

Section D: Fiscal Management

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DA: Credit Card Usage Policy

The intention of the Colome School Board is to follow the internal control policy that requires a signature from a board member on the invoice, signature from a different board member on the check, and an approval from all board members when claims are presented at the board meeting. The School Board acknowledges that not all vendors will accept the terms of the Colome School Board and therefore they have allowed the implementation of Colome School District credit cards for those instances.

Credit card purchases are limited to:

- 1) Purchasing supplies or registering for events online or by phone in which the vendor does not allow direct billing to the school by Purchase Order.
- 2) Making room reservations for training events or school activities.
- 3) Gas purchases for training events or school activities in which a school vehicle is taken.

Process:

- 1) If staff need to make a purchase with the school credit card, they should turn in a PO to the Supt or Principal for approval. Once approved, the Business Manager will place the order. Purchases must not exceed the monthly Credit Card Limit.
- 2) When staff need to make a room reservation, they will first get approval from Supt or Principal and then give information to Business Manager to make the reservation. Business Manager will reach out to the hotel for a direct bill option first and then use credit card only if necessary.
- 3) All employees that take a school vehicle for a trip beyond the radius that one tank of gas will reach, may request to take a school credit card. When staff need to take a card for gas, they will check it out from the Business Manager and return as soon as they get back. Receipts must be turned in with the card for all purchases made during the trip. Use of the school credit card to fill a personal vehicle is prohibited. If staff have to take their own vehicle, they must turn in a mileage voucher and wait for the school board meeting to get reimbursed.

Restrictions

- 1) Cards will be issued in the Business Manager and Superintendent's names. If a need arises to have additional cards ordered for other employees, the Supt and Business Manager can order additional cards at their discretion. Number of cards issued will not exceed 5 without further board approval.
- 2) All cards are to be held in the safe in the Business Office and checked out when needed.
- 3) The credit card account will hold a maximum limit of \$5,000 to be shared amongst all the cards.

- 4) The monthly bill will be brought to the school board meeting for review with the claims. Business Manager is responsible to explain all charges.
- 5) The credit cards should never be copied or the numbers written down for future use by any staff member. The credit cards should be requested by staff each time a situation arises that they need one.
- 6) The school credit cards cannot be used for personal use – even if staff planned to reimburse the school.

Adopted: 4/12/17

DB: Internal Controls Policy

It is the intention of Colome Consolidated School District to monitor the financial transactions in order to reduce the opportunities for errors and fraud. As a result, the following controls will be in place to monitor the financial transactions:

School Funds:

The Colome Consolidated School Board, Business Manager, and Superintendent are responsible for the General, Capital, Special Education, Pension, Impact Aid, Food Service, and Enterprise funds. The following process are expected with regards to these funds:

- 1) The budget will be prepared and presented by the Business Manager with the assistance of the Superintendent, Principal, and Budget Committee. The School Board will review, add, delete, change, and then approve the budget within the timeline outlined by the State of SD. The budget will be published as approved by the School Board. Any changes after the publication will require a board motion to amend the budget.
- 2) All deposits will be recorded into the receipt book by the Business Manager, including the ACH deposits for interest, CANS, state aid, and grant money. For all manual deposits, receipts will be given to the individual turning in the money. Any discrepancies can be brought to the Superintendent or Board Member.
- 3) Purchases by staff need to be approved in advance by Principal, Supt, and/or Business Manager. A signed purchase order is required before purchase is made.
- 4) Invoices must be turned into the Business Manager for payment. Vouchers will be prepared and printed by Business Manager and then presented at the school board meeting. The board members will review and sign off on the vouchers. Checks will be prepared and printed by Business Manager. The School Board President or Vice President will sign the checks. All checks require two signatures – one from the Business Manager and one from the School Board President or Vice President. All claims presented must be approved by board motion in order to issue the checks to the vendor. If authorized by the board, the Business Manager has authority to pay recurring payments by ACH (such as payroll, retirement, insurance, electric) before monthly approval. These recurring payments should be approved yearly at the start of the year, setting which bills are preapproved. These vouchers should also be approved as part of the monthly voucher approval with dollar amounts listed.
- 5) Check Reconciliation will be done by Business Manager and reviewed by Supt, Board President, or designated Board Member.
- 6) If staff need to make a purchase with the school credit card, they should turn in a PO to the Supt or Principal for approval. Once approved, the Business Manager will place the order.

