6000 - FINANCES

Contents

6110 - GRANT FUNDS 3
6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES 8
6111.01 - MATTERS INVOLVING CERTAIN LEGAL EXPENSES 11
6112 - CASH MANAGEMENT OF GRANTS 12
6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS 14
6116 - TIME AND EFFORT REPORTING 20
6144 - INVESTMENT INCOME 22
6145 - SHORT-TERM INDEBTEDNESS 24
6147 – RESERVE AND LIQUIDITY POLICY 25
6150 - ENROLLMENT ASSESSMENT OF TRANSFER TUITION FOR STUDENTS ENROLLED ON A CASH TRANSFER TUITION BASIS 27
6151 - BAD CHECKS AND UNCOLLECTABLE DEBTS 28
6152 - STUDENT FEES AND CHARGES 29
6210 - FISCAL PLANNING 31
6220 - BUDGET PREPARATION 32
6221 – RAINY DAY FUND 33
6230 - BUDGET HEARING 34
6231 - BUDGET IMPLEMENTATION 35
6320 - PURCHASING 36
6320.01 - PURCHASING USING ONLINE REVERSE AUCTIONS 38
6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS 39
6330 - APPROVAL OF CONTRACTS 47
6423 - USE OF CREDIT CARDS 48
6440 - COOPERATIVE PURCHASING 49
6450 - LOCAL PURCHASING 50
6460 - CONFLICTS OF INTEREST AND VENDOR RELATIONS 51
6470 - PAYMENT OF CLAIMS 53
6480 – PREPAYMENT OF INVOICES/CLAIMS 54
6520 - PAYROLL DEDUCTIONS 55
6550 - TRAVEL PAYMENT AND REIMBURSEMENT 57

6605 - CROWDFUNDING 58
6610 - EXTRA-CURRICULAR FUNDS 59
6620 - PETTY CASH 61
6621 - CASH CHANGE FUND 62
6655 - SCHOOL TECHNOLOGY FUND 63
6700 - FAIR LABOR STANDARDS ACT ("FLSA") 64
6800 - SYSTEM OF ACCOUNTING 69

6110 - GRANT FUNDS

It is the objective of the Board to provide equal educational opportunities for all School Corporation students. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the Corporation that benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance the educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this Corporation. The Superintendent shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school corporations and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accordance with Federal regulations and guidelines.

No Federal funds received by the Corporation shall be used to:

A. develop or distribute materials or operate programs or courses of instruction directed at youth that are designed to promote or encourage sexual activity, whether homosexual or heterosexual;

B. distribute or aid in the distribution by any organization of legally obscene materials to minors on school grounds or at school sponsored activities;

C. provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or

D. operate a program of contraceptive distribution in schools.

Grant Proposal Development

A. All grant proposals must support at least one (1) Corporation goal or priority.

B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

Grant Proposal Internal Review

Each grant proposal shall be reviewed and approved by the Superintendent prior to submission to the funding source.

Grant Administration

A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as Corporation policies and administrative guidelines.

B. The Superintendent is responsible for the efficient and effective administration of grant awards through the application of sound management practices.

C. The Superintendent is responsible for administering grant funds in a manner consistent with underlying agreements, applicable statutes, regulations, and objectives, and the terms and conditions of the grant award.

D. The Corporation, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls, including the organizational and management strategies necessary to assure proper and efficient administration of grant awards.

E. All Federal funds received by the Corporation will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Superintendent shall require that each draw of Federal monies be aligned with the Corporation's payment process (whether reimbursement, cash advance, or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.

F. The Superintendent is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.

Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local, and grantor rules, regulations, and assurances as well as Corporation policies and administrative guidelines.

The Corporation shall provide for the following:

A. Identification, in Corporation accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal

Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.

B. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.

C. Records that identify adequately the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

D. Effective control over, and accountability for, all funds, property, and other assets. The Corporation must adequately safeguard all assets and assure that they are used solely for authorized purposes.

Further, the Corporation must:

1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the Corporation is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;

2. comply with Federal statutes, regulations and the terms and conditions of the Federal award;

3. evaluate and monitor the Corporation's compliance with statutes, regulations and the terms and conditions of the Federal award;

4. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;

5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.

E. Comparison of expenditures with budget amounts for each Federal award.

F. Recordkeeping and written procedures to the extent required by Federal, State, local, and grantor rules and regulations pertaining to the grant award and accountability, including, but not limited to, the following areas:

1. cash management
2. allowability
3. conflict of interest
4. procurement
5. equipment management
6. conducting technical evaluations of proposals and selecting recipients
7. compensation and fringe benefits
8. travel

G. Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass through agency in accordance with applicable Federal policy.

H. Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the Corporation.

Program Income

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance.

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts and interest earned on any of them. Additionally, taxes, special assessments, levies, fines and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment or supplies are not program income.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the Corporation uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will be used only for current costs unless the Corporation is otherwise directed by the Federal awarding agency or pass-through entity.

I.C. 20-26-5-4
Compliance Supplement for Single Audits of State and Local Governments
20 U.S.C. 7906
Education Department General Administrative Regulations (EDGAR)
34 C.F.R. 75.707, 76.563. 76.565, 76.707
2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307
2 C.F.R. 200.309, 200.310, 200.313, 200.318-.320, 200.343(b)&(e)

Revised 2/24/03
Revised 10/14/13
Revised 10/24/16

6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

The Superintendent shall establish and maintain effective internal control standards and procedures for all funds received by the School Corporation, including financial grants and awards from Federal or State sources, that provide reasonable assurance that the program and funds are managed in compliance with applicable Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards made to the Corporation.

