

# **Madison-Grant United School Corporation**

## **Business Office Procedures and Internal Controls**

**Board Approved August 6, 2018**

## **Table of Contents**

- I. GENERAL INFORMATION
  - a. Internal Control System
  - b. Threshold of Materiality (Loss, Shortage or Theft)
  - c. Organizational Chart
  - d. Job Description Sample
  - e. Business Office Internal Control Practice
  - f. Credit Card
  - g. Retention of Records
  - h. Bond
  
- II. EXTRA-CURRICULAR ACCOUNTS
  - a. School Extra-Curricular Accounts
  - b. State Board of Account Prescribed Forms
  - c. Bonds
  - d. Fundraisers and Donations
  - e. Athletics
  - f. Ticket Taking
  - g. Processing of Personnel Payments
  - h. Disposition of Old Outstanding Checks
  - i. ECA Treasurer Requirements
  - j. Daily Processes
  - k. Monthly Processes
  - l. Semi-Annual and Fiscal Year Processes
  - m. Separation of Duties
  - n. Extra-Curricular Ledger SA-6
  - o. Control Account Ledger Sheet
  - p. Individual Fund Ledger Sheets
  - q. Deposits
  - r. Detail of Receipts and Expenditures by Funds SA-5-3
  - s. Receipt and Register of Receipts
  - t. Deposit Ticket
  - u. Disbursements
  - v. Check and Register of Checks SA-2
  - w. Bank Reconciliation
  - x. Outside Organization Records
  - y. Overdrawn Funds
  - z. Equipment Purchases
  - aa. Accounting for Gifts and Donations
  - bb. Purchase Order and Accounts Payable Voucher
  - cc. Claim for Payment SA-7
  - dd. Summary Collection Form SA-8
  - ee. Accountable Items Review Form SA-9
  - ff. Financial Report SA 5-1
  - gg. Report Certificate SA-5-4

- III. FEDERAL GRANTS
  - a. Objectives of Federal Awards Allowable Cost Principle
  - b. Cash Management of Grants and Time and Effort
  - c. Conflict of Interest and Suspension and Debarment
  - d. Inventory and Assessment Management
  - e. Local, State and Federal
- IV. FOOD SERVICE
  - a. Elementary Daily Procedures
  - b. Secondary Daily Procedures
  - c. Month End Process
  - d. Fiscal Year End Process
  - e. Prepaid Food in Trust
  - f. Food Service Bad Debt/Write Off Procedures
  - g. Request for Refund Form
  - h. Approval of Meal Prices
  - i. Separation of Duties
  - j. Procedures for Student Meal Accounts
- V. BUSINESS STAFF TRAINING
  - a. Business Staff Training
- VI. Latch Key Internal Controls
  - a. Latch Key Child Care Program Handbook
  - b. Latch Key Records Management
  - c. Latch Key Charges and Payments
  - d. Verification of latch Key Charges and Payments

#### **APPENDIX**

- A. Policy 6111 Internal Control Standards and Procedures
- B. Threshold for Material Loss, Shortage, or Theft of Madison-Grant United School Corporation Funds or Property
- C. Policy 6423 Use of Credit Cards
- D. Administration Guidelines 6423 Credit Card
- E. Retention Schedule
- F. Policy 8740 Bond Policy
- G. Policy 6611 Ticket Sales
- H. Policy 6114 Cost Principles-Spending Federal Funds
- I. Policy 6112 Cash Management of Grants
- J. Policy 6116 Time and Effort Reporting
- K. Policy 1130 Conflict of Interest
- L. Policy 7450 Property Inventory
- M. Policy 6325 Procurement Federal Grants/Funds
- N. Policy 8531 Free and Reduced Price Meals
- O. Internal Control Acknowledgement

## **Internal Control System**

The Corporation's internal control system is comprised of policies and procedures established to promote accountability, transparency, and provide reasonable assurance that the Corporation's missions and objectives will be achieved. These policies and procedures should be implemented and designed to prevent:

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

Internal control provides a check and balance system over operations and promotes operational effectiveness and efficiency. Sufficient internal control produces reliable financial and management data, ensures accuracy and timeliness in reporting, and promotes compliance with laws.

Missions and objectives change over time as a result of various factors such as new management, change in staff, new technology, new laws and new programs or services. Internal controls must be monitored, evaluated and adjusted on a continual basis. IC 5-11-1-24(d) lists five components that are recognized as basic to any internal control system:

### **1. Control Environment**

- The Corporation's organizational structure
  - Organizational chart
- The functioning of the Governing Board
  - Formal ethics policy
  - Oversee internal control system
- Methods of assigning authority and responsibility
  - Outline of duties
  - Designate persons for each part of the accounting process
- Management's control methods for monitoring and following up on performance
  - Create job descriptions and determine necessary skills
  - Complete evaluations regularly and address deficiency skills
- Personnel policies and procedures
  - Establish overall policies that cross departments
- Monitor various external influences that effect the Corporation's operations and practices.
  - New legislation

### **2. Risk Assessment**

- Proper authorization of transactions and activities
  - Set guidelines and procedures for authorization of transactions

- Segregation of duties to reduce the opportunities for any person to be in a position to both perpetrate and conceal error or irregularities in the normal course of his or her duties.
    - Identify what is to be achieved, who is to achieve it, how it will be achieved and when it will be achieved
    - Assigning different people the responsibilities of authorizing transactions, recording, and reconciling transactions and maintaining custody of assets
  - Design and use of adequate documents and records to help ensure proper recording of transactions and events.
    - Use state prescribed forms
    - Monitor use of pre-numbered documents
3. Control Activities
- Actions and tools established through policies and procedures
    - Reconciliations
    - Authorizations
    - Approval processes
    - Performance reviews
    - Verification processes
  - Segregation of duties
  - Compensating controls
4. Information and communication
- Use of quality information
    - Define acceptable sources of information
  - Internal communication
    - Communication through established reporting lines
  - External communication
    - Identify external parties and communicate relevant information
5. Monitoring
- Establish and operate monitoring activities
    - Monitor internal control system
    - Evaluate results
  - Establish mechanism for personnel to report internal control issues
    - Document and evaluate timely
    - Corrective actions

See Appendix A

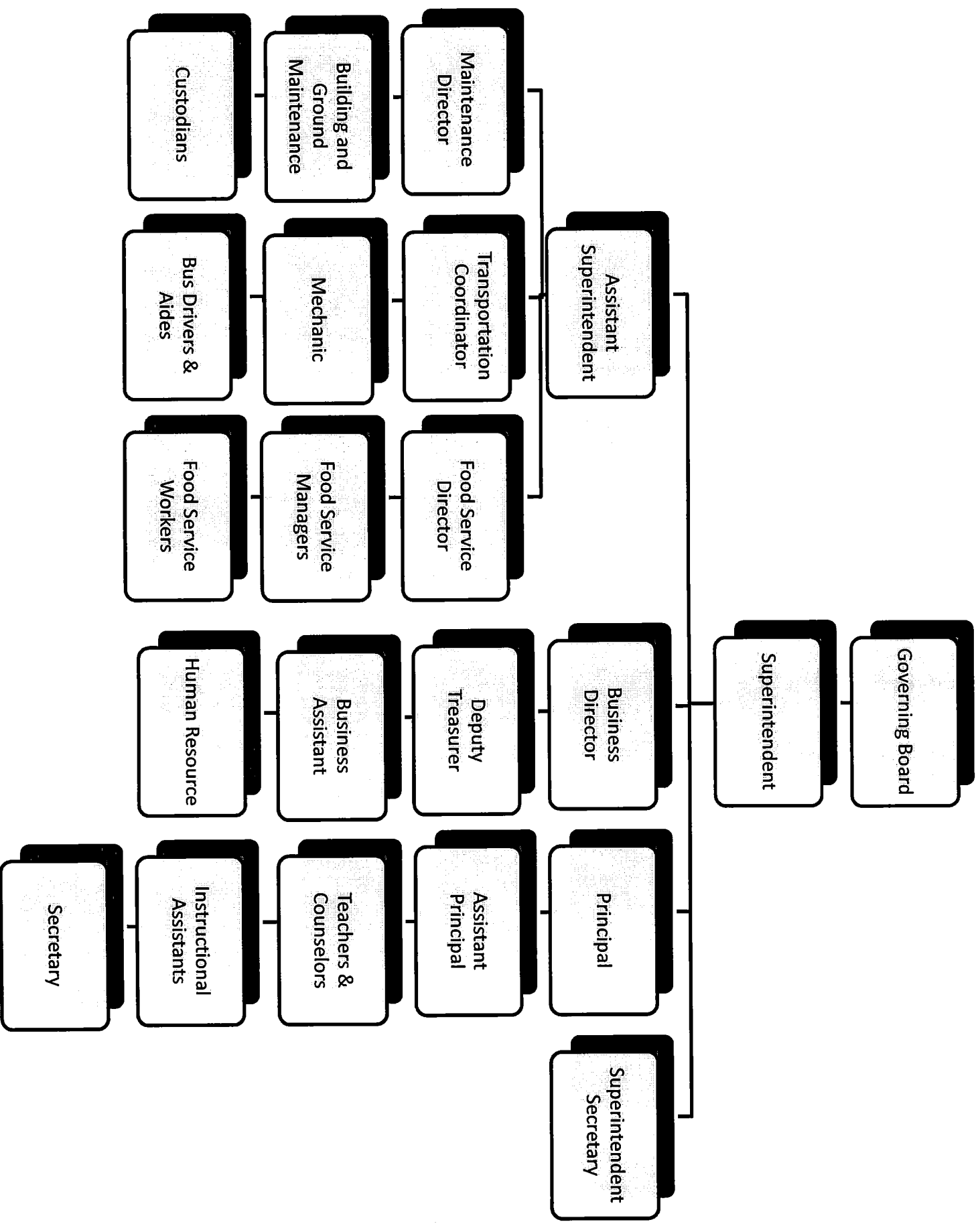
### **Threshold for Material Loss, Shortage or Theft**

The State Examiner issued Directive 2015-6 on November 18, 2015.

This directive cited Indiana code 5-11-1-27(j) which stated "each political subdivisions must develop their own policy on materiality because the causes of irregular variances, losses, shortages, and thefts are as broad and varied as the political subdivision in which the incidents occur."

Madison-Grant United School Corporation approved a resolution for Threshold for Material Loss, Shortage, or Theft of Madison-Grant United School Corporation Funds or Property on January 25, 2016.

See Appendix B



## **Madison-Grant United School Corporation**

### **Job Description**

**Job Title:** Director of Technology

**Department:** Technology

**Reports to:** Superintendent or designee

**FLSA Status:** Exempt

**Summary** Oversee the latest technology for MGUSC to increase our ability to provide more services by becoming more efficient and up-to-date as possible. Monitor the technology service to all students, teachers, staff, and administrators in a timely and professional manner.

**Essential Duties and Responsibilities** include the following (other duties may be assigned):

- Plan and monitor the process of projects and work.
- Stay updated on current issues.
- Monitor the budget and oversee purchases.
- Annually plans for replacement of obsolete equipment.
- Obtain new equipment using the quote/bidding process.
- Oversee inventory, configuration, and installation of network equipment, computers, and related equipment.
- Collects, researches, and uses data for decision making.
- Uses intuition and experience to complement the data.
- Translates concepts and information into images.
- Uses feedback to make necessary modifications.
- Demonstrates attention to detail.
- Identifies and resolves problems in a timely manner.
- Develops alternative solutions.
- Regularly assesses own strengths and weaknesses and strives to continuously build knowledge and skills.
- Responds promptly to customer needs and requests for service and assistance.
- Manages difficult or emotional people or situations.
- Balances corporation and individual needs.
- Exhibits objectivity and openness to others' views.
- Contributes to building a positive team spirit.
- Other duties and jobs as assigned or directed.

### **Supervisory Responsibilities**

- Directly supervises employees in the Technology Department.
- The Director carries out supervisory responsibilities in accordance with the Corporation's policies and applicable laws.
- Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; addressing complaints; and resolving problems.

**Qualifications** To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and /or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.



**Education and/or Experience**

A college degree; or related years of work experience and/or training; or equivalent combination of education and experience is necessary.

**Computer Skills**

To perform this job successfully, an individual should have knowledge of and be able to work with Software and Hardware such as:

- A Student Information System (SIS – Power School)
- Payroll and Business Office Software (Komputrol)
- Networking (Novell)
- Filtering Software (Lightspeed)
- Communication Software (Group Wise)
- Assessment Software (NWEA, ISTEP, ECA, Lernia)
- Data Software (Inform)
- Servers, Switches, Wiring, Cable, Fiber, Lap tops, PC, ...

**Language Skills**

- Able to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals.
- Able to write reports, correspondence, and use e-mail to communicate effectively.
- Able to speak effectively, present information, and respond to questions with groups such as the School Board, administrators, teachers, staff, students, parents, and community members.

**Mathematical Skills**

- Able to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume.
- Able to apply concepts of basic algebra and geometry.

**Reasoning Ability**

- Able to define problems, collect data, establish facts, and draw valid conclusions.
- Able to interpret an extensive variety of technical instructions in mathematical or diagram form and deal with several abstract and concrete variables.

**Certificates, Licenses, Registrations**

Experience with Novell and Zen Works

**Physical Demands** The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of the job.

- Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
- While performing the duties of this job, the employee is regularly required to sit and use hands to finger, handle, or feel.
- The employee must regularly lift and/or move up to 25 pounds.
- Specific vision abilities required by this job include close vision.

**Work Environment** The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

## **Evaluation**

If there is a new person in the position, that person will be evaluated twice during the first year of employment. The first evaluation will be completed before December 1<sup>st</sup>. The second evaluation will be completed before April 1<sup>st</sup>.

A person could return for a second year on a probationary status. If at any time a person in this position is placed in a probationary status, the person will be evaluated twice during the year. An unsatisfactory evaluation on either evaluation under probationary status could lead to termination.

A person who has successfully completed the first year and is brought back without restrictions will be evaluated once a year to be completed by April 1<sup>st</sup>. This evaluation pattern will continue unless the person in this position slips to probationary status.

