer or manager employed by the bidder.
- Evidence that the contractor is utilizing a surety company which is on the United States Department of Treasury's Listing of Approved Sureties.
- A written statement of any federal, state or local tax liens or tax delinquencies owed to any federal, state or local taxing body in the last five years.
- A statement that individuals who will perform work on the public work project on behalf of the bidder will be properly classified as either (i) an employee or (ii) an independent contractor, under all applicable state and federal laws and local ordinances.
- A list of projects of similar size and scope of work that the bidder has performed in the State of Indiana within three (3) years prior to the date on which the bid is due.
- For contracts estimated to cost at least three hundred thousand dollars (\$300,000), certification that all contractors and subcontractors are qualified under IC 4-13.6-4 or IC 8-23-10.

The Corporation reserves the right to demand supplemental information from the bidder, additional verification of any of the information provided by the bidder, and may also conduct random inquiries of the bidder's current and prior customers.

### **Post-Bid Submissions from Subcontractors**

Each subcontractor, of any tier, must adhere to these requirements as though it were bidding directly to the Corporation. Subcontractors must submit the required information to the successful bidder, who must forward the information to the Corporation prior to the subcontractor's first day of work on the public works project.

All subcontractors must adhere to the Davis-Bacon Act as applicable.

Failure of a subcontractor to submit the required information will not disqualify the successful bidder from performing work on the project and will not constitute a contractual default or breach by the successful bidder. However, payment may be withheld from any subcontractor who fails to timely submit the information until the information is submitted to and approved by the Corporation. Additionally, the Corporation may require the successful bidder or relevant subcontractor to remove a subcontractor from the project and replace it with a responsive and responsible subcontractor.

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## INTERNAL CONTROLS MANUAL

The disclosure of a subcontractor ("Disclosed Subcontractor") by a bidder or a subcontractor will not create any rights in the Disclosed Subcontractor. Thus, a bidder and/or subcontractor may substitute another subcontractor ("Substitute Subcontractor") for a Disclosed Subcontractor by giving the Corporation written notice of the name, address, and type of work of the Substitute Subcontractor. The Substitute Subcontractor is subject to all of the obligations of a subcontractor.

### **Validity of Pre-Qualification Classification**

Upon designation by the School that a contractor's or subcontractor's submission in anticipation of a bid is complete and timely, and upon any further consideration deemed necessary by the Corporation, the contractor or subcontractor may be pre-qualified for future Corporation public works projects.

A contractor's classification as "qualified" will exempt the contractor or sub-contractor from the comprehensive submission requirements contained herein for a period of twelve (12) months. Thereafter, contractors or subcontractors who are pre-qualified must submit a complete application for continuation of "pre-qualified" standing, on a form provided by the Corporation, (also referred to as the "short form") by December 31st for the upcoming calendar year. Failure by any pre-qualified contractor or subcontractor to timely submit its complete application for continuation of "pre-qualified" standing will result in automatic removal of the designation, effective January 1st of the upcoming year. However, the "removed" contractor or subcontractor may still bid on School public works projects.

Any material changes to the contractor's status, at any time, must be reported in writing within ten (10) days of its occurrence to the Corporation. The pre-qualification designation is solely within the discretion of the Corporation and the Corporation specifically reserves the right to change or revoke the designation for a stated written reason(s).

Denial of pre-qualification will be in writing and will be forwarded to the contractor within seven (7) working days of such decision. Any contractor denied or losing pre-qualification status may request reconsideration of the decision by submitting such request in writing to the Corporation within five (5) business days of receipt of notice of denial.

### **Incomplete Submissions by Bidders**

It is the sole responsibility of the bidder to comply with all submission requirements herein no later than the public bid opening. Submissions deemed inadequate, incomplete, or untimely by the Corporation may result in the automatic disqualification of the bid.

### **Responsive and Responsible Bidder Determination**

The Corporation, in its sole discretion, after its review of complete and timely submissions, considering all information in the submission requirements, determines whether a bidder or subcontractor is responsive and responsible. The Corporation reserves the right to utilize all information provided in the bidder or subcontractor's submission or any information obtained by the Corporation through its own independent verification of the information provided.

### **Contractor Certified Payroll**

For projects costing at least one-hundred and fifty thousand dollars (\$150,000), the successful bidder, and all subcontractors, working on a public works project must submit a certified payroll report utilizing the federal form WH-347 or its successor form. This must be prepared on a weekly basis and submitted to the Corporation within ten (10) calendar days after the end of each week that the bidder or subcontractor performed its work on the public work project. These certified payroll reports must identify the job title and craft of each employee on the project (e.g. journeyman electrician or apprentice electrician). In the event any successful bidder or subcontractor uses independent contractors to perform work on the project, such individual must be identified on the federal form WH-347 or successor form with the same information as is required for employees.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

The Corporation may withhold payment due for work performed by a successful bidder or subcontractor for failure to timely submit their respective certified payroll reports until such time as the reports are submitted. The Corporation may not withhold payment to a successful bidder or subcontractor for failure of the successful bidder or one or more other subcontractors to timely submit their certified payroll reports.

### Public Records

All information submitted by a bidder or a subcontractor pursuant to this policy, including certified payrolls, are public records subject to review pursuant to the Indiana Access to Public Records law (IC 5-14-3).

### Penalties for False, Deceptive, or Fraudulent Statements/Information

Any bidder who willfully makes, or willfully causes to be made, a false, deceptive or fraudulent statement, or willfully submits false, deceptive or fraudulent information in connection with any submission made to the Corporation will be disqualified from bidding on all Corporation projects for a period of three (3) years.

### Conflicting Policies

Any policy or provision of any policy in conflict with the provisions of this Policy is hereby repealed.

### Severability

If any provision of this policy is found to be invalid, the remaining provisions of this policy will not be affected by such a determination. These other provisions of this policy will remain in full force and effect without the invalid provision.

## Accounts Receivable / Cash Processing

### OBJECTIVES

- Deposits are complete, timely, and accurate.
- Deposits are safeguarded.
- Deposits are recorded accurately and in a timely manner in the accounting system.

### GUIDELINES

- To receipt all revenues to the appropriate fund and revenue code.
- To receipt all monies in compliance with the state statutes and intact.
- Pre-numbered receipts are issued for all collections.
- Two+ people are involved in the receipting/depositing process.
- All collections are receipted in accounting software.
- Reconciliations are completed monthly.

### COLLECTIONS/PAYMENTS PROCESSING BY FEES CASHIER

#### Credit Card Transactions

- Credit card payments are processed through the Clover terminal which is interfaced with the Everwise Credit Union system.
- Payments can be taken over the phone or through the mail.
  - Any credit card information that is written down is shredded immediately after making credit card payment.
- Clover prints a receipt for payment. This is attached to the payment source information.
  - A closeout batch report is printed with the credit card totals on the next day.
- The Fees Cashier receipts the credit card payments into the correct account in the Corporation's financial software.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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- The daily bank wires will show the credit card payments made for the day for each Merchant ID.
  - The Fees Cashier will write in the receipt numbers taken in on that day and give a copy to District Accountant.
- The receipt numbers are written on the credit card Batch Totals ticket for the accounts the payments posted against in the Corporation's financial software. This is then given to District Accountant Director.

### **Collections for Lost/Damaged Books**

Lost or damaged textbooks or library books are billed to the parent/guardian from the individual schools.

When a check is for payment is received:

- all checks are copied,
- checks are deposited at Everwise Credit Union in the operating account,
- in the Corporation's financial software, the Fees Cashier will receipt it into the school's operating account for lost/damaged books.

### **Collections for Adult Ed**

Fee payments are collected by the Adult Ed Department for class fees. Fees are deposited to their operating account at Everwise Credit Union.

An email notification from Everwise Credit Union is sent for Adult Ed the day they are deposited.

The Fees Cashier will post a receipt in the Operating Account in the Adult Ed account.

### **Collections for Before and After School Programs**

Parents pay a weekly fee for their student/child to attend the Before & After School Programs. Payments are due weekly.

The collected checks & money orders are compiled at the school level. Payment information is typed into the central accounting spreadsheet. The packet is then delivered to the designated employee in the Curriculum & Instruction (C&I) Department.

The C&I employee then creates the deposit. The deposit is verified by a second C&I employee. The deposit is then made to the applicable operating account at Everwise Credit Union. An email notification from Everwise Credit Union is sent to the Before & After School manager.

The Fees Cashier will then post the receipt to the Kaleidoscope/Bright Beginnings account in the Corporation's financial software.

### **Cash – Food Service**

Cafeteria cash is dropped off by the schools to their operating account at Everwise Credit Union. An email notification from Everwise to the Food Service department is sent.

The deposits are bundled (sorted by school) by deposit date, along with the Food Cash Reports. The Fees Cashier will then post a receipt in the operating account to each school in the Food Service Account for Cafe Pay.

### **Checks – Food Service**

Any checks for Cafe Pay go through the Food Service Dept. first. Then they are sent to the Fees Cashier with the check attached to a form that states whether it's for Cafe Pay or for catering. All checks are copied then deposited.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### **Credit Cards – Food Service**

Credit card payments can be taken over the phone or in person for school cafe pay.

Any online credit card payments for Prepay Cafe are paid through Titan website. These are linked to their Everwise Credit Union account. A notice of deposit is emailed from Everwise.

The Fees Cashier will then post a receipt in the Food Service Prepaid Account.

### **State of Indiana Payable – Food Service**

State of Indiana Payable deposits are received via a Wire. The Fee Cashier will post a receipt in the appropriate accounts for lunch/breakfast, fruit & veggie, or supper program. A notice of deposit is emailed from Everwise.

### **HeadStart – Food Service**

HeadStart will also send Wire payables for Food Service Revenue. The Fee Cashier will post a receipt in the appropriate accounts for HeadStart Food & Nutrition. A notice of deposit is emailed from Everwise.

## **COLLECTIONS FOR UNIFIED ATHLETICS**

The Director of Community Programs & K-12 Athletics is responsible for ensuring that funds collected for Unified Athletics are processed correctly and used as intended. This includes ensuring that a checks and balances system is in place for all funds collected and all funds expended. Every deposit and payment should have a minimum of two people verifying correctness and signing as such.

Athletic insurance fees for students are paid by the parent/guardian at school level.

The school compiles the checks and forwards them to the Fees Cashier. All the checks from the schools are copied.

The Fees Cashier prepares the deposit and has a 2<sup>nd</sup> Finance employee verify the deposit. The Fees Cashier takes the deposit to Everwise Credit Union to the school's Unified Account.

The Fees Cashier will post a receipt in the school's Unified Athletics account for insurance payments.

Online athletic insurance fee payments are paid through the website Eventlink. The deposits are linked to the school's Everwise Credit Union in the unified athletics account. The Fees Cashier will look for payments posted to Eventlink. The Fees Cashier will post a receipt in the schools unified athletics account in the Corporation's financial software.

Expenditures that originate through Eventlink shall only be used for intended/approved purposes. All transactions require two signatures.

Monthly reconciliation is completed by Grants and Budget Supervisor in Finance.

## **COLLECTIONS FOR INSTRUMENT RENTALS**

Band and orchestra rental fees are paid by the parent/guardian. Payments are made at the student's school.

The Fees Cashier collects payments to prepare the deposit. All checks from schools are copied. Once the deposit is prepared, a 2<sup>nd</sup> Finance employee will verify the deposit before the Fees Cashier takes the deposit to Everwise Credit Union.

Once the deposit is processed, the Fees Cashier will post a receipt in the Corporation's financial software for that school's Operating account - in the instrument rental account.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### COLLECTIONS FOR TRANSPORTATION/FIELD TRIPS - SCHOOLS

Schools coordinate field trips directly with the Transportation Department and collect payments from parents. Payments are deposited into the school's Extra-Curricular Account (ECA). The process for collections must follow the guidelines for ECAs as identified in this manual.

