GUIDE FOR

Standard Operating Procedures

and

Internal Controls

Updated January 29, 2019

Based upon the templates provided by NJASBO and BCASBO
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PREFACE

This *Guide for Standard Operating Procedures and Internal Controls* is in response to and intended to be in compliance with the state mandate that such a manual be developed by each district Board of Education in the State. The directive was to develop a document that outlines the business practices that are approved by the local Board of Education and administered by the Business Office. It is intended to meet the requirements of the State of New Jersey and be used as a reference manual by administrators, secretaries and any staff members that have budgetary/financial responsibilities.

Its purpose is to provide an efficient, control and accountability system that will help assure appropriate use of “Public Funds”. It must be understood that the principles of this manual are based on, “Generally Accepted Accounting Principles,” and rely on an assumption that individuals have a general understanding of the financial process of a School System. For this program to operate at optimum efficiency there must be a spirit of cooperation, teamwork and communication between the school staff and the Business Office.

The efforts of the New Jersey Association of Business Officials and the Bergen County Association of School Business Officials are duly acknowledged for their efforts in developing a compliant template for districts to modify reflecting the practices of each local unit.
SECTION I – INTERNAL CONTROLS

PUBLIC SCHOOL DISTRICT
INTERNAL CONTROL DOCUMENT

OVERVIEW:
Internal controls are not separate systems of the school district. Controls are not an isolated activity but an integral part of each activity used to guide the district.

Establishment, maintenance and evaluation of the internal controls are the responsibility of the administration. The evaluation of internal controls includes identifying the framework used by the administration to determine the effectiveness of the internal controls.

Controls are in place to detect or prevent errors and fraud. An error is an unintentional mistake that has the potential to affect the financial statements and fraud is the intentional misuse or misappropriation of district’s assets.

OBJECTIVES OF INTERNAL CONTROL:
The three objectives of internal control are to ensure the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The safeguarding of assets is a subset of all of these objectives.

Continuous monitoring and testing is needed to help to identify poorly designed or ineffective controls. The administration is also responsible for communicating the objectives of internal control and ensuring the organization is committed to sustaining an effective internal control environment.

COMPONENTS OF INTERNAL CONTROLS:
The five components of internal controls include the control environment, administration’s risk assessment, administration’s communication of the controls, control activities and monitoring of the controls.

CONTROL ENVIRONMENT:
The control environment includes the organizational structure, the control framework, the district’s policies and procedures and internal and external influences. The tone set by the school district’s board and administration determines the attitude toward the controls of the district.

ORGANIZATIONAL STRUCTURE:
The organizational structure determines the administration’s responsibilities and sets the relationship with the board, which sets the policies.

CONTROL FRAMEWORK:
Elements of a control framework include the following:
Segregation of duties to help ensure the reliability of the organization’s internal controls, one person should not have access to all stages of a process. If there is not proper segregation situations could arise where errors or irregularities occur and go undetected.

Integrity and competence of the personnel performing the duties are key to achieving the desired controls. This includes hiring the proper people and continually
training personnel. It is important to ensure that employees who perform financial tasks have the knowledge and skill to perform their duties.

Communication by the administration of the controls and the employee’s responsibilities are as important as ensuring that employees know how to communicate irregularities that may arise. Proper supervision of employees is needed to ensure proper execution of control activities.

DISTRICT’S POLICIES AND PROCEDURES:
The district’s policies set the overall direction of the district. Procedures for all areas of financial preparation, reporting, operations, transportation, maintenance, personnel and payroll are needed. These policies and procedures will become the basis for the determination of compliance.

ADMINISTRATION’S RISK ASSESSMENT:
The administration conducts an assessment of risks relevant to the financial statements. This includes the identification of potential risks, the analysis of the potential impact of those risks on the ability to properly report the financial statements and the overall management of risks. Items to consider in the risk assessment of the district include, but are not limited to:

1. New personnel or new duties for existing personnel
2. How a change in accounting information system impacts controls and how effectively the training of personnel on new system was conducted
3. Changes in the regulations and laws that may affect the control environment
4. Record storage is appropriate and secure (fireproof cabinets when needed for manual documents and proper passwords and access limitations for electronic information)
5. District limits access to computers and data files
6. Segregation of duties
7. Transactions are recorded timely
8. Cash is deposited timely
9. Assets are physically safeguarded
10. Transactions are performed by only authorized personnel
11. Reconciliations are properly and promptly completed
12. Occurrences of management override

INFORMATION AND COMMUNICATION:
The administration needs to determine if the information systems utilized in the district are adequate and relevant for their intended purpose.

The district’s administration is responsible for communicating the controls of the district and the responsibilities of each employee in the control system. The administration is also charged with reviewing information that may indicate a flaw in the controls that would not allow the control to detect an error in a timely fashion.
CONTROL ACTIVITIES:
Control activities include the policies and procedures that are in place to achieve the controls desired. Documentation of the control activities is vital to the overall control environment. These activities include, but are not limited to:

1. Segregation of duties
2. Transactions are recorded timely
3. Cash is deposited timely
4. Assets are physically safeguarded
5. Transactions are performed by only authorized personnel
6. Reconciliations are properly and promptly completed

CONTROL ASSERTIONS:
Control activities can be categorized into one or more assertions. All assertions should be addressed for each process (payroll, cash disbursements, etc).

1. Existence (E) /Occurrence (O) – Existence is whether the assets or liabilities of the district exist at any given point in time (cash, state aid receivable). Occurrence is whether the transaction took place (goods were received before the PO was moved to accounts payable from encumbrances)
2. Valuation (V) or Allocation (A) – Valuation is whether the asset or liability is included on the board secretary’s report at the proper value (the amount of cash or state aid receivable). Allocation is whether the revenue and expenditures were recorded in the proper amounts.
3. Accuracy/ Classification (A/CL) – transactions are recorded accurately and the classification of the transactions are proper.
4. Completeness (CO) – is whether all transactions are included (unrecorded purchase orders).
5. Cutoff (C) – Transactions are recorded at the proper time (purchase orders written in the proper year).

MONITORING:
The administration is charged with reviewing internal controls on an ongoing basis. Monitoring can include responding to the recommendation of the auditor in changes in the controls. Reviewing correspondence from outside sources such as banks and vendors for unusual items is part of monitoring.

Employees should be required to “sign off” on their understanding of the control activities and their responsibilities in those activities.

AFTER THE CONTROLS ARE ESTABLISHED:
Once the district establishes controls, those controls need to be evaluated at least annually and anytime circumstances dictate. Changes in personnel or regulations are examples of these.

As controls are evaluated they will either be effective or ineffective at achieving the proposed control. Controls are effective when there would be no material weaknesses in internal controls involved in financial reporting. Ineffective controls would be those where at least one material weakness exists. If a control is determined to be ineffective, then the control deficiency needs to be evaluated.
CONTROL DEFICIENCIES:
A control deficiency exists when the design or operation of a control does not allow the administration to prevent or detect misstatements on a timely basis. A design deficiency exists when a necessary control is missing or is not designed to enable the control objective to be met. An operational deficiency exists when control is designed properly, but does not operate as designed or the person performing the control is not qualified to perform the control.

A deficiency may exist that is unavoidable (segregation of duties in a small office). For these, compensating procedures should be put in place. These compensating procedures do not correct the deficiency.

REASONABLE ASSURANCE AND LIMITATIONS ON CONTROLS:
Reasonable assurance is a high level of assurance, but is not absolute. The district should understand that potential fraud could exist and not be detected timely in the following circumstances: when the district has poorly designed or operated internal controls, or when there are too many overrides of controls, when there is collusion between employees or between an employee and a third party.

REVIEW OF DISTRICT PROCESSES:
When reviewing processes in the district, it may help to consider incorporating the "5 Ws".

1. **Who** performs each activity? Who receives the outcome of the activities?
2. **What** activities are performed? What forms and reports are used? What computer systems and files are used?
3. **When** are activities performed? What is the sequence of activities? What is the timing of the activities? What is the frequency of the activities?
4. **Where** are activities performed (i.e., board office, school, etc.)?
5. **Why** are activities performed (i.e., what risks are controlled, what control assertion does process step serve, etc.)?

One final consideration should be whether any changes to the process will increase the efficiency of the process or firm up the controls.

CONTROLS LISTED:
The controls listed here are not intended to be a complete list of controls, as each district will have different processes, controls and concerns. These items should be used as a beginning for the review of controls.
EVALUATING INTERNAL CONTROLS

TITLE: Internal Control
Subtitle: Evaluation of Internal Controls
Purpose: To ensure that controls are evaluated on a periodic basis to ensure the controls continue to be effective.

Procedure:

1. The business administrator will establish a process to evaluate internal controls over all areas of financial and operational procedures in the district.

2. These internal controls should be evaluated periodically and every time one of the following conditions exists:
   a. Change in personnel performing a control function
   b. Change in accounting system
   c. Change in regulations

3. As the controls are evaluated, a determination should be made that designates the control as adequate and adjustments made as necessary.

4. Written documentation of the review of the controls in place will be kept and will be available for audit review.
INTERNAL CONTROL QUESTIONNAIRE - EMPLOYEE DUTIES

This form is used to tabulate the separation of employee duties. It may be used by itself or in conjunction with a narrative, flowchart or other means of documentation. The name of the employee or the identification of the group performing an identical function is to be written in the space provided at the top of each column. On the applicable horizontal line, if the duty listed is a **primary** one for the employee, that is, one which he performs with considerable regularity, the indicator ☑ should be used. If the duty listed is a **secondary** one, that is, one which he performs more or less infrequently as a back up for the usual performer, the indicator ◊ should be used. Upon the completion of the questionnaire, a careful analysis should be made to ascertain whether or not a proper separation of duties exists. Any conflicts existing in the current division of duties should be indicated on the evaluation of employees’ duties sheet.

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## LIST OF DUTIES BY EMPLOYEES

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<thead>
<tr>
<th>BUSINESS ADMINISTRATOR</th>
<th>ASSISTANT BA</th>
<th>TREASURER</th>
<th>ACCOUNTS PAYABLE</th>
<th>ADMIN. ASSIST. TO BA</th>
<th>PAYROLL/BENEFITS</th>
<th>CSA/GAS OFFICE</th>
<th>DIR. OF B &amp; G/OFFICE</th>
<th>INDIVIDUAL SCHOOL</th>
<th>PRINC./DEPT. HEADS &amp; MIS</th>
<th>BOARD PRESIDENT</th>
<th>BOARD MEMBER</th>
<th>HUMAN RESOURCES</th>
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### EXPENDITURES CYCLE
- **Purchase orders approved by**: ✗ ✗ ✗ ✗ ✗ ✗
- **Receiving records prepared by**: ✗
- **Vendors’ invoices approved by**: ✗
- **Purchase journal prepared by – N/A**: ✗ ✗ ✗ ✗ ✗
- **Perpetual inventory records kept by**: ✗
- **Physical custody of inventory by**: ✗ ✗
- **Payments processed by**: ✗ ✗
- **Check sent by**: ✗ ✗

### PAYROLL CYCLE
- **Additions to payroll authorized by**: ✗
- **Pay rates authorized by**: ✗
- **Terminations authorized by**: ✗
- **Time approved by**: ✗
- **Payrolls computed by**: ✗
- **Payroll checks prepared by**: ✗
- **Payroll records prepared by**: ✗
- **Payroll checks signed by – direct deposit**: ✗
- **Cash payroll envelopes prepared by – N/A**: ✗
- **Payroll distributed by**: ✗
- **Payroll bank account reconciled by**: ✗
- **Assignment authorized by**: ✗
- **Terminations authorized by**: ✗
- **Leave of absences authorized by**: ✗
- **Assignment of PCN / UPC by**: ✗
- **Employee Certifications checked by**: ✗
- **To add an employee authorization**: ✗
- **Access to employee records**: ✗
- **Creation of job titles, salary guides**: ✗
- **Creation of PCN / UPC**: ✗
- **Attendance Input/Edit Control**: ✗
- **End of year roll over**: ✗
- **GENERAL LEDGER prepared by**: ✗
- **GENERAL JOURNAL ENTRIES approved by**: ✗
**SECTION I – INTERNAL CONTROLS**

**LIST OF DUTIES BY EMPLOYEES**

<table>
<thead>
<tr>
<th>POSITION CONTROL</th>
<th>Business Administrator</th>
<th>Assistant BA</th>
<th>Treasurer</th>
<th>Accounts Payable</th>
<th>Admin Assist to BA</th>
<th>Payroll/Benefits</th>
<th>CSA / CSA Office</th>
<th>Dir of B &amp; G / Office</th>
<th>Individual School</th>
<th>Prin and/or Dept. Heads &amp; MIS</th>
<th>Board President</th>
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<td>Determination of PCN / UPC at Budget Prep Cycle</td>
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<td>PCN are linked via personnel to payroll</td>
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<td>Payroll to Budget via PCN reviewed each period</td>
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COMMUNICATING STAFF MEMBERS ROLES

Title: Internal Control

Subtitle: Communicating staff member’s role in the Internal Controls

Purpose: To ensure that everyone in the district who performs or should perform a control function understands the control.

Procedure:

1. The business administrator will establish a procedure to ensure that all employees and board members who are charged with a control understand their role.
   a. A review of the controls and the staff members’ role in the controls should be conducted routinely and anytime there is a change in the control, the personnel or the laws and regulations affecting the control.
   b. Documentation of these reviews will be maintained.
CASH/CHECK CONTROLS

Title: Internal Control
Subtitle: Cash/Check controls
Purpose: To identify the controls over cash/check and the personnel responsible

Procedure:

The Business Administrator will establish a procedure to ensure that all employees who are charged with responsibility regarding cash and/or checks are aware of their role, responsibilities and potential liability.

