

*Adopted: 10.20.16; 3.16.17*  
*Revised: 8.26.16, 1.30.17*

*Orig. 2016*  
*Beacon Academy Dist. 4124*

**Beacon Academy  
Policy #715**

**Procurement Procedure  
2 CFR 200- Uniform Administrative Requirements, Cost Principles,  
and Audit Requirements For Federal Awards**

**Standards for Financial and Program Management  
(Sections §200.300-309)**

**Procurement Policy:**

Prior to and upon the acceptance and expenditure of funds awarded to Beacon Academy by the Federal Government, Beacon Academy will ensure that the funds will be used for the purposes to fulfill the grant. The funds will be used in a manner consistent with state and federal statutes, rules and regulations.

**Minnesota Special Education Procurement Policy:**

Prior to and upon the acceptance and expenditure of funds awarded, Beacon Academy will ensure that the funds will be used for the purposes of providing special education and related services for children with disabilities from birth to 21. The funds will be used in a manner consistent with state and federal statutes, rules and regulations. Federal funds received by the agency from the Individuals with Disabilities Education Act, P.L. 108-466 will abide by the mandates as described in the Special Education Funds Statement of Assurances certification. This document will be reviewed and signed annually by the district's Director of Special Education and the Superintendent/Board Clerk. This document is submitted annually to the Minnesota Department of Education (MDE). The form may be obtained through the Minnesota Department of Education. Beacon Academy will maintain supporting information required for the local Total Special Education System (TSES) on file in Beacon Academy Special Education Department.

Misuse of Federal funds will result in a prompt investigation led by the school board and law enforcement. Upon finding evidence of fraud or intentional misuse of federal funds,

the guilty party may be dismissed for just cause from employment in addition to any criminal or civil prosecution or litigation.

### **Conflict of Interest (Section §200.112-113)**

Beacon Academy will document, in writing, any potential conflicts of interest and hold on file. In addition, Beacon Academy will consider and disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosure forms are available through the administration office.

Beacon Academy maintains written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. The Uniform Grant Guidance 2 C.F.R. §200 includes the following provisions:

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of Beacon Academy may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, Beacon Academy may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of *nominal value*. Violation of this policy by employees may result in actions that range from a written letter of reprimand placed in the employees personnel file to termination of employment. Board members who violate this policy will be held individually liable to the school for any damage caused by the violation and may be subject to board sanction or dismissal from the board.

*Beacon Academy defines nominal value as an expense of five dollars (\$5.00) or less.*

Conflict Of Interest Policy and Disclosure Form: Appendix A

### **Nepotism Policy**

To avoid a variety of personnel problems (the perception of favoritism, awkward workplace situations, difficult work environments, employee morale and job satisfaction, and poorer job performance by other employees) charters schools are required to have a nepotism policy regarding employment and employment benefits.

Nepotism Policy And Disclosure Form: Appendix B

### **Nondiscrimination Policy**

To meet grant requirements, Beacon Academy has in place written personnel policies covering job descriptions, hiring procedures, promotions and dismissals.

Beacon Academy, has a written non-discrimination policy in place prohibiting discrimination based on race, sex, age or marital status in its employment practices.

It is the established policy of Beacon Academy to provide equal employment opportunities to all qualified persons and to administer all aspects and conditions of employment without regard to race, religion, color, sex, gender, sexual orientation, pregnancy, age, national origin, ancestry, physical or mental disability, severe/morbid obesity, medical condition, military or veteran status, genetic information, marital status, ethnicity, alienage or any other protected classification, in accordance with applicable federal, state, and local laws. Beacon Academy takes allegations of discrimination, intimidation, harassment and retaliation very seriously and will promptly conduct an investigation when warranted. Upon finding evidence of discrimination, the school board of Beacon Academy will discipline an individual by providing a written warning up to termination.

Equal employment opportunity includes, but is not limited to, employment, training, promotion, demotion, transfer, leaves of absence and termination.

Record Retention Policy – Appendix C

## **Standards for Financial and Program Management (Sections §200.300-309)**

Through the implementation of the Procurement Procedures and compliance with audit requirements, Beacon Academy collects and maintains documentation to support the receipt of federal and state grants. This information also contains necessary detail to prove that the funds were used in accordance with the terms and conditions associated with the grant.

