

BUSINESS POLICIES & PROCEDURES



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5000**BUSINESS****5000.01****General**

The Board of Education holds a position of public trust and is responsible to account for and direct the management and expenditure of all monies received by the School District. In furtherance of this responsibility, the Board directs the Superintendent to establish financial procedures to ensure the proper and effective accounting of all School District monies, that monies are administered in accordance with generally accepted accounting principles and that all legal requirements concerning School District monies are satisfied in letter and spirit. Under the supervision of the Superintendent, financial reports and statements will be prepared and submitted to the Board on a quarterly basis or as requested by the Board.

5000**BUSINESS****5000.02****Budget Planning and Adoption**

By law, the Board is required to adopt a budget prior to July 1 of each year, to be in place for the ensuing school year. The Superintendent is responsible for preparation of the budget and its timely presentation to the Board. Following adoption by the Board, the Superintendent will regularly inform the Board of actual or anticipated variances that may occur during budget implementation and recommend any action that may be required to be taken by the Board.

The District's administration will account for and report the District's various funds and accounts in compliance with GASB 54. The District's administration will develop each year's budget with a minimum ending fund balance of 10%.

The Board authorizes the Superintendent to purchase and/or supervise the purchase of all materials, equipment, supplies and services necessary for the operation of the School District. It is the intent of the Board that the School District purchase competitively, without prejudice or favoritism, and seek maximum value for all expenditures. Competitive pricing is to be pursued by following legally required processes, as well as through such methods as cooperative purchasing, formal or informal bidding, requests for quotations from multiple vendors, and negotiation.

Federal Procurement Standards The Board seeks to ensure the District complies with all procurement (EDGAR). The Superintendent will delegate responsibility for the development of procedures that comply with this policy to the Business Manager.

School District Credit Cards The Board views the use of credit cards as a convenient and efficient means of transacting School District related business. The Board approves the issuance and use of School District credit cards on the terms and conditions set forth below.

School District credit cards may be issued to the Superintendent of Schools and other School District employees designated by the Superintendent. The Superintendent is responsible for the issuance, accounting, monitoring and retrieval of School District credit cards and for overseeing compliance with this Policy. The Superintendent shall assure that:

- A School District credit card may be used only by a person to whom the card has been issued by the Superintendent.
- A credit card may be used only for the purchase of goods or services for the official business of the School District.
- No purchases for personal purposes or cash advances are permitted.
- An employee of the School District who has been issued a credit card shall submit to the Superintendent a contemporaneous report detailing the:
 - goods or services purchased;
 - date of the purchase;

- cost of the purchase;
- School District related reason for the purchase.

The person to whom a credit card has been issued is responsible for its protection and custody and shall immediately notify the Superintendent if the credit card is lost or stolen.

A person to whom a credit card has been issued must return the credit card upon the termination of employment or service in office for the School District.

Internal accounting controls will be developed to monitor credit card use, approval of credit card invoices and assurance that payment will be timely made. In no event will payment be made later than 60 days from the initial date of the statement on which the purchase is reflected.

Any unauthorized use of a School District credit card will result in appropriate disciplinary measures being taken.

PROCEDURES

Purchasing and Bidding

The Board of Education has sole responsibility for all purchase contracts. The Business Manager is charged with the procurement of all approved budget items. All purchasing, including bidding procedures, will be supervised by the Business Manager and the Business Manager must approve all purchase contracts and oversee all bidding.

Bidding Procedure**1. Bids and Quotation Requirements.**

All purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedure by the Business Manager. Bidding procedures may be waived for routine goods and services purchased from a group bid, such as a consortium, County, or State bid list.

The Business Manager shall develop and maintain lists of potential bidders for various types of materials, equipment, supplies, and goods and services. Such bid lists shall be used in the development of mailing lists for distribution of specifications and invitations to bid.

All bids and supporting documentation shall be retained in the District Office with the Business Manager for a period of one year after bids have been opened.

2. Bid Specifications.

All bid specifications shall be written by the administrator responsible for developing a bid in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with all Federal, State and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs. Certificate of Insurance shall be required any time contracted labor or material is to be utilized on school property (Bidding specifications will set forth minimum limits).

3. Non-Negotiation Purchases.

Non-negotiation purchases may be made when there is only one supply source, provided that amount does not exceed bidding requirement limitations.

4. Informal Quotations.

Verbal quotations of price on equal products or services secured in person or by telephone may be used in purchases for routine supplies used by the District.

The Business Manager shall make available to the Board, upon request, the price quotations or competitive bids obtained from vendors for goods or services.

PROCEDURES

Purchasing and Bidding

5. Formal Bid Quotations.

The Business Manager is authorized to purchase any item, or group of items in a single transaction, costing no more than \$20,000, upon the receipt of at least three written bid quotations provided said purchase is within the approved budget. The Business Manager shall use discretion in deciding whether such purchases are made on the basis of requested quotations or through advertising for bids.

6. Competitive Bids.

No purchases shall be made of supplies, materials, goods, and services or equipment in a single transaction costing more than \$20,000 unless the purchase is approved by the Board. However, emergency procedures may be made without utilizing the bidding process. An emergency may arise out of an accident or other unforeseen occurrence which could affect the life, health, or safety of children or where immediate action cannot await competitive bidding. In such cases, the Superintendent shall authorize the purchase and report to the Board at its next meeting.

7. Procedure.

All bids must be submitted to the appropriate administrator in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All bids shall be opened publicly on the stated day and time. All bidders and other interested persons are invited to be present when the bids are opened.

Such opening shall be witnessed by one other District employee. The bids shall then be arranged in order from low to high before they are presented to the Board for action.

8. Responsible Bidder.

All bids shall be awarded to a responsible bidder. The Board remains the sole judge of whether or not a bidder is 'responsible'. Criteria that may be used to judge 'responsible', by way of illustration and not limitation, are: financial standing, reputation, experience, resources, facilities, judgment, and efficiency.

The Board may investigate the reliability of any bidder by using information at hand to form an intelligent judgment, such as the District's architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

WYANDOTTE PUBLIC SCHOOLS
PROCEDURES
Purchasing and Bidding

5000.03

9. Bid Specifications.

The Board shall avoid negotiation of bid specifications after bids have been accepted and shall correct and request new bids if specifications are inadequately written.

If an error is discovered in the bid specifications, all bids shall be returned unopened and the project shall be rebid using corrected and/or amended specifications.

10. Bids and Quotation Requirements.

Any bid submitted to the District may be withdrawn prior to the scheduled time for opening of bids.

A bid received after the publicized date and time shall not be considered by the Board.

11. Awarding and Rejection of Bids.

The Board reserves the right to award bids at its discretion in accordance with these Procedures. Furthermore, it reserves the right to reject any and all bids and to ask for new bids. Such reservation shall be so specified in the publication or notification of bid letting.

The Board reserves the right to waive any informality in, or reject any part of, a bid, and to accept the bids which appear to be in the best interest of the School District of the City of Wyandotte.

The School District of the City of Wyandotte

POLICIES AND PROCEDURES FEDERAL AWARDS ADMINISTRATION and Business Operating Procedures Manual

Review 2018

Please Note: The Uniform Grant Guidance (UGG) will be implemented during the 2018-19 SY.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

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The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Overview

Purpose - This manual has been prepared to document the policies and procedures for the administration of federal awards of Wyandotte School District (the “district”) and general business procedures. The Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements [34 CFR Part 80, 2 CFR Part 213 and Part 6 of the Office of Management and Budget (OMB) UGG - Uniform Grant Guidance Compliance Supplement] require all sub-recipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority - In the event that conflicting guidance on the administration of Federal awards is available, the District has deemed Federal guidance to be most authoritative, followed by guidance from MDE, and finally other State or local agencies.

Revisions - Guidance provided by the Federal government through the OMB UGG - Uniform Grant Guidance Compliance Supplement and guidance provided by MDE through the Michigan School Accounting Manual are expected to be updated each year. Such updates are considered by the District as they become available and policies and procedures will be revised accordingly.

The Business Manager (individual/position) is authorized and required to establish and document operating procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such procedures are documented herein, and will be reviewed and updated as necessary, but not less than once every three years.

Training - District accounting and finance personnel, and program administrators of Federal awards will be provided the necessary training through various mechanisms, such as: (1) reviewing monthly State Aid Financial Status Report Updates, accompanying State aid payments (2) consulting with the District’s auditors as needed for clarification, (3) participating in various training opportunities, such as those offered by appropriate professional organizations, (4) reviewing daily legislative updates from multiple sources, (5) membership and participation in monthly meetings of the Michigan School Business Officials, (6) certification of respective positions by the Michigan School Business Officials i.e.: Business Office Manager, Business Office Specialist, Chief Financial Officer, Human Resource Specialists, School Payroll Specialists & School Technology Management (7) coordination and collaboration with individuals performing similar job functions at local Districts within the District and at similar Intermediate School Districts (8) conducting quarterly business manager meetings for business managers of schools within the District in order to share information and ideas.

Compliance Failures - Compliance failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Financial Management Systems

General Accounting and Financial Management

It is the policy of Wyandotte School District (the “District”) to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the District will be maintained subject to the following provisions:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000.03 Purchasing

Sample

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.
2. The District will comply with all applicable circulars issued by the Office of Management and Budget (OMB), including, but not limited to:
 - a. OMB Circular A-87 - *Cost Principles for States, Local and Indian Tribal Governments*
 - b. OMB UGG - *Uniform Grant Guidance - Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act)*
3. The District will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
4. The Board of Education will contract annually with an independent CPA firm for the purposes of conducting the District’s external financial audit. To the extent that the District has expended federal awards in excess of \$500,000, the District will have a single audit performed in accordance with OMB UGG - Uniform Grant Guidance.
5. To ensure continuing compliance with all applicable accounting requirements, the Board of Education may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.
6. For the 2014-15 School Year and beyond, all school district/PSA financial and pupil accounting audits are required to be submitted to the MDE at finaudit@michigan.gov by November 1.
7. The Superintendent or designee shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled “Records Retention”.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Purchasing and Procurement

It is the policy of Wyandotte School District (the “District”) to ensure that all disbursements of District funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of District funds shall be subject to the following provisions:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 4000.01 - *Reimbursement for Expenses*
- 5000.01 - *Business*
- 2000.04 - *Students*

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The Business Office shall obtain informal quotations, formal bid quotations, or competitive bids for goods and services, as specified by Board policy and State law.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Purchasing and Procurement (Continued)**

2. If the competitive bid threshold issued by the State of Michigan Department of Education differs with Board policy, the lower threshold will be utilized. This applies to the activities below under the relevant sections of the Revised School Code. The Superintendent or designee will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by MDE.

