

Internal Controls

Legend

AA (Administrative Assistant)
DS (Department Secretaries)
FM (Finance Manager)

DH (Department Head)
FA (Fiscal Assistant)
PC (Payroll Clerk)

SUPT (Superintendent)

Payroll

- All salary placements are determined by Superintendent (SUPT) and Administrative Assistant (AA), using union contracts, state requirements and board approved amounts as guides.
- Timesheets are prepared & signed by employees and collected by Department Secretaries (DS) or Department Heads (DH).
- DS check timesheets for accuracy and give to DH for review and signatures. Timesheets are then forwarded to Payroll Clerk (PC).
- PC runs a tape on the timesheets, inputs timesheets and edits for accuracy.
- Prior to direct deposit and printing checks, payroll distribution report is given to Finance Manager (FM) for review. FM checks for accuracy, requesting PC to make any needed corrections, and initials approval.
- After checks are printed, SUPT reviews check register, signs paychecks and initials direct deposit vouchers.
- After payroll is processed, liability amounts are balanced to general ledger by PC and reviewed by FM.
- Questions or issues are resolved by FM or SUPT.

Accounts Payable

- Requisitions are submitted to department heads for approval.
- Once approved, requisitions are input into AS400 by either DS (school requisitions) or FA for all other departments. They are then printed, signed by either the building principal or the FM and sent electronically in accounting system.
- SUPT reviews all requisitions, signing if approved. If an approved requisition is NSF, SUPT makes notes explanation after conferring with FM. NSF requisitions not approved are returned to DH.
- FM prints purchase orders for approved requisitions and forwards together with requisition and supporting documentation to FA.
- FA processes order. PO is kept in AP unpaid file; copy is sent to departments.
- Invoices are received by FA. They are matched to purchase order and a copy is sent to appropriate person for verification of receipt of merchandise.
- Invoices for non-merchandise transactions, maintenance and transportation purchases are signed by department heads or FM. These do not require purchase orders.
- FA enters invoices in accounting system; FM reviews invoice edit and prints and signs checks.

- FA processes checks for distribution, filing check record & documentation in A/P vendor paid file.
- Questions or issues are resolved by FM or SUPT.
- SUPT reviews and initials all check registers as bills are paid.
- Report of bills paid is presented to the board at monthly meetings as per policy DJ.

Computer Generated Checks

- A/P checks are generated by the FM; pay checks and payroll liability checks by the PC.
- Checks are signed by one of three authorized signors - the FM, the SUPT or the PC as follows:
Accounts Payable & Payroll Liabilities- FM; Paychecks - SUPT.
- All checks over the amount of \$10,000 require two signatures.
- If the payee of the check is the person who would ordinarily sign, it is signed by another signor as designated on the checking account.

Checks

- All check stock is kept in the locked, fire safe room in the Fiscal department.
- During the weekend, after hours or any other time when the fiscal staff are not in the office, the Fiscal office doors are also locked; only the fiscal department, the maintenance person & the custodian have a key.

Cash Flow

- Each time checks are generated the check sequence is verified by the FM and the PC.
- Cash flow is monitored online and through AS400 check reconciliation menu to insure sufficient funds are available for cash disbursement.
- Transfers are made as necessary from the State Pool account by the FM through the cash receipts process.

Checks/Cash Received

- The FA opens all fiscal mail, including checks received. Checks and cash received at the counter are taken by the AA and receipted in by the FM.
- All cash is counted by both the AA and the FM.
- FA, AA or FM enters receipt amounts on cash sheet. Checks are stamped with endorsement by FM. A copy of check or cash and supporting documentation is added to receipt and placed in the safe until deposited.
- FA prepares deposit each Friday and takes it to the bank..
- Receipt for deposit is returned to FM and amount checked for accuracy. Verified cash receipts are entered in accounting system..
- At month end, deposit amounts are checked against bank statement and general ledger by the FM as part of the reconciliation process.

Bank Reconciliation

DISTRICT LEVEL

- Bank statements are opened, initialed and dated by the PC
- Monthly, SCESD comes and reconciles the checking account, as per contract services agreement.
- Bank statement is reconciled with accounting system and the general ledger
- FM reviews, initials and dates bank reconciliation and files in binder.

- Reconciliations are available for review by SUPT.
- Questions or issues are resolved by FM or SUPT.

BUILDING LEVEL

- All Bank statements are received at the DO and opened by the PC.
- Account summary spreadsheet is updated by DS (MC) or PC (HS).
- Bank statement is reconciled with accounting system and account summary spreadsheet by DS PC (MC) or PC (HS).
- FM reviews, initials and dates reconciliations. Copy of reconciled account summary spreadsheet is forwarded to DS and DH at each building.

JE'S/Month End/ ETC.

- JE's are prepared by the FM.
- FM balances Budget, G/L, Budget to G/L, working with PC if necessary.
- FM and SUPT review monthly budget expenditure summary and periodically reviews GL Trial Balance for reasonability.

Fixed Assets

- All fixed assets are tracked and tagged by the FA. This includes all 480 objects (non-depreciable) and 500 objects (depreciable).
- During the year, any items that are moved, broken or otherwise requested to be out of service, a fixed asset sheet is filled out by DS and approved by DH and sent to the SUPT. SUPT reviews request, initials and sends to FA.
- Close to fiscal year end, FA sends out a list of assets to every DS. Items are checked off list, if located.
- All non-located items are flagged in AS400 by FA and a list of non-located's are printed and given to FM.
- FA works with each department to determine what happen to non-located's. If any items are not found, list is then given to SUPT for action.
- All surplus items are handled as per policy DN.

Purchasing

State Regulations are followed for purchasing as per Attorney General Model Public Contract Rules.

CONTROLS BETWEEN FISCAL STAFF AND FISCAL DIRECTOR

If, at any time, a member of the fiscal department feels they are being asked to do something unethical, they should ask for more information from the FM. If they are still uncomfortable after talking with the FM, they should go to the Superintendent with their concern.

CONTROLS BETWEEN FISCAL DIRECTOR AND SUPERINTENDENT

If the FM feels that something is being asked of them by the Superintendent is unethical, they should go to the Board Secretary and request that the Board Secretary contact the Board Chair and share the concern. If the Board Chair does not feel it is unethical or refuses to act and the FM is still uncomfortable, the FM should contact the District attorneys for clarification and direction.