See Section 3 for controls.
PAYROLL CONTROLS

Title: Internal Control
Subtitle: Payroll controls
Purpose: To identify the controls which exist over payroll related items.

Procedure:
1. The business administrator will establish controls that help ensure that potential errors and fraud in payroll should be avoided and/or detected in a timely manner. These controls may be some or all of the following:
   a. With respect to payroll:
      • Periodically search for fictitious employees
      • Determine improper alterations of amounts
      • Verify that Federal and state deductions are taken, remitted and documented
      • Verify all voluntary deductions are taken, remitted and documented
      • Examine time cards and trace to payroll records in order to verify the proper recording of employee hours
      • Verify the accuracy of pay rates by comparing them to Board Minutes.
      • Review the adequacy of internal controls relating to hiring, overtime, and retirement
      • Determine if proper payroll forms exist such as W-4s and I-9s
Title: GENERAL LEDGER

Purpose: To ensure accurate and timely recording and reconciliation of all financial activity.

Staff Assigned: Business Administrator, Assistant BA, Accounts Payable, Payroll, Treasurer of School Monies, Auditor

Procedure:

Opening Entries
Verifies that correct beginning balances from prior year audit and voter approved budget are entered into software.

Records revenue entries for tax levy receivable, state aid receivable, debt service aid, tax levy and/or state aid, and other known receivables including tuition and transportation.

Monthly
Compares Board Secretary’s Report to Subsidiary Ledgers.

Compares Board Secretary’s Report to Treasurer’s Report for agreement.

Verifies that all accounts are reported in the Board Secretary’s Report.

Verifies that all bank reconciliations are prepared for all bank accounts and are in agreement with the Board Secretary and Treasurer’s Report.

Reviews all accounts for funds availability, prepare transfer as needed.

Completes Transfer Worksheet for all accounts. Obtains Board Secretary’s signature and keep on file for auditor. Files with County for authorization if any transfer exceeds 10% limit.

Obtains Board Secretary’s signature (if prepared by other than board secretary, person responsible should initial work) on report and submit for board approval.

Year –End Procedures
Completes all accruals.

Reviews all balance sheet accounts, compiles documentation for audit verification.

Reviews all open year-end purchase orders for determination as accounts payable or carry forward encumbrance.

Reviews all accounts payable or encumbrances from the prior year, if any are open. (Note: Outstanding encumbrances should have been paid within 90 days.)

All tasks performed by support personnel will be reviewed and approved by the business administrator.
ACCOUNTS RECEIVABLE
Monitors and correctly records monthly receipt of tax levy for general fund and debt service (if applicable).

Monitors and correctly records monthly receipt of state aid for general fund, capital projects and debt service (if applicable).

Makes entry into the accounting software creating accounts receivable for tuition, state aid, transportation, and other contracts as they are signed and/or invoices are generated. Monitors and correctly records monthly receipts against these amounts.

Records monthly receivable amounts for federal and state Child Nutrition reimbursements, and correctly records monthly receipt. Verifies year-end accounts receivable for preparation of audit.

Records other such revenues from sources such as Community School.

Records bi-monthly receivable amounts for TPAF FICA; monitors and correctly records electronic transfer receipts. Verifies year end accounts receivable amount for preparation of audit.

ACCOUNTS PAYABLE
Checks all invoices against original order, investigates differences.

Routinely reviews outstanding orders and investigates delivery of items on orders more than ninety days old.

Compiles voucher package for payment verifying that receiving copy is signed by authorized employee, invoice or documentation supporting reimbursement is accurate, and if applicable that voucher is signed.

Obtain signature(s) as required by statute.

Enters payments into the accounting system for payment; generates checks and claims list for review by Board of Education. Submits bills and claims list to the board for approval on a monthly basis.

Subsequent to Board approval of claims list, acquires signatures of Board President, Treasurer of School Monies, Board Secretary, or other Board authorized representative as per Board policy and mails checks to vendors.

Issues manual (hand-drawn) checks as permitted by Board resolution and/or policy for special or emergency situations as per direction of school business administrator.

All tasks performed by support personnel will be reviewed and approved by the School Business Administrator.
PAYROLL
Prepares contracts for Board approved staff, logging employee against position control roster.

Verifies social security number of all new employees; reviews documentation provided (passport, drivers license, etc.) as per State mandates. Accepts and processes applications for pension and benefits. Creates paper employee payroll file and electronic file in payroll software, assigning an employee number.

Determines annual totals by GAAP account, modifying monthly if needed; compares to budget and advises business administrator of any projected overspending.

Creates annual purchase orders for payroll, taxes and benefits, and submits to bookkeeper for computer entry. Modifies encumbrance monthly if needed.

Verifies that all timesheets are properly completed, amounts are accurate, rates are per contract / Board approval and include authorizing signatures.

Inputs all vouchers & information, as needed on a semi-monthly basis to process payroll.

Prepares monthly register for Superintendent, Business Administrator/Board Secretary and Board President’s signature.

Checks computer output for accuracy, control and disbursement of payroll checks and direct deposits; verify computer report to payroll spreadsheet as prepared by the payroll clerk.

Provides bookkeeper with document to make electronic transfer of funds to net payroll and agency accounts (reviewed and approved by supervisor)

Maintains records covering all payroll deductions and payroll information. Prepares all forms related to payroll; provides bookkeeper with documentation to make electronic payments or issue checks for payroll taxes (Social Security/ Medicaid), transmittal of voluntary deductions, payment of premiums for benefits, payment of pension/contributory insurance.

Controls and maintains all payroll and payroll agency accounts; provides copies to Treasurer of School monies who will complete the bank reconciliation.

All tasks are generally performed by a payroll clerk, bookkeeper, or assistant bookkeeper. Work should be reviewed by a supervisor on a regular basis.
FIXED ASSETS
Notify all individuals authorized to issue purchase orders to identify any equipment item over $2,000 inclusive of delivery and/or installations costs and classify as a fixed asset.

The purchase order originator will fill out an inventory control sheet to add equipment to the fixed asset inventory upon receipt of goods. If purchased with grant funds this will be indicated by account number on the form

Inventory control sheets will be forwarded to the Business office for inventory update. Distribute inventory tag to purchaser, if applicable.

Building principals/supervisors will annually provide a report to the Business Administrator of any fixed asset that is no longer used/needed. The Business Administrator will arrange for disposal of fixed assets as per Board policy and update the inventory to reflect the disposal.

All sheets will be maintained for year-end update of the fixed asset inventory, and balance sheet adjustments for the annual audit.

CASH MANAGEMENT
Prepares deposit slip for cash and/or checks and makes arrangements for delivery to bank within the statutory time limits.

Records all ACH deposits and bank deposits in the district budgetary system on a monthly basis.

Utilizes on-line banking for ACH wires, transfers, stop payments, etc. Any wire transfer outside of the board accounts will require supervisor authorization.

Estimates monthly accounts payable, semi-monthly payroll, and debt services payments, creating an estimated cash flow projection. (Optional: for thirty days, sixty days and ninety days.) Estimates and advised school business administrator of amounts available for investment.

Cash disbursements – Checks will be kept in a secure location; payments will be made by check of items on claims list after Board approval.

Investing – cash balances will be reviewed periodically to identify investment opportunities; all investments must be in accordance with state statutes.

The Treasurer of School Monies will verify signatures on checks, monthly reconcile all bank accounts, and prepare the Treasurer of School Monies report to submit to the Board of Education within 30 days of the close of the month.

Cash receipt and cash disbursement functions should be performed by two different staff. In the event that this is not possible, the supervisor should on at least a monthly basis review all transactions.

A cash flow Analysis shall be developed and maintained to reflect the monthly cash flow of the district.
Title: Acceptance of Gifts & Charitable Giving

Purpose: To establish guidelines for donations to the district from the community, vendors, foundations and other sources.

Procedure:

Acceptance of gifts or scholarships from any individuals or groups in the community requires the approval of the Board of Education, as recommended by the Superintendent, as outlined in Board Policy. Please note the following:

1. No gift or scholarship will be accepted, which in the opinion of the Superintendent is inappropriate for use by the schools.

2. The use and disposition of such gifts or scholarships will remain at the discretion of the Board of Education at the recommendation of the Superintendent.

3. Gifts which require installation and/or maintenance costs will be accepted only upon approval by the Board of Education as recommended by the Superintendent and recommendation of the School Principal and consultation with the Director of Buildings and Grounds.

4. All gifts with a value greater than that determined by policy shall require final approval by the Board of Education.

5. Gifts / donations accepted by the Board shall be recorded in the budget in the fashion so restricted by the donation if specific directions are noted by the donor and accepted by the Board of Education.

Charitable Giving

The following rules are within the New Jersey Administrative Code related to Student Activity Accounts and charitable collections: Under 6A:23A-16.12 (d) School Districts shall not be responsible for the protection of and the accounting for funds collected by any teacher or pupil for an outside organization, and shall not approve such funds for deposit in a school activity account.
Title:       Inventory
Subtitle:   Disposal of Obsolete Equipment
Purpose:   To dispose of items no longer in use and have no definable future use so as to maintain the schools without clutter.

Procedure:

Requests to dispose of outdated, obsolete and/or surplus books will be made to the School Business Administrator by an administrative staff member.

Board policy will be followed concerning disposal. Equipment may not be sold directly to individuals until after the district’s policy regarding process has been exhausted and there are no other persons interested in said items. Individuals may participate in a sealed bid for items as permitted by law.

All proceeds from the disposition of equipment or supplies will be deposited in the general fund of the Board of Education.

Title: Inventory

Subtitle: Equipment Identification and Accountability

Purpose: To maintain a fixed asset inventory as per GAAP, audit guidelines, and for insurance purposes.

Procedure:

NEWLY PURCHASED ITEMS

1. When equipment items costing $2,000.00 or more are received, each supervisor/school Principal/recommending administrator is to complete a Fixed Asset Form. All information can be obtained from the Receiving Slip and/or the Purchase Order. This function shall generally be performed by the district's technology department or buildings & grounds.

2. When completing form describe the item completely and insert the serial number if applicable.

3. Forward this form together with a copy of the purchase order to the Business Office. An asset number will be assigned. An inventory tag, if used and a copy of the asset form will be returned to the principal/department for filing. It is the responsibility of the principal/supervisor to ensure the tag is attached to the equipment.

4. An Inventory of fixed assets will be maintained and updated on a regular basis. By practice, the inventory is evaluated and reported by a 3rd party vendor and reported to the Business office. Said report is reviewed by the auditor.

TRANSFERS AND DISPOSAL OF EQUIPMENT

1. When equipment is moved on a permanent basis the building principal/designee of the location currently housing the item is responsible for advising the business office in writing of the transfer out. It is the responsibility of the principal/designee of the building receiving the item to notify the business office of the location within his/her building that the item has been placed.

2. A completed description inclusive of serial number will be sent to the school business administrator in writing when requesting disposal of equipment.

3. The Business Office will use this copy to update the Inventory.

Form - Fixed Asset Form
Title: Sales Tax Exemption Qualifications

Purpose: To implement guidelines to assure that funds are expended appropriately and that no funds are paid for sales tax as the Board of Education is exempt.

Local school districts, as a political subdivision of the State of New Jersey, are exempt from the New Jersey Sales & Use Taxes, pursuant to Section 9(a) of the New Jersey Sales and Use Tax Act when purchasing items for their own (district) use such as desks, chairs, office equipment, etc. Also, as a tax exempt organization, school districts are not required to collect sales tax on sales that are made through fund-raising events or activities which last for a relatively short time and are not held on a regular basis during the year, provided that the proceeds only benefit the school district. When purchasing items for use by the local school district, an exempt organization certificate or number is not required.

Procedure:

1. Only expenditures for items so permitted by statute, for instructional or non-instructional purposes from the approved school budget are eligible for sales tax exemption.

2. To obtain NJ sales tax exemption, the official letterhead of the school district signed by the proper school officer, that being the Business Administrator/Board Secretary, is sufficient proof to the vendor that the local school district is exempt from paying taxes. The district’s purchase order, duly signed by the Business Administrator/Board Secretary, serves this purpose.

3. NJ State sales tax explanation letters are available through the Business Office and will be provided upon request. This letter is additionally available on the district’s website. This letter may be used to accompany an approved purchase order for further clarification to a vendor.

4. State Law prohibits the payment of sales taxes for purchases or reimbursement. Sales tax will not be reimbursed for items purchased through petty cash.

5. ST forms will not be provided as they do not pertain to school districts.

Legal Reference: Sales Tax Exemption Letter

Form # - Sales Tax Exemption Letter
Title: Financial & Bookkeeping Controls for Petty Cash Funds

Purpose: To establish a uniform method of accounting and bookkeeping controls for the Petty Cash Funds


Procedure:

1. The Board of Education recognizes the convenience of a petty cash fund in the day to day operation of a school district, but the Board is also aware of the abuses that can result from the establishment of such funds unless there are proper controls.

2. The Board authorizes the establishment of the petty cash funds by policy.

3. The account will be under the management of the budget secretary, principal or administrator of the office or school. The individual responsible for managing the account cannot be the authorized signor of the account. Petty cash funds are to be kept in a secure and locked location at all times.

4. In accordance with District policy, no single payment from petty cash will exceed $50.00. The account manager shall insure that petty cash funds are spent only for stamps, delivery charges, office supplies, miscellaneous purchases, and reimbursement of minor expenses. The account manager will ensure that there is a sufficient balance in the appropriate account prior to petty cash funds being used.

5. To request a petty cash reimbursement, the person shall complete the petty cash reimbursement form, attach original receipts and submit same to the district official responsible for the petty cash account. It will include the vendor, date, account number, description and amount.