Field trip collections are strictly for covering field trip related costs and must not be included as additional revenue in the Transportation Department's annual budget.

Any use of these funds must adhere to the approved ECA usage and established financial controls.

### COLLECTIONS FOR TRANSPORTATION/FIELD TRIPS – DEPARTMENTS

Departments coordinate field trips directly with the Transportation Department. The Transportation Department will invoice the Department for the cost of the field trip, and the Department will issue a PO to be paid from their budget.

Accounts Payable processes the payments, which are sent to the Transportation Department. The Transportation Department reviews the payments received to ensure they match the agreed-upon amounts.

Once verified, the checks are sent to the district's Fees Cashier, who deposits the funds into the Operating Budget for the Transportation Department.

Field trip collections are strictly for covering transportation-related costs and must not be included as additional revenue in the Transportation Department's annual budget.

Any use of these funds must adhere to the approved operating budget and established financial controls.

### RECEIPTING CASH & CHECKS

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Receive Cash / Checks	Designated Employee / Treasurer	School / Department	2nd Designated Employee	Cash needs to be verified by 2 employees. Both employees need to sign the envelope verifying contents within.
2	Issue Receipts	Designated Employee / Treasurer	School / Department	n/a	Receipts need to be on pre-numbered paper - copy must be retained.
3	Cash Box Supervision	Designated Employee / Treasurer	School / Department	n/a	Cash box must never be left unattended/unlocked.
4	Prepare Bank Deposits - Daily	Treasurer	School / Department	2nd Designated Employee - Principal	Both employees need to initial Deposit Slip
5	Verify Bank Deposit Detail (before taking to bank)	2nd Designated Employee - Principal	School / Department	1st Designated Employee - Principal	Both employees need to initial Deposit Slip
6	Take Deposit to Bank	Designated Employee / Treasurer	School / Department	Bank Teller	Bank teller initials deposit slip confirming receipt.
7	Receipt Funds in Financial Software	Treasurer/Fees Cashier	School / Department	2nd Designated Employee - Principal	

### BANKING PROCEDURE FOR ALL DEPOSITS

All deposits from SBCSC are dropped off to an assigned teller at each designated bank. Deposits processed by the District's Fees Cashier are deposited at the designated Everwise Credit Union location.

The designated teller will initial and date the deposit slip and keep the top white copy. The pink copy is for the Fees Cashier and the yellow copy is for the District Accountant Director to reconcile.

#### Nonsufficient Funds (NSF)

In the case of nonsufficient funds, the bank will notify the District Accountant Director and the Fees Cashier of the NSF check amount via email.



# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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The District Accountant will then contact the corresponding department to coordinate with the issuer of the check and to ensure the funds are collected.

In the meantime, a debit will be recorded in the corresponding fund to reconcile the returned amount.

### DEPOSIT PROCESS

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Prepare Bank Deposits - Daily	Fees Cashier	Central	n/a	
2	Take Deposit to Bank	Fees Cashier	Central	n/a	
3	Receive & Organize Deposit Notices	Fees Cashier	Central	n/a	Fees Cashier works with many departments, schools.
4	Verify Which Fund Each Deposit Should Post To	Fees Cashier	Central	Deputy Treasurer	Investigate unknown deposits to find correct fund.
5	Receipt Funds in Financial Software	Fees Cashier	Central	n/a	
6	Prepare Receipts Summary	Fees Cashier	Central	n/a	
7	Submit Receipts Summary to Deputy Treasurer or CFO before Posting	Fees Cashier	Central	Deputy Treasurer, or Chief Financial Officer	
8	Post Deposits in Software	Deputy Treasurer	Central	n/a	
9	Reconcile Deposits - Monthly	Deputy Treasurer	Central	Chief Financial Officer	
10	Open receivable reconciliation	Deputy Treasurer	Central	n/a	
11	Reconciliation Approval	Chief Financial Officer	Central	n/a	

## Extra-Curricular Accounts (ECA)

ECA accounts are managed at the school level. Each school must designate a treasurer per Indiana Code. It is imperative that the ECA Treasurer keep an accurate account of all money received and expended. The [Indiana State Board of Accounts](#) is the ultimate guide to ECA accounts.

### RECORDS, SCHOOL SECRETARY, AND FINANCE OFFICER

Each school shall keep accurate records of all receipts and disbursements to ensure a clear and concise accounting of each fund at all times.

It shall be the duty of each principal to see that such records are maintained in accordance with these regulations and rules promulgated by the school board.

Any and all fees that may be charged of a student need to have prior approval from the ECA supervisor.

All school activities shall be in accordance with the following principles:

- School activity funds shall be used solely in accordance with the purpose for which such funds are collected.
- Projects for raising school activity funds shall contribute to students' educational experience and not conflict with the instructional program.
- Funds derived from the student body shall be used to benefit the student body as a whole.
- School activity funds should be spent to benefit those students who are in school and who have contributed to the accumulation of such funds.
- Student representation is encouraged in managing funds raised by the student body and spent for its benefit, subject to faculty management.
- Principals should participate in preparing and modifying the policies, regulations, and procedures affecting student body affairs.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### ADDITIONAL PRINCIPLES OF EXTRA-CURRICULAR FUNDS

Emphasis must be placed on spending activity funds for their fundamental purposes. For example, Drama Club funds should benefit the Drama Club activities, and the General Fund should benefit overall operations and activities.

Example: School Activity Funds should not be expended on activities not directly related to the benefit of the school or its students. Contributions to civic or social organizations would not be appropriate expenditures unless the funds were collected specifically for that purpose.

Specific club activities may sponsor an event with proceeds being contributed to a charitable organization. The club sponsor is responsible for collecting all revenue from the event. Appropriate documentation and approval of the disbursement should be retained on file for the proceeds remitted to the charitable organization.

Transfer of monies between club accounts and general activities is prohibited except to close out the clubs' accounts which have terminated their operations.

Funds may not be used for any of the following:

- Any purpose representing an accommodation, loan, or credit to a school board employee or other than students.
- School board employees, or others, may not purchase through a student activity account to take advantage of purchasing privileges.
- No funds will be retained on hand for cashing personal checks.

### SCHOOL TREASURER

Under the supervision of the principal or designee, the school treasurer will receive, receipt, deposit, account for, and disburse all funds flowing through the school activity fund account, also known as the extracurricular account. The school treasurer will comply with all pertinent provisions of this manual and perform the following duties:

- Deposit all funds daily (if over \$100).
- Maintain all fund records on a current and accurate basis.
- Submit all required reports promptly and accurately.
- Keep the principal informed of all known or potential activity fund problems.
- Perform such other duties as specified by the principal.

### ECA RECEIPTING

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Receive Cash / Checks	Designated Employee / Treasurer	School / Department	2nd Designated Employee	Cash needs to be verified by 2 employees. Both employees need to sign the envelope verifying contents within.
2	Issue Receipts	Designated Employee / Treasurer	School / Department	n/a	Receipts need to be on pre-numbered paper - copy must be retained.
3	Cash Box Supervision	Designated Employee / Treasurer	School / Department	n/a	Cash box must never be left unattended/unlocked.
4	Prepare Bank Deposits - Daily	Treasurer	School / Department	2nd Designated Employee - Principal	Both employees need to initial Deposit Slip
5	Verify Bank Deposit Detail (before taking to bank)	2nd Designated Employee - Principal	School / Department	1st Designated Employee - Principal	Both employees need to initial Deposit Slip
6	Take Deposit to Bank	Designated Employee / Treasurer	School / Department	Bank Teller	Bank teller initials deposit slip confirming receipt.
7	Receipt Funds in Financial Software	Treasurer/Fees Cashier	School / Department	2nd Designated Employee - Principal	

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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### MONTHLY RECONCILIATION

At the end of every month, the treasurer will need to balance the transactions.

1. Check reconciliation
  - Verify checks against bank statement
2. Generate check reconciliation in financial system
  - Place an "X" next to each of the checks that have cleared
3. Compare open checks in financial system against bank statement to verify not cleared

### MONTHLY CLOSE OUT

Once the monthly reconciliation is complete, close out the month.

### YEAR-END PROCESS

The year-end process for ECAs needs to occur by the end of June every year. The process needs to take place before the treasurers have closed June. Detailed step-by-step instructions are available.

This is an abbreviated overview:

1. Print open payables by age for date ending 06/30/xx.
  - If something is open, the Treasurer needs to close by either deleting the claim or printing a check.
2. Look for outstanding checks – check status of "Out" thru 06/30/xx.
3. Check receipts – total receipts should match Treasurer's report against SA5-1 report.
4. Complete vendor sequence analysis.
5. Run the Detail of Account Activity Report for closing June (and the year).
6. Run the Gateway Year End reports.
  - Upload to annual reporting in Gateway system.
7. Complete the rollover.

## Parent Teacher Organizations (PTOs)

PTOs operate independently of SBCSC, including a separate federal Employer Identification Number and bank account.

For more information on PTOs, there are many online resources.

Some applicable links are below:

- PTO.org - <https://www.pto.org/>
- National PTA - <https://www.pta.org/home/About-National-Parent-Teacher-Association/join/start-a-pta>
- Donorbox - <https://donorbox.org/nonprofit-blog/how-to-start-a-pta>
- Indiana PTA - <https://www.indianapta.org/>

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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### PAYROLL

#### TIME OFF REQUESTS

Most time off requests need to be requested and approved in advance of the day off. Work with your supervisor to identify how many days in advance they want you to request time off.

Sick and emergency leave requests need to be entered upon the employee's return to work. If there is a prolonged absence, the employee should work with the department's designated administrative assistant to enter their time prior to the end of a pay period.

Employee time off accruals are calculated and awarded by the Human Resources Department. Payroll cannot make changes to your benefit time. Reach out to Human Resources if you have questions or concerns.

#### TIME CARDS

Time cards need to be approved by the employee's supervisor. No employee should ever approve their own time card.

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Review & Approve Time Off Requests - All Employees	Assigned Secretary or Supervisor	School / Department	Supervisor	
2	Review & Approve Time Card - All Employees	Assigned Secretary or Supervisor	School / Department	Supervisor	
3	Input All Employee Hours into Financial System (includes salaried employees)	Assigned Secretary or Supervisor or Payroll Department	School / Department	Supervisor	Payroll Department will enter some central office hours as well as any adjustments that need to be made. These will be reviewed by a second payroll employee.
4	Generate Payroll Reports & Submit to Payroll	Assigned Secretary or Supervisor	School / Department	Payroll	
5	Substitute Teachers Attendance Registers	Assigned Secretary or Supervisor	School / Department	School Principal	
6	Attendance Registers and Payroll Reports Reviewed by Payroll	Payroll	Central	n/a	

#### CLASS COVERAGE

Class Coverage forms must be filled out in their entirety in order to be processed. This requires the signature of the absent teacher, signature of the covering employee, signature of the principal. If a teacher is out on FMLA - the principal should sign on behalf of the teacher on leave.

Payroll will NOT cut special checks for class coverage that was not submitted on time for the pay period. If received past the cut off it will be processed on the next regular payroll.

If your building DOES NOT have an advisory period, this area should not be completed, advisory is paid at 30 minutes total.

*A maximum of 6 hours per day/per class will be paid.*

If a building is on block scheduling they are paid the total minutes per class period. Example: Dickinson has 90-minute blocks so the maximum would be 4 blocks or 6 hrs. Jackson has 45-minute periods so the maximum would be 8 periods or 6 hrs.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### PATHWAYS 2 SUCCESS & 9TH HOUR PROGRAMS

#### IPISJC Time Card Collection and Revision

- Collection: Indiana Parenting Institute (IPISJC) is responsible for collecting all time cards from employees involved in their programs.
- Review Process:
  - Ensure that the hours recorded do not overlap between different programs.
    - There can be no overlap. Any overlapping hours must be sorted out before submitting time cards.
  - Verify all time cards are signed by both the employee and the program supervisor/coordinator.