Expenditure Type	Michigan Revised School Code Section
District procurement of supplies, materials and equipment	623a
District award value limit	634 and 1814
District gift value limit (monthly)	635
School building construction, addition, renovation, or repair	1267
School District or Public School Academy procurement of materials, and equipment	1274

3. Disbursements will be supported by approved vendor invoices. The approved invoice will be attached behind the check stub and filed electronically in the on-line document management system. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.
4. The Superintendent or designee is authorized to make purchases for allowable and necessary items within the Board-approved budget allocation.
5. Purchases made with federal funds in excess of \$100,000 may be subject to the provisions of 34 CFR Part 85 or similar regulations. Where such regulations differ from general District policy, the more restrictive of the requirements shall apply.
6. All approved check requests will be processed by the Business Manager. Disbursements will be made by check with the exception of purchase card purchases, debt service payments, and payroll-related expenses.
7. Prior to processing the weekly check run, the Business Manager will approve each voucher for payment and compare the voucher to the invoice for accuracy.
8. The listing of paid checks will then be routed to the Business Manager who will log the activity in a cash flow spreadsheet (maintained outside of the financial accounting software) to be used as a secondary control over month-end cash balancing.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Purchasing and Procurement (Continued)

9. Checks are sequentially numbered by the financial software package and verified during check runs. Unused check stock is stored in the Business Office. Since the entire check form/image is generated through the printing process (i.e., the check stock is blank), it will not be deemed necessary to use a physically secure location. Checks will be endorsed by MICR during the printing process.
10. Claims and invoices will be paid timely based on the conditions of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payment.
11. Checks will only be made payable to a specific payee. It is prohibited to issue a check to “cash” or “bearer”. Similarly, it is prohibited to sign a blank check.
12. The District may account for the activities of certain student groups and organizations. Since these activities represent outside parties and are not subject to the oversight of the Board and/or District management, they will be accounted for in a trust and agency fund. Such disbursements will be subject to the same policies and procedures and other District disbursements.
13. When an employee incurs work-related expenses to be reimbursed by the District, the following requirements apply:
 - a. The Superintendent or designee will develop a standard employee expense report reimbursement form which will be made available to all employees through the District’s website (or other shared document storage). All employee expense reimbursements are required to be made using this standard form.
 - b. The employee expense report will be signed by both the employee and the employee’s direct supervisor (or other administrator knowledgeable of the employee’s work activities).
 - c. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach documentation (i.e.: receipt exception form). This form will certify that the reimbursement is for costs incurred on behalf of the District and is not for illegal or unauthorized costs.
 - d. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles in accordance with OMB Circular A-87.
 - e. Expense reports of the Cabinet (i.e.: administrative leadership team) will be submitted to the Superintendent or designee for review and approval. Expense reports of the Superintendent will be submitted to the Business Manager for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - f. Approved expense reports will be submitted to the payroll clerk who will verify that expenses are appropriate and supporting documentation is attached.

- g. The Business Office will not process any expense reimbursements for payment until all necessary signatures have been obtained.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Purchasing and Procurement (Concluded)**

- h. An employee making a disbursement using personal funds on behalf of the District may be subject to State sales tax, while payments made by the District directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the District.
14. Voided checks will be marked “VOID”, the signature line torn off and retained.
15. The Superintendent or designee will be responsible for compiling information on disbursements and presenting this information to the Board of Education at its monthly (or other period) meetings. This information will include:
- a. Detail listing of payments made by check, including: check number, invoice number, vendor name, payment description and amount.
 - b. Detail listing of individual payments over \$0-\$700 made with purchasing cards, including: amount and vendor. This information will also be presented in a listing with aggregate amounts by vendor.
16. Non-check disbursements (such as ACH transfers for Purchase Cards and Employee Insurance) will be prepared by the Accounts Payable Clerk, non-check disbursements (such as ACH transfers for payroll, retirement and TSAs) will be prepared by the Payroll Clerk and non-check disbursements (such as ACH transfers dental insurance) will be prepared by the fiscal services coordinator and initiated in the online banking software by the fiscal services coordinator. Wire transfers exceeding a pre-determined amount \$900,000 will trigger a verification phone call by the bank.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Financial Management Systems

Cash Receipts

In order to safeguard the funds of the District, cash receipts will be deposited promptly and in-tact according to the following policies:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Cash receipts will be recorded approximately 1-3 times per week based on the amount of collections.
2. Cash will be initially received by the Accounts Payable Clerk. The Business Office logs each check into a register by date received, issuer, check number, check amount and date given to the Payroll Clerk. Check stubs and any supporting documents are retained. If no check stub is available, a copy of the physical check is made and retained to support the receipt.
3. The cash log and supporting documentation will then be provided to the Accounts Payable Clerk who will determine the appropriate general ledger coding for the receipt and prepare the deposit slip.
4. A copy of the daily receipts listing along with the physical checks, cash, and any supporting documentation will then be provided to the fiscal services coordinator who will review and approve the general ledger coding.
5. The Payroll Clerk or designee will input the receipt information into the financial software and indicate first approval in the system. This action will route the batch to the Business Manager (or designee) who will indicate second approval in the system.
6. The fiscal services coordinator will post the batch to the general ledger and approve the transaction in the bank reconciliation module of financial software.
7. Deposits will be made to the bank by the Payroll Clerk (or other designated individual) at the frequency specified by Board policy (see referenced items above).

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Cash Receipts (Concluded)**

8. The bank deposit receipt, a copy of the deposit slip, the general ledger batch posting, and all supporting documentation will then be provided to the Superintendent or designee who will compare the items and initial the deposit slip. He/she will then input the amount into a cash flow spreadsheet (maintained outside of the financial accounting system). This spreadsheet, which also tracks payroll and accounts payable batch postings and wire transfers, is used as a secondary control at month-end as part of the bank reconciliation process.
9. Deposits slips will be filed internally along with the deposit receipt from the bank and any check stubs/supporting documentation. Receipts are added to the cash sheet and compared to the actual bank deposits and general ledger postings during the monthly account reconciliation process.
10. Receipts of currency are deposited by individual departments after verification by two members of that department and receipts are sent to the Business Office. Cash register receipts are reconciled daily by each department. Cashing of checks out of the cash register is prohibited. Cash register receipts are pre-numbered and issued in sequential order.
11. Wire transfers and ACH payments will be recorded through the financial services software application /receipts.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Financial Management Systems

Payroll and Timekeeping

The following provisions apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 4000 - *Personnel*
- 5000 - *Business*

Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Hourly employees shall submit a timesheet for each pay period, with the following information:
 - a. The total number of hours actually worked each day
 - b. The use of any holiday, personal, vacation, sick, or other approved time off with pay
 - c. The total number of hours to be paid
 - d. An allocation of those hours to each program or department for which work was performed, when necessary
 - e. The dated signature of the employee and his/her supervisor

The allocation of hours between programs or departments should be based exclusively on the actual hours worked, and not be based on available budgets, or predetermined allocation schedules.

In the event that an after-the-fact correction is necessary to an employee's timesheet due to errors in the allocation of time worked, such corrections must be submitted to the Business Office, and approved in writing by both the employee and his/her supervisor. *[Such corrections could also be made in an electronic time and attendance system; process steps should be inserted here.]*

2. Salaried employees charged to a Federal grant will document time and effort according to one of the following methods. The method used by an employee shall be pre-approved by the Superintendent or designee. If the employee's time is expensed based on budgetary data, an adjustment shall be made at least quarterly to agree the general ledger to the documentation.
 - a. The employee may document time and effort using a timesheet as described above. Timesheets must account for the total activity for which the employee is compensated, and be signed by the employee. It will not be acceptable for timesheets to include the hours worked on Federal grants only.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Payroll and Timekeeping (Concluded)

- b. Or, the employee may complete personnel activity reports (PARs). Such reports will be prepared at least monthly to coincide with specific pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, and be signed by the employee.
 - c. Budgets, lesson plans, and calendars/daily planners will not be deemed allowable documentation to support personnel costs and therefore will not be accepted by the Business Office.
 - d. It is the responsibility of the employee being charged to a Federal award(s) to clarify documentation requirements with the Superintendent or designee and provide appropriate documentation to the Business Office as it becomes available. The employee should retain a copy of the documentation for his/her personal records.
3. Salaried employees who work 100 percent of their time on a single Federal award or cost objective (regardless of the availability of Federal funding) shall have the option to complete semi-annual time certifications in lieu of timesheets or personnel activity reports (described above). The certifications will be prepared at-least semi-annually and signed by either the employee and/or a supervisory official having first-hand knowledge of the work performed by the employee.
- Certifications should never be signed prior to the end date of the period being certified. Each certification should be provided to the Business Office when available. Employees should retain a copy of the certifications for his/her personal records.
- 4. Prior to payment, a pro forma report of the pay run will be provided to the fiscal services coordinator for review and approval.
 - 5. The District may choose to contract its employees through a staffing company. Such arrangements will be pre-approved by the Board.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Bank Reconciliations

The following procedures will apply to the reconciliation of bank accounts:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

There are no existing Board policies over the reconciliation of bank accounts.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Bank reconciliations will be performed monthly for each bank account.

Bank reconciliations will be completed within 6 weeks of month-end.

Bank reconciliations for the demand deposit accounts will be completed by the Business Office. .

Interbank transfers, ACH receipts, and EFT payments recorded through general journal entry will be verified as part of the bank reconciliation process.

Bank reconciliations will be subjected to review and approval by an independent administrator. The reviewer will sign and date the reconciliation as evidence of the control.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Journal Entries and Non-routine Transactions**

The District will occasionally need to record a general journal entry or other non-routine transaction. Such transactions may relate to Federal awards. The following policies and procedures apply to all general journal entries:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

There are no existing Board policies over journal entries and non-routine transactions.

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. General journal entries will be an allowable transaction type for recording: corrections and adjustments, accruals and reversing entries, inter-fund activity, interbank activity, EFT payments, ACH transfers, etc., to the extent that the entries can be reasonably supported.
2. All general journal entries will be filed with adequate supporting documentation.
3. Each general journal entry will be signed/initialed and dated by the preparer.
4. All entries will be reviewed and approved by an independent administrator, which will also be signed/initialed as evidence of the control.
5. The ability to post general journal entries in the accounting system will be limited to specific employees. Refer to the section of this manual titled "Information Technology: for additional information.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Investments

INVESTMENT POLICIES:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000.05

Additional Policies and Procedures:

- Authorization for acquisition and disposition of investments is vested with the District Board of Education.
- The Board of Education has formally adopted an investment policy 5000.05 that limits the school District's allowable investments and addresses the specific types of risk to which the school District may be exposed.
- The Business Office is charged with the responsibility of determining that investments are of the character and type permitted by legal requirements and that the income earned is dispersed for authorized purposes.
- Board approval is required before any money is deposited into any investment accounts.

Safekeeping:

- All persons having access to securities are authorized by the Board of Education.
- All securities are held in the name of the District.

Recordkeeping:

Detailed records are maintained including the following information:

- Date of acquisition, identification, purchase amount or cost
- Physical location of item
- Interest/dividend/income rates and accrual/receipt dates
- Ownership by fund
- Detail records are periodically reconciled to the general ledger control accounts and to safekeeping statements by the Business Manager.
- Investment income is recorded on a timely basis. Investment earnings are credited to the fund "owning" the investment. Any adjustments of investment accounts are approved by the Business Manager.
- Calculations of fair value and investment income are periodically reviewed for accuracy by the Business Manager.

