

Oakridge Public Schools

Business Operating Procedures and Federal Awards Administration Manual

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Oakridge Public Schools
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Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Overview

Purpose - This manual has been prepared to document the policies and procedures for the administration of federal awards of Oakridge Public School District (the “District”) and general business procedures. The Michigan Department of Education has interpreted [34 CFR Part 80, 2 CFR Part 213 and Part 6 of the Office of Management and Budget (OMB) Circular A-4133 Compliance Supplement to require an entity to have written procedures as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority - In the event that conflicting guidance on the administration of Federal awards is available, the District from the OMB to be most authoritative, followed by guidance from MDE, and finally other State or local agencies.

Revisions - Guidance provided by the Federal government through the OMB Circular A-133 Compliance Supplement and guidance provided by MDE through the Michigan School Accounting Manual are expected to be updated each year. Such updates are considered by the District as they become available and policies and procedures will be revised accordingly.

The Director of Finance (designated by authority of the Superintendent) is authorized and required to establish and document operating procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such procedures are documented herein, and will be reviewed and updated as necessary, but not less than once every three years.

Training - District accounting and finance personnel, and program administrators of Federal awards will be provided the necessary training through various mechanisms, such as: (1) reviewing monthly State Aid Financial Status Report Updates, accompanying State aid payments (2) consulting with the District’s auditors as needed for clarification, (3) participating in various training opportunities, such as those offered by appropriate professional organizations, (4) reviewing daily legislative updates from multiple sources, (5) membership and participation in monthly meetings of the Michigan School Business Officials, (6) certification of respective positions by the Michigan School Business Officials i.e.: Business Office Manager, Business Office Specialist, Chief Financial Officer, Human Resource Specialists, School Payroll Specialists & School Technology Management (7) coordination and collaboration with individuals performing similar job functions at local Districts within the District and at similar Intermediate School Districts (8) conducting quarterly Director of Finance meetings for Director of Finances of schools within the District in order to share information and ideas.

Compliance Failures - Compliance failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
General Accounting and Financial Management

It is the policy of Oakridge Public Schools (the “District”) to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the District will be maintained subject to the following provisions:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 8310 Public Records
- 6830 Audits

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.
2. The District will comply with all applicable circulars issued by the OMB, including, but not limited to:
 - a. OMB Circular A-87 - *Cost Principles for States, Local and Indian Tribal Governments*
 - b. OMB Circular A-133 - *Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act)*
 - c. Subsequent guidance to A-87 and A-133, also known as Super-Circular or Uniform Grant Guidance.
3. The District will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
4. The Board of Education will contract annually with an independent CPA firm for the purposes of conducting the District’s external financial audit. To the extent that the District has expended federal awards in excess of \$500,000 (or the current threshold), the District will have a single audit performed in accordance with OMB Circular A-133.
5. To ensure continuing compliance with all applicable accounting requirements, the Board of Education may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.
6. The Superintendent or designee shall maintain a book of Official Policies adopted by the Board of Education, in addition to this Policies and Procedures manual. These policies may be maintained and stored in a web-based file storage/access system.
7. The Superintendent or designee shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled “Records Retention”.

Oakridge Public Schools
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Fraud Risk Assessment & Monitoring Program

Oakridge Public Schools (OPS) has a culture of honesty and ethics. The district has a strong value system that is founded on integrity (ethics and values are printed in board policy, section 0144.2, 1230, 2111, 3210). The workplace environment promotes ethical behavior, deters wrongdoing, and encourages and facilitates all school employees report any known or suspected wrongdoing.

The district has a positive workplace environment, which improves employee morale and loyalty. As a result, employees are less likely to commit fraud against the school.

The district hires the most qualified individuals. Emphasis is on educational background, prior work experience, past accomplishments, evidence of integrity and ethical behavior, and demonstration of agency commitment to competent and trustworthy people. OPS conducts background investigations, fingerprinting, thoroughly checking a candidate's education, employment history, and personal references.

Fraud prevention and detection training is offered through professional development for all school personnel. District standards and procedures and the employees' roles and responsibilities in reporting suspected or actual fraud are in accordance with board policy. Board policies and administrative guidelines are made available to all employees. All employees sign a code of conduct for the use of district internet and technology.

The Board and administration have clearly articulated that all employees will be held accountable to act within the district's standards and procedures. The standards and procedures are fundamental elements of the control environment and antifraud program.

Internal controls have been implemented and are continually evaluated to protect the district against any type of fraud. Moreover, the auditors annually evaluate the procedures and processes to assist the district. In the event of a fraudulent occurrence, district administrators are prepared to take necessary action. Additionally, OPS has insurance to protect against a potential loss.

Financial statements are prepared in accordance with GAAP. Statements are prepared by the Director of Finance, reviewed by the Superintendent and the Board of Education, and audited by an independent audit firm.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Cash Management

In order to safeguard the funds of the District, cash receipts will be deposited promptly and in-tact according the following policies:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and incorporated here by reference:

- 0150 - Depository of Funds
- 6620 - Petty Cash

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above or otherwise contained in Board policies:

All monies collected by school personnel for school-sponsored activities and events must be carefully posted and prudently safeguarded. Money collected for any purpose must be submitted to the building principal or his/her designee, who will provide for its proper deposit. A receipt will be written for all money received by each school when possible. There will be no commingling of funds. Deposits will be prepared daily by designated office personnel and sent to central office for banking. Money which is not deposited in the bank on the day of collection must be secured in the safe in the building's administrative offices and deposited on the next business day.

Teachers and others will be cautioned against leaving cash in desks or cabinets, particularly overnight. The Board will not be responsible for money left in any school overnight except for petty cash that has been handled as directed.

Funds Requests

1. Separate accounting records are maintained. The district uses the state's chart of account codes as required by MDE and the district's finance system is able to provide a sort by state code or as the district has also established, by project code.
2. The Director of Finance prints out the grant as described above during the week following the end of a month and enters the year-to-date costs into the state's Cash Management System and submits the request. A copy of the drawn down, signed by the Director of Finance, is then provided to the Administrative Assistant for Finance for receipting once the disbursement is received by the district. A district-created grant reimbursement form is then prepared by the Director of Finance which matches the requested draw down and provides a double check on the calculation and is signed by the Director of Finance. The print out of the current year-to-date expenditures (general ledger summary) is then attached to that form. The Director of Academic Programs then reviews the grant reimbursement form and the attached general ledger summary to make certain they are correct. Once reviewed, the Director of Academic Programs than initials the document.

Cash Receipts

1. Administrative Assistant for Personnel Services or other designee sorts the incoming mail, both from the post office and from buildings. Incoming mail is sorted to the appropriate department/building. Office staff opening incoming mail will prepare a list of checks received. This list is ultimately compared to actual deposits when the Director of Finance prepares the bank reconciliations for the district bank accounts. The checks are then given to Administrative

Assistant for Finance for processing into the district's finance accounts receivable system and preparation of bank deposit. Deposits are placed in tamperproof bank bags and taken to the bank by the Director of Finance or designee.

2. Periodically the district receives funds electronically which includes, but is not limited to, state aid payments, grant draw downs, and lunch deposits. Any email received that provides notice of these transfers is first directed to the Director of Finance. He/she saves the email in a folder in the district's email system. He/she also forwards the email to Administrative Assistant for Finance for proper receipting. Electronic funds can be matched up to draw down request forms, state aid payment notices, etc., and are accounted for during the bank reconciliation process.
3. The district uses a debit card system for the payment of school lunches. Parents can also send cash and checks to have deposited into their child's account. Checks and cash are collected at the building level. Each building stamps the back of every check, counts cash, and prepares the deposit record. Once deposits are prepared, they are sent to central office where the Administrative Assistant for Personnel Services or designated replacement verifies that the deposit matches the "Z-Report" that has been sent by the building with the deposit. The deposit is then given to the Director of Finance or designated replacement who will prepare a deposit ticket and then place those deposits into a tamperproof bank bag for depositing at the end of the day. Any differences are worked out with the building secretaries. Parents can also deposit funds using the secure online system established with Meal Magic. All cash is reconciled monthly through the balancing of bank statements by the Director of Finance.
4. All recipients funds (ex: federal grants and all others, including program income) are deposited promptly.
5. All receipts are deposited intact.
6. All receipts are entered into the MUNIS finance system which assigns a receipt number. The Administrative Assistant for Finance prints the receipt and attaches all pertinent documentation.
7. The cash receipts function is performed by the Administrative Assistant for Finance who does/may not sign checks or reconcile bank statements.
8. The Administrative Assistant for Finance maintains the accounts receivable with oversight from the Director of Finance. The Director of Finance maintains the general ledger, and general journal.

Bank Reconciliations

All bank reconciliations are to be received unopened and then prepared by the Director of Finance and reviewed/approved by the Superintendent in a timely manner. The Director of Finance must sign each bank reconciliation attesting that he/she prepared the reconciliation and that cashed checks were reviewed for fraudulent activity. The Superintendent must also review the reconciliations and attest to it by signing the document. All journal entries related to the bank reconciliation are also prepared by the Director of Finance and reviewed/approved by the Superintendent with the required signatures in place. He/she either accesses the online banking system or can request a copy of checks that have been cashed to view the front and back of cashed checks looking for possible instances of fraud, which may include alterations, irregular endorsements, and unauthorized signatures. This is done on a monthly basis at the time of reconciliation.

Bank reconciliations should include, but are not limited to:

1. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
2. A comparison of inter-organizational bank transfers to be certain that both sides of the transaction have been recorded on the books.
3. An investigation of items rejected by the bank.
4. A comparison of wire transfer dates received with dates sent.
5. A comparison of canceled checks with the check register as to check number, payee, and amount.

6. An accounting for the sequence of checks both from month to month and within a month.
7. An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
8. A review and proper mutilation of voided checks.
9. Investigate and write off checks which have been outstanding for more than one year.
10. Completed bank reconciliations are reviewed by the Superintendent and initialed as such.
11. The Director of Finance prepares any general ledger adjustments which are reviewed by the Superintendent and initialed as such.
12. All documents kept in an orderly file for audit review.

Handling of Vouchers (and grant alignment)

1. The supporting document attached to the check voucher is identified by an account number and the signature of approver.
2. Invoices or vouchers are approved in advance by the Director of Finance.
3. The Administrative Assistant for Finance voids checks and properly cancels checks and retains for future examination.
4. Blank checks are secured in a locked file room.
5. All checks require an electronic signature.

Cash Payable Policy/Practice

1. The practice of drawing cash payable to “cash” or “bearer” is prohibited.
2. Request for payment of all disbursements must be in writing with proper approvals.
3. All checks are generated from the MUNIS financial system, therefore, no unrecorded checks are allowed.

Program Income

1. The Administrative Assistant for Finance is responsible for the receipting of all funds.
2. The Director of Academic Programs is responsible for the obligation of all funds defined in the district’s Consolidated Application.
3. The Special Ed Director (SED) is responsible for the obligation of all special education funds.
4. The Director of Finance and/or district superintendent is responsible for the obligation of all other program funds.
5. If there are costs incidental to the generation of program income, the costs will be deducted from gross income to determine net program income.

Final Expenditure Report (FER)

1. The Director of Finance is responsible for generating the budget summary at end of the grant period following the district’s audit and by the state’s deadline and prepares the FER.
2. He/she enters the budget summary information in the Cash Management System (CMS).
3. The budget summary information is then reviewed by the Director of Academic Programs for accuracy.
4. Upon review, the Director of Finance submits the FER in the CMS.
5. A copy of the FER and supporting documentation is kept in the GRANT binder in his/her office.

Budget Process -*see TITLE I/TITLE 1 ARRA PROGRAMS State and Federal Programs Budget Development and Monitoring document*

Assets - *See Oakridge Public Schools Fixed Asset Procedures document*

Agency Match

1. If applicable, the agency's operating budget reflects sufficient non-federal funds to match the federal funds during the grant period for the fiscal years under review.

Inter-fund Transfers

The Director of Finance has authority to move funds between district bank accounts as is required and between funds in the district's chart of accounts as is required. These transfers are also reviewed by the Superintendent during the bank reconciliation/journal entry process.

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Purchasing and Procurement

It is the policy of Oakridge Public Schools to ensure that all disbursements of District funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of District funds shall be subject to the following provisions:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and incorporated here by reference:

- 6110 Grant Funds
- 6320 Purchasing
- 6321 New School Construction, Renovation
- 6350 Prevailing Wage Coordinator
- 6423 Use of Credit/Debit Cards
- 6440 Cooperative Purchasing
- 6450 Local Purchasing
- 6470 Payment of Claims
- 6550 Travel Payment & Reimbursement
- 6610 Student Activity
- 6620 Petty Cash
- 6670 Trust & Agency

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above or otherwise contained in Board policies:

This procedure manual has been designed to provide guidelines for procuring the items and services necessary to support the district's operational functions. This manual will assist all district personnel in the contracting and procurement process. When district funds, whether local, state, or federal, will be used for goods and services, this procedure manual must be followed. Although competitive bidding may not be required in all instances, this manual will assist district employees in establishing whether or not special procurement rules apply. It is also the intent of this document to provide guidelines for selecting the most qualified service providers at fair market values.

All district policies including contracting and procurement policies are available and accessible at the Oakridge Public Schools Board website or at <http://neola.com/oakridge-mi/>.

The standard document utilized for district purchases is the Supply Requisition. The procurement of supplies and equipment is automated through the district's finance system. The actual purchasing process will be explained in greater detail later in this document.

Although the actual procurement responsibilities are that of the OPS business office, the procurement process cannot begin until a duly authorized requisition has been entered into the finance system and received by the OPS purchasing department. In certain circumstances, the OPS business office may initiate the solicitation phase of the procurement process if the contract or purchase is above the dollar value threshold dictated by OPS Board Policy. Please refer to board policy 6320 - Purchasing for guidelines pertaining to the competitive bidding process. In any case, no purchase order or contract will be issued until the authorized requisition is received. In addition, it is improper for any department or employee to incur obligations on behalf of the district for the procurement of items or services without submitting a requisition and obtaining a purchase order or contract. On rare occasions, an administrator may approve a

purchase without submitting a requisition. See Administrative Guideline 630A.

These regulations shall apply to all acquisitions involving the expenditures of Oakridge Public Schools (OPS) funds or funds provided from other sources (Federal, State, Local, grants, etc.) for the use of OPS. The purchase of goods and services required by various departments or schools which derive support wholly or in part from OPS shall be in accordance with the purchasing procedures as described below.

Purchases shall be made by the local schools/departments and approved by the Director of Finance. He/she shall not approve the purchase of goods or services without a properly executed and approved document with approved funds. All purchases of goods or services shall be made as described below. Authorized purchases may be made from a vendor that does not accept purchase orders provided that documentation of the purchase and receipt are submitted to the Central office. Very small purchases may be made with petty cash (see below).

Procurement - Federal Grants

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (34 C.F.R. 80.36) for the administration and management of Federal grants and federally-funded programs. The District shall maintain a compliance 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 this policy and administrative guidelines (AG [6320A](#)).

M.C.L. 380.1267, 380.1274 et seq.

Revised 8/18/10

Revised 5/1/13

Revised 9/3/14

OPS Administrative Guideline 6320A - Purchasing - General Provisions

- A. Purchases shall be by purchase order processed through the Director of Finance.
- B. The Superintendent/Director of Finance shall be the contracting agent for all financial obligations.
- C. The Director of Finance shall be responsible for encumbering the funds as soon as the purchase order has been issued.
- D. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order. Before such a commitment is made, the Director of Finance shall be contacted for prior approval and for a purchase order number. In all such cases, a purchase order shall be issued as soon as possible after the commitment is made.
- E. Employees are forbidden to use the name of the District, any discounts provided the District, or any other means for associating a personal purchase with the District. They are to make clear to any District supplier from whom they are purchasing an item that it is a personal purchase by the employee and is not associated with the District. Failure to abide by this provision could lead to disciplinary action.
- F. Confirming purchase orders will be honored only in cases cited in the above paragraph.
- G. Ongoing commitments such as service contracts and leases should be renewed annually, in writing, at the renewal date.
- H. Blanket purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or

amount shall be confirmed by a new purchase order. Blanket purchase orders must be approved by the Director of Finance before they are issued.