## **Subrecipient Monitoring and Management (Sections §200.330-332)**

Beacon Academy understands that the Minnesota Department of Education will provide the following document when it disburses the federal award:

### **Required Federal Award Identification**

- I. Subrecipient name (which must be a registered name in DUNS)
- II. Subrecipient DUNS number (200.32 Data Universal Numbering System (DUNS) number);
- III. Federal Award Identification Number (FAIN)
- IV. Federal award date (200.39 federal award date);
- V. Subaward Period of Performance Start and End Date;
- VI. Amount of federal funds obligated by this action
- VII. Total amount of federal funds obligated to the Subrecipient
- VIII. Total amount of federal award;

- IX. Federal award project description, as required to be responsive to the federal Funding Accountability and Transparency Act (FFATA);
- X. Name of federal awarding agency, pass through entity, and contact information for awarding official,
- XI. CFDA Number and Name; the pass through entity must identify the dollar amount made available under each federal award and the CFDA number at the time of disbursement;
- XII. Identification of whether the award is R&D; and
- XIII. Indirect cost rate for federal award (including if the de minimis rate is charged per 200.414 Indirect (F&A) costs).

### **Indirect Costs Section §200.414**

Beacon Academy has an indirect cost allocation plan or negotiated indirect cost rate prepared in accordance with the provisions of Uniform Grant Guidance 2 C.F.R § 200. 414.

Audit cognizance of the plan has been established and the rates are acceptable to all participating Federal and State agencies. Beacon Academy has procedures in place that provide reasonable assurance that consistent treatment is applied in the distribution of direct and indirect charges to all grants.

### **Budget Estimates**

Beacon Academy uses budget estimates for interim accounting purposes. The school board of Beacon Academy creates a budget annually by June 30 prior to the start of the state fiscal year. Special education estimates are entered into SERVS and EDRS. Actual expenditures are entered into the aforementioned systems by June 30. Business Manager will review actual expenditures and compare that to the budget on a monthly basis and share this information with the school board. Should there be a discrepancy, Beacon Academy will resolve through formal budget revision and board action. The review of this information will be documented in formal board minutes and placed on the school website. Modifications for the expenditure of federal funds will be managed through the SERVS system. Business Manager will ensure that SERVS and UFARS accounting data are in alignment.

### **Procurement Standards (Sections §200.317-326)**

Individuals requesting material goods or contracts to be purchased with Federal Funds granted to Beacon Academy will complete two documents prior to purchase. This practice must be followed for any STAFF DEVELOPMENT requests, in addition to tangible items. The Purchase Procurement Request and Procurement Method Rationale assure the district of the following:

- a. all purchases are conducted in a manner providing a full and open competition (also Conflict of Interest Policy/Procedure), void of excessive requirements, such as experience, bonding, geographical preference
- b. nonduplication of purchases for the same program
- c. the purchase of a quality product rather than brand name
- d. an accurate description of the product and its use

The two aforementioned documents will be maintained for each purchase for a period of 5 years, in accordance with Beacon Academy's Record Retention Policy.

The following documents will be maintained for 5 years from the date of submission to the dates of the final expenditure report.

- financial records
- supporting documents
- statistical records, etc.

Beacon Academy will maintain quarterly and/or annual reports for ongoing grants, in addition to the aforementioned documents.

### **Purchase Thresholds**

The following are purchase thresholds, Beacon Academy specific procedures are defined for each purchase threshold.

#### Appendix D

- A. Micro purchase (<\$3,000, no quotations, equitable distributions)
- B. Small purchase (\$3,000-\$100,000, rate quotations, no cost or price analysis)
- C. Sealed Bids (\$100,000, formal advertising, price is a major factor). Requirements for sealed bids:
  - a. The invitation for the bid will be publically advertised and bids must be selected from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.
  - b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
  - c. All bids will be publicly opened at the time and place prescribed in the invitation for bid
  - d. A firm fixed price contract award will be made in writing to the lowers responsive and responsible bidder.
  - e. Any or all bids may be rejected if there is a sound documented reason.
- D. Competitive proposal (>\$100,000, fixed price or cost reimbursement, request for proposal (RFP) with evaluation methods). Requirements for competitive proposal procedures:
  - a. Request for proposals must be publicized requests and identify all evaluation factors and their relative importance

- b. Proposals must be solicited from an adequate number of qualified sources
- c. The organization must have written method for conducting technical evaluations of the proposals received and for selecting recipients
- d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program
- e. The organization may only use qualification-based methods, whereby competitors qualifications are evaluated and the most qualified competitor is selected, in the procurement of architectural/ engineering professional services.