#### Program Time Card Submission

- Pathways 2 Success Program
  - Submit completed and signed time cards, with recorded hours, to either:
    - Gear-Up and Access Grants Coordinator or
    - Title I Grants Supervisor
- 9th Hour Program
  - Submit completed and signed time cards, with recorded hours, to Administrative Assistant at the Curriculum Department.

#### Recording Hours in the Stipend Tracker

- Fiscal Officers will accurately enter hours into the stipend tracker for both programs.
  - Specify:
    - Date(s) worked
    - Number of hours per day
- Submit the completed stipend tracker data to Payroll following the standard payroll schedule.

#### Hourly Rate and Compensation Details

- Program Employees: The hourly rate for both *Pathways 2 Success* and *9th Hour* is \$40.00 per hour.
- Coordinator Rate: The hourly rate for program coordinators are pre-arranged by Fiscal Officers, IPISJC, and the employee.

#### Additional Notes

- Deadline Adherence: Ensure all time cards and stipend tracker entries are completed and submitted in accordance with payroll deadlines.
  - Please reach out to payroll if you need a copy of the pay calendar.
- Contact Information:
  - For questions related to Pathways 2 Success time cards, reach out to Gear-Up & Grants Coordinator or Title I Grants Supervisor.
  - For questions related to 9th Hour time cards, contact Curriculum Admin. Assistant.

### OTHER COMMON EMPLOYEE COMPENSATIONS

Employees or group of employees might be compensated for sick days, vacation days, personal days or any other relevant compensations based on bargaining unit agreements, other employee agreements, relevant policies or laws or administrative decisions.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### PAYCHECK ERROR CORRECTIONS

If an employee believes they was paid the incorrect amount:

1. Discuss with the person who inputs the attendance/time card information in the system.
2. If the attendance/time card person also believes there is an error, work with the employee's supervisor to create a memo clearly explaining the issue then submit to the Payroll Department.
3. The Payroll Department will review, provide response, and coordinate with the employee any adjustments to be made.

### BUSINESS OFFICE - PAYROLL RUN

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Lock Payroll	Payroll Specialist	Central	n/a	
2	Generate Balance Sheet	Payroll Specialist	Central	n/a	
3	Fix Errors on Balance Sheet then Rerun Report	Payroll Specialist	Central	Accounts Payable Supervisor	May need help from others in Finance to fix errors. Will need to rerun until all errors are fixed.
4	Generate Pay Calculation & Exception Report	Payroll Specialist	Central	n/a	
5	Share Exception Report to Get Exceptions Fixed	Payroll Specialist	Central	Director of Internal Audits, or Director of Federal Grants, or Manager of Strategic Analysis	
6	Rerun Exception Report	Payroll Specialist	Central	Director of Internal Audits, or Director of Federal Grants, or Manager of Strategic Analysis	Keep rerunning report until all fatal errors are corrected.
7	Review Final Exception Report	Payroll Specialist	Central	Accounts Payable Supervisor	Review line-by-line with supervisor. Make any corrections needed. Have supervisor sign final copy.
8	Print Trial Register	Payroll Specialist	Central	Accounts Payable Supervisor	Supervisor reviews and signs.
9	Generate Calculate Pay & Update - Final	Payroll Specialist	Central	n/a	Copies kept.
10	Print Manual Checks	Payroll Specialist	Central	Accounts Payable Supervisor	Copies kept.
11	Direct Deposit Transmission File	Payroll Specialist	Central	Accounts Payable Supervisor	Copies kept.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### BUSINESS OFFICE – POST PAYROLL

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Generate Reports	Payroll Specialist	Central	n/a	Deduction & Final Registers, Final Distribution
2	Fix Report Errors	Director of Grants	Central	Payroll Specialist	
3	Rerun Final Distribution	Payroll Specialist	Central	n/a	
4	Run Update History with Pay Report	Payroll Specialist	Central	n/a	
5	Run Update Budgets with Pay	Payroll Specialist	Central	n/a	
6	Run Payroll Claims Report	Payroll Specialist	Central	Accounts Payable Supervisor	
7	Process Checks	Accounts Payable	Central	Accounts Payable Supervisor	
8	Attach Deduction Register to Each Check	Payroll Specialist	Central	n/a	
9	Benefits Report Processing	Payroll Benefits Specialist	Central	n/a	TIAA Cref, Child Support
10	Federal Tax Payment	Payroll Specialist	Central	Accounts Payable Supervisor	Pay on Friday
11	Set Up New Payroll	Payroll Specialist	Central	n/a	
12	Daily Time/Attendance Maintenance	Payroll Specialist	Central	n/a	
13	Daily Time/Print Attendance	Payroll Specialist	Central	n/a	
14	Extract Contract Data - Certified	Payroll Specialist	Central	n/a	Certified Payroll
15	Update Supplemental Contracts - Certified	Payroll Specialist	Central	n/a	
16	Contract Transfer (automatic) - Certified	Payroll Specialist	Central	n/a	
17	Update Payroll w/Contract Figures - Certified	Payroll Specialist	Central	n/a	
18	Generate Position Master Excepetions - Certified	Payroll Specialist	Central	n/a	
19	Email Reports for Corrections - Certified	Payroll Specialist	Central	Director of Internal Audits & Human Resources	PAYCEDIT, PAYCON2, PAYEXFTE, PAYCON1
20	Make Corrections to Reports - Certified	Director of Internal Audits & Human Resources	Central	n/a	
21	Rerun Position Master Excepetions - Certified	Payroll Specialist	Central	n/a	If there are any errors still, email to group again
22	Pull Hours Worked (class coverage) - Certified	Payroll Specialist	Central	n/a	Run in Trial Mode 1, Review then Update
23	Leave Time Processing - NonCert	Payroll Specialist	Central	n/a	Run in Trial Mode 1, Review then Update
24	Pull Hours Worked - NonCert	Payroll Specialist	Central	n/a	Run in Trial Mode 1, Review then Update
25	Update Trip Pay - NonCert	Payroll Specialist	Central	n/a	
26	TCP File Export	Payroll Specialist	Central	n/a	
27	Import TCP Report to AS400	Payroll Specialist	Central	n/a	
28	Frontline Import to AS400	Payroll Specialist	Central	n/a	

### ADDITIONAL EMPLOYEE REPORTS (W-2s and 941 Reports)

Employee payroll documents, like W-2s and 941 reports, are also prepared by designated Payroll employee. These reports need to be reviewed for accuracy by a second Payroll employee.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### Year-End Closing Process - Financials

At the end of every calendar year (December), the Finance Department needs to close out the current year and open fund lines for the new year. This is an intensive process that requires cooperation between Fiscal Officers and the Finance Department.

#### **FISCAL OFFICER RESPONSIBILITIES – DEPARTMENT & SCHOOL LEVEL**

In order to make the process more smooth, Fiscal Officers should be aware of the following items/timelines:

- August
  - Print list of open Purchase Orders (POs) and audit the list.
    - Receipt and close out those that are received.
    - If not received, reach out to the vendors to make sure the items will be received by end of year.
      - For grants that close on 09/30, items will need to be received by the end of November so that payment can be made prior to final reimbursement deadline.
    - If items won't be received in time, work with the Purchasing Director to identify which POs need to be closed out (and opened new in the new year) and which can roll forward.
  - Review the current status of your funds/grant.
    - Identify Journal Entries (JEs) that will need to be made. JEs need to be shared with the District Accountant Director no less than 30 days before the grant or fund ends. See section on JEs in this manual for guidance.
    - Create final POs for funds you still plan to expend.
  - Share any budget transfer requests, for grants that close on 09/30, with the Director of Federal Grants.
- September
  - Fiscal Officers will need to fill out Personnel Requisition Forms for any changes to an employee's pay lines (except for updating fund year) in advance of grants closing.
  - Last minute transfers need to go to the Director of Federal Grants. These should be an exception.
  - Last minute Journal Transfers need to go the District Accountant Director. These should be an exception.
- October
  - On 10/01, the Director of Federal Grants will be placing holds on all fund lines for grants that closed on 09/30. See Grants Closing section of this manual for more information.
- November
  - Fiscal Officers must ensure that all open POs are received in the system, as applicable.
  - Fiscal Officers must share with Accounts Payable the final invoices so final payments can be made.

#### **FINANCE DEPARTMENT**

##### **August - September**

Director of Federal Grants sets up new grant budgets. See Grants section of this manual for more detailed information.

##### **October**

On, or before, 10/01, the Director of Federal Grants will be placing holds on all fund lines for grants that closed on 09/30.

##### **In December (in order)**

1. Print Open Requisitions
2. Print Open POs



# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

3. Print Open Claims
4. Transfer Revenue Source Totals to New Years
5. Transfer Vendor Totals to New Year
6. Transfer Open Requisition to New Year
7. Transfer Open Claims to New Year
8. Transfer Open Receivables to New Year
9. Transfer Open POs to New Year

### **After the Last Pay of The Year is Processed**

10. Generate Budget/General Ledger/Revenue Accounts for New Year
11. Run out of Balance Report
12. Set up Accounts for New Year (both general fund and multi-year)
13. Update fiscal numbers
14. Transfer Forward Multi Year Grant Balances
15. Print 1099s

### **In January – Before Previous Year is Closed**

16. Budget Shakedown
17. Close Accounting Year
18. Depreciate Fixed Assets
19. Update Contra Accounts
20. Update Postage Chargeback Accounts

## **ASSET DISPOSITION**

### **OBJECTIVES**

- Ensure school system assets are properly valued and protected.
- Ensure cash, accounts receivable, and other asset accounts are reconciled.
- Ensure school system assets are protected against loss, misappropriation, or theft.
- Ensure inventory items are available when needed.
- Ensure inventory is necessary and reasonable.
- Ensure all capital assets and inventories are properly recorded.

### **GUIDELINES**

- District Accountant Director reconciles all bank and investment accounts monthly. The Chief Financial Officer reviews and approves.
- Bank accounts are appropriately collateralized.
- All bank accounts are in the school corporation's name.

The School Board believes that the efficient administration of the School Corporation requires the disposition of property and goods no longer necessary for the maintenance of the educational program or the operation of the Corporation.

- "Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.
- The Board shall direct the periodic review of all Corporation property and authorize the disposition by sale, donation, trade, or discarding of any property not required for school purposes in accordance with the provisions of this policy and Policy 7310 - Disposition of Surplus Property.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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- All written offers on real property under consideration for disposition shall be presented as an item on the agenda of a public School Board meeting. A preliminary review of offers to purchase or lease shall include: source of offer, date of offer, expiration date of offer, and intended use of property.
- All property considered for disposition (sale) shall be subjected to two (2) current, outside, professional appraisals prior to the solicitation of offers.
- In consideration of the best interest of the Corporation and of the residents and taxpayers, the Board reserves the right to reject any and all offers at its sole discretion, regardless of price and terms.
- Potential purchasers or lessees shall demonstrate financial capability to meet the terms and conditions of their purchase or lease offer.
- Potential purchasers shall demonstrate reasonable likelihood of obtaining necessary city/township approvals and/or compliance with city/township zoning ordinances.

Money derived from the sale, or exchange of property that is no longer needed for school purposes, shall be placed in any school fund established by law that the Administration considers appropriate.

### **LEASE OR SALE OF PROPERTY TO CHARTER SCHOOL**

Except as specified below, before the Board may dispose of real property previously used for instruction, the Board shall make available for lease or purchase to any charter school any school building owned by the Corporation or any other entity that is related in any way to, or created by, the Corporation or the Board, including but not limited to a building corporation, that either is not used in whole or in part for classroom instruction at the time the charter school seeks to lease the building or appears on the list compiled by the Indiana Department of Education (IDOE) of available properties described below in order for the charter school to conduct classroom instruction.