- I. Purchases of contracted services shall be negotiated either verbally, by a Request for Proposal, or through the bid process, as determined by the Superintendent. Such services that cost more than the statutory limit require the approval of the Board.
- J. The Director of Finance will determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
- K. Quotes will be requested for any item or group of items in a single transaction costing between \$1,000 and the statutory limit.
- L. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board.
- M. Annual purchase order cut-off dates shall be as follows: Purchase orders must be received in the Business Office on or before April 15th of the fiscal or project year, unless the services or supplies are essential to continue the daily operation of the department or building for the remainder of the current year, or unless an emergency exists.

See also **Oakridge Public Schools Title 1, Title 1 ARRA Procedures document**

Unauthorized purchases

An unauthorized purchase is any action taken by an individual, other than the Director of Finance or by his/her designee, which could result in a commitment by OPS to pay for the goods or the services. It is prohibited for any employee to purchase or to contract to purchase any good or service, or to make any commitment for OPS to make payment other than through the Director of Finance or his/her designee.

The district will not participate in the purchase of items that are to become the personal property of employees or others. Students, district employees, and other persons will not make personal purchases through the general fund or internal fund to take advantage of purchasing privileges such as discounts and tax exemptions.

Routine purchases - Requisitions and Purchase Orders

1. The requestor completes the requisition and submits it to the principal/supervisor. If any purchases are to be made with federal funds, the requestor must first complete the Use of State and Federal Funds Form and send it to the Director of Academic Programs who will approve (or deny) the purchase and assign the appropriate account number to be used.
2. Requisitions are then prepared and input into the system by building clerical staff. The Director of Finance has the ability to control the workflow of the requisition through security roles and workflow in the finance system. The current established workflow dictates that once clerical staff have entered the requisition it then follows the workflow to his/her administrator/supervisor who must then review and approve the requisition again. The building principals and department supervisors have the authority to approve requisitions.
3. Once approved, the requisition is released through workflow to the Administrative Assistant for Finance He/She then prints the purchase order, which includes computer generated sequential numbering.
4. Once printed, the PO is brought to the Director of Finance or superintendent for final review and signature approval.
5. Administrators are provided with an annual notice in the spring regarding the time line for purchase orders for the current year and for the new year.
6. The Director of Finance can establish controls in the finance system to control overspending of any line items.
7. Any requisition that does not comply with these requirements, or are in conflict with Federal

and State law and/or board policy 6320 will not be processed.

If the competitive bid threshold issued by the State of Michigan Department of Education differs with Board policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The Superintendent or Director of Finance will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by MDE:

| Expenditure Type | Michigan Revised School Code Section |
|--|--------------------------------------|
| District procurement of supplies, materials and equipment | 623a |
| District award value limit | 634 and 1814 |
| District gift value limit (monthly) | 635 |
| School building construction, addition, renovation, or repair | 1267 |
| School District or Public School Academy procurement of materials, and equipment | 1274 |

Centralized purchasing will be handled by the Director of Finance and/or an authorized designee. At this time, the only centralized purchasing is for district paper needs.

The maintenance and transportation department will use purchase orders when it is deemed necessary. Otherwise, these departments are authorized to make purchases as necessary to meet the needs of the departments. When the Administrative Assistant for Finance receives an invoice for such a purchase, the invoice is forwarded to the director of that department for his/her approval and for the appropriate line item to be charged.

Disbursements will be supported by approved vendor invoices.

- a. Invoices are typically paid twice per month, once near the middle and the end of the month.
- b. Packing slips are sent to the business office. Each slip is reviewed, scanned into the finance system, and stored with the voucher copy of the check. If there is a notation of a discrepancy, the appropriate measures are taken to rectify the problem.
- c. When invoices are received, they are also scanned into the financial system.
- d. If the invoice references a PO number, the PO and invoice are compared to see if the order is complete, to verify vendor name and address, and to verify pricing.
- e. When complete, the invoice and PO are stapled together. If not complete, the PO remains in the folder and the invoice is coded with the correct information.
- f. If the invoice does not reference a PO, the invoice is sent to the building/department for proper authorization and account number coding.
- g. Regular recurring invoices, i.e. utilities, fuel, etc. are coded by the Administrative Assistant for Finance.
- h. The approved invoice will be attached behind the check stub and filed electronically in the on-line document management system. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.

The Superintendent or Director of Finance are authorized to make purchases for all allowable and necessary items within the Board-approved budget allocation. Purchases made with federal funds in excess of \$100,000 may be subject to the provisions of 34 CFR Part 85 or similar regulations. Where such regulations differ from general District policy, the most restrictive of the requirements shall apply.

All approved check requests will be processed by the Administrative Assistant for Finance. Disbursements will be made by check with the exception of purchase cards purchases, some utilities, debt service payments, and payroll–related expenses.

Checks are sequentially numbered by the financial software package and verified during the check runs. Unused check stock is stored in the Business Office. Since the entire check form/image is generated through the printing process, it will not be deemed necessary to use a physically secure location. Checks will be endorsed by MICR during the printing process. A check run is generated electronically in MUNIS and sent to the MICR printer, located in the closet of the business office. A duplicate copy of the check is printed and stapled to the invoice and PO. The checks are mailed the same day the check is issued.

Claims will be paid timely based on the condition of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payment.

Capital Expenditures

For all major expenditures, the district shall abide by the laws of the State of Michigan and board policy and seek bids when necessary. See **Oakridge Public Schools Fixed Asset Procedures** document.

Direct pay

There are instances where payments will be paid for registrations, plane tickets, etc., or where the goods or services have already been received. In those instances, the building administrator must complete the appropriate form (conference request, a requisition, expense voucher, etc.) and attach appropriate invoices with appropriate account to be charged, and submit to the Director of Finance for approval. Other items for which a PO is not required are recurring expenses such as utilities. Utilities do not require the signature of the Director of Finance before they can be processed for payment. Any invoices not covered by a PO, other than maintenance and transportation, are to be given to the Director of Finance for approval and to assign them to an account.

Reimbursements

School personnel and district administrators will be reimbursed for expenses incurred in carrying out their duties. No reimbursement will be made for items not shipped to the district. All orders and purchases should be shipped to the district. If the administrator is willing to spend his/her own money to obtain the goods, then a reimbursement can be made with Superintendent or Director of Finance approval.

A requisition must be processed and receipts for the goods must be sent to the central office. The receipts must be an original receipt; show the cost of each item purchased; show the total amount of the purchase; show the vendor's name; and, show the amount paid and that no amount is outstanding. It will never be acceptable to write "paid with check number xxxx." OPS must have clear documentation. Do not purchase from a vendor who will not provide receipts. If you do, the district thanks you in advance for your donation. Any request for reimbursement must have been reviewed and approved by the building administrator.

If the expenditure is State/Federal Grant related, the Director of Academic Programs will review and approve any expenditure before a disbursement is processed.

The district is exempt from sales tax; however, vendors will not allow employees to purchase tax exempt and the district will not reimburse sales tax to them.

Petty Cash

In order to facilitate refunds and minor purchases, the Board of Education will authorize the Director of Finance to establish and maintain petty cash funds in each school.

1. The custodian for such accounts at the school will be the principal. It is the responsibility of the principal to ensure they have a safe, secure place to keep these funds.
2. Petty cash funds shall be operated on an impress basis. This means that when it is time to replenish the petty cash funds, designated building staff shall total out the expenses made and identify those expenses by general ledger account number. When the check request is submitted for payment it should indicate the total amount needed to bring the fund up to its limit. Also, the check request should break down the various expense accounts being charged and the amount charged to each. At any time, the receipts in the petty cash fund and the actual cash in the petty cash fund must be equal to the original amount of petty cash issued. This will be reviewed by the Director of Finance or designee.
3. Each transaction must be supported with proper receipts. Justifiable expenditures from the petty cash accounts will include, but not be limited to, miscellaneous office materials and supplies, stamps, etc. Petty cash funds should not be used to circumvent established purchasing policies.
4. There will be neither borrowing nor cashing of any checks from the petty cash fund.

Procurement Cards - Use of Debit/Credit Cards

Board Policy 6423

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

The Board, therefore, authorizes the use of District credit cards/debit cards. The authorization, handling and use of credit/debit cards have been established to provide a convenient and efficient means to purchase goods and services from vendors. Credit/Debit cards, however, shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. The Board affirms that credit/debit cards shall only be used in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the District and serve a valid and proper public purpose shall be paid for by credit/debit card. However, under no circumstances shall credit/debit cards be used for personal purchases or the purchase of alcoholic beverages regardless of whether the purchase of such beverages is made in connection with a meal.

The Superintendent shall develop administrative guidelines that specify those authorized to use credit/debit cards, the types of expenses which can be paid by credit/debit card, and their proper supervision and use. Inappropriate or illegal use of the credit/debit card and/or failure to strictly comply with the limitations and requirements set forth in the administrative guidelines may result in a loss of credit/debit card privileges, disciplinary action, up to and including termination, personal responsibility for any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase, and/or possible referral to law enforcement authorities for prosecution. The Superintendent shall be responsible for giving direction to and supervising such employees' use of District credit/debit card(s).

The Board has authorized the use of procurement cards by designated district staff to pay for actual and necessary expenses incurred in the performance of work-related duties and to purchase goods and services for the district. Cards are generally issued to central office administrators, building administrators, certain custodial/maintenance staff, and certain community education staff. These cards shall not be used for purchases involving personal use or non-district purposes.

Procedures for Debit/Credit Cards

The Director of Finance maintains a control list containing the name of each person to whom a card is issued. Each card has an established credit limit maintained by the Director of Finance. He/she and Administrative Assistant for Finance both have the capability of accessing the online banking system to view purchases as they are made and their detail. The place that one is able to purchase is also controlled by the Director of Finance. He/she has the ability at any time to cancel a purchase card. If an employee leaves the district, the card is confiscated, destroyed, and canceled.

The debit/credit card service is now completely automated through Fifth Third Bank. At the end of each banking cycle, the bank sends an automatic message to cardholders notifying that their accounts must be reconciled within 5 business days. Any person who has made charges during that banking cycle must go online and approve those charges as well as assign the proper account coding. The Administrative Assistant for Finance then exports the file into Excel and then into the district's finance system. Any person using a procurement card shall submit original credit card receipts and itemized sales tickets to the Central office after reconciliation online has occurred. Authorized users will be responsible for ensuring that all expenditures are appropriate and that lost or stolen cards are reported immediately. Purchases that are unauthorized, illegal, perceived to be either unethical or a conflict of interest, personal in nature, or contrary to the intent of this policy are not allowed and may result in card revocation, disciplinary action, and/or referral for criminal prosecution. Any concerns over purchases are immediately addressed with the individual involved. The Superintendent or his/her designee will have oversight for purchases made by the Director of Finance on his/her own card.

Each cardholder will be required to read and sign a purchasing cardholder agreement form which will be signed by the employee assigned the card, the Superintendent, and the Director of Finance.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Service Contracts

The following provisions will govern service contracts.

Board Policies:

- There are no Board policies over service contracts.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

The initiator of a request for a service contract should prepare a detail of services being requested. If OPS board bid policies should dictate that other competitive bidding conditions apply, the business office will initiate the normal solicitation process, in which competitive proposals shall be received for all such services. Please refer to Board Policy - 6320.

For any purchases of services related to restricted state or federal funds projected to exceed \$1,000/year, prior MDE approval must be obtained before making such purchases. Written documentation of this approval must be maintained by the Director of Academic Programs. For clarification on which programs apply to this requirement, please contact the Director of Academic Programs at ext. 7111.

If the services being provided to OPS are being paid for with Title I funds, a copy of the "Title I Request for Funds" sheet must be completed. This sheet will be completed by the individual initiating the request, or his/her supervisor. A copy of this sheet can be obtained through the Director of Academic Programs. If the Director of Academic Programs is unavailable, a copy may be obtained through the OPS central office or the district's website.

If a vendor is providing a professional development session to OPS employees, and being paid for with federal funds, the request pertaining to this professional development session must be approved by the Director of Academic Programs prior to holding the session. Sign-in sheets must be provided and attached to the invoice requesting payment for the session. If the information is not attached to the invoice, the Administrative Assistant for Finance will not process the vendor payment until the necessary information is obtained.

For stipends or OPS employee reimbursements related to professional development or employee-attended workshops, approval must first be obtained for the employee to participate in the PD or workshop by completing a conference request form. After obtaining the proper approvals to attend, and participation in the PD or workshop has taken place, the following documentation must be attached to the request and it must be approved by the appropriate supervisory personnel before reimbursement can take place:

- Explanation of the session attended
- Date and time of the session
- Name of vendor providing the training session
- Objectives or deliverables of the session

If the purchase of goods, equipment or services will exceed the competitive bidding threshold, the competitive bidding processes will be implemented. Please refer to policy 6320 and 6321 for information related to this process.

New Vendors - Service Contracts

The Administrative Assistant for Finance will check the requested vendor against the vendor database contained within the OPS MUNIS accounting system. He/she will verify that the vendor has, at minimum, basic vendor description information contained within the database. The information required includes:

- Name of vendor
- Address of vendor
- Phone number of vendor
- Social Security number (SSN) or Employer Identification Number (EIN)
- W-9 forms

Before a new vendor is added to the Oakridge Public Schools vendor database, the Administrative Assistant for Finance must bring a request to the Administrative Assistant for Personnel Services office for a vendor criminal background check if applicable, and verification that the vendor is not on the Federal Excluded Parties List. All vendors will be added by OPS employee not involved with accounts payable process.

Upon receipt of the request for a new vendor, the Administrative Assistant for Personnel Services determines if a LiveScan is required and is responsible for ensuring that:

1. If the vendor is an individual providing a service to OPS that will involve regular and continuous exposure to students, he/she must complete a LiveScan using the approved District form. The LiveScan fingerprint process must be conducted at a State approved LiveScan Site. The District's preference is:

**4 Seasons Home Crafters
4788 Grand Haven Rd.
Muskegon MI
1-866-226-2952**

The LiveScan report must be sent electronically to Oakridge Public Schools. Hand delivered LiveScan forms will not be accepted. Receipt and record of these reports is maintained by the Administrative Assistant for Personnel Services.

2. Once the electronic LiveScan is received, the Administrative Assistant for Personnel Services personally reviews and confirms the information provided by LiveScan. Past employment is validated via telephone.
3. All potential vendors are entered into the Federal Excluded Party Data Base found at <https://www.unitedstatesbusinessregistration.us/register-or-renew-online> to ensure that the vendor is legally able to provide services to OPS. If an individual or company clears the Excluded Party System, a printout directly from the Excluded Party Web Site is generated and distributed to the Director of Academic Programs and the accounts payable office of Oakridge Public Schools.
If an individual does not pass the LiveScan and Excluded Party System checks, business will not be conducted with this individual and/or company.
4. If the individual or vendor passes the background screening, the Administrative Assistant for Personnel Services will initiate the vendor contract process (if applicable). Once all appropriate signatures of both the District and external vendor are attained, the contract will be considered valid.
5. Results of the Excluded Party List are then logged by the Administrative Assistant for Personnel Services and distributed to both the district office initiating the request for services and the accounts payable department, indicating that the vendor has been approved or disapproved for district use. The master log will be kept in the Administrative Assistant for Personnel Services.

The district office requesting the services of the external contractor is responsible for the specific details of the contract and ensuring that proper documentation is in place. Examples include required detailed descriptions of services as they are rendered, payment schedules, service logs, state or federal program restrictions, etc. Documentation requirements may vary by state or federal program. Please contact the Director of Academic Programs for further information pertaining to program documentation requirements.