E. Non-competitive proposal (solicitation of a proposal from only one source, unique product. service). Non-Competitive proposals can be utilized only in one or more of the following situations:

- a. The item is available only from one single source
- b. The public exigency or emergency for the requirement will not permit delay resulting from competitive solicitations
- c. The federal awarding agency or pass through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity
- d. After the solicitation of a number of sources, competition is determined inadequate.

### **Expenditures (purchasing combine with threshold section and each procedure)**

1. Purchases are made in accordance with applicable legal requirements. Except for small purchases made from petty cash, purchase orders are required for all purchases not made by a purchase card.
2. The HR/Business Office Coordinator and Enrollment Coordinator prepare purchase orders upon receipt of a purchase requisition. In some instances, a purchase order may be prepared by the individual department and then forwarded to the Building Principal for approval.
3. The Building Principal must approve all purchase requisitions. The School Board, or its designee, must approve purchase requisitions for items exceeding the current budget amount by more than \$1,500
4. All purchase orders are reviewed and approved by the Building Principal.
5. The Building Principal determines if an appropriation exists for the purchase contemplated and if a sufficient amount is available in the appropriation account.
6. Copies of purchase orders are distributed to the vendor, teachers, and receiving department. A copy is also retained in the HR/Business Office Coordinator's Office.
7. The Accounting software package assigns purchase order numbers sequentially.

### **Construction and Facility Improvement/Development**

Beacon Academy will provide, when procuring construction or facility improvement contracts or subcontracts exceeding \$100,000 the following; a bid guarantee equivalent to 5% of the bid price from each bidder (such as bid bond or certified check), a performance bond on the part of the contractor for 100 percent of the contract price, and a payment bond on the part of the contractor for 100 percent of the contract price.

### **Considerations for Sealed Bids, Competitive Bids, and Noncompetitive Proposals**

When considering Sealed Bids, Competitive Bids, and Noncompetitive Proposals, Beacon Academy will assure that minority steps business, women's business enterprises and labor surplus area firms are used when possible using the following guidelines:

- I. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
- II. Assuring that small and minority business and women's business enterprises are solicited whenever they are potential sources
- III. Dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by small and minority business and women's business enterprises
- IV. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women's business enterprises.
- V. Using the services and assistance, as appropriate, of such organization as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- VI. Requiring the prime contractor, if subcontractors are to be let, to take the affirmative steps listed here.

Beacon Academy, in the event of bids and proposals under this section, will designate an administrative staff member to check random purchases quarterly to ensure that each guideline practice has been used.

### **Contracts**

Beacon Academy creates contracts to include the following elements:

- Name of contracting agency and/or individual who will be performing work
- Credentials
- Start and end date of service
- Hourly rate of service
- Where the service is to take place per student IEP
- Maximum threshold of expenditure (ceiling)
- How often the agency or individual will be invoiced (weekly/monthly)

Prior to engaging in a contract with an individual or agency, Beacon Academy will collect information regarding the credentials of the individual performing the work.

Contracts are reviewed annually. During this review period, the Building Principal collects documentation of services provided, the dates thereof, costs of service and remaining balance on the contract. If incongruences between the contract and work performed occur, the Building Principal, will, contact the contracting agency to resolve any incongruences by termination of contract or resolution through mediation.

### **Approval process for New Vendors**

1. Beacon Academy Staff must approve all new vendors prior to a requisition being approved or a purchase order issued to new vendor.
2. After a vendor is approved, Business Manager will assign a code to the vendor.
3. If a vendors costs exceed the amount specified on the signed contract, the Building Principal will contact the vendor and will propose a resolution.

### **Required Certification (Section §200.415)**

All contracts are approved and signed by the Beacon Academy School Board.