## **Competencies Desired of All Classified Management Employees**

To perform the job successfully, an individual should demonstrate the following competencies:

- Designs work flows and procedures.
- Identifies and resolves problems in a timely manner.
- Develops alternative solutions.
- Works well in group problem solving situations.
- Effectively manages group projects.
- Assesses own strengths and weaknesses and pursues training and development opportunities to build knowledge and skills.
- Shares expertise with others.
- Responds promptly to customer needs and requests for service and then solicits customer feedback to improve service.
- Focuses on solving conflict, not blaming.
- Listens to others without interrupting, keeps emotions under control, and maintains confidentiality.
- Remains open to others' ideas and tries new things.
- Puts success of the organization above own interest and is able to build morale and group commitments to goals and objectives.
- Gives appropriate recognition to others.
- Works within approved budget and works to conserve organizational resources.
- Works ethically with integrity and upholds organizational values.
- Displays willingness to make decisions which exhibit both sound and accurate judgment.
- Observes and enforces safety and security procedures including the proper use of equipment and materials.
- Changes approach or method to best fit the situation and is able to deal with frequent change, delays, or unexpected events.
- Volunteers and undertakes self-development activities as well as seeking increased responsibilities.
- Displays original thinking and meets challenges with creativity and resourcefulness.

## Business Office Internal Control Procedure

Activity	Employee	Separation of Duties
<b>DAILY PROCEDURES:</b>		
<b>Cash Receipts Activities:</b>		
Open mail and write receipt	Receptionist	Person who opens mail does not write official receipt
Receive money, issue official receipts	Human Resource	Business Director verifies and signs
Prepare bank deposits	Human Resource	
Review bank deposit in detail before taking to bank	Business Director	Business Director reviews, initials, and dates all deposits
Take deposits to bank	Business Director	Deputy Treasurer if Business Director unable
Post receipts	Human Resource	
Verifies receipt posting with fund and bank report	Business Director	
Access to computer system to make receipt adjustments	Deputy Treasurer Business Director Human Resource	
Approves adjustments	Business Director	
Post credits to accounts receivable	Business Director	
Prepare customer billings (retiree & health insurance bills)	Human Resource	Review by Business Director
Mail billings or statements	Business Director Deputy Treasurer Human Resource	
Approve accounts receivable adjustments	Business Director	
<b>Cash Disbursement Activities:</b>		
Authorize purchases	Principal Director/Dept. Head Business Director Governing Board	Multiple people authorize a purchase
Prepare purchase orders	Business Assistant	Business Director reviews and signs off prior to issuance
Certify receipt of goods or services	Director/Dept. Head Secretary	The person receiving goods does not write check
Prepare claim for payment	Department Supervisor Secretary	The person preparing the claim is not writing the check

Activity Approve claim	Employee Principal Director/Dept. Head	Separation of Duties Claim is approved before processing check
Audit claims	Secretary Business Assistant Business Director	Reviews invoice(s)/receipt(s) attached to each claim to support the disbursement
Approve claims - Disbursing Officer	Business Director Governing Board	A/P processor does not approve claims
Write checks (generated by accounting system)	Business Assistant (A/P)	Checks are signed through the accounting system by a program called WyCom.
Write manual checks	Business Director	Rarely are manual checks written. Usually to transfer money between banks. Have live signature
Have receipt of W-9 form before paying vendor	Business Director	W-9's are entered into financial system and kept in a binder
Post checks	Business Assistant	Business Assistant posts checks. Business Director will enter into bank spreadsheet to make sure transactions post correctly.
Mail or distribute checks	Business Assistant	
A/P checks are accounted for in numerical order	Business Assistant	A/P checks and voucher numbers are logged. Voucher and check numbers are approved by the School Board.
A/P check numbers are reconciled to the A/P bank account	Business Director	Business Director does not write checks, but does reconcile the financial software to the bank statement
A/P checks are in a secured location	Business Assistant	Checks are kept in the records room
Custodian of petty cash--we do not have petty cash	N/A	
Custodian of investments	Business Director	Business Director renews CD's annually. CD's are listed in the financial software for banks 7 and 8
Access to check stock	Deputy Treasurer Business Assistant Business Director	Check stock is located in records room
Access to computer system to make adjustments	Deputy Treasurer Business Assistant Business Director	Business Director approves adjustments
Payroll Activities: Post vacation and sick leave records	Deputy Treasurer	Vacation and sick leave days are listed on employee deposit advice

Activity	Employee	Separation of Duties	
Check time cards, approve corrections to recorded time, and input corrections	Director Principals Deputy Treasurer Human Resource		
Prepare payroll claims	Deputy Treasurer Business Director		Business Director verifies accuracy
Check payroll claim with excel spreadsheet, bank report, and fund report	Business Director		
Approve payroll claims for department	Business Director		
Approve payroll claims for disbursing officer	Business Director		
Calculate deductions and net pay	Deputy Treasurer		
Generate payroll advices	Deputy Treasurer		
Sign payroll checks--automated in accounting system Manual checks have a "live" signature	Deposit Advices-No signature required		
Distribute payroll advices	Deputy Treasurer/Supt.Secretary/Building Secretary		
Payroll checks are accounted for in numerical order	Deputy Treasurer		Logged in notebook and kept in records room
Payroll check numbers are reconciled to the payroll bank account	Business Director		
Payroll checks are in a secured location			Located in records room
Prepare earnings and deductions reports	Deputy Treasurer		
Access to computer system to make adjustments	Deputy Treasurer Human Resource		
Approves adjustments	Deputy Treasurer		Business Director
Authorizes payroll changes (new hires, terminations, etc.)	Governing Board		
Prepares payroll change form	Employee/Deputy Treasurer/Human Resource		
Checks payroll change form	Deputy Treasurer		
Inputs payroll changes into accounting system	Deputy Treasurer/Human Resources		
Checks payroll changes in accounting system	Deputy Treasurer		
Enter leaves and terminations in accounting system	Deputy Treasurer		

Activity	Employee	Separation of Duties	
<b>Activity</b> Submit PERF and TRF files to INPRS after each payroll	Deputy Treasurer		
Process payment and verify amounts of PERF and TRF files	Business Director		
Enter leaves and terminations in INPRS	Deputy Treasurer		
<b>MONTHLY</b> Prepare and pay WH-1 form online before the 20th of ensuing month	Business Director		Verifies amount comes out of bank on date to be paid-attaches bank report
<b>QUARTERLY</b> Prepares Form 941	Business Director		
Print 941 reports from financial system	Business Director		
Print vendor reports for payroll and EFTPS	Business Director		
Print excel spreadsheet of payroll tax calculations for the quarter	Business Director		
Review Form 941 and sign form	Business Director/Deputy Treasurer		
Review and sign all back up documentation	Deputy Treasurer		
Upload file for SUTA report online and submit	Deputy Treasurer		
Prepare and print SUTA reports and electronic file from accounting system	Deputy Treasurer		
Review SUTA forms UC-1 and UC-5a	Deputy Treasurer		
Review and sign all back up documentation	Business Director		
<b>ANNUALLY</b> Prepare Form 100R	Business Director		
Prepare and print 100R report and electronic file from accounting system	Business Director		
Submit Form 100R to County Treasurer via e-mail	Business Director		
Submit Form 100R in Gateway	Business Director		
Review Form 100R	Deputy Treasurer		
Review and sign all back up documentation	Deputy Treasurer		
Order W-2's	Deputy Treasurer		

Separation of Duties		
Activity	Employee	
Prepare W-2's	Deputy Treasurer	
Print calendar year wage and payroll deduction reports from accounting system	Deputy Treasurer	
Balance W-2's	Deputy Treasurer	Business Director verifies for accuracy
Print and distribute W-2 forms to employees	Deputy Treasurer	
Transmit W-2 files to State and Federal government	Deputy Treasurer	
Review and approve W-2 balancing report	Business Director	
HEA 1260 (Gateway)	Human Resource	Reveiwed and submitted by Business Director
OTHER ACTIVITIES		
MONTHLY		
Update Cash Flow Spreadsheet	Business Director	Reviewed by Supt./Asst Supt. Reviewed by Governing Board
Prepare grant reimbursement forms	Business Director	Reviewed by Superintendent
Sign and approve grant reimbursement and documentation	Business Director and Superintendent	
QUARTERLY		
Prepare and submit Federal Grant Interest Report	Business Director	Reviewed and approved by Superintendent
SEMI-ANNUAL		
Prepare Form 9	Business Director	Reviewed by Human Resource
Print and verify all required reports	Business Director	
Prepare debt analysis for the 6 month period	Business Director	
Submit Form 9 information on DOE website	Business Director	
Print and save files after DOE approval	Business Director	
Review Form 9 in detail and sign signature page	Business Director	
Report ADM to DOE for September and February	PowerSchool Data Coordinator	Approved by Superintendent
ANNUALY		
Void outstanding checks (2 years old as of December 31, current year) by the end of February	Business Director	Approved by Governing Board
Prepare Annual Financial Report	Business Director	Reviewed by Human Resource
Free and reduced application	Food Service Director	

Activity	Employee	Separation of Duties
Audit of free and reduced application	Business Assistant	
Textbook rental reimbursement report	Business Assistant	Reviewed by Business Director
Bidding procedures	Assistant Superintendent	
Budget Process	Business Director	Governing Board reviews and approves
Balance appropriation report with budget order and fund	Business Director	
Present the Annual Report	Business Director	Governing Board reviews and approves
Prepare forms 1099 and 1096	Business Director	Business Assistant
Order 1099's and 1096's	Business Director	
Update W-9 file	Business Director	
Print calendar year vendor reports and review all activity	Business Director	Business Assistant
Balance vendor report to 1099 report	Business Director	
Review 1099 and 1096 prior to mailing	Business Assistant	
Print 1099 forms and mail to vendors	Business Director	
Review outstanding PO's and void if necessary	Business Director	Reviewed by Business Assistant
Make year end appropriation adjustments within funds	Business Director	Reviewed by Business Assistant
Order 1095-C forms	Deputy Treasurer	
Prepare 1095-C forms (Affordable Health Care Act)	Deputy Treasurer	
Upload insurance company file into accounting system	Deputy Treasurer	
Print health insurance report	Deputy Treasurer	
Reconcile 1095-C reports to insurance company monthly billings	Deputy Treasurer	
Review reports and spot check 1095-C	Human Resource	
Print form 1095-C and distribute to employees	Deputy Treasurer/Building Secretary	
Transmit 1095-C and 1094-C to Federal government	Deputy Treasurer	
Close year end payroll	Deputy Treasurer	
Close year end accounting system	Business Director	



Activity	Employee	Separation of Duties
<b>AS NEEDED</b>		
Post bid in newspaper	Supt. Secretary/Asst. Supt.	
Bid opening	Bid Committee	Approved by Governing Board
Award bid	Governing Board	
Oversee construction project	Assistant Supt./Superintendent	
Review and update Corporation Policies and Administrative Guidelines	Neola and Superintendent	Approved by Governing Board
<b>GATEWAY REPORTING</b>		
Other Post Employment Benefits Report	Human Resource	
Debt Management Report (prepare and submit)	Business Director	Assistant Superintendent
ECA Risk Report	School Treasurers	Approved and submitted by Business Director
Annual Financial Report (SBOA)	Business Director	Business Assistant
Collective Bargaining Report	Superintendent	Assistant Superintendent
Bargaining Status Form (Pre-Impasse)	Superintendent	Assistant Superintendent

## **Credit Cards**

Madison-Grant United School Corporation recognizes the value of an efficient method of payment for certain expenses. The Governing Board has authorized the use of credit cards through Corporation Policy and Administrative Guideline #6423. (See Enclosure)

Credit cards are not to be used to bypass the accounting system or to be used for personal expenses. A completed Request to Purchase form must be signed by purchaser and Principal/Director and submitted to the Business Office prior to picking up credit cards.

Itemized receipts must be submitted to the Business Office for reconciliation and payment. The Business Assistant will reconcile all credit card receipts with the monthly statement and submit to the Business Director for final approval prior to issuing payment.

The card user is responsible for submitting itemized receipts in a timely manner to avoid an interest charge. The card user will be responsible for any interest charges incurred due to late submission of receipts.

Purchases by public schools are generally exempt from sales tax on purchases for educational purchases (may not apply to some extra-curricular purchases). The card user is responsible to notify the merchant that the school is tax exempt. The Business Office will provide a signed copy of the tax exempt certificate. If sales tax is charged, it is the responsibility of the card owner to get it removed or to reimburse Madison-Grant United School Corporation.

If the credit card is lost or stolen, it is the responsibility of the card user to notify the Business Office immediately so they can deactivate the card.

Corporation credit cards are kept at the Central Office. A log is kept showing the following:

- Date Out
- Date In
- Name of Person Using Card
- Card Name
- Vendor

See Appendix C

See Appendix D

## **Retention of Records**

Madison-Grant United School Corporation follows the County/Local General Retention Schedule provided by the Indiana Commission on Public Records. The latest retention schedule is attached. The Business Director shall check periodically the following website for updated retention schedule.

[www.in.gov/iara/files/schoolretentionschedule .pdf](http://www.in.gov/iara/files/schoolretentionschedule.pdf)

See Appendix E

## **Bond**

Per IC 5-4-5-1 "Every public official elected or appointed to any public office, employment or position of trust, and officer of the Indiana national guard, who is required to execute and furnish a bond or other like obligation may procure such bond or other like obligation from a surety company or surety companies authorized by law to transact business in this state and competent to execute and furnish a bond or other like obligation of the character required."

Madison-Grant United School Corporation has adopted Policy #8740 in regard to bonding employees.

See Appendix F

## **School Extra-Curricular Accounts (ECA)**

The extra-curricular accounting system and procedures are based on IC 20-41-1-1.

Extra-curricular accounts are established for athletic, social, class, or other school function.

Accounts for educational functions must be maintained in the school corporation records.