Once the above processes in items 1-6 have been satisfied and signed off on by the Administrative Assistant for Personnel Services, services may be purchased through the vendor.

All original contracts will be located in the OPS Office of the Administrative Assistant for Personnel Services. Copies of these documents will also be kept in the vendor file maintained within the OPS business office.

The Superintendent or Director of Finance will be responsible for developing and maintaining a system for contract administration to ensure contractor conformance with the terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases. The Director of Academic Programs shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions, and specifications of the contract. Record of this system must be made available upon request by the funding authority or authorized designee of the funding authority.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Conflict of Interest

The following provisions will govern conflict of interest.

Board Policy:

- 1130 Conflict of Interest

Staff members shall perform their official duties in a manner free from conflict of interest. To this end:

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

To accomplish this, the Board of Education has adopted the following guidelines to assure that conflicts of interest do not occur. These are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees.

1. No employee shall engage in or have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, s/he should, prior to the matter being considered by the Board or administration, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member shall use his/her position to benefit either himself/herself or any other individual or agency apart from the total interest of the School District.
3. If the pecuniary interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member shall disclose the direct pecuniary interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct pecuniary interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member shall make the disclosure in one of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member must use this method of disclosure if his/her pecuniary interest amounts to \$5,000 or more.
4. Employees 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 with the School District.
Included, by way of illustration rather than limitation are the following:
 - a. the provision of any private lessons or services for a fee, without the approval of the staff members supervisor

- 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 through his/her access to School District 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 or any business or professional practitioner with whom any employee has a financial relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees shall not make use of materials, equipment, or facilities of the School District 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.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the School District, all such exceptions will be made known to the employee's supervisor before entering into any private relationship.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not contradict the Board policies listed above.

Prior to board or committee action on a contract or goods and/or services transaction involving a conflict of interest, a director or committee member having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.

A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

According to Section 388.1769b of the State School Aid Act, the person having a conflict of interest may not vote on the contract or transaction. It is OPS policy that related parties shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of Oakridge Public Schools has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the Oakridge Public Schools Board of Education.

Interested persons who are not members of the Oakridge Public Schools Board of Education, or who have a conflict of interest with respect to a contract or transaction that is not the subject of Board or committee

action, shall disclose to their supervisor any conflict of interest that such interested person has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest is known to the interested person. The interested person shall refrain from any action that may affect Oakridge Public School's participation in such contract or transaction.

In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor, who shall determine whether full board discussion is warranted or whether there exists a conflict of interest that is subject to this policy.

Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of Oakridge Public Schools. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of Oakridge Public Schools for their personal profit or advantage or the personal profit or advantage of their family members.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Athletics

The following provisions will govern Athletics.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6611 Ticket Sales

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

A. Responsibilities of the Activity Sponsor

1. Establish the price and make arrangements for the printing of the tickets.
2. Obtain approval from the principal for any complimentary tickets to be given away.
3. 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.
4. Make a record of the number of tickets given to each seller.
5. 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.
6. Prepare the deposit record and deposit the funds in the depository designated by the Director of Finance.
7. Make note of any changes in procedure that should be incorporated into the next ticket sale.

B. Responsibilities of the Ticket Seller

1. 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.
2. Complete the information called for on the form heading.
3. Collect the money from the purchaser, verify that the amount is correct, and provide the purchaser with the ticket(s).
4. 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.
5. 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.
6. Provide the activity supervisor with the money, ticket–sales accounting record, and the unsold tickets.
- 7.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not contradict the Board policies listed above:

Expenditures

All athletic expenditures are processed through Administrative Assistant for Finance. The district's Athletic Directors approve all expenditures and either process requisitions through the district's finance system or use direct pay. They provide their authorized signature and the appropriate line item to be charged. This includes, but is not limited to, the payment of salaries for coaching staff and contracted service of athletic workers and officials.

All contracted workers and officials receive a 1099 based on IRS regulations processed through Administrative Assistant for Finance.

Board Approval

A copy of each bill list is provided for Board of Education approval each month.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Payroll and Timekeeping

The following provisions apply to the payment of employees and recording of time and effort) as required) in accordance with Federal Cost Principles.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and incorporated here by reference:

- 6510 Payroll Authorization
- 6520 Payroll Deductions

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

The district performs biweekly payrolls.

Unionized salaried and non-salaried staff wages are based on negotiated contracts with employee groups. Bargained contracts contain the negotiated wage scales. The Administrative Assistant for Personnel Services must follow the negotiated wage scales and other payroll related language (including benefits) in the negotiated contracts for current and new employees. The Superintendent and/or the Director of Finance will determine the step for employees based on negotiated contracts. Any changes in employment law that would supersede a negotiated contract will be communicated to the Administrative Assistant for Personnel Services by the Superintendent and/or the Director of Finance.

Once a contract has been negotiated, the Administrative Assistant for Personnel Services will prepare teacher bargaining unit contracts each year. These are reviewed and signed by the Superintendent and the teacher bargaining unit member and maintained in personnel files with a copy provided to the member.

Nonunion teacher wages are paid from the nonunion teacher Schedule A and/or as directed by the Superintendent. A copy is provided to the employee and a copy is kept in the personnel file.

All other nonunion staff wages are paid based on signed contracts or time cards and/or by direction from the Superintendent. If appropriate, a copy is provided to the employee and a copy kept in the personnel file.

The Administrative Assistant for Personnel Services is responsible for updating employee pay rates when appropriate after getting Director of Finance or Superintendent approval.

The Administrative Assistant for Personnel Services and the Director of Finance are responsible for setting up payroll and benefit distribution reports for allocating expenditures to the general ledger. He/she creates necessary salary and benefit line items. He/she also maintains a spreadsheet that associates a salary line item with its appropriate benefit line items and matches it to the job salary in the payroll system.

Time Cards

Building administrators/supervisors must review and approve time cards for hourly employees prior to sending to business office. All time cards are color coded based on the position the employee holds. For those individuals who have no direct supervisor, the Director of Finance or Superintendent makes the necessary approvals. Time cards must be in the payroll office by noon of the Friday prior to the pay

date for processing on Monday and Tuesday of the following week. The time cards are used to prepare payroll. Time cards are double checked and any issues are resolved prior to payroll being run.

Payroll Process

Salaried employees are input into the payroll system with an annual salary. The payroll system will calculate the biweekly pay. A random check should be performed by the Administrative Assistant for Personnel Services to be certain that the calculations are being performed correctly.

Hourly staff are keyed into the payroll system during each pay period by the MAISD. The Administrative Assistant for Personnel Services totals each time card in hours and then enters them into a spreadsheet where calculations are automatically generated and account numbers assigned. This spreadsheet, and the time cards, are sent to the MAISD who perform a double check and then input them into the payroll system. Any concerns or issues with this coding are directed to the Director of Finance. Any corrections needed after a payroll has been completed will be completed during the next pay period.

The transportation supervisor reviews bus driver time cards and prepares an Excel document which is sent to the MAISD. The MAISD inputs this information into the payroll system. Any concerns are directed to Director of Finance.

The blank check stock is kept at the MAISD. The MAISD prepares payroll and checks and reports are printed at their site using a MICR printer. All payroll reports are sent electronically to the Director of Finance who reviews them. The signature on the checks is computer generated through the payroll system and the payroll system is password protected. Payroll checks are stuffed into envelopes by MAISD staff that then mails any hard copies of checks to employee homes. Most all staff pay is direct deposited.

The state, federal and local payroll taxes and returns are paid and prepared by the MAISD. The Director of Finance reviews monthly ACH reports for accuracy which includes making certain the taxes are being paid and being paid timely. Any discrepancies are reported to the MAISD and are adjusted on the next available payment.

Substitute teachers are no longer employees of the district but are employed by PESG. The Administrative Assistant for Personnel Services receives an invoice and Excel spreadsheet via email from PESG and balances the invoice with district records. The district record is a separate spreadsheet maintained by him/her which contains all substitute information. The Director of Finance then receives the two files from that employee and once approved, sorts the data by reference number and forwards to Administrative Assistant for Finance. for payment. PESG makes an automatic withdrawal from the district's banking institution. Any corrections/adjustments are prepared by the Administrative Assistant for Personnel Services and sent to PESG who includes them on their next invoice. Some custodial substitutes are hired through PESG. The same process will occur as with substitute teachers.

For Oakridge teachers that substitute, they are paid based on absence sheets submitted by building administrators.

Custodians are now employees of Enviroclean. Enviroclean will track and pay their own employees and submit invoices to the district. Some bus drivers are now METS employees. METS will track and pay their own employees and submit invoices to the district. Some food service staff are now employees of Chartwells. Chartwells will track and pay their own employees and submit invoices to the district.

TDP and employee/employer MIP is paid monthly by the MAISD. The Director of Finance reviews payroll and ACH reports to be certain the correct amounts are being paid and that they are being paid timely. Any discrepancies are reported to the MAISD and are adjusted on the next available payment. Hours and

compensation are submitted to ORS biweekly through the ORS website by the MAISD and they are responsible for balancing any and all retirement related reports and invoices from the Office of Retirement Services.

Employee deductions (annuity, dues, 125 Plan, MISDU, United Way, etc.) are paid biweekly with checks generated by payroll run or through EFT. The Director of Finance reviews payroll and ACH reports to be certain the correct amounts are being paid and that they are being paid timely. Any discrepancies are reported to the MAISD and are adjusted on the next available payment.

Attendance is tracked by the Administrative Assistant for Personnel Services based on time card and absence slip/sheet submission.

Health insurance information is maintained on the district's payroll system by the Administrative Assistant for Finance and/or Administrative Assistant for Personnel Services which includes the addition of new employees, changes to employees' status, rate changes, and open enrollment. These individuals also assist in the maintenance of employee deductions on the district payroll system.

Payroll benefit transaction batches are reconciled to benefit invoices (health, LTD, life, etc.) by the Administrative Assistant for Finance each month on district maintained spreadsheets. Differences are either then corrected in the payroll system or the insurance carrier is notified. The invoices are then paid by Administrative Assistant for Finance with Director of Finance approval. Year end reconciliation is done by the Director of Finance.

Personnel files -

1. The Administrative Assistant for Personnel Services is charged with the responsibility of maintaining personnel files on staff.
2. Each personnel file should contain the following information, at a minimum.
 - a. Employment application or resume
 - b. A record of background investigation
 - c. Date of employment
 - d. Position, pay rates and changes therein
 - e. Authorization for payroll deductions
 - f. Earnings records for non-active employees
 - g. W-4 Form, withholding authorization
 - h. I-9 Immigration Form
 - i. Termination data, when applicable
 - j. Attendance records
 - k. Certifications, if applicable

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Student Activity Fund Management

The following provisions will govern student activity management.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6610 Student Activity
- 6670 Trust & Agency

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

Each school building will maintain a set of student activity accounts. The protection and use of these funds will be under the care and supervision of the building administrator.

All class and club funds will be deposited in a common Trust & Agency bank account. All accounts and records will be kept by Administrative Assistant for Finance in the district's finance system. Each building having money on deposit are not required to keep records of their own. If they do, this record is maintained by designated building staff, typically head clerical personnel. Money collected by a group should be counted and turned over to the designated building personnel immediately. No one should take school funds to his/her home. Funds are counted a second time by designated office staff. All money collected is to be deposited in the bank at the end of each day or kept in the office safe until the next day when it is sent to central office for depositing. Student activity deposits come to central office in sealed tamperproof bank bags.

Purchases must be approved by the building administrator. Check requests are prepared by the building designee, are signed by the building administrator, and include any appropriate documentation, if applicable. All requests for checks are prepared by Administrative Assistant for Finance in central office and returned to each building or mailed. Checks are processed twice weekly or more frequently for emergencies.

The Administrative Assistant for Finance will send monthly reports to building designees who must reconcile their records with central office if the building maintains other records. Any discrepancies will be noted and worked out between the building designee and Administrative Assistant for Finance. The Director of Finance will reconcile the Trust & Agency bank account. The Director of Finance also goes online to review the front and back of checks cashed for possible issues of fraud which might include unauthorized signatures, irregular endorsements, and alterations. The Director of Finance will sign the bank reconciliation stating that he/she was the one to complete it and that he/she checked for incidents of fraud. The Superintendent or the Assistant Superintendent must review the bank reconciliation and provide his/her signature. Interest earned on the Trust & Agency bank account is apportioned among the various student activity accounts.

See attached detailed procedures.

Procedures

Activity funds are used by Oakridge Public Schools to report revenues received and funds disbursed for

various student groups. The school district acts as the receiving agent and paying agent for these groups. Any group wishing to set up a new fund should work with the Director of Finance to establish the fund. Reports are generated monthly by the Business Office and distributed to the custodians of the account for review.

In no event shall cash be used to pay for goods and/or services. All moneys collected will be deposited. Check requests or vouchers must be filled out for payments.

Cash Receipts

- There shall be no commingling of activity fund moneys and personal moneys.
- All checks collected should be made out to the Oakridge Public Schools and noting the group it is for in the memo area of the check.
- No cash shall be mailed through interschool mail unless in secure bank bags.
- No money shall be left overnight in desks, lockers, or other such equipment.
- All funds should be promptly deposited by giving the funds to the building secretary. Do not wait until the fundraiser is over. *Funds should be given to the secretary daily.*
- Cash from fundraisers should be counted by two persons (adults) immediately after an event when possible.
- A *Deposit Worksheet* should be filled out by the custodian in charge of the moneys. They will give this worksheet to the building secretary. The secretary will return it along with a *Deposit Slip* after she has verified the count.
- All checks should be stamped daily with the bank stamp by the building secretary; this should not wait until the deposit is prepared.
- The building secretary will prepare the bank deposit slips.
- The building secretary will send the deposit to the central office personnel designated to maintaining activity fund records, including any other paperwork, if necessary.
- Bank deposit slips should identify each check separately when possible. They should also identify the building.
- Deposits should be made daily when receipts exceed \$500. Collections of amounts under \$500 should be deposited at least weekly, preferably on Fridays, to alleviate having moneys in the buildings over the weekend. Deposits should also be made before holidays, vacations, etc.

Cash Disbursements

- *Check Requests* must be filled out completely for payments to be issued. Invoices or receipts should be reviewed for accuracy and must be attached to the voucher. Checks will be issued twice a week. All vouchers must be to the Business Office by 4:00 p.m. on Tuesday for the Wednesday processing and by 4:00 p.m. on Thursday for Friday processing.
- All vouchers presented for payment must contain the approval signature of two individuals; 1) the custodian of the account, and 2) an immediate supervisor (principal, director, etc.). *No checks will be issued without two signatures.*
- Cash advances will be allowed if pre-approved. Support documentation needs to be submitted back to the Business Office within two weeks of the advance. Failure to provide the documentation will result in no further cash advances on the account.
- Any overdraft of an activity fund must be pre-approved by the Director of Finance. Unauthorized overdrafts will result in a hold being placed on the account and no further checks will be issued until a resolution is reached.
- It is the responsibility of the custodian of the activity fund to maintain adequate records.
- Accounts must be reconciled monthly to the Business Office records.

- Please inform the Director of Finance when a change of the custodian of the fund occurs.

Attached is a copy of the *Deposit Worksheet* and *Split Deposit Record*, for cash receipts.

Also attached is a sample copy of a *Check Request* that is used to request payment and a journal entry that can be used by the custodian to track the fund and assist in balancing to the Business Office report. If you would like an excel spreadsheet to keep track of your account, please contact the Director of Finance and he/she will send a sample form to you.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Chart of Accounts

Oakridge Public Schools will maintain its chart of accounts in accordance with the requirements of the Michigan School Accounting Manual.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Each account will be assigned a 26-digit number, as follows:

| Fund | Function | Object | Program | Grant | Location | Other |
|------|----------|--------|---------|-------|----------|-------|
| XX | XXXX | XXXX | XXX | XXXX | XXXXX | XXXX |

Numbers assigned to each category above will be based on the specific requirements of the District Accounting Manual.