The Corporation shall have a process that provides reasonable assurance regarding the achievement of the following objectives:

A. effectiveness and efficiency of operations;

B. reliability of reporting for internal and external use; and

C. compliance with applicable laws and regulations.

The internal control standards and procedures must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal and State reports; maintain accountability over assets; and demonstrate compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the Federal Compliance Supplements and/or directives of the State Board of Accounts (SBOA).

Additionally, the Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss from theft, fraud, unauthorized use, or unauthorized disposition.

Further, erroneous or irregular variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular variances, losses, shortages, or thefts of Corporation funds or property in excess of:

A. with respect to cash funds:

$500.00 in any fund

B. with respect to assets other than cash funds:

any asset valued in excess of $5,000.00

are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

A. comply with Federal statutes, regulations, and the terms and conditions of the Federal grants and awards;

B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation;

C. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards and State and local funds received;

D. investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;

E. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;

F. report all misappropriations of Corporation funds or property to the SBOA and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriation has occurred;

G. provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and

H. take reasonable measures to safeguard protected "personally identifiable" information (PII) and other information the State, awarding agency, or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, State, local, and tribal laws and Corporation policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined

with other personal or identifying information that is linked or linkable to a specific individual. "

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

I.C. 5-11-1-27
2 C.F.R. 200.61-.62
2 C.F.R. 200.79
2 C.F.R. 200.203
State Examiner Directive 2015-6 (SBOA 11-18-15)

Adopted 10/24/16

6111.01 - MATTERS INVOLVING CERTAIN LEGAL EXPENSES

Indiana law declares "the superintendent of a school corporation shall promptly and fully inform the governing body of any matter or related matters involving legal expenses reasonably expected to exceed an amount specified by the governing body." To comply with this statute, the WCS Board of Trustees establishes the following:

A. If legal expenses, including attorney's fees, filing fees, witness fees, copying costs, and investigative expenses, involving a matter or related matters are expected to exceed $10,000, the superintendent shall promptly and fully inform the school board about the matter(s) and the expected associated legal expenses.

B. The superintendent may provide such information to the school board in executive session provided that consideration by the school board of such matter(s) may lawfully occur in executive session.

C. No specific format of providing this information is required of the superintendent.

Adopted: 08/28/2023

6112 - CASH MANAGEMENT OF GRANTS

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The School Corporation's payments methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Indiana Department of Education (IDOE) (pass-through entity) and disbursement by the Corporation, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The Corporation shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The Corporation shall request grant funds payments in accordance with the provisions of the grant. Additionally, the Corporation's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic fund transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the Corporation uses a **cash advance** payment method, the following standards shall apply:

A. The timing and amount of the advance payment requested shall be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.

B. The Corporation shall make timely payment to contractors in accordance with contract provisions.

C. To the extent available, the Corporation shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

D. The Corporation shall account for the receipt, obligation and expenditure of funds.

E. Advance payments shall be deposited and maintained in insured accounts whenever possible.

F. Advance payments shall be maintained in interest bearing accounts unless the following apply:

1. The Corporation receives less than $120,000 in Federal awards per year.

2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of $500 per year on Federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

4. A foreign government or banking system prohibits or precludes interest bearing accounts.

G. Pursuant to Federal law and regulations, the Corporation may retain interest earned in an amount up to $500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment (ASAP), National Science Foundation (NSF) or another Federal agency payment system.

2 C.F.R. 200.305

Adopted 10/24/16

6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

Cost Principles

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the School Corporation or the proper and efficient performance of the Federal award;

2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;

3. market prices for comparable goods or services for the geographic area;

4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and

5. whether the cost represents any significant deviation from the established practices or School Board policy which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the Corporation can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

1. the cost is needed for the proper and efficient performance of the grant program;

2. the cost is identified in the approved budget or application;

3. there is an educational benefit associated with the cost;

4. the cost aligns with identified needs based on results and findings from a needs assessment; and

5. the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received.

B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.

C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the Corporation.

D. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

E. Be determined in accordance with generally accepted accounting principles.

F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

G. Not be included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.

H. Be adequately documented:

1. in the case of personal services, the Superintendent shall implement a system for Corporation personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;

2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

Selected Items of Cost

The Corporation shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, Corporation staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, Corporation and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable, and Corporation personnel shall follow those rules as well.

Cost Compliance

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

Determining Whether a Cost is Direct or Indirect:

A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective and are not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the Corporation, the governing body of the Corporation, compensation of the Superintendent, compensation of the chief executive officer of any component of the Corporation, and operation of the immediate offices of these officers.

The salaries of administrative and clerical staff normally should be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.

2. Individuals involved can be specifically identified with the project or activity.

3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.

4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Indiana Department of Education (IDOE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

Timely Obligation of Funds

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

The following table illustrates when funds are determined to be obligated under the U.S. Department of Education regulations:

If the obligation is for:

A. Acquisition of property - on the date which the Corporation makes a binding written commitment to acquire the property.

B. Personal services by an employee of the Corporation - when the services are performed.

C. Personal services by a contractor who is not an employee of the Corporation - on the date which the Corporation makes a binding written commitment to obtain the services.

D. Public utility services - when the Corporation receives the services.

E. Travel - when the travel is taken.

F. Rental of property - when the Corporation uses the property.

G. A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

Period of Performance

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is approved, unless an agreement exists with IDOE or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the Corporation shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the Corporation shall closely monitor grant spending throughout the grant cycle.