ECA funds should not include funds collected for adult activities or organizations, such as PTA, PTO, Market Day, Athletic Boosters, or Flower Fund.

A separate fund must be maintained in the ledger to record the transactions of each class, organization, or activity so the balance of each fund may be known at all times.

No money shall be transferred from the fund of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the Principal, Sponsor and Treasurer of the organization, class, or activity; except that in the case of athletic fund, approval of the transfer shall be made by the Athletic Director, Principal and Treasurer.

State Board of Accounts prescribed forms to be used:

SA-5-1 Financial Report of School Extra-Curricular Accounts

SA-5-2 Cash Reconciliation

SA-5-3 Detail of Receipts and Expenditures by Fund

SA-5-4 Report Certificate

SA-6 Extra-Curricular Ledger

SA-7 Claim for Payment

SA-8 Summary Collection Form

SA-9 Accountable Items Review Form

Cost of prescribed or approved records shall also be paid from the general fund of the school corporation.

The Business Director shall periodically review procedures and internal controls with ECA Treasurer. Any issues will be documented, evaluated, and corrective actions will be implemented if needed.

### **1. Bonds**

- Bonds shall be approved by the Board of School Trustees
- IC 20-26-4-5 states a blanket bond may be purchased as long as it is endorsed to include faithful performance of all required bond holders and includes aggregate coverage for all specified amounts of the required bond holders

- The School Corporation is required to submit a copy of the official bonds to the State Board of Accounts on subsequent submissions of the Annual Financial Report
2. Fundraisers and Donations
- School Board of Trustees shall approve all fundraisers and donations
  - Donations that are extra-curricular in nature may be accounted for in extra-curricular accounts
3. Athletics
- Funds Received From Athletic Events and Concessions
    - Funds collected for games or events are put in the safe in the office
    - The following business day the Athletic Director will complete an SA-8 Form and submit to the ECA Treasurer
4. Ticket Taking
- Serially pre-numbered tickets should be used for all athletic and other extra-curricular events when admission is charged
    - Tickets shall be two part with one part going to the purchaser and other part retained for audit
    - Tickets for each group shall be different colors and different series numbers
    - Complete ticket sales form
    - The ECA Treasurer shall be responsible for the proper accounting of all tickets and should keep a record of the number purchased, the number issued for sale and the number returned (Form SA-4)
      - The receipt issued by the ECA Treasurer shall show the number of tickets issued to the seller, the number returned unsold, and the balance remitted in cash
5. Processing of Personnel Payments
- Employee
    - Payment of employees for service at athletic or extra-curricular events, such as ticket takers, scoreboard personnel etc ., are expenses of the athletic fund or activity sponsoring the event
    - Time cards are completed for workers
    - A claim for payment is sent to the payroll department for processing through the financial software at the end of the fall, spring, and winter sport seasons.
    - **An invoice shall be issued by the Payroll Department to the Athletic Department for reimbursement of all expenses relating to the event worker**
  - Non-Employee
    - Non-employees are considered a vendor and will be paid through ECA funds from a fully executed claim
    - A form W-9 must be received prior to the non-employee working

6. Disposition of Old Outstanding Checks

- No later than March 1 of each year, the Treasurer shall prepare a list of all checks outstanding for two or more years as of December 31st of the preceding year.
- The list prepared must show the following:
  - The date of issuance of each check
  - Fund from which the check was originally drawn
  - Fund check will be receipted to
  - Check #
  - Name of the payee
  - Amount of each check
  - Total amount represented by the checks listed for each fund

7. ECA Treasurer is required to:

- Keep an accurate account of all money received and expended
  - Show the source of each receipt
  - Show purpose of each disbursement
  - Balance control account
- Safeguard assets
- Follow State statute and Federal law
- Follow all regulations and procedures of the State Board of Accounts

All Madison-Grant United School Corporation extra-curricular accounts use S&S Programming for their financial software.

8. Daily Processes

- The ECA Treasurer shall receive, receipt, and disburse all funds through the extra-curricular account
- The ECA Treasurer is expected to keep current with the accounting of ECA funds by entering and posting receipts and expenditures on a daily basis
- All transactions will be reviewed and signed by the Building Administrator

9. Monthly Processes

- The ECA Treasurer shall advise the activity sponsor at least monthly of the current balance in their activity fund
- The bank shall be reconciled to the financial program monthly and the ECA Treasurer shall sign off
- The Principal or Assistant Principal will review monthly reconciliation and sign off
- Signed bank reconciliation will be sent to the Business Office for review by the Business Director and signed off when verified

## 10. Semi-Annual and Fiscal Year Processes

- Financial Report IC 20-41-1-8 The ECA Treasurer shall file a copy of the financial report of receipts and disbursements with the Board of School Trustees no more than two weeks after the close of each semester.
  - A copy of the financial report shall be sent to the Business Office for verification by the Business Director
  - Records and files of extra-curricular activities for the entire school year (fiscal year) shall be filed with the last financial semester report and retained for audit
  - The financial report will consist of forms SA5-1 Financial Report of ECA, SA%-2 Cash reconciliation, SA5-3 Detail of Receipts and Expenditures by Fund, and the SA5-4 Report Certificate
- ECA Risk Assessment Report IC 5-11-1-4
  - The Fiscal Officer (Business Director) is required to provide financial reports for the fiscal year (electronically through Gateway) no later than sixty days after the close of the fiscal year
  - The reporting period is July 1<sup>st</sup> through June 30<sup>th</sup> each year
  - Due date is 60 days after June 30<sup>th</sup>
  - The ECA Risk Assessment Report includes the following:
    - Questions designed to determine the risk level at each school building
    - Beginning period balance
    - Receipts
    - Expenditures
    - End period balance

## 11. Separation of Duties

- Control Activity
  - An individual should not be permitted to initiate, approve, process, and review the same duty
  - Separating the steps of the duty reduces the risk of error and/or fraudulent activities
  - Separating the steps is not always practical due to the limited number of staff available
  - Compensating activities will be utilized
    - The Principal or Assistant Principal shall review ECA reports and bank reconciliations
    - The Principal or Assistant Principal shall approve claims
    - Dual signatures are required on checks



#### 12. Extra-Curricular Ledger SA-6

- Form SA-6 extra-curricular ledger should be used to record ALL transactions affecting the ECA account.
- The Extra Curricular Ledger (SA-6) provides separate amount columns for posting receipts and disbursements and a third amount column for entering the balance. There is also space for entering the date and receipt/check numbers as well as an item or description column.

#### 13. Control Account Ledger Sheet

- SA-6 Control Ledger is a list of all transactions affecting the ECA account regardless which ECA fund generates the activity.
- All transactions should be posted to the control ledger first.
- Once a transaction is posted to the control ledger, it should then be posted to the appropriate fund ledgers.
  - Daily totals of receipt transactions are to be posted to the left hand amount (debit) column each day
  - Daily totals of disbursements are to be posted to the right hand amount (credit) column each day
    - Daily totals will be obtained from the register of receipts (duplicate receipts)
    - The register of checks (duplicate checks)
  - Each entry will show the serial numbers of the receipts or checks whose amounts are included to arrive at the total for that day
  - A new balance will be entered after the posting of the daily transactions.
- At the end of each month, the balance in the extra-curricular control account shall be reconciled to the balance on the bank statement.
- The SA-6 form is to be used for the control account and for each of the individual funds.

#### 14. Individual Fund Ledger Sheets

- A ledger sheet is to be opened for each individual activity fund to maintain a separate accounting of the receipts, disbursements, and balances as required by law.
- The name of the activity shall be entered on the upper margin of the ledger sheet as a title of the fund.
- Each receipt and each disbursement transaction will be posted individually to the ledger sheet of the fund whose balance is affected or they may be grouped according to source and/or nature of transaction.
- Posting will include:
  - Date
  - Description
  - Receipt or check number

- Amount of the receipt in the left hand amount (debit) column
- Amount of the disbursement in the right hand amount (credit) column
- A new balance will be entered on the ledger sheet for each fund following the posting of all transactions affecting that fund each day
- A proof of posting may be obtained by adding together the balances of all funds in the ledger and comparing the total with the balance in the control account (SA-6).
- Locate and correct any differences immediately

#### 15. Deposits

- Deposits shall be made without unreasonable delay.
- Funds shall be deposited in the same form in which they were received.

#### 16. Detail of Receipts and Expenditures by Funds SA-5-3

- Form SA-5-3 must be used to prepare a detail of each activity fund reported in Form SA-5-1.
- Receipts and expenditures may be grouped according to source and/or nature of transaction (e.g. ticket sales, game receipts, purchase of supplies and vending receipts).
- The total of all receipts must agree with that shown in column 2 for that fund on the Financial Report Form SA 5-1.
- The total of all expenditures must agree with that shown in column 3 for that fund on the Financial Report Form SA-5-1.

#### 17. Receipt and Register of Receipts

- IC 20-41-1-9 states the treasurer shall deposit all receipts in bank account without unreasonable delay
- Receipt form is to be pre-numbered and printed in duplicate, three receipts to the page if bound and five receipts to the page if printed loose leaf. If printed loose leaf, the duplicate shall be contained in a post binder as a permanent record.
- The receipt is to be issued for any and all money received.
- A separate receipt shall be issued for each amount of money received.
- Receipts may be grouped according to their source. An example would be game receipts, tournament receipts, season tickets, and fund raiser receipts.
- The duplicate serves as a register of receipts from which all receipts are posted to the proper activity funds and the control account.
- The receipt to be properly issued, shall show:
  - Date
  - Name of the person from whom the money was received
  - Payment type
  - Amount
  - Activity fund for which it was received
  - Amount and source of the receipt
  - Signed by the Extra-Curricular Treasurer or collecting authority
- Posting to the control account and the activity funds will be made from the duplicate receipts (Register of Receipts) in the same manner as previously outlined for the posting of checks.

- Give original copy to the person remitting payment
- If a Form SA-3 is voided, mark "VOID" and retain all copies of the voided receipt with the records for audit purpose.
- Totaled SA-3 Cash Receipt ticket should equal total deposits for any given time period.

#### 18. Deposit Ticket

- A deposit ticket should be completed for each bank deposit.
- It is allowable to record several receipts on the same deposit ticket.
- The receipt number and summary collection form number should be listed or attached to the duplicate deposit ticket.
- An authenticated copy of the deposit slip should be obtained from the bank and filed with the duplicate copy of the original deposit ticket for auditing purposes.
- **All funds should be deposited in the same form as collected (Do not make change with currency collected).**

#### 19. Disbursements

- Disbursements may be made only upon approval by the Principal or Assistant Principal in charge of the school.
- Extra-curricular accounts are required to have dual signatures (Extra-Curricular Treasurer and Principal/Assistant Principal). *The Corporation Treasurer should be a backup in case of emergency or termination.*
- Disbursements are only to be made by check.
- Unless authorized by statute, payments made for goods or services which are not received shall not be made.
- Payments made in advance of receipt of goods and services may be the personal obligation of the responsible official or employee.
- When merchandise is received or a service performed, the sponsor will designate on the SA-1 or SA-7 by signing and dating.
- Any supporting documentation such as sales ticket, receipts, or invoices should be attached to the form.
- Once merchandise has been received or services are complete, the SA-1 or SA-7 has been signed and dated, and supporting documentation attached, a check may be issued.

#### 20. Check and Register of Checks (SA-2)

- All disbursements from an ECA account should be made by check on Form SA-2.
- All checks should be accompanied by an SA-1 or SA-7.
- Pre-numbered and printed in duplicate.
- Three checks to a page if bound and five checks to the page if printed loose leaf (If loose leaf, the duplicate shall be contained in a post binder as a permanent record).
- The duplicate copy serves as a permanent check register which shows all disbursements are posted to the proper activity funds and to the control account.
- Check issued shall show:
  - Date
  - Payee

- Amount
- Purchase order number/claim number
- Activity fund to be charged
- Purpose for which check was issued
- Invoice number, if desired
- Signature of the Extra Curricular Treasurer
- Countersigned by the Principal or other designated officials
- After the check has been written, the check number and date should be recorded on the original copy of the SA-1 or SA-7 in the allotted space.
- Posting to the control account will be made from the duplicate check either by individual items or by daily totals, showing by reference the serial numbers of the checks included in such total posting. If each check is posted individually to the control, the fund number should be entered as well as the check number.
- Posting to the separate activity funds will be made from the check register, individually or in total.
- Voided checks should be retained and attached to the duplicate.

#### 21. Bank Reconciliation

- Each month the bank statement must be reconciled with the financial software.
- Use form SA-5-1 (Schedule of Balances), form SA-5-2 (List of Outstanding Checks and Deposits), and form SA-6 (Control Ledger) to reconcile.
- After receiving bank statement:
  - Clear checks and deposits in financial software
  - Enter the bank balance as listed on the bank statement in financial software
  - Enter bank statement ending balance in financial software
  - Print SA5-1 Recapitulation Form from financial software
  - Verify that lines 5, 6 and 13 are the same as the fund balance
  - Print SA-6 and verify totals against SA5-1
  - Print SA5-2 and verify totals against SA5-1
  - If balanced, ECA Treasurer will sign
  - Give to Principal or Assistant Principal for review and signature
- Copy all end of the month reports and bank statement
- Forward to Business Director for review and signature

#### 22. Outside Organization's Records

- IC 20-41-1-7 The extra-curricular treasurer should not collect, receipt, remit, or disburse outside organization's monies.

#### 23. Overdrawn Funds

- Overdrafts may not be created or exist in any fund.
- ECA Treasurer should advise activity sponsors periodically, preferably monthly, of the current balance in the fund of their activity.

#### 24. Equipment Purchases

- Extra-curricular equipment purchases should be approved prior to purchase by the Board of School Trustees.

#### 25. Accounting for Gifts, Donations

- The acceptance of these donations shall have prior approval by the Governing Board.