2. As applicable, Federal awards revenue and expenditures will be assigned certain program codes.
3. The chart of accounts will facilitate the preparation of the Financial Information Database (FID) and will agree to the audited financial statements.
4. A complete chart of accounts for GASB 34 adjustments will not be maintained formally within the District’s accounting system. Such adjustments are made once per year, for external financial reporting only, and therefore will be determined through use of separate spreadsheets, and integrated into the audit by the District’s independent auditors. The Superintendent or designee (Director of Finance) will review all such adjustments for accuracy prior to the issuance of the audited financial statements.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Annual Audit

Every Michigan public school must have a financial statement audit completed each year by a certified public accounting firm.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6830 Audits

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will have a financial statement audit completed annually as of its fiscal year ended June 30.
2. The audit will be completed in accordance with *Government Auditing Standards* (the “Yellow Book”).
3. An adequate written agreement (the “engagement letter”) will be signed by the District and its independent auditors. It will contain information on: period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies’ requirements (Michigan School Auditing Manual, OMB UGG - Circular A-133, GAAS and GAS). A copy of the engagement letter will be provided each year to the Board of Education.
4. The Superintendent and Director of Finance shall be responsible for overseeing the process of preparing for the annual audit. In order to minimize errors in this process, all audit schedules and work-papers should be reviewed by an individual other than the preparer.
5. To the extent that expenditures of federal awards equal or exceed \$500,000, the District will also have a single audit completed in accordance with OMB Circular A-133. Refer to the section of this manual titled “Year-end Closing and Reporting” for information on the schedule of expenditures of federal awards.
6. The audit will be submitted electronically to the Michigan Department of Education Office of Audits on or before November 1, 2015 for the 2014-15 Fiscal Year and thereafter. The electronic submission will be performed by the District’s independent auditors.
7. If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the District and its independent auditors.
8. The Superintendent or Director of Finance will submit written corrective action to any findings identified in the audit process as either part of the single audit report or as a separate letter to the Michigan Department of Education.
9. If the District issues general obligation bonds to finance capital projects, a bond audit will be performed by the District’s independent auditors within 120 days of substantial completion of the project. The bond audit will be submitted to the Michigan Department of Treasury.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Grant Compliance

When a new grant is received or renewed, a copy of the executed grant must be forwarded to the Director of Finance. He/she or designee is charged with setting up a permanent file for the grant and maintain the contract along with any other financial correspondence regarding the grant. Reference will be made to various publications put out by the Office of Management and Budget (OMB).

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Grant Compliance - Title 1

The following provisions will govern grant compliance.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 6110 Grant Funds

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above.

State and Federal Programs Budget Development and Monitoring

SCOPE

The procedures in this document govern the state and federal program budgeting process, monitoring of state and federal program budgets, and the review and revision of state and federal program budgets.

OBJECTIVE

- To ensure that the budgeting process is performed timely and supports the state or federal program operational and cost objectives.
- To ensure that actual versus budget variance is monitored and that significant variances, if applicable, are explained, reported and resolved.
- To ensure that expenditures are in line with program objectives.
- To ensure that budgets are reviewed throughout the year.

PREPARATION PROCEDURES

Prepare budget based on Michigan Electronic Grants System (MEGS+) Template or other program template

Director of Academic Programs or designee of the superintendent will collect the cost data necessary to complete the programmatic objectives of the state or federal program

The proposed costs will then be categorized as Instructional, Support, or Community expenses. Establishing the cost category will assist the Director of Academic Programs /designee in placing the expenses into the proper “function” code within the budget template. Further assistance in regard to proper function account classification can be obtained through the Director of Finance. If the Director of Finance is not available, account classification information can be found at http://www.michigan.gov/documents/appendix_33974_7.pdf

In addition to proper function classification, the assigned expenses will be further classified into “object” categories. Proper “object” groupings consist of:

- Salaries (1000-1999)
- Fringe Benefits (2000-2999)

- Purchased Services (3000-4999)
- Supplies & Materials (5000-5999)
- Capital Outlay (6000-6999)
- Other Expenses (7000-7999)
- Outgoing Transfers & Other Transactions (8000-9999)

In most cases, it is also important to include the “program code”, “state code”, and “building code” for expenses related to state and federal programs. Information on program and state codes can also be found at http://www.michigan.gov/documents/appendix_33974_7.pdf.

The building codes for Oakridge Public Schools are as follows:

- Lower Elementary: 04576
- Upper Elementary: 00534
- Middle School 02815
- High School 02814
- Alt Ed 09958
- District (General) 00000

Understanding the accounting structure of the Michigan Department of Education (MDE) Accounting Codes is essential for proper budget proposal, entry, reconciliation, and review. Further questions in regard to accounting structure may be forwarded to the Director of Finance.

Once all proposed programmatic costs are established and properly categorized, the related program budget figures will be entered into the relevant budget template. If the budget template is maintained on the MEGS system, a Level 5 administrator must submit the template to MDE. Permissions to access, enter, and/or review budget information on MEGS must be granted by the OPS Level 5 administrator.

Discuss Budget Proposal With All Stakeholders

Review the budget with all relevant Local Education Agency (LEA) stakeholders. These stakeholders may include:

- OPS Teachers
- OPS Administrators
- Other appointed OPS employees as designated by the superintendent

If applicable, review the budget with relevant external education agencies such as the Muskegon Area Intermediate School District (MAISD), Michigan Department of Education (MDE) Field Services Unit, or other external education agency as deemed necessary.

Review any stakeholder questions or concerns in regard to the proposed budget.

If the district intends on entering into contracts with external service providers using earmarked state or federal funds, the funding authority must be made aware of the contract, including, but not limited to:

1. Service deliverables
2. All associated costs
3. All other items as identified in EDGAR and OPS board policies

Please refer to the “Contracting, Procurement, Suspension and Debarment, Receiving, and Payments” document for further procedural clarification.

Review the Budget for Technical Issues or Errors

The Director of Academic Programs, Director of Finance , and/or other designee of the superintendent will make sure all the program compliance guidelines have been addressed, including but not limited to:

- proper account classification
- proper cost allocations
- accurate program cost calculations

Submit the Budget to the Proper Program Funding Authority

If the budget is completed using MEGS, a Level 5 administrator must submit the completed documents. Copies of the information submitted must be maintained by the person responsible for submitting the budget information.

BUDGET MONITORING

Upon Approval of the Program Budget by the Funding Authority, Enter the Budget into the OPS MUNIS System and Provide Copies to OPS Administration

Enter the budget into the MUNIS system using the same structure as noted in subheading. This data is entered by the Director of Finance. Once entered into MUNIS, print a budget summary by state or federal program and reconcile to the budget entered into MEGS or other approved program template.

When reconciled, provide a copy of both the MEGS approved budget and MUNIS system budget to the Director of Academic Programs and/or other designee of the superintendent.

Expend Federal Funds According to Approved Budget

Federal expenditures must be in accordance with the state or federal program approved budget.

All state or federal program requisitions must be sent to the Director of Academic Programs and/or designee as well as all other necessary documentation (i.e. sign-in sheets, deliverables, and/or other information required by the OPS State and Federal programs department) used to complete the voucher packet. If an OPS employee is unsure of what should be included in the request to spend federal funds, please consult the Director of Academic Programs or Director of Finance.

Once the completed request to spend federal funds has been submitted to the Director of Academic Programs and/or Director of Finance, the Director of Academic Programs and/or Director of Academic Programs will sign the requisition or request, ensuring that:

- All proper documentation is in place with the request or requisition.
- The request is in line with the approved budget
- Adequate funding remains for the service(s) being requested
- The account code classification being used is correct
- Help with this will be provided by the Director of Finance if necessary

If the Superintendent wishes to make a purchasing request using federal funds, the purchase must be approved by both the OPS Board of Education and Director of Academic Programs and/or Director of Finance prior to processing the request. Once the request has been approved by the OPS Board of

Education, and the request meets all requirements of the “Allowable Use of Funds” document, the request can be processed.

Review the MUNIS System Budget Reports to Ensure that Spending is Within Approved Budget Amounts

The Director of Academic Programs and other authorized OPS administrators will provide a report detailing the YTD expenditures of the state or federal program.

This report must be printed and reviewed at least monthly. The Director of Academic Programs and Director of Finance meet at the time of the draw down each month. The signature on the draw down verifies both that the meeting took place and that the funds being drawn down are appropriate.

Any discrepancies, areas of concern, or necessary corrections noted by the Director of Academic Programs must be communicated with the Director of Finance within one week of discovery. This communication must also be documented and retained by both the Director of Academic Programs and Director of Finance. The Director of Finance will notify the payroll department if payroll corrections must be made. Non-payroll corrections will be performed by the Director of Finance. During the review of the YTD reports, if actual expenditures do not align with the proposed budget, yet actual costs are appropriate, the Director of Academic Programs will prepare a revised budget amendment.

BUDGET REVISION AND AMENDMENT REQUESTS

Prepare Revised Budget

Before revising the budget on MEGS or other approved format, the Director of Academic Programs will print a copy of the MEGS budget before changes are made.

When including new or revised items in the budget, make sure that the requests are allowable (please refer to the “ALLOWABLE USE OF FUNDS/COST PRINCIPLES” document)

The Director of Academic Programs or other authorized designee will then submit the revised budget to the proper funding authority for approval prior to any expenditures being incurred. There may be times in which, for the purposes of efficient federal programs operations, the district may need to allocate costs to state and federal programs prior to formal budget revision approval. These expenditures must be communicated and documented to the proper funding authority prior to purchasing or allocating costs to the state and federal programs. Documentation of this communication must be created and retained by the Director of Academic Programs and be made readily available if requested by the funding authority.

Once Revision is Approved, Revise the MUNIS System Budget

The MUNIS system budget will not be revised until the budget revision has been approved by the proper funding authority.

If the budget revision is approved, the MUNIS system budget will be updated to reflect the changes within a month from the approval date. The Director of Academic Programs must inform the Director of Finance once the approval occurs to ensure timely application to the MUNIS system.

Records of the budget revisions must be maintained by the individual responsible for submitting the revisions.

TRAINING

OPS will provide training on this procedure to all staff involved in federal programs through activities such as:

- Distribution of federal laws, regulations and guidance
- Distribution of OPS policies and procedures
- Developing templates, checklists and other guidance documents as needed
- Internal training sessions
- Routine staff meetings and
- Informal technical assistance

TIME AND EFFORT REPORTING AND APPROVAL PROCESS

Procedure

DEFINITIONS:

Cost Objective - A particular grant award, or other category of costs OPS uses to track specific cost information (e.g. earmarks or set-asides that require OPS to track expenditure information to ensure it spends a specific amount for a specific purpose).

Employee Compensation - All amounts paid to an employee for services rendered during the award period. Compensation includes salaries, fringe benefits, stipends, bonuses and payments made under supplemental contracts.

Multiple Cost Objectives Employees - Employees who work on multiple cost objectives such as:

- More than one Federal award;
- A Federal award and a non-Federal award;
- More than one activity within a federal award that is separately tracked by OPS (such as set-asides, earmarks or match/in-kind contributions).

OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments - Federal cost principles that provide standards for determining whether costs may be charged to federal grants. Also known as 2 CFR Part 225.

Personnel Activity Report (PAR) - A document certifying the amount of time a multiple cost objective employee spends on each cost objective. The PAR must reflect an after-the-fact distribution of the activities performed; account for the total activity for which the employee is compensated; be prepared bi-weekly and coincide with one or more pay periods; and be signed by the employee. A template PAR is attached to these procedures.

Semi-Annual Certification - A document certifying a *single cost objective* employee worked solely on *one cost objective*. The certification must be prepared at least every six months and must be signed by the supervisory official having first-hand knowledge of the work performed by the employee. A template semi-annual certification is attached to these procedures.

Single Cost Objective Employees - Employees who work exclusively on one cost objective.

PROCEDURE

All employees paid with federal funds must adhere to the following procedures to complete the appropriate time and effort records.

Determining Cost Objectives -

A cost objective is defined as a federal grant award, or other category of costs OPS uses to track specific cost information. In certain circumstances OPS may track the time employees spend on particular activities *within* a single federal grant in order to demonstrate compliance with federal requirements such as earmarks, set-asides or match/in-kind contributions. When OPS uses employee compensation costs to meet these requirements they are known as “cost objectives.” In such a circumstance, an individual grant programs may have more than one cost objective.

Determining cost objectives requires a careful reading of the programmatic provisions in the statute providing the funds. Employees should contact the Director of Academic Programs if assistance is needed in determining the cost objectives on which they work.

Single Cost Objective Employees -

An employee who works on a single cost objective must complete a semi-annual certification that indicates the employee worked solely on that cost objective for the period covered by the certification. The certification must be collected and reviewed at least every six months by the Director of Academic Programs, or his/her designee. Either the employee or a supervisor with first-hand knowledge of the work performed by the employee must sign the semi-annual certification.

A semi-annual certification must:

- Be executed after the work has been completed;
- State that the employee worked solely on activities related to a particular cost objective;
- Identify the cost objective;
- Specify the reporting period;
- Be signed by the employee or a supervisor with first-hand knowledge of the work performed;
and
- Be dated.

The supervisory official for all single cost objective employees must complete the semi-annual certification attached to these procedures.

The Director of Academic Programs will send the semi-annual certification forms to departments, schools and offices in December and June. If an employee works on a short-term cost objective whose end date does not coincide with the normal December/June collection dates for semi-annual certifications (e.g. a supplemental contract for summer school programs), the employee must obtain a semi-annual certification from the Director of Academic Programs after the time period for the work has ended.

All supervisory officials of single cost objective employees with first-hand knowledge of the work performed by the employee must complete and sign the semi-annual certification provided by the Director of Academic Programs.

Executed semi-annual certifications must be forwarded to the Director of Academic Programs.

Multiple Cost Objective -

Employees working on multiple cost objectives must maintain Personnel Activity Reports (PARs) or equivalent documentation indicating the amount of time spent on each cost objective for the period

covered by the PAR or equivalent documentation. The PAR or equivalent documentation must be prepared at least bi-weekly. The employee must sign the PAR or equivalent documentation. An employee time card can be used in place of a PAR if the employee is a substitute teacher or aide and the fund source of the person for which they temporarily replace is clearly marked on the timecard. Timecards for federally compensated substitute teachers or aides will be documented and maintained by the OPS payroll department. PARS for all other federally funded employees will be maintained by the Director of Academic Programs.

A PAR or equivalent documentation must:

- Be executed after the work has been completed (projections of how an employee is expected to work or position descriptions are not sufficient);
- Account for the total activity for which each employee is compensated, including part-time schedules or overtime (total activity means all of the time an employee works, not just the amount of time worked on a federal program);
- Identify the cost objectives;
- Specify the reporting period;
- Be prepared at least bi-weekly and coincide with one or more pay periods;
- Be signed by the employee (unlike a semi-annual certification a supervisor's signature alone is not sufficient); and
- Be dated after the fact (when the work has been completed).

All multiple cost objective employees must complete the PAR attached to these procedures, unless they receive permission from the Director of Academic Programs to use equivalent time card documentation in lieu of a PAR.

At the beginning of each year, the Director of Academic Programs will distribute blank PARs to those staff members that are required to complete on a bi-weekly basis throughout the year.

Copies of executed PARs, or approved equivalent documentation, must be forwarded to the Director of Academic Programs every 2 weeks (coinciding with employee pay dates). The Director of Academic Programs will meet with the Director of Finance monthly to ensure that the PARs and time certifications have been received.

Supplemental Contracts -

As discussed above, time and effort records must account for all of an employee's activities (i.e. 100% of an employee's time). Thus, if an employee works overtime that time must be reflected in the employee's time and effort record.