2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458
2 C.F.R 200.474(b)

Adopted 10/24/16

6116 - TIME AND EFFORT REPORTING

As a recipient of Federal funds, the School Corporation shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of Title 2 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services also may include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

A. is reasonable for the services rendered, conforms to the Corporation's established written policy, and is consistently applied to both Federal and non-Federal activities; and

B. follows an appointment made in accordance with the Corporation's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

The reports:

A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;

B. are incorporated into the official records of the Corporation;

C. reasonably reflect the total activity for which the employee is compensated by the Corporation, not exceeding 100% of the compensated activities;

D. encompass both Federally assisted and other activities compensated by the Corporation on an integrated basis;

E. comply with the Corporation's established accounting policies and practices;

F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost

activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The Corporation also shall follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data shall be made available only to authorized auditors.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the Corporation may use budget estimates for interim accounting purposes. The system used by the Corporation to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the Corporation and entered into the Corporation's records in a timely manner.

The Corporation's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

2 C.F.R. 200.430, 200.431

Adopted 10/24/16

6144 - INVESTMENT INCOME

The Board authorizes the Treasurer or Deputy Treasurer to make investments of available monies from the several funds of the Corporation in:

A. bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State;

B. certificates of deposit issued by financial institutions organized and authorized to operate in this State.

The purpose of the investments is to maximize the returns on the Corporation's excess cash balances consistent with safety of those monies and with the desired liquidity of the investments.

Investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount up to 100% of the available reserves.

All investments must mature or be redeemable within one (1) year of the date of purchase.

The Treasurer is authorized to contract with a depository for the operation of a cash management system under the following conditions:

A. the contract is in writing

B. the contract provides for the investment of funds by the depository with the written approval of the Treasurer

C. the depository keeps all records concerning investment cash management

D. the investments are made in accordance with State law with maturities not to exceed two (2) years

E. the contract, which cannot exceed two (2) years, is awarded using the Corporation's bidding procedure

The Treasurer may request, no more often than four (4) times per year, that each public depository report the amount of monies deposited by him/her and the total value of the pool of securities pledged to secure the monies of this Corporation held by the depository.

The Treasurer shall include in the monthly report to the Board all cash in all accounts on deposit as well as the investment assets of the Board.

An obligation when received by the Treasurer, shall be deposited with the bank or trust company having the deposit of the money of the particular fund from which the obligation was purchased.

Money in the several funds of the Corporation may be commingled for the purpose of making an investment.

The Board may authorize the Board's investing officer to invest in certificates of deposit from depositories that have been designated by the State Board of Finance as a depository for State funds under I.C. 5-13-9-5 but have not been designated by the Corporation's Board of Finance established by Board Bylaw 0151.1. This authorization shall be in the form of a resolution approved by the Board. Such resolution must provide that the authority to invest in these certificates of deposit granted by the resolution expires on a date that is not later than two (2) years after the date of the Board's vote adopting the resolution.

I.C. 5-13-9, 20-26-5-4
I.C. 5-13-9 –Deposit and investment of public funds
I.C. 5-13-9-5(a) – Authorization to invest in certificates of deposit
I.C. 20-26-5-4 – Specific powers
I.C. 36-1-2-10 – "Municipal corporation" defined to include "school corporation"
I.C. 36-1-2-13 – "Political subdivision" defined to include "municipal corporation"
State Board of Accounts Public Schools Manual Part 14

Revised 3/02
Revised 4/28/14
T.C. 12/8/15

6145 - SHORT-TERM INDEBTEDNESS

When the Board determines that an emergency condition exists within a particular fund(s) and that the revenue being generated will not meet the current projected needs, the Treasurer may initiate procedures to acquire the necessary revenue from emergency loans, advance draws, or tax anticipation warrants.

The appropriate bid procedure is to be followed for all short-term loans authorized by the Board. Funds are to be borrowed from the institutions or organizations offering the terms most favorable to the School Corporation following approval by the Board.

The School Corporation may borrow the money necessary to finance a "public work" project that will cost not more than two million dollars ($2,000,000.00). A "public work" means a project for the construction of a public building, highway, street, bridge, sewer, drain, or any other public facility that is paid for out of public funds.

The School Corporation may borrow the money for this purpose from a financial institution in Indiana by executing and delivering to the financial institution a negotiable note of the School Corporation for the sum borrowed. The note must bear interest, with both principal and interest payable in equal installments on January 1st and July 1st each year over a period not exceeding six (6) years.

I.C. 21-2-6 thru 8
I.C. 36-9-41

Revised 11/04
T.C. 12/8/15

6147 – RESERVE AND LIQUIDITY POLICY

The purpose of the Corporation's Reserve and Liquidity Policy ("Policy") is to provide the School Board and District Personnel with shared objectives and parameters for the management of its funds, to maintain and improve the financial stability of the Corporation and maintain sufficient liquidity of the Corporation's funds to provide an adequate cushion against unexpected temporary revenue shortfalls or unpredicted one-time expenditures while maintaining tax rates. It is also the intent that this Policy will signal to credit rating agencies, investors and the capital markets that the Corporation is well-managed and has budgetary flexibility. This Policy shall be reviewed annually in January by the Board of Finance.

Definitions:

For purposes of this policy, the following definitions apply:

Available Fund Balance shall be defined as the amount, measured in dollars, of available reserves of the Corporation as measured by the balance remaining after the total liabilities are subtracted from the total assets ("Available Fund Balance").

Reserve Target shall mean target level of the Available Fund Balance.