Access to computerized investment records is limited to those with a logical need for access.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Capital Assets

The following provisions will govern the purchasing, accounting, and inventory of capital assets:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000 - *Business*
- 6000 - *Facilities and Operations*
- 7000 - *School-Community Relations*
- 8000 - *General*

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. A *capital asset* is defined by the District as an individual item with a useful life in excess of 1 year and an individual cost of more than \$5,000 or as otherwise specified by Board policy (see referenced items above).
2. Procurement of capital assets will be governed by the Board of Education's procurement and purchasing policies.
3. Donated capital assets will be recorded at estimated fair value at the date of donation.
4. Purchases of capital assets will be recorded as capital outlay expenditures in the governmental fund financial statements, and capitalized as noncurrent assets in the government-wide statements. Donated capital assets will be recorded as a government-wide adjustment only. All capital assets will be depreciated using the straight-line method over estimated useful lives.
5. Capital asset purchases financed through bonds payable will be made in compliance with the Bulletin for School District Audits of Bonded Construction and of Sinking Funds issued by the State of Michigan Department of Treasury.
6. Capital assets with useful lives (i.e., excluding land and construction in progress) will be depreciated using a consistent and systematic approach allowable under GAAP or as specified by Board policy.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Capital Assets (Concluded)

7. Construction or other capital projects in progress at year-end will be reported as “construction in progress” until the related asset is placed into service. No depreciation expense will be incurred on such assets. Outstanding construction commitments at year-end will be disclosed in the District’s audited financial statements.
8. If the District determines that depreciation expense cannot be reasonably allocated by function, it will be deemed allowable to report all or a portion of depreciation expense as “Depreciation - unallocated” in the government-wide statement of activities, to the extent that this approach remains allowable under GAAP.
9. The District may outsource the maintenance of depreciation schedules to a third-party consultant or its external auditors. In those instances, additions (along with the estimated useful lives) and disposals will be identified by the Superintendent or designee.
10. To the extent that capital assets are purchased with Federal funds, such items will be flagged as “Federally-funded” in the financial accounting records in order to ensure the appropriate use of proceeds on sale (if applicable) in accordance with Federal guidelines.
11. To the extent that the District has purchased capital assets with Federal funds, an inventory of these items and reconciliation to the accounting records will be performed no less than once every two years. If it is not feasible to inventory all the District’s capital assets this frequently, the Federally-funded assets may be inventoried only in order to meet the requirements of the OMB UGG - Uniform Grant Guidance Compliance Supplement.
12. Other policies and procedures related to compliance with the provisions of the OMB UGG - Uniform Grant Guidance compliance supplement are included within this manual in the section titled “Equipment and Real Property Management”.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Long-term Debt

The following provisions will govern the issuance of long-term debt (including, but not limited to: bonds and notes payable, capital assets, installment purchase agreements, State Aid Anticipation Notes, compensated absences, and severance agreements/early retirement incentives):

1. The issuance of long-term debt will be subject to approval by the Board of Education and the Michigan Department of Treasury.
2. The issuance of long-term debt will be recorded as an "other financial source" in the governmental fund financial statements, along with any premium or discount thereon. Costs of issuance will be reported in the governmental fund financial statements as a component of debt service expenditures.

In the full-accrual government-wide statements, long-term debt and any related discounts, premiums, or deferred gain/loss on refunding, will be reported as a liability. Bond issuance costs will be expensed when incurred and reported as a component of interest expense in the government-wide statement of activities.
3. Short-term debt (such as State Aid Anticipation Notes) with an initial maturity of less than one-year will be recorded as a liability in the governmental fund financial statements, along with accrued interest payable thereon.
4. Compensated absences payable will be recorded in the government-wide statements for earned but unused sick and vacation time, as provided for in bargaining agreements and/or personnel policies. Such accruals will be limited to the maximum payout based on these policies.
5. Severance agreements/early retirement incentives will also be recorded liabilities in the government-wide statements. Multi-year agreements will be reported at the net present value using a discount rate equal to the rate management expects to earn on the assets used to liquidate such liabilities. A current portion will be recorded each year, based on the payment schedule in the severance agreement.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Grant Administration

1. Grant Development, Application, and Approval -

- a. Legislative Approval - The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by “an individual authorized by the *legislative body*”, then *Board of Education* approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the Superintendent or designee may, at his or her discretion, approve grant applications.
- b. Matching Funds - Grants that require cash local matches must be coordinated through the Business Office. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

In all cases involving matching funds, the grant applicant should contact the Business Office to determine the strategy for securing matching funds.

Refer to the section within this manual titled “Matching, Level of Effort, and Earmarking” for additional information on compliance with the provisions of the OMB UGG - Uniform Grant Guidance Compliance Supplement.

- c. Grant Budgets - Most grants require the submission of an expenditure budget. The Superintendent or designee should review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware—particularly in the area of indirect costs.

Grant applicants should contact the Superintendent or designee to request a technical review of a grant proposal budget.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Grant Administration (Continued)**

2. Grant Program Implementation -

- a. Notification and Acceptance of an Award - Official notification of a grant award is typically sent by a funding agency to the program director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the Board of Education through the approval of a grant budget. Such notification should also be directed to the Business Office.

Adoption of the grant budget as a component of the District-wide operating budget is deemed to be sufficient approval.

- b. Establishment of Accounts - The department that obtained the grant will provide the Superintendent or designee with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

To the extent that the grant awarded is included in the Michigan School Accounting Manual, such guidance will be followed without exception.

- c. Purchasing Guidelines - All other District purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements apply. All normal staff approvals apply. When in doubt, the program director should contact the Superintendent or designee for further assistance.

3. Financial and Budgetary Compliance -

- a. Monitoring Grant Funds - Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance. The Superintendent or designee maintains all this information in financial software system as well; this is considered to be the District's "official" accounting system by the granting agencies. Program Directors are strongly encouraged to use financial software reports provided by the Superintendent or designee for their grant tracking.

If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records agree to the District's accounting system.

- b. Fiscal Years - Occasionally, the fiscal year for the granting agency will not coincide with the District's fiscal year. This may require adjustments to the District's internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Program Director to bring such discrepancies to the attention of the Superintendent or designee at the time the grant accounts are established.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Grant Administration (Continued)

- a. Grant Budgets - When the financial accounting software for a specific grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the program director be authorized to exceed the total budget authority provided by the grant.

If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the program director to notify the Superintendent or designee that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the OMB UGG - Uniform Grant Guidance Compliance Supplement.

- b. Capital Assets - The District is responsible for maintaining an inventory of assets purchased with grant monies. The District is accountable for them and must make them physically available for inspection during any audit. The Superintendent or designee must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations governing the original grant).

The Superintendent or designee will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Superintendent or designee. Refer to the sections of this manual titled "Capital Assets" and "Equipment and Real Property Management" for additional information. [OMB Circular A-110; 34 CFR Sec. 74.34]

4. Record Keeping -

- a. Audit Work-papers - The District's external auditors audit all grants at the end of each fiscal year. The Superintendent or designee will prepare the required audit work-papers. Program Directors may be asked to assist in this process, if necessary.
- b. Record Keeping Requirements - Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Superintendent or designee will maintain copies of all grant draw requests, and approved grant agreements (including budgets). The program director should maintain all other records.

Refer to this section of this manual titled "Records Retention" for additional information.

5. Other Guidelines - Specific information on policies and procedures related to compliance with the provisions of the OMB UGG - Uniform Grant Guidance Compliance Supplement have been addressed later in this manual and should be considered along with the information in this section.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Financial Management Systems

Year-end Closing and Reporting

The following provisions will govern the year-end close-out process of the District for purposes of external financial reporting:

In accordance with the Michigan Department of Education requirement, the District's fiscal year end for external reporting purposes will be June 30.

Accruals will be recorded as needed to ensure that revenues and expenditures are reported in the appropriate accounting period:

Accounts Payable Disbursements - Invoices for goods or services received during the previous fiscal year will be recorded as expense/accounts payable as of June 30. Such determinations will be made by the Accounts Payable Clerk and reviewed for accuracy and completeness by the fiscal services supervisor.

Payroll-related Accruals - Costs of hourly personnel paid after June 30 for services performed during the previous year will be recorded as expenditures/salaries payable at June 30. The amount will be based on hours worked during the fiscal year multiplied by the employee's hourly rate. Additional consideration will be made for FICA taxes, retirement benefits, health insurance, and related employee benefits.

Salaried teachers and other employees working during the academic year only may elect to receive their annual salary over the course of the academic year or over the course of the 12 months ended August 31 of each year. In the former, all salary payments will have been made prior to June 30 and no additional accrual is necessary. In the latter, the difference between the total salary and the amount paid through June 30 will be recorded as expense/salaries payable at June 30 since the period of service is complete at that time. Additional consideration will be made for FICA taxes, retirement, health insurance, and related employee benefits.

Health insurance and other benefits for employees working on an academic year only will be accrued for the month of August and recorded as expenditures/benefits payable at June 30.

Payroll accruals will be prepared and documented by the Payroll Clerk and reviewed by the fiscal services coordinator.

Prepays - Payments made prior to year-end that cover goods or services to be received in a future period will be recorded as prepaid items as of June 30. The District may elect to not record prepaid items in governmental funds in accordance with GASB Codification 1600.127 *Other Expenditure Recognition Alternatives*.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting (Continued)

Inventory - If deemed material, a physical inventory of school building supplies and vocational education program materials will be performed after the completion of the academic school year, but no later than June 30. Amounts will be valued at current cost and provided to the Business Office for review and adjustment in the general ledger. Certain inventories may be stored at third-party locations. In order to appropriately account for these items, the District will contact the third-party at year-end for verification of the quantity of product on hand.

Receivables - General - Cash received after year-end for which a good or service was provided during the previous fiscal year will be recorded as revenue/accounts receivable. All such adjustments will be supported by appropriate documentation, such as remittance advices or dated sub-ledgers.

Receivables - Grant - After all year-end expense accruals have been recorded, an entry will be recorded for the difference between grant expenditures and related grant receipts as of June 30 as revenue/grants receivable. Grant receivables will only be recorded to the extent that sufficient amounts remain in the grant award. Expenditures that will not be reimbursed through grant awards due to lack of available funding will be transferred to a non-grant cost center.

Receivables - State Aid - State Aid is provided to Michigan School Districts in 11 installments from October through August. Therefore, since the July and August State Aid receipts are intended to finance the previous fiscal year, such amounts will be recorded as revenue/receivable at June 30.

The preparation of the year-end financial statements in accordance with GAAP will be outsourced to the independent external auditors, based on the District's trial balance. The draft financial statements provided by the auditors will be reviewed in detail by the Superintendent or designee along with any audit-proposed journal entries, to ensure that the audited financial statements agree to the District's books and records.

Refer to the policy on "audits" within this manual for further information on audit requirements and related School policies.

To the extent that the District is required to have a single audit completed in accordance with OMB UGG - Uniform Grant Guidance, the District will accumulate the information necessary to prepare a schedule of expenditures of federal awards (SEFA or the "schedule") in accordance with Federal and State requirements. This schedule will be characterized as follows:

The schedule will include all federal financial assistance, including: grants, contracts, property, loans, loan guarantees, interest subsidies, cooperative agreements, insurance, or direct appropriations. Amounts will be reported whether received directly from the Federal government or through a pass-through agency (given that the District is determined to be a sub-recipient and not a vendor).

Non-cash assistance (such as food commodities) will be described as such in the schedule or in the notes to the schedule.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Financial Management Systems
Year-end Closing and Reporting (Concluded)

The schedule will be prepared on the same basis of accounting as the related financial statements.