Contract Template: Appendix E

### **Time and Effort Reporting (Section §200.430)**

Individuals paid with State and Federal funds will be required to report their time and effort spent on each specific award. Staff will receive annual training on reporting requirements for Periodic Annual Reporting (PAR) and Semi Annual Certifications (SAC). Data collected will be used to support the distribution of the employee's salary or wages between specific activities/cost objectives if the employee works on one or more grants. Data collected from staff will include the following elements:

- Name of individual
- Dates of activity performed
- Description of activity
- Funding source
- Percentage of funding source allocated to activity

Data collected will be substantiated by a calendar or schedule of work performed. The staff member will sign the document after the work has been performed. The Special Education Coordinator will collect the documents and maintain them in The Special Education Department's office for 5 years after the fact. Training log and sign in sheet will also be maintained in The Special Education Department. The Special Education Coordinators will provide the Business Office with records of time and effort reporting as completed. Building Principal will communicate any adjustments in hire at a minimum of two times per year including after December 1 child count and at end of school calendar year.



Periodic Activity Report Template: Appendix F  
Semi Annual Certification Template: Appendix G  
New Hire Form: Appendix H  
Record Retention Policy: Appendix C

## **Materials, Supplies, and Sensitive Items (Section §200.453)**

**Section 200.453 and cost define supplies** less than \$5000 per item.

§ 200.453 Materials and supplies costs, including costs of computing devices. (a) Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable. (b) Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. (c) Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. (d) Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

**Equipment** is defined in Section §200.33 and cost more than \$5000 per item.

§200.33 Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General-purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

### **Sensitive Items**

Beacon Academy will maintain an inventory list of all equipment purchased all sensitive items purchased with federal special education funds that are still in possession of the school (electronic tablets, laptop computers, cellular phones and other assistive technology devices that exceed \$250.) Materials (defined as those items purchased for reissue, reuse, resale such as hardware or maintenance parts) and supplies (defined as items purchased and used immediately or within a reasonable period of time after they have been acquired) will not be included in the physical inventory

Steps used to safeguard equipment purchased all sensitive items:

1. Student specific equipment will be distributed to students at the start of the school day and collected by special education staff, locked and stored within the special education area.
2. Sensitive Items are placed in a locked cabinet

3. Staff report Special Education equipment that meet Beacon Academy thresholds that is lost, damaged or stolen to the Special Education Coordinator.
4. All testing assessments, protocols, manuals, etc. are maintained in a locked file cabinet.
5. All other curriculum, supplies and equipment are monitored on a regular basis.
6. School will perform complete an investigation in the case of theft or vandalized equipment.
7. School will contact the appropriate authorities including law enforcement authorities in the case of vandalism or theft.
8. School's established control system ensures adequate safeguards to prevent loss, damage, or theft of property.
9. Adequate maintenance procedures of 6 month and annual physical review to keep property in good condition.
10. Proper sales procedures for equipment that is no longer used are established for highest possible return including but not limited to price checking, advertisement, and internet marketing.

Equipment Tracking/Inventory Form: Appendix I

### **Physical Inventory**

§ 200.327 Financial reporting. Unless otherwise approved by OMB, the Federal-awarding agency may solicit only the standard, OMB-approved government wide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting.

Beacon Academy will assure the following documentation is in place for property valued above \$5000:

- 1.) Inventory records will include the following information (inventory form):
  - a.) Required property record information
  - b.) Description of the property
  - c.) A serial number or other identification number
  - d.) The source of funding for the property (including the FAIN)
  - e.) Who holds title
  - f.) The acquisition date and cost of the property
  - g.) Percentage of federal participation in the project costs for the federal award under which the property was acquired
  - h.) The location
  - i.) The use and condition of the property
  - j.) And any ultimate disposition data, including the date of the disposal and sale price of the property

- 2.) Physical Inventory is taken and reconciled with property records at least annually (with signature of REVIEWER).
- 3.) Titles of eligible reviewer will rotate the responsibility.