Reserve Target

When assessing the Available Fund Balance for the Corporation, the Corporation shall consider the Educational Fund. The Reserve Target Balance for the Education Fund shall be ten percent (10%). The Business Manager will measure compliance with this Policy as of December 31st each year, or as soon as practical after final year-end account balances become available. For the purposes of this Policy, current year's actual operating expenses will exclude significant capital outlays and non-recurring items. The Reserve Target will also be actively monitored by the Business Manager and Superintendent throughout the year.

If the Reserve Target is not met or is projected to not be met at some point within a five-year time horizon, then during the annual budgeting process, Available Fund Balances and reserve levels will be considered and a plan to replenish the Available Fund Balance to a level consistent with the Reserve Target will be established based on the requirements outlined in this Policy.

Maintaining Reserve Target:

In order to provide liquidity adequate to meet district needs, the Reserve Target will be maintained and managed through a method to minimize the need to borrow in the event of unforeseen financial challenges, including changes in revenue streams and expenses and weathering significant economic downturns or enrollment declines. The Reserve Target will generally be funded or replenished by excess revenues over expenses or one-time revenues.

Maintaining Liquidity:

This Policy sets forth the minimum risk management measures that the Corporation must implement to ensure its current and future liquidity position is managed in a prudent manner. Liquidity is the amount of cash and the ease of converting assets to cash with minimum loss of the value of the asset to meet financial obligations of the Corporation. The marketability or ability to buy or sell an asset without incurring significant losses to access the funds determines the liquidity and availability of the asset. Adequate liquidity shall be evaluated by the Business Office to ensure that the Corporation is able to meet foreseeable and unforeseeable financial obligations.

There are various tools to help manage cash flow. The three most prominent are:

- Using cash reserves;
- Interfund transfers; and
- Borrowing funds externally, as permitted by state law.

B. Key Considerations for Minimum Required Liquidity

The following constitutes key elements to consider when determining whether the Corporation has adequate liquidity:

- An evaluation of all commitments resulting from liabilities related to employees' rights and benefits, including post-employment benefits, accrued paid time off and insurance;
- Reserve Target is evaluated as outlined in this Policy;
- Ability to repay outstanding debt obligations, including bonds, lease rental payments and other financial commitments to repay debt; and
- A level of cash available for the normal operational expenditures to ensure that the Corporation will be able to withstand fluctuations in monthly revenues/expenditures, to enable the Corporation to be able to timely meet its financial obligations. Two month's operational expenditures should be available in cash or cash equivalent.

Adopted 5/28/19

6150 - ENROLLMENT ASSESSMENT OF TRANSFER TUITION FOR STUDENTS ENROLLED ON A CASH TRANSFER TUITION BASIS

The Board shall assess transfer tuition according to I.C. 20-26-11-6(b) and - 13 for a student enrolled in the Corporation on a cash transfer tuition basis.

Cash transfer tuition shall be computed as provided in I.C. 20-26-11-6-(b) and - 13 and shall be paid in a lump sum or on an installment schedule of payments recommended by the Superintendent and approved by the Board. An installment payment schedule approved by the Board shall provide for the payment in full of the cash transfer tuition amount before the last student day of the school year. Failure to make a transfer tuition installment payment pursuant to the installment schedule approved by the Board may be the basis for the expulsion of a student enrolled on a cash transfer tuition basis.

I.C. 20-26-11-6
I.C. 20-26-11-13
I.C. 20-33-8-30
511 IAC 1-6

Revised 3/9/09
Revised 5/9/11
Revised 2/23/15
T.C. 12/8/15

6151 - BAD CHECKS AND UNCOLLECTABLE DEBTS

When the Corporation receives a check from a student or parent that, when deposited, is returned marked "insufficient funds", the Superintendent shall provide an opportunity for the payer to make proper payment or to arrange for a satisfactory payment schedule. If payment is not received within thirty (30) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board authorizes the Superintendent to remove the fee or charge from the Corporation's Accounts Receivable and to take appropriate action against the student and/or the parents.

If efforts to collect an amount due the Corporation have not been successful and, in the opinion of the Business Manager (hereafter "the staff"), further efforts to collect the amount due are unlikely to be successful, the staff shall submit a recommendation that the Board find that the debt is uncollectable. This recommendation shall be supported by a brief statement that summarizes the efforts to collect the debt to date and the reason(s) why further efforts to collect the debt are not likely to be successful. The Board shall act upon this recommendation.

If the Board approves the staff recommendations that it find a debt to be uncollectable, the staff recommendation and any Board addition, deletion, or modification to the staff recommendation shall be included in the minutes of the Board meeting in which the staff recommendation is considered by the Board.

If the staff concludes that collection of the full amount due the Corporation is not possible, but that collection of a lesser amount is possible, the staff shall recommend that the Board authorize the staff to accept a reduced amount as payment in full of the amount due to the Corporation. This authorization shall contain a date by which payment in full of the reduced amount is due. If payment in full of the reduced amount is received by the due date established by the Board, the amount by which the original debt to the Corporation is reduced shall be processed pursuant to this policy as an uncollectable amount.

Revised 4/28/14
T.C. 12/8/15

6152 - STUDENT FEES AND CHARGES

Because of limited financial means, the School Board may need to levy certain charges to students to facilitate the utilization of adequate, appropriate learning materials. Such charges would be made on expendable items such as, but not limited to, magazines, workbook materials, paperback selections, and laboratory supplies as well as for lost or damaged books and materials for independent study or special projects, and School Corporation-sponsored trips. No student, however, shall be deprived of participation in an activity because of lack of financial ability to pay a charge.