#### 26. Purchase Order (PO) and Accounts Payable Voucher (SA-1)

- Use when a purchase is made for delivery of goods or services at a later date.
- Execute in full.
- Signed by the person authorized to purchase for the particular activity.
- ECA Treasurer must determine if there is sufficient balance in the fund of the activity to make payment upon receipt of the merchandise; if so, the ECA Treasurer will approve by signing.
- SA-1's are to be pre-numbered in triplicate.
- Original goes to the vendor.
- Receiving copy and the file copy shall be retained by the ECA Treasurer of the extra-curricular account and filed in an obligation file by fund.
- When shipment is received it must be verified with the invoice and receiving and file copy of the purchase order (PO).
- Person receiving shipment indicates on the receiving and file copy they have received and checked shipment and it is ready to pay.
- Signed receiving and file copy is to be forwarded to the ECA Treasurer who makes the payment after signing the certification required on the form SA-1.
- After payment, the check number and date the voucher is paid are entered on the duplicate copy.
- A copy of the vendor invoice, packing slip, and any other supporting documentation should be attached to the Form SA-1 file copy for auditing purposes. The SA-1 receiving copy goes back to the sponsor.
- The duplicate may now be filed in a vendor file.
- The date and check number must also be entered on the file copy (triplicate).
- The triplicate copy must be removed from the obligation file and filed by check number (PO and invoice number are listed on check).

#### 27. Claim for Payment SA-7

- The Claim for Payment SA-7 shall be used for claiming payment by anyone in situations where purchase orders are not used; for example, purchases from delivery salesmen, over the counter sales, services of officials at athletic events.
- The claims shall be pre-numbered and filed by check number (invoice and claim number is listed on check).
- Signatures are required by the person authorized to purchase, the Principal or Assistant Principal and the ECA Treasurer.

#### 28. Summary Collection Form SA-8

- Form SA-8 is to be used as a transmittal document each time fundraiser, field trip, or athletic money is reported from the sponsor to the ECA Treasurer. Space is provided to list check numbers and amounts as applicable.
- Pre-numbered and to be prepared in duplicate by the sponsor.
- Original copy goes to the ECA Treasurer.
- Retain in numerical order.

- Duplicate copy goes to the sponsor (teacher or person in charge of a classroom or function collecting money)
- The ECA Treasurer will count money in the presence of sponsor.
- If there are discrepancies with the SA-8 or funds, the ECA Treasurer should immediately return the form and funds to the sponsor.
- The sponsor should make the necessary corrections, sign, and date the corrections and resubmit the SA-8 and funds.
- The ECA Treasurer is to provide an official receipt once the verification process is complete.
- If a form SA-8 is voided, mark it "VOID", staple, and retain both copies of the voided form in the records for audit purposes.

#### 29. Accountable Items Review Form (SA-9)

- Form SA-9 is to be used at least once a year at the end of the school year.
- The form is to be used to help account for beverages sold from vending machines. However, the form can be used at the discretion of school officials to account for other items, such as, concessions, books, etc.
- Pre-numbered
- Prepared in duplicate by the ECA Treasurer
- Original copy goes to the ECA Treasurer to file with end of year reports
- Duplicate copy is to be retained in numerical order by the ECA Treasurer
- Any difference between the projected revenue and the actual amount received should be thoroughly investigated.
- If a form SA-9 is voided, mark it "VOID", staple, and retain both copies of the voided receipt in the records for audit purposes.

#### 30. Financial Report SA 5-1

- Financial reports and supporting documentation will be audited by the Indiana State Board of Accounts.
- Financial Reports of all activity funds must be made within two weeks after the close of each semester.
- Bank statements should be dated as of the last day of school for each semester. BANK STATEMENT SHOULD BE ATTACHED TO THE SA-5-1 REPORT. Close of school date for the second semester shall be June 30<sup>th</sup> each year.
- State prescribed forms SA5-1, SA5-2, SA5-3, and SA5-4 are to be used for the financial report.
- Financial reports should begin with the close of the last report and cover the school year.
- The report shall be made in detail on the prescribed forms showing the source of all receipts, purpose of all disbursements, and balance remaining in the fund of each activity.
- The report should be made in triplicate
  - Copy one-filed in the school business office
  - Copy two-filed with the Governing Board
  - Copy three-filed with the Superintendent of Schools

- The report is an official record and must be preserved for a period of five years.
- All bank statements, canceled checks, duplicate checks, duplicate receipts, invoices, purchase orders, payment authorizations, claims, and ledger accounts from which the report is prepared; must be filed with that year-end report and preserved for five years.
- The report is of all the individual activity funds and includes:
  - Column 1      Name of each fund
  - Beginning balance (This is the closing fund balances reported in column 4 of the report for the prior year.)
  - Column 2      Receipts during the report period
  - Column 3      Expenditures during the report period
  - Column 4      Closing balances at the end of the period
- To begin:
  - Check column 1 totals against the preceding report, a SA-5-3 should be prepared for each fund.
  - The total receipts of each fund should be placed in the proper area in column 2 on Form SA-5-1.
  - The total expenditures of each fund as shown on SA-5-3 should be placed in the proper area in column 3 on Form SA-5-1.
  - Column 4 is the result of adding column 1 and 2 and deducting column 3.
- Verify the following:
  - Column 1 matches the beginning balance of the control account (SA-6)
  - Column 2 matches the total receipts for the period in the control account (SA-6)
  - Column 3 matches the total expenditures for the period in the control account (SA-6)
  - Column 4 matches the ending balance as shown in the control account (SA-6)
  - Column 4 must be reconciled to the depository balance as shown on the bank statement
  - Column totals should be cross balanced to verify the accuracy of the total in column 4.
  - Include Form SA5-4 with the report.

### 31. Report Certificate SA-5-4

- Report Certificate includes the following vital information:
  - Name and address of the bank
  - Date school officially closed (June 30<sup>th</sup> for second semester)
  - Information on the Bond of the ECA Treasurer (Call Central Office to get this information as it may change from year to year).
  - Signature of the ECA Treasurer and Principal

See Appendix G

## **Federal Grant Regulations**

Internal controls over compliance requirements for Federal Awards are defined as a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- Transactions are properly recorded and accounted for to:
  - Permit the preparation of reliable financial statements and Federal reports
  - Maintain accountability over assets
  - Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award
- Transactions are executed in compliance with
  - Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program
  - Any other Federal statutes and regulations that are identified in the compliance supplement
- Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition

### **Allowable Cost-Principles**

- Necessary and Reasonable
  - Necessary to accomplish the objective of the grant
  - Listed in the budget detail
    - If not listed the cost may not be allowable and would have to get written permission from grantor before making a purchase
  - Allowable per grant guidelines
  - Is cost reasonable? (does not exceed amount a prudent person would pay)
- Indirect Cost Rates
  - The Indiana Department of Education determines the indirect cost rate for each school corporation and notifies them when the application opens.
  - Indirect costs can be restricted and unrestricted.
    - Restricted rates are used for most awards and must be approved in budget process
    - Unrestricted rates are allowable in limited circumstances

See Appendix H



## Cash Management of Grants

- Collaboration among the Grant Administrator and Business Office is essential to ensure the grant is executed as written.
  - The Grant Administrator is responsible for:
    - Carrying out grant activities according to the approved grant
    - Stay in contact with the grantor
    - Approve all purchases
    - Execute budget amendments
    - Complete narrative for reports
  - Business Office Personnel is responsible for:
    - Maintain a file for each grant which will include:
      - Application
      - Approved grant and budget
      - Monthly reports
      - Reimbursement requests
      - Any correspondence
    - In contact with Grant Administrator regularly
    - Monitor grant timelines and expenditures
    - Create salary/benefit projections
    - Request reimbursements
    - Complete fiscal reports
    - Prepare for fiscal audit
    - Cash Management
      - Processing
      - Requests to purchase
        - Approved by Business Office-purchase order processed
      - Payments
        - Approved for payments by Grant Administrator and Business Office
        - Payment processed by Business Office
    - Reimbursements
      - Business Office-request timely (at least once a month)
        - Federal award cannot have cash on hand
        - Funds are requested after expended
        - Signed and dated by Business Office and Superintendent

- Fiscal or end of grant reports
    - Signed by Grant Administrator, Business Office and/or Superintendent
- Carryover
  - Most grants require funds to be expended by a certain date
  - Title I allows 15% of new funds to carry over to next grant
- Recordkeeping
  - All documentation relating to awards, personal documentation and correspondence must be kept in grant file for audit and kept in the Business Office until audit is complete
  - Follow the Indiana Record Commission's timeline for retention and destruction of records
- Documenting Time and Effort
  - Staff whose salary/benefits are paid by federal funds must document their time by one of two methods of recordkeeping.
    - 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
    - Time and Effort Log (Personal Activity Report)
      - This form is completed when a staff member is paid from more than one funding source (includes federal funds)
      - The staff member must complete a monthly report documenting percentage of time spent on each funding source
    - The Grant Administrator and Business Office must sign the reports and retain for the audit

See Appendix I

See Appendix J

### Conflict of Interest

- At times outside interest may overlap or conflict with an employee's activities.
  - The School Board has adopted a Conflict of Interest policy.
  - The employee shall complete a Conflict of Interest form and submit to the Central Office

See Appendix K

### Suspension/Debarment

- Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, and 2 CFR part 180
- The regulations restrict awards, sub awards, and contracts with certain parties that are debarred, suspended, or excluded from or ineligible for participation in Federal assistance programs or activities
- The Suspension/Debarment process protects the Federal Government from fraud, waste, and abuse by avoiding doing business with irresponsible contractors/vendors
- Before contracting or purchasing from vendors, check the Excluded Parties List System (EPLS) on the System for Award Management (SAM) at <https://www.sam.gov/portal/SAM/##11>
- Print documentation and keep with contract/purchase for audit purposes

## Inventory and Asset Management

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 the following:
  - Description of the property
  - Serial number or other identification number
  - Source of property
  - Who holds title
  - Acquisition date
  - Cost of the property
  - Percentage of Federal participation in cost of property
  - Location
  - Use and condition of property
  - Disposal data
    - Date of disposal
    - Sale price of property
- Physical inventory of the property must be taken and the results reconciled with the property records annually
- Develop control system to ensure adequate safeguard 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 grantee or sub grantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return

See Appendix L

### Local, State, and Federal Programs

- Follow grant guidelines as listed on the Grant Award Letter
- Make sure reporting requirements, amendments, and deadlines are followed
- Verify if the grant is reimbursable after expenses incurred or if the grant is payable via cash request by submission of the proper request form
- Keep records of all receipts, expenditures, and personnel transactions

## **Food Service Elementary School Daily Procedures**

Description: Patrons are able to deposit money into their "lunch account" in the Point of Sale (POS) to purchase meals and a la carte items. The account is then used each day for purchases and is drawn down for the amount of the purchases. All money taken in is then deposited daily into the bank by the School Treasurer.

- 1) Parents are encouraged to send money for purchasing meals and a la carte items in a sealed envelope with the child's name.
- 2) Each day, the students place their meal deposits into their individual envelope. Individual envelopes have the student's name and meal account bar code. Teachers collect the meal deposits in the classroom and place them into a collection envelope.
- 3) The collection envelope is picked up by cafeteria staff.
- 4) The Food Service Cashier then opens each envelope and verifies that the amount inside matches the amount listed on the envelope. The Manager will return to the classroom if there are discrepancies.
- 5) The money amounts are then entered into each child's lunch account in the point of sales system.
- 6) The money is then combined into one total deposit. If money in hand and Meal Summary reports balance, cashier #1 enters totals into the POS Daily Deposit record. DO NOT CLOSE DAY. When the deposit balances, print the report for the School Treasurer. Go back into Daily Deposit and print second copy of report and close the day. Checks Summary report is also printed off. If needed for further knowledge, a report can be printed that shows all deposits with the student's name and amount for each day.
- 7) Cashier #1 completes Summary collection Form (SA-8).
- 8) Cashier #1 and Food Service Manager initial the reports. Reports are kept on file by the Food Service Manager.
- 9) Cashier #1 takes the money, Summary Collection Form (SA-8), Deposit Reconciliation report, and Checks Summary report to the School Treasurer. The money is then counted again to ensure accuracy by School Treasurer and a receipt and duplicate Summary Collection Form (SA-8) is sent back to the Food Service Department. Food Service Manager staples the receipts to the daily records and files.
- 10) Each School's Treasurer deposits money into the bank daily.
- 11) Daily, the School Treasurer completes a financial spreadsheet that shows the daily sales and deposits. At the end of the week, this sheet along with a check of the weekly deposits is sent to the Business Assistant at Central Office. The Business Assistant compiles all weekly reports into one and gives it to Business Director along with the checks to process. Human Resource personnel will receipt checks into financial software and give to Business Director to verify and make deposit. Receipt is sent to the Food Service Director.
- 12) The Business Director uses the information from the spreadsheet to enter the total for each account type (i.e. Student lunch, Student Breakfast, etc.) into fund 800 or fund 8410 of the Financial Accounting Software. The spreadsheet information is used to balance the 8410 Prepaid Food in Trust Account.

## Secondary School Daily Procedures—Food Service

Description: Patrons are able to deposit money into their “lunch account” in the Point of Sale (POS) to purchase meals and a la carte items. The account is then used each day for purchases and is drawn down for the amount of the purchases. All money taken in is then deposited daily into the bank by a courier.