If, however, an employee works in two distinct positions the employee may maintain separate time and effort records for each position.

For example, an employee works as a Title I teacher during the school day (charged to Title I) and a sports coach after school (charged to state or local funds). Assuming the coaching responsibilities are not part of the employee's regular job functions (e.g. the employee has a supplemental contract for the coaching position), the employee may treat each position separately - meaning the employee may complete a semi-annual certification for the teaching position, while no federal time and effort record would be required for the coaching position.

In a similar example, an employee works as a Title I teacher during the school day (charged to Title I) and an after-school federally funded teacher. Assuming the after school activities are not part of the employee's regular job functions, the employee may complete a semi-annual certification for Title I teaching position and a separate semi-annual certification for the other supplemental federal program.

Stipends -

Employees may be provided stipends to participate in activities such as professional development. Employees receiving such stipends for OPS sponsored activities may satisfy time and effort records by signing the sign-in and sign-out sheets provided at the activity.

Reconciliation -

It is OPS's practice to charge employee compensation costs to federal programs based on budget estimates that reasonably approximate how an employee will work during the year. The OPS Director of Finance will reconcile payroll charges to the time and effort reflected in employee time and effort records at least quarterly.

If the OPS payroll department, Director of Academic Programs, or Director of Finance identifies a variance between how an employee's salary was charged and how the employee actually worked, OPS will adjust its payroll charges so that the amount charged to federal funds reflects the employee's actual time and effort. OPS will perform the reconciliation quarterly.

In-Kind Contributions and Matching -

Employees who are paid with non-federal funds that will be used to meet a federal match requirement (also known as in-kind contributions) must comply with the same time and effort reporting requirements as employees who are paid with federal funds. In other words, employees paid with matching funds who work on a single cost objective must complete a semi-annual certification in accordance with the procedures in section b. Employees paid with matching funds who work on multiple cost objectives must complete a personnel activity report in accordance with the procedures in section c.

Document Retention -

Time and effort records must be maintained for a period of five (5) years.

TRAINING

OPS will provide training on this procedure to all staff involved in federal programs through activities such as:

- Distribution of federal laws, regulations and guidance
- Distribution of OPS policies and procedures
- Developing templates, checklists and other guidance documents as appropriate
- Internal training sessions
- Routine staff meetings and
- Informal technical assistance

ALLOWABLE USE OF FUNDS/COST PRINCIPLES

Procedure

ALLOWABLE USE OF FUNDS

Oakridge Public Schools will enforce appropriate procedures and penalties for program, compliance, and accounting staff that are responsible for the allocation of Federal grant costs based on their allowability and their conformity with Federal cost principles.

DEFINITIONS:

Allowable cost - A cost that complies with all legal requirements that apply to a particular Federal education program including statutes, regulations, guidance and application for funds. A framework for determining whether a cost is allowable is included in Section 1.3 of these procedures.

Education Department General Administrative Regulations (EDGAR) - A compilation of regulations that apply to Federal education programs. These regulations contain important rules governing the administration of Federal education programs, and include rules affecting the allowable use of Federal funds (including rules regarding permissible costs, the period of availability of Federal awards, documentation requirements, and grants management requirements). Edgar is accessible at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

OMB Circular A-87 - Federal cost principles that provide standards for determining whether costs may be charged to Federal grants. EDGAR requires all grantees and subgrantees to follow the cost principles set out in OMB Circular A-87. OMB Circular A-87 is accessible at: http://www.whitehouse.gov/omb/circulars_a087_2004

DETERMINING ALLOWABLE COSTS

Framework for analyzing allowable costs -

Federal grant programs are governed by a variety of Federal rules including statutes, regulations, and non-regulatory guidance. To determine whether a cost may be paid with Federal funds, i.e. whether the cost is permissible, staff must be familiar with these rules and how they work together.

Generally, when analyzing whether a particular cost is permissible, it is useful to perform the following analysis:

- Is the cost forbidden by Federal laws such as OMB Circular A-87 or EDGAR?
- Is the cost permissible under the relevant Federal program?
- Is the cost consistent with the Federal cost principles in OMB Circular A-87?
- Is the cost consistent with the program specific fiscal rules?
- Is the cost consistent with an approved program plan and budget, as well as any special conditions imposed on the grant?

While there are other important considerations OPS staff must take into account when analyzing whether a specific proposed cost is permissible, the above questions can provide a useful framework for the analysis.

Costs forbidden by Federal law -

OMB Circular A-87 and EDGAR identify certain costs that may never be paid with Federal funds. The

following list provides examples of such costs. If a cost is on this list, it may not be supported with Federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. There are other important restrictions that apply to Federal funds, such as those detailed in OMB Circular A-87; thus, this list is not exhaustive.

Costs that are Unallowable under OMB Circular A-87

- Advertising and public relations costs (with limited exceptions), this prohibition includes promotional items and memorabilia, including models, gifts and souvenirs
- Alcoholic beverages
- Bad debts
- Contingency provisions (with limited exceptions)
- Donations and contributions
- Entertainment costs
- Fines and penalties (with limited exceptions)
- Fundraising and investment management costs (with limited exceptions)
- General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Governments (COGs))
- Goods or services for personal use
- Lobbying
- Selling and marketing costs (with limited exceptions)

Costs that are Unallowable Under EDGAR (Part 76)

- The use of funds for religion
- The acquisition of real property (unless specifically permitted by programmatic statute or regulations which is very rare in Federal education programs)
- The use of funds for construction (unless specifically permitted by programmatic statute or regulations which is very rare in Federal education programs)
- Charging tuition or fees collected from students toward meeting matching, cost sharing, or maintenance of effort requirements of a program

Program allowability -

Any cost paid with Federal education funds must be permissible under the Federal program that would support the cost.

Many Federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, and other program specific requirements must be considered when performing the programmatic analysis.

Some Federal programs do not contain a “use of funds” section delineating the allowable uses of funds under those programs. When this is the case, costs must be consistent with the purposes of the program in order to be allowable. In other words, the uses of funds must comply with what has been approved by the Michigan Department of Education (MDE) or other Federal, State, or Local agency responsible for the distribution of restricted funds.

Federal cost principles -

OMB Circular A-87 defines the parameters for the permissible uses of Federal funds. While there are many requirements contained in A-87, it includes five core principles that serve as an important guide for effective grants management. These core principles require all costs to be:

- **Necessary** for the proper and efficient performance or administration of the applicable program.
- **Reasonable** expenditure(s) in terms of amount used, needs of the program, and requirements of the program.

- **Allocable** to the Federal program that paid for the cost(s). The program must benefit in proportion to the amount charged to that program. Records and methods used to determine the allocation should be kept and made readily available for Federal, State, and/or Local reviews.
- **Authorized** under state and local rules. All actions carried out with Federal funds must be authorized and not prohibited by state and local laws and policies. When in doubt, it is best to act according to the *most* restrictive rules.
- **Adequate Documentation** is a must. Proper documentation provides evidence to monitors, auditors, or other oversight entities of how the funds were spent during the pertaining period of availability.

OMB Circular A-87 also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with Federal funds.

Program specific fiscal rules -

All Federal education programs have certain program specific rules on selected items of costs. Rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc. must also be taken into consideration when determining allowable costs.

Many state-administered programs require LEAs to use Federal program funds to supplement State and Local funds, not replace or “supplant” those funds. The easiest way to explain this is Federal funds normally cannot be used to pay for items that would otherwise be paid for with State or Local funds. Core educational textbooks would fall into this category. For example, when a math classroom requires math textbooks, those need to be paid for out of our state dollars, commonly known as the General Fund. Let’s also say, for example, that if a Title I identified student needs additional tutoring outside of the core math class, supplemental texts or other supplemental materials may be purchased to provide additional, or “supplemental”, help to that student.

Auditors presume supplanting has occurred in three situations:

- OPS uses Federal funds to provide services OPS is required to make available under other Federal, State, or Local laws
- OPS uses Federal funds to provide services OPS provided with state or local funds in the prior year.
- OPS uses Federal funds to provide services to program participants that OPS provides to non-participants with State or Local funds.

These presumptions apply differently in different Federal programs, and also in schoolwide program schools. Staff need to be familiar with the supplement not supplant provisions applicable to their program.

Approved plans, budgets and special conditions -

As required by OMB Circular A-87, all costs must be consistent with approved program plans and budgets. This includes the OPS Consolidated Application to the MDE and school-level plans such as schoolwide plans or Federal school improvement plans.

Costs must be consistent with all terms and conditions of Federal awards, including any special conditions imposed on OPS’s grants.

TRAINING

OPS will provide training on the allowable use of federal funds to all staff involved in federal programs

through activities such as:

- Distributing Federal guidance documents (either through physical handouts or references to where Federal and State guidance documents are readily available)
- Distributing OPS policies and/or procedures
- Developing templates, checklists, and/or other guidance documents as appropriate
- Internal professional development sessions
- Staff Meetings (as developed)
- Informal technical assistance

OPS will promote coordination between all staff involved in federal programs through activities such as:

- Staff meetings
- Joint training sessions (MDE, Muskegon Area Intermediate School District (MAISD), or both)
- Policies and procedures that address all aspects of federal grants management
- Sharing information such as single audits, monitoring reports, communications from MDE, MAISD, or other oversight entities

TITLE 1 CONTROLS

A. ACTIVITIES ALLOWED OR UNALLOWED

Understanding of Internal Control

Control Environment

The Director of Finance sets the control environment for Title I. She is (1) of (2) only Level 5 MEGS authorized officials at Oakridge Public Schools. She works with the Director of Academic Programs to review all federal grant applications. He/she authorizes budget amendments, requesting grant reimbursement, and establishing internal controls. The Director of Academic Programs is directly responsible for transmitting the grant.

Risk Assessment

Because of the detailed information provided to MDE to get project approved, as long as they follow the approved application the risk is generally low.

Control Activities

The Director of Academic Programs along with the Director of Finance monitor the Title I expenditures to make sure they are in line with the approved application. All expenditures charged to the Title programs are pre-approved and in compliance with regulations.

Information and Communication

The Director of Finance works closely with the Director of Academic Programs who is responsible for the administration of the federally funded programs. The Director of Academic Programs prepares the majority of grant budgets with some assistance from other administrators and the Director of Finance.

Monitoring

The Director of Finance and the Director of Academic Programs monitor all aspects of federal grant expenditures for Activities Allowed and Allowable Costs.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low.

B. ALLOWABLE COSTS/COST PRINCIPALS

Understanding of Internal Control

Control Environment

The Director of Academic Programs sets the tone for allowable costs/cost principles as it relates to the Title I program. Allocation of funds for Title I services are determined during the process of submitting the "consolidated application".

Risk Assessment

Detailed information for implementation is required at the time of application. The Michigan Department of Education publishes a compliance manual that must be followed in order for the application to be approved. Therefore, the risk is generally low. The only area for moderate risks is to assure of supplemental services and not supplanting current services. The superintendent, Director of Academic Programs, and building level administrators work with compliance to reduce the risk of supplanting. The overall process includes buildings creating resource requests through building school improvement planning process. Conversations with building school improvement teams, building principals, and Director of Academic Programs occur throughout the planning process to determine needs (based upon data). Once needs are identified, the building principal and Director of Academic

Programs discuss the funding source for needed resources. Once the school improvement plan is submitted for review, the Director of Academic Programs verifies resources and funding sources again to assure that the building is not supplanting with Title funds. The Consolidated Application is then submitted; once approved by Office of Field Services, the final budget allocations are shared with building principals and school improvement teams. The Director of Academic Programs and building principals continue conversations throughout the school year to assure proper use of funds. The Director of Finance and Director of Academic Programs meet on a monthly basis to also discuss fund allocations; this information is shared with building principals via conversations or emails.

Control Activities

The Director of Academic Programs and the Director of Finance monitor the Title I expenditures to ensure that they are allowable expenses under the approved application and budget. All accounts conform to Bulletin 1022 and are properly accounted for. Any staff member requesting Title 1 expenditures must submit a written request to the Director of Academic Programs who reviews the request for allowable costs and, if approved, assigns the appropriate account coding. Line items are reviewed by the Board of Education, Superintendent, and building administrators on a monthly basis for balances and expenditures.

Information and Communication

The Director of Finance works closely with the Director of Academic Programs who may administer federally funded programs. The Director of Academic Programs prepares the majority of grant budgets with some assistance from the Director of Finance. Documentation of employee time and effort is maintained bi-annually.

Monitoring

The Director of Academic Programs and the Director of Finance monitor the expenditures throughout the course of the grant year to ensure that expenditures are within the allowable perimeters of what has been approved by the MDOE.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low

C. CASH MANAGEMENT

Understanding of Internal Control

Control Environment

The Director of Finance is responsible for draw downs through the MDE Cash Management System. The Director of Finance has been trained and is familiar with cash management requirements as it relates to federal and state grants. All draw downs are done on a reimbursement basis and not on 30 day cash needs basis.

Risk Assessment

Oakridge Public Schools does not draw cash advances (30 day cash needs).

Control Activities

The Director of Finance monitors the Title I grant expenditures and funds are drawn down to the extent of costs incurred. The draw downs are completed on a monthly basis.

Information and Communication

Communication is done on-line thru MEIS/MEGS system, the MDE Cash Management System, and periodically with administrative staff at the building level as it relates to the Title I federal program. The Field Services Representative assigned to Oakridge Public Schools is contacted via email or

telephone for questions and clarification regarding expenditures. Building principals responsible for federal programs are supplied with a Responsibility Report outlining each budget line item on a monthly basis.

Monitoring

The Director of Finance has the Director of Academic Programs or Superintendent review and initial all draw downs. Funds are only drawn on a reimbursement basis.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low

D. DAVIS BACON

N/A to Title I per Compliance Requirements.

E. ELIGIBILITY

Understanding of Internal Control

Control Environment

The Director of Academic Programs sets the tone for eligibility. Oakridge operates a school-wide program. Although Oakridge provides services to all students in grades K-8, eligibility is determined by the number of eligible students from low-income and socio-economically disadvantaged families enrolled.

Risk Assessment

The risk for determining eligibility is low due to fact that Oakridge Public Schools operates a school-wide program and providing services to all students grades K-8.

Control Activities

The Director of Academic Programs along with the Director of Finance monitor and report to the DOE the Title I School Selection process.

Information and Communication

The Director of Academic Programs reports at staff meetings the regulations for Title 1 funding.

Monitoring

Director of Academic Programs along with the Director of Finance monitor the eligibility requirements.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Oakridge Public Schools uses the majority of Title I funds for salaries and supplies, however, when Title I dollars are used to purchase technology equipment, OPS requires the district technology department to tag all technology regardless of unit cost. The OPS technology department records and properly tags these items by funding source, if the funding source is anything other than the General Fund. The record detailing these items will be maintained by the OPS technology department. If any of the aforementioned items have a value of \$5000 or more, those items shall also be listed within the fixed asset list maintained by the OPS business office.

An inventory of all supplies with a life of more than one year is maintained by the technology director.

All inventory is tagged with a label identifying the federal program where the item was purchased.

G. MATCHING LOE EARMARKING
Understanding of Internal Control

Control Environment

Management is committed to meeting the Maintenance of Effort and the Supplemental vs. Supplant requirements.

Risk Assessment

MDE monitors these requirements while reviewing the consolidated application and other reports provided from the district on the states electronic MEIS/MEGS system. This process forces the district to monitor and make sure they do not violate these requirements.

Control Activities

The Director of Finance monitors the two levels of effort requirement under the Title I program. This is done at the beginning of the year when the consolidated application is processed to the state and again when the final reports are submitted. Oakridge does not pass through federal funds to subrecipients.

Information and Communication

The accounting system can track costs by grant and function codes for Title I funding. The revenues and expenditures for the Title I program can be easily accessed on the financial system, drawn down by state code. This information is reported to the state by way of the FID at year end. Final expenditure reports are also filed through the Cash Management System within 30 days after the grant cycle ends.