A charge shall not exceed the combined cost of the material used, freight and/or handling and processing charges, and nominal add-on for loss.

When Corporation property, equipment, or supplies are damaged, lost, or taken by a student, a fee will be assessed. The fee will be reasonable, seeking only to compensate the Corporation for the expense or loss incurred.

The late return of borrowed books or materials from the Corporation's school libraries will be subject to appropriate fees.

Any fees collected by members of the staff are to be turned in to the Business Office within twenty-four (24) hours after collection.

In the event the above course of action does not result in the fee being collected, the Board authorizes the Treasurer to take the student and/or his/her parents to Small Claims Court for collection if the claim does not exceed $1,500. If the claim exceeds $1,500, the Board authorizes the Corporation attorney or another attorney to pursue a collection action in the appropriate court against the student and/or his/her parents.

If a student has paid rental or use fees for curricular materials, such as textbooks, electronic textbooks, consumable hardware, computer software, digital content, disposable materials, software copyright licenses, hardware to utilize software provided, or other curricular materials, and the student transfers, withdraws, is expelled, or is unable to complete or continue to participate in a class, or activity, or utilize a school service for which the student or his/her parents have paid the applicable rental or use fee, the Corporation shall refund using the following refund schedule:

A. Any time before January 1 a fifty percent (50%) refund will be issued.
B. Any time after January 1 no refund will be issued
C. No refunds will be issued for any workbooks issued.

If a student transfers, withdraws, or is expelled from school, or withdraws or is cut from a school activity for which the student or his/her parents have paid fees for curricular materials and are owed a refund of all, or a prorated share of any fees the Corporation shall promptly refund such fees if the address of the student or his/her parent is known or if requested by the student or his/her parents by the end of the school year in which the fees were paid, or within thirty (30) days, whichever is longer. The right to a refund fee shall be forfeited if not requested by the end of the school year in which the right to a refund accrues, or within thirty (30) days, whichever is longer. Parents and students shall be given written notice of this policy at the time of school enrollment.

The Corporation may write-off any outstanding unpaid fees for rent or use of curricular materials of $5.00 or less, if not paid by the end of the school year following the school year or activity season in which the debt for nonpayment of fees for curricular materials was incurred.

Unpaid fees for rent or use of curricular materials in excess of $5.00 may, at the discretion of the school treasurer or his/her designee, be written off two (2) years after the end of the school year or activity season in which the debt for nonpayment of fees for curricular materials was incurred. Fees in excess of $5.00 may be written off at any time, if the principal, or his/her designee, determines the student's parents, or the student, if age eighteen (18) or older or an emancipated minor, is unable to pay.

Indiana State Board of Accounts, *Public Schools Audit Manual*
Indiana State Board of Accounts, *School Administrator*

Revised 2/24/03
T.C. 12/8/15
Revised 2/8/16
Revised 2/12/18

6210 - FISCAL PLANNING

The Board shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School Corporation and to plan for the financial needs of the educational program. The Board will strive to maintain both short and long range projections of the Corporation's financial requirements.

Accordingly, the Board directs the Superintendent to:

A. include cost estimates of all ongoing financial requirements;
B. prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment;
C. maintain a plan of anticipated local, State, and Federal revenues;
D. report to the Board any serious financial implications that emerge from the Corporation's ongoing fiscal planning.

In addition, the Board directs the Superintendent to maintain annually a detailed three (3) year forecast of estimated expenditures and revenues of the Capital Projects Funds.

I.C. 20-26-5-4

T.C. 12/8/15

6220 - BUDGET PREPARATION

The Corporation's operation and educational plan is reflected in its budget. Each year, the Board will cause to have prepared and then review and approve the Education Fund, Referendum Fund, Debt Service Fund, and Operations Fund which constitute the budget of the Corporation.

The Board, by resolution, may establish a "rainy day fund" as a part of its budget preparation process. Transfers to the rainy day fund must be made after the last day of the Corporation's fiscal year and before March 1st of the subsequent calendar year. The adoption resolution must specify the purposes of the fund as well as the sources of funding for the fund. The rainy day fund is subject to the same appropriation process as other funds for which taxes are raised.

The budget shall be designed to carry out Corporation operations in a thorough and efficient manner, maintain Corporation facilities properly, and honor continuing obligations of the Board.

The proposed budget requires the critical analysis by every member of the Board prior to approval; once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

The Board directs the Superintendent to present the budget to the Board, along with all available information associated with each Fund, in sufficient time for proper review and discussion and in compliance with Indiana Code.

When presented to the Board for review and/or adoption, the proposed Fund shall include, as appropriate:

A. the anticipated expenditure in each financial category for the current year;
B. the actual expenditure and the approved budget in each financial category for the previous year;
C. an explanation of each item of expense proposed for the ensuing year;
D. an estimate of the student population by grades for the ensuing year;
E. the sources and amounts of anticipated revenues;
F. the anticipated cash balance at the end of the current year;
G. an appropriations resolution.

I.C. 21-2-11-2 et seq., 21-2-11.5-2 et seq., 21-2-15
I.C. 36-1-8-5

Revised 3/02
Revised 1/26/04
T.C. 12/8/15
Revised 11/22/21

6221 – RAINY DAY FUND

The Wa-Nee Community Schools Board of School Trustees has established a Rainy Day Fund. The Rainy Day Fund may receive transfers of unused and unencumbered monies from other funds for any fiscal year. Such transfer cannot exceed ten percent (10%) of the school corporation's total budget for the fiscal year from which the transfer occurs, with the exception of calendar years 2021, 2022, 2023, and 2024 when the transfer cannot exceed fifteen percent (15%) of the school corporation's total budget. Transfers to the Rainy Day Fund may be made at any time during the fiscal year.