- 1) Deposits into a patron’s lunch account are made at the POS by the Food Service Cashier.
- 2) Each Cashier’s station is counted at the end of the day by the cashiers. Each cashier prints out the Meal Summary report and initials it. This report shows the total amount of money deposited into student’s accounts. The #2 cashier gives report to #1 cashier. The #1 cashier follows the same procedure.
- 3) The money is then combined into one total deposit. If money in hand and Meal Summary reports balance, cashier #1 enters totals into the POS Daily Deposit record. DO NOT CLOSE DAY. When deposit balances, print the report for the School Treasurer. Go back into Daily Deposit and print a second copy of the report and close the day. Checks Summary report is also printed off. If needed for further knowledge, a report can be printed that shows all deposits with the student’s name and amount for each day.
- 3) Cashier #1 completes Summary collection Form (SA-8).
- 4) Cashier #1 and Food Service Manager initial the reports. Reports are kept on file by the Food Service Manager.
- 5) Cashier #1 takes the money, Summary Collection Form (SA-8), Deposit Reconciliation report, and Checks Summary report to the High School Treasurer. The money is then counted again to ensure accuracy by High School Treasurer and a receipt and duplicate Summary collection Form (SA-8) is sent back to the Food Service Department. Food Service Manager staples the receipts to the daily records and files.
- 6) The High School Treasurer will deposit money into the bank daily.
- 7) Daily, the School Treasurer completes a financial spreadsheet that shows the daily sales and deposits. At the end of the week, this sheet along with a check of the weekly deposits is sent to the Business Assistant at Central Office. The Business Assistant compiles all weekly reports into one and gives to Business Director along with checks to process. Human Resource personnel will receipt checks into financial software and give to Business Director to verify and make deposit. Receipt is sent to the Food Service Director.
- 8) The Business Director uses the information from the spreadsheet to enter the total for each Account Type (i.e. Student lunch, Student Breakfast, etc.) into fund 800 or fund 8410 of the Financial Accounting Software. The spreadsheet information is used to balance the 8410 Prepaid Food in Trust Account.

## **Food Service Month End Processes**

Description: At the end of each month, the Food Service Director (FSD) in conjunction with Business Director completes procedures to close the month.

- 1) Each week the Food Service Director totals the previous week's sales activity totals and deposit totals for each school (Receipts & Collections Report) and compares to the report sent by the Business Director to ensure they match, staples them together, and initials it. Any discrepancies would be brought to the Business Director's attention at that time.
- 2) The bank statement is then cross checked for all online payments by the Business Director and any outstanding deposits in transit are highlighted and totaled.
- 3) The Food Service Director prints out the detailed list of all online patron deposits from the Point of Sale (POS) and compares them to the K12 Payment Center receipt prepared from the Business Director. Discrepancies will be corrected by Business Director.
- 4) The monthly spreadsheet from the POS is printed that reflects the daily activity.
- 5) Any catering rebates or miscellaneous receipts deposited by the Business Office are entered into the 800 Fund of the Financial Accounting Software at Central Office. Receipt is sent to Food Service Director.
- 6) Food Service Director prints out meal count spread sheet from POS.
- 7) Food Service Director enters meal totals into CNP web claim site. Counts are also checked by the High School Manager. The Food Service Director and the High School Manager sign the reports.
- 8) Food Service Director prints out copy of claim and submits to Business Director for review. Business Director will verify with the bank deposit, and Human Resource personnel will receipt checks into financial software and give to Business Director to verify and make deposit. Receipt is sent to Food Service Director.







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

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

- 1) In July, the Food Service Director completes the Non-Program Food Tool to ensure that all Non-Program Food revenue meets the new requirements in Section 206 of the Healthy, Hunger-Free Kids Act of 2010.
- 2) The Tool is then kept on file for review.
- 3) The Food Service Director completes the Annual Financial Report using info gathered from the Tool and other financial reports from the Financial Accounting Software.
- 4) The Annual Financial Report is given to the Business Director for review and signature.
- 5) Before September 1st, the Annual Financial Report is submitted online to the Department of Education through the CNP web by the Food Service Director.
- 6) The approved copy is printed and given to the Business Director for signature.
- 7) All paperwork from the school year is placed in storage for 3 years plus the current year.
- 8) A list of all paperwork that is up for destruction is compiled by each Food Service Manager and the Food Service Director and a list is sent to the Central Office Staff for approval for destruction. Once approval is given, all paperwork is destroyed and the destruction record is signed by whoever is completing the destruction.

### **Prepaid Food in Trust Description:**

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

- 1) All deposits to patron accounts are accounted for in the POS system daily and broken down by the POS by actual Sales or Prepaid Food in Trust.
- 2) At the end of the month, the POS system generates the spreadsheet of the daily activity for the month including the change to Prepaid Food in Trust and is printed out by the Food Service Director. Report: Indiana Financial Report
- 5) The balance of fund 8410 is then compared to the actual balance of Patron Accounts from the POS using the Roster/Current Balance report. The Food Service Director will review accounts by calculating beginning balance + deposits – sales = ending balance. There will not be a balance between the 8410 account and the Patron accounts until the end of the school after all sale and deposits are final. Online payments are real time and deposits to the bank are delayed.

## **Food Service Bad Debt/Patron Balance Write Off Procedure**

Description: Patrons who have withdrawn during the school year are kept in the Cafeteria POS database, but are made inactive so that their accounts cannot be used. In the event that the patron returns during the school year, the patron will be activated in the POS system and any balances will be available again.

- 1) Before closing the current school year, all students who have graduated and withdrawn will be removed from the POS database and a list containing student name, school, and balance will be created.
- 2) The list is then held for the next school year to allow for any refund requests.
- 3) All remaining students in the POS system database are made inactive just before the new school year begins.
- 4) An import is completed of all new and returning students from the Student Information System. This will activate all current students.
- 6) In December, the list of balances is then given to the School Board for approval to write off the balances and deposit them into the Food Service Account as Miscellaneous Revenue.

## **Meal Account Refund Procedure**

When a periodic review of the food service student accounts is made and reveals remaining balances the following steps should be taken:

1. Balances will be carried over from one year to the next.
2. Balances will be carried over from elementary to junior high and from junior high to high school as student progress from one level to the next.
3. Refund of unused student accounts:
  - A. Students who withdraw from school are entitled to a refund of their unused balances. Parents should complete a request form in the school's office and a refund check will be written by the school's Business Director.
  - B. Students who graduate from the high school...
    - 1.) Will have any remaining balance transferred into a sibling's account at the high school or junior high school.
    - 2.) Who do not have a sibling at the junior and has more than \$5.00, a refund check will be issued to parent.
    - 3.) Who do not have a sibling at the JH/HS and has a balance less than \$5.00 should complete a request form in the high school office and a refund check will be written by the Business Director.
    - 4.) All charges on the student's account must be paid in full prior to graduation.
4. Remaining balances that are not requested for refund will remain in the student's name for a period of six months after the student withdraws or graduates from Madison-Grant United School Corporation.
5. If a refund has not been requested within six months the remaining balance will be rolled over into the general food service fund.

**Madison-Grant United School Corporation**  
**Nutrition Department**  
*Request for refund of meal account funds*

**Student Information:**

Name(s) \_\_\_\_\_

School(s) \_\_\_\_\_

**Reason for refund (circle):**

Left school district    Graduated    Other (specify) \_\_\_\_\_

**Anticipated amount of refund:** \_\_\_\_\_

Please indicate where you want the check mailed:

**Parent/Legal Guardian to make payable to** \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, and Zip: \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_

.....

Please submit form to:  
**Madison-Grant High School**  
**ATTN: Food Service Department**  
**11700 S E00 W**  
**Fairmount, IN 46928**

All refunds are in form of a check. Please allow 1-2 weeks for processing. In the event that the actual refund amount differs from the anticipated amount, the person who completed this form will be contacted. Any questions, please contact the Food Service Director's office at 765-948-4141.

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

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

- 1) The PLE tool is completed each spring to determine if a price increase is required. An exemption from raising prices can be requested if certain criteria are satisfied.
- 2) A student meal price recommendation is then submitted to the School Board for approval.
- 3) Breakfasts and lunches served to adults must be priced so that the adult payment is sufficient to cover the overall cost of the lunch (or breakfast), including the value of any USDA entitlement and bonus donated foods used to prepare the meal. If student meal prices are correctly calculated, adult meal prices and student meal prices should not be the same price.
- 4) Adult prices are assessed each spring and based on the recommendation for student lunches, is calculated and submitted to the School Board for approval.

## **Separation of Duties**

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

### **1) Endorsement of Checks:**

- a. All checks receipted by the Food Service Cashiers are entered directly into the patrons account.
- b. Checks are given to the School Treasurer to endorse and deposit into the bank daily.

### **2) Bank Reconciliation**

- a. Completed by the Business Director.
- b. Checked for accuracy and signed off by the Deputy Treasurer.

### **3) Purchasing and Receiving**

- a. Completed by the Food Service Managers and Food Service Director.

#### **i. Food and supplies**

1. Food Bids are advertised and awarded to vendors by the Food Service Director in May. This process is completed through Region 8.
2. List of awarded vendors will be presented to the School Board for approval.
3. Food Orders are placed weekly by the Food Service Managers.
4. Food Service Managers checks in all food deliveries.
5. Food Service Managers sends all invoices to the Food Service Director weekly.
6. Food Service Director reviews all invoices and submits them to Central Office for payment.

#### **ii. Other Purchases**

1. Small purchase items not on the bid are placed by the Food Service Director following the procurement guidelines of three quotes for each item for anything over the micro purchase threshold of \$3,500.
2. Any items over the \$150,000 threshold will be bid with the assistance and guidance of the Assistant Superintendent.
3. Checks, check registers and records are processed by Central office

See Appendix M

### **4) Free and Reduced Applications**

- a. Free and Reduced Applications are processed and entered into the Free and Reduced Meal Application Program by the Food Service Director within 10 days of receipt and signed and dated.
- b. Twenty percent (20%) of Free and Reduced Applications are checked by the Business Assistant.



See Appendix N

**8) Receipts and Bank Deposits**

See Elementary and Secondary School Daily Procedures

**9) Payroll**

- a. All times sheets are collected by the Food Service Managers, checked for accuracy, and signed.
- b. The Food Service Director will review and sign off on time sheets.
- c. Payroll is processed by the Deputy Treasurer at Central Office.

**10) Audits are performed regularly by the Business Director.**

## **Procedures for Student Meal Accounts**

Description: The National School Lunch Program (NSLP) requires school food authorities to establish written administrative guidelines and procedures for meal charges.

- 1) Students may charge meals. Once the threshold is reached, collection procedures will be implemented.
- 2) Staff members cannot charge on their meal accounts.
- 3) A student who has a negative balance may not charge or purchase a la carte item(s).
- 4) The Food Service Manager or other school personnel will coordinate communications with the parent(s)/guardian(s) to resolve the matter of unpaid charges.
- 5) Food Service Managers will send out meal balance notices by letter or email periodically to parents and students.
- 6) All charges on the student's account must be paid in full prior to graduation.
- 7) \*\*\* Negative balances not paid may force the corporation to take action to collect unpaid funds by means of collection agencies, small claims court, or any other legal method deemed necessary by the Corporation.

## **Business Staff Training**

IC 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 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 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. Certifications are to be maintained by the political subdivision.

A video procured through CIESC will be used to train staff on Internal Controls. Staff will verify they have viewed the video by completing a form at the end of the video or if watched as a group they can sign off on a Certification Form and send to the Business Director at Central Office.

See Appendix

# Latch Key Internal Controls

## **Latch Key Child Care Program Handbook**

Latch Key Child Care Program Handbook will be updated and submitted to the Board for approval on or by the last Board meeting in May for the following school year.

## **Latch Key Records Management**

### **Weekly**

- Sign Out Sheets-At the end of the week each sign out sheet for the week will be attached to the Weekly Time Sheet
- Weekly Time Sheet-(With attached sign out sheets) will be given to the ECA Treasurer no later than the school day following the last day of the week.
- Duplicate Receipts-Will be given to the ECA Treasurer along with the Weekly Time Sheet

### **End of the Year**

- Receipt book will be turned into the ECA Treasurer at the end of the year.  
ECA Treasurer will add up all receipts and verify they match money deposited into the bank.  
After verification, the ECA Treasurer will sign, date and return the receipt book back to the Latch Key Supervisor for use in the ensuing year.
- Print the Google Charge/Payment Sheet
- All A/P documentation

ECA Treasurer will box all items up for a future audit. Label the box as Latch Key 20??-20??.

## **Latch Key Charges and Payment**

Latchkey fees will be charged in accordance with the Latch Key Child Care Program Handbook.

All fees will be collected by the Latch Key Supervisor on duty.

A pre-numbered receipt will be written at the time fees are collected.

The receipt will include the following information:

- Date of payment
- Name of person money was received from
- The dollar amount
- The dollar amount written out
- Student(s) name
- Payment type-cash, check (write in check number), etc
- Signature of Latch Key Supervisor

Original receipt will be given to person making payment.

Duplicate receipt will be given to the ECA Treasurer with the Weekly Time Sheet.

Triplicate will remain in the receipt book.

Each day a Latch Key sign out sheet will be utilized. The sheet will show the following:

- Student Name
- Attendance-Initial of Latch Key Supervisor checking student in
- Time the student was signed out
- Parent/Guardian signature

This sheet will be used to calculate the time the student will be charged for.

The daily amount to be charged will be transferred to the latch Key Weekly Time Sheet.

All charges and payments will be logged in a shared Google sheet at the end of each day.

All payments will be locked in a file cabinet at the end of each day.

The Latch Key Supervisor will submit payment and an SA-8 to the ECA Treasurer the next day prior to Latch Key beginning.

The Latch Key Supervisor and ECA Treasurer will verify the fees collected with the SA-8 and both will sign off on the SA-8 upon verification.

The ECA Treasurer will deposit monies at the bank and enter into the ECA software.

At the end of each month, the ECA Treasurer will clear out the Latch Key ECA fund and forward to Central Office to be deposited into Latch Key fund number 3900.

#### **Verification of Latch Key Charges and Payment**

On Monday of each week (or the first day back from a break) the Latch Key Supervisor will deliver sign out sheets, time sheets, the duplicate copies of the receipts and the receipt book to the ECA Treasurer. The ECA Treasurer will verify the accuracy of the time sheets, the receipt book and the Google sheet.

The ECA Treasurer will sign and date the weekly time sheet when verified.

The ECA Treasurer will total all receipts in the receipt book that apply to that week's payment and compare to the deposits made in the bank.

Upon verification, the ECA Treasurer will date and initial next to the total in the receipt book.

ECA Treasurer will verify the charges and payments are correct in the Google sheet.