Monitoring

The Director of Finance with the administrative team monitors the level of effort required for all federal grants.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low.

H. PERIOD OF AVAILABILITY
Understanding of Internal Control

Control Environment

The Director of Finance sets the tone of compliance. She insures that all federal grant applications are submitted to MDE in a timely manner, which establishes the beginning obligation date. The Director of Finance and administrative team are very aware of the importance of this compliance requirement.

Risk Assessment

Due to the fact that the beginning date of the grant is prior to the start of the school year the risk that Oakridge Public Schools obligated funds prior to the beginning obligation date is low. Since the school year ends prior to June 30 there is a low risk of obligating funds outside of the period.

Control Activities

Director of Finance and the Director of Academic Programs monitors the federal expenditures to make sure they are in line with the approved application and makes sure nothing is improperly charged to grants, including monitoring the period of obligation.

Information and Communication

In Oakridge's Title 1 program, there are almost no expenditures outside of payroll expenditures. The Director of Finance and Director of Academic Programs monitor all expenditures to make sure all transactions occur in the proper period.

Monitoring

The Director of Finance and Director of Academic Programs review expenditures to ensure that there are no errors or miscoding of accounts/transaction. If a miscoding or an improper expenditure is discovered, adjustments are properly made to reflect compliance as soon as possible and no later than the end of the grant cycle.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low.

I. PROCUREMENT SUSPENSION DEBARMENT

Understanding of Internal Control

Control Environment

Director of Finance sets the tone for procurement. Any expenditures that exceed the procurement amount designated by the state are in compliance with bidding requirements.

Risk Assessment

Favoring some companies over others and not giving all companies a chance or preventing a chance of lower costs.

Control Activities

Oakridge Public Schools requires that any capital outlay expenditure over \$5,000 is brought to the board level. Any capital outlay that exceeds the procurement amount designated by the state are bid out. It is required that any expenditure over this threshold use the district procurement procedures.

Information and Communication

Recommendations of capital outlay expenditures are brought to the board and/or board committee for approval.

Monitoring

Capital outlay expenditures are closely monitored to make all procurement procedures are followed.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low

J. PROGRAM INCOME

N/A to Title I per Compliance Requirements.

K. REAL PRP AQU RELOCATION ASSIST

N/A to Title I per Compliance Requirements.

L. REPORTING

Understanding of Internal Control

Control Environment

The Director of Academic Programs and the Director of Finance have several years of experience with grant reporting and possess the required knowledge, skills, and abilities to complete the reports accurately.

Risk Assessment

The Director of Finance completes the year to date report of grant expenditures using previous grant reimbursement information and yearend financial statements.

Control Activities

The Director of Finance works with central office staff to close Oakridge financial books. The Director of Finance is responsible for the final report preparation to the Michigan DOE through the MEIS/MEGS system.

Information and Communication

Reports submitted on line thru the MEIS/MEGS and CMS systems with data from accounting system that allows Oakridge Public Schools track costs by grant.

Monitoring

The process is reviewed at least annually to make sure still functioning as intended. Any procedures or compliance changes needed throughout the year are made appropriately to ensure 100% compliance.

Conclusion

Controls are effective - Control Risk is assessed as Moderate or Low

M. SUBRECIPIENT MONITORING

Oakridge Public Schools does not have any subrecipients receiving funding under their Title 1 program.

N. SPECIAL TESTS - PRIVATE SCHOOLS

Understanding of Internal Control

Control Environment

The Director of Finance and Director of Academic Programs set the tone for compliance in Title I as it relates to participation of private school children, school-wide programs, comparability, AYP, ARRA, and other compliance requirements.

Risk Assessment

Oakridge Public Schools does not have any new or significantly expanded charter schools in the area.

Control Activities

Oakridge Public Schools sends out a letter to private schools in the area requesting their response as it relates to Title I funding on an annual basis. Documentation of the letters can be found in the District Audit Binder. An initial meeting is scheduled for interested private school participants where compliance issues are discussed.

Information and Communication

The Director of Finance along with the Director of Academic Programs communicate with the private schools in the area as it relates to Title I funding. Documentation is kept on all communication to and from the Private Schools.

Monitoring

The Director of Academic Programs monitors compliance with Private School requirements.

Conclusion

Controls are effective - Control Risk is assessed as Moderate to Low

N. SPECIAL TESTS - SCHOOLWIDE

Understanding of Internal Control

Control Environment

The Director of Finance and Director of Academic Programs set the tone for compliance in Title I as it relates to participation of private school children, school-wide programs, comparability, AYP, ARRA, and other compliance requirements.

Risk Assessment

Oakridge Lower Elementary, Oakridge Upper Elementary, and Oakridge Middle School have been approved as Schoolwide Schools as they meet the 40% requirement to operate a schoolwide program.

Control Activities

Oakridge Lower Elementary, Oakridge Upper Elementary, and Oakridge Middle School complete the schoolwide rubric requirements each year. This information can be found on the Advanc-Ed website as well as a hardcopy is provided in each building's Title 1 Audit Binder.

Information and Communication

The Director of Academic Programs communicates with building principals any new legislation requirements. The Director of Academic Programs works with building principals to complete all compliance requirements.

Monitoring

The building principals and the Director of Academic Programs monitor schoolwide plans.

Conclusion

Controls are effective - Control Risk is assessed as Moderate to Low

N. SPECIAL TESTS - COMPARABILITY

Understanding of Internal Control

Oakridge Public Schools operates a school-wide program and is not required to complete the comparability report to the MDE.

N. SPECIAL TESTS - AYP

Understanding of Internal Control

Control Environment

The Director of Finance and Director of Academic Programs set the tone for compliance in Title I as it relates to participation of private school children, school-wide programs, comparability, AYP, ARRA, and other compliance requirements.

Risk Assessment

Oakridge Public Schools has met AYP requirements each year.

Control Activities

Oakridge Public Schools completes all OEAA timelines for reviewing assessment testing data. Once AYP status is available, Oakridge Public Schools reviews AYP data, completes any needed appeals during the AYP appeals timeframes, and reports AYP results to Board of Education and community members. If

any building is identified with an "Improvement Phase", the necessary compliance requirements are completed.

Information and Communication

The Director of Academic Programs communicates all OEAA timelines for data review to building principals and secretaries. The Director of Academic Programs follows up with building secretaries to assure that timelines of assessment data have been met. Once district and building-level AYP status is available, the Director of Academic Programs communicates with building principals the AYP appeals schedule and appeals requirements. The Director of Academic Programs works with the building principals to submit any needed AYP Appeals. Once AYP status is finalized, the Director of Academic Programs completes the district- and building-level Annual Education Reports, posts same reports on district- and building-level websites, has reports available in district and building offices, and reports status to Board of Education.

Monitoring

The Director of Academic Programs, building-level principals, and Superintendent monitor AYP status.

Conclusion

Controls are effective - Control Risk is assessed as Moderate to Low

N. SPECIAL TESTS - HIGHLY QUALIFIED

Understanding of Internal Control

Control Environment

The Director of Finance and Director of Academic Programs set the tone for compliance in Title I as it relates to participation of private school children, school-wide programs, comparability, AYP, ARRA, and other compliance requirements.

Risk Assessment

All teachers at Oakridge Public Schools are highly qualified that fall within the category of core academic subject areas.

Control Activities

Oakridge Public Schools also ensures that any new hires fall under the NCLB requirements as it relates to "highly qualified" status for teachers and paraprofessionals.

Information and Communication

We have communicated with administrators the importance of "highly qualified" status as it relates to paraprofessionals and teachers in the district.

Monitoring

The building principals, payroll/HR, and Director of Academic Programs monitor all positions within the district that require "highly qualified" status. All employees in required to be highly qualified and submit to the business office the proper documentation.

Conclusion

Controls are effective - Control Risk is assessed as Moderate to Low

N. SPECIAL TESTS - ARRA

Understanding of Internal Control

Control Environment

The Director of Finance and Director of Academic Programs sets the tone for compliance in Title I as it relates to participation of private school children, school-wide programs, comparability, AYP, ARRA, and other compliance requirements.

Risk Assessment

Oakridge Public Schools has tracked Title 1 ARRA grant expenditures separately from Title 1A grant expenditures.

Control Activities

Oakridge Public Schools was required to separate Title 1A and Title 1 ARRA expenditures in the Consolidated Application found on MEGS. From this budget report, line items were given to the Director of Finance who created separate expense reports. Separate grant draw-downs are performed based upon expense category.

Information and Communication

The Director of Finance along with the Director of Academic Programs reviews the Title 1A and Title 1 ARRA expenditures.

Monitoring

The Director of Finance along with the Director of Academic Programs monitor the separate expense reports and accounting records.

Conclusion

Controls are effective - Control Risk is assessed as Moderate to Low

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Food Service Program

The following provisions will govern the food service program.

Board Policy: The following policies have been separately reviewed and approved by the Board of Education and are incorporated here by reference:

- 8500 Food Services

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above.

Applications Processing

Oakridge Public Schools is accountable for the proper procedure in approving free and reduced price meal applications and, as such, has the following internal controls in place.

Food Service clerical (FSC), the Food Service Director (FSD), and the Director of Finance work together to insure that applications for free and reduced meals are processed appropriately.

FSC and FSD will have the competency to make eligibility determinations. Both are required to attend yearly training seminars provided by the MDE and to keep current on MDE policy memos.

The district must have a valid application on file for each income and categorically eligible student served a meal meeting program requirements that is claimed for Federal reimbursement at the free or reduced rate, and a list of those students directly certified. As such, it is the primary responsibility of the FSC to maintain this information for the district.

FSC collects applications from all buildings and makes the eligibility determination within 10 working days using the automated process through the district's Meal Magic software. Meal Magic software is used to reduce the risk that eligibility is determined improperly. FSC will print out the computer generated determination letter and attach it to the application. Applications are randomly reviewed by the FSC. FSC will date and record the names of those applications that he/she has reviewed and checked for accuracy of eligibility. The Director of Finance will also randomly review applications using the same procedure as above making certain to review applications other than those already reviewed by the FSC. All documents will be kept on file for audit review.

Direct Certification

The FSC downloads the direct certification file from the CEPI website when informed of the release or as required. The file is reviewed for accuracy of formatting. The FSC then prepares the import file for input into Meal Magic. The FSC checks to see that all students that were approved through direct certification are in Meal Magic software.

Verification Process

FSC works through the verification process. He/she has a complete understanding of the rules and regulations regarding it through years of experience, yearly trainings, and MDE policy memos.

The verification process is begun by reviewing the set up in Meal Magic software following manufacturer's instructions. The FSC selects the proper sampling procedures based on state recommendation. Once the applications are selected, the letters are mailed to parents asking for

proper documentation to prove their status.

When documentation arrives from parents, it is reviewed and a determination is made to see if the family is entitled to the benefits they are receiving. If there is a change in status, a letter is sent to the parents informing them of such.

If a household selected for verification transfers out of the district before the information can be verified, verification cannot be completed and the FSC must select a new application and process it as above. All results are reported by the FSC by November 15th.

The Verification Checklist, the Verification Summary Report, and all supporting documentation will be filed in one central file in the FSC office. FSC completes the LEARS verification summary report online before March 1st.

Record Keeping

The FSC will maintain all required documentation to demonstrate compliance with the verification requirements for local, state and/or federal audits. All applications approved or denied are kept on file for three (3) years (including the current school year).

Procurement

All food expenditures are processed through Chartwells management company with very few exceptions. Any exception is still brought to the attention of the FSD from Chartwells for approval and for proper coding.

Chartwells FSD and the Director of Finance work closely together on a weekly basis to discuss any needs of the district in regards to revenues, expenditures, cash management, and personnel matters. Anything that might be perceived to be out of the ordinary from either side requires discussion before pursuing.

Chartwells follows MDE and USDA guidelines for purchasing, receiving, storing, and presentation of all food product.

In addition to the above procedures, the district has board policies and administrative guidelines regarding these areas.

Chartwells prepares monthly invoices which are submitted to the Director of Finance for review and checked for accuracy of charges for management and administrative fees. Line item detail is available upon request. Once approved, the Director of Finance submits the invoice for processing through Administrative Assistant for Finance.

Monthly Claims

The FSC prepares the reports for reimbursement from MDE and has been doing so for nearly 20 years. She is required to attend yearly trainings as provided by MDE.

Meal Magic software maintains information which is the basis for the reports. Reports are printed for the month by building. FSD confers with the FSC for the total days that breakfast and lunch were served and building enrollments for the month. The FSC then uses the information from the reimbursement claim form printed from Meal Magic. Once correct, the FSC prepares a draft on the MDE website. Before certifying, the FSC re-computes the totals by category to be sure they agree and confirms with the FSD.

Then it is submitted. The report is then provided to the Director of Finance who reviews for accuracy and signs and dates attesting to such.

Year-End Report

This report is no longer completed. All financial information is submitted via the FID.

FOOD SERVICE CONTROLS

A. ACTIVITIES ALLOWED/UNALLOWED

Understanding of Internal Control

Control Environment

Not applicable

Risk Assessment

Control Activities

Information and Communication

Monitoring

B. ALLOWABLE COSTS

See A. Activities Allowed or Unallowed

C. CASH MANAGEMENT

Understanding of Internal Control

Control Environment

Cash Management is not applicable since reimbursement based

Risk Assessment

Control Activities

Information and Communication

Monitoring

D. DAVIS BACON

N/A to NSL per 345 Matrix of Compliance Requirements

E. Eligibility

Understanding of Internal Control

Control Environment

Food service clerical (FSC) has over 15 years experience and gets yearly training with state and is responsible for making initial eligibility determination.

Risk Assessment

The district recognizes that there is a risk of improper information being reported resulting in an incorrect eligibility status.

Control Activities

Clerical staff enters the information from the applications into the Meal Magic computer program which determines the initial eligibility status. FSC attaches the results from the Meal Magic program to each application. The Director of Finance randomly selects and reviews applications by hand and initials and dates them.

Information and Communication

Letters are sent to parents informing them of their eligibility status. Eligibility status history is maintained in the computer software program.

Monitoring

All applications are double checked. School is required to do verification once per year and submit results to the state.

F. Equip and Real Prop Mgmt

N/A since no Equipment or Real Property purchased with NSL funds.

G. Matching LOE Earmarking

N/A since not an SEA

H. Period of Availability

Understanding of Internal Control

Control Environment

N/A since reimbursement based on meals served

Risk Assessment

Control Activities

Information and Communication

Monitoring

I. Procurement Suspension Debarment

Understanding of Internal Control

Control Environment

The school has a contract with Chartwells which takes care of the bidding process. This contract is approved by the board. It is also reviewed and approved by State of Michigan.

Risk Assessment

Favoring some companies over others and not giving all companies a chance or preventing a chance of lower costs.

Control Activities

Oakridge requires its vendors to certify they are not suspended or debarred. Oakridge requires contracted food service company to submit to bid process.

Information and Communication

Board receives RFP to contract out food service program. Contract with vendors certify they are not suspended or debarred and comply with procurement standards as required by MDE.

Monitoring

Contracts are reviewed and approved by state of Michigan

J. Program Income

N/A since based on reimbursement based

K. Real Prp Aqu Relocation Assist

N/A since there was no Real Property Acquisition or Relocation Assistance.

L. REPORTING

Understanding of Internal Control

Control Environment

Clerical and Chartwells management are responsible for preparing data to submit to state for monthly reports. Meal Magic accumulates total daily and monthly meal counts.

Risk Assessment

There is a risk that incorrect information gets submitted for reimbursement and year-end reporting.

Control Activities

Information is accumulated in the software/computer program.

All lunch counts are recorded at point of sale and accumulated with computer software. Clerical prints monthly edit check reports and reviews for reasonableness compared to daily report sheets. These totals are reviewed by Director of Finance and clerical enters into MEIS for monthly claim reimbursements.

