

Spearfish School District 40-2
3000 Business and Non-Instructional Operations

Board Policy

Code: 3150

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Uniform Guidance Compliance

The main purpose of this policy is to establish guidelines for improving the Spearfish School District's internal controls and reduce the likelihood of funds being misused.

Fiscal Year: The fiscal year shall begin on July 1st and end June 30th. (SDCL 13-26-1)

Chart of Accounts:

School Districts are required to use the chart of accounts as shown in the School District Accounting Manual. The structure includes fund, revenue, and expenditure functions. Expenditure functions are further defined by object. The Governmental Accounting Standards Board has defined the term "fund" as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund type prescribed by Legislative Audit for the operating budget for schools is the General Fund. The General Fund is a fund provided by law to meet all the operational costs. Revenues are classified by source and type in the various funds. Revenues are defined as additions to assets which do not increase any liability, do not represent the recovery of an expenditure and do not represent the cancellation of certain liabilities or a decrease in assets. The purpose of classifying expenditures is to provide a basis for grouping the expenditures so that a meaningful analysis can be made. Expenditures are classified by function, object and operational unit. The chart of accounts can be modified by the Business Manager to accommodate changes in existing expenditure functions/objects or additional expenditure functions/objects or to facilitate any specific reporting requirements. Each grant is assigned its own expenditure function.

Budget Controls & Modifications:

The Business Manager and Superintendent, with input from building principals, coordinators and directors are involved in the budget preparation process. A preliminary budget is presented to the Board at their regular meeting in May with the budget hearing and adoption occurring in June. The budget is constructed using the current budget; historical revenue and expenditure data, proposed salaries and benefits, state and local growth data and projections, current enrollment data and projections and specific grant allocation amounts. Principals, coordinators and directors are provided with a monthly financial report to use to compare budgeted amounts, obligations and actual expenditures. The School Board is provided a financial report and bill listing at their monthly meeting.

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Audits and Resolution:

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

Cash Management – Federal Programs

The Payroll/Benefits Secretary and the Business Manager are responsible for tracking the financial expenditures and reimbursements for all programs that operate on a reimbursement basis (reimbursements are requested from the granting agency for costs previously incurred). Each program has its own identification code within the accounting system's general ledger for tracking purposes. Reports are generated through the school district's accounting system using coding specific to the desired grant by the payroll and benefits secretary. The reports are forwarded to the district's business manager who insures the costs are reasonable, necessary and allowable under federal guidelines. The business manager utilizes the state Department of Education grant management system site to enter the expenditures and request reimbursement. The state DOE bureau of finance and management sends the reimbursement request via ACH to the district's primary checking account. At the end of each month, the business manager references the state DOE grant management site and prints out a copy of the monthly activity and gives it to the accounts payable secretary who receipts the specific grant information and dollar amount. The business manager then reconciles the DOE site amount and receipted amount in the school's accounting software to the bank statement. Files specific to the individual grants are maintained with the expenditure information, grant reimbursement request and the state DOE payment information.

Procurement:

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

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

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

In compliance with State procurement regulations, the school requests and receives bids for all purchases exceeding State set thresholds. Thresholds are \$50K per project for construction and \$25K per purchase for equipment. Each bid project is advertised and bids are requested. Bids are received and compiled by the Business Manager for presentation to the Board and then the lowest responsible bid is awarded the project or purchase.

Payroll:

Spearfish schools have three classifications of employees, contract employees, salaried employees, and hourly employees. Contract employees consist mainly of teachers, but also include administrators. Contracts are signed on an annual basis for teachers prior to the school year, unless contracts are still being negotiated. These employees are paid monthly on the 20th for the current month. Salaried employees include most of the administrative staff, custodians, principals, etc. Hourly staff is paid on the 10th of each month for the preceding month. Any overtime for hourly employees is paid on the 10th of each month for the preceding month for any type of employee.

A Board-approved initial placement schedule considers length of service and highest level of education determines all initial pay rates. Yearly raises if pertinent are approved by the Board after negotiations have been completed. The District utilizes a computerized time clock system and employees clock in and out on a daily basis. Principals have access to each employee's activity and review it prior to each payroll being paid. After the principals have approved such activity, the Payroll Secretary gathers the information from the computer and compiles it to generate the direct deposit. The payroll secretary prints Time Card Reports (which serve the same purposes as a timecard) and signs off on them. All employees are paid through direct deposit and are sent their pay stubs by email. For all payroll dates, a payroll report is run prior to the direct deposit being initiated. The Payroll Secretary and the Business Manager review this report for reasonableness and errors. The business manager reviews and approves those employees paid through a grant prior to submitting the reimbursement request through the state's grant management system. The business manager also reviews the payroll for those employees assigned 100% to federal grants. Payroll is run out of the same checking account as regular expenditures, but has a different check sequence. The business manager agrees the approved direct deposit register to the bank statement withdrawal each month.

Salary expenditures for employees working solely on a single Federal program or cost objective, must be supported by periodic certifications that the employee worked only on that program for the period covered by the certification. The certification must be prepared at least semiannually and signed by the supervisory official with firsthand knowledge of the work performed by the employee.

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Personnel files are maintained by the Payroll Secretary and the Secretary to the Superintendent and are kept in a locked, fireproof cabinet.

Food Nutritional Program:

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

The District utilizes the National School Lunch Program which provides cash reimbursement and commodity foods for meals served in non-profit food services in elementary and secondary schools. As a pricing program, the District is required to make the application for free and reduced price meals available to all households. If a household qualifies for free meals, the District will provide meals and snacks to those children at no cost to them. If a household qualifies for reduced price meals, the maximum reduced prices, by law, are 40 cents for lunch or supper, 30 cents for breakfast, and 15 cents for snack. Free and reduced price meal application approvals for the National School Lunch and School Breakfast Programs are to be used for 30 operating days in the next school year or until direct certification or a new application is in and approved, whichever comes first. An income scale obtained through the State CANS office is utilized by the District to determine free or reduced lunch status when reviewing the meal status applications. The District's food service/special education secretary, with approval from the business manager, is responsible for determining free or reduced lunch status. The different status of students in the food service program, free, reduced or paid, are compiled by the food service secretary and sent to the various buildings. The point of sale person at the various buildings enters the status to the corresponding student. On a monthly basis, the District food service secretary generates a report from the various point of sale terminals and submits the information to the state Child and Adult Nutritional Services through their web based application called iCAN. The state in turn approves the information posts the reimbursement amounts on the DOE grant website and sends payment via ACH to the district's designated bank. The District receipts the payment off of the DOE grant site and reconciles the amounts to the bank statement.

Conflict of Interest:

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

First Reading for Adoption: February 4, 2019