## APPENDIX A

# Madison-Grant United School Corporation Bylaws & Policies

## 6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

The Superintendent shall establish and maintain effective internal control standards and procedures for all funds received by the School Corporation, including financial grants and awards from Federal or State sources, that provide reasonable assurance that the program and funds are managed in compliance with applicable Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards made to the Corporation.

The Corporation shall have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

The internal control standards and procedures must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal and State reports; maintain accountability over assets; and demonstrate compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the Federal Compliance Supplements and/or directives of the State Board of Accounts (SBOA).

Additionally, the Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss from theft, fraud, unauthorized use, or unauthorized disposition.

Further, erroneous or irregular variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular variances, losses, shortages, or thefts of Corporation funds or property in excess of:

- A. with respect to cash funds: \$100.00 in any fund
- B. with respect to assets other than cash funds: any asset valued in excess of \$100.00

are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal grants and awards;
- B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation;

- C. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards and State and local funds received;
- D. investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;
- E. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
- F. report all misappropriations of Corporation funds or property to the SBOA and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriation has occurred;
- G. provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and
- H. take reasonable measures to safeguard protected "personally identifiable" information (PII) and other information the State, awarding agency, or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, State, local, and tribal laws and Corporation policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

I.C. 5-11-1-27

2 C.F.R. 200.61-.62

2 C.F.R. 200.79

2 C.F.R. 200.203

State Examiner Directive 2015-6 (SBOA 11-18-15)

Adopted 5/23/16

Revised 8/22/16

© Neola 2016

## APPENDIX B

### THRESHOLD FOR MATERIAL LOSS, SHORTAGE, OR THEFT OF MADISON-GRANT UNITED SCHOOL CORPORATION FUNDS OR PROPERTY

The Board of School Trustees of the Madison-Grant United School Corporation recognizes that losses, shortages, and theft of school corporation funds and other assets may occur from time to time. State law requires the school corporation to report to the Indiana State Board of Accounts all erroneous or irregular material losses, shortages or theft of school corporation funds or property. The Indiana State Board of Accounts requires school corporations to determine their own material threshold for the purposes of reporting the loss, shortage, or theft to the Indiana State Board of Accounts as required by state law.

The threshold for material losses, shortages, or theft for the Madison-Grant United School Corporation which must be reported to the Indiana State Board of Accounts by the superintendent or the superintendent's designee, is as follows:

#### Cash Losses, Shortage, or Theft:

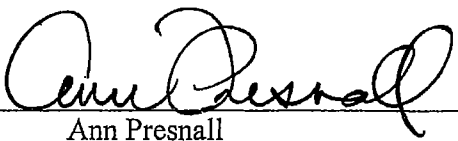
A loss, shortage, or theft of cash from any school corporation fund is an amount over \$100.

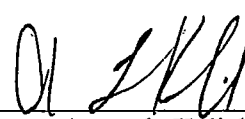
#### Other Assets Loss, Shortage or Theft:

A loss, shortage, or theft of a school corporation asset other than cash exceeding a value of \$100.

State law requires public employees who have actual knowledge of, or reasonable cause to believe, a misappropriation of school funds has occurred to report such misappropriation to the Indiana State Board of Accounts and the county prosecuting attorney.

LEGAL REFERENCE: IC 5-11-1-27(j)  
IC 5-11-1-27(l)

President   
Ann Presnall

Secretary   
Amanda Kelich

School Board Approval on 1/25/16



APPENDIX C

Madison-Grant United School Corporation  
Bylaws & Policies

---

**6423 - USE OF CREDIT CARDS**

The School Board recognizes the value of an efficient method of payment and recordkeeping for certain expenses.

The Board, therefore, authorizes the use of Corporation credit cards.

The Superintendent shall develop administrative guidelines that specify those authorized to use credit cards, the types of expense which can be paid by credit card, and their proper supervision and use.

The administrative guidelines should also require that a log be kept which includes the names of the individuals using the cards, their position, estimated amounts to be charged and the date the card is issued and returned.

Credit cards are not to be used to bypass the accounting system of the School Corporation. In addition, credit cards are not to be used for personal expenses not related to Corporation activities.

Procedures for payment of expenses charged to credit cards must be according to Board policy for the payment of claims, Policy 6470.

## APPENDIX D

Madison-Grant United School Corporation  
Administrative Guidelines

---

**6423 - USE OF CREDIT CARDS**

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

- A. All credit cards issued to and in the name of the Madison-Grant United School Corporation shall be held and supervised by the Central Office Administration.
- B. Employees requiring the use of school credit cards shall request (in writing) such cards from the Central Office. The Building Principal must also sign showing his/her approval.
- C. Each request for use of a school credit card shall contain the following:
  - 1. name and official position of the person requesting to use the card
  - 2. estimated amount to be charged
  - 3. date needed
  - 4. date to be returned
  - 5. purpose
  - 6. authorization
- D. After use, school credit cards are to be returned to the Central Office along with appropriate receipt copies (not credit card billing statement) of all charges plus a completed voucher/claim signed by the Building Principal.
- E. Credit cards are never to be used for personal expenses not related to Corporation activities.

© Neola 2010

# APPENDIX E



## EDUCATIONAL INSTITUTIONS RETENTION SCHEDULE (EDA/EDS/EDC) INDIANA ARCHIVES AND RECORDS ADMINISTRATION COUNTY/LOCAL RECORDS MANAGEMENT

### Instructions:

1. Officials should first reference their office-specific retention schedule. If the form/record series you're looking for is not listed, refer to County/Local General Retention Schedule (GEN).
2. Nonpermanent records listed on this retention schedule may be destroyed, in accordance with the form's instructions, thirty (30) days after completion and submission of a Notice of Destruction, State Form 44905. The notice must be sent to the secretary of the county commission of public records as determined by IC 5-15-6-1(c) (county clerk or recorder) and to the Indiana Commission on Public Records, [cty@iara.IN.gov](mailto:cty@iara.IN.gov), 402 West Washington Street W472, Indianapolis, IN 46204.
3. All permanent records or records not listed on these approved retention schedules can be destroyed or transferred only by completing a Request for Permission to DESTROY or Transfer Certain Public Records (PR-1), State Form 30505, and by obtaining approval of the County Commission of Public Records and written approval from the Indiana Commission on Public Records.
4. Destruction of all records must be delayed pursuant to an applicable legal hold.

### GUIDELINES:

Permanent records may be maintained either in the original format or on microfilm that meets standards outlined in 60 IAC 2 or Administrative Rule 6 (Court Records).

Microfilmed records may be deposited or transferred according to the retention period outlined for that record.

Security/original rolls of microfilm must be stored offsite in a secure location. Duplicate rolls may be used in office.

Electronic records and computer printouts that include data from more than one (1) form must be retained for the longest retention period for all included forms.

Any STATE BOARD OF ACCOUNTS forms approved for use in lieu of prescribed forms are subject to the same retention requirements.

Director/State Archivist signature

Date signed

9/21/16

ITEM NO.	RECORD SERIES	TITLE/DESCRIPTION (This Retention Schedule is approved on a space-available basis)	RETENTION PERIOD
<b>ADMINISTRATION</b>			
	EDA-16-001	ADMIN - ABSENCE RECORD, DAILY	DESTROY after one (1) year.
	EDA-16-002	ADMIN - ABSTRACTS/DEEDS/ TITLE PAPERS/MORTGAGES	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
	EDA-16-003	ADMIN - CALENDAR, FOR STAFF AND CURRICULUM	DESTROY after three (3) years or STATE BOARD OF ACCOUNTS Audit, whichever is later.
	EDA-16-004	ADMIN CORRESPONDENCE Includes email. Principals, counselors, non-teaching administrative staff.	Except where otherwise provided in the general retention schedule or this schedule (see: Record Series EDA 16-004), DESTROY after five (5) years.
	EDA-16-005	SUPERINTENDENT CORRESPONDENCE Documents major functions, activities, programs, decision and policy making, important events in school district's history. Confidential.	PERMANENT. Transfer electronically to the INDIANA ARCHIVES AND RECORDS ADMINISTRATION or MICROFILM according to 60 IAC 2 STANDARDS or retain Original in office, or transfer to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
	EDA-16-006	ADMIN - EVALUATIONS OF ADMINISTRATORS	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the Indiana ARCHIVES AND RECORDS ADMINISTRATION after microfilming.
	EDA-16-007	ADMIN - GRANT APPLICATIONS, APPROVED	DESTROY three (3) years after the end of the grant period or STATE BOARD OF ACCOUNTS audit, whichever is later.
	EDA-16-008	ADMIN - GRANT APPLICATIONS, NOT APPROVED	DESTROY after three (3) years.
	EDA-16-009	ADMIN - POLICY BOOK	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the Indiana ARCHIVES AND RECORDS ADMINISTRATION.
	EDA-16-010	ADMIN - PROOF OF PUBLICATION FILES	DESTROY after three (3) years or STATE BOARD OF ACCOUNTS audit, whichever is later.
	EDA-16-011	ADMIN - PUBLICATIONS ISSUED BY CORPORATION	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
	EDA-16-012	ADMIN - SCHOOL REPORT CARD, ANNUAL PERFORMANCE REPORT; ANNUAL FINANCIAL REPORT; GATEWAY FINANCIAL REPORT	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
	EDA-16-013	BUILD - CONTRACTED WORK ORDERS	DESTROY three (3) years after completion of construction project.
	EDA-16-014	BUILD - CORRESPONDENCE, CONSTRUCTION PROJECTS	DESTROY three (3) years after completion of construction project.
	EDA-16-015	BUILD- DRAWINGS, BLUEPRINTS, SPECIFICATIONS Planned design drawings.	DESTROY when no longer useful.
Adopted September 21, 2016 by the Indiana Oversight Committee on Public Records			

EDA-16-016	BUILD - DRAWINGS, BLUEPRINTS, SPECIFICATIONS As built drawings	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-017	BUILD - EPA ASBESTOS ABATEMENT RECORDS	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-018	BUILD - EPA ASBESTOS INSPECTIONS REPORTS	DESTROY three (3) years after the next re-inspection as required by 40 CFR 763.94.
EDA-16-019	BUILD - IDEM MONTHLY TREATMENT PLAN LAB REPORTS Sewage treatment.	DESTROY after three (3) years.
EDA-16-020	BUILD - STATE FIRE MARSHAL ANNUAL SITE INSPECTION REPORTS	DESTROY after three (3) years.
EDA-16-021	FOOD - FOOD SERVICES GUIDELINES	DESTROY when superseded.
EDA-16-022	FOOD - MENUS/DAILY PRODUCTION SHEETS	DESTROY after five (5) years.
EDA-16-023	FOOD - MILK AND BREAD BIDS	DESTROY after five (5) years or STATE BOARD OF ACCOUNTS Audit, whichever is later.
EDA-16-024	TRANS - BUS CONDUCT REPORT	DESTROY after one (1) year.
EDA-16-025	TRANS - BUS SAFETY INSPECTION REPORT (INDIANA STATE POLICE)	DESTROY after three (3) years.
EDA-16-026	TRANS - FIELD TRIP REPORTS	DESTROY after three (3) years.
EDA-16-027	TRANS - FORM DOE-TN Indiana, replaces EIR-5 form.	DESTROY after five (5) years.
EDA-16-028	TRANS - FORM 32-9 (IN)	DESTROY after five (5) years.
EDA-16-029	STU - CORRESPONDENCE, LITIGATION, STUDENT	RETAIN until final disposition of all litigation and appeals.
EDA-16-030	STU - ENROLLMENT REPORT (SIX WEEKS)	DESTROY after five (5) years.
EDA-16-031	STU - ENUMERATION FOR SCHOOL PURPOSES	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-032	STU - STUDENT DUE PROCESS FILES (EXPULSION RECORD) Confidential.	DESTROY after five (5) years.
EDA-16-033	STU - STUDENT HANDBOOKS	DESTROY after seven (7) years.
EDA-16-034	INST - ACHIEVEMENT TEST SCORE SHEET/SCORE BOOKLET Confidential.	DESTROY after five (5) years.
EDA-16-035	INST - CHAPTER I OR TITLE I GRANT AGREEMENT LETTER	RETAIN as required by grant agreement or DESTROY ten (10) years after the conclusion of the grant, whichever is longer.
EDA-16-036	INST - ANNUAL PROJECT EVALUATION (END GRANT CYCLE)	DESTROY ten (10) years after the conclusion of the grant.

Adopted September 21, 2016 by the Indiana Oversight Committee on Public Records

EDA-16-037	INST - COMPARABILITY REPORT	DESTROY after five (5) years.
EDA-16-038	INST - COORDINATION RECORD, STUDENT Confidential.	DESTROY after five (5) years.
EDA-16-039	INST - HOME VISIT DOCUMENTATION	DESTROY after five (5) years
EDA-16-040	INST - LOSS AND GAIN FORM Achievement Data. Confidential.	DESTROY after five (5) years.
EDA-16-041	INST - NEEDS ASSESSMENT RANKING REPORT	DESTROY after five (5) years.
EDA-16-042	INST - NEWSLETTER, ALL FORMATS INCLUDING WRITTEN AND ELECTRONIC Includes official announcements made on a social media platform. (District/Schoolwide).	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-043	INST - PROFESSIONAL DEVELOPMENT INFORMATION	DESTROY after three (3) years or STATE BOARD OF ACCOUNTS Audit, whichever is later. Records noting individual staff training should be transferred to the individual's permanent record.
EDA-16-044	INST - PROJECTPROGRAM APPLICATION AND AMENDMENTS	DESTROY after five (5) years.
EDA-16-045	INST - QUARTERLY MONITORING REPORT	DESTROY after five (5) years.
EDA-16-046	INST - TARGET AREA SELECTION REPORT	DESTROY after five (5) years.
EDA-16-047	INST - TITLE I DISTRICT PLAN	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-048	INST - TITLE I BUILDING LEVEL PLAN	DESTROY after five (5) years.
EDA-16-049	INST - WEEKLY WORK SCHEDULE	DESTROY after five (5) years.
EDA-16-050	TITLE 6 - APPLICATION FOR FUNDS FOR EDUCATIONAL PROGRAMS UNDER P.L.97-35 (PROGRAM PLAN)	DESTROY after five (5) years.
EDA-16-051	TITLE 6 - CHAPTER 2 BUDGET AND EXPENDITURE REPORT	DESTROY after five (5) years or STATE BOARD OF ACCOUNTS Audit, whichever is later.
EDA-16-052	TITLE 6 - EVALUATION REPORT FOR CHAPTER 2 PROGRAMS	DESTROY after five (5) years.
EDA-16-053	COMM ED - COURSE DESCRIPTIONS	DESTROY three (3) years after the course is no longer offered.
EDA-16-054	COMM ED - ENROLLMENT FORMS	DESTROY after one (1) year.
EDA-16-055	COMM ED - EVALUATION OF CLASS	DESTROY after three (3) years.
EDA-16-056	LISTINGS OF CLASSES	DESTROY when no longer useful.
EDA-16-057	CURRICULUM - ADOPTED TEXTBOOK LIST	RETAIN through two adoption cycles.
EDA-16-058	CURRICULUM- HIGH SCHOOL COURSE DESCRIPTION BOOKLETS	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-059	GUIDANCE ACTIVITIES, DECISIONS, AND IN-SERVICE RECORD	DESTROY after FOUR (4) years.
EDA-16-060	SCHOOL TESTING RESULTS RECORDS	DESTROY after FOUR (4) years.
EDA-16-061	ACCIDENT REPORT, ANNUAL SUMMARY	DESTROY after three (3) years.