- 7) Financial Statements are prepared by the Business Manager and given to the school board for review and approval. Bank statements must be signed off by board member showing the balance matches the financial statements.
- 8) All GL entries crossing between funds will be presented to the school board with the financial statements.
- 9) All transfers from one bank account to another are done by the Business manager. Documentation must be printed and recorded in the Bank Book presented at the time of the yearly audit. The Board President or board designee can request that documentation at the time they are reviewing the financial statements.
- 10) Any requests for checks that can't wait for the board meeting can be issued through the Agency funds by using the Imprest Fund. The Imprest fund is limited to \$5,000 each month and is for use of purchases that require prompt payment. Examples include referees, registration fees for training or music/sports activities, vendors that do not allow charging, postage, etc. Each month, the Business Manager must replace the funds to the agency checking from the general checking account. A detailed voucher and check must be presented with the monthly board claims. Employee meals and mileage cannot be paid with the Imprest Fund.

Agency Funds:

The Agency Checking Account is available for student clubs and agencies to deposit their income and pay their bills promptly without the approval of the school board. The class officers, club presidents, and advisors are responsible for monitoring their funds. The following processes will be expected with regards to the agency funds:

- 1) All deposits for the agency funds should be turned into the school Secretary and a receipt should be filled out and issued to the advisor.
- 2) The Business Manager will post funds to the correct agency/class from the receipt book kept by the Secretary.
- 3) If an agency/class needs a check issued for expenses, the invoice will be turned in to the Business Manager. The invoice must have the signature of the advisor and/or student representative of the agency. A voucher should be prepared for each payment. In all instances, the Business Manager is required to monitor if a W-9 is required. The Business Manager will issue the check as requested.
- 4) At the end of the month, the Business Manager will print the financial statements for each agency and distribute them to the advisors. The advisors must review with the student representative and both should sign off on the financial statement and return to the Business Manager. Any discrepancies can be discussed with the Business Manager for correction or clarification.
- 5) The Superintendent, Board President, or designated Board Member will review and sign off on the Bank Statement and Check Reconciliation done by the Business Manager.
- 6) An annual agency fund report must be submitted to the school board. (SDCL 13-16-

Adopted: 4/12/17

DC: Procurement Plan Policy

Colome Consolidated School District 59-3

Procurement Plan

Food Service

In compliance with Federal Regulations, the Colome Consolidated School District will use the following policy and procedures when purchasing food, supplies, services, and equipment for the child nutrition program.

- 1) All meal patterns will be planned, in advance, by the Food Service Director. The Food Service Director will use those to determine the items needed for informal or formal procurement methods.
- 2) Food items will be grouped into categories of Perishable, Frozen, and Non-perishable. Non-food needs will be categorized as Supplies, Services, and Equipment.
- 3) If the total cost, or projected cost, of all food categories is more than \$100,000, then the formal Invitation for Sealed Bid (IFB) or Request for Proposal (RFP) process must be used as required by SDCL 5-18A-14. If the total is less than \$100,000, the informal procedure can be used as directed below. Supplies and Services will be each be counted into their own totals and follow a minimum of \$25,000 per SDCL 5-18A-14. All major repair/remodel services and equipment will follow the guidelines set forth by the Colome Consolidated School Board, if not eligible for informal bidding, the formal bidding process will be used.
 - a. Formal process – Invitation for Sealed Bidding
 - i. The Food Service Director will develop a description for all items and split into categories as appropriate.
 - ii. The Food Service Director will provide bidding instructions/guidelines.
 - iii. Business Manager will advertise request for bid in the paper for 2 weeks and mail descriptions and instructions to all potential bidders upon request.
 - iv. Sealed bids will be opened at the school board meeting.
 - v. School board will consider all bids and will make decision based on quality of service and product.
 - b. Formal Process – Request for Proposal
 - i. The Food Service Director will develop a description of all items and split into categories as appropriate
 - ii. The Food Service Director will provide bidding instructions/guidelines
 - iii. The Business Manager will advertise in the paper for 2 weeks and mail descriptions and instructions to all potential bidders.
 - iv. On the deadline date, bids will be opened by the Business Manager, Food Service Director, and Superintendent and evaluated based on predetermined criteria as indicated on Attachment A.