6. When funds are to be replenished, the account manager will follow standard district procedures for the processing of purchase orders, including attaching to the PO all supporting receipts, invoices, or other documentation for the purchase. Upon final board approval and signature the petty cash check will be released in the name of the district official responsible for the petty cash fund.

7. All funds are to be closed out on June 30. To accomplish this, final reimbursement will be into the Business Office for payment at the final Board Meeting in June. This will allow for turning in the local amount of the authorized fund in cash to the School Business Administrator for deposit back into the General Account of the Board. All Board approved funds will be reestablished on July 1.
Title: Financial & Bookkeeping Controls for Petty Cash Drawer

Purpose: To establish a uniform method of accounting and bookkeeping controls for the Petty Cash Drawer


Procedure:

1. The Board of Education recognizes the convenience of a petty cash drawer in the day to day operation of a school district, but the Board is also aware of the abuses that can result from the establishment of such funds unless there are proper controls.

2. The Board authorizes the establishment of the petty cash funds by policy.

3. The account will be under the management of the budget secretary, principal or administrator of the office or school. The petty cash drawer is to be kept in a secure and locked location at all times.

4. In accordance with district practice, no single payment from petty cash drawer will exceed $50.00. The account manager shall insure that petty cash drawer monies are spent only for stamps, delivery charges, office supplies, miscellaneous purchases, and reimbursement of minor expenses. The account manager will ensure that there is a sufficient balance in the appropriate account prior to petty cash drawer monies being used.

5. To request a petty cash reimbursement, the person shall complete the petty cash reimbursement form, attach original receipts and submit same to the district official responsible for the petty cash account. Minimally, it will include the vendor, date, account number, description, amount and to whom the reimbursement is to be made.

6. When funds are to be replenished, the account manager will follow standard district procedures for the processing of purchase orders in the district’s accounting software system. All supporting documentation and petty cash drawer request forms will be submitted to the Board Office at this time.

7. All funds are to be closed out on or before June 30. To accomplish this, the remaining balance at the end of the year will be delivered to the Business Office for deposit into the district’s General Fund.
Title: Financial & Bookkeeping Controls for the Athletic Fund

Purpose: To establish the financial controls for the administration of the interscholastic athletic program to insure the program is operated fairly and efficiently, and the Board is fully informed of its status.


Procedures:

1. The Board of Education recognizes the convenience of an athletic fund account in the operation of the school district’s interscholastic athletic program, but is also aware of the abuses that can result from the establishment of such funds unless there are proper controls.

2. The Board Authorizes the establishment of the following petty cash funds at these locations in the following amounts:

   Madison High School $10,000.00

3. The fund will be under the management of the Athletic Director or principal of the high school. The individual responsible for managing the account cannot be the authorized signor of the account or the account requires two authorized signatures on each check issued. The Athletic Fund checkbook is to be kept in secure and locked location at all times.

4. In accordance with district practice, no single payment from the Athletic Fund shall exceed $300.00. The account manager shall ensure that the Athletic Fund is used only for payment to referees, event staff (i.e. timekeepers, ticket takers) and entry fees. The account manager will ensure that there is a sufficient balance in the account prior to checks being issued.

5. To request payment to a referee from the Athletic Fund, the referee must complete the athletic official request for payment form, sign the Vendor’s declaration portion, provide description of services rendered, rate to be paid, date of services rendered, address and social security number. After this has been provided and event has occurred, a check will be provided to the referee. Form 1099-MISC will be issued according to IRS procedures.

6. When funds are to be replenished, the account manager will follow standard district procedures for the processing of purchase orders in fund accounting software system. All supporting documentation will be submitted to board office at this time.

7. All funds are to be closed out on or before June 30. To accomplish this, final reimbursement will be into the Business Office for payment at the final Board Meeting in June. This will allow for turning in the local amount of the Athletic Fund in cash to the School Business Administrator for deposit back into the General Account of the Board. All Board approved funds will be re-established on July 1.
Title: Financial & Bookkeeping Controls for Student Activity Funds

Purpose of Establishing Policy:

To establish financial controls for the administration of various student activities operated for the benefit of the students, managed by the budget secretary of each school with the Board indirectly responsible.

1. The general organization of the fund to include student government, student clubs, student publications, school classes and class trips
2. The board authorizes the maintenance of student activity funds to be located at and known as the KRS, TJS, CAS, MJS and Madison High School Student Activity Account.
3. All funds must be self-sustaining, the responsibility of a designated person and administered by the Business Administrator
4. Interest earned on student activity funds is not part of the district’s reported interest on investments and is not transferred to district-wide accounts.
5. All monies raised for deposit and use from these accounts are to be for purposes determined prior to the fund raising.

Procedure:

1. Receipt of Funds
   A. All funds will be collected at the individual locations and forwarded to the business office secretary/office assistant designated as the person responsible for maintaining the district-wide student activity account. These funds will be deposited within 3 business days into the established bank account.
   B. Funds waiting to be deposited should be kept in a secure and locked location at all times.
   C. All funds should be of an exchange nature and large balance should not be permitted to accumulate. Money should not be raised unless there is a definite purpose for doing so.
   D. All deposited funds will be recorded in a computer based accounting application and will include the date of receipt, source of receipt, amount of receipt and the total amount of the deposit and will be maintained by the business office secretary/office assistant designated as the person responsible for maintaining the district-wide student activity account.
   E. A ledger book shall be maintained by each respective school and be used as verification as necessary. When at all possible, checks shall be the preferred source of revenue. Generally, only point-of-sale items are acceptable for cash transactions. As such, while cash is an acceptable form of receipt of funds, however is discouraged due to the lack of an audit paper trail and the risk of theft. However, a cash receipt must be created with a copy being provided to both the purchaser and submitted with the deposit. These are to be signed off by the person receiving the cash.
   F. Monies collected during a fundraising event where cash is the primary form of receipt (i.e. point-of-sale items such as bake sale, car wash, etc.) should be accompanied by a detailed summary of
the deposit. The use of roll tickets is recommended were applicable at these events.

2. Disbursement of Funds

A. These funds are designed for various student group activities intended to benefit the students. It cannot be used to supplement goods or services that are provided by the schools budget.

B. All funds will be disbursed from the established checking account on the authority of the Building Principal. All disbursements must be supported by a receipt, claim, company invoice or other adequate supporting documentation and will be attached to a Purchase Order or voucher. For purchases in excess of $150, a signed vendor’s declaration will be obtained.

C. All checks written will be recorded in a computer based accounting application (i.e. Quicken) and will include the date of check, payee, amount of check and activity or class to which it is to be charged.

D. Checks will require two of the following signatures: that of the School Principal at the elementary schools and Principal/Vice Principal at the Jr & HS. Special Services shall be signed by the Director.

E. Each month a bank reconciliation must be prepared and this balance is balanced with the individual activity or class balance by the School Budget Secretary.

On a yearly basis, all financial information shall be submitted to the Board Office for inspection by the Business Administrator and review by the District’s Auditor. Materials include, but are not limited to, monthly bank statements and reconciliations, checkbook and check stubs, check register and receipt register, duplicate receipt book, and all PO’s or vouchers issued for the previous year with adequate supporting documentation.
Title: Pay Procedures

Reference: 6A:23A-5.7

Procedures:

1. Regular Pay:

   A. The Madison Board of Education, pursuant to P.L. 2013, Chapter 28, has established a mandatory direct deposit process for payroll for the net pay for all full and part time regular employees which includes payment for annual contracts, extended school year, stipends and health benefit waivers, exempting only substitutes and summer seasonal employees.

   B. Employees will be paid in accordance with the negotiated agreements thereof, but generally on the 15th and the 30th of each month. When a pay date falls on a weekend, payroll shall be provided to the employees on the preceding Friday.

   C. Ten month employees will receive equal payments that total their contract salary, from September to June inclusive; Twelve month employees will receive their contract salary, in equal payments, from July thru June inclusive.

   D. Pursuant to the requirement of A-5, employees will be required to provide to the Business office or designated administrator and or designated staff as permitted by law, picture identification and sign for release of his or her direct deposit voucher at least every three years. Picture identification shall be in the form of a valid drivers’ license, official passport or other picture identification issued by a state, county or other local government agency. Where no appropriate identification can be produced, the School Business Administrator shall stop the employee’s direct deposits until such time that the payee/district employee can produce appropriate identification or until an investigation and corrective action is concluded.

   E. Upon completion of the payroll check distribution verification procedures, the Superintendent shall submit a certification of compliance, to the Executive County Superintendent.

   F. Payroll checks may be split between accounts if desired however, the district reserves the right to set a limit on the number of accounts.

   G. The district reserves the right to provide employee’s last paycheck of the school year NOT as a direct deposit but instead, provide a physical check which may be withheld if obligations have not been met by employee before school year ends. The also district reserves the cancel the employee’s direct deposit as necessary in order to have the employee to meet established obligations, for misconduct or other reasons deemed appropriate by the Board.

   H. It is the employee’s responsibility to notify the payroll department when a bank account designated for direct deposit is closed or is planned to be closed. The payroll department needs at least fifteen business days to
effectuate the change. Without proper notice, the payroll deposit is subject to rejection by the bank.

3. Payment by Payroll Voucher (now Veritime) (includes hourly employees, substitutes, and overtime):

A. Payroll vouchers have been replaced by the Veritime software system for recording hourly work. Work completed is to be entered into the system in a timely basis and no less than 72 hours after the work has been completed. Any information not entered into the system within the payroll period will be processed in the next payroll cycle. Persons paid via this system shall normally be paid the next ensuing month after the services have been provided.

B. Any changes in the hours of a work schedule must be approved by the Board of Education prior to the commencement for the additional work time. (i.e. part-time to full-time)

C. All overtime must be pre-approved by the supervisor. The Central Office/District Administration maintains the right of approval of all overtime and modification of schedules.

D. All Veritime requests must be authorized by the school principal and/or the individual/supervisor who has authorized the extra hours.

3. 403(b) Salary Reduction Plan

In order to take advantage of the 403(b) Salary Reduction Plan, an employee must agree not to contribute, more than the Maximum Exclusion Allowance (MEA), the total amount of contribution to the plan allowed by Internal Revenue Service code each year. The payroll administrator for the district or the 403(b) representative will do the MEA calculation for the employee. In order to make changes the employee must complete and submit the 403(b) Change Form or submit a salary reduction agreement from the provider to payroll. (Reference 403(b) plan document)

4. Changes to Payroll

All other changes to be made for tax or voluntary deductions must be forwarded to the Payroll Department in writing minimally two weeks prior to the pay period that these changes are to take effect.
Title: Budget Account Number Coding

Procedure: When completing purchase orders for materials, supplies, equipment and/or services, it is important to use the correct budget account number as outlined by the New Jersey Chart of Accounts. To assist administrators, supervisors and staff members who complete purchase orders an example of how accounts are displayed has been developed. The GAAP accounts are broken down into 13 digits as follows:

11 190 100 610 10

11 – Fund
190 – Program and Project/Reporting
100 – Function
610 – Object
10 – Location

Fund - an accounting entity with a self-balancing set of accounts.

Funds utilized by the Madison Board of Education include the following:

11 General Fund
12 Capital Outlay Fund (assets over $2,000)/acquiring fixed assets/Construction Project services
20 Special Revenue
30 Capital Projects
40 Debt Service
60 Food Service

Program and Project/Reporting - activities and procedures designed to accomplish an objective or set of objectives (Subsets of these Programs are utilized by the Madison Board of Education in accordance with the Chart of Accounts for New Jersey Public Schools)

100 – Regular Programs – Elementary / Secondary
200 – Special Programs
300 – Vocational Programs
400 – Other Instructional Programs – Elementary /Secondary
500 – Nonpublic School Program
600 – Adult/Continuing Education Programs
700 – Debt Service
800 – Community Services Program
900 – Enterprise Programs
000 – Undistributed Expenditures

Function - describes the activity for which a service or material object is acquired (Subsets of these Functions are utilized by the Madison Board of Education in accordance with the Chart of Accounts for New Jersey Public Schools)

100 – Instruction
200 – Support Services
300 – Operation of Non-Instructional Services
400 – Facilities Acquisition and Construction Services
500 – Other Uses

[III-6.1]
Object - used to describe the service or commodity obtained as the result of a specific expenditure (Subsets of these Objects are utilized by the Madison Board of Education in accordance with the Chart of Accounts for New Jersey Public Schools)

100 – Personnel Services – Salaries
200 – Personnel Services – Employee Benefits
300 – Purchased Professional & Technical Services
400 – Purchased Property Services
500 – Other Purchased Services
600 – Supplies & Materials
700 – Property
800 – Other Objects
900 – Other Uses

Location - School Buildings/ Departments

Locations utilized by the Madison Board of Education include the following however, are subject to change as determined by the Business Administrator:

10 – Central Avenue School
20 – Kings Road School
30 – Tory J. Sabatini School
40 – Junior School
50 – High School
60 – Elementary Music
70 – Out of District
80 – Buildings & Grounds
90 – Central Offices
00 – District Wide
Title: Budget Development Process

Procedure:

Annually develop a site-based managed school budget. School Budgets are the responsibility of the Building Principal or Budget Manager (Dir. of Curriculum, Dir. of Technology, Dir. of B&G, etc.). It is also the responsibility of the budget manager to justify proposed expenditures in each of the line item accounts. Building Principals track their school accounts during the year making the necessary transfers needed to ensure no accounts are over-expended. If during the budget development process, it is determined at the district level that there is a need to reduce the school budgets, the Building Principal will be notified of the amount and is responsible for re-submitting the changes to the revised school budget.