The intent of the Board of School Trustees is to use the monies in the Rainy Day Fund only for any one of the following purposes:

1. With respect to severance and retirement benefits.
2. With respect to unexpected needs in any other fund raised by a tax levy.
3. With respect to any other emergency or unforeseen circumstances.

It is the intent of the Board of School Trustees that monies in the Rainy Day Fund not be used for wages/salaries of corporation employees.

The Rainy-Day Fund is subject to the same appropriation process as are the other school corporation funds. Prior to the appropriation, the Board will make a determination that the use of the appropriation is consistent with the intent of the Rainy Day fund as set out in this policy. The purpose for the appropriation will be stated at the time it is made.

Transfers from the Rainy Day fund to the education fund or the operations fund may be made at any time by resolution adopted by the school board.

LEGAL REFERENCE: I.C. 36-1-8-5
I.C. 36-1-8-5.1

Approved 11/22/21

6230 - BUDGET HEARING

The annual budget adopted by the Board represents the Board's position on the allocation of resources required to operate an appropriate system of education. All reasonable means shall be employed by the Board to present and explain that position to all interested parties. The public budget hearings will be conducted in accordance with law.

Each member of the Board and each Corporation administrator shall be sufficiently acquainted with the budget and its underlying purposes to answer questions from members of the public.

The budget approved by this Board will be made available to the public in the form and at the places required by law.

The final adoption of the proposed annual budget shall be made by the Board after completion of the public hearing.

I.C. 20-26-5-4

T.C. 12/8/15

6231 - BUDGET IMPLEMENTATION

The Board places the responsibility of administering the budget, once adopted, with the Superintendent.

The Superintendent shall be authorized to proceed with making financial commitments, purchases, and other expenditures within the limits provided in the budget, limitations stated in Board policies, and within legal authority expressed in State statutes.

Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the Corporation.

If, during the fiscal year, it appears to the Superintendent that actual revenues are less than estimated revenues, including the available equity upon which the appropriations from the fund were based, the Superintendent shall present to the Board recommended amendments to a Fund that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with the requirements of the law and provisions of the negotiated agreements.

I.C. 20-26-5-4

T.C. 12/8/15

6320 - PURCHASING

It is the policy of the Board that the Business Manager shall act as the purchasing agent for the Board. This policy applies only to purchases that are not paid from Federal funds or School Corporation matching funds. All purchases that are paid from Federal funds or School Corporation matching funds shall be made pursuant to Policy **6325** - Procurements - Federal Grants/Funds.

Purchases of Supplies and Materials

When the purchase of, and contract for, single items of supplies, exceeds $150,000, the Business Manager shall obtain competitive bids.

Bids shall be sealed and shall be opened by a committee designated by the purchasing agent publicly in the presence of one (1) or more witnesses at the time and place fixed by the advertisement for bids. The committee must include at least two (2) Board members or at least two (2) Corporation employees. Bids must be read aloud and tabulated publicly and must be available for inspection. All contracts shall be awarded to the lowest responsive and responsible bidder.

The Board reserves the right to reject any and all bids.

The Business Manager will serve as the purchasing agent for the school corporation.

For purchases of supplies and/or materials under $50,000*, the purchasing agent may purchase such supplies or materials on the open market for the best value and price without soliciting bids, proposals, or quotes. Purchases of food from a youth agricultural education program may be made up to $7,500 annually without soliciting bids, proposals, or quotes.

For purchases of supplies and/or materials of at least $50,000 and not more than $150,000, the purchasing agent must invite quotes from at least three suppliers known to deal in the supplies to be purchased. Such invitations shall be made at least seven days before the fixed date for receiving the quotes. If a satisfactory quote is received, the purchasing agent shall award the contract to the lowest responsible and responsive offer. The purchasing agent may reject all quotes received if none are responsive and/or responsible. If the purchasing agent does not receive a responsive and/or responsible quote, the purchase may be made by following the process for purchases under $50,000.

Procurement – Federal Grants

The Superintendent shall maintain a procurement and contract administration system in accordance with the United States Department of Education (USDOE) requirements (2 C.F.R. 200.317 - .326) for the administration and management of Federal grants and Federally-funded programs. The Corporation shall maintain a compliance system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of this policy and administrative guidelines (AG 6320) and comply with 34 C.F.R. 80.36. Please refer to Policy **6325** - Procurements - Federal Grants/Funds.

Purchase of Services

For purposes of this policy "services" means the furnishing of labor, time, or effort by a person, not involving the delivery of specific supplies other than printed documents or other items that are merely incidental to the required performance.

The purchasing agent may purchase as follows:

A. For purchases of services anticipated to exceed $150,000 in a single school year:

1. If the purchasing agent has purchased services previously from a vendor, the purchasing agent may continue to purchase services from that vendor as long as the Board is satisfied with the services delivered by the vendor.

2. If a new vendor is sought to provide services, the purchasing agent will issue a request for proposal asking that interested vendors submit proposals to serve as vendors for those specific services. Notice of the request for proposal may be sent directly to potential vendors and/or posted on the Corporation's website. The purchasing agent will interview those vendors who respond to the request for proposal that the purchasing agent believes are able to provide the services sought and will select the vendor from those interviewed. The purchasing agent may seek input from other administrators or Board members in making the selection.

B. For all other purchases of services, the purchasing agent may select the vendor s/he believes is the most appropriate vendor who provides the services sought.