Adopted September 21, 2016 by the Indiana Oversight Committee on Public Records

EDA-16-062	FACULTY/STAFF HEALTH TRAINING - SIGN IN SHEET	DESTROY after three (3) years.
EDA-16-063	INST- SCHOOL NEWSPAPER	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-064	HEARING REPORT (STATE FORM 39986)	DESTROY after five (5) years.
EDA-16-065	INDIVIDUAL STUDENT FILE Includes but not limited to: Testing Results Records (ISTEP, CAT, SAT, ACT, EPSF), Multidisciplinary Team Evaluation Reports, Case Conference Committee Summaries, Individualized Education Plans, Transition Plans, Correspondence, Pertinent information regarding the student's educational placement, release letters for outside agencies to view student records, test protocol on student, documentation of student program and attendance record, student exit/drop-out interview, student selection form (includes test scores, teacher referrals), teacher's evaluation of student/comments record, record of student home visits, and Report of Alleged Child Abuse or Neglect (State Form 114R2). Confidential. Includes Adult Education records.	Records are maintained 5 years beyond the provision of educational services to the student OR until the student reaches 21 years of age, whichever is less, if the parents have not requested destruction of the records. 34 CFR 300.573 permits parents to request the destruction of personally identifiable information on their child. The parent must be informed of the destruction option (generally at graduation.) If parents request the information destroyed, the agency may retain a permanent record of a student's name, address, phone #, his or her grades, attendance record, classes attended, grade level and year completed.
EDA-16-066	INDIVIDUAL STUDENT MEDICAL FILE Includes but not limited to: student alcohol/narcotic screening reports, immunization record and status (includes State Form 22363-Kindergarten and State Form 2263NE), list of medications given to student at school, student health screening results, tests, and referrals, record of student insurance coverage, medical examination records, statements of physicians, X-Ray Lab reports, request for psychological services and release letter from psychologist. Confidential.	Records are maintained 5 years beyond the provision of educational services to the student OR until the student reaches 21 years of age, whichever is less, if the parents have not requested destruction of the records. 34 CFR 300.573 permits parents to request the destruction of personally identifiable information on their child. The parent must be informed of the destruction option (generally at graduation.) If parents request the information destroyed, the agency may retain a permanent record of a student's name, address, phone #, his or her grades, attendance record, classes attended, grade level and year completed.
EDA-16-067	UNIVERSAL PRECAUTIONS TRAINING FOR EMPLOYEES, SIGN-IN SHEET	DESTROY after three (3) years.
EDA-16-068	AGREEMENT TO SAFEGUARD INFORMATION	MAINTAIN copy in staff member's personnel file after staff member leaves program or school district employment.
EDA-16-069	ANNUAL DATA REPORT - EDUCATION OF THE HANDICAPPED	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-070	APPLICATION FOR FEDERAL ASSISTANCE FOR THE EDUCATION OF HANDICAPPED	DESTROY after five (5) years.
EDA-16-071	APPLICATION FOR TENTATIVE APPROVAL FOR ANNUAL CLASSROOM UNITS FOR EXCEPTIONAL CHILDREN	DESTROY after five (5) years.
EDA-16-072	QUARTERLY SUMMARY REPORT-EDUCATION OF THE HANDICAPPED	DESTROY after five (5) years and STATE BOARD OF ACCOUNTS audit.
EDA-16-073	APPLICATION FOR SUMMER SCHOOL (STATE REPORT)	DESTROY after three (3) years and STATE BOARD OF ACCOUNTS audit.

EDA-16-074	SUMMER - APPROVAL LETTER	DESTROY after three (3) years and STATE BOARD OF ACCOUNTS audit.
EDA-16-075	SUMMER - ATTENDANCE RECORDS	DESTROY after information is transferred to student's record.
EDA-16-076	SUMMER - CORPORATION ISTEP REMEDIATION AND RETENTION SUMMARY	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-077	SUMMER- ISTEP FINAL REPORTING FORM	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-078	SUMMER - ISTEP PRELIMINARY REPORTING FORM	DESTROY after three (3) years.
EDA-16-079	SUMMER - STUDENT GRADE REPORT Confidential.	DESTROY after grades are transferred to student's permanent record.
EDA-16-080	STUDENT SUMMER SCHOOL REGISTRATION	DESTROY after one (1) year.
EDA-16-081	SUMMER SCHOOL FINAL REPORT	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDA-16-082	SUMMER SCHOOL INFORMATION SHEET (LETTER TO PARENT)	DESTROY after one (1) year.
<b>SCHOOLS</b>		
EDS-16-001	ACCIDENT REPORTS	DESTROY after three (3) years.
EDS-16-002	ATTENDANCE REGISTERS	DESTROY after three (3) years.
EDS-16-003	ATTENDANCE SLIPS, DAILY	DESTROY after three (3) years.
EDS-16-004	ATTENDANCE SUMMARY SHEETS, DAILY	DESTROY after three (3) years.
EDS-16-005	COMMENCEMENT PROGRAMS	TRANSFER one copy to the INDIANA ARCHIVES AND RECORDS ADMINISTRATION after three YEARS and completion of STATE BOARD OF ACCOUNTS Audit. DESTROY any remaining copies.
EDS-16-006	ENROLLMENT REPORTS	DESTROY after three (3) years.
EDS-16-007	NEWSPAPERS/NEWSLETTERS, ALL FORMATS INCLUDING WRITTEN AND ELECTRONIC Includes official announcements made on a social media platform. (Includes team newsletters to parents).	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-008	SUBJECT FILES	DESTROY after three (3) years.
EDS-16-009	YEARBOOKS	PERMANENT. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-010	BOOK AND EQUIPMENT INVENTORY	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.



EDS-16-011	EPA ASBESTOS MANAGEMENT PLAN	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-012	SCHOOL SAFETY PLAN	DESTROY when superseded.
EDS-16-013	USE OF BUILDING FORMS	DESTROY after three (3) years.
EDS-16-014	DAILY SCHOOL LUNCH REPORTS	DESTROY after five (5) years.
EDS-16-015	NOTIFICATION LETTERS FOR SCHOOL MEALS	DESTROY after three (3) years and completion of STATE BOARD OF ACCOUNTS audit.
EDS-16-016	RECORD OF CHARGED LUNCHES	DESTROY after five (5) years.
EDS-16-017	WEEKLY SCHOOL LUNCH REPORT	DESTROY after five (5) years.
EDS-16-018	GRADE BOOKS Confidential.	DESTROY after five (5) years.
EDS-16-019	GRADE SHEETS, CUMULATIVE BY SEMESTER Confidential.	DESTROY after three (3) years.
EDS-16-020	GRADE SHEETS, SIX WEEK Confidential.	DESTROY after three (3) years.
EDS-16-021	LETTER OF ABSENCE RECORD TO PARENTS Confidential.	DESTROY after three (3) years.
EDS-16-022	NOTICE OF SUSPENSION Confidential.	DESTROY three (3) years after student is no longer enrolled.
EDS-16-023	PERMANENT RECORD CARDS, GRADUATED AND WITHDRAWN STUDENTS Confidential.	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-024	ATHLETIC ELIGIBILITY CERTIFICATES May be confidential.	DESTROY after three (3) years.
EDS-16-025	ATHLETIC INSURANCE RECORDS May be confidential.	DESTROY after SEVEN (7) years.
EDS-16-026	ATHLETIC - PARENT-PHYSICIAN CERTIFICATION May be confidential.	DESTROY after five (5) years.
EDS-16-027	RECORD OF ATHLETIC AWARDS	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-028	CUMULATIVE RECORD/PERMANENT RECORD Confidential. Includes Adult Education records.	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-029	ANNUAL LIST OF GRADUATE AND WITHDRAWN STUDENTS Confidential.	PERMANENT. MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.

EDS-16-030	SENIOR AWARDS	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDS-16-031	STUDENT ACTIVITY SHEETS	RETAIN for 5 years after student leaves the school system.
EDS-16-032	TESTING RESULTS RECORDS, CLASSROOM AND BUILDING ISTEP, CAT, SAT, ACT, EPSF.	DESTROY after five (5) years.
EDS-16-033	STUDENT EMAIL ACCOUNT CONTENTS	DESTROY SIX (6) months after the close of the academic year during which the email was sent or received.
EDS-16-034	PARENT REQUEST AND PERMISSION TO ADMINISTER MEDICATION, INCLUDING PARENT NOTES Confidential.	DESTROY after three (3) years.
EDS-16-035	PSYCHOLOGICAL REPORTS INCLUDING FOLLOW-UP REPORTS Confidential.	DESTROY after three (3) years.
EDS-16-036	LIB - CIRCULATION RECORDS	RETAIN until returned.
EDS-16-037	LIB - FINE SLIPS	RETAIN until resolved.
EDS-16-038	LIB - MATERIALS INVENTORY	DESTROY after five (5) years or STATE BOARD OF ACCOUNTS Audit, whichever is later.
EDS-16-039	LIB - PATRON FILES	RETAIN until replaced or inactive.
EDS-16-040	LIB - TITLE II APPLICATION	DESTROY after FOUR (4) years.
EDS-16-041	LIB - TITLE II INVENTORY & EVALUATION	DESTROY after FOUR (4) years
EDS-16-042	SCHOOL PREMISES, BUS, OR SCHOOL-OWNED PROPERTY VIDEO SURVEILLANCE	DESTROY after 30 days.
EDS-16-043	FACULTY/STAFF CORRESPONDENCE	DESTROY after three (3) years.
EDS-16-044	FACULTY/STAFF EMAIL	Except where otherwise provided in the general retention schedule or this schedule, DESTROY after three (3) years.
EDS-16-045	LESSON PLANS	DESTROY 6 months after conclusion of academic year or when no longer useful, whichever is later.
<b>CHARTER SCHOOLS</b>		
EDC-16-001	CHARTER AGREEMENT	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.
EDC-16-002	FINANCIAL REPORTING REQUIREMENTS  Includes tax forms, required reports to agencies, includes state and federal requirements.	Except where otherwise provided in the general retention schedule or this schedule, DESTROY after SIX (6) years.
EDC-16-003	GOVERNING DOCUMENTS AS REQUIRED BY IC § 20-24-3-3	PERMANENT. May MICROFILM according to 60 IAC 2 STANDARDS. Original may be retained in office, transferred to the County Archives or destroyed upon receipt of written approval from the INDIANA ARCHIVES AND RECORDS ADMINISTRATION.

## APPENDIX F

Madison-Grant United School Corporation  
Bylaws & Policies

---

**8740 - BONDING**

The School Board recognizes that prudent trusteeship of the resources of this Corporation dictate that employees responsible for the safekeeping of Corporation monies and property be bonded.

The Corporation shall be indemnified against loss of money and property by bonding of employees holding the positions and in the amounts determined by the Board.

All other employees handling money shall be covered under a blanket bond to an amount determined by the Board.

The Board shall bear the cost of bonding each employee required to be bonded by this policy.

## Madison-Grant United School Corporation Administrative Guidelines

---

### 6611 - TICKET SALES

The following guidelines apply to all school events at which tickets are sold.

#### ***Responsibilities of the Activity Sponsor***

- A. Establish the price and make arrangements for the printing of the tickets.
- B. Obtain approval from the Superintendent for any complimentary tickets to be given away.
- C. Select the ticket sellers and provide them with the appropriate number of tickets, the forms needed to account for the sales, and the currency and coins needed for making change. Make sure they understand the sales and accounting procedure.
- D. Make a record of the number of tickets given to each seller.
- E. Receive the money, ticket-sales accounting form, and unsold tickets from each seller and reconcile the money collected with the ticket-sales accounting record. Maintain a record of unsold tickets.  
  
Identify any discrepancies in ticket sales from each seller. Secure written explanation of such a discrepancy from the seller and report all findings to the Treasurer.
- F. Prepare the deposit record and deposit the funds in the depository designated by the Treasurer.
- G. Make note of any changes in procedure that should be incorporated into the next ticket sale.

#### ***Responsibilities of the Ticket Seller***

- A. If tickets are numbered, make a record of the first and last numbers to verify the number of tickets received from the activity supervisor. Verify the prices, particularly if there are price differentials.
- B. Complete the information called for on the form heading.
- C. Collect the money from the purchaser, verify that the amount is correct, and provide the purchaser with the ticket(s).
- D. At the end of the sale, record the number of the first unsold ticket and count the number of tickets sold. If tickets have been sold at different prices, record the number sold at each price.

- E. Organize the money collected by denomination and then count each denomination. For each price category, compare the actual total with the total obtained by multiplying the number of tickets sold by the price of each ticket.
- F. Provide the activity supervisor with the money, ticket-sales accounting record, and the unsold tickets.