### **Procedures for Disposition of Equipment in Excess of \$5,000**

1. Beacon Academy will establish a Uniform Finance Accounting and Reporting Standards (UFARS) unique Course Code for the purpose of tracking the receipts and expenditures of the sale of a piece of equipment that was federally funded.
2. Beacon Academy will notify the Division of Program Finance at the Minnesota Department of Education in writing of the sale. The notice will include a description of the equipment, date of sale, proceeds of the sale, and the unique Course Code established by the district that will designate use of these funds.
3. Beacon Academy will receipt the funds from the sale of the equipment with the appropriate UFARS Source Code and established Course Code.
4. Beacon Academy will use a general journal entry to transfer \$850 or ten percent of the proceeds (whichever is less) for the district's selling and handling expenses.
5. The remaining funds from the sale of the equipment will only be used for the purpose of the delivery of special education and related services and will be accounted for using UFARS program code 400, Course Code as established with the appropriate expenditure UFARS Object Code.
6. Beacon Academy will expend the funds from the sale of the equipment in the current fiscal year.
7. Beacon Academy is aware that these expenditures will not be included in the calculation of the Maintenance of Effort requirement of the Individuals with Disabilities Act (IDEA).
8. Beacon Academy will submit an Activity Report to the Division of Program Finance at the Minnesota Department of Education at the end of the fiscal year to document expenses.

### **Procedures for Disposition of Equipment less than \$5,000**

1. If the current per-unit fair market value is less than \$5,000, the equipment will be retained, sold, or otherwise disposed of with no further obligation.
2. A record of the date, reason, and method of disposal will be maintained with the equipment inventory as required under 34CFR 80.32 (e) (1).

Equipment Tracking Form: Appendix I

### **Banking Procedures**

#### **Debit card procedures**

Beacon Academy will follow the approved steps when school debit card is used:

1. Beacon Academy staff member will complete the Purchase Procurement Request form and Rationale Form.
2. Debit Card purchases are approved by the Building Principal
3. Authorized signers of the card will be limited to the Building Principal.
4. The credit limit will be: Building Principal: \$15,000;
5. Receipts for all card purchases will be collected and promptly submitted to the Business Manager. If a receipt does not exist for a purchase, the cardholder who purchased the item will be responsible for reimbursing the school for the cost of the item purchased.
6. The school will purchase insurance to cover against employee theft or fraud.
7. If, in any given month, the administration believes the school needs to exceed the credit limit of \$15,000, the board chair will be notified for approval.

Purchase Procurement Request Form, Method Rationale Form: Appendix J

### **Cash Management**

Beacon Academy Board will authorize all bank accounts and persons permitted to be designated as check signers and permitted to authorize electronic bank transfers. Beacon Academy will limit the school's allowable deposits and addresses the specific types of risks to which the school's cash assets are exposed.

The Building Principal and the School Board Chair may sign and deposit checks, as well as transfer funds from Beacon Academy's savings account to checking accounts.

### **Cash Receipts**

1. The Administrative Assistant delivers all incoming mail. Mail with checks are delivered to the Business Office. Checks are endorsed by the Administrative Assistant and delivered back to HR/Business Office Coordinator to prepare deposit.
2. Check stubs are retained with back-up materials; if no stub is present; a copy of each check is retained.
3. The Building Principal makes deposits. Amounts of cash receipts are verified when entered into the accounting software.
4. Deposit slips include two NCR copies; one copy is retained in the Business Office with explanation and account number written on it. One copy goes to the bank with the check(s). The bank receipt is attached to the retained copy and other back-up materials.
5. The Business Manager adds receipts: to prepare bank deposits and postings, to cash receipts journals, and to monthly account reconciliation process.
6. Receipts of currency are deposited by the Building Principal after verification (step 3).