The purchasing agent is authorized to make emergency purchases, without prior approval, of those services needed to keep the schools in operation.

Such purchases shall be brought to the Board for approval at the next regular meeting.

2 C.F.R. 200.317 - .326

Revised 7/28/03
Revised 1/28/08
Revised 9/14/15
T.C. 12/8/15
Revised 10/24/16
Revised 8/23/21

6320.01 - PURCHASING USING ONLINE REVERSE AUCTIONS

The Board authorizes the purchasing agent to conduct a reverse auction for the purchase of supplies by using an Internet purchasing site for issuing an invitation for bids and receiving bids.

The purchasing agent shall establish procedures for:

A. transmitting notices, solicitations, and specifications;
B. receiving offers;
C. making payments;
D. protecting the identity of the bidder and the amount of an offer until the time fixed for opening the offers;
E. providing for the display of the amount of each offer previously submitted for public viewing;
F. establishing the deadline by which offers must be received and will be considered to be open and available for public inspection;
G. establishing procedures for the opening of offers;
H. maintaining adequate documentation regarding reverse auctions so that the transactions may be audited according to law.

I.C. 5-22-7.5

Adopted 9/12/05
T.C. 12/8/15

6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS

Procurement of all supplies, materials, equipment, and services paid from Federal funds or School Corporation matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, and School Board policies and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The Corporation shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the Corporation's documented general purchasing Policy **6320** and AG **6320A**.

All Corporation employees, officers (that is, Board members), and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy **1130**, Policy 3113 and Policy **4113** – Conflict of Interest.

The Corporation shall avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the Corporation may enter into State and local intergovernmental agreements, where appropriate, for procurement or use of common or shared goods and services.

Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and is in accordance with good administrative practice and sound business judgement. In order to promote objective contractor performance and eliminate unfair competitive advantage, the Corporation shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

A. unreasonable requirements on firms in order for them to qualify to do business;

B. unnecessary experience and excessive bonding requirements;

C. noncompetitive contracts to consultants that are on retainer contracts;

D. organizational conflicts of interest;

E specification of only a "brand name" product instead of allowing for an "*or equal*" product to be offered and describing the performance or other relevant requirements of the procurement; and

F. any arbitrary action in the procurement process.

Further, the Corporation shall not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals unless 1) an applicable Federal statute expressly mandates or encourages a geographic preference; or 2) the Corporation is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent that the Corporation uses a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The Corporation allows vendors not on the pre-qualified list to apply for placement on the list periodically. The Corporation may determine how frequently the pre-qualified list becomes open for new vendors.

Solicitation Language

The Corporation shall require that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and the solicitation shall identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The Corporation shall utilize the following methods of procurement:

A. Micro-purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed $50,000. To the extent practicable, the Corporation shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the Purchasing Agent identified in Policy **6320** considers the price to be reasonable. The Corporation maintains evidence of this reasonableness in the records of all purchases made by this method.

B. Small Purchases

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property the cost of which exceeds $50,000 but is less than the competitive bid threshold of $150,000. Small purchase procedures require that at least three (3) price or rate quotations shall be obtained from qualified sources.

C. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment amounts to $150,000 and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Indiana statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

1. a complete, adequate, and realistic specification or purchase description is available;

2. two (2) or more responsible bidders are willing and able to compete effectively for the business; and

3. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State law and Policy **6320**. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.

2. The invitation for bids shall include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.

3. All bids shall be opened at the time and place prescribed in the invitation for bids; bids shall be opened publicly.

4. A firm fixed price contract award shall be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may be used to determine the low bid only when prior experience indicates that such discounts are usually taken.

5. The Board reserves the right to reject any or all bids for sound documented reason.

D. Competitive Proposals

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. Indiana law stipulates a threshold for which sealed bids are required. (See Policy **6320**.)

If this method is used, the following requirements apply:

1. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.

2. Proposals shall be solicited from an adequate number of sources.

3. The Corporation shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.

4. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The Corporation may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can be used only in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

E. Noncompetitive Proposals

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. the item is available only from a single source

2. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation

3. the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Corporation

4. after solicitation of a number of sources, competition is determined to be inadequate

Contract/Price Analysis

The Corporation shall perform a cost or price analysis in connection with every procurement action in excess of $150,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the Corporation shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the Corporation shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Time and Materials Contracts

The Corporation uses a time and materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the Corporation is the sum of the actual costs of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the Corporation sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the Corporation shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The Corporation shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the Corporation and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the Corporation shall consider such factors as (1) contractor

integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The Corporation is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180.

Suspension is an action taken by the Corporation that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 CFR Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR Chapter 1). A person so excluded is debarred. (2 CFR Part 180 Subpart H)

The Corporation shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over $25,000, the Corporation shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

Bid Protest

The Corporation maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest or failure to file a formal written protest within the time prescribed shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The Corporation maintains records sufficient to detail the history of all procurements. These records shall include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

I.C. 5-22-2-21, 5-22-2-30, 5-22-2-38
I.C. 5-22-3-3

I.C. 5-22-6-1 and 5-22-6-2
I.C. 5-22-7-1 et seq.
I.C. 5-22-8-2, 5-22-8-3
I.C. 5-22-10-1 et seq.
I.C. 5-22-16-1, 5-22-16-2
I.C. 20-26-4-6, 20-26-4-8
I.C. 20-26-5-4
2 C.F.R. 200.317 - .326

Adopted 10/24/16

6330 - APPROVAL OF CONTRACTS

All contracts obligating the School Corporation or the School Board, whether written or oral, and however named (contract, agreement, amended contract, amended agreement, memorandum of understanding, lease, note, etc.) shall be approved by the Board. Contracts not approved by the Board shall be considered null and void.