No later than August 1 each calendar year, the Board shall inform the IDOE if a school building that previously was used for classroom instruction is closed, unused, or unoccupied. The IDOE shall maintain a list of such closed, unused, or unoccupied school buildings and make the list available on its Internet website.

A school building that appears for the first time on IDOE's list shall be designated as "Unavailable until (a date two (2) years after the school building first appears on the list)" if the Board indicates to the IDOE, on a form prescribed by the IDOE, that the school building may be reclaimed during that period for classroom instruction.

If the Board does not indicate that a school building may be reclaimed, the Board shall designate the school building as "Available" on the IDOE's list. The Board may change the designation of a building from unavailable to available at any time. If a school building that is designated as unavailable on the IDOE's list remains unused for classroom instruction one (1) year after being reclaimed, the Board shall designate the school building as "Available" on the IDOE's list. The Board may reclaim a school building only one (1) time.

Within thirty (30) days after receiving notification from the IDOE that a charter school wishes to use a school building, the Board shall lease the school building to the charter school for one dollar (\$1.00) per year for as long as the charter school uses the school building for classroom instruction or for a term at the charter school's discretion, or sell the school building to the charter school for one dollar (\$1.00). The charter school must begin to use the school building for classroom instruction not later than two (2) years after acquiring the school building. If the school building is not used for classroom instruction within two (2) years after acquiring the school building, the school building shall be placed on the IDOE's list. If during the term of the lease the charter school closes or ceases using the school building for classroom instruction, the school building shall be placed on the IDOE's list.

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If a Corporation school building is sold to a charter school pursuant to this procedure, and the charter school or any entity related to the charter school subsequently sells or transfers the school building to a third party, the charter school or related entity must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the Corporation. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

During the term of a lease under this section, the charter school is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. The Corporation is responsible for any debt incurred for or liens that attached to the school building before the charter school leased the school building.

Notwithstanding anything to the contrary in this section, and with the sole exception of a waiver referenced below, when a school building is designated as "Available", the school building must remain designated as "Available" and may not be sold or otherwise disposed of for at least two (2) years. When the two (2) year period has elapsed, the Board may sell or otherwise dispose of the school building in accordance with I.C. 36-1-11.

The Board may request from the IDOE a waiver from the requirement to make a school building available to a charter school. In order for the Board to receive a waiver, the Board must apply to the IDOE for the waiver on a form prescribed by the IDOE. The application must include a statement that the Board believes that a charter school would not be interested in leasing or purchasing the vacant or unused school building.

A charter school may submit a written qualified objection to the Board's request for a waiver to the IDOE. In order to be considered a qualified objection, it must include:

- the name of the charter school that is interested in leasing or purchasing the vacant or unused school building; and
- a time frame, which may not exceed one (1) year from the date of the objection, in which the charter school intends to begin providing classroom instruction in the vacant or unused school building.

If the IDOE received a qualified objection, the school building will remain on the IDOE's list. If the IDOE does not, it will grant the waiver, and the Board may sell or otherwise dispose of the unused or vacant school building in accordance with I.C. 36-1-11.

### **DISPOSITION OF SURPLUS & OBSOLETE PROPERTY**

The School Board requires the Superintendent, or their delegated representative, to review the property of the School Corporation periodically and to dispose of that material and equipment which is no longer usable.

The Superintendent, or a delegated employee, is authorized to dispose of obsolete instructional and other property/assets by selling it to the highest bidder, an interested buyer, by donation to appropriate parties, or by proper waste disposal.

#### **Instructional Material**

The Corporation shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

- concepts or content that do not support the current goals of the curriculum,
- information that may not be current,
- worn beyond salvage.

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### Equipment

The Corporation shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program.

Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

- repair parts for the equipment no longer readily available,
- repair records indicate equipment has no usable life remaining,
- obsolete and no longer contributing to the educational program,
- some potential for sale at a school auction/other sale medium,
- creates a safety or environmental hazard.

### Textbook

The Corporation shall dispose of textbooks in accordance with the procedures prescribed by statutes.

The Corporation shall dispose of textbooks determined by Corporation officials to no longer be of use in the Corporation.

### Federal Funds Purchased Items

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the Corporation shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.

Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Except as provided in §200.312 federally-owned and exempt property, paragraph (b), or if the federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-federal entity or sold.

The federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the federal awarding agency may permit the non-federal entity to deduct and retain from the federal share \$500 or ten percent (10%) of the proceeds, whichever is less, for its selling and handling expenses.

The Corporation may transfer title to the property to the federal government or to an eligible third party provided that, in such cases, the Corporation shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

### Scrap Yard

- Material Identification
  - Designate a responsible staff member or team to assess materials eligible for scrapping.
  - Clearly define acceptable materials, considering factors like size, composition, and safety.
- Initial Assessment
  - Conduct an initial evaluation of the materials to determine if they meet the criteria for scrapping.

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- Document details such as type, quantity, and condition of materials.
- Safety Check
  - Ensure that materials designated for scrapping do not pose safety risks.
  - Identify and address any potential hazards associated with the handling or transportation of the materials.
- Environmental Considerations
  - Assess the environmental impact of scrapping the materials and ensure compliance with relevant regulations.
  - Consider recycling options for environmentally sensitive materials.
- Cost-Benefit Analysis
  - Conduct a cost-benefit analysis to evaluate the financial viability of scrapping the materials.
  - Consider transportation costs, potential revenue from scrapping, and any associated fees.
- Approval Process
  - Develop a formal approval process involving relevant stakeholders, such as department heads or facility managers.
  - Require a documented request outlining the materials, reasons for scrapping, and expected benefits.
- Approval Criteria
  - Establish clear criteria for approving materials for scrapping, including financial, safety, and environmental considerations.
    - Condition: Assess the overall condition of the material. If it is damaged, deteriorating, or beyond repair, it may be a candidate for scrapping.
    - Functionality: Evaluate whether the material serves its intended purpose. If it is obsolete, no longer needed, or has been replaced by more efficient alternatives, scrapping might be appropriate.
    - Cost of Repair: Compare the cost of repairing the material to its current value or the cost of obtaining a new one. If repair costs outweigh the benefits, scrapping may be a more economical option.
    - Safety: Prioritize safety considerations. If the material poses a safety risk due to damage or malfunction, it should be scrapped to prevent accidents or injuries.
    - Environmental Impact: Consider the environmental impact of scrapping the material. Choose environmentally responsible disposal methods and explore recycling options for materials that can be reused.
    - Technological Obsolescence: If the material is technologically outdated and cannot be upgraded or integrated with newer systems, it may be a candidate for scrapping.
    - Space and Storage: Evaluate the available storage space. If the material takes up valuable space without providing significant benefits, scrapping could be a practical solution.
    - Financial Viability: Conduct a cost-benefit analysis. Compare the potential revenue from scrapping to the costs associated with transporting, processing, and disposing of the material.
    - Regulatory Compliance: Ensure compliance with local, state, and federal regulations regarding the disposal of specific materials. Scrapping should adhere to environmental and waste management laws.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

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- Organizational Goals: Align scrapping decisions with organizational goals and strategic priorities. If scrapping supports efficiency, sustainability, or cost-effectiveness, it may be a suitable option.
- Consultation: Seek input from relevant stakeholders, including department heads, maintenance staff, and safety officers, to gather diverse perspectives on whether scrapping is warranted.
- Documentation: Maintain clear documentation of the decision-making process including assessments, approvals, and any relevant data. This documentation aids in accountability and future reference.
- By considering these criteria, organizations can make informed decisions about whether a material should be scrapped, ensuring efficiency, safety, and alignment with broader organizational objectives.
  - Ensure that the approval process aligns with organizational goals and policies.
- Approval Review
  - A designated review committee should assess and approve or deny requests based on the established criteria.
  - Document the decision and communicate it to the requester.
- Logistics and Transportation
  - Coordinate logistics for transporting approved materials to the scrap yard.
  - Ensure compliance with transportation regulations and obtain necessary permits.
- Documentation
  - Maintain detailed records of materials approved for scrapping, including quantities, dates, and approvals.
  - Use a centralized system to track the scrapping process for identification to completion.
- Revenue Allocation
  - Define a process for allocating any revenue generated from scrapping, ensuring transparency and adherence to financial policies.
- Continuous Improvement
  - Periodically review and assess the efficiency of the scrapping process.
  - Implement improvements based on feedback and changing organizational needs.

**For information on depreciating assets, see guidance under “Department of Finance Guidelines.”**

### **INVENTORY AND ASSET MANAGEMENT (CAPITAL ASSETS)**

Every corporation should have a capitalization policy that sets a dollar amount as a threshold to be used in determining which acquisitions should be included in the inventory of capital assets.

**34 CFR Subtitle A CFR § 80.32 Equipment** addresses the purchase, use, management, and inventory of capital assets purchased with federal funds.

- Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

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- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property.
- Any loss, damage, or theft shall be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the grantee or sub grantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

## FOOD SERVICES

### CASH HANDLING

#### Receiving Payments

- a. Cash Payments are collected by the Food Service employee using a Point of Sale (POS) system.

#### Daily Reconciliation

- a. The Kitchen Manager, or designated backup, reconciles all cash payments with the End of Day report generated from the POS system.
  - Any discrepancies between POS records and physical cash are immediately reported to the Dining Director verbally or in writing, and are investigated.

#### Bank Deposits

- a. Cash is stored in a locked cash box until it is sent to the bank. The Kitchen Manager seals the cash in a numbered, tamper-evident deposit bag and sends it with the driver for drop off at the designated bank.
- b. The Kitchen Manager retains a copy of the deposit slip and records the bag number for tracking.

#### Reporting and Reconciliation

- a. The Kitchen Manager forwards the End of Day report, plus a copy of the deposit slip, to the Fees Cashier at the Administration Building.
- b. The Fees Cashier reconciles the End of Day reports with the bank deposit reports for all school cafeterias in AS400/RDS and generates a tally receipt.
  - In case of discrepancies between the End of Day report and bank deposits, the Fees Cashier will inform the Food Service Supervisor and an investigation will be initiated.
- c. The tally receipts, Deposit slips, and End of Day reports are sent to the Food Service Supervisor in the Food Service Department for filing.
- d. Copies of bank deposit reports, deposit slips, and tally receipts are shared with the District Accountant Director for cross-verification.

#### Process

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Receive Cash	Food Service Employee	School / Department	Kitchen Manager (in next step)	Cash needs to be verified by 2 employees.
2	Prepare Bank Deposits - Daily	Kitchen Manager	School / Department	n/a	
3	Cash Box Supervision	Kitchen Manager	School / Department	n/a	Cash box must never be left unattended/unlocked.
4	Verify Bank Deposit Detail (before taking to bank)	Kitchen Manager	School / Department	2nd Food Services Employee	Both employees need to initial Deposit Slip
5	Take Deposit to Bank	Driver	School / Department	Bank Teller	Bank teller initials deposit slip confirming receipt.
6	Reporting & Reconciliation - End of Day Report	Kitchen Manager	School / Department	Fees Cashier	End of Day report, deposit slip reconciled
7	Reporting & Reconciliation - Receipts, Deposit Slips, End of Day Report	Kitchen Manager	School / Department	Food Service Dept	For review and Filing
6	Reporting & Reconciliation - Deposit Reports, Deposit Slips, Tally Receipts	Kitchen Manager	School / Department	District Accountant	Cross Verification

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### FOOD SERVICES DIRECT CERTIFICATION

1. Access CNPweb page to obtain the state's direct certification information for the month.
2. Direct Certifications are run by uploading the list into the Titan software system.
3. The system which will then match the applications against the students and create applications based on the direct certification.
4. A 3% to 5% of the total number of applications are randomly selected from the list from the State.
5. Applications pulled from the Titan Software and printed for secondary review.
6. Secondary Review is conducted by a second party to ensure that no errors were made during the verification process.
7. Notification Letters are then generated from the Titan system and sent out to the parents via email (if provided) or printed and sent out to a physical home address.