- v. Once proposals have been reviewed, Food Service Director will negotiate any terms that need to be altered to meet the needs of the Colome Consolidated School food service program. The contract will be awarded by the Colome Consolidated School Board upon receiving the recommendation of the Food Service Director and Superintendent.
- c. Informal Process –
- i. The Food Service Director will provide instructions and guidelines, making sure to indicate timeline for honoring prices.
 - ii. The Food Service Director will develop a description for all items/services and split into categories as appropriate.
 - iii. The Food Service Director will obtain price quotes from a minimum of 3 vendors/suppliers by fax, phone, or email. Business Manager will be available for assistance in obtaining quotes.
 - iv. All price quotes will be documented on appropriate forms and given to the Business Manager once the vendor has been selected. Items will be awarded based on the lowest average price for equal valued items.
- 4) Micro purchases/emergencies
- a. Purchases will be classified as emergencies or emergency purchases when it is determined that without their prompt purchase, service would be interrupted.
 - i. A log will be kept of the items purchased without using the formal or informal process. The log will list the item, quantity, dollar amount, vendor, and reason for emergency purchase. See attachment B
 - ii. Emergency purchases should be distributed among all available vendors and prices must be reasonable.
 - iii. Micro or emergency purchases cannot exceed \$3,500 for the school fiscal year.
- 5) Once contract is awarded, the Food Service Director will order based on the contracts issued by the Colome Consolidated School Board. Any conflicts with the vendor meeting the product availability will be reported to the administration. Administration will notify the Colome Consolidated School Board if they cannot resolve the issue.
- 6) The Business Manager will monitor the invoice prices vs the contract on the first invoices issued and then quarterly. A minimum of 20 items will be reviewed. The Business Manager will contact the vendor with any discrepancies and notify the Colome Consolidated School Board if the issue cannot be resolved within the business office.
- 7) Procurement records will be maintained for 3 years plus the current year in the business office. All procurement information shall be available to the public within the limits of the South Dakota state open records laws. (SDCL 1-27-1)
- 8) No employees, administration, or school board members will be allowed to participate in the selection of the contract awarded if they have a conflict of interest with any of the vendors submitting proposals, quotes, or bids. A conflict of interest is defined by the Colome Consolidated School Board policy BI.
- 9) Any Controversies or complaints will be handled in accordance with the Colome Consolidated grievance policy.

Adopted: 2/12/18

DD: Colome Consolidated School District Inventory Policy

The Colome Consolidated School District requires an annual inventory of school property with a value greater than \$50 to be on file with the business manager by June 30th of each year.

SDCL 5-24-2 states:

The inventories required by SDCL 5-24-1 and 5-24-1.1 shall record for each item the actual cost at the time of acquisition, if the actual cost cannot be ascertained, and, in the case of gifts, the estimated fair market value at the time of the acquisition will be recorded. As provided in SDCL 5-24-3 the employee or officer shall retain a copy of the inventory. The Business Manager shall also retain a copy.