© Neola 2011

## Madison-Grant United School Corporation Bylaws & Policies

---

### 6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS

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

#### Cost Principles

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

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

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

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

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

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

1. the cost is needed for the proper and efficient performance of the

grant program;

2. the cost is identified in the approved budget or application;
3. there is an educational benefit associated with the cost;
4. the cost aligns with identified needs based on results and findings from a needs assessment; and
5. the cost addresses program goals and objectives and is based on program data.

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

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

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

- G. Not be included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented:
  1. in the case of personal services, the Superintendent shall implement a system for Corporation personnel to account for time

and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;

2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

### **Selected Items of Cost**

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

### **Cost Compliance**

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

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

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

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

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

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

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

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



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

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

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

### **Timely Obligation of Funds**

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

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

If the obligation is for:

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

### **Period of Performance**

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

, period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

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

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

2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458  
2 C.F.R 200.474(b)

Adopted 5/23/16

© Neola 2016

## APPENDIX I

## Madison-Grant United School Corporation Bylaws & Policies

### 6112 - CASH MANAGEMENT OF GRANTS

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

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

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

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

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

- A. The timing and amount of the advance payment requested shall be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The Corporation shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent available, the Corporation shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The Corporation shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments shall be deposited and maintained in insured accounts whenever possible.
- F. Advance payments shall be maintained in interest bearing accounts unless the following apply:
  - 1. The Corporation receives less than \$120,000 in Federal awards per year.
  - 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
  4. A foreign government or banking system prohibits or precludes interest bearing accounts.
- G. Pursuant to Federal law and regulations, the Corporation may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment (ASAP), National Science Foundation (NSF) or another Federal agency payment system.

2 C.F.R. 200.305

Adopted 5/23/16

© Neola 2016

## APPENDIX J

## Madison-Grant United School Corporation Bylaws & Policies

### 6116 - TIME AND EFFORT REPORTING

As a recipient of Federal funds, the School Corporation shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of Title 2 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services also may include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. is reasonable for the services rendered, conforms to the Corporation's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the Corporation's written policies and meets the requirements of Federal statute, where applicable.

### Time and Effort Reports

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the Corporation;
- C. reasonably reflect the total activity for which the employee is compensated by the Corporation, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the Corporation on an integrated basis;
- E. comply with the Corporation's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The Corporation also shall follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and

retention of all employee effort reports. Individually reported data shall be made available only to authorized auditors.

## Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the Corporation may use budget estimates for interim accounting purposes. The system used by the Corporation to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the Corporation and entered into the Corporation's records in a timely manner.

The Corporation's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

2 C.F.R. 200.430, 200.431

Adopted 5/23/16

© Neola 2016

## Madison-Grant United School Corporation Bylaws & Policies

---

### 1130 - CONFLICT OF INTEREST

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by School Corporation employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the Corporation.

To accomplish this, the School Board has adopted the following guidelines which apply to all Corporation employees, officers, and agents, including Trustees, to assure that conflicts of interest do not occur. These guidelines are not intended to be all inclusive; nor are they intended to substitute for good judgment.

An employee, officer, or agent of the Corporation making a recommendation to the Board on a matter to be considered by the Board shall not accept a gift or gratuity from a person or entity having a substantial personal or pecuniary interest in the Board's decision on the matter in accordance with the restrictions and provisions of I.C. 35-44.1-1-4.

1. No employee, officer (that is, any member of the Board), or agent shall engage in or have a financial or other interest in, directly or indirectly, any activity that conflicts or raises a reasonable question of conflict with his/her Corporation responsibilities.
2. Employees, officers (that is, any member of the Board), and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, client, or parents of such students or clients in the course of their employment or professional relationship with the Corporation.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee
- b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's employment or professional relationship with the Corporation through his/her access to Corporation records
- c. the referral of any student or client for lessons or services to any private business or professional practitioner; if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals

- d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer (that is, any member of the Board), or agent or any business or professional practitioner with whom any employee, officer (that is, any member of the Board), or agent has a financial relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
- 3. Employees, officers (that is, any member of the Board), and agents shall not make use of materials, equipment, or facilities of the Corporation in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- 4. Employees, officers (that is, any member of the Board), and agents shall not solicit gifts, travel packages, and other incentives from prospective contractors.
- 5. Employees, officers (that is, any member of the Board), and agents shall not participate in the selection, award and administration of any contract to an entity in which they have a pecuniary interest or from which they derive a profit or in which a dependent of the employee, officer (that is, any member of the Board), or agent has a pecuniary interest or from which the dependent derives a profit. "Dependent" includes the employee's spouse; unemancipated child, stepchild or adopted child under the age of eighteen (18); or individual for whom the employee, officer (that is, any member of the Board), or agent provides more than one-half (1/2) of the individual's support during a year. A "pecuniary interest" means an interest in a contract or purchase that will result or is intended to result in an ascertainable increase in the income or net worth of the employee, officer (that is, any member of the Board), or agent or the employee's, officer's (that is, any member of the Board), or agent's dependent who is under the direct or indirect administrative control of the employee, officer, or agent or who receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the employee, officer (that is, any member of the Board), or agent.
- B. No conflict of interest will be deemed to be present if the Corporation employee's, officer's (that is, any member of the Board), or agent's interest in the contract or purchase and all other contracts and purchases made by the Corporation during the twelve (12) months before the date of the contract or purchase was \$250 or less.
- C. Should exceptions to this policy be necessary in order to provide mandatory services to students or clients of the Corporation, all such exceptions will be made known to the employee's supervisor, or to the School Board if there is no supervisor, and will be disclosed to the Superintendent **before** entering into any private relationship.
- D. To the extent that the Corporation has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the Corporation may not conduct a procurement action involving the parent,



affiliate or subsidiary organization if the Corporation is unable, or appears to be unable, to be impartial.

- E. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to the Corporation. Upon discovery of any potential conflict of interest, the Corporation will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

The Corporation also will disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- F. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

I.C. 20-26-3-4

I.C. 20-26-5-4

I.C. 35-44.1-1-1, 35-44.1-1-2, 35-44.1-1-4, 35-44.1-1-5

2 C.F.R. 200.112, 200.113, 200.318

7 C.F.R. 3016.36(b)(3) and 3019.42

Revised 10/26/15

Revised 5/23/16

© Neola 2016

## Madison-Grant United School Corporation Bylaws & Policies

---

### **7450 - PROPERTY INVENTORY**

As steward of the School Corporation's property, the School Board recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall conduct a complete inventory of all Corporation-owned equipment annually.

For purposes of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is non-expendable, costs at least \$1,000 to replace as a single unit and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$1,000.00.

It shall be the duty of the Business Director to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

Each principal/supervisor shall conduct an annual spot-check inventory of major items of equipment to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.

The principal shall maintain a system of property records which shall show, as appropriate to the item recorded, description and identification, manufacturer, year of purchase, initial cost, location, condition and depreciation, and/or evaluation in conformity with insurance requirements.

Equipment acquired under a Federal award will vest upon acquisition to the Corporation, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The equipment may be only used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300, Policy 7310, and AG 7310.
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the Federal Award Identification Number (FAIN)), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.
- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the

property in good condition.

2 C.F.R. 200.313

Revised 5/23/16

© **Neola 2016**

**Madison-Grant United School Corporation  
Bylaws & Policies**

---

**6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS**

Procurement of all supplies, materials, equipment, and services paid from Federal funds or School Corporation matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, and School Board policies and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 C.F.R. 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The Corporation shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the Corporation's documented general purchasing Policy 6320 and AG 6320A.

All Corporation employees, officers (that is, Board members), and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3113 and Policy 4113 – Conflict of Interest.

The Corporation shall avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the Corporation may enter into State and local intergovernmental agreements, where appropriate, for procurement or use of common or shared goods and services.

**Competition**

All procurement transactions shall be conducted in a manner that encourages full and open competition and is in accordance with good administrative practice and sound business judgement. In order to promote objective contractor performance and eliminate unfair competitive advantage, the Corporation shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms in order for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;

- C. noncompetitive contracts to consultants that are on retainer contracts;
- D. organizational conflicts of interest;
- E. specification of only a "brand name" product instead of allowing for an "*or equal*" product to be offered and describing the performance or other relevant requirements of the procurement; and
- F. any arbitrary action in the procurement process.

Further, the Corporation shall not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals unless 1) an applicable Federal statute expressly mandates or encourages a geographic preference; or 2) the Corporation is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent that the Corporation uses a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The Corporation allows vendors to apply for consideration to be placed on the list continuously.

### **Solicitation Language**

The Corporation shall require that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and the solicitation shall identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

### **Procurement Methods**

The Corporation shall utilize the following methods of procurement:

- A. Micro-purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500.

To the extent practicable, the Corporation shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the Purchasing Agent identified in Policy 6320 considers the price to be reasonable. The Corporation maintains evidence of this reasonableness in the records of all purchases made by this method.

B. Small Purchases

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property the cost of which exceeds \$3,500 but is less than the competitive bid threshold of \$150,000. Small purchase procedures require that at least three (3) price or rate quotations shall be obtained from qualified sources.

C. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment amounts to \$150,000 and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Indiana statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

1. a complete, adequate, and realistic specification or purchase description is available;
2. two (2) or more responsible bidders are willing and able to compete effectively for the business; and
3. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from three (3) qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.

2. The invitation for bids shall include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
3. All bids shall be opened at the time and place prescribed in the invitation for bids; bids shall be opened publicly.
4. A firm fixed price contract award shall be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may be used to determine the low bid only when prior experience indicates that such discounts are usually taken.
5. The Board reserves the right to reject any or all bids for sound documented reason.

D. Competitive Proposals

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. Indiana law stipulates a threshold for which sealed bids are required. (See Policy 6320.)

If this method is used, the following requirements apply:

1. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
2. Proposals shall be solicited from an three (3) sources.
3. The Corporation shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The Corporation may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E)

professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can be used only in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

E. Noncompetitive Proposals

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. the item is available only from a single source
2. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
3. the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Corporation
4. after solicitation of a number of sources, competition is determined to be inadequate

**Contract/Price Analysis**

The Corporation shall perform a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the Corporation shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the Corporation shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

**Time and Materials Contracts**

The Corporation uses a time and materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the Corporation is the sum of the



actual costs of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the Corporation sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the Corporation shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

### **Suspension and Debarment**

The Corporation shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the Corporation and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the Corporation shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The Corporation is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 C.F.R. Part 180.

Suspension is an action taken by the Corporation that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 C.F.R. Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. Chapter 1). A person so excluded is debarred. (2 C.F.R. Part 180 Subpart H)

The Corporation shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the Corporation shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov); collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 C.F.R. Part 180 Subpart C)

### **Bid Protest**

The Corporation maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of

bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest or failure to file a formal written protest within the time prescribed shall constitute a waiver of proceedings.

### **Maintenance of Procurement Records**

The Corporation maintains records sufficient to detail the history of all procurements. These records shall include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

I.C. 5-22-2-21, 5-22-2-30, 5-22-2-38

I.C. 5-22-3-3

I.C. 5-22-6-1 and 5-22-6-2

I.C. 5-22-7-1 et seq.

I.C. 5-22-8-2, 5-22-8-3

I.C. 5-22-10-1 et seq.

I.C. 5-22-16-1, 5-22-16-2

I.C. 20-26-4-6, 20-26-4-8

I.C. 20-26-5-4

2 C.F.R. 200.317 - .326

Adopted 6/13/16

© Neola 2016

## APPENDIX N

### Madison-Grant United School Corporation Bylaws & Policies

---

#### **8531 - FREE AND REDUCED-PRICE MEALS**

The School Board recognizes the importance of good nutrition to each student's educational performance.

The Board shall provide eligible children with lunch at a reduced rate or at no charge to the student. It also shall provide breakfast in accordance with provisions in I.C. 20-26-9-1 et seq.

Eligibility of students for free or reduced-priced meals shall be determined by the criteria established by the Child Nutrition Program.

The Board designates the Food Service Director to determine the eligibility of students for free and reduced-price meals in accordance with the criteria issued annually by the Federal government through the State Department of Education.

The schools shall annually notify all families of the availability, eligibility requirements, and application procedure for free and reduced-price meals by distributing an application to the family of each student enrolled in the school.

The Corporation shall follow the current Federal and State statutes and regulations governing school lunch programs, including but not limited to those governing the application process, accounting standards, and audit requirements of the Free and Reduced Lunch Program. All employees responsible for the collection and processing or auditing of free and reduced price lunch applications shall be trained in the requirements of the Free and Reduced Lunch Program, including but not limited to the eligibility requirements, accounting standards, and audit requirements.

In addition, applications for students to qualify for free and reduced price lunches shall be audited a second time by a Corporation employee other than the Corporation employee who collects and processes the applications initially. This employee also shall be trained in the requirements of the Free and Reduced Lunch Program, including but not limited to the eligibility requirements, accounting standards, and audit requirements. Applications will be audited a second time as follows: A review will be completed of twenty five percent (25%) of the applications submitted annually.

The Superintendent shall establish whatever administrative guidelines are necessary to ensure the program is conducted in accordance with guidelines established by the U.S. Department of Agriculture and the Indiana Department of Education.

I.C. 20-26-9-1 et seq.  
I.C. 20-41-2-1 et seq.  
42 U.S.C. 1751 et seq.  
42 U.S.C. 1771 et seq.

Revised 8/22/16

APPENDIX O

# Internal Controls Acknowledgment

## Madison-Grant United School Corporation

I hereby acknowledge that I have received training on Internal Controls standard and procedures as required by Indiana Code 5-11-1-27(g)(2).

Name: \_\_\_\_\_  
                    First                                    Last

Email: \_\_\_\_\_

Building Location: \_\_\_\_\_

Date: \_\_\_\_\_

Signature \_\_\_\_\_

\*This certification shall be printed, signed, and forwarded to the Business Office to be retained.