### CATERING – FOOD SERVICES DEPARTMENT

Departments and schools may utilize catering services through the SBCSC Food Services Department. The vendor for Food Services is Chartwells (as of December 2024).

The school/department is responsible for the cost of the catering services. It is the responsibly of the school/department to verify availability of approved funds prior to submitting a catering order.

Chartwells currently manages catering requests manually. Requests for catering should be initiated with the Food Services Administrative Assistant. Chartwells will provide a menu with food choices and a quote for the menu items chosen.

Once service is complete, the Food & Nutrition Administrative Assistant will distribute invoices from Chartwells. The Director of Food & Nutrition will follow up with departments/schools who are behind on payment. Once payment is received, the Fees Cashier will process the deposit.

Catering request management will soon move to Catertrax software. This software will streamline services and operations. It will manage catering requests, scheduling availability, and invoice creation.

## RECONCILIATION OF ACCOUNTS

### OBJECTIVES

- Ensure that all bank and investment accounts are recorded and reconciled.
- Ensure that change funds are secure and properly accounted.

### GUIDELINES

- Finance employee reconciles all bank and investment accounts monthly.
- Any funds not immediately deposited are placed in a locked safe for safe keeping.
- All accounts are accounted for in the accounting software.

### PROCESS

Monthly reconciliations need to take place. Detailed instructions are available based on our current finance software, AS400.

Brief overview of steps:

1. Print bank statements from Everwise FCU.
2. Print balances from financial software.



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- Prior month detail.
  - Detail of daily cash flow.
3. Investigate transfers as needed.
4. Print bank/fund transfers.
5. Prepare final report.
  - Monthly report.
  - Monthly bank statement.
  - Accounting balance.
  - Any other necessary documents to balance.
  - Preparer's signature.
  - Supervisor's signature.
6. Post transfers.
7. Post monthly fees.
8. Post interests.
9. View outstanding checks.
10. Clear outstanding Unified Athletics checks.
11. Reprint outstanding checks.

## Employee Compensation

### **BARGAINING UNIT EMPLOYEES**

Employee compensation for certified teachers, bus drivers, paraprofessionals, and other bargaining units are based upon the most recent contract negotiation. The approved contract will provide a pay scale for each job type. Human Resources will ensure that employees are being paid correctly based upon these contracts.

Contracts are negotiated on a regular basis (some are single year and some are multiyear). Base pay changes for bargaining unit members are done through board approved bargaining unit agreements.

### **NON-BARGAINING UNIT EMPLOYEES**

For non-bargaining unit employees, a supervisor (with approval from department head) may request a change in the pay rate/contract amount/base salary for employees on an hoc basis. Such requests can be submitted to HR & Finance through paper requisition forms, official memos or electronic requisition forms through the TalentED Applicant Tracker platform. Such requests will need to have division/department approval, HR approval and budgetary approval. Directorial level employees are eligible to be approvers. Depending on the effective date of the pay change, retroactive pays may be disbursed. See section below "Employee Position/Pay/Job Changes" for complete process.

For mass level changes in pay for a notable portion of the employee pool (at least 50 employees), the corporation will need to have an approved school board resolution to administer such changes. For mass level pay updates done through board resolutions or formal agreements, it is not necessary to create individual paper or electronic requisition forms. The resolution and/or agreement will provide supporting documentation for such updates. Start at Step 2 of "Employee Position/Pay/Job Changes" process to have these changes implemented.

### **GRANT-FUNDED POSITIONS**

Employees who are funded partially or fully by a grant may be in a temporary position or their pay may be temporarily higher than what it will be when the grant ends.

The Department Head needs to make it clear via the Offer Letter, or in other written format for current employees, the following:

- from which grant they are paid,

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- when the grant ends,
- what will happen to their position after the grant ends,
- what their pay will be after the grant ends,
- any other pertinent information that will impact their position or pay upon the ending of the grant.

The employee needs to sign the offer letter or document stating these details. A copy should be retained by the employee and HR.

### EMPLOYEE STIPENDS

Departments/schools may decide to pay stipends to their employees for various reasons. Stipends need to be administered by Payroll in the Financial Services department.

Payroll will not administer the stipends without proper approvals. Approvals will need to be from the department head/principal/authorized signatory.

Due to budgetary and financial reasons, the CFO or District Accountant Director of the district has the authority to approve or deny any stipend requests.

Stipend approvals can be documented through signed official memos, ensuring retention of evidence for applicable approvals.

Certified stipends might be negotiated through the bargaining process. In those cases, there can be mass stipend disbursements to a sizeable portion of the bargaining unit members at the same time. The copy of the bargaining unit agreement, along with other relevant communication and documentation, should be retained for such stipend disbursements.

### Stipend Process

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Create Memo to Request Stipends	Supervisor/Department Head	School/Department	Department Head	Memo needs to identify: employee name, employee ID number, amount of adjustment, effective date, retroactive pay amount (if applicable), required signatures
2	Department Head Approval	Supervisor/Department Head	School/Department	Department Head	If memo not created by Department Head, obtain his/her signature
3	Finance Department Approval	Supervisor/Department Head	School/Department	Treasurer, Deputy Treasurer	
4	Input Payroll Into Stipend Tracker in Financial Software	Supervisor/Department Head	School/Department	Payroll	
5	Process Stipends	Payroll	Central	Payroll Supervisor	

### TRAVEL/MILEAGE CLAIMS

Employees are eligible to submit for travel and mileage claims subject to prior approval from supervisor and approval from Finance. Supporting documents, original receipts/invoices must be submitted with all claims. Submitter should first make a copy of the receipts/invoices in case of inner office mail issue.

The most recent Travel Claim Reimbursement form is available under the forms section of the South Bend Community School Corporation website.

#### Limitations

All travel claims must be within maximum allowed rates as defined by the [U.S. General Services Administration](#). When planning meals and lodging, refer to the most recent per diem table. Mileage rates can be found on the [Internal Revenue Service's website](#).

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### Permission to Travel

An approved "Request for Permission to Travel Form" is required for all official South Bend Community School Corporation travel. Permission must be obtained PRIOR to the travel event. The form should include:

- **Purpose:** The Travel Claim Form is to seek reimbursement for travel expenses incurred while attending to official SBCSC business. Reimbursement in certain instances may be limited by contractual restrictions found in some grants, availability of funds, or by principals or department directors. This form should be completed as soon as possible and submitted to the department head for approval, and the department administrative assistant will then forward it to the Accounts Payable department for processing.
- **Heading:** All applicable sections must be completed to be processed. Receipts MUST be included that detail the item/services purchased and the payment method used. Receipts must be the original, itemized copy; photocopies will not be accepted.
  - Make copies of all documents prior to forwarding.
  - Do not include expenses or receipts for transactions paid using an SBCSC P-Card.
- **Registration:** Registration fees will be reimbursed if receipts are provided. Personal memberships will not be reimbursed, even if they are a part of the registration fee.
- **Conferences:** If travel was to a conference, the conference agenda, itinerary, or schedule must be included.
- **Meals:** Breakfast will be reimbursed when travel is required to begin before 6:30 am. Dinner will be allowed when the return time of travel is after 6:30 pm.
  - There will be no reimbursement for alcoholic beverages or room service charges.
  - For meals, include the business-related purpose and persons attending in the description box as noted on the travel claim form.
  - Tips on meals may not exceed 20%.
- **Mileage:** Mileage will be reimbursed at the approved IRS rate. The rate in 2024 is \$0.67 per mile. If extra mileage is claimed, provide a detailed explanation as to why.
  - A printed map is required showing mileage from work location to destination.
- **Lodging:** Only room, tax, and telephone instrument charges are reimbursable for lodging expenses.
  - Only the single room rate is reimbursable when an employee shares a room with a spouse or non-SBCSC person.

All travel reimbursements must have receipts. If you don't have a receipt, then you may be personally responsible for the cost.

If an employee doesn't have funds available to purchase/travel under the reimbursement process, and grant funds are not yet available, the CFO may approve, on a case-by-case basis, to pay the travel costs from another fund in advance of grant fund receipts. Once the grant is approved, the expenditures will need to be repaid.

### OTHER REIMBURSEMENTS TO EMPLOYEES

Employees may be reimbursed for other expenditures not outlined above. Employee will need prior written approval for the expenditure from their supervisor/department head. The employee will also need prior approval from Finance/Budget (at a directorial level employee) prior to the expenditure.

The employee may not receive reimbursement if satisfactory proof of expenditure is not provided. Proof may consist of original detailed receipt, itinerary, ticket stub, etc. Finance will determine the validity of the documentations on a case-by-case basis. If approved by all, the employee will be paid by check or ACH bank transfer.

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### CLASS COVERAGE

#### Class Coverage for Certified Staff

Teachers performing the ancillary duty of covering another teacher's class will be compensated at 1/1000 of the existing bachelor minimum salary if such assignment is corporation induced and one hour or less.

Coverage for classes longer than one hour will be paid a proration of the existing bachelor minimum salary based on the total minutes of the class covered. (e.g.) 84 minutes $\div$ 60=1.4, so pay will be 1/1000 of Bachelor minimum x 1.4).

Coverage for advisory period will be paid at a flat rate of \$21.50.

For informational purposes, the Corporation's current practice is to seek teacher volunteers for the ancillary duty of covering another teacher's class and assign a teacher to class coverage when no volunteers accept the duty.

#### Class Coverage for Paraprofessionals

A Paraprofessional is defined as anyone under class 73 special education paraprofessional or In School Suspension.

#### Class Coverage for other Classified Staff

- Class coverage may be paid at time and a half for any classified employee.
- The number of hours for class coverage is deducted from the total hours worked and then paid at time and a half.
- If class coverage is submitted from a previous pay period, it will be paid at half time.

#### Order of Selection for Class Coverage

- Teacher
- Paras – provided it would not disrupt Title I or Special Education services
- Classroom Instructional Assistants
- Bilingual Aides

#### General Class Coverage Guidelines

A fair rotation should be followed when requesting or assigning class coverage. The same teacher or classified employee should not always be given the first opportunity. Just the same, the same teacher or classified employee should not be assigned class coverage every time.

Middle Schools that have 2 plans can assign class coverage during the team plan time; however, the teacher will not be responsible for that day's material since they cannot be in the team meeting. Team time is a duty time and is not paid class coverage unless the teacher has to make lesson plans for the period.

If a teacher is making lesson plans for a class and grading for that class they are only paid for 1 hour of each for a total of 2 hours of class coverage. For classes with multiple subjects (MS/HS) the hour is paid for each different subject, but not the same subject.

A teacher that is reassigned to cover a class would not be paid class coverage for the day. They would not be responsible for duties of their regular job while being reassigned. Examples would be Counselor or Intervention Teacher.

Plan times, missed lunches, and an assigned extra class are all areas where class coverage is paid. Having multiple classes in a classroom does not double or triple class coverage.

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### Class Coverage Forms

Class Coverage forms must be filled out in their entirety in order to be processed. This requires the signature of the absent teacher, signature of the covering employee, signature of the principal. If a teacher is out on FMLA - the principal should sign on behalf of the teacher on leave.

Payroll will NOT cut special checks for class coverage that was not submitted on time for the pay period. If received past the cut off it will be processed on the next regular payroll.

If your building DOES NOT have an advisory period, this area should not be completed, advisory is paid at 30 minutes total.

*A maximum of 6 hours per day/per class will be paid.*

If a building is on block scheduling they are paid the total minutes per class period. Example: Dickinson has 90-minute blocks so the maximum would be 4 blocks or 6 hrs. Jackson has 45-minute periods so the maximum would be 8 periods or 6 hrs.

### PAID HOLIDAY SCHEDULE

Full-time employees, who have completed their probationary period at the time of recognized holidays, shall receive pay for their regularly scheduled work hours, at their straight time rate, for the below recognized holidays (regardless of the day of the week on which they fall) and provided that such employees work the regularly scheduled hours on the last scheduled work day immediately prior to the holiday and the regularly scheduled hours on the first scheduled work day immediately after the holiday.