### **Accounts Payable**

1. Checks are numbered sequentially; check numbers are verified during check runs. Blank check stock is only available to the Business Manager.
2. Checks are prepared by the Business Manager and are independent of giving voucher and invoice approval.
3. Check requests are approved for payment by the Building Principal or Board Chair before checks are written in the Accounts Payable area. The Business Manager matches check to invoice prior to approval. Checks are only made payable to a specific payee and are not written to "Cash" or "Bearer."
4. A record of checks written is retained in a Check Summary Report. Supporting documentation has a copy of the check stub attached to avoid duplicate payments.
5. Check signers are authorized by the School Board in July of each year at its organizational meeting. No authorized check signers have complete responsibility for voucher preparation, approval for payment, check preparation, cash receiving, petty cash, purchasing and receiving, or timekeeping for payroll records. Signing of blank checks is prohibited.
6. Voided checks are properly voided and retained.
7. The Board Chair or Building Principal approves all non-check disbursements, such as wire transfers
8. Invoices are separated into those that reference a purchase order and those that need approval from the Building Principal.
9. Upon proper approval, all Payables are entered into the business office software and checks are printed weekly.
10. Discounts, freight terms, etc., are checked for accuracy when Payables are entered into computer.
11. Employees processing Payables are independent of those performing purchasing, receiving, inventory and general ledger functions.
12. Access to Accounts Payable functions is limited to those employees who have a logical need for access.

### **Expenditures - Accounts Payable**

1. All vendor invoices are routed directly from incoming mail to the Business Office.
2. Invoices are matched against receiving paperwork to determine that they are not duplicate invoices (duplicates are destroyed) and against approved copies of purchase orders.
3. The Building Principal approves all Payables either during the purchase order process or before a non-purchase order invoice is paid.
4. The Building Principal reviews and approves the Purchase Request and Method Rationale Forms.
5. Business Manager assigns the invoice a corresponding accounting code (UFARS, etc.)
6. Original invoices are maintained in the Business Office's Office files and copies are only distributed when requested.

7. Payments are generated from invoices only; payments are not made based on statements. Vendors' month-end statements are reconciled to record liabilities based on invoices accrued and reviewed for non-current invoice dates.

## **Receiving**

1. A copy of all purchase orders is forwarded to the Receiving Parties.
2. The School employee requesting the order uses the purchase order and shipping documents to inspect items for condition and proper quantity.
3. The designated person sends paperwork back to the Business Office indicating shipments received and noting any errors in quantity received, damage, etc.
4. The HR/Business Office Coordinator matches receiving paperwork against invoices for payment.
5. Upon receipt of the item, the HR/Business Office Coordinator and or Enrollment Coordinator will reconcile the item received with the invoice and/or packing slip; affix a serial number or other identification number to any equipment items; file the invoice and/or packing slip; and deliver the item to special education staff.
6. The IT Administrator will record and maintain a list of inventory of items purchased with special education funds. The inventory is available in the Special Education Department.

## **INVESTMENTS**

### **Investments**

1. Authorization for acquisition and disposition of investments is vested with the School Board.
2. The School Board has formally adopted an investment policy that limits the school district's allowable investments and addresses the specific types of risk to which the school district may be exposed.
3. Building Principal and Business Manager are charged with the responsibility of determining that investments are of the character and type permitted by legal requirements and that the income earned is disbursed for authorized purposes.

### **Safekeeping**

1. Securities (any form of cash or legal tender) are adequately protected in locked device on site. Only, the Business Manager and Building Principal have access.
2. All securities are held in the name of Beacon Academy.

### **Investment Recordkeeping**

1. Detailed records are maintained including the following information:
  - a. Date of acquisition, identification, purchase amount or cost
  - b. Physical location of item
  - c. Interest/dividend/income rates and accrual/receipt dates

- d. Ownership by fund
2. Detail records are periodically reconciled to the general ledger control accounts and to broker/safekeeping statements by the Business Manager. The Business Manager manager also reviews reconciliations.
3. Investment income is recorded on a timely basis. Investment earnings are credited to the fund "owning" the investment. The Building Principal approves any adjustments of investment accounts.
4. The Business Manager periodically reviews calculations of fair value and investment income for accuracy.
5. Recordkeeping functions for securities and income are performed by employees without access to physical securities, who cannot authorize security transactions, and do not have duties in the cash area. Access to computerized investment records is limited to those with a logical need for access.