Federal grants received through the Michigan Department of Education will agree to, or reconcile with, the Grant Auditor Report, as applicable.

Federal awards will be grouped based on Federal awarding agency. Each Federal award with current expenditures will be listed along with its CFDA number, pass-through grantor name (if applicable) and award/pass-through grantor number (if applicable). Such information will agree to the award documentation.

If the CFDA number of a Federal award cannot be reasonably determined, it shall be reported in the schedule using the two-digit prefix for the related Federal agency, followed by "UNKNOWN".

To the extent that amounts are passed-through to sub-recipients, a schedule of federal awards provided to sub-recipients, including all necessary information to meet the requirements of the Michigan Department of Education, will be prepared.

Grants awarded through the American Recovery and Reinvestment Act of 2009 (ARRA) will be preceded by "ARRA -" in the schedule. [*This may no longer be necessary.*]

In addition to current year expenditures, the schedule will list approved award/grant amount, accrued/deferred revenue at the beginning of the year, current year cash received, current year actual expenditures, and accrued/deferred revenue at the end of the year. If expenditures were incurred relative to this award in the prior year(s), this amount should be disclosed as memorandum-only.

Any adjustments to prior year awards, expenditures, and balances (including transfers between grants) will be disclosed in the footnotes to the schedule.

Accrued/deferred revenue in the schedule shall agree to the amounts recorded as receivable/deferrals in the related financial statements.

To the extent that a separate line item is included in the financial statements for Federal revenue, this amount shall agree to expenditures in the schedule. Any reconciling items will be disclosed in the footnotes to the schedule.

The footnotes to the schedule will disclose the significant accounting policies used in preparing the schedule and the fact that management has utilized the MDE Cash Management System (CMS) Grant Auditor Report (GAR) in preparing the schedule.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Michigan Department of Education Requirements
Chart of Accounts**

The School District of the City of Wyandotte will maintain its chart of accounts in accordance with the requirements of the Michigan School Accounting Manual.

1. Each account will be assigned a 26-digit number, as follows:

Fund	Function	Object	Program	Grant	Location	Other
XX	XXXX	XXXX	XXX	XXXX	XXXXX	XXXX

Numbers assigned to each category above will be based on the specific requirements of the District Accounting Manual.

2. As applicable, Federal awards revenue and expenditures will be assigned certain program codes.
3. The chart of accounts will facilitate the preparation of the Financial Information Database (FID) and will agree to the audited financial statements.
4. A complete chart of accounts for GASB 34 adjustments will not be maintained formally within the District's accounting system. Such adjustments are made once per year, for external financial reporting only, and therefore will be determined through use of separate spreadsheets, and integrated into the audit by the District's independent auditors. The Superintendent or designee will review all such adjustments for accuracy prior to the issuance of the audited financial statements.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Michigan Department of Education Requirements

Annual Audit

Every Michigan public school must have a financial statement audit completed each year by a certified public accounting firm.

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000.07 - *Audits*

Sample

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. The District will have a financial statement audit completed annually as of its fiscal year ended June 30.
 2. The audit will be completed in accordance with *Government Auditing Standards* (the “Yellow Book”).
 3. An adequate written agreement (the “engagement letter”) will be signed by the District and its independent auditors. It will contain information on: period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies’ requirements (Michigan School Auditing Manual, OMB UGG - Uniform Grant Guidance, GAAS and GAS). A copy of the engagement letter will be provided each year to the Board of Education.
 4. The Superintendent or designee shall be responsible for overseeing the process of preparing for the annual audit. In order to minimize errors in this process, all audit schedules and work-papers should be reviewed by an individual other than the preparer.
 5. To the extent that expenditures of federal awards equal or exceed \$500,000, the District will also have a single audit completed in accordance with OMB UGG - Uniform Grant Guidance. Refer to the section of this manual titled “Year-end Closing and Reporting” for information on the schedule of expenditures of federal awards.
 6. The audit will be submitted electronically to the Michigan Department of Education Office of Audits on or before November 1, 2016 for the 2015-16 Fiscal Year and thereafter. The electronic submission will be performed by the District’s independent auditors.
-
2. If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the District and its independent auditors.

The Superintendent or designee will submit written corrective action to any findings identified in the audit process as either part of the single audit report or as a separate letter to the Michigan Department of Education.

6. The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Michigan Department of Education Requirements
Annual Audit (Concluded)

If the District issues general obligation bonds to finance capital projects, a bond audit will be performed by the District's independent auditors within 120 days of substantial completion of the project. The bond audit will be submitted to the Michigan Department of Treasury

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

Michigan Department of Education Requirements

Budgets and Budgetary Compliance

The School District of the City of Wyandotte (the “District”) uses budgets and budgetary accounting in order to fulfill its requirements from the Michigan Department of Education and as an internal management tool for monitoring expenditures and identifying abnormalities. Policies and procedures regarding the budgetary process are as follows:

Board Policies: The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000.02 - *Budget Planning and Adoption*

Additional Policies and Procedures: The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. An operating budget will be prepared for the general fund and each special revenue fund consistent with GAAP and the uniform chart of accounts (see previous section titled “Chart of Accounts”).
2. The minimum level of legal control will be determined based on the specification of the Michigan School Accounting Manual.
3. In accordance with MCL 141.411-415 and MCL 15.261-275, a public hearing on the budget will be held prior to formal adoption by the Board of Education.
4. The budget will be formally adopted by the Board of Education prior to the commencement of the fiscal year.
5. The adopted budget will include:
 - a. Revenue and expenditure data for the most recently completed fiscal year and estimated revenue and expenditures for the ensuing fiscal year.
 - b. The amount of surplus or deficit that has accumulated from prior fiscal year, along with an estimate of the amount of surplus or deficit expected in the current fiscal year.
 - c. An estimate of the amounts needed for deficiency, contingent, or emergency purposes.
 - d. Other data relating to fiscal conditions that the Superintendent or designee deems to be useful.
6. The budget will be amended by the Board of Education, as necessary, throughout the fiscal year. No budget amendments will be allowable after year-end.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Michigan Department of Education Requirements
Budgets and Budgetary Compliance (Concluded)**

7. In no instance will the total estimated expenditures, including an accrued deficit, exceed the total revenues, including available unappropriated surplus.
8. The budgets, or any adopted amendments to the budget, will be posted to the District's website within 30 days of formal adoption.
9. Expenditures in excess of budget at the legal level of compliance will be disclosed in the annual audit.
10. The original budget, final amended budget, actual expenditures, and excess of expenditures over budget will be included for the general fund and each major special revenue fund in the annual audit.
11. Each Federal grant will have an award budget, which will be incorporated into the District-wide operating budget.
12. Management will review budget vs. actual reports on a periodic basis with the Board of Education in order to identify inconsistencies. Such reports will be prepared at the same as the adopted budget and include both revenues and expenditures.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
Michigan Department of Education Requirements
Additional Federal Awards Compliance Requirements

A substantial amount of the Federal awards received by the The School District of the City of Wyandotte are passed-through the Michigan Department of Education. In addition to the requirements of the OMB UGG - Uniform Grant Guidance compliance supplement, which are applicable to all Federal grants (refer to next section of this manual for specific on each compliance requirement); the Michigan Department of Education has issued its own set of guidance on compliance with Federal awards. Management will consider both the OMB UGG - Uniform Grant Guidance Compliance Supplement and the Michigan Department of Education School Auditing Manual in identifying applicable compliance requirements.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

There are no existing Board policies over Michigan Department of Education requirements or additional federal awards compliance requirements.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

OMB UGG - Uniform Grant Guidance Compliance Supplement

General Information

Source of Information - Each year the Federal government (Office of Management and Budget) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. There are 14 compliance requirements identified, each of which is considered individually in this manual.

The following pages document the policies and procedures of the District related to compliance with such procedures, as applicable. In each year that the District is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the District's independent auditors.

Objectives - The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the District have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the District that all Federal awards are subject to the following policies and procedures.

Controls over Compliance - In addition to creating policies and procedures over compliance with provisions of Federal awards, the District has implemented internal controls over such compliance, generally in the form of administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews are signed/initialed and dated.

Documentation - The District will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the District's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles

Source of Governing Requirements - The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for allowable costs/cost principles are contained in the A-102 Common Rule (§____.22), OMB Circular A-110 (2 CFR section 215.27), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with OMB Circular A-87, "*Cost Principles for State, Local, and Indian Tribal Governments*", State law, District policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that considered reasonable and necessary for the administration of the program.
2. Grant expenditures will be approved by department heads/program managers initially through the purchase order or purchase card procurement process, and again with the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Business Office until necessary approval has been obtained.
3. Payroll costs will be documented in accordance with OMB Circular A-87 as described in the section of this manual titled "Payroll and Timekeeping".
4. An indirect cost rate will only be charged to the grant to the extent that it was specifically approved through the grant budget/agreement. When allowable, indirect costs will be charged based on the *Cost Allocation Plan* of the District and using the rate approved by the Michigan Department of Education.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Cash Management

Source of Governing Requirements - The requirements for cash management are contained in the A-102 Common Rule (§ _____.21), OMB Circular A-110 (2 CFR section 215.22), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Substantially all of the District's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency.
2. Cash draws will be initiated by the Superintendent or designee who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated.
3. The physical draw of cash will be processed in CMS (for Michigan Department of Education grants) or through the means prescribed by the grant agreement for other awards by the Superintendent or designee.
4. Supporting documentation from CMS (for grant through the Michigan Department of Education) or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Davis-Bacon Act**

Source of Governing Requirements - The requirements for Davis-Bacon are contained in 40 USC 3141-3144, 3146, and 3147; 29 CFR part 29; the A-102 Common Rule (§ __.36(i)(5)); OMB Circular A-110 (2 CFR part 215, Appendix A, Contract Provisions); program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

This requirement has not historically been applicable to any of the Federal grants of the The School District of the City of Wyandotte. Grant administrators are aware of existence of such compliance requirements and will monitor grant agreements for any change in applicability. Formal policies and procedures will be developed, as needed, to meet changes in circumstances.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Eligibility

Source of Governing Requirements - The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

There are no existing Board policies over OMB UGG - Uniform Grant Guidance Compliance Supplement Eligibility.

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Federal grants will only benefit those individuals and/or groups of participants that are deemed to be eligible.
2. For Michigan Works! Programs, eligibility determinations will be made by a member of the Michigan Works! Intake staff. Sufficient documentation to support these determinations will be retained and made available to school administration, auditors, and pass-through or grantor agencies, upon request. It is the responsibility of the Michigan Works! Office to maintain complete, accurate, and organized records to support eligibility determinations.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

OMB UGG - Uniform Grant Guidance Compliance Supplement

Equipment and Real Property Management

Source of Governing Requirements - The requirements for equipment are contained in the A-102 Common Rule (§ __ .32), OMB Circular A-110 (2 CFR section 215.34), (34 CFR section 74.34), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 1032 - *Powers and Duties*
- 3490 - *Inventories - Fixed and Controlled Assets*

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Superintendent or designee will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Equipment records (inventory) will be maintained and an appropriate system shall be used to safeguard equipment, as described in the section of this manual titled "Capital Assets". Equipment should be assigned to a program and physical location on the inventory. If such equipment is moved, it will be noted on the inventory.
4. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.
5. If the District no longer has a use for the equipment or it no longer has a residual value, the District may request, and follow, disposition instructions from the USED Secretary.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

OMB UGG - Uniform Grant Guidance Compliance Supplement

Matching, Level of Effort and Earmarking

Source of Governing Requirements - The requirements for matching are contained in the A-102 Common Rule (§ __.24), OMB Circular A-110 (2 CFR section 215.23), program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- No existing Board policies.