Employees will be considered to have met these requirements in the following situations:

- Employees who have worked any hours during the week on which the holiday falls and who are laid off during said week.
- Employees who have worked any hours during the week in which the holiday falls, but who are unable to fulfill the requirements listed above as the result of an occupational accident (of the type covered by Worker's Compensation).
- Employees who are unable to work the regularly scheduled hours on the last scheduled work day prior to the holiday and on the first scheduled workday after the holiday, shall be entitled to receive holiday pay if the reason for failure to work the required hours results from an emergency situation or excused absence and the employee produces a written excuse from a doctor.

### Recognized Holidays

#### 12 Month Employees

1--New Year's Day  
1--Martin Luther King Day  
1--President's Day  
1—Spring Holiday/Good Friday  
1--Memorial Day  
1—Juneteenth  
1--Independence Day  
1--Labor Day  
1--Thanksgiving Day  
1—Day After Thanksgiving

#### 10/10.5/11 Month Employees

1--New Year's Day  
1--Martin Luther King Day  
1--President's Day  
1—Spring Holiday/Good Friday  
1--Memorial Day  
1—Juneteenth  
1--Labor Day  
1--Thanksgiving Day  
1--Day After Thanksgiving  
1—Christmas Eve Day

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1--Christmas Eve Day  
1--Christmas Day  
1--New Year's Eve Day

1--Christmas Day  
1--New Year's Eve Day

Holidays shall be recognized in accordance with the official school calendar and may vary from one year to the next.

Should a holiday fall within an employee's approved vacation period, the employee shall be paid the employee's regular straight time rate for such holiday. The day of the holiday will not be charged to the employee's vacation time.

Unexpected school closure on the last scheduled workday prior to a holiday, or the first scheduled workday immediately following a holiday, will not affect an employee's eligibility for holiday pay; provided that the Employee had planned to work the day school was unexpectedly closed.

## Grant Guidelines & Procedures

### OBJECTIVES

- Ensure that all grant requirements are met.
- Ensure that all grant transactions are properly recorded.
- Ensure that matching funds are available and approved.
- Ensure that grant expenditures are in line with approved activities and expenditures of the grant.

### GUIDELINES

- Every Fiscal Officer must notify the Director of Federal Grants when thinking of applying for a grant.
  - The Director of Federal Grants will determine if the district should apply for the grant.
  - The Director of Federal Grants will determine if the "grant" is in fact a grant or if it should be a Gift fund.
- Every Fiscal Officer must notify the Director of Federal Grants when a grant application is submitted and awarded.
- All grant applications must be approved by the Superintendent, and all grants with matching requirements must be approved by the Board of Trustees prior to submission of the application.
- Once officially awarded, a detailed budget is prepared outlining the grant, and expenses may post against the grant.
  - The need to spend from a grant prior to the official approval may occur. If, and only if, there is a high likelihood that the grant will be approved (long standing grants like Title I, Title IV, etc.), the CFO or Superintendent may give approval (on a case-by-case basis) for an expense prior to the official approval notice. Expenses shall not be incurred prior to this approval.
    - Note: Salaries and benefits from one fiscal year to the next won't need individual approval.
- Grant management responsibilities are assigned to an appropriate employee within the receiving department/school for every grant (known as the Fiscal Officer).
- Every Fiscal Officer must notify the Director of Federal Grants when a grant amendment is submitted and when it is awarded.
- Grant Award Notifications (grant approvals) need to be received *before* any funds for that grant will be expended.
  - Recognizing that there can be a delay between when a grant year ends and the new year is approved, the CFO will need to approve expenses on an ad hoc basis (this includes salaries or other expenditures) for grants we are expected to receive.
  - In the event that the CFO has approved advanced salary and benefits spending, the Director of Federal Grants will need to create the salary and benefits lines for the new fiscal year.
    - All other expenditures will need to wait until the grant is active; unless permissible by CFO.

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- Grant amendments must be approved before updating the budget to reflect the amended amounts to allow modified expenditures.
- Fiscal Officers need to manage and supervise grant budgets and expenditures to make sure they are in line with the approved purpose of each individual grant.
- The Fiscal Officer is responsible for identifying which grant(s), and specific fund lines, an employee is to be paid from and where to post expenditures.
  - If the Fiscal Officer has a question about how to identify the appropriate fund line, reach out to the Director of Federal Grants, or Director of Internal Audits for assistance.
- Grant funds and expenditure lines should not be overspent. Example, one should not spend more on instructional supplies than is approved by the grant under that Fund, Index, & Cost Center combination.
  - If a Fiscal Officer or Grant Administrator needs to overspend a fund line, first obtain permission from the Director of Federal Grants, or the CFO, or the District Accountant Director. This may be granted on a case-by-case basis.
- Employees funded through a grant, whether wholly or partially, need to be told in advance, and *in writing*:
  - When the grant ends
  - If the position will end when the grant ends
  - Additional salary to be paid while grant is active
  - Whether the additional salary is temporary or permanent (i.e. will continue to be paid the higher rate after the grant ends)

### State and Federal Programs

The Director of Federal Grants will oversee all grants, including state grants, and reimbursable funds for the Corporation – starting at fund 299-9.

Expenditures must follow the grant guidelines as listed on the Grant Award Notification or as identified in Memorandum of Understanding.

The Fiscal Officer is responsible for ensuring reporting requirements, amendments, and deadlines are followed.

The Director of Federal Grants will verify if the grant is reimbursable after expenses incurred or if the grant is payable in advance via cash request - by the submission of the proper request form.

As with all grants, follow the five (5) internal controls cited in the [Uniform Internal Controls Standards for Indiana Political Subdivisions](#).

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### GRANT PROCESS

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Employees Seek out & Apply for Grants	Department Lead/Fiscal Officers	Schools/Departments	Peers	
2	Application is Shared with Central Office	Department Lead/Fiscal Officers	Schools/Departments	Director of Federal Grants	
3	Documents saved to Central File	Director of Federal Grants	Central	n/a	
4	Approval/Denial is Shared with Central Office	Department Lead/Fiscal Officers	Schools/Departments	Director of Federal Grants	
5	Approval Paperwork is Used to Create Budget Breakdown	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Department lead will review the grant is set up as intended.
6	Budget is Added to Software with Start & End Date Parameters	Director of Federal Grants	Central	Director of Internal Audits	Separate Process Detailed Below
7	Original Budget is Shared with Department Lead/Fiscal Officer	Department Lead/Fiscal Officers	Central	Department Lead/Fiscal Officers	
8	Copies of All Documents Added to Central File	Director of Federal Grants	Central	n/a	
9	Review Personnel to be Paid from Grant	Manager of Analytics	Central	Human Resources	Personnel Requisition Process
10	Add Approved Personnel to Grant	Manager of Analytics	Central	Human Resources	Personnel Requisition Process
11	Create Purchases (using AP Process)	Department Lead/Fiscal Officers	Schools/Departments	AP Process	
12	Create Reimbursements - Monthly (or as allowed)	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	Separate Process Detailed Below
13	Monitor Grant Spending and Deadlines	Department Lead/Fiscal Officers	Schools/Departments	Director of Federal Grants	Includes Information on: Grant Approval, Amendments, Reimbursements, Expended Funds, Remaining Funds, Etc.
14	Maintain Grant Master Spreadsheet	Director of Federal Grants	Central	Finance Department	
15	Apply for Amendments (as needed)	Department Lead/Fiscal Officers	Schools/Departments	Director of Federal Grants	
16	Process Approved Amendments	Director of Federal Grants	Central	Department Lead/Fiscal Officers	
17	Process Transfer Requests	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Verify ability to transfer funds
18	Retain Copies of all Grant Documents	Director of Federal Grants	Central	n/a	
19	Audit Grants Quarterly	Director of Federal Grants	Central	n/a	Share any discrepancies with department leads & collaborate to resolve.
20	Audit Grant Expenditures - Random	Director of Internal Audits	Central	n/a	
21	Close Grants at Expiry	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Separate Process Detailed Below



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### GRANT BUDGET SET UP

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Obtain Approval Paperwork from Department	Director of Federal Grants	Central	Department Lead/Fiscal Officers	
2	Create Spreadsheet for Budget Breakdown Using SBOA Approved Index / Object Codes	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	
3	Create New Electronic Folder & Paper Folder (if applicable)	Director of Federal Grants	Central	n/a	All documents / paperwork stored here.
4	Share Proposed Budget Breakdown with Department Lead for Approval	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Make necessary modifications.
5	Add New Fund Codes to Software (as needed)	Director of Federal Grants	Central	Director of Internal Audits	
6	Add Approved Budget Breakdown to Software	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	
7	Input Grant End, Encumber, Final Dates in Software	Director of Federal Grants	Central	n/a	
8	Add Grant Information to Grant Master Spreadsheet	Director of Federal Grants	Central	n/a	
9	Share Original Budget/Amendment Budget Summary with Department Lead	Director of Federal Grants	Central	Department Lead/Fiscal Officers	

### TRANSFERS

Periodically, a Fiscal Officer may need to request a transfer between budget lines. The Fiscal Officer should try to plan this out in advance and try to limit transfer requests to months of August and January. Transfer requests need to be made 30+ days before a grant is due to close.

Most grants only allow for the transfer of funds between fund lines with the same index number and the same cost center. To transfer outside of these numbers, the Fiscal Officer will need to share the approval to do those types of transfers with the Director of Federal Grants.

Once a list of transfers has been sent to the Director of Federal Grants, those transfers should be completed in an organized/timely manner. Once complete, the Director of Federal Grants will share an updated budget summary showing those transfers are complete.

### AMENDMENTS

Fiscal Officers will keep track of expenditures and remaining budgets of every grant that they are responsible to manage. Part of their responsibilities include applying for amendments as needed.

When the Fiscal Officer determines an amendment is needed:

- let the Director of Federal Grants know that they are going to complete an amendment request,
- provide a copy of the amendment request to the Director of Federal Grants,
- share approval/denial email or paperwork,
- if amendment was approved,
  - Director of Federal grants will complete the budget changes,
  - Director of Federal Grants will email an updated budget summary to the Fiscal Officer,
  - paperwork will be filed in the grant’s paper and electronic files.