SDCL 5-24-3 states:

The inventory shall be filed by “all school employees with the business manager.” Regarding the rules issued by the commissioner of the bureau of administration referenced in the above-quoted SDCL 5-24-1, ARSD 10:02:01:01 states:

The Colome Consolidated School District requires all district property with an expected useful life exceeding one year and an initial purchase cost in excess of \$50 to be inventoried.

The Business Manager will select a pre-numbered property tag and write the number for each item on the invoice. Then the tag will be placed on the item and the serial number (when available) shall be written on the invoice. The invoice and tag number will then be posted to the Inventory Account as recorded on the computer.

The computer record will include the following:

- | | |
|------------------|--------------------|
| 1. Tag number | 7. Purchase Amount |
| 2. Description | 8. Quantity |
| 3. Serial number | 9. Vendor Name |
| 4. Model number | 10. Condition |
| 5. Purchase Date | |
| 6. Vendor Number | |

Once every year a complete inventory listing of all personal property will be prepared for each inventory area.

District personnel will be required to:

- 1) Compare the assets identified on the listing with those located in the area for physical presence. Place a check mark beside the description on the listing if it is present. For those items on the listing that are not present, note this exception on the listing.
- 2) Compare the inventory tag number on the asset with the number identified on the listing. If the tags are on the item and the numbers match, place a check mark beside the item number on the listing. If the tag number and the asset description does not match or any tags are missing notify administration. Observe the location being inventoried and prepare notes on all items present that are not on the listing.

- 3) Note all present items that are not on the list.
- 4) Determine the cause for any exceptions and note these determinations. Upon completion of the inventory, each individual responsible for the inventory shall sign and date the inventory and return it to the Business Manager.
- 5) The Business Manager will review the form for property and initial and date each page when the review is completed. Questionable items should be noted and the problem resolved with the individual responsible for the inventory.

Disposals:

The disposal of all school district property shall be done by resolution of the school board in accordance with the provisions contained in SDCL 13-21.

DE: School Sponsored Student Fundraising Accounting

A categorical and itemized account of money raised in connection with the Colome Consolidated School District, not deposited in an extracurricular account, will be submitted once in January and once in July. The sponsor or faculty member will be responsible to submit this accounting to the business manager for filing with the district financial records.

Adopted: 3/12/18

DF: School Properties Disposal

The Colome Consolidated School Board may sell school district property that it considers no longer necessary, useful or suitable for school purposes. No Board action is required to sell, trade, destroy, or dispose of consumable school supplies, printed text or subscriptions. All other property sold must be appraised by three real property owners of the school district unless the Board elects to sell by auction. The Board may employ a person or persons licensed by the state to do fee appraisals in lieu of property owners.

Property appraised for less than \$500 may be sold without advertising for bids. Property, including property created as a result of an education program, appraised for more than \$500 will be advertised for sale in the official newspaper for two consecutive weeks, the first publication may not be less than 10 days before the sale. The notice of sale will describe the property to be sold and the time when bids will be opened by the Board. Sealed bids will be filed with the business manager and opened at the board meeting as specified in notice.

The board will sell the property to the highest bidder. However, the Board reserves the right to reject any or all bids.

Persons prohibited from purchasing surplus property. No governing board member, any officer of a county, municipality, township, or school district, who has been elected or appointed, or real property owner acting as an appraiser may purchase the surplus property except at public auction.

In lieu of sealed bids, school property may be sold at public auction. The auction will be advertised by posting notices and newspaper advertising as described above. Property sold at public auction need not be appraised but the Board may establish a minimum price.

The school library may discard over-duplicated, outdated, inappropriate, or worn library materials. Such discarded materials may be given to other libraries or to nonprofit agencies, destroyed, offered for public sale or traded to a vendor for future library material purchasing credits.

By law the district may exchange or transfer property to a city, township or county within or partly within its boundaries. The school district may also convey any real property to the United States. The terms and conditions of this exchange or transfer will be determined by the Board.