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

The School District of the City of Wyandotte defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the OMB UGG - Uniform Grant Guidance Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program’s funding that must/may be used for specified activities, including funds provided to sub-recipients. Earmarking may also be specified in relation to the types of participants covered.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the Superintendent or designee.
2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.
3. Maintenance of effort for grants through the Michigan Department of Education will be determined at the State level.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Period of Availability**

Source of Governing Requirements - The requirements for period of availability of Federal funds are contained in the A-102 Common Rule (§ __.23), OMB Circular A-110 (2 CFR sections 215.28 and 215.71), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).
3. Compliance with period of availability requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval in the central office as part of the payment processing.
4. No more than 15 percent of the District's annual Title I allocation will be carried over to the subsequent year. In situations where the remaining unspent award exceeds this percentage, a waiver can be formally requested from the Michigan Department of Education. A waiver can be granted once every three years unless waived by the U. S. Department of Education (USED).

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Procurement, Suspension and Debarment**

Source of Governing Requirements - The requirements for procurement are contained in the A-102 Common Rule (§____.36); OMB Circular A-110 (2 CFR sections 215.40 through 215.48), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations in 2 CFR implementing the OMB guidance; the A-102 Common Rule (§____.36); OMB Circular A-110 (2 CFR section 215.13); program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the District (described in the section of this manual titled “Purchasing and Procurement”).
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.
3. The Superintendent or designee will be responsible for determining whether the District is entering into a transaction that may be subject to suspension or debarment procedures and executing appropriate oversight and control activities at that time.

The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Program Income

Source of Governing Requirements - The requirements for program income are found in the A-102 Common Rule (§____.21 (payment) and §____.25 (program income)); OMB Circular A-110 (2 CFR section 215.2 (program income definition), 2 CFR section 215.22 (payment), and 2 CFR section 215.24 (program income)), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.
2. The School District of the City of Wyandotte will allow program income to be used in one of three methods:
 - a. Deducted from outlays
 - b. Added to the project budget
 - c. Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant. See additional information on the uniform chart of accounts in the section of this manual titled "Chart of Accounts".

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Real Property Relocation and Acquisition**

Source of Governing Requirements - Government-wide requirements for real property acquisition and relocation assistance are contained in Department of Transportation's single government-wide rule at 49 CFR part 24, Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally-Assisted Programs.

This requirement has not historically been applicable to any of the Federal grants of The School District of the City of Wyandotte. Grant administrators are aware of existence of such compliance requirements and will monitor grant agreements for any change in applicability. Formal policies and procedures will be developed, as needed, to meet changes in circumstances.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

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Reporting

Source of Governing Requirements - Reporting requirements are contained in the following documents:

A-102 Common Rule - Financial reporting, §____.41, Performance reporting, §____.40(b), OMB Circular A-110 - Financial reporting, 2 CFR section 215, Performance reporting, 2 CFR section 215.51, program legislation, ARRA (and the previously listed OMB documents and future additional OMB guidance documents that may be issued), the Transparency Act, implementing requirements in 2 CFR part 170 and the FAR, and previously listed OMB guidance documents, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. Reports will be submitted in the required frequency and within the required deadlines. For Federal grants through the Michigan Department of Education, a final expenditure report can be filed when the total expenditures equal all approved funds or within 60 days of the grant ending date.
2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the general accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the Superintendent or designee.
6. Copies of submitted reports with preparer and, if applicable, reviewer signatures and data will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to school administration, auditors, and pass-through or grantor agencies, as requested.

**The School District of the City of Wyandotte
Policies and Procedures - Federal Awards Administration
OMB UGG - Uniform Grant Guidance Compliance Supplement
Sub-recipient Monitoring**

Source of Governing Requirements - The requirements for sub-recipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), OMB UGG - Uniform Grant Guidance (§____.225, §____.310(d)(5), §____.400(d)), A-102 Common Rule (§____.37 and §____.40(a)), and OMB Circular A-110 (2 CFR section 215.51(a)), program legislation, 2 CFR parts 25 and 170, and 48 CFR parts 4, 42, and 52 Federal awarding agency regulations, and the terms and conditions of the award

This requirement has not historically been applicable to any of the Federal grants of The School District of the City of Wyandotte. Grant administrators are aware of existence of such compliance requirements and will monitor grant agreements for any change in applicability. Formal policies and procedures will be developed, as needed, to meet changes in circumstances.

The School District of the City of Wyandotte

Policies and Procedures - Federal Awards Administration

OMB UGG - Uniform Grant Guidance Compliance Supplement

Special Tests and Provisions

Source of Governing Requirements - The laws, regulations, and the provisions of contract or grant agreements pertaining to the program

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5170 - *Recruitment* (Title I compliance)
- 7175 - *Parent(s)/Guardian(s) Involvement Policy*

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

In order to ensure compliance with these requirements, The School District of the City of Wyandotte has implemented the following policies and procedures:

1. The Superintendent or designee will be assigned the responsibility for identifying financial-related compliance requirements for special tests and provisions, determining approved methods for compliance, and retaining any necessary documentation. Program-related compliance requirements will be the responsibility of the department administering the grant.
2. In any given fiscal year that the District's Title I award is more than \$500,000, an amount equal to at least 1 percent of the grant award will be set-aside for parent involvement activities. Of this amount, at least 95 percent will be distributed. The District will use separate general ledger account(s) to track the expenditure of such funds.
3. Teachers and instructional paraprofessionals will meet the definition of "highly qualified". Documentation to support highly qualified status will be retained in the employee's personnel file and made available to auditors or grantor agencies upon request. The Human Resources *Director* (or other designated staff ____) and Special Education *Supervisors* will be responsible for ensuring that all teachers and instructional paraprofessionals in Title I classrooms meet this standard and have adequate documentation on file.
4. Further set-asides may be required for Priority and Focus schools. Refer to Mi Excel for additional information.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Conflict of Interest

Transactions involved Federal awards are subject to all conflict of interest policies, as applicable:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 1000.01 - *Board Member or District Administrator Conflict of Interest*
- *Board Member Conflict of Interest, Ethics, and Responsibilities*

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Board members will disclose any conflict of interest (whether in fact or in appearance). When a member of the Board determines that the possibility of a person interest conflict exists, he/she should, prior to the matter being considered, disclose his/her interest in a public meeting (which will be noted in the official meeting minutes). The individual shall abstain from discussing or voting on this matter.
2. Any related party transactions will be disclosed as part of the annual audit.
3. Board members and District employees (including contractual employees through the District's staffing company) will not accept money or gifts from current or potential vendors of the District if such items are valued in excess of the threshold published annually by the State of Michigan.
4. District employees (including contractual employees through the District's staffing company) are prohibited from using District equipment, materials, and supplies for personal benefit.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Records Retention

The District has developed various procedures regarding the retention of financial and other grant-related records. Transactions involved Federal awards are subject to all such procedures, as applicable:

1. Record retention policies will be designed to mirror those suggested by the State of Michigan. Periodically, the Business Office will review the most recent information released by the State and determine if the District's practices continue to meet these standards.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Information Technology

The School District of the City of Wyandotte identifies the efficiencies and risks that come with the increased reliance on information technology.

Procedures. The following procedures will be applied.

1. Staff passwords must be changed every 3 months, or as otherwise specified by Board policy.
2. Back-ups of the financial accounting system and the District's network will be taken daily and stored at an off-site location.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Supplies

The School District of the City of Wyandotte utilizes various supplies in its operations. The following policies and procedures will govern the purchase, use, and recording of such items:

Board Policies. The following policies have been separately reviewed and approved by the Board of Education, and are incorporated here by reference:

- 5000.04 - *Surplus Equipment and Supplies*

Additional Policies and Procedures. The following policies and procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies listed above:

1. Purchase - The purchase of supplies will be subject to the same purchasing and procurement requirements as general District expenditures. Refer to the “Purchasing and Procurement” section of this manual.
2. Accounting - Supplies will be recorded as expenditures when purchased. Once per year, in conjunction with the annual audit, department heads will inventory unused supplies. Refer to the section of this manual titled “Year-end Closing and Reporting” for additional information.

Certain supplies on-hand at year-end (such as office supplies) will be deemed immaterial and not inventoried or recorded in the year-end financial statements.

1. Controls - It will be the responsibility of the building principals and department heads to determine the appropriate access to supplies, based on cost v. benefit considerations.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Copyrights

All employees, administrators, and students of the District are subject to the provisions of the Copyright Act of 1976. As such, The School District of the City of Wyandotte's Board of Education has adopted the following guidelines.

Procedures. The following procedures will also be applied, to the extent that they do not conflict with or contradict the Board policies:

1. Unlawful copies of copyrighted materials will not be produced using District-owned equipment, nor will such materials be distributed.
2. Teachers and administrators are responsible for the determination of whether photocopies are legal. The District will not be responsible for any fees imposed on its employees or administrators for misuse of copyrighted materials, nor will legal representation be provided in the event of wrongdoing.
3. The Superintendent or designee will be responsible for communicating copyright guidelines to District employees and students and monitoring compliance with these guidelines.

This procedure is deemed applicable to all transactions, including those with Federal funds.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration District Credit Card Procedures

Wyandotte School District Superintendent or designee shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District credit cards for Board Members and employees.

All credit cards issued to and in the name of Wyandotte School District shall be held and supervised by the Superintendent or designee. They shall remain secured in the locking fire-proof file cabinet in the Business Office until an approved request is issued by the Superintendent or designee for its use.

Each request for use of a school credit card shall contain the following:

- Date Needed
- Date to be returned
- Purpose
- Approval of the Superintendent or designee
- Once a request is approved, the request shall be presented to the Business Manager who will issue the card to the person making the request.

After use, school credit cards must be returned directly to the Business Office along with detailed receipts of all charges made.

Credit cards may be used only for the purchase of the following:

- Conference or workshop registrations
- Lodging for authorized trips or meetings, or
- Supplies and equipment when prior approval of the Superintendent or designee has been given.

Credit card may NOT be used to purchase meals when traveling on school business.

Other expenses as deemed necessary and approved by the Superintendent or designee.

A credit card dedicated to fuel purchases is available and should be used for fuel purchases in school vehicles only. This card cannot be used to purchase fuel for personal vehicles used for school business.

Credit cards may not be used to circumvent the normal purchasing and/or requisitioning process.

The credit card is to be returned directly to the Business Office by the person to whom the card was issued by the date specified in the authorization. Documentation indicating the goods or services purchased, the amount(s) of the purchase, date(s) of purchase, and the District business to which each purchase relates must also accompany the card upon its return.