The following contracts shall be reviewed by legal counsel before Board approval:

A. any contract requiring an Opinion of Counsel as a condition of closing a lease, bond, tax warrant, or similar transaction; and

B. any contract waiving any legal rights of the Corporation or the Board.

Please note that contracts, with limited exceptions such as contracts requiring more than a year to perform or involving the purchase or lease of real estate, may be written or oral. An oral contract may be formed by an offer (by the vendor or the Corporation), and acceptance (by the Corporation or the vendor). This policy applies to both written and oral contracts.

I.C. 20-26-4-8
I.C. 20-26-5
I.C. 32-21-1-1

Adopted 8/28/17

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6423 - USE OF CREDIT CARDS

The Board recognizes the value of an efficient method of payment and recordkeeping for certain expenses.

The Board, therefore, authorizes the use of Corporation credit cards.

The Superintendent shall develop administrative guidelines that specify those authorized to use credit cards, the types of expense which can be paid by credit card, and their proper supervision and use.

T.C. 12/8/15

6440 - COOPERATIVE PURCHASING

The Board recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this Corporation through joint agreements for the purchase of supplies, equipment, or services with the governing body(ies) of other governmental units.

The Board authorizes the Superintendent to negotiate such joint purchase agreements for services, supplies, and equipment which may be determined to be required from time-to-time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement approved by the Board and the participating contracting body(ies) which shall specify the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party; and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all legal bidding requirements.

The Superintendent is also authorized to submit to the State, prior to January 1st of each year, a listing of the major equipment items the Corporation anticipates purchasing in the next fiscal year for the purpose of participating in State-wide pricing contracts. Any items, subsequently purchased through such a pricing contract, must be a purchase contract between the vendor and this School Corporation and conducted in accordance with Indiana law.

I.C. 20-26-3; 20-26-5-4; 20-26-10-1; 20-26-10-10

T.C. 12/8/15

6450 - LOCAL PURCHASING

The Board recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the Corporation from established local merchants.

The Board authorizes the Superintendent to award purchases placed in accordance with law, this policy, and all policies of the Board otherwise applicable to local merchants when their quotation is competitive, freight charges are a factor, maintenance or other types of service may be required, and promptness of delivery is a consideration provided that all statutes pertaining to public purchasing are duly observed.

T.C. 12/8/15

6460 - CONFLICTS OF INTEREST AND VENDOR RELATIONS

Conflicts of Interest

The School Board shall not knowingly approve a contract or purchase using any funds received from a Federal grant or award in which a Board member, employee, or agent of the Board has a pecuniary interest.

The Board shall not knowingly approve a contract or purchase using funds other than any of those received from a Federal grant or award in which a Board member, Corporation employee, or agent of the Board or their spouse or dependent profits or has a pecuniary interest unless the Board member, employee, or agent with the profit or pecuniary interest makes the written disclosure on State Board of Accounts Form 236 required in I.C. 35-4.1-1-4, and the disclosure is approved by vote of the Board before the Board vote on the contract or purchase.

A Board member shall not participate in the discussion or vote on the acceptance of their disclosure and the vote on the contract or purchase addressed by their disclosure.

A Corporation employee or agent of the Board shall not be called upon to contribute to or participate in the Board's discussion on the acceptance of their disclosure and the contract or purchase addressed by their disclosure.

The Superintendent shall see that a written disclosure of a conflict of interest on State Board of Accounts Form 236 that is approved by the Board is filed with the State Board of Accounts and the Clerk of the Circuit Court within fifteen (15) calendar days after approval by the Board.

Notwithstanding the above provision, the standards prohibiting conflict of interest in Bylaw 0144.3, Board Policy **1130**, Board Policy **3113**, and Board Policy **4113** apply to all Corporation employees, officers (that is, all members of the Board), or agents of the Board. No written disclosure shall exempt a Corporation employee from disciplinary action for violation of the conflict of interest provisions in those policies.

For the purpose of this policy the terms "pecuniary interest" and "profit" have the meaning given to those terms in I.C. 35-44.1-1-4.

Vendor Contacts with the School Community

All representatives of vendors proposing to provide goods or services to the Board shall report their intention to propose that the Board approve the use of a product or service to the Superintendent before contacting any Corporation teacher, student, or employee, other than the employee assigned responsibility for the contract or purchase by the Superintendent.

Selection of Vendors

The Corporation's purchasing agent or committee (see Policy **6320**) shall not extend or give preference to any vendor. Each contract, service, product, and vendor recommended favorably to the Board by a Board member or Corporation employee shall be recommended based upon a favorable assessment of the quality, quantity, price, and delivery proposed. Where bidding is required, recommendations shall be based on the lowest bid from a responsive and responsible bidder. Past experience with a provider may be considered in determining if the proposed provider is "responsible" as that term is used in this policy. The terms "responsible" and "responsive" shall have the meaning given them by I.C. 36-1-12-4 (10) & (11).

The Board expects its members, Corporation employees, contractors, and contractors' employees to disclose a personal or spouse or dependent's pecuniary interest or profit in a contract or purchase approved by the Board and to report possible violations of these Board expectations by others to the Superintendent. Parents, volunteers, contractors and concerned citizens are encouraged to report possible violations of the Board's expectations, if they believe a violation has occurred.

Reporting Violations and Whistleblower Protection

The