Both Director of Finance and clerical have access to MEIS through passwords.

Information and Communication

Meal Magic accumulates total daily and monthly meal counts. Clerical accumulates this information and gives it to Director of Finance to review and then FSC prepares submission to the state.

Oakridge uses a separate food service fund to record food service activity which is used in preparing year end statement.

Monitoring

Director of Finance reviews the information from clerical/Chartwells before submission to the state.

M. Subrecipient Monitoring

Understanding of Internal Control

Control Environment

N/A, no subrecipients

Risk Assessment

Control Activities

Information and Communication

Monitoring

N. Special Tests-Food Account

Understanding of Internal Control

Control Environment

Oakridge has a designated food service account to record all activity

Risk Assessment

Do not account for food service activities in their own accounts

Control Activities

MDE requires food service has its own fund within the special revenue fund and Oakridge does this

Information and Communication

The requirements to account for food service in its own fund is communicated to staff and the Board of Ed adopts a budget for the fund.

Monitoring

DOF is in charge of monitoring the lunch fund

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Fixed Asset Management

The following provisions will govern fixed asset management.

Board policies: The following policies have been separately reviewed and approved by the Board of Education and are incorporated here by reference:

- 7455 Accounting System for Fixed Assets

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

Fixed Asset Inventory Procedures

The purpose of this procedural directive is to define and outline district site responsibilities for management and control of the district's fixed assets. This procedure is designed to be compliant with 2 CFR Part 225, Appendix B and 34 CFR Part 80.32. This procedure applies to all sites and personnel employed by Oakridge Public Schools (OPS).

Definitions

For purposes of this procedural directive, "fixed assets" include:

- Items of personal (moveable) property with an estimated useful life of more than one year. Fixed assets include furniture, fixtures, equipment, computers, vehicles, and similar items of personal property.
- An item which retains its original shape or appearance with use, and is not consumed in operation.
- An item that does not lose its identity through incorporation into a different or more complex unit.
- An item that is considered non-expendable. If it is damaged, or parts are lost or worn out, it is more feasible to repair the item rather than replace it with an entirely new unit.
- An item that represents a significant investment of money, which makes it more feasible and advisable to capitalize the item. Capitalization is the process of tagging property, accounting for it in inventory, and charging the expenditure to a capital outlay budget category.

For purposes of this document, "capitalize" means to delay the recognition of expenses by recording the expense as a long term asset. The assets are then reported on the year-end balance sheet.

Dollar Threshold for Establishing Fixed Assets Control

OPS capitalizes all assets with a value greater than or equal to five thousand dollars (\$5,000) and useful life of one year or more. When purchases of this value are made, the items shall be recorded in the department or building fixed assets record. Each building principal or department director, or assigned designee of the principal or department director, is responsible for updating their own fixed asset inventory listing, and at fiscal yearend (June 30), the department or building inventory listings must be submitted to the Director of Finance, so that they can be reconciled to the master fixed asset list.

OPS requires district technology department to tag all technology regardless of unit cost. The OPS technology department records and properly tags these items by funding source, if the funding source is anything other than the General Fund. The record detailing these items will be maintained by the OPS technology department. If any of the aforementioned items have a value of \$5000 or more, those items shall also be listed within the fixed asset list maintained by the OPS business office.

The OPS technology department should also track “high-theft” items (such as portable technology devices) which may be tagged and recorded in their inventory records. If the relevant item has a value of less than five thousand dollars (\$5000), it will not be recorded in the fixed asset master list at year end.

Ownership of Fixed Assets

Upon receipt of a fixed asset and/or computer, the site administrator shall be responsible for maintaining control of the asset and/or computer and complying with all requirements outlined in this procedural directive. Fixed assets purchased for Oakridge Public Schools with public funds shall remain the property of Oakridge Public Schools until formally and officially removed from the inventory. Please refer to the Disposal of Fixed Assets section of this procedural directive for more information on disposal of fixed assets.

Fiscal Management of Fixed Assets

This document outlines responsibility of management for Oakridge Public Schools property. Please refer to it for additional information regarding fiscal management of fixed assets.

The district shall maintain uniform accountability for fixed assets on the district fixed asset master list. The business office shall maintain the district fixed asset master list, make inventory adjustments as required and provide appropriate reporting to the superintendent or his/her designee, and the Board of Education upon request. The business office shall ensure district compliance with Oakridge Public Schools policies and procedural directives, federal and state laws and related rules and regulations, and Generally Accepted Accounting Principles and Auditing Standards for governments.

Inventory Lists and Accountability

The Administrative Assistant for Finance generates a budget summary of all capital outlay purchases during the current school year along with the supporting documentation. The Director of Finance uses this information to verify at year end all acquisitions of fixed assets. The Director of Finance meets with appropriate supervisors to determine disposals of fixed assets that may have occurred during the current year. The Director of Finance prepares a list of acquisitions and disposals of fixed assets for the district’s auditor who maintains the master file.

Principals/department directors shall be responsible for and shall be held accountable for the care, custody, use and accounting of all assets that are located at their site. This includes, but is not limited to, safeguarding Oakridge Public Schools property from damage or loss and ensuring that fixed assets are used in accordance with Oakridge Public Schools policy. Each principal/department director, or his/her designee, shall be responsible for receiving fixed assets, and completing their respective building-level inventory sheets. The principal/department director is also responsible for submitting these lists to the business office before leaving for summer break at the end of every school year.

Tagging and Recording New Fixed Assets

Property Label Categories

All Title I and federal assets shall be labeled with the relevant funding source. All assets with a value of less than \$5000 which may be considered a “high-theft” items (such as portable technology devices) will be labeled as property of Oakridge Public Schools and tracked. The OPS technology department shall be responsible for monitoring, record keeping and accounting for these items.

Items purchased with federal funds are restricted for use by eligible beneficiaries. The proper, intended use of the “restricted” goods is the responsibility of the building principal or department director receiving these goods. If clarification in regard to proper usage is needed by the building principal or department director, please contact the district Director of Academic Programs.

Responsibilities and Procedures of Tagging Assets

The OPS technology department shall be responsible for tagging, permanently marking/engraving, and processing the appropriate documentation for technology delivered by vendors.

Recording Assets

At a minimum, each asset listed in the school-level inventory log should include:

- Date of receipt
- Short description of asset
- At least one asset identifier (i.e. serial number, model number)
- Funding source (i.e. Title I, Head Start, Title I ARRA, General Fund, etc.)
- Value
- Room in which asset is located

Transfers/Trade-In/Casualty Losses of Fixed Assets

Transfer of Fixed Assets between Sites

Assets purchased with federal funds must not be transferred to other uses unless clearly no longer needed for the federal program. Staff may not circumvent this limitation by purchasing additional assets and declaring existing assets as surplus for the federal program.

Casualty Losses

Federal regulation 34 CFR 80.32(d)(3) states “A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.”

If an item is lost, destroyed or stolen, principals/department directors, or his/her designee, shall notify the Oakridge Public Schools Superintendent and Business Official immediately. The report shall include a description of the items stolen; dates; amount of federal funds involved and fund source; a description of the corrective actions to the control system to ensure adequate safeguards to prevent future loss, damage or theft of property; and a description of the investigation, police complaint and police investigation. An insurance claim should be filed if applicable.

Inventory Deletions

The OPS business office shall not perform inventory deletions without proper documentation (purchase order documenting a trade-in, authorization of donation, salvage disposal, etc.).

District sites with the exception of the Technology Department shall not have the authority to dispose of Oakridge Public Schools property, due to statutory reporting and approval requirements.

Funds received from federal grants may be used to purchase fixed assets, if allowed by the awarded federal grant contract. When the fixed asset is no longer needed for the project funded by the grant, the fixed asset may be disposed, with any proceeds to be restricted for use in the federal program.

Real Property includes buildings, land (including improvements), and structures. If a grantee can no longer use the real property, the federal agency will direct the grantee to:

- Sell the property and pay the federal agency its share of the proceeds according to matching or cost-sharing ratios;
- Retain the property and pay the agency its share of the market value of the property; or
- Transfer title to the federal agency and receive its share of the market value.

Equipment includes tangible personal property having an acquisition cost in excess of \$5000 and a useful life of more than one year. If the current market value of the equipment is less than \$5000, the grantee may sell or retain it without compensating the federal government. If the property is worth \$5000 or more, a grantee has several options from which to choose. However, in absence of instructions from the awarding agency within 120 days after the end of federal support of the project, grantees may either retain or sell the equipment and pay the federal agency their share of the market value. A grantee can sell the equipment and pay the agency its share of the proceeds, which, in the case of a university, is the proceeds, less the greater of \$500 or 10%, whichever is less.

The Director of Finance will review the disposal of fixed assets annually to determine if proceeds from the sale of any fixed assets must be remitted to the federal agency that originally awarded the funds. The business office will maintain these records on a spreadsheet detailing these transactions if applicable.

Loaning Fixed Assets

Oakridge Public Schools may loan district fixed assets to employees for Oakridge Public Schools work-related activities. District fixed assets shall not be used for personal gain or activities. An employee requesting to borrow a district fixed asset shall obtain approval from their site administrator prior to borrowing a district fixed asset. This approval must be written. Building and department administrators will physically verify the existence of all loaned assets during each quarterly physical inventory. Central administration will physically verify the existence of all loaned assets during each annual physical inventory.

Disposal of Fixed Assets

Oakridge Public Schools personnel shall dispose of district assets within the guidelines indicated by Michigan state statute and regulation. All fixed assets required to be labeled, including all computers and “high-theft” items, shall be disposed of in accordance with this document.

Principals/department directors, or his/her designee, shall contact the Technology Department for all Technology related items, and the Maintenance Supervisor for all other items when assets are to be disposed (please refer Form 7455 F1 Acquisition/Transfer/Disposal Document). The Technology Department and Maintenance Supervisor will then dispose of the item/asset and the school-level inventory list will note the disposal. At the end of the school year, the school-level inventory list will be sent to the business office. The business office will not make changes to the fixed asset master list unless the changes are documented on the school-level lists.

Physical Inventories

When financially feasible, the district will conduct a physical inventory of assets maintained on the district Asset Management System.

Once physical inventories are completed at the building level, and discrepancies are identified, the business office shall perform appropriate file maintenance to maintain an accurate district fixed asset master list.

Found Inventory

If a missing asset is found during an annual physical inventory at a site other than the original site assigned, the business office shall transfer the asset to the new site on the fixed asset master list. This process shall remove the missing asset from the original site's inventory listings. This should also be updated on the school-level inventory log.

Transaction Reports, Reconciliations and Audits

At the end of each school year, the business office shall reconcile and adjust the district inventory accounts on the district fixed asset master list, according to the latest information available provided by the school-level inventory logs.

At the end of each school year, the OPS technology department shall compile the ending inventories for all technology-related items.

Training

OPS will provide training on this procedure to all staff involved in federal programs through activities such as:

- Distribution of federal laws, regulations and guidance
- Distribution of OPS policies and procedures
- Developing templates, checklists and other guidance documents as appropriate
- Internal training sessions
- Routine staff meetings, and
- Informal technical assistance

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Budgets and Budgetary Compliance

Oakridge Public Schools uses budgets and budgetary accounting in order to fulfill its requirements from the Michigan Department of Education and as an internal management tool for monitoring expenditures and identifying abnormalities. Policies and procedures regarding the budgetary process are as follows:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education and are incorporated here by reference:

- 6220 Budget (Appropriations) Preparation
- 6230 Budget Hearing
- 6231 Budget Implementation

Budget (Appropriations) Preparation-Board Policy 6620

The budget is formulated under the direction of the Superintendent using a cooperative budgeting system in which the principals and department supervisors develop throughout the year, a list of items for implementing the instructional program, and/or for day-to-day operations in their schools/departments that they wish to include in the next budget. Prior to the start of the budget preparation process, the Director of Finance will prepare a Timetable for Budget Preparation by which the preparation, review, and approval will take place.

At the beginning of each budget year, the Director of Finance and administrative staff will estimate the costs of District-wide operations such as staff, building maintenance, transportation, capital improvements, etc., and determine the allocation for each school as well as the total allocation for each operating department.

- A. These will be entered on a spread sheet and distributed to each principal/department supervisor with the discretionary allocation highlighted along with the parameters and constraints they are to use in developing spending plans for the coming year.
- B. Each principal is to review the current year's budget (appropriations) to determine whether the allocations for the current year are being used effectively and whether changes need to be considered when making allocations for the coming year.
- C. If the assigned allocations are an increase over the previous year, each principal, as the budget manager for his/her school, will, in collaboration with the staff, allocate the increase in ways that will best accomplish the school's instructional goals. All increases as well as all changes in percentages of the allocation from the previous year are to be justified in terms of the effect on the accomplishment of the school's instructional goals.
- D. If there is a decrease in per student allocation, the principal and staff are to apportion the decreases among the discretionary categories and justify the apportionment in terms of impact on accomplishing the school's instructional goals.
- E. Operating department supervisors are to apportion their department's allocation and justify the apportionment in terms of the effect on accomplishing the department's operational goals.
- F. The Superintendent, in collaboration with the administrative team, shall make a compilation of the budget requests and determine how any increase in revenues will be allocated.

The completed tentative budget shall contain:

- A. the amount budgeted for proposed expenditures by funds, functions, and object;

- B. the corresponding amounts budgeted by fund, function, and object that were actually expended during the last completed fiscal year and anticipated to be expended during the current fiscal year;
- C. all revenues anticipated for the ensuing fiscal year classified as to funds and sources of income, including only those revenues which can be reasonably anticipated and excluding contingency revenues.

The proposed expenditures and anticipated revenues in the budget shall be supported by explanatory schedules or statements of sufficient detail to judge the validity thereof, including a statement which shall summarize the aggregate of revenues, appropriations, assets, and liabilities of each fund, in balanced relations.

Budget Preparation-Board Policy 6220

The District's operation and educational plan is reflected in its budgets. Each year, the Board of Education will cause to have prepared and then review and approve the following Fund budgets:

- A. General Fund
- B. Debt Retirement
- C. School Service Funds
- D. Other Special Funds

Each budget shall be designed to carry out District operations in a thorough and efficient manner, maintain District facilities properly, and honor continuing obligations of the Board.

The budgets shall be balanced in relationship to estimated expenditures including any accrued deficit and the total revenue including available unappropriated surpluses and shall be consistent with the chart of accounts established by the Department of Education.

The Board shall ensure that adequate funds are reserved for the General Fund to maintain a secure financial position. A fund equity equal to ten percent (10%) of the previous year's expenses is a desirable level.

A proposed budget requires the critical analysis of every member of the Board prior to approval; once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

The Board directs the Superintendent/ Director of Finance to present the budgets to the Board along with all available information associated with each budget in sufficient time to allow for proper analysis and discussion prior to the hearing.

When presented to the Board for review and/or adoption, the information shall include, as appropriate:

- A. the number of staff members for the current and the ensuing year
- B. the proposed expenditure and revenue in each financial function for the ensuing year;
- C. the anticipated expenditure and revenue in each financial function for the current year;
- D. the actual expenditure, the approved budget, and the revenue in each financial function for the previous year;
- E. an estimate of the student enrollment for the ensuing year;
- F. the amount of fund equity anticipated at the end of the current year;
- G. an appropriations resolution.

M.C.L.A. 141.434 et seq.

Budget Implementation-Board Policy 6231

The Board of Education places the responsibility of administering the budget, once adopted, with the Superintendent. S/He shall keep the Board informed as to problems or concerns as the budget is being implemented.

The Superintendent shall be authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budget, limitations stated in Board policies, and within legal authority expressed in State statutes.

Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the District.

If, during the fiscal year, it appears to the Superintendent that actual revenues are less than estimated revenues, including the available equity upon which the appropriations from the fund were based, the Superintendent shall present to the Board recommended amendments to the General Appropriations Act that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with requirements of the law and provisions of negotiated agreements.