The staff member to whom a credit card is issued shall be responsible for its use and shall not allow the card to be used by anyone else or for any unauthorized purchases. Any charges made on the card during the time that the card is in the possession of the employee are the responsibility of that employee. Unauthorized charges must be paid by the person to whom the card is assigned, and such unauthorized use shall subject the card holder to disciplinary action in accordance with law, District policy, and/or the terms of a negotiated agreement.

The person to whom a credit card is issued is responsible for the protection and custody of the card. If a District card is lost or stolen, the person to whom the card was issued shall immediately notify the Superintendent or Business Office designee. The Business Office will notify the issuing company to cancel the card if necessary.

The Business Office shall reconcile the credit card statements to the invoices relating to credit card transactions. Any charges appearing on statement that are missing invoices or other documentation will be investigated by the Business Office staff. The Business Office staff must notify the Superintendent or designee and/or the credit card issuing company of any suspected fraudulent transactions appearing on the statement. Credit card balances must be paid within sixty (60) days of the initial statement date.

The School District of the City of Wyandotte Policies and Procedures - Federal Awards Administration Training and Sanctions

TRAINING:

Wyandotte Public District will provide training to all staff involved in these procedures through activities such as:

- Orientation of new staff
- Distribution of federal laws, regulations and guidance
- Distribution of District policies and procedures
- Developing templates, checklists and other guidance documents as appropriate
- Internal training sessions
- Routine staff meetings
- Informal technical assistance.

The Business Office staff will meet with District staff as necessary to ensure that these procedures are followed. These meetings may occur either on an individual basis or in a group setting.

EMPLOYEE ACCOUNTABILITY AND SANCTIONS:

Failure to follow the provisions of these procedures will subject the individuals responsible for the violation(s) to administrative and/or disciplinary actions in accordance with District disciplinary procedures and the judgment of management. Sanctions may include comments on employee evaluations, suspension and/or dismissal.

GLOSSARY OF TERMS¹

ABATEMENT – A reduction of a previously recorded expenditure or receipt item by such means as refunds, rebates, and collections for loss or damage to school property.

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.

ACCOUNTS PAYABLE - Amounts due to trade vendors and others for goods or services received by the district for which payment has not yet been made.

ACCOUNTS RECEIVABLE – Amounts owed to the school district by private persons, firms, governmental units or others.

ACCRUAL BASIS – The basis of accounting under which revenues are recorded when earned or when levies are made and expenditures are recorded as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made.

ACCRUE – to record revenues when earned or when levies are made and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds.

ACCRUED EXPENSES – Expenses incurred for goods or services received by the district for which payment is not yet due.

ACCRUED INTEREST – Interest accumulated between interest dates but not yet due.

ACCRUED REVENUE – Levies made or other revenue earned and not collected regardless of whether or not due.

ADDED NEEDS – The classroom costs of added needs instructional programs offered by the school. This includes special education, compensatory education, and vocational education. These expenditures do not include capital outlay. The denominator for this category includes K-12 and special education pupils.

ADMINISTRATION – Those activities which have as their purpose the general regulation, direction and control of the affairs of the school district that are system wide and not confined to one school, subject or restricted phase of school activity.

ADULT EDUCATION – The classroom costs of adult/continuing education programs operated within the school's general fund. These expenditures do not include capital outlay. The denominator for this category includes adult education participants only.

ALLOWANCE – An amount (usually estimated) deducted from the carrying amount of an asset in order to reflect the amount expected to be eventually realized, as in the case of an allowance for uncollectible receivables. An allowance also is used to fully offset certain assets in the financial statements as in the case of an allowance for uncollected taxes in an amount equal to taxes receivable – sometimes referred to as a "reserve."

APPROPRIATION – An authorization granted by the appropriating body to make expenditures and to incur obligations for specific purposes.

APPROPRIATION EXPENDITURE – An expenditure chargeable to an appropriation

ARBITRAGE – Act of using money obtained from bond issues to earn a rate of return in excess of the interest cost to issue the bonds.

ASSESSMENT, SPECIAL – A compulsory levy made by local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties.

ATTENDANCE OFFICERS – Persons who enforce the compulsory attendance laws, analyze cause of non-attendance, and help to improve the attendance of individual pupils.

AUDIT – The examination of records and documents and securing of other evidence for one or more of the following purposes: (a) determining the propriety of propose or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

BALANCE SHEET – A summarized statement, as of a given date, of the financial condition of a school district (or a fund) showing assets, liabilities, and fund balances.

BASIC PROGRAMS – The classroom costs related to basic instructional programs. This includes pre-school, elementary, middle and high school programs. These expenditures do not include capital outlay. The denominator for this category includes K-12 and special education pupils.

BOND – A written promise, generally under seal, to pay a specified sum of money, called the principal amount, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality.

BOND DISCOUNT – The excess of the principal amount of a bond over the price for which it is acquired or sold. The price does not include accrued interest at the date of acquisition or sale.

BOND PREMIUM – The excess of the price at which a bond is acquired or sold, over its principal amount. The price does not include accrued interest at the date of acquisition or sale.

BONDED DEBT – The part of the school district debt which is covered by outstanding bonds of the districts. Sometimes called "Funded Debt."

BOOK VALUE – Value as shown by books of an account.

BUILDING – One continuous structure which may or may not be connected with other structures by passageways. It includes the building itself and the plumbing, heating, ventilating, mechanical, and electrical work; and lockers, cabinets, and shelves which are built into the building. Two structures connected by a breezeway, a covered walkway, or tunnel

BULLETIN 1022 – Finance Accounting for Michigan School Districts Manual, the purpose to be usable as a working manual in outlining the District's design of the entire financial system.

CAPITAL OUTLAY – An expenditure which results in the acquisition of fixed assets or additions to fixed assets. It is expenditures for land, buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. The term does not include replacements of assets as described under maintenance of plant.

CASH BASIS – The basis of accounting under which revenues are recorded only when actually received, and only cash disbursements are recorded as expenditures.

CODING – A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

COMMUNITY COLLEGE – A public school beginning with grade 13 which offers at least 1 but less than 4 years of work and does not grant baccalaureate degree.

COMMUNITY SERVICES – those services which are provided by the school district for the community as a whole, or some segment of the community, outside of the pupil education programs provided under instruction.

COMPLIANCE REQUIREMENTS, GENERAL – Either federal laws that constitute a national priority, or OMB Circulars that are considered necessary to adequately administer a grant.

COMPLIANCE REQUIREMENTS, SPECIFIC – Compliance requirements applicable to each separate federal program and are based on the federal regulations established on a grant by grant basis.

CONSULTANT – A person who provides assistance to the regular personnel through conference, demonstration, research, or other means. There are two types of consultants: Those retained on a temporary basis and those who are permanently employed.

CONTINGENT LIABILITIES – Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, and unsettled disputed claims.

CONTRACTED SERVICES – Services rendered by personnel who are not on the payroll of the school district, including all related expense covered by the contract.

CONTROLLING ACCOUNT – An account usually kept in the general ledger in which the posting to a number of identical, similar or related accounts are summarized so that the balance in the controlling account equals the sum of the balances of the detailed accounts. The controlling account serves as a check on the accuracy of the detailed account postings.

COST – The amount of money or money's worth given for property or services. Costs may be incurred before money is paid, that is, as soon as liability is incurred. Ultimately, however, money or money's worth must be given in exchange. Again, the cost of some property or service may in turn become a part of the cost of another property or service. For example, the cost of part or all of the materials purchased at a

certain time will be reflected in the cost of the articles made from such materials or in the cost of those services in the rendering of which the materials were used.

COST ACCOUNTING – That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unity of work or a specific job.

CURRENT – As used in this manual, the term has reference to the fiscal year in progress.

CURRENT EXPENSE – If any accounts are kept on the accrual basis, current expense includes total charges incurred, whether paid or unpaid. If accounts are kept on the cash basis, it includes only actual disbursements.

CURRENT LOANS – Loans payable in the same fiscal year in which the money was borrowed.

CURRENT TAX COLLECTIONS – Amounts received from taxes levied for the current fiscal year.

DEBT SERVICE – Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current and short term loans.

DEFERRED CHARGES – Expenditures which are not chargeable to the fiscal period in which made, but are carried on the asset side of the balance sheet pending amortization or other disposition.

DEFICIT – The excess of the obligations of a fund over the funds' resources.

DELINQUENT TAX COLLECTIONS – Amounts received from taxes levied in prior fiscal years.

DIRECT EXPENSES – Those elements of cost which can be easily, obviously, and conveniently identified with specific activities, as distinguished from those costs incurred for several different activities and whose elements are not readily identifiable with specific activities.

DOUBLE ENTRY – A system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts.

ELEMENTARY GRADES – Grades classified as elementary by State and local practice and composed of any span of grades not above grade eight. This term includes kindergartens and nursery schools if they are under the control of the local board of education.

EXPENDITURES – If accounts are kept on the accrual basis, this includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service. If accounts are kept on the cash basis, this includes only actual disbursements for these purposes.

FACE VALUE – As applied to securities, this term designates the principal amount of the liability stated in the security document.

FALL PUPIL COUNT – The number of pupils legally enrolled and reported to the Center for Educational Performance and Information on the fall submission of the Single Record Student Database file. The count includes prorated portions of the instructional time spent by private school pupils in the public school district and all four adult education participant counts for the fiscal year.

FIDELITY BOND – A bond guaranteeing the school district against losses resulting from the dishonest actions of the treasurer, employees, or other persons of the district.

FISCAL PERIOD – Any period at the end of which the school district determines its financial condition and the results of its operations and closes its books. The fiscal period for school districts is July 1 through June 30.

FIXED ASSETS – Land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue to use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

FIXED CHARGES – Charges of a generally recurrent nature which are not readily allocable to other expenditure categories. They consist of such charges as: contributions for employee retirement, insurance and judgments, rental of land and buildings, and interest on short-term loans.

FLOATING DEBT – Liabilities (except bonds) payable on demand or at an early date; for example, accounts payable, bank loans, notes or warrants.

FOOD SERVICE – Those activities which have as their purpose the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities.

FORM B – Annual school district financial report for the fiscal year ended June 30 to be sent to the State Department of Education

FUND – A sum of money or other resources set aside for specific activities of a school district. The fund accounts constitute a complete accounting entity and all of the financial transactions for the particular fund are recorded in them.

FUND, BONDED DEBT – The fund used to maintain a record of bonded debt.

FUND, BUILDING AND SITE (Capital Projects) – The fund designated for recording transactions in monies and other assets earmarked for use in acquiring new school sites, buildings, and equipment additions, and in major remodeling of or additions to facilities.

FUND, DEBT SERVICE – A fund designated for recording transactions in monies and other assets earmarked for use in payment of principal and interest in long-term debt.

FUND, ENDOWMENT – A fund from which the income may be expended, but whose principal must remain intact.

FUND, GENERAL – The fund used to record the operations of the district pertaining to education, except those specifically described under other funds.

FUND, PERMANENT SCHOOL – Money, securities, or lands which have been set aside as an investment for public school purposes of which the income but not the principal

may be expended. In some instances, there may be endowment funds for individual schools. There may also be nonexistent funds which are legally recognized as an obligation; these may be considered as permanent funds.

FUND, REVOLVING – A fund provided to carry out a cycle of operations.

FUND, ACCOUNTS – All accounts necessary to set forth the financial operations and financial condition of a fund.