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### GRANT REIMBURSEMENTS

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Use Grant Master to Identify Grants Needing Reimbursement	Director of Federal Grants	Central	n/a	This should be done monthly or as allowed.
2	Pull Budget Summary and Detail Reports from Software	Director of Federal Grants	Central	n/a	Only pull budget summary/transactions through the most recent closed month. Example: you might pull transactions from 01/01/24-08/31/24 in October because September hasn't closed yet.
3	Identify New Transactions to Request for Reimbursement	Director of Federal Grants	Central	n/a	Use last reimbursement to know which transactions are new.
4	Separate Transactions by Index / Object Codes (as identified in each grant)	Director of Federal Grants	Central	n/a	Use most recent reimbursement form to know how to separate out transactions by index/object.
5	Clarify Any Transactions of Question with Department Lead/Fiscal Officer	Director of Federal Grants	Central	Department Lead/Fiscal Officer	Make any corrections as needed.
6	Use Appropriate Reimbursement Format to Fill in Category Totals for Reimbursement Time Period	Director of Federal Grants	Central	n/a	
7	Create PDFs of: Budget Summary, Detail Report (filtered for only transactions you are requesting), Reimbursement Form	Director of Federal Grants	Central	n/a	Combine into 1 PDF "Reimbursement Packet"
8	Pull Supporting Documents (if required by grant) and Add to Reimbursement Packet	Director of Federal Grants	Central	Accounts Payable	
9	Sign Combined Reimbursement Packet and Send for Review, Approval, & Signature	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	
10	Submit Reviewed & Signed Reimbursement	Director of Federal Grants	Central	n/a	
11	Create Accounts Receivable in Software	Director of Federal Grants	Central	n/a	
12	Share Receivable, Reimbursement Information with Fees Cashier	Director of Federal Grants	Central	Fees Cashier	
13	Update Grant Master Spreadsheet with Reimbursement Information	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	
14	Create Indirect Cost Invoice (as applicable)	Director of Federal Grants	Central	Accounts Payable	
15	Receipt Deposits Appropriately	Fees Cashier	Central	Director of Federal Grants, Director of Internal Audits, Chief Financial Officer, Deputy Treasurer	

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### GRANT CLOSING

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Use Grant Master to Monitor Grants Closing	Director of Federal Grants	Central	n/a	
2	Send Notices to Department Leads/Fiscal Officers of Upcoming End Dates	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Provide Budget Summary & Detail Report to Program Leads (as requested)
3	Send List of Open Purchase Orders for Review 2 Months Before Grant Ends	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Work together to close out POs no longer needed, receipt items, etc. in preparation for close.
4	Place Individual Grant Lines on Hold Day After Grant Closes	Director of Federal Grants	Central	n/a	
5	Monitor Spend Down	Director of Federal Grants	Central	Chief Financial Officer	
6	Provide Budget Summary & Detail Report to Program Leads (as requested)	Director of Federal Grants	Central	n/a	
7	After Final Reimbursement, Close Grant Lines	Director of Federal Grants	Central	n/a	
8	Create "Shakedown" for Grant	Director of Federal Grants	Central	Department Lead/Fiscal Officers	Shakedown process is final movement of funds within index codes to balance out object codes.
9	Zero Out Grant Balance Lines	Director of Federal Grants	Central	Director of Internal Audits	No balances to remain for closed grants.
10	Permanently Close Account Lines	Director of Federal Grants	Central	n/a	
11	Update Grant Master Spreadsheet to Reflect Closure	Director of Federal Grants	Central	Director of Internal Audits, or Chief Financial Officer, or Deputy Treasurer	

### INDIRECT COST RATES

The Indiana Department of Education determines the indirect cost rates for each corporation. The Corporation must apply to use Indirect Costs every year – in the summer time. Corporations are notified yearly when the application process begins.

Indirect costs are classified as Restricted and Unrestricted. The restricted rate is used for most awards and must be approved through the budget process. Unrestricted rates are allowable in limited circumstances.

### GENERAL ADMINISTRATIVE RESPONSIBILITIES

Collaboration among the grant writer/administrator and business office personnel is essential and ongoing communication is key to ensure the grant is executed as written. All will have responsibilities for some internal control processes.

#### Grant Administrator (a.k.a. Department Head/Fiscal Officer)

- Responsible for carrying out grant activities according to the approved grant.
- Executes applications.
- Communicates with awarding agency.
- Approves all purchases.
- Executes budget amendments.
- Completes narrative for required reports.
- Monitors compliance with approved grant activities.
- Communicates with Director of Federal Grants.

# SOUTH BEND COMMUNITY SCHOOL CORPORATION

## INTERNAL CONTROLS MANUAL

### Director of Federal Grants

- Responsible for the grant fiscal activity.
- Maintains an award file for each grant.
- Approves grant and creates budget.
- Sets start and end dates in software.
- Creates fiscal reports.
- Communicate grant administrators.
- Meets with grant administrator on a regular basis.
- Monitors grant timelines, expenditures.
- Creates salary & benefits projections.
- Requests timely reimbursements.
- Prepares for fiscal audit (SEFA).
- Prepares and processes the closing of grants.

### **FUNDS CARRYOVER**

Most grants require all federal awards are spent by the grant expiration date or the funds are lost. Some grants allow for unspent funds to be carried over to the next year. In order for the Director of Federal Grants to add these monies to the new grant fund year, the Fiscal Officer will need to provide written proof of approval for carryover.

### **RECORD KEEPING**

It is important to keep all documentation relating to grants. Keep grant folders in the office until the audit of the grant is completed. Follow the Indiana Records Commission timeline for retention and destruction of records.

### **DOCUMENTING TIME AND EFFORT**

Staff whose salary/benefits are paid by federal funds must document their time. There are two methods of recordkeeping:

1. Semi-Annual certification – This form is completed when a staff member is paid 100% from a single cost objective with federal funds. The form must be completed twice a year and states that the staff member was paid entirely with federal funds.
2. Personal Activity Report (PAR) – This form is completed when a staff member is paid from more than one funding source, including federal funds. The staff member must complete a monthly report documenting the percentage of time spent on each funding source.
  - a. Example 1- A teacher is paid 100% from Title I instruction category. The teacher will complete a Semi-Annual certification form.
  - b. Example 2 - A teacher is paid 50% from federal funds and 50% from general fund OR a teacher is paid from federal funds with split cost objectives (50% Title I instruction and 50% Title I Improvement of Instruction). The teacher will complete the Personal Activity report documenting their daily time worked split between the 2 cost objectives.

The employee and the grant administrator must sign the report. The reports are kept for audit.

## **Human Resources – Personnel Management**

### **NEW EMPLOYEE HIRE**

The Corporation has a plethora of job types and hiring is a continuous process. Based on staffing needs, timing, and available candidates, management has the discretion to make decisions regarding the hiring process and methodology. Jobs may or may not be posted on the district’s website or other media platforms in order to receive formal applications from candidates.

Management has the discretion to conduct formal or informal interviews with the candidates. The methodology, hiring rubric, interview questions, or interview necessity, etc. are also at the discretion of management, based on the above-mentioned factors.

All hires will be processed in the Corporation’s centralized application software (currently TalentEd Applicant Tracker). All candidates must apply in the system to be hired - including internal transfers.

### **HIRING STEPS – NONCERTIFIED & CERTIFIED**

1. Create Requisition in Talent Ed (Building Admin, HR Rep or Dept Head)
  - a. Including:
    - i. principal/supervisor contact information,
    - ii. compensation range, salary, hourly rate,
    - iii. funding source (indicate which grant or fund to be paid from),
    - iv. name of the previous employee in that position (i.e. who this person is being hired to replace) or indicate if it’s a brand-new position,
      1. NOTE: most positions are replacing someone, so be sure to fill in the previous employee’s name!
2. Approval process, based on workflow (can differ based on type of position – 39 unique workflows)
  - a. General Certified Workflow
    - i. HR Director over certified staff
    - ii. Budget User (appointed Budget/Finance user)
    - iii. Posting User (appointed HR user to verify all information is entered)
  - b. General Non-Certified Workflow
    - i. HR Director over non-certified staff
    - ii. Budget User (appointed Budget/Finance user)
    - iii. Posting User (appointed HR user to verify all information is entered)
3. Submit candidate for hire in Application Manager (Building Admin, HR Rep or Dept Head)
4. Approval process, based on workflow (can differ based on type of position)
  - a. Food Services/Lunch Aides Workflow
    - i. Director of Food Services – initial approval
    - ii. Budget User (appointed Budget/Finance user) – checks position control and enters fund codes
    - iii. HR Director over non-certified staff
    - iv. HR Onboarding Staff – fills in requisition information (supervisor, funding source, verifies location), enters salary information, sends offer letter, creates records entry, initiates onboarding checklist generation,
    - v. Posting User (appointed HR user to verify all information is entered) – verifies information in filled in.
  - b. Non/Cert Workflow
    - i. HR Director over non-certified staff

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- ii. Budget User (appointed Budget/Finance user)
- iii. HR Non-Cert Onboarding Staff
- iv. Posting User (appointed HR user to verify all information is entered)
- c. Athletics Workflow
  - i. Director of Athletics
  - ii. Budget User (appointed Budget/Finance user)
  - iii. HR Director over non-certified staff
  - iv. HR Onboarding Staff
  - v. Posting User (appointed HR user to verify all information is entered)

### HIRING STEPS - CERTIFIED

1. When submitting a requisition to hire a candidate, go to the application of prospective employee.
2. Click on the blue folder (towards the top of the page near their name), then click the “Begin Hire” button.
3. Complete all the information on the requisition,
  1. Including:
    - principal/supervisor contact information,
    - compensation salary or hourly rate\*,
    - funding source (indicate which grant or fund to be paid from),
    - name of the previous employee in that position (i.e. who this person is being hired to replace) or indicate if it’s a brand-new position,
      - NOTE: most positions are replacing someone, so be sure to fill in the previous employee’s name!
4. Select “Certified Workflow” so it will go to the right person in HR to complete the next steps.
5. Once the candidate is in the HR Department’s queue, they will look at resume to determine the salary – based upon education level & years of experience.
6. HR will create the offer letter and send to the candidate.
7. After the offer is accepted, the personnel requisition will move to the Finance Department to review and provide funding code and position control information (if vacant position exists).
8. After Finance approves, the requisition goes to the Talent Acquisition Specialist in HR to double check all information and approve if correct.
9. The requisition then goes back to the posting user for final review and approval.
10. After the posting user completes the final approval, the candidate will be sent the hire checklist that contains all the new hire paperwork.
  - **All documents and a full background check need to be completed before the candidate can be fully processed and start working.**
    - Background checks must take place for current or previous applicants if it has been 5 years or more since their last background check, or if the Corporation has reason to believe the employee or applicant has committed one of the offenses outlined in IC 20-28-5-8(c), or is the subject of a substantiated report of child abuse or neglect. IC 20-26-5-10(j)
11. Once all tasks and background have been completed (and passed), the employee will receive a clear to start email from HR.
12. HR will coordinate getting the person on board docs for School Board approval.
13. HR will add employee to the spreadsheet for laptop pick up.

\*Compensation for certified teachers is not needed unless the candidate is being paid an amount other than a standard teacher contract.

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### EXTENDED CONTRACTS AND EXTRA DUTIES - CERTIFIED

1. Hiring Supervisor will create a personnel requisition to add duties to current employee.
  - Include: Date, Position Title/Description, Department, Supervisor Name, Location, Start Date, Name, Employee #, Address, Phone Number, Other Special Instructions (use this to describe in more detail the position if needed).
2. Hiring Supervisor will send to Division Head for review and approval.
3. Division Head will send to Finance Department for review and approval. Finance will fill in fund code and position control number (when applicable).
4. Finance will send to Human Resources for review, approval, and processing.

### CANDIDATE DOCUMENTATION – NONCERTIFIED & CERTIFIED

This is the standard onboarding checklist sent to all candidates in the process of being hired. Required steps are:

1. Complete background check (covered below in the ‘background check process’ section)
  - a. **All documents and a full background check need to be completed before the candidate can be fully processed and start working.**
    - i. Background checks must take place for current or previous applicants if it has been 5 years or more since their last background check, or if the Corporation has reason to believe the employee or applicant has committed one of the offenses outlined in IC 20-28-5-8(c), or is the subject of a substantiated report of child abuse or neglect. IC 20-26-5-10(j)
2. Complete General Employee Information form (EEO form)
3. Complete Federal I-9 form
4. Upload I-9 supporting documents
  - a. HR will verify supporting documentation
  - b. HR will enter the information into E-Verify database
5. Complete the W-4 Form (Federal tax withholding)
6. Complete state tax form
  - a. WH-4 form – for Indiana residents
  - b. MI-W4 form – for Michigan residents
7. Complete the Policy Review acknowledgement
8. Complete the Acceptable Use Policy & Disclaimer form

These tasks are completed by the candidate and checked by the Human Resources Onboarding team member.

Once cleared by Human Resources, the data is checked by records and a ‘Clear to Start’ email is generated.

### BACKGROUND CHECK PROCESS – NONCERTIFIED & CERTIFIED

Background checks must take place for current or previous applicants if it has been 5 years or more since their last background check, or if the Corporation has reason to believe the employee or applicant has committed one of the qualifying offenses, or is the subject of a substantiated report of child abuse or neglect. Qualifying offenses are outlined in IC 20-28-5-8(c) and IC 20-26-5-10(j).