M.C.L.A. 141.436 et seq., 388.1702

Public Disclosure and Reporting

Within thirty (30) days after the Board of Education adopts its annual operating budget for the following school fiscal year, or adopts a subsequent revision to that budget, the District shall make all of the following available through a link on its website home page in a form and manner prescribed by the State Department of Education:

- A. the annual operating budget and subsequent budget revisions
- B. using data that have already been collected and submitted to the department, a summary of District expenditures for the most recent fiscal year for which they are available, expressed in the following two (2) pie chart
 1. a chart of personnel expenditures, broken into the following subcategories:
 - a. salaries and wages
 - b. employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits
 - c. retirement benefit costs
 - d. all other personnel costs
 2. a chart of all District expenditures, broken into the following subcategories:
 - a. instruction
 - b. support services
 - c. business and administration
 - d. operations and maintenance
 3. links to all of the following:
 - a. the current collective bargaining agreement for each bargaining unit within the District
 - b. each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the District
 - c. the audit report of the audit for the most recent fiscal year for which it is available
 - d. the total salary and a description and cost of each fringe benefit included in the compensation package for the Superintendent of the District and for each employee of the District whose salary exceeds \$100,000.00

- e. the annual amount spent on dues paid to associations
- f. the annual amount spent on lobbying or lobbying services

As used in this subdivision, "lobbying" means that term as defined in Section 5 of 1978 PA 472, M.C.L.A. 4.415.

The Board shall have an audit of the District's financial and pupil accounting records conducted at least annually at the expense of the District by a certified public accountant or by the Intermediate District Superintendent, as may be required by the State Department of Education.

The District's annual financial audit shall include an analysis of the financial and student accounting data used as the basis for distribution of State school aid. The student accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the State Department of Education.

Not later than 120 days after the end of each school fiscal year, the District shall file its annual financial audit report with the Intermediate District.

The annual financial audit reports and student accounting procedures reports shall be available to the public in compliance with the Freedom of Information Act.

By November 15th of each year, the District shall submit to the Center for Educational Performance Information (CEPI), in a manner prescribed by the CEPI, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the Department. This submission shall contain the District's web address where the required financial data is posted. The District shall also include a link on its websites to the website where the State Department of Education posts this financial information.

By September 30th of each year, the District shall file with the State Department of Education the special education actual cost report on a form and in a manner as prescribed by the State Department of Education.

The District shall provide to the State Department of Education an annual progress report on the implementation of school improvement plans, curriculum, and accreditation as required by "Public Act 25 of 1990."

The District shall comply with the reporting requirements under State and Federal law, including reports to the center for educational performance and information (CEPI), as set forth by State law and as directed by CEPI. This shall include by:

- A. June 30th of each year, providing CEPI with information related to safety practices and criminal incidents;
- B. the first business day in December and June 30th of each year, providing CEPI with requested information related to educational personnel;
- C. not later than five (5) weeks after the student membership count day, providing CEPI in a manner prescribed by the CEPI, the information necessary for the preparation of the District and high school graduation report;
- D. October 7th of each year, providing CEPI with the transportation expenditure report.

M.C.L.A. 4.415, 388.1618, 388.1619, 388.1651a, 15.231 to 15.246, 380.1204a(1)
20 U.S.C. 6311

Budget Process

The annual budget is developed by the Superintendent and Director of Finance with input from building and central office administrators. Assumptions are prepared based on the most current information available at the time of budget preparation. These assumptions include, but are not limited to projections of the following:

1. Student enrollment
2. Membership blend
3. Foundation allowance
4. Federal and categorical funding
5. Health insurance rate
6. Retirement rate
7. Fuel costs
8. Utility costs
9. Salary increase including step increases
10. Contract negotiations

The Director of Finance shall maintain a budget handbook which will be supplied to the appropriate administrators during budget preparation. This handbook defines the budget process, assumptions, timelines, responsibilities, and building budgets for the year.

The Director of Finance shall prepare budget amendments twice yearly.

The original budget and any amendments must be approved by the Board of Education.

It is the responsibility of the Director of Finance to constantly monitor all budgets. This is accomplished by the monthly printout of all line items by responsibility, and by the preparation of monthly financial reports to the Board of Education.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Computer Security

The following policies and procedures shall govern computer security.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 7540 Technology Privacy
- 8350 Limited Use of Social Security Number
- 7541 Electronic Data Processing Disaster Recovery Procedure
- 7542 Access to District Technology Resources From Personal Communication Devices
- 8315 Information Management

Additional Policies and Procedures: The following policies and procedures will also be applied to the extent that they do not conflict with or contradict the Board policies listed above:

Determination of access controls

Authorizing use

All staff and students are given a unique login id and password once a signed acceptable use policy is on file. All staff acceptable use policies are signed and kept on file in the administration office. All student acceptable use policies are signed by both the student and parent or guardian and kept on file in the school building they currently attend. The current acceptable use policy currently covers both network and Internet access.

Authorizing new programs and changes to existing programs

All new software applications must be approved via a software purchase request form or approved by the building principal, network administrator, and curriculum office. Alternatively, and RFP or consortium of districts may collaborate on competitive bid process for software applications. All software is installed by qualified personnel.

Using the Internet

Internet access is allowed to all staff members and students providing a signed acceptable use policy is on file. Internet site access is controlled by a content based filtering system that is currently housed and maintained by the Muskegon Area Intermediate School District. All categories that are currently deemed inappropriate by the Child Internet Protection Act (CIPA) are blocked for all teachers and students. Central office staff are currently only blocked from potentially liable and controversial material. The district is researching providing less filtered internet access to teachers, for instructional purposes while maintaining CIPA compliant filters for students.

Planning for disaster recovery

All servers are configured with redundant power supplies and use RAID level 5 to ensure maximum uptime. All servers are connected to an Uninterruptable Power Supply and connected to the building emergency generator for backup power. All servers that are necessary for daily operation are kept on a 4-hour service contract with the vendor to ensure that downtime is kept at a minimum. All network switches are kept on a next business day replacement contract with the vendor.

Planning for contingencies:

Backing up and storage of files

Data Files:

Data files are backed up twice a day (at noon and 5:00 P.M.) and then differential byte data is updated every 30 minutes. Data files are kept on backup media for 10 business days. All data files are backed up remotely and housed at another building connected via fiber. The data files are currently being backed up/housed one-quarter mile from live data and are tested on a monthly basis at a minimum to ensure backup file integrity. If a backup fails, an email notification is sent to the network administrator notifying them of the failed backup attempt.

SQL Data:

SQL data (grade book and food service information) are fully backed up twice a day (at noon and 5:00 P.M.) and updated byte data every 15 minutes. Data files are kept on backup media for 10 business days. All data files are backed up remotely and housed at another building connected via fiber. The data files are currently being backed up/housed one-quarter mile from live data and are tested on a monthly basis at a minimum to ensure backup file integrity. If a backup fails, an email notification is sent to the network administrator notifying them of the failed backup attempt.

Email Data:

Email data is fully backed up twice a day (at noon and 5:00 P.M.) and updated byte data every 15 minutes. Data files are kept on backup media for 10 business days. All data files are backed up remotely and housed at another building connected via fiber. The data files are currently being backed up/housed one-quarter mile from live data and are tested on a monthly basis at a minimum to ensure backup file integrity. If a backup fails, an email notification is sent to the network administrator notifying them of the failed backup attempt. Every Email sent or received, either internal or external, are also archived into a separate database folder and secured as read-only (accessible only to select administrative staff) and kept for a period of no less than 3 years.

Scanning for viruses

All server storage drives are scanned on a weekly basis for viruses. All servers, except the email server due to scanning at the ISD, as well as client computers have virus software installed that scans all incoming files before they are allowed to be used. All servers, except the email server due to scanning at the ISD, check for virus software updates on a daily basis and update as needed. All client stations check for virus software updates once a day and updated as needed. All email is scanned for spam and viruses by an appliance located at the Muskegon Area Intermediate School District before it is delivered to our local email server.

Creating and maintaining firewalls

The school district is connected to the Muskegon Area Intermediate School District via fiber. All firewall equipment is housed and maintained by the ISD. All Internet traffic is channeled through the ISD.

Monitoring

The network and technology specialist is responsible for monitoring all of the above activity. This position reports to the superintendent.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Year End Procedures

The following provisions will govern the year-end close-out process of the District for purposes of external financial reporting:

In accordance with MDE, the District's fiscal year end for external reporting purposed will be June 30. Accruals will be recorded as needed to ensure that revenues and expenditures are reported in the appropriate accounting period.

Accounts Payable, Payroll, Prepaids, & Receivables

The Director of Finance prepares notification and direction for the year end accrual process to Administrative Assistant for Finance and staff. This information is updated each year.

Accounts Payable - Invoices for goods or services received during the previous fiscal year will be recorded as expense/accounts payable as of June 30. Such determination will be made by the Administrative Assistant and reviewed by the Director of Finance.

Payroll-related accruals - Costs of hourly personnel paid after June 30 for services performed during the previous year will be recorded as expenditures/salaries payable at June 30. The amount will be based on hours worked during the fiscal year multiplied by the employee's hourly rate. Additional consideration will be made for FICA taxes, retirement benefits, health insurance, and related employee benefits.

- Salaried teachers and other employees working during the academic year only may elect to receive their annual salary over the course of the academic year or over the course of the 12 months ended August 31 of each year. In the former, all salary/payments will have been made prior to June 30 and no additional accrual is necessary. In the latter, the difference between the total salary and the amount paid through June 30 will be recorded as expense/salaries payable at June 30 since the period of service is complete at that time. Additional consideration will be made for FICA taxes, retirement, health insurance, and related employee benefits. Payroll accruals will be prepared and documented by the Administrative Assistant for Personnel Services and the MAISD payroll staff with review by the Director of Finance.
- After the last pay in June, payroll staff review all employees with remaining pays on their contract for accuracy.
- All employees receive an Employee Attendance Notice after the year end payroll shift to verify absences. Any discrepancies are reported to the payroll office and adjustments made, if necessary. Attendance records are reviewed by the Director of Finance during the calculation of compensated absences.
- The Director of Finance reviews and approves all payroll reports generated at year end. The Director of Finance prepares reconciliations to tie-out all payroll transactions which include MESSA and/or other health related benefits, payroll and FICA, retirement, unemployment, and worker's compensation
- Reconciliation of all accruals is done by the Director of Finance during the first few months following the year end closing of the books or until fully reconciled.

Prepaids - Payments made prior to year-end that cover goods or services to be received in a future period will be recorded as prepaid items as of June 30.

Receivables -

- Cash received after year-end for which a good or service was provided during the previous fiscal year will be recorded as revenue/accounts receivable. End of year all open invoices reviewed by the Director of Finance. The Administrative Assistant for Finance will prepare a list of receivables.
- State aid: The June state aid payment which indicates revenue yet owed to the district is used by the Director of Finance to prepare the year end accrual entry for July and August state aid payments. Any differences are reconciled once the August state aid final figures are received by the district.
- Taxes: All property tax collections are entered into the accounting system throughout the year by the Administrative Assistant for Finance. The Director of Finance periodically reviews, approves, and adjusts these entries as may be necessary. At year end, the Director of Finance prepares a reconciliation spreadsheet based on the latest non-homestead property values and the current millage rate and makes any necessary adjustments to both General Fund and Debt Retirement Funds.
- Grants: During the school year the Director of Finance draws down grant funds based on actual expenditures on a monthly basis. These are reviewed and approved by the Director of Academic Programs After final year end entries are recorded, the Director of Finance reviews final expenditures and revenues. If necessary, final draw downs are completed which are reviewed and approved by the Director of Academic Programs.

Inventory - The year end food service inventory is prepared by the food service management company, currently Chartwells, in conjunction with an Oakridge Public Schools food service employee. The inventory is reviewed by the food service management company prior to being submitted to the Director of Finance. The Director of Finance reviews, approves, and prepares the necessary year end accounting entry to adjust to the year-end inventory level.

Oakridge Public Schools
Business Operating Procedures and Federal Awards Administration Manual
Debt Service

School district debt funds are established after a bond issue has been successfully voted by registered voters of Oakridge Public Schools.

The Director of Finance utilizes the amortization schedule and the bond documents provided by the district's financial advisor (PFM) in order to establish necessary debt payments for the year. Debt payments are made in May and in November based upon the schedules. They are presented to and approved by the Board of Education on the district's current bill list, a report generated out of the current financial software. Invoices/statements of principal and interest due are received by the Administrative Assistant for Finance, reviewed by the Director of Finance (compared to schedules), and processed in the same manner as all other invoices to the district, with payment primarily by check. Payments may also be generated via the school district bank website (currently Fifth Third Bank) by the Administrative Assistant for Finance and authorized by the Director of Finance. All payments are recorded as expenditures. Payments are made by an independent bond paying agent as follows:

Debt Fund

2005 Refunding - U.S. Bank
2010 Buses - Bank of New York Mellon
2011 Capital Projects - Bank of New York Mellon
2015 - Refunding - Huntington

Revenue in debt funds is recorded when property taxes are received from the townships or interest is earned on any invested asset. With consultation of the district's financial advisor (PFM), the Director of Finance approves the allocation, such as taxes or interest in the respective debt account. The debt fund balances are verified by the Director of Finance with PFM and the local taxing authorities (Muskegon County and Newaygo County Equalization Dept). Additionally, PFM assists the district in calculating the required millage amount in order to comply with state law on an annual basis. The millage rate is adjusted accordingly on the district's L4029.

Preparation of Outstanding Debt Schedule -

The Schedule of Debt Activity is prepared by the Director of Finance at year end and is reviewed by the Superintendent and the district's auditor using the following source documents:

- PFM refunding documents for US Bank, Bank of New York Mellon, and Huntington Bank
- MDE, Office of State Aid & School Finance website for Durant
- Michigan Department of Treasury, School Bond Loan Fund - Loans Payable Detail Statement of Account at year end
- Compensated Absences

The Director of Finance prepares and updates as necessary a spreadsheet for long-term principal and interest. This spreadsheet is a summary document of the district's current long-term obligations for 2005, 2010, 2011, 215 bonds. For the Schedule of Debt Activity, additions and retirements are entered into the spreadsheet. Additions to this schedule are currently for the school bond loan fund and retirements are payments made on long-term debt during the school year. Ending balances should tie to source documents where possible.

Compensated absences are prepared by the Director of Finance or by his/her assistant using source documents provided by the current financial software and downloaded into a spreadsheet as follows:

1. Beginning balances (alphabetic by group). This report is downloaded into a spreadsheet and becomes the basis for adding any additional information. The report generates leave time in hours and must be converted to days equivalency.
2. Leave taken (alphabetic by group). This information is hand-keyed into the spreadsheet created in step 1. The report generates leave time in hours and must be converted to days equivalency.
3. Ending balances (alphabetic by group). The report generates leave time in hours and must be converted to days equivalency and is used to check the calculation on the spreadsheet against this report for accuracy. Any differences should be looked up manually in MUNIS and corrected.
4. Tabs are named for each group and complete headings are copied to each tab. Each group is then moved to their appropriate tab in the file.
5. Most hire dates can be copied and pasted from the prior year compensated absences spreadsheet or hand-keyed in. Some new employee information will need to be looked up in MUNIS and retired employees removed from the spreadsheet.
6. Divisions are created within each group based on years of service.
7. Employee contracts are reviewed for retirement obligations. All groups are currently at the same rates. Calculations are performed to equate the number of hours in the ending leave balances to financial retirement obligations.
8. All information is summarized on the summary tab which shows beginning financial obligations, those added and used, and ending obligations. Groups are further summarized into affiliations as follows:
 - a. CMFT: Bus drivers, food service, and custodians
 - b. OP: Office personnel and paraprofessionals
 - c. OEA: Teachers
9. Financial obligations are then inputted into the Schedule of Debt Activity.