FUND BALANCE, DESIGNATED – Used to identify tentative plans for or restrictions on the future use of financial resources.

FUND BALANCE, RESERVED – That portion of the fund balance of a given fund that is not available for expenditure or is legally segregated for a specific future use.

FUND BALANCE SURPLUS – The term is referred to generally as the "Fund Balance" representing the excess of the assets of a fund over its liabilities and reserves.

FUNDED DEBT – Same as Bonded Debt.

FUND DEFICIT – The excess of the liabilities of a fund over its assets.

FUNDING – The conversion of judgments and other floating debt into bonded debt.

GENERAL FIXED ASSET GROUP OF ACCOUNTS – A set of self balancing accounts used to record unmatured general long-term debt and the amount available in debt service funds to fund the debt and the amount to be provided to fund the debt.

GENERAL LEDGER – A book, file, or other device in which accounts are kept to the degree of detail necessary that summarizes the financial transactions of the school district.

GENERAL LONG TERM GROUP OF ACCOUNTS – A set of self balancing accounts used to record unmatured long-term debt and the amount available in debt service funds to fund the debt and the amount to be provided to fund the debt.

GIFT – Money received from a philanthropic foundation, private individual, or private organization for which no repayment or special service to the contributor is expected.

GRANT, PUBLIC – A contribution, either money or material goods, made by one governmental unit to another and for which the contributing unit expects no repayment. Grants may be for specific general purpose.

IMPREST SYSTEM – A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed, and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside.

INDIRECT EXPENSES – Those elements of cost necessary in the provision of a service which are of such nature that they cannot be readily or accurately identified with the specific service. For example, the custodial staff may clean corridors in a school building which is used jointly by administrative, instructional, maintenance, and attendance personnel. In this case, a part of custodial salaries is an indirect expense of

each service using the corridor. However, it is impossible to determine readily of accurately the amount of salary which applies to each of these services.

INSTRUCTION – The cost of activities dealing directly with the teaching of student or improving the quality of teaching

INTERFUND TRANSFERS – Money which is taken from one fund under the control of the board of education and added to another fund under the board's control.

INTERMEDIATE SOURCES OF REVENUE – An intermediate administrative unit or a political subdivision between school districts and the State that collects revenue and distributes it to school districts in amounts different from those which were collected within such districts.

INTERNAL CONTROL – A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures. For example, under such a system the employees' work is subdivided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system the procedures to be followed are definitely laid down and such procedures call for proper authorizations by designated officials for all actions to be taken.

INVENTORIES – Physical items not yet recorded under appropriate expenditure accounts usually located in centralized storage areas from which the items are distributed periodically on requisitions to schools, individuals or other organizational units.

INVESTMENTS – Securities or other property in which money is put at interest either temporarily or permanently.

JOURNAL – Any form in which the financial transactions of the school district are formally recorded for the first time, such as the cash receipts book, check register, and journal voucher.

JOURNAL VOUCHER – A paper or form on which financial transactions of the school district are authorized and from which any or all transactions may be entered in the books. Journal vouchers are used for authorizing entries in the bookkeeping system for which no other authorizations, such as deposit slips, invoices, etc., are available.

JUDGMENT – An amount to be paid or collected as the result of a court decision.

KINDERGARTEN – A group or class that is organized to provide educational experiences for children for the year immediately preceding the first grade and conducted during the regular school year.

LEVY – (Verb) To impose taxes or special assessment. (Noun) The total of taxes or special assessments imposed by a governmental unit.

LIABILITY, GENERAL FUND – Debt or other legal obligation arising from past general fund transactions, which is payable but not necessarily due immediately.

MAINTENANCE OF PLANT – Those activities which are concerned with keeping the grounds, buildings, and equipment at their original condition of completeness or

efficiency, either through repairs or by replacements of property (anything less than replacement of a total building).

MEMORANDUM ACCOUNT – An informal record of a school district transaction that is not recorded under the regular financial accounts, but for which a record is desired.

MODIFIED ACCRUAL BASIS – The basis of accounting providing for the recording of some items of revenues and expenditures on a cash basis, when the procedure does not materially affect the financial operations of the district.

NET EXPENDITURE – The actual outlay by the school district for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity.

NURSERY SCHOOL – A beginning group or class that is organized to provide educational experiences for children for the year immediately preceding the kindergarten and conducted during the regular school year. These groups are sometimes called preschool groups, child care centers, co-operative nursery schools, etc.

OBLIGATIONS – Amounts which the school district will be required to meet out of its resources.

OPERATION OF PLANT – Those activities which are concerned with keeping the physical plant open and ready for use. It includes cleaning, lighting, heating, moving furniture, caring for grounds, operating telephone switchboards, and other such housekeeping activities as are repeated somewhat regularly; daily, weekly, monthly, or seasonally. It does not include repairing.

PAYROLL – A list of individual employees entitled to pay, with the amounts due to each personal service rendered.

PER PUPIL – Unless otherwise noted. The total revenue or expenditure amount was divided by the Fall Pupil Count of the school district to arrive at the per pupil amount.

PERSONNEL, ADMINISTRATIVE – Personnel on the school payroll who are primarily engaged in activities which have as their purpose the general regulation, direction and control of the affairs of the school district that are system wide and not confined to one school, subject, or narrow phase of school activity; for example, superintendent of schools, business manager, and accountant.

PERSONNEL, FULL-TIME – School employees who occupy positions the duties which require them to be on the job on school days, throughout the school year, for at least the number of hours the schools in the system are in session.

PERSONNEL, GUIDANCE – Persons who have been assigned specific duties and school time to carry on recognized functions of the guidance programs in whole or in part. Classify here: Counselors, deans, placement counselors, guidance specialists, and similar personnel. This refers to both certified and non-certified personnel.

PERSONNEL, HEALTH – Persons in the field of physical and mental health, such as physicians, psychiatrists, school nurses, dentists, dental hygienists, psychiatric social workers, and therapists whose services are directed primarily at individuals, although sometimes used for group activities.

PERSONNEL, INSTRUCTIONAL – Those who render direct and personal services which are in the nature of teaching, or the improvement of the teaching-learning situation. Included here are: Consultants or supervisors of instruction, principals, teachers (including teachers of homebound), guidance personnel, librarians, and psychological personnel. Attendance personnel, health personnel, and clerical personnel should not be included as instructional personnel.

PERSONNEL, MAINTENANCE – Personnel on the school payroll who are primarily engaged in the repairing and upkeep of grounds, buildings and equipment.

PERSONNEL, OPERATIONAL – Personnel on the school payroll who are primarily engaged in keeping the physical plant open and ready for use.

PERSONNEL, PART-TIME – Personnel who occupy positions the duties of which require less than full-time service.

PERSONNEL, PSYCHOLOGICAL – This term applies to psychologists and psychometrists. It does not apply to psychiatrists and psychiatric social workers; they are treated as health personnel.

PETTY CASH – Money set aside for the purpose of making change or immediate payments of comparatively small amount.

PREPAID EXPENDITURES – Those portions of expenditures made during a fiscal year that cover services or benefits to be recorded in succeeding years, such as prepaid insurance premiums and rent.

PRINCIPAL OF A SCHOOL – The administrative head of a school (not school district) to whom has been delegated the major responsibility for the coordination and supervision of the activities.

PROGRAM AREA – This term has reference to the instruction areas described as elementary grades, secondary grades, special education, summer schools, adult education, community college, or other specially designated instruction areas.

PRORATING – The allocation of parts of a single expenditure to two or more different accounts in proportion to the benefits which the expenditure provides for the purpose or program area for which the accounts were established.

PUPIL TEACHER RATIO – Calculated by dividing the Fall Pupil Count excluding special education pupils by the total K-12 teachers.

PURCHASE ORDER – A document which authorizes the delivery of specified merchandise or the rendering of certain services and making of a charge for them.

REBATES – Abatements or refunds.

RECEIPTS, NON-REVENUE – Amounts received which either incur an obligation that must be met at some future date or change the form of an asset to cash.

REFUND – (Noun) An amount paid back or credit allowed because of an over-collection or the return of an object sold. (Verb) To pay back or allow credit for an amount because of an over-allocation or the return of an object sold.

REFUNDING BONDS – Bonds issued to pay off bonds already outstanding. Also known as defeasance of debt.

REGISTER – A record for the consecutive entry of a certain class of events, documents, or transactions, with a proper notation of all of the required particulars. The form of register for accounting purposes varies from a one column to a multicolumnar sheet of special design whereon the entries are distributed, summarized and aggregated usually for convenient posting to the accounts.

REIMBURSEMENT – Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit or department, or for an individual, firm, or corporation.

REMODELING – Any major permanent structural improvement to a building. It includes changes of partitions, roof structure, or walls. Repairs are not included here but are included under maintenance.

REPAIRS – The restoration of a given piece of equipment, or a given building, or of grounds to original condition of completeness of efficiency from a worn, damaged or deteriorated condition.

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 records, and serving the same purpose as the replaced unit in the same way.

REQUISITION – A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE – An amount appropriated for a specific project or purpose carried forward if not separately reappropriated in the following fiscal year; amounts received or bills for revenues applicable to the period subsequent to the close of the accounting period and therefore carried forward in a “reserve” account. A reserve is shown on the liability side of the balance sheet. An amount deducted from an asset, sometimes called a “reserve” is more properly described on an “allowance.”

RETIREMENT FUND SYSTEM – A plan whereby a fund of money, built up through contributions from participants and/or other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability, or length of service.

REVENUE – Additions to assets which do not incur an obligation that must be met at some future date and do not represent exchanges of property for money. If the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all collected during the period; if the accounts are kept on a cash basis, the term designates the amount of revenues collected during a given period.

REVENUE, LOCAL – Revenue produced within the school district boundaries for operating the schools and available to the district in the amount produced. The major source of local revenue in most districts is the general property tax levy. Includes local funds received through other public schools.

REVENUE, FEDERAL – Revenue received or to be received from the federal government which is redistributed by the state; or redistributed by a local unit of government, such

as a county or a city; or allocated directly by a federal agency, e.g., U.S. Department of Education. Includes federal funds received through other public schools.

REVENUE, STATE – Revenues received or to be received from the State of Michigan which are appropriated by the state out of state levied funds. The major source of state revenue in most districts is the State School Aid foundation allowance. Includes state funds received through other public schools.

SALARY – The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the school district. Payments for sabbatical leave are also considered salary.

SCHOOL, SUMMER – The name applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term.

SCHOOL SERVICES – Activities not directly part of the regular instructional programs which are carried on for the benefit of public school pupils.

SCHOOL SITE – The land and all improvements to the site, other than structures, such as grading, drainage, drives, parking areas, walks, plantings, play courts, and playfields.

SECONDARY GRADES – Secondary grades comprise any span of grades beginning with the next grade following elementary and ending with or below grade 12, including junior high schools, the different types of high schools, and vocational or trade high schools.

SECURITIES – Bonds, notes mortgages, or other forms of negotiable instruments.

SERIAL BONDS – Issues redeemable by installments, each of which is to be paid in full ordinarily out of revenues of the fiscal year in which it matures, or revenues of preceding years.

SHORT-TERM LOANS – Loans due subsequent to the current year, but limited to relatively short-term of years because of their very nature.