## **Reconciliations**

1. Bank accounts are reconciled at the end of each month by Region V staff, who are independent of the Accounts Payable and Payroll functions.
2. Bank statements are received via web access for all accounts.
3. Business Manager and Building Principal compares dates and amounts of daily deposits on bank statements to the cash receipts journal as well as bank transfers and any items rejected by the bank due to non-sufficient funds, etc.
4. Reconciliation procedures include the following:
  - a. Comparison of bank statements with the disbursement journal for number, date, payee, and amount.
  - b. Review of sequence of check numbers.
5. Checks outstanding for six months are investigated by the Office Manager as provided by Business Manager.
6. Upon completion of the reconciliation process, it is approved by the Building Principal and forwarded to the business Manager for filing

## **Encumbrances**

1. All purchases for the current fiscal year are cut off on June 30th so that encumbrances can be properly recorded at year-end with the exception of necessary expenditures (i.e., graduation) made after that date.
2. Data is checked when processing encumbrances to assure that the amount on the approved purchase order matches the amount on the invoice.
3. Open purchase orders are closed at the end of the fiscal year to avoid carryover amounts.

### **Other Accrued Liabilities**

1. Detailed subsidiary ledgers for accruals and other liabilities are maintained and reconciled to the general ledger control accounts and are reviewed by the Business Manager.
2. Accruals and other liabilities are periodically reviewed for reasonableness.

### **Payroll**

#### **Personnel, Employment, and Rate Authorizations**

1. Requests for new personnel are initiated only by the Building Principal.
2. The HR/Business Office Coordinator requires an employment application to be completed by all applicants. The Building Principal conducts an investigation of prospective new hires that includes background and reference checks, and contact with former employers.
3. Classes of positions and corresponding pay rates are approved by the School Board.
4. Personnel files are maintained for each employee. Files in the HR/Business Office Coordinator's Office contain applications and reference investigations, information on hire date; original and updated pay rates and positions, earnings records and termination data where appropriate. A separate file of I-9 forms for all employees is maintained under separate cover.
5. Files in the HR/Business Office Coordinator's Office contain W-4 forms; authorizations for payroll deductions, information on pay rates and positions and benefit applications.
6. Written termination forms are required and are completed by the employee and the Building Principal.
7. Files in the HR/Business Office Coordinator's Office are only accessible to the employees working in that department.

#### **Payroll Preparation and Timekeeping**

1. Employees are responsible for maintaining their own time cards or time sheets and this is separated from payroll preparation.
2. The HR/Business Office Coordinator approves timecards
3. The HR/Business Office Coordinator uses attendance data on time cards to determine paid or unpaid absences. The Assistant Principal double-checks computation of hours on time cards and time-sheets (including overtime hours), reviews cards, initials, and then returns to the HR/Business Office Coordinator, notes any alterations on time cards and verifies pay rates.
4. Paychecks are numbered sequentially.
5. Paychecks processing is outsourced to a Payroll Service Provider. (Currently Approx. 95% of paychecks are direct deposit).
6. Detail reports on white paper, rather than check stock, are printed for employees utilizing direct deposit of their net check.
7. Blank check stock is only accessible to Business Manager.



8. Checks are drawn on the general checking account.
9. Check stubs and direct deposit reports contain detailed information on gross pay, withholdings, and deductions.
10. All pay rates are entered into an appropriate distribution account and these are monitored by Business Manager.
11. Voided or spoiled checks are marked "Void " and maintained in a file.
12. Business Manager reconciles gross and net pay amounts on tax returns to payroll registers, quarterly and annually.
13. When checks arrive from the Payroll Service Provider the HR/Business Office Coordinator delivers the checks to employees' mailboxes or mails them to employees who are not in daily.
14. Access to payroll records and materials is limited to those with a need for such access.
15. Any identified adjustments will be resolved by Business Manager/Building Principal

#### **Year-end Preparation of W-2's**

1. The Payroll Service Provider prepares W-2s.
2. The total of W-2 wages, including taxable fringe benefits, is reconciled to the general ledger and payroll register before W-2 information is printed or transmitted.

#### **Payroll Bank Account**

1. The bank account is the general checking account.
2. Deposits to the bank account are compared to the payroll register during each pay period and during the reconciliation process.
3. Payment of wages in cash is prohibited.

#### **Payroll Withholdings**

1. Procedures are in place to ensure that payroll taxes are paid when due (bi-monthly) and that payroll returns are filed as required.
2. Procedures are in place to ensure that other withholdings, such as direct deposits, cafeteria plan deductions, etc., are remitted in a timely manner, mostly on a bi-monthly basis.
3. The Business Manager, for reasonableness and completeness, reviews monthly payroll-related accruals.