



Union County School District Federal Grant Programs Fiscal Procedures

Internal Controls – Audit Requirements

Internal control is a process designed by the district to provide reasonable assurance regarding the achievement of these objectives: effectiveness and efficiency of operations; reliability of financial reporting; consistency from one grant program to another; and compliance with applicable laws and regulations. The controls will include all methods adopted by the district to safeguard its assets, comply with management policies and grant items and conditions and provide reliability of accounting information data. The district has adopted procedures to comply with internal controls and the controls are tested each year by an independent audit firm to ensure compliance with GAAP and GASB. Board Policy reference: GBEA

At a minimum, the business office staff shall operate under a segregation of duties, including but not limited to, the following:

- **Endorsement of checks** – The same staff member shall not prepare **and** endorse accounts payable or payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions **and** reconcile the district's bank accounts.
- **Maintain non-cash accounting records** – The same staff member shall not prepare non-cash general ledger transactions **and** post the transactions to the general ledger.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order **and** verify receipt of the goods.
- **Contract Management** – The same staff member shall not approve a contract for goods or services **and** have sole approval authority to disburse the payment for the contracted goods or services.
- **Grants Management** – At the District level, managing State and Federal Grants shall be a collaborative process between the Finance (Accounting, Purchasing , Payroll, and Budget), Human Resources, Special Programs, Career and Technical Education departments. Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants.
- **Accounting Records** – All transactions for cash and local, state, and federal funding sources are recorded and maintained in a centralized enterprise system for accounting, accounts payable, budget, payroll, human resources, and benefits. There is only one authorized cash/checking account for the entire school district. All funds are segregated, recorded, and disbursed based on the detailed and standardized chart of accounts established and maintained by the S.C. Department of Education. State and federal grant funds are claimed and reimbursed via the State Department's website based grants accounting processing system. See "Cash" control board policy DM.

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Time & Effort Reporting – Audit Requirements

All employees charged to federal grants must maintain time and effort reporting. This includes IDEA, Title I, Perkins, etc. Any employee funded with federal grants must have documentation to support time spent working on the grant's objectives.

Source for this requirement:

U.S. Office of Management and Budgets (OMB). The OMB Circular A-87 provides rules on the use of federal funds.

There are two types of time and effort records: general semi-annual certifications and detailed monthly or payroll reports. Type of record is determined by the employees' job responsibilities. The responsibilities are either "single cost objective" or "multiple cost objectives".

A single cost objective is someone who has a position that is dedicated to a singular purpose. For instance a Special Education Teacher or Teacher dedicated to fulfilling a Title I assignment. A single cost objective employee should have a "**semi-annual certification**". There are two acceptable forms of semi-annual certification. The employee can sign and date a statement or form that indicates their name, federal program, and job title/assignment. Also, acceptable is a signed and dated form or statement by a supervisor with direct knowledge of employee's activities. This allows the supervisor to create a single document to report multiple employees. Both forms will include the certification statement that the employee(s) "have worked 100% of their time" for the specified date range on the specified federal program objective.

The multiple cost objective employees must have Personnel Activity Reports (PARs). For employees that support multiple job responsibilities and are funded partially by federal funds and partially by other fund sources a PAR report should be completed monthly. The reports also require supporting documentation. This documentation can be a work calendar, time log, class schedule, etc. As with the semi-annual certifications, there is not a required format. However, there is required or minimum information: Name, Position, Federal Program, Reporting date range, % of work activities to federal objective/assignment, and Employee's signature.

If the employee is hourly, paid by weekly timesheet, and dedicated to just one job responsibility (ie: Federal School Lunch Program). Their signature on the weekly hours timesheet submitted to payroll will satisfy the time and effort certification.

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Purchasing & Inventory – Audit Requirements

Purchases will follow the mandatory electronic requisition, approval, and purchase order process established for all fund sources. The School Board of Trustees procurement policy states that purchases made by the school district will follow the State of South Carolina Procurement Code. Board Policy References: DJ , DKC.

Requests for purchase – will be submitted to designated location user for entry into the Infinite Visions enterprise software. When the authorized user enters the requisition information, it will be electronically routed to appropriate program coordinator /supervisor. If or when approved, it is then routed to District Finance for review and approval. If the requested purchase is in compliance the procurement code, it will be converted to a Purchase Order and have the funds encumbered to pay the order invoice. When each purchase is delivered or complete, it is marked electronically in the software as “received” and ready for payment, by the authorized location user. The iVisions software logs the user name for each purchasing and receiving transaction.

Reimbursement &/or Travel – Employees seeking reimbursement for prior approved expenses incurred out of pocket will submit a requisition for reimbursement of expenses with original itemized receipts. Expenses incurred and charged to State or Federal funds must follow program allowable cost guidelines. The need for travel must be determined prior to travel. In order for travel costs to be paid or reimbursed, the employee must complete a travel form and receive a supervisor’s approval. All itemized receipts for costs incurred must be submitted after travel. Mileage and meal reimbursement will be paid at the state or district rate, whichever is lower. Only exceptions to those standards will be those imposed by the specific grants themselves.

Non-consumable purchases (Equipment) – must be recorded on the inventory listing. This listing is a control document to account for use of the federal funds. Many types of purchases are covered by this requirement, however, the most common federal fund equipment purchases for Union County Schools is “Technology” (computers, laptops, tablets, projectors, “smart boards”, etc.) The equipment should be labeled with the name of the Federal Program that funded the purchase (IDEA, Titel I, Perkins, etc).

The inventory listing should include the following:

Fund Source - Date of Purchase - Equip Description - Equipment ID/Serial - Location

This inventory listing, historically, has been maintained by each federal program director, coordinator, or supervisor. Program supervisor may have also established procedures to maintain inventory listing at each location / school. The inventory system implemented in 2017 uses bar code labels to identify and record assets in the Resource Manager software system. Disposal of inventories supplies or equipment no longer needed must follow the District Procurement code AND the requirements of each federal program that funded the original purchase.

STAFF ETHICS/CONFLICT OF INTEREST

Code **GBEA** Issued **6/02**

Purpose: To establish the basic structure for ethical conduct and the avoidance of conflicts of interest on the part of the district staff.

Staff members will not engage in any activity that conflicts or raises a reasonable question of conflict with their responsibilities in the district.

- No employee of the board will 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.
- An employee will not engage in work of any type where information concerning a customer, client or employer originates from any information available to him/her through school sources.
- A professional employee will not sell instructional supplies, equipment or reference books in the attendance area served by his/her school nor will the employee furnish the names of students or parents to anyone selling these materials.

Nepotism

Neither a board member nor an employee may participate in an action relating to the discipline of his/her family member.

The district will not place an employee in a position wherein an employee will exercise **direct** administrative or supervisory authority over a member of his/her family member (parents, children, brothers or sisters).

South Carolina law Section 59-25-10 provides that no board member's immediate family member may be employed without the written consent of the board of trustees.

State ethics law

A public school employee is under the jurisdiction of the "Ethical Conduct of Public Officials and Employees," Section 8-13-700, et seq. S.C. Code of Laws, and is subject to the rules of conduct of the statute. Such rules include the following.

A public employee:

- may not use his/her position or office for personal financial gain (Section 8-13-700)
- must report the receipt of anything of value worth \$25 or more under certain circumstances (Section 8-13-710)

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- may not receive compensation to influence action (Section 8-13-705)
- may not receive additional money as payment for advice or assistance given in the course of their employment (Section 8-13-720)
- may not receive anything of value for speaking before a public or private group if the employee is acting in an official capacity (Section 8-13-715)
- may not use government personnel, equipment or materials in an election campaign (Section 8-13-765)
- may not use or disclose confidential information gained in the course of employment (Section 8-13-725)
- may not cause the employment, appointment, promotion, transfer or advancement of a family member to a state or local office or position in which the public official, public member or public employee supervises or manages (Section 8-13-750)
- may not participate in an action relating to the discipline of the public official's, public member's or public employee's family member (Section 8-13-750)
- may not serve as a member or employee of a governmental regulatory commission that regulates any business with which the employee is associated (Section 8-13-730)
- may not represent another person before a governmental entity (Section 8-13-740)
- may not have an economic interest in a contract if the employee is authorized to perform an official function relating to the contract (Section 8-13-775)
- may not use or disclose confidential information in any way that would affect his/her economic interest (Section 8-13-725)

In cases where an employee is required to take action or make a decision which affects himself/herself or other individuals, the employee will take such steps as the Ethics Commission will prescribe to remove him/herself from the potential conflict of interest (Section 8-13-700).

The superintendent must file an annual statement of economic interest with the State Ethics Commission (Section 8-13-1110).

Adopted 6/1/80; Revised 6/10/02

Legal references:

A. S. C. Code, 1976, as amended:

1. Section 8-13-700, et seq. - State ethics law.
2. Section 59-15-10 - No employee may serve on the county board of education.
3. Section 59-19-300 - A board member may not receive pay as a teacher in same district where he/she serves on the board of trustees.
4. Section 59-31-590 - A teacher may not have pecuniary interest in textbook selection.

CASH IN SCHOOL BUILDINGS

Code **DM** *Issued* **9/01**

Purpose: To establish the basic structure for dealing with cash in school buildings.

The board directs all principals to make deposits of school monies on a daily basis at the end of each school day or after a school event. The principal may make arrangements with local banks for night depository privileges and use these facilities when necessary.

Principals who do not abide by this policy will be responsible for any loss incurred as a result of their failure to make a timely deposit and may be subject to further disciplinary action.

Adopted 9/10/01

PURCHASING

Code **DJ** Issued **9/01**

Purpose: To establish the basic structure for the expenditure of district funds.

It is the policy of the district to conduct all matters involving purchasing in accordance with the state's procurement code. A copy of this code can be found in the district administrative offices.

Adopted 6/24/85; Revised 9/10/01

EXPENSE AUTHORIZATION/REIMBURSEMENT

Code **DKC** Issued **6/02**

Purpose: To establish the basic structure for authorizing and reimbursing expenses for board members and district employees.

The district will reimburse board members and employees for expenses incurred in approved travel for the district, such as approved attendance at conferences and other authorized expenses necessary in performing their duties. The superintendent must approve employee travel. The reimbursement rate will be approved by the board.

Board members and employees must submit their expenses on official vouchers. They must document major items.

The district will pay expenses for travel at the following rates.

- automobile mileage – state rate
- plane or train - coach rate
- taxi or bus - actual fare, including tip, payable upon return when accompanied by receipt
- hotel – actual rate for individual accommodations; employees and board members will be responsible for paying charges above single rate.
- meals - \$32 per day in-state, out-of-state

The district will prepay hotel reservations, at the single rate, plane or train reservations and registration fees, if requested.

If cancellations are necessary, the employee or board member may be responsible for reimbursing the district for monies not refundable.

Adopted 12/00; Revised 6/10/02