SINGLE AUDIT – Allows the entity to engage one auditor to perform all the necessary audit tests and issue the applicable financial and compliance reports for federal programs. The single audit was mandated by the Single Audit Act of 1984.

SITE BASED COSTING – Process of desegregating ones total costs to define costs associated with a particular site based upon utilization of common and individual resources. Empowers individual school buildings to prioritize and control their own expenditures.

STUDENT BODY ACTIVITIES – Direct and personal services for public school pupils, such as interscholastic athletics, entertainments, publications, class organizations, clubs, band and orchestra that are managed or operated by the student body under the guidance and direction adults, and are not part of the regular instructional program.

SUBSIDIARY ACCOUNTS – Related accounts which support in detail the summaries recorded in a controlling account.

SUPERVISORS OF INSTRUCTION – School personnel who have been delegated the responsibility of assisting teachers in improving the learning situation and instructional methods.

SUPPLY – A material item of expendable nature that is consumed, worn out, or deteriorated in use, or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

SURETY BOND – A written promise to pay damages or to indemnify against losses cause by the party or parties named in the document, through non-performance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash or securities.

TAX ANTICIPATION NOTES – Notes (sometimes called “warrants”) issued in anticipation of collection of taxes, usually retirable only from tax collections, and frequently only from the tax collections anticipated with their issuance. The process of tax anticipation notes or warrants are treated as current or short-term loans if paid back from the tax collections anticipated with the issuance of the notes.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments.

TAXES RECEIVABLE – The uncollected portion of taxes which a governmental unit has levied.

TEACHER – A person employed to instruct pupils or students in a situation where the teacher and the pupils or students are in the presence of each other. This term is not applied to principals, librarians, or other instructional personnel.

TERM BONDS – Bonds of the same issue, usually maturing all at one time and ordinarily to be retired from funds accumulated over a period of years for that specific purpose.

TEXTBOOKS – Books obtained primarily for use in certain classes, grades, or other particular student groups rather than for general school use.

TRANSPORTATION SERVICES, PUPIL – Those activities which have as their purpose the conveyance of pupils to and from school activities, either between home and school or on trips for curricular or co-curricular activities.

TRIAL BALANCE – A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be “in balance.”

UNRESERVED FUND BALANCE – That portion of the fund balance of a given fund which is not segregated for specific purposes and is available for appropriation.

VISITING TEACHER (Home-School Counselor) – Visiting teachers, home-school counselors, home-school visitors, and school social workers who bring together the home, school and community in solving the problems of the individuals. Excluded are teachers for home instruction and teachers for instruction in hospitals, convalescent homes and detention homes; they are included under instructional personnel as teachers.

VOUCHER – A document which authorizes the payment of money and usually indicates the accounts to be charged.

VOUCHER SYSTEM – A system which calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book or original entry known as a voucher register in the order in which payment is approved.

WORK ORDER – A written order authorizing and directing the performance of a certain task. Among the information shown on the order are the nature and location of the job, specifications of the work to be performed, and a job number which is referred to in reporting the amount of labor, materials and equipment used.

¹ Hunsberger, G. (1999). *Glossary of Terms*. As presented in School Finance at Grand Valley State University.

PROCEDURES**Purchasing Card Usage**

The Wyandotte Board of Education approves the use of purchasing cards (District-issued credit cards) as a means of providing the District with an alternative method of purchasing low-dollar goods. The Board will allow the use of purchasing cards to authorized employees to assist in their ability to order and receive products directly from any vendor who accepts credit card purchases, thus allowing purchases at a faster and lower cost.

The District's Purchasing Card Program will be administered and monitored directly through the Business Office, under the direction of the Business Manager. This program is part of the statewide purchasing card program designed specifically for Michigan public school districts by approved banking institutions. The use of purchasing cards shall not be used to circumvent the Board's Purchasing and Bidding Policy and Procedures.

The Superintendent shall direct the Business Manager to develop program guidelines that will include: authorized users criteria; restrictions and limitations of card usage; auditing procedures; development of appropriate training; cardholder recordkeeping requirements; procedures and penalties if a card is misused, lost, and/or stolen; and, other appropriate guidelines.

Inappropriate or illegal use of a purchasing card and/or failure to strictly comply with the established limitations and requirements may result in loss of card privileges; disciplinary action, up to and including discharge; personal responsibility for any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase; and/or possible referral to law enforcement authorities for prosecution.

5000**BUSINESS****5000.04****Surplus Property**

Land or Buildings The Superintendent will identify School District land or buildings no longer required for School District purposes and recommend to the Board the procedures to be followed for the sale or disposition of such property. Board approval is required for both the process to be followed and the ultimate sale or other disposition.

Equipment and Supplies The Superintendent will periodically review School District equipment and supplies and identify any that are thought to be obsolete and not able to be salvaged, as well as those that cannot be utilized effectively or economically by the School District. The Superintendent is authorized to dispose of any such equipment and supplies in a commercially reasonable manner.

WYANDOTTE PUBLIC SCHOOLS
PROCEDURES

5000.04

Disposition of Surplus Property

The Board requires the Superintendent, or his/her designee, to review the property of the District periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of these Procedures.

Instructional Material

The District shall review instructional materials (i.e. textbooks, library books, manuals, software and support materials, etc.) periodically to determine the relevance of such materials to the present work and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

- Concepts or content that do(es) not support the current goals of the curriculum.
- Information that may not be current.
- Items worn beyond salvage or repair.

Equipment

The District shall inspect the equipment used in the instructional program or by support services periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

- Repair parts for the equipment are no longer readily available and/or too costly.
- Repair records indicate the equipment has no usable life remaining.
- Equipment is obsolete, broken, damaged beyond repair, or no longer contributing to the educational program.
- Has some potential for sale.
- Continued use creates a safety or environmental hazard.

Disposition

The Superintendent or his/her designee is authorized to dispose of obsolete instructional and other property by sale or donation to an appropriate party or by proper waste removal. Disposal of surplus property purchased with Federal funds shall be disposed of in accordance with Federal guidelines.

PROCEDURES**Fixed Asset Management**

The Wyandotte Board of Education shall maintain fixed asset management procedures. The fixed asset management system shall maintain sufficient information to permit the preparation of year-end financial statements in accordance with generally accepted accounting principles and adequate insurance coverage.

Controlled fixed assets are defined as those tangible assets of the District with a useful life over one (1) year and an initial cost equal to or exceeding \$5,000. Fixed assets for financial statement reporting (per GASB statement #34) are those tangible assets of the District with a useful life of five (5) years or more and an initial cost equal to or exceeding \$5,000.

The fixed assets to be monitored shall be classified as follows:

- A. Land
- B. Buildings
- C. Improvements other than buildings (i.e. parking lots)
- D. Machinery and equipment (including vehicles)
- E. Construction in progress

Fixed assets that are purchased, leased, or jointly owned will be identified and recorded in the fixed asset system.

The following information shall be maintained for all fixed assets:

- A. Asset Number
- B. Description
- C. Asset classification
- D. Location
- E. Date of purchase
- F. Purchase price
- G. Serial and model number
- H. Estimated useful life
- I. Fund number
- J. Disposal or trade-in of fixed asset

5000

BUSINESS

5000.05**Investments**

The Board requires prudent management of the public monies to which it has been entrusted. Oversight and management of School District monies rests with the Superintendent. The Superintendent will develop and implement procedures to be followed in connection with School District investments. The procedures will include internal accounting and administrative controls to direct the investment activities of School District employees.

5000**BUSINESS****5000.06****Risk Management**

The Board seeks to minimize risk in all School District operations. This requires planning that takes into account the safety of students, employees and the public, the protection of School District property and avoidance of financial loss or liability.

The Superintendent or his/her designee will be responsible for establishing a risk management program. The program will include means for identifying, eliminating, reducing, or transferring risk, and may provide for the purchase of insurance, if necessary.

5000**BUSINESS****5000.07****Audits**

The State of Michigan requires an annual audit of the School District's financial statements to determine, through an independent review, whether the financial statements fairly present the financial position of the School District. The auditor also examines whether the School District has followed generally accepted accounting principles and whether proper internal controls exist.

The Board will annually appoint an independent, qualified auditor to conduct the School District audit. The audit report will be presented annually at a public meeting of the Board.

5000

BUSINESS

5000.08

Post-Issuance Tax Compliance

The Superintendent, or his/her designee, will promulgate administrative regulations that enable the District to comply with the requirements established by the Internal Revenue Code for tax-exempt or tax-advantaged bonds and other debt obligations issued by the District.

WYANDOTTE PUBLIC SCHOOLS
PROCEDURES
Post-Issuance Tax Compliance

5000.08

The purpose of these Post-Issuance Tax Compliance Procedures is to establish guidelines and procedures in connection with tax-exempt or tax-advantaged bonds and other debt obligations issued by the District (generally referred to as "Obligations").

Tax exempt borrowings and other borrowings of the District, including but not limited to tax-exempt bonds, refunding bonds, tax credit bonds, installment and lease purchase agreements, lines of credit, State aid notes and tax anticipation notes are collectively referred to as "obligations".

It is the intent of the District to ensure that all tax-exempt obligations issued by the District satisfy all requirements of the Internal Revenue Code of 1986, as amended (the code) and regulations there under (the regulations).

The Internal Revenue Service (IRS) has recommended that issuers of tax-exempt and tax-advantaged obligations have written procedures in place to enable the issuer to effectively monitor the post-issuance requirements outlined in the IRS code.

Accordingly, the District will maintain a written procedure for post-issuance compliance that will encompass the following key elements:

- Due diligence review at regular intervals
- Identifying the employee responsible for the review
- Training of the responsible employee
- Retention of adequate records to substantiate compliance (e.g. expenditures of proceeds)
- Procedures expected to identify non-compliance
- Procedures that the issuer will take to correct non-compliance

The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The District also reserves the right to amend these Procedures and all related procedures from time to time as deemed necessary in the District's sole discretion. In addition, these Procedures are subordinate to the Code and any regulations thereto and are subject to amendment or deletion depending on the content of any new regulations or Code amendments promulgated by the United States Treasury.

5000

BUSINESS

5000.09**Summer Property Tax Levy**

The Board, by passing a resolution in order to activate this policy, shall impose a summer property tax levy. Each summer property tax levy shall be for 50% for debt retirement and 50% for operating and non-homestead of the District's annual school property taxes, unless otherwise dictated by law.

5000**BUSINESS**

5000.10**Meal Charge**

The School District has established this meal charge policy for children who are eligible for reduced-price or full-price meal benefits, but have insufficient funds to pay for school meals. This policy also addresses bad debt incurred due to the School District's inability to collect unpaid meal charges from its students.

5000**BUSINESS****5000.11****Online Fundraising**

No employee shall create, post, or sponsor any online fundraiser seeking to secure or generate funds from the public for school purposes, purchases for school, or utilizing the District's name, logo, or likeness, without prior written consent from the Superintendent. If permission to create, post, or sponsor an online fundraiser is provided by the Superintendent, any property secured or purchased through such fundraising activities shall become the property of the District and not the employee. This Policy applies, but is not limited to, online fundraising services such as DonorsChoose.org, Kickstarter.com, GoFundMe.com, Crowd Rise.com, and similar sites.