#### Process

- Offer letter and onboarding checklist are sent to candidate via automated email.
- Onboarding checklist contains Background Check links.
- Candidate navigates to Safe Hiring Solutions website.
  - a. Candidate fills in all necessary registration data on the Safe Hiring Solutions website.
- After candidate completes first step, they will receive two emails from Safe Hiring Solutions within 48 hours.

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- a. The first link will take the candidate to the Safe Hiring Solutions background check page.
- b. The second link will be the password needed to access the site.
- The candidate will complete the Safe Hiring Solutions portion of the background check. This includes entering personal information and addresses.
- After candidate completes the information portion on the SHS website, they will receive two emails from Kid Tracks/Indiana DCS within 48 hours.
  - a. The first link will take you to the Indiana DCS background check.
  - b. The second link will be the password needed to access the site.
- Candidate will complete the DCS portion of the background check.
- Once the Safe Hiring Solutions and DCS portions are completed, HR will receive the results, typically within 2 weeks.
  - a. Candidate is not cleared to start until all onboarding paperwork is complete and background checks have cleared. See section below on background check offense guidance.
  - b. HR receives background check final report from Safe Hiring Solutions
  - c. HR evaluates based on Indiana Code
  - d. If candidate fails, get approval from HR Director to send certified letter to applicant
    - i. Criminal fail:
      1. rejection letter
      2. give two weeks for candidate to dispute findings
    - ii. DCS fail:
      1. letter requesting report from DCS
      2. if report is substantiated,
        - a. cannot hire, &
        - b. inform building administrator.
      3. if report is unsubstantiated, the applicant can be hired.
    - iii. if no reply from certified letter:
      1. wait two weeks (same reasons as above) from the date that the letter was sent
      2. inform building administrator that the individual is not hireable

### Background Check Employment Disqualifications / License Revocation

SBCSC utilizes Indiana State Codes for guidance on allowable offenses and disqualifying offenses for employment and/or licensure.

These statutes include (but are not limited to):

- [IC 20-26-5-11.2](#) “Prohibited employment of or contracting with certain individuals; approval of employment or contract as a separate special agenda item”
- [IC 20-26-5-11.5](#) “Disclosure of Substantiated Reports of Abuse or Neglect; Employment Reference Requests and Disclosure of Certain Incidents Known by a School”
- [IC 20-28-5-8](#) “License Revocation for a Person Convicted of Certain Offenses”
- [IC 20-28-5-8.5](#) “Reinstatement of Revoked License”

### ONBOARDING – DATA ENTRY

Once a candidate has been cleared to start, SBCSC Records staff enters the following into personnel management database (currently in AS400):

1. Candidate personal details
2. Experience
3. Education data
4. Certificates/Licenses



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5. Position information
6. Work location
7. Pay location
8. Pay rate
9. Budget/Accounting information
10. Cost center

HR will also enter the employee’s name and title into the Standards for Success database.

After this information is inputted, it is checked by the senior Records Department staff member and the candidate will be ready to start.

**For the safety of our students and staff, no applicant (employee or coach) can start working until the background check is complete and the candidate has fully moved through onboarding process and HR gives the clear to start.**

**Failure to follow the full hiring process may result in loss of wages and/or termination of the new employee as well as disciplinary action, up to and including termination, of the supervisor/hiring employee.**

### EMPLOYEE POSITION/PAY/JOB CHANGES

Throughout the year, current employees may need to change their job title, pay, fund lines, or update their job locations. Their supervisor will need to generate the update via the Corporation’s centralized application software (currently TalentEd Applicant Tracker) or on paper Personnel Requisition (if the process isn’t yet built in the software).

For current employees, additional background checks, or other regular procedures for first-time hires, are not usually required.

All hires for full-time, permanent positions, will need to go before the Board for approval (even if being filled by an existing employee through internal transfer process).

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Create Employee Change Personnel Requisition (in Applicant Tracker or on paper)	Employee's Supervisor	School / Department	Department Supervisor	Be specific and fill in all fields.
2	Submit to the Department Supervisor for Review & Approval	Employee's Supervisor	School / Department	Department Supervisor	
3	Submit to Human Resources for Review & Approval	Department Supervisor	Central	HR	HR will review to ensure compliance with approved salary and job titles
4	Submit to Finance for Review & Approval	HR	Central	Finance	Finance will verify vacant positions exists and provide funding information.
5	Submit to Human Resources for Processing	Finance	Central	HR	HR will update the employee's information in financial / employee software
6	Verify Accuracy of Updates	HR - 2nd employee	Central	n/a	
7	Save a Copy of all Requisitions	HR	Central	n/a	

### NEW JOB TITLES

All new job titles must be approved by the School Board before proceeding with posting and filling the position.

Positions with pre-approved job descriptions and/or with job titles substantially similar to existing approved positions, do not require additional Board approval. Example: Existing “Budget Supervisor” to proposed “Budget Supervisor – Title Grants” would not need board approval.

Management can update job class for an approved job description or position, as per district needs, without Board approval.

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### New Job Title Process

STEP	ACTIVITY	PRIMARY EMPLOYEE	LEVEL	REVIEWED BY	NOTE
1	Create New Job Title	Supervisor	School/Department	Department Head	
2	Create Job Description	Supervisor	School/Department	Department Head	
3	Obtain Approval from Human Resources	Department Head	School/Department	Human Resources	
4	Obtain Approval from Finance	Department Head	School/Department	Finance	
5	Place on Docket for School Board Review	Department Head	School/Department	n/a	
6	Board Reviews and Makes Determination	Board	Board	Department Head	If approves, position moves forward. If denied, position does not move forward.
7	Create Fund Line & Position in Position Control	Finance	Central	HR	
8	Create Job Posting	HR	Central	n/a	Follow normal hiring process after this.

### LEAVE TIME – NONCERTIFIED & CERTIFIED

HR will calculate and add leave time for new employees in current personnel software system (AS400 at this time).

HR will create new employee ID number and send it to the TCP team via email. The TCP team will add the employee and leave time balances into the TCP database.

For teachers/employee classes 1-4, HR adds leave time (sick and PBTO) to the Frontline/AESOP database.

## Offboarding – Noncertified & Certified

When an employee resigns or is terminated, Human Resources will:

- Add the employee name, title, reason (termination or resignation), and final date to Board Docs.
- Update current HR software to reflect the termination or resignation date and reason. Currently, in AS400:
  - list "900" in the Pay location on the front screen,
  - list the last date to pay the employee based on the pay schedule,
    - The last date to pay is important because it will change the employee's status from "Active" to "Terminated" in AS400.
  - for employees with contracts, clear the salary pay screen so that the employee is not paid beyond the last date to pay.
- In the employee's Powerschool, add the Offboarding checklist and check the box: "Name Added to Board Docs."
- Update the two HR Offboarding folders with termination/resignation date and reason.
- Attach a letter of resignation, if available.

Employee access to all software programs needs to be terminated by the Technology Department.

Board reviews and votes on the personnel changes.

## Use of School Facilities

The School Board will permit the use of school facilities when such permission has been requested in writing and the completion of an application process by a responsible organization or a group of citizens and has been approved by the Superintendent or a designated employee.

### CORPORATION FACILITY AVAILABILITY

Corporation facilities will be available for the following uses. This list has been prioritized with 1 having the highest priority and 9 the lowest.

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1. Uses directly related to the schools and the operations of the schools.
2. Uses by not-for-profit or for-profit organizations providing child care programs which meet the State requirements and additional conditions established by board policies and the Superintendent's guidelines.
3. Uses and groups indirectly related to the schools.
4. Meetings of employee associations.
5. Uses for voter registration and elections
6. Departments or agencies of the municipal government.
7. Other governmental agencies.
8. Community organizations or groups of individuals formed for charitable, civic, social, educational, political, religious, or recreational purpose.
9. Commercial of profit-making organizations or individuals offering services for profit.

When there are competing interests for such uses, approval will be given to highest priority on the list.

The District has the authority to collect rents, as per mutually agreed upon, with the renters and deposit the collected money in appropriate funds.

The Superintendent shall develop administrative guidelines and fee schedules for the granting of permission to use Corporation facilities. Such guidelines are to include the following:

- Each user may have to present evidence of the purchase of organizational liability insurance to the limit prescribed by Corporation guidelines.
- Use of school equipment, in conjunction with the use of school facilities, must be requested explicitly in writing.
  - a. The users of school equipment must accept liability for any damage or loss to such equipment that occurs while it is in their use.
  - b. Where guidelines so specify, no item of equipment may be used except by a qualified operator.
- Users shall be liable financially for damage to the facilities and for proper chaperonage.
- Users shall not possess weapons, alcoholic beverages, illegal drugs, or smoke at any function occurring on Corporation premises.

### **CANCELLATIONS AND REFUNDS**

- The school reserves the right to cancel any rental due to emergencies, weather conditions, or other unforeseen circumstances. In such cases, rental fees will be refunded or rescheduled at no additional cost.
- Renters may cancel their reservation by providing written notice at least seventy-two (72) hours in advance to receive a refund.

### **LIABILITY AND INDEMNIFICATION**

No liability shall attach to this Corporation, any employee, officer, or member of this Corporation specifically as a consequence of permitting access to these facilities.

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### Data System Security and Access to Records

The School Corporation employs numerous information systems for financial processes, absence Management, time and attendance, student processes, and reporting. 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.

Department heads and principals are responsible for periodically reviewing employee access and usage to ensure compliant and usage is appropriate.

### Staff Training

#### **INDIANA CODE 5-11-1-27 - INTERNAL CONTROL TRAINING**

[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 can 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.

#### **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.

#### **Annual Training Calendar**

- 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

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### 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 can be found at <https://www.in.gov/sboa/political-subdivisions/internal-control-standards/>

#### **February**

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 Treasurer 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 reconciliements, procurement and disbursement procedures, and quality reporting functions.

The Administrative Team including the Superintendent, Directors, Principals, Managers of Technology, Transportation, Facilities & Grounds, Food Service, Athletic Director, and the Supervisors of the Corporation counselors and Communication Director 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.

An individual meeting will be scheduled with the Coordinator of Instructional Technology to ensure control activities are secure such as: employee user ids 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 username, confirm back-up processes and disaster recovery procedures are in place and still relevant.

## **Summary**

The framework of this manual complies with the state requirements and was created using the Green Book as guidance. This manual will be reviewed annually and updated as needed. All members of SBCSC will be required to abide by the policies, guidelines, and procedures outlined in this manual and it will be made available for reference on the school system website.

In turn, SBCSC will abide by the Internal Control and Compliance Manual for Governmental Entities and other Audited Entities in Indiana issued by the Comptroller. This manual does not supersede the requirements outlined in the SBCSC Policies and Procedures for Administration of Federal Education Programs Aligned with the Requirements of the New Uniform Grant Guidance (UGG).

In addition, this manual does not supersede the requirements outlined in the Indiana Internal School Uniform Accounting Policy Manual. This manual does not supersede the requirements outlined in the Board of Education Policies, other District policies and procedures, State regulations, rules, and policies, and other sources.

Application of all policies and procedures will default to the policy manual/memo that is the most stringent in its requirements for each topic.

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**Employee Signature of Internal Control Training**

Training shall be provided on the internal control standards and procedures to all school employees ,and newly hired employees, whose duties include: receiving, processing, depositing, disbursing, or having access to school funds and/or ECA funds.

Such training should be given periodically to these employees whenever the standards have been changed or updated, including new school corporation policies and procedures relating to the internal control standards and training to refresh the employees on the standards requirements. LEGAL REFERENCE IC 5-11-1-270

My signature below certifies that I was given a copy of the most up-to-date Internal Controls Manual ad received training.

Employee Printed Name: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date Internal Control Book Received: \_\_\_\_\_

Date Internal Control Training Occurred: \_\_\_\_\_

Method of Internal Control Training:  Video(s)  In Person