The Business Administrator shall develop a budget calendar annually. Below is a sample breakdown of the budget process, which is subject to modification annually.

- December - Budget discussions begin with Finance Committee & Budget Managers (Building Principals, Athletic Director, Director of Special Services, Technology Director and Director of Buildings and Grounds). Budget materials due in Business Office in accordance with the annual budget calendar.

- Mid-December - Educational Data Cooperative Bidding information should be available by this time. Budget managers receive this information when it becomes available to the business office. Business Administrator will attend meetings, as needed, to discuss budget issues and procedures.

- Mid-December - Superintendent and Business Administrator to have first Budget Meeting with Finance Committee of Board of Education. (Review format for budget process and goals.)

- Mid/late December-January - Superintendent and Business Administrator meeting with Finance Committee. (revenue review); review budgets and meet with Principals, etc as necessary.

- Jan/February - Superintendent, Business Administrator, and Finance Committee meetings as necessary. (review budget manager budgets/expense side)

- Early March - Governor’s Budget Address: State aid figures released. Superintendent, Business Administrator, and Finance Committee meetings to review impact of state aid on budget process. (Contingent upon New Jersey Department of Education releasing State Aid budget figures.)

- Early March - Budget due to County Office for approval

- Mid-late March- Public hearing & adoption of final Budget

- 3rd Tuesday in April - Budget Election
Title: Budget Transfers

Procedure:

Individual budget line item transfer requests are to be submitted to the School Business Administrator by the Building Principals and/or Curriculum Supervisor and other budget managers. Requests must be submitted in writing using the attached form and approved by the Business Administrator. When transferring money from one account to another, the "from" account must have enough money to cover the transfer. If not, then the transfer cannot be completed. The Building Principals and/or Curriculum Supervisor and other budget managers shall make sure the correct account numbers that need to be affected are used and include the description of the account and reason for transfer.

Budget transfers are recommended to the Board of Education for approval on a monthly basis by the Superintendent and Business Administrator.

The district’s budget software shall include the maintenance of the record of cumulative transfers in accordance with the state form and the Business Administrator shall report any transfers reported on same that exceed the state guidelines regarding the 10% transfer rule to County Office. As required, this report of transfers shall be submitted to County Office twice a year (December and June reports).
Title: Grant Application Procedure

Procedure:

1. All grant applications must be submitted for approval prior to submission to the Granting Authority to the Building Principal then to the Director of Curriculum and Instruction. All grants require approval from the Superintendent and action from the Board of Education.

2. Grants vary in structure. Some nonpublic grants such as Security Aid, Textbook Aid, and Technology Aid have the grant monies sent before the expending the funds. The other grants such as IDEA and ESEA are reimbursed as the funds are expended, and the expenditures are budgeted based on the grant application sent to the State. Reimbursement cannot be submitted until the grants are approved at the State level.

3. Once confirmation is received, the Assistant BA can see by using the EWEG homeroom system where the funds have been allocated and can make all the appropriate entries on the CSI system. The Assistant BA maintains all the files with copies of the reimbursement request as well as the expenditure sheet with all the vendors used in each line of the request. Encumbrances cannot be used to request reimbursement.

4. The grant administrators are responsible for generating the purchase orders.

5. The Assistant BA maintains all the files with copies of the reimbursement request as well as the expenditure sheet with all the vendors used in each line of the request. Encumbrances cannot be used to request reimbursement.

6. The Assistant BA is responsible for posting the receipt of grant funds to the appropriate revenue accounts, when the monies are wired via ACH system from the State.

7. The Assistant BA generates monthly report of cash transactions in all of the grant funds and sends report to the Treasurer of School Monies.

8. At year-end, if all grant monies are not expended they may be carried over for an additional year. Any money left after that year must be returned to the State, with Board approval. Money due to the State is reimbursed via reduction of state aid payments.
Title: Position Control

Purpose: Accurate and timely recording and reconciliation of budgeted positions to actual contracted employees and payroll.

Reference: 6A:23A-6.8

Staff Assigned: Human Resources, Superintendent’s Office

Procedures:

Position control is a process to measure the current status of positions for personal services within the district in order to analyze their fiscal impact on the whole budget year. The impact of a position is determined by actual expenditures from the beginning of a fiscal year plus amounts set aside to cover appointments to the position for the remainder of the fiscal year.

The concept of position control implies that each position must be defined in specific terms and that the hiring procedure may not be completed until a specifically defined position exists for the applicant. Budget Status is determined by combining elements from the Position File, the Payroll Distribution File, and the Employee Data Base.

The base line year to use for position control is the snapshot date of February 1 of the pre-budget year. Grouping should be established by budgetary function and object at a minimum.

The procedures as outlined in NJAC 6A:23-6.8 will be undertaken under the supervision of the Superintendent’s Office and Human Resources to develop a position control roster (PCR) and maintain it in an accurate, complete and up-to-date fashion. The PCR shall be continually updated as personnel changes are made. For budgetary verification, the updated PCR shall be provided to the Business Administrator as changes are made.

The Superintendent’s Office and Human Resources will routinely review reports to verify the accuracy of the documents and file for audit review.
Title: Authority to Purchase, Bidding and Quotations

Purpose: To establish procedures for procurement of services and goods in accordance with federal, state, and local policy.

New Jersey State Statute 18A:18A-2(b) - The Purchasing Agent/School Business Administrator is the only individual in the school district with the authority to make purchases for the Board of Education.

Authorized Purchases

All requests for the purchase of goods and/or services must be made through an approved purchase order signed by the School Business Administrator. No goods or materials may be ordered or work/service be authorized to begin by any individual in the school district other than the School Business Administrator.

Unauthorized Purchases

Any Board of Education employee who orders and/or receives any materials, supplies or services without going through the approved purchase order process has made an unauthorized purchase that may be subject to disciplinary action.

Purchasing Limits:

1. QUOTATIONS: By statute, two quotes are required for or any aggregate purchase which exceeds 15% of the bid limit. Said limit is dependent upon the if the Business Administrator/Purchasing Agent is a Qualified Purchasing Agent (QPA). District requirements are three quotes for purchases over the quote limit. This expanded requirement may be waived by the Business Administrator if sufficient evidence is provided that a third quote is not able to be obtained. If the aggregate for the year will exceed the bid limit, all purchases must be made through the bid process.

2. BIDDING PROCESS: When a single item or service of a group of like items are at or exceed the bid limit as defined by the State, a formal bid process through the Business Office is required. Building Principals or Program Supervisors are responsible for providing the Business Office with detailed specifications and a list of vendors (if requested) for each item or service being bid. After award of the bid by the Board of Education, the Business Administrator will notify the appropriate party of the award and the person requesting will submit a purchase order.

NO BID MONDAYS – pursuant to NJSA 18A:18A-21(a) bids shall not be received nor opened on Mondays, days after a state or federal holiday or on a state or federal holiday, even if the district is open on said holiday. This does not apply to Student Transportation bids which are governed by NJSA 18A:39-1 et. seq.

3. STATE CONTRACTS - Purchases may be made using State, Interstate, County, and/or Regional Contracts under the regulations and conditions of the bid.
4. **OTHER ITEMS:** The purchase of any single item or service not falling into one of the above categories must be processed on a purchase order which will be approved by the School Business Administrator prior to the purchase. Confirming, telephone or verbal orders are prohibited and shall not be considered valid. All orders must be made via a typed purchase order duly signed by the Business Administrator/Board Secretary. This means there will be no purchase orders authorized by a telephone by any staff member.

5. **Awards / Recognitions:** Individual awards or recognitions as permitted by law may not exceed $500.00.

6. **Preview of Materials:** All staff members must receive permission from their Principal and/or Supervisor prior to previewing materials. A purchase order must be prepared and processed for any item to be previewed prior to receiving the materials. After the preview process has been completed, the receiving copy is to be returned to the business office signed if the materials will be kept, or marked as returned with the date and shipping method noted if the materials were not kept.

7. **Reimbursements of employees:** The Board of Education recognizes an employee reimbursement purchase order when it pertains to pre-approved travel, meal and conferences. Purchase orders made payable to staff members for reimbursement for travel, meals, and registrations may be issued following conference attendance but many not exceed the approved amount, must be Board approved prior to the event and, must be in compliance with A-5 & GSA guidelines.

8. **Student Activity Accounts:** Purchases made through Student Activity Accounts may not be reimbursed with Board funds or unless so directed by Board action.

9. **Ethics Law Requirements (Pay-to-Play):** The board will not vote upon or award any contract in the limits defined in State law and regulations to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c.83 (NJSIA 19:44-1 et seq.) to a member of the Board during the preceding one-year period.

10. **Affirmative Action Requirements:** Additionally, all affirmative action requirements shall be met by the vendor. (i.e. Certificate of Employer Information Report)

11. **General Purchasing and Travel Information Guide:** The district has developed a general purchasing and travel information guide as a tool for staff to understand and follow basic purchasing and travel rules. This guide is maintained on the district’s website.

12. **Business Registration Certificate Required:** A Business Registration Certificate serves two purposes: For public contracting, as proof of valid business registration with the New Jersey Division of Revenue. All contractors and subcontractors must provide this
documentation when seeking to do business with the State of New Jersey, and other public agencies in this state. When seeking a public contract, an affirmative action report (Form AA-302) will also be required. The Certificate of Registration may not be used as evidence of compliance with the affirmative action requirements and submitted in lieu of Form AA-302. Both forms will be required. The State of New Jersey requires all businesses, that enter into a contract with a State Agency, including schools, to provide proof of business registration to that Agency. Proof of business registration shall be a copy of a Business Registration Certificate issued by the Department of the Treasury, Division of Revenue. Information on how to obtain a certificate can be obtained at www.nj.gov/njbgs or at (609) 292-1730. An individual with no business tax or employer obligations to the State of New Jersey, who is entering into, or has entered into a contract with a contracting agency (a school) to perform personal services shall submit proof of business registration in the form of a Certification and Registration for Individuals Contracting with Public Agencies (NJ-REG-A) issued by the Department of the Treasury, Division of Revenue.


**Board Policy:**
Title: USE OF SCHOOL FACILITIES

Purpose: It is the belief of the board of education that the schools belong to the people of the district and since the plant facilities are established, maintained, and operated by funds provided by local taxes, the Board of Education accepts the responsibility for making its plant facilities available to responsible organizations, associations, and individuals of the community for appropriate civic, cultural, welfare, or recreational activities which do not infringe upon, nor interfere with, the conduct and best interests of the school system.

Procedures:

The Board of Education authorizes the Business Administrator, or designee to approve and schedule the use of school facilities by school related and non-school organizations as per the Board of Education Policy and Board Regulations.

A request for use of facilities form will be obtained and completed by the organization requesting use. All required certificates of insurance as well as hold harmless agreements will be provided in conjunction with the request. Any special requirements for the use of auditoriums, cafeterias, gymnasiums, and/or equipment will be provided.

All applicable fees and reimbursement of expenses will be determined and conveyed to the organization. A copy of the approved use of facilities form indicating the fees will be forwarded to the person responsible for the request.

The event should be placed on a district calendar, if applicable, for distribution to all appropriate parties.
Title: Facilities (includes administration of work and health and safety)

Purpose: The Board of Education recognizes that adequate facilities must be provided to all students and that it must maintain all buildings so that students have a safe and healthy environment in which to learn. The Director of Buildings & Grounds shall have overall responsibility for this endeavor.

Procedure:

Maintenance and Repair of Equipment
- A work order must be submitted or entered into software name before any repairs are performed. The Director of Buildings & Grounds reviews and if able, approves the order work so that the work may be performed.
- Reasonable attempts will be made to schedule repair work (unless it is an emergency) when it is least disruptive to the learning environment.

Noise Control
- The Maintenance Department attempts to schedule work with high noise potential at times least likely to be disruptive. However, it is not always possible to delay emergency repairs.
- When a staff member is bothered by noise caused by repair projects, they are to contact the building principal who in turn will contact the Lead Custodian.

Pest Control
- The Buildings and Grounds Department provides exterminator services to rid the building of rodents, insects and other pests in accordance with the district’s Integrated Pest Management Plan.
- Contact the Lead Custodian if this service is needed.

Recycling / Chemical Hygiene and Disposal of Hazardous Wastes
- The Head Custodian is in charge of complying with IPM regulation and recycling procedures in each building.
- All chemical hygiene and disposal of Hazardous Wastes will be performed according to policy and requirements with prior approval of the Director of Buildings & Grounds and/or Business Administrator.

Right to Know
- The district will maintain up to date Right to Know logs and ensure that all employees are provided training at the time of initial employment.
- The district will provide training on Right to Know regulations to all new employees. Retraining will also be provided as required.

Safety/Accident Reporting
- All accidents will be reported to the Director of Buildings & Grounds on the appropriate district approved form. Following receipt and review of the form by the Director of Buildings & Grounds, said form shall be forwarded to the business office. The accident form will be forwarded to the district insurance carrier in accordance with the district’s risk management procedures.
Asbestos Management
- The district shall maintain its AHERA management plan and ensure that it is updated every three years. The Director of Buildings & Grounds shall be responsible for district compliance.

Indoor Air Quality
- Indoor Air Quality concerns should be forwarded to the IAQ Compliance Officer.

Fire Alarm Systems
- The district shall ensure that annual inspections are performed on the fire alarm system. It shall also conduct monthly inspections of all fire extinguishers.

Boilers
- The district will ensure that all boilers are inspected annually.
- The district will ensure that a properly licensed boiler operator is on site whenever the boilers are running and buildings are occupied.

Safety Inspections
- The district will ensure that all health and safety inspections are done on a regular basis, in accordance with the NJ Department of Education evaluation of school buildings checklist.

Long Range Facility Plan
- The district will ensure that it submits all required documents for its Long Range Facility Plan to the Department of Education on a timely basis.

Comprehensive Maintenance Plan
- The district shall annually approve its three-year comprehensive maintenance plan which shall include corrective and preventative measures for the interior and exterior of each building.

OSHA/PEOSHA requirements
- The district shall comply with all OSHA and PEOSHA requirements including but not limited to lockout/tag out and confined spaces procedures.
Title: Facilities Usage Request Procedures

Purpose: To have a way in which building usage can be coordinated and controlled.

Staff Assigned: Secretary to the Business Administrator

Procedures:

1. All facility usage requests must be processed in accordance with the district’s Use of Facility policy and regulations.

2. All facility usage requests must be made on the appropriate district Facility Usage Request Form with an original signature from applicant as per district policy.

3. Secretary to the Business Administrator shall be the point person in the application of the district’s use of facility policy.

4. An internal tracking number may be employed and entered into a spreadsheet or district program for tracking usage.

5. Original Facility Usage Request Forms will be forwarded to the Office of the Business Administrator. The approval process shall be followed pursuant to Board policy.

6. Original Facility Request Usage Form will be forwarded to the appropriate parties for review and signature by Business Administrator.
Title: Facilities Billing Procedures

Purpose: To ensure that revenue is collected for building usage.

Staff Assigned: Coordinated between the Secretary to the Business Administrator and Assistant BA.

Procedures:

Preliminary Cost Estimates

1. Preliminary cost estimates will be generated upon receipt of use form.
2. All calculations will be checked for accuracy.

Final Bill

1. Final bill must be completed within five working days of event.
2. The Assistant BA, in coordination with the secretary to the Business Administrator will generate a final bill to include all costs including but not limited to: custodian, food, police and facility rental fees.
3. All calculations will be checked for accuracy.
4. The bill will be forwarded to the user by the Assistant BA.
5. All checks received will be turned over to the Assistant BA within 48 hours of receipt for deposit.
Title: Facilities

Subtitle: Maintenance and Computer Work Order System

Procedure: Maintenance Work Order System

In order to ensure that building maintenance projects are done in a timely fashion, a work order system must be followed. Work orders may be generated by the teachers or other school personnel but must be forwarded and approved by the building Principal or designee and either entered into the work order system. No maintenance projects will be started without an approved work order request. The work orders will be processed in the order they are received. The Director of Buildings and Grounds will prioritize the work orders according to the date needed, the severity of the work that needs to be done, staff and/or vendor availability.

Procedure: Computer Work Order System

In order to ensure that computer repairs are done in a timely fashion, the following procedure must be followed.
1. A work order is generated through the district’s computerized work order program, which assigns a number, describes the request or problem, reflects room location, person requesting work order, as well as date needed or reason for priority status.
2. Work orders will be processed in the order they are received, unless there is one that is classified as a priority request.
3. Upon completion of the work order, the person initiating the work order will receive a report stating that the work is completed.

Matters of an urgent nature are to be directly reported to the Director of Buildings and Grounds. A work order may be required ex-post facto.

Form # – Maintenance Work Order Form
Form # – Computer Service Request Form
Title: Security

Purpose:

The Board of Education believes that the buildings and facilities of the district represent a substantial community investment and as such the Board believes in the implementation of procedures to protect this investment.

Procedure:

**Buildings and Grounds Security**
- The building principal is primarily responsible for buildings and grounds security at their facility. At the district level, the Director of Buildings and Grounds is generally recognized as the primary person responsible for buildings and grounds security.
- All exterior building doors shall be locked at all times. Doors will be unlocked for student admittance during designated times at the beginning and end of the school day.
- Staff members shall not prop doors open for any reason.
- In the evening, all doors shall be locked except those where access is required for public meetings or facility use events.

**ID Badges**
- All employees shall have in their possession their district issued identification badges when school is in session.
- All visitors in the building shall wear identification badges issued by the main office.

**Visitors/Deliveries**
- All visitors during the school day will be permitted access to the building only through the main school office.
- Outside deliveries may be accepted at the main school office or the loading dock.
- Deliveries to loading area shall be permitted at the elementary level only after driver has checked into the main school office and a building and grounds staff member has been assigned to oversee the delivery. Deliveries may be made directly to the loading dock at the middle and high schools.

**Building Keys**
- Building principals are required to oversee the issuance of building keys to teaching staff members. Building keys are to be turned in to the building principal on teachers’ last day of school in June.

**Parking Areas**
- Student drivers (and staff) are required to obtain and display parking permits on vehicles and to park in designated / assigned spaces only.
- Student drivers are to park in designated parking lots only.
- Staff members shall park in areas designated for staff / assigned parking spots.
Title: Emergency Preparedness

Purpose:

To provide district staff with a reference document and to provide the administration with detailed information to use in the event of an unforeseen crisis.

Procedure:

1. The administration shall create a detailed Emergency Management Plan (N.J.A.C. 6A:16-5.1 et seq.) which will provide additional detailed information available only to the Emergency Response Team. The Emergency Management Plan has sensitive information that should not be shared with the public. The Team shall keep the Plan in a locked cabinet in their office. It will also be distributed by electronic file that each member should keep at their home.

2. The administration shall create a quick reference guide for staff to follow in the event of a crises, including but not limited to:
   a. Bomb Threats
   b. Fire
   c. Intruder with gun
   d. Weather
   e. Earthquakes
   f. Intruder/Fights
   g. Shooting
   h. Sexual Battery

   The quick reference guide shall be distributed to each staff member.

3. The administration shall create and maintain a plan in the event of a pandemic. The plan shall include the following areas:
   a. Planning and Coordination
   b. Continuity of Learning and Core Operations
   c. Infection Control Policies and Procedures
   d. Communications Planning

4. The administration shall create and maintain a Biosecurity Management Plan to keep the food products safe. The Biosecurity Management Plan shall be kept confidential except for members of the crisis management team.

5. Training on the Emergency Management Plan shall be conducted annually
Title: Safety

Purpose:

It is the district’s goal to provide a safe and healthful environment for everyone that utilizes the district’s facilities.

Procedure:

The Superintendent of Schools shall appoint a District Safety Coordinator with the responsibility of establishing and implementing a continuing effective safety program. The district goal is to eliminate lost time due to accidents. The program should involve employees and students of the district. Employees should be involved through periodic safety meetings. Students should be involved through classroom instruction by the appropriate educators.

The Safety Coordinator shall organize a safety committee. The Safety Committee will meet periodically during the year. The Safety Coordinator will be responsible for working with the Safety Committee to define the safety program.

Each employee and student will be responsible for obeying the safety rules established. Disregard of these rules will evoke a progressive disciplinary system as determined by the committee, to be enforced.
Title: Loss Control
Subtitle: Injuries

Procedure:

**STAFF INJURIES**

Every employee is entitled to work under the safest possible conditions. In order to insure this, it is necessary that every accident/injury be reported.

All incidents/accidents must be reported by the employee to their Supervisor within twenty-four (24) hours after the incident occurs. In the case of injury an accident report must be filled out within twenty-four (24) hours. If there is an employee accident, the employee is to report it to the nurse/supervisor and fill out the NOTICE OF EMPLOYEE INJURY Form. If the employee needs medical treatment they will then call the workers’ compensation approved site – **URGENT CARE**: The employee will speak to a nurse who will obtain detailed information and make the arrangements for treatment. If further specialized treatment is needed, it must be approved by the School Workers’ Compensation physician who will refer the employee to a specialist for this treatment. Failure to go to the Board’s doctor will result in a possible rejection of the claim. The school's workers’ compensation doctor or the referred doctor will determine when the employee may return to work. The report will be given immediately to the assigned Principal/Supervisor for review and signature and in addition, the Principal / Supervisor shall complete an injury report, both being sent to the Business Office.

If the accident or injury is an emergency, the employee may be treated at the nearest hospital and report the accident as soon as possible to their immediate supervisor. The immediate Supervisor shall complete an injury report and forward same to the Business Office. Employees should instruct the hospital, doctor or pharmacy to forward all bills to the Business Office (Workers’ Compensation Claims ONLY). The employee should not use his/her personal insurance card as this will complicate, delay or prohibit payment of any medical bills.

After examination or treatment by the workers’ compensation doctor, emergency doctor or referred doctor, the employee must report back to work with the Return to Work Form.

**LITIGATION/LIABILITY**

Any incidents having the slightest possibility of potential litigation/liability must be reported to the Business Administrator immediately.
INJURIES TO VISITORS ON THE PREMISES

For injuries to visitors in the building or on the premises (day or evening), the same procedure should be followed as for injuries to pupils, except the office of the Business Administrator will be notified as to when and where the accident occurred. It is important that in the description of the accident it is clearly stated that the injuries are not a staff member or student. When an injury occurs call the Business Office for more information.

Form # - Accident Report Form – Employee
Form # - Accident Investigation Report
Form # - Accident Report Form - Student
Title: Loss Control
Subtitle: Recording of Days Absent Due to Injury/Accident

Procedure:

Days absent from work due to illness, injury or accident will be recorded as sick days initially. When the District receives a determination from the Workers’ Compensation Insurance Carrier or a Workers’ Compensation Court, that these days are designated as Workers’ Compensation Days, the employee’s attendance record will be adjusted accordingly.

Legal Reference N.J.S.A. 18A:30-2.1
Title: Personal Items

Procedure:

1. It is recommended that personal items not be brought to school or work. The district will not be responsible for any items lost or stolen. Any person or group who bringing equipment or other items to the school does so at his/her own risk.

2. The school also is not responsible for damage to vehicles while parking on school property. When parking on school property the employee/visitor assumes the risk for any damage which may occur.
Title: Transportation

Purpose:

The Board of Education recognizes that transportation to and from school is required for the promotion of education. The Board has the responsibility to transport eligible students to and from their homes as outlined in N.J.A.C. 18A: 39.1.

Procedure: The secretary to the Business Administrator, in coordination with the Director of Buildings and Grounds serves as the defacto transportation coordinator, coordinating to/from transportation for students. The Director of Special Services shall coordinate special education transportation in coordination with the Business Office.

New Students

- School principal’s office (Dept. of Pupil Services or registrar) shall notify the transportation department or Board of Education office designee of registration of new students.
- Transportation department or Board of Education office designee will assign bus and stop number to new student.
- Transportation department or Board of Education office designee will communicate the bus stop information back to the school office and to the bus driver.

Alternate Stop Request

- Parents may request one alternate stop in accordance with Board Policy. Child Care Provider forms must be completed by the parent/guardian and submitted to the transportation department.
- New stop requests are reviewed on an individual basis and determinations are pursuant to board policy.

Students Leaving District

- School principal’s office (Dept. of Pupil Services or registrar) shall notify the transportation department when a student withdraws from the district.

Field Trip/Athletic Buses

- Requests for buses for field trips and athletic events shall be overseen by the school level administration and approved by the Board of Education. The Transportation Coordinator or their designee will schedule all special activity buses.

Contracted Bus Services (if applicable)

- Bus services provided by outside contractors will be coordinated by the Transportation Coordinator in consultation with the Business Administrator and in accordance with NJ Public Contracts Law.
- Board approved contracts must be sent to the County Office for approval by the State.
Non Public/ Aid-in-Lieu

- Transportation or aid in lieu of transportation shall be provided in accordance with N.J.S.A. 18A:39-1.
- The Application for Non Public Transportation forms (B6T) for students residing in your district who attend non public school shall be submitted to the Board of Education office by the non public school.
- The Transportation Supervisor or designee shall determine students’ eligibility for transportation or aid in lieu of transportation, and shall notify parents of bus route or issue purchase order by August 1st.
- The Transportation Supervisor or designee shall prepare the Nonpublic School Transportation Summary form and submit it to the nonpublic school administrators in January and May for certification of each.
- The Nonpublic Transportation Summary form shall also be forwarded to the Business Administrator in January and June for the issuance of aid in lieu of transportation reimbursement payments to parents.

Purchase of School Buses

- School bus purchases will be coordinated by the Business Administrator in consultation with the Transportation Coordinator or Director of Buildings & Grounds. Buses shall be replaced on a rotating basis. No vehicle will be utilized to transport students beyond the 12th year from the year of manufacture or 100,000 whichever is reached first.
- The appropriate State mandated safety precautions must be considered when purchasing the bus.

DRTRS

- The annual District Report of Transported Resident Students will be completed by the Transportation Coordinator or designee and submitted within the State set timeframe.

Safety

- School principals in cooperation with the Transportation Coordinator or designee shall schedule and conduct bus evacuation drills at least twice during the school year for all students who are transported to and from school. Report must be sent to Essex Regional Educational Services Commission as required by N.J.A.C. 6:21-11.4.
- The Transportation Coordinator or designee (i.e., contracted bus company) shall ensure that all school bus driver’s and school bus aides are properly trained for the functions of their position.
- The Transportation Coordinator or designee (i.e., contracted bus company) shall ensure that anyone driving a school vehicle used to transport students to and from school and school related activities meet all of the requirements of N.J.S.A 18A:39-17,18,19, and 20 and all New Jersey Department of Transportation rules governing school bus drivers.
- The Transportation Coordinator or designee shall ensure that anyone driving a school vehicle hold a valid Commercial Driver’s License with appropriate endorsement(s) for the class and type of vehicle operated.
- The Transportation Coordinator will file the Annual Certification of School Bus Drivers Report with the County Department of Education.

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- Random drug and alcohol testing of bus drivers shall be conducted in accordance applicable regulations.
- Bus drivers are required to have complete medical examinations every two years in accordance with applicable regulations. Medical exam results must be mailed to the Bus Application Unit of the New Jersey Motor Vehicle Commission.

**Bus Accidents**

- In the event of a bus accident, the driver shall notify police via cell phone and request that they notify the Transportation Supervisor, designee or Superintendent of Schools.
- The driver shall contact the Transportation Supervisor or designee and/or agencies that can assist in promptly providing for the safety and welfare of the passengers.
- The driver shall NOT leave the students unattended under any circumstances.
- The Transportation Supervisor or designee shall notify the Business Administrator, Building Principal and School Nurse of the accident.
- The Transportation Supervisor shall proceed to the scene of the accident as soon as possible.
- The Transportation Supervisor or designee shall verify the accident with police, keep a written record of each accident, and report all accidents to the state as required.
Title: Vehicle Tracking, Maintenance and Accounting

Purpose: For the management, control and regulatory supervision of school district vehicles. The Director of Buildings & Grounds shall be responsible for all vehicles including buses and vans.

Procedure:

1. The district vehicle coordinator shall maintain a vehicle inventory control record including:
   a. The vehicle make, model and year;
   b. The vehicle identification numbers (VIN);
   c. The original purchase price;
   d. The date purchased;
   e. The license plate number;
   f. The person assigned or the pool if not individually assigned;
   g. The driver license number of the person assigned and the expiration date;
   h. The insurer and policy number of person assigned, and
   i. The usage category such as regular business, maintenance, security or pupil transportation.

2. A driving record of the operators of district vehicles including:
   a. The name of the driver;
   b. The driver license number and expiration date;
   c. The insurer policy number of person assigned;
   d. Motor vehicle code violations;
   e. Incidents of improper or non-business usage;
   f. Accidents, and
   g. Other relevant information.

3. A record of maintenance, repair and body work for each district vehicle including:
   a. The vehicle make, model and year;
   b. The vehicle identification number (VIN);
   c. The original purchase price;
   d. The date purchased;
   e. The license plate number;
   f. The usage category such as regular business, maintenance, security or pupil transportation;
   g. The manufacturer’s routine maintenance schedule;
   h. The category of work performed;
   i. The mileage on the date work was performed, and
   j. The cost of the work performed.
Title: District Vehicle Assignment

Purpose: To ensure compliance for the assignment of district vehicles for the conduct of official district business.

Procedure:

1. The Board shall adopt a policy or policies regarding district vehicle assignment that will ensure compliance.

2. The Board upon the recommendation of the Superintendent may authorize the lease, lease-purchase or purchase and assignment of district vehicles for the conduct of official district business. The vehicles may be assigned either to individuals or to units within the school district for pool use according to the following classifications:

   a. Vehicles may be assigned permanently and individually to the Superintendent, School Business Administrator, head of facilities services, head of security services, or other supervisory employees who based on their job duties may be called on a 24 hour, seven-day a week basis. No individual assignment shall be made for the primary purpose of commuting.

   b. A unit may be permanently assigned one or more district pool vehicles only if the employees of the unit will collectively use the vehicle or each vehicle for more than an average of 750 miles per month on official district business. Pool vehicles shall not be used for the purpose of commuting and shall remain at a district facility when not in official use.

3. Board members or employees may be temporarily assigned a district vehicle for travel events.

4. The functions of district vehicle coordinator shall be the Transportation Coordinator for all buses and vans; the Director of Buildings & Grounds shall be responsible for all other vehicles.

5. Vehicle use logs shall be maintained for all individual and pool assignments in order to accurately record all usage of each vehicle, including the driver, mileage, and starting and destination points.

6. All complaints of a potential misuse shall be investigated and appropriate disciplinary action taken.

7. All changes to vehicle assignment, whether pool or individual, shall require prior written approval of the Superintendent and the authorization of an affirmative majority vote of the full Board.

[XII-1.2]
8. The district vehicle shall be used primarily for business purposes; however, incidental and reasonable personal use is permitted.

9. All damage to district vehicles, regardless of cause, shall be reported within 24 hours to the vehicle coordinator and the employee assigned to file insurance claims.

10. No physical alterations shall be made to a vehicle without prior board approval.

11. Drivers of district vehicles shall possess and maintain a valid driver's license to operate a vehicle in New Jersey.

12. When a vehicle is due for routine maintenance in accordance with the manufacturer’s schedule, the driver of an individually assigned vehicle or, in the case of a pool vehicle, the vehicle coordinator shall be responsible for ensuring that the vehicle receives the scheduled service.

13. A driver assigned a district vehicle shall be responsible for the security of the vehicle and its contents.

14. Drivers shall be personally responsible for all fines accrued as a result of traffic violation related to operation of district vehicles.

15. The driver, or the driver’s supervisor, if the driver is incapacitated, of a district vehicle involved in an accident resulting in damage to the district vehicle or other vehicle shall file, within 24 hours of the accident, a detailed written report with the vehicle coordinator and the district staff member responsible for making insurance claims.

16. Police shall be immediately notified of an accident by the driver or vehicle coordinator, if the driver is incapacitated. A copy of the police report shall be submitted to the vehicle coordinator and the district staff member responsible for making insurance claims as soon as possible.

17. If a district vehicle is misused in any of the following ways, the driver’s driving privileges for district vehicles shall be suspended or revoked, and additional disciplinary action shall be taken as appropriate.
   a. Frequent violation of traffic laws;
   b. Flagrant violation of the traffic laws;
   c. Operation of a vehicle which the police or insurance company determined was the cause of an accident;
d. Use of a vehicle for unauthorized use whether personal use, business use, or commuting;
e. Violation of these rules, or district policy governing the assignment, use, operation, repair, and/or maintenance of vehicles. This includes the failure to submit a vehicle for routine maintenance as called for in the manufacturer’s routine maintenance schedule;
f. Operation of a vehicle while impaired to any degree, or under the influence of alcohol or narcotics as defined by State statutes;
g. Use of a district vehicle by an unauthorized individual while assigned to an employee;
h. Use of a district vehicle to transport any person or child, other than in the course of their assigned duties and responsibilities; or
i. Use of radar detectors in district vehicles.
Title: Food Service – Outside Food Service Management Company

Purpose:

The Board of Education recognizes that Food Service is required for the promotion of education. The Board has the responsibility to provide food services to all students. The Madison Board of Education, a K-12 District, provides lunch to all Middle School and high school students (grades 6-12) and milk to all Elementary (K-5) students. The Board has decided it is more efficient and fiscally advantageous for the food services duties to be handled by an outside food service management company.

Procedure:

Application for Participation in Child Nutrition Program

- Before the beginning of each school year, Business Office Secretary files the appropriate paperwork with the Bureau of Child Nutrition to participate in the Free and Reduced Meal Program.

Direct Certification

- Students eligible for TANF and/or Food Stamps may be directly certified by the State. In these cases, the district sends a letter to the household and notifies them of their child’s lunch status before school even begins. In these instances, no lunch applications need to be filled out.

New Students

- Upon registration, new students are given applications for free and reduced meals.

Free and Reduced Meal Applications

- Business Office Secretary provides Applications for free and reduced meals to each school before the opening of school. The applications are disseminated by the school to students and then returned to school upon completion. Completed applications are then forwarded to Business Office Secretary.

Determining Eligibility for participation in the Child Nutrition Program

- Business Office Secretary determines eligibility in accordance with applicable regulations established by the Department of Agriculture. After determination, letters are sent to all applicants advising them of their status (i.e. free, reduced or denied). All applications are maintained in the central office as required by the State.
Master Eligibility List

- A master eligibility must be completed and is maintained by the Business Office Secretary. This is a comprehensive list of all students who filed an application and indicates their status as free, reduced or denied. The master eligibility list is maintained for each school (location) as well as district-wide as required per regulations.

Civil Rights Compliance

- Per regulation, a Civil Rights Compliance is completed each year. Using the October 15th student data, lists are maintained by school, broken down by ethnic group and further broken down by status of free, reduced and denied.

Verification

- By November 15th, the required percentage of applications deemed eligible for free and reduced are verified. These applications are chosen at random and applicants are asked to provide name and social security number for each adult listed on the application as well as proof of income.

Bidding

- Milk and other food items purchased direct by the district are subject to the bidding requirement of the New Jersey State Contract Law. The Food Service Management Company contract will be renewed and/or re-bid via an RFP (Request for Proposal) as provided by and in accordance with applicable law.

Daily Deposits

- Deposits are prepared daily, by school and reconciled to the register tapes by food service management company personnel. They are then put into a locked bank bag and brought to the bank. Deposit totals are reconciled to the bank statement by business office personnel.
- Milk Money for Elementary students is collected semi-annually – in September and February of the school year. Money is collected for each Elementary school by the person so designated by each Principal and then turned over to the Business Office for deposit.

Setting Prices

- Each year, the Board of Education sets prices for food services. Every effort is made to set prices that are affordable for students but enable the food services to operate without contribution from board funds.
Voucher Certification/submission

- Each month, Food Service Management Company personnel enter meal counts into the Department of Agriculture meal reimbursement system in SNEARS (School Nutrition Electronic Application System). These meal counts are then verified by the Business office and then Certified so that State reimbursement can be made.

Commodities

- The district’s participation in the commodities program offered by the New Jersey Department of Agriculture is coordinated as determined necessary by the FSMA.
Title: Technology Systems
Subtitle: Physical security and maintenance over technology equipment, peripherals and media

Purpose: In order to ensure the overall performance of the technology systems, the equipment must be protected from harm, abuse, misuse and pilfering.

Responsible Staff: Director of Technology

1. Rooms or areas that house servers will be secured. Access to these areas should be restricted to authorized personnel only.
   a. Keys or cards that allow access to the areas should be limited in number and accounted for regularly.
   b. Review of the personnel who has access to these areas should be reviewed several times a year.
   c. A log should be kept of any visitors to the secure area with name, date, time entered, time exited and purpose of visit.

2. Rooms or areas that house large amounts of computer or technology equipment used in the operation of the district should be housed appropriately.

3. All computer and technology equipment should be tagged and inventoried.
   a. Verification should be made periodically to ensure that equipment is still located where the inventory record states. When equipment is moved, the inventory record should be updated.
   b. Inventory should be kept of computer related parts, supplies, consumables, and peripherals.

4. Cables and other locking mechanisms should be utilized when appropriate to secure individual pieces of equipment.

5. A master set of user manuals should be maintained and secured to ensure continuity of operations should other versions be destroyed. A master set of manuals should be held in another area, building, in a fire-rated cabinet or scanned and stored electronically in multiple locations.

Media that is utilized for back-up of information, applications or systems including disks, tapes and other output should be held secured in another area, building and/or in a fire-rated cabinet.

[XIII-1.1]
Title: Technology Systems
Subtitle: Security over data – passwords and user accounts
Purpose: In order to ensure the overall performance of the district via its technology systems and data.

Responsible Staff: Director of Technology

1. Password protection should be utilized for all network logons. Individual applications should also require users to have passwords. Password creation and administration should follow standard industry practice.

2. User accounts should only be made for network access and individual application access as required for the completion of the staff duties or learning opportunities for students.
   a. No user profiles should be created, changed or deleted without proper authorization.
Title: Technology Systems

Subtitle: Systems software and applications authorized for use in the district

Purpose: The number, type and scope of individual applications should be monitored to maximize the efficiency of the technology while not creating an overly complex environment.

Responsible Staff: Director of Technology

All software applications should be relative to the school district and should be purchased, installed and maintained according to district policy.
Title: Technology Systems

Subtitle: Protect the district’s network from internet and internal dangers

Purpose: The district should create a multi-layer protection system to ensure that unauthorized access to the network does not occur.

Responsible Staff: Director of Technology

The multi-layer protection system should: include an anti-virus application, utilize spam filters and anti-spyware software, utilize an external firewall to prevent access from unauthorized sources.

a. Any applications or web pages that will be viewable by the general public or by certain users, will be held in the “DMZ”, or that portion of the network where there is limited trust.

b. Network resources that are relegated to the “DMZ” will be completely separated from any internal networks, thereby blocking firewall avoidance.

c. The available and open ports should be reviewed periodically.

The district should consider automatic updates for operating systems and common software applications.

The district will secure the wireless network by using WEP, WPA or other network level protective encryption to avoid access by unauthorized sources as appropriate.

Network administrators will periodically check systems ability to link IP addresses to users on the network.
Title: Technology Systems

Subtitle: Protect the district’s network from internal dangers

Purpose: Create procedures that prevent unauthorized use from within the district

Responsible Staff: Director of Technology

1. The district should utilize “Lock Out”, where the workstations and screensavers should automatically lock the unit when not in use or inactive.

2. Access to the network will be provided in accordance with district policy for approved personnel.

3. A log of all users and access levels for all systems applications should be maintained.

4. All application access will be reviewed periodically for discrepancies in the user roles and the access to sensitive information.
**Title:** Technology Systems

**Subtitle:** Web content filtering and supervision

**Purpose:** To ensure a safe and secure electronic environment for students.

**Responsible Staff:** Director of Technology

1. District will employ tools to monitor access to web sites. The district will put into place a method to filter web sites containing content that is against the district’s acceptable use policy.

2. “Proxy” system will filter web sites that contain viruses, spyware, malware, unsecure connections and improper certificates and should include a system to track attempts at blocked web sites. And be regularly maintained.
Title: Technology Systems
Subtitle: Electronic Communication Archival
Purpose: Store electronic communications made within district

Responsible Staff: Director of Technology

1. District will store all inbound and outbound messages in accordance with the State’s records retention schedule.

2. Email archival system access will be restricted to authorized district personnel.

3. The district will setup network policies to block any electronic instant messaging/chat program that cannot be monitored/archived.
Title: Technology Systems
Subtitle: Video Surveillance Security
Purpose: To ensure a safe and secure environment for student learning
Responsible Staff: Director of Technology, Director of Buildings & Grounds

1. District will install optical cameras, as able in accordance with the district budget, in key locations to record / monitor activities.

2. Surveillance cameras will interface with digital video recording system.

3. Digital recording system will provide enough storage to monitor key locations for a period of 15 days at a minimum.

4. Digital recording systems will be checked regularly to ensure recording quality, reliability, and ability to retrieve information.
Title: Technology Systems
Subtitle: Network Storage Availability
Purpose: To provide users with a secure area on the network to store files.
Responsible Staff: Director of Technology

1. District will employ tools to allow users to save files on a secure server.
2. Systematic and regular backups will be made of network-stored data.
3. Access to individual network space will be restricted to individual users and network administrators.
   a. Network administrators will create space limitations so as to not exceed the capacity of the server space.
   b. Users of the network storage system will agree to store content that is in agreement with the district's acceptable use policy.
Title: Technology Systems
Subtitle: Acceptable Use of Districts Technology

Purpose: To ensure that anyone who has access to district electronic resources understand what is acceptable use of the technology and information and ensure that anyone who has access to sensitive information understands the acceptable uses of that information.

Responsible Staff: Director of Technology

Procedure:
1. The board will establish and adopt a policy that informs all users of the districts’ data, systems and information of the acceptable and non-acceptable uses of those district assets.

2. The board will adopt an acceptable use policy that at a minimum should prohibit the following regarding electronic systems conduct that interferes with or stops district activities, including but not limited to excess download, uploads, printing, copying, bandwidth usage, etc.

3. This policy should be reviewed annually for changes in the types of information used and in the types of technology used

4. All users of technology and all those who have access to sensitive district information, should be required to sign an acceptable use form that states the person signing has read and agrees to uphold the policies set forth.

5. Violations of district acceptable usage policy should be spelled out in student and staff code of conduct
Title: Information Management

Subtitle: Securing of sensitive (written or paper) information

Purpose: To ensure that sensitive information is properly handled and to limit the potential exposure of information being obtained.

Procedure:

1. Sensitive information should be housed in a locked cabinet or behind locked doors.
   a. Access to keys is to be restricted to personnel authorized to view the information.
   b. Keys should have “do not duplicate” on them and copies should be prohibited, except as needed. All requests for keys must be made through the Director of Buildings and Grounds.
   c. Areas housing sensitive information should be locked whenever the areas are not staffed.
   d. Wherever possible, sensitive information should be stored away from high traffic areas.

2. Original sensitive information files should be housed in a fire rated cabinet, where possible.

3. Backups of paper documents should be treated as sensitive. Electronic documents should be backed on a regular basis and paper documents should be housed in locked areas.
Title: Retention of Records

Procedure:

1. No material which qualifies as a record or document may be destroyed without prior review of the records retention requirements and as required, approval of the Department of Education.

2. All requests for document disposal or questions regarding disposal must be submitted to the Business Administrator.

3. After approval of the internal request of disposal is approved by the Business Administrator, said request will forward to the State for approval.

4. It shall be the responsibility of the person requesting the disposal of records to initially determine the retention and disposal requirements pertaining to their request and shall complete all state required forms relating to said request.

5. Records or documents may not be destroyed until after approved by the State has been received.

Legal Reference: Chapter 410 47:3-15 et seq. Public Records Account

For the recent copy of the State’s Records Retention policy, please go to NJASBO website

http://www.njasbo.com/1490101128112155833/site/default.asp
Title: Financial and Human Resource Management Systems

Subtitle: Fiscal/Management Systems

Purpose:

Pursuant to 6A:23A-6.7 school districts and county vocational school districts with budgets in excess of $25,000,000 or with more than 300 employees shall maintain an enterprise resource planning (ERP) system which integrates all data and processes of an organization into a unified system. An ERP system uses multiple components of computer software and hardware and a unified database to store data for the various system modules to achieve the integration. The system shall integrate budget, payroll and personnel. NOTE: This system does not include student, transportation or food service databases or modules.

Procedure:

The following highlights important factors that should be considered when selecting an ERP system for the district. The Superintendent, Business Administrator and Board of Education should take these issues into consideration when the current ERP system utilized has become obsolete or is no longer practical for the district.

ERP System Integration Features

Three applications – comprise an ERP; accounting, payroll, and human resources system. System integration permits data sharing among the three applications, therefore eliminating any duplication of data entry. System integration features facilitate data sharing not only among the applications, but may also with third-party payroll, substitute placement/absence tracking, and bidding applications. Integration between these applications allows for the automation of many functions, enabling:

In Accounting

System-generation of the payroll purchase order and encumbrances at the start of each new fiscal year (salary amounts and expense account information from Payroll is used to create the file needed to generate the payroll PO encumbrances in Accounting).

Update/adjust payroll PO encumbrances throughout the year to reflect any staff/budget changes (updated salary/expense account information from Payroll is used update payroll PO encumbrances in Accounting). Automatically reduce payroll PO encumbrances to expenditures each pay period (transfer of payroll expenditure data from Payroll, or a third-party application such as ADP, to Accounting). Import next year’s budget preparation data directly into a Budget Projection Module (transfer of salary data either from Personnel, or a third-party application such as Microsoft Excel, into Accounting). Import purchase order data from third-party bidding applications (such as Educational Data) to Accounting, automating purchase order entry.

In Payroll

Automatically update new fiscal year payroll salaries for all employees (transfer of contracted salary data from Personnel to Payroll). Or synchronize remaining contract
days that can be printed on employees’ payroll check stubs (transfer of remaining sick/personal/vacation day balances from Personnel to Payroll).

In Personnel
Import attendance information (automatically generating employee attendance records within Personnel from your AESOP or SUBFINDER system or the like). Implement position control codes (transfer of employee budget spread data from Payroll via alpha/numeric position control code for each employee record within Personnel). Automatically update position control budget spread information (based on payroll budget spread changes – transfer of updated budget spread data from Payroll updates Position Control Code budget spread data in Personnel). Generate projected salary data, by expense account, for budget preparation (transfer of employee salary data and Position Control Code budget spread information from Personnel to an Accounting’s Budget Projection Module).

Payroll budget spread information can also be imported into Accounting from third-party applications such as ADP. Those not utilizing system integration will obtain the payroll budget spread database file from their individual payroll provider instead. If utilizing an outside provider, districts should ensure that the expense account structure for the employee’s budget spread in the third-party application is consistent with the expense account structure established within Accounting.

Import Budget Preparation Data into a Budget Projection Module (Personnel to Accounting)
Accounting may include a budget projection module designed specifically to assist school districts with next year’s budget preparation. This module includes a function allowing for the import of data (either from Personnel or a third-party application such as Microsoft Excel). This Projected Salary Data File (with the use of unique position codes, the system will automatically project, based on your district’s settled contract information, the total amount needed for each salary expense account).

Additional Benefit:
  - Import the Projected Salary Data into the Accounting’s Budget Projection Module (all employee names and salaries that comprise the projected total will be detailed for each expense account).

Bidding to Budget Transfer
(Third-Party Bidding Software to Accounting)
Many districts utilize outside bidding companies (such as Educational Data) to assist with the process of procuring needed supplies for the upcoming year. These bidding companies deal with the individual vendors and award the bids based on district criteria. The data received from the third-party bidding application then needs to be entered into the district’s accounting software application to generate the purchase order encumbrances. Entering these purchase orders can be time consuming and labor intensive. To expedite this process, the Accounting system should be able to provide a “Bidding to Budget Transfer“ function.
Automatically Update New Fiscal Year Payroll Salaries for all Employees
(Personnel to Payroll)

At the beginning of each new fiscal year, salary information can be updated for all employees automatically. Districts who utilize third-party payroll applications (such as ADP) may have to manually enter in each new salary amount for every single employee. If system integration is used this should be an automated process for those districts that utilize both Payroll and Personnel applications. Personnel provides the ability to maintain historic, current and future year salary information, allowing Payroll to access this data when it is time to update individual employee salaries.

Synchronize Contracted Salaries
This function would update the “Salary” field with employees’ total calculated salary amounts from Personnel.

Print Sick/Personal/Vacation Day Balances on Employee Check Stubs (Personnel to Payroll)

Districts routinely provide employees with their balance of contract days throughout the year. One method to provide this information is to generate a hard copy report (which can take some time to print and distribute to each and every employee). Districts that utilize system integration have the ability to streamline this process by synchronizing this information between the two applications, allowing the balance of contract days to be printed directly on the employee’s check stub in Payroll.

Synchronize Contract Days Remaining
(AESOP or SUBFINDER Systems or equivalent, to Personnel)

Many districts take advantage of utilizing outside automated substitute placement systems (such as AESOP or SUBFINDER). These systems provide on-line solutions for absence tracking and substitute placement.

Entering the district’s daily attendance and substitute information can be time consuming and labor intensive. System integration should be able to import attendance records, which automatically generates employee attendance records within Personnel from your AESOP or SUBFINDER file, reducing the need to manually enter this information in. This function is available to all districts who utilize either the AESOP or SUBFINDER systems.

Key benefits include increasing the district’s efficiency in: 1.) filling teacher absences with substitute teachers, and 2.) automating the attendance data entry process. For those districts whose attendance is not entered on a daily basis (due to work overloads or staff absences), integration between the two applications aides districts with keeping their attendance current and up-to-date, providing school administrators access to accurate and reliable absence information on a timely basis.
Implement Position Control Codes or Numbers (PCN), and Automatically Update Position Control Budget Spread Information (Payroll to Personnel)

Utilizing a synchronized Personnel and Payroll applications give the ability to implement position control codes, as well as automatically update position control budget spread information as necessary. Position Control Codes or Numbers (PCNs) represent distinct, board-approved, contracted job positions. The budget spread for each position is defined, providing a powerful in-house management and budgeting tool. Key benefits of utilizing PCNs include features that allow your district to:

Validate current year budget appropriations against Personnel contracted salaries, by account.

Present salary projection analysis to the board to assist with budget projection for the next fiscal year.

Track and project the district’s vacant positions, allowing for more accurate budget projections.

Import future year salary data directly into Accounting’s Budget Projection Module.

Utilize employee budget spread information from Payroll to generate PCN in Personnel.

In short, a unique code is created to represent each board-approved contracted position within your district. These codes are referred to PCNs. The budget spread is attached to these codes, telling the system which account(s) the position is to be paid from. As the positions are filled, the corresponding PCN is linked to the employee who is currently filling the position. PCNs that are not linked to any employees represent vacant positions. For example, if your district has five board-approved positions for high school math teachers, you would establish five PCNs to represent the five separate positions.

PCNs are independent of employee records. Each PCN represents a separate position within the district, not the employee who fills it at any particular time. Thus, if an employee leaves a position and the position remains open, the PCN remains active in the system representing a vacant position to be filled. Once an employee is hired for that position, the vacant PCN is then assigned to that person.

Vacant PCNs provide an area where a projected estimated salary amount may be entered, providing the district with the ability to budget for positions that are expected to be filled. When a PCN is linked to an employee record, the calculated salary for that employee overrides the vacant salary amount entered for the PCN. As PCNs represent positions within the district, they are only added or deleted when a job position itself is either created or phased out.

**Meaningful vs. Non-Meaningful PCNs**

Each PCN must be unique and can be up to 20 characters or digits. A PCN can either be a random string of numbers with no meaning attached to it – like a PO number – or it can be a string containing meaningful segments – like an expense account number.

Meaningful PCNs are critical for position control, as they allow the positions they represent to be more easily identified. They are also easier to relate to when using the PCN associated reports.

Non-meaningful PCNs are a random string of numbers with no meaning attached to it. Position control is more difficult, as is using the related reports.
Generate Annual Contract Letters/Create Mailing Labels, etc.
Export Employee Data from Personnel
Generate Letters or Labels using Microsoft Word
Export Employee Data from Personnel
Generate Letters/Labels from Microsoft Word
Export Employee Salary Data from Personnel

**Determination**

Once the aforementioned is reviewed and the priorities or direction of the district is established the Business Administrator in conjunction with the human resources coordinator and should approach the Board of Education with their findings. The Board of Education should prior to determination, analyze the recommendation for ERP compliance, but make sure that all changes in procedure and process also adhere to Board of Education policy, maintain appropriate user authority and user access and district wide protocols for accessibility.

**Internal Controls**

The Board of Education should establish internal control procedures for all systems (fund accounting, personnel and payroll) regardless of true system integration or multi systems (many modules) integration. No one individual should have control within all systems. Annual review should be done via an internal control check. (See attached sample document- which should be completed in-house and by the district auditor independently).
Title: ASSA REPORTING

Procedure: The information for the Application for State School Aid (ASSA) is generated through and completed in conjunction with the school principals, guidance department, special services and the business office. A reminder is sent annually to all Principals/Supervisors from the business office regarding the directions and time-line for submitting the school ASSA information along with the importance of its accuracy. Below is a breakdown of how the information is generated:

<table>
<thead>
<tr>
<th>Information</th>
<th>Person Responsible</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students on roll</td>
<td>School Principals</td>
<td>Attendance registers maintained by Principal. Documentation to be submitted with the report.</td>
</tr>
<tr>
<td>Students on roll</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full and shared</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sent full time</td>
<td>Special Services / Business Office</td>
<td>Student Management data</td>
</tr>
<tr>
<td>Received full time</td>
<td>Special Services / Business Office</td>
<td>Maintain tuition contracts for private school for the handicapped.</td>
</tr>
<tr>
<td>Received shared time</td>
<td>Special Services / Business Office</td>
<td>Maintain tuition contracts for private school for the handicapped.</td>
</tr>
<tr>
<td>Private schools for the handicapped</td>
<td>Special Services / Business Office</td>
<td>Maintain tuition contracts for private school for the handicapped.</td>
</tr>
<tr>
<td>Sent shared time</td>
<td>Guidance / Special Services</td>
<td>Documentation to be provided to Supervisor of Special Education</td>
</tr>
<tr>
<td>Resident students (out placements)</td>
<td>Special Services</td>
<td>Student Management data</td>
</tr>
<tr>
<td>At Risk</td>
<td>Special Services / Business Office</td>
<td>Student Management data</td>
</tr>
<tr>
<td>Transportation</td>
<td>Business Office</td>
<td>Documentation to be submitted with report</td>
</tr>
<tr>
<td>English Language Learners</td>
<td>Curriculum Supervisor</td>
<td>Student Management data</td>
</tr>
<tr>
<td>Tier students</td>
<td>Special Services</td>
<td>Student Tracker documentation</td>
</tr>
</tbody>
</table>
Title: FREE AND REDUCED LUNCH APPLICATIONS

Procedure:

The Free and Reduced Meal applications are sent to the districts electronically by the state. It is mandated that we use this form without change. The business office provides the copied forms to all the schools. The youngest member of the household is to receive the application on the first day of school. The business office sends this list to each school for meal application distribution. All applications received back from the student or their parent/guardian are forwarded to the business office for processing. After being informed by the business office of students who meet the free/reduced requirements, the school principal sends home a meal status notification letter to all applicants. Applications are kept by the business office and, any forms submitted throughout the school year are sent to the business office for review and processing. Verification of applications must be completed by the end of November each year. The initial determining official as to whether a student meets the requirements for free/reduced is the school principal. This determination later is verified by the business office.

Elementary Schools Procedures

The district has an elementary milk program only. There are no cafeteria services at this level. Students who qualify for free / reduced milk are identified to those who distribute the milk and same is provided to said students in the same manner as those students not qualified for free / reduced milk.

Middle School and High School

In these two schools a cafeteria program is provided. A list of the students who qualify for free / reduced meal are identified to those cafeteria employees who are in a position to provide the free / reduced meal and/or charge for the free/reduced meal at check out. It is their responsibility to become aware of who these students are in the most discreet manner possible and to provide said students with a free / reduced lunch in the same manner as those who do not qualify for a free / reduced lunch.
Title: FALL REPORT

Procedure: Below is a listing of the required Fall Reports along with the personnel responsible for its completion:

<table>
<thead>
<tr>
<th>District Contact Person</th>
<th>Data Collection</th>
<th>Distribution Medium</th>
<th>Distribution Date</th>
<th>Due Back Medium</th>
<th>Due Back Date</th>
<th>Due In Supt’s Off.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dir. of Curriculum &amp; Instruction, Dir. of Technology and Supt’s Office/Admin. Assist.</td>
<td>NJ Smart</td>
<td>DOEnet</td>
<td>Beg. Sept</td>
<td>DOEnet</td>
<td>End Sept.</td>
<td></td>
</tr>
<tr>
<td><strong>STATE AID</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant BA/ Business Admin.</td>
<td>Debt Serv.</td>
<td>DOEnet</td>
<td>Beg. Nov.</td>
<td>DOEnet</td>
<td>Middle Nov.</td>
<td></td>
</tr>
<tr>
<td><strong>FALL SURVEY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supt’s Sec-Data</td>
<td>Certificated Staff</td>
<td>Diskette</td>
<td>Mid.-Oct.</td>
<td>DOEnet</td>
<td>Mid.-Nov.</td>
<td></td>
</tr>
<tr>
<td>Supt’s Administrative Assistant</td>
<td>Graduates/ Non Cert. Staff</td>
<td>DOEnet</td>
<td>Mid.-Oct.</td>
<td>DOEnet</td>
<td>Beg.-Nov.</td>
<td>First-Nov.</td>
</tr>
<tr>
<td>Dir. of Curriculum &amp; Instruction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Title: GLOSSARY OF COMMON SCHOOL ACCOUNTING TERMS

ACCOUNT - A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source.

APPROPRIATION - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

AUDIT - The examination of records and documents and the securing of other evidence for one or more of the following purposes:

a. Determining the propriety, legality and mathematical accuracy of proposed or completed transactions.

b. Ascertaining whether all transactions have been recorded.

c. Determining whether transactions are accurately recorded in the accounts and in the statement drawn from the accounts.

d. To determine whether the statements prepared present fairly the financial position of the school district.

AVERAGE DAILY ATTENDANCE, ADA - The aggregate days; attendance of a given school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

BID - The process which includes legal advertising and direct contact, sought from appropriate vendors for goods and services individually or in the aggregate, whose cost is above the mandated bid threshold.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

CAPITAL OUTLAY - An expenditure which results in the acquisition of fixed assets or additions to fixed assets. It is an expenditure for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings and the remodeling of buildings, with the life expectancy of at least ten years.

CASH - Currency, checks, postal and express money orders, and bankers' drafts on hand on deposit with an official or agent designated as custodian of cash, and bank deposits.

CHART OF ACCOUNTS - A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged by Fund, Program, Function and Object.

CONTRACTED SERVICES - Services rendered by personnel who are not on the payroll of the Board of Education including all related expense covered by the contract. Also see Purchased Services.

CURRENT - The term refers to the fiscal year in progress.

[APPENDIX-4.1]
**DEFICIT** - The excess of the obligations of a fund over the fund's resources.

**DISBURSEMENTS** - Payment in cash.

**ENCUMBRANCES** - Purchase orders, contracts, and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid.

**EQUIPMENT** - An instrument, machine, apparatus, or set of articles with a value of at least $500 which retains its original shape and appearance with use and/or is nonexpendable; i.e., if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair than to replace it with an entirely new unit.

**EXPENDITURES** - Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year.

**FISCAL YEAR** - The twelve-month period from July 1 through June 30, during which the financial transactions of the school system are conducted.

**FIXED ASSETS** - Land, buildings, machinery, furniture, and other equipment which the Board of Education intends to hold or continue to use over a long period of time and costs over $500.00 when purchased. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

**FUNCTION** - A group of related activities which are aimed at accomplishing a major service for which the school system is responsible.

**FUND** - All accounts necessary to set forth the financial position, the financial operations, the changes in residual equities or balances, and the changes in financial position of a fund.

**GENERAL FUND** - Used to account for all transactions in the ordinary operations of the Board of Education.

**INVENTORY** - A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property on hand at a given time. Also, the cost of supplies and equipment on hand not yet distributed to requisitioning units.

**INVOICE** - An itemized list of merchandise purchased from a particular vendor from which payment is made. The list includes quantity, description, price, terms, date and the like, and is matched with the signed receiving copy.

**OBJECT** - The commodity or service obtained from a specific expenditure.

**OBLIGATIONS** - Amounts which the Board of Education will be required to meet out of its resources, including both liabilities and encumbrances.

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PETTY CASH - A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Also, a sum of money, in the form of a special bank deposit, set aside for the purpose of making immediate payments of comparatively small amounts.

PROGRAM - A plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

PROGRAM MANAGER - The individual responsible for monitoring the expenditures within a particular program of the budget. This person usually determines what to purchase, originates purchase orders and receives goods and/or services.

PRORATING - The allocation of parts of a single expenditure to two or more different accounts. The allocation is made in proportion to the benefits which the expenditure provides for the respective purposes or programs for which the accounts were established.

PURCHASE ORDER - A written request to a vendor to provide materials or services at a price set forth in the order and is used as an encumbrance document.

PURCHASED SERVICES - personal services rendered by personnel who are not on the payroll of the Board of Education, and other services which may be purchased by the Board of Education.

REFUND - A return of an overpayment or over collection. The return may be either in the form of cash or a credit to an account.

REIMBURSEMENT - The return of an overpayment or over collection in cash.

REPLACEMENT OF EQUIPMENT - A complete unit of equipment purchased to take the place of another complete unit of equipment which is to be sold, scrapped or written off the record and serving the same purpose as the replaced unit in the same way.

REQUISITION - A written request to a school official for specified articles or services. It is a request from one school official to another school official, whereas a purchase order is from a school official to a vendor.

STUDENT ACTIVITY FUND - Financial transactions related to school-sponsored student activities and interscholastic activities. These activities are supported in whole or in part by income from students, gate receipts, and other fund-raising activities.

SUPPLY - A material item of an inexpensive, expendable nature that is consumed, worn out or deteriorated in use; loses its identity through fabrication or incorporation into a different or more complex unit or substance. Is expendable or subject to replace rather than repair if damaged or if some of its parts are lost or worn out.

TRAVEL - Costs for transportation, meals, hotel and other expenses associated with traveling on business for the Board of Education.

UNIT COST - Expenditures for a function, activity, or service divided by the total number of units for which the function activity or service was provided.

VOUCHER - A document which authorizes the payment of money and usually indicates the accounts to be charged.
# STATE DEPARTMENT OF EDUCATION
## RECORDS RETENTION SCHEDULE

<table>
<thead>
<tr>
<th>Item #</th>
<th>Form #</th>
<th>Description</th>
<th>District</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A-1</td>
<td>School Register, Classroom</td>
<td>6 Years</td>
<td>------</td>
</tr>
<tr>
<td>2</td>
<td>A-1a</td>
<td>School Register, Central</td>
<td>6 Years</td>
<td>------</td>
</tr>
<tr>
<td>3</td>
<td>A-2b</td>
<td>Record of Individual Instruction</td>
<td>6 Years</td>
<td>------</td>
</tr>
<tr>
<td>4</td>
<td>A-3</td>
<td>Annual Report of Education Statistics</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>5</td>
<td>A-4</td>
<td>Annual Financial Statistical Report</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>6</td>
<td>A-4a</td>
<td>Report of Res. Enrollment Statistics</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>7</td>
<td>A-4b</td>
<td>Report of Pupils Receiving Bedside/Home Instruction</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>8</td>
<td>A-4c</td>
<td>Report of Tuition Pupils Sent to App. Special Classes for Atypical Pupils</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>9</td>
<td>A-4d</td>
<td>Application for State Aid-Transportation</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td></td>
<td>A-4e</td>
<td>Atypical Pupils</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>11</td>
<td>A-4f</td>
<td>Report of School Budget and District Taxes</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>12</td>
<td>A-4g</td>
<td>Report of Pupils Living on Non-Taxable State-Owned Property</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>13</td>
<td>A-5</td>
<td>Custodian's Financial Report</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>14</td>
<td>A-13</td>
<td>Certificate of Tax Ordered</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>14a</td>
<td>A-17</td>
<td>Financial Record Book, Custodian of School Monies</td>
<td>Permanent</td>
<td>------</td>
</tr>
<tr>
<td>15</td>
<td>A-22</td>
<td>Employment Contract Teacher</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td></td>
<td>A-28</td>
<td>Tally Sheet</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>16</td>
<td>A-32</td>
<td>Proceedings with Respect to Authorization of Bonds</td>
<td>Bond Maturity</td>
<td>------</td>
</tr>
<tr>
<td>17</td>
<td>A-33</td>
<td>Report of Election Proceedings</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>18</td>
<td>A-36</td>
<td>Board Members Affidavit and Oath of Office</td>
<td>10 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>19</td>
<td>A-41a</td>
<td>Pupils Transfer Card</td>
<td>3 Years</td>
<td>------</td>
</tr>
<tr>
<td>20</td>
<td>A-44a</td>
<td>Record of Exclusion</td>
<td>3 Years</td>
<td>------</td>
</tr>
<tr>
<td>21</td>
<td>A-45</td>
<td>Medical Inspection Record Card</td>
<td>1 Yr after Graduation</td>
<td>------</td>
</tr>
<tr>
<td>22</td>
<td>A-50</td>
<td>Age Certificate</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>23</td>
<td>A-56a</td>
<td>School Record</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td></td>
<td>A-56b</td>
<td>Promise of Employment</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td></td>
<td>A-56c</td>
<td>Physician's Certificate</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td></td>
<td>A-66a</td>
<td>Vacation Employment Certificate</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>Item #</td>
<td>Form #</td>
<td>Description</td>
<td>District</td>
<td>County</td>
</tr>
<tr>
<td>--------</td>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>29</td>
<td>A-66a1</td>
<td>Vacation Employment Certificate (Employment outside of district)</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>30</td>
<td>A-66b</td>
<td>Regular Employment Certificate</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>31</td>
<td>A-66c</td>
<td>Application for Special Newsboy or Special Street Trades Permit</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>32</td>
<td>A-66d</td>
<td>Application for Special Agricultural Permit</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>33</td>
<td>A-66e</td>
<td>Special Agricultural Permit</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>34</td>
<td>A-66f</td>
<td>Special Newsboy Permit</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>35</td>
<td>A-66g</td>
<td>Special Street Trades Permit</td>
<td>When Minor</td>
<td>Reaches age 21</td>
</tr>
<tr>
<td>36</td>
<td>A-66h</td>
<td>Age Certificate - Agricultural</td>
<td>When Minor</td>
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<td>Tuition Ledger - Pupils Sent</td>
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<td>Application to Local Finance Board &amp; Comm. Of Education (for extension of credit)</td>
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**FEDERAL PROGRAMS NDEA**

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**PUBLIC LAWS 815 AND 874**

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## FORMS

| 1A | Budget Transfer Form |
| 2A | Budget Request Worksheet |
| 3A | Personnel Request Form |
| 4A | Purchase Order |
| 5A | Purchase Order Rationale Form |
| 6A | Quotation Record Form |
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| 14A | Computer Service Request Form- Trouble Trekker |
| 15A | Petty Cash Request Form |
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| 21A | Employee Authorization For Medical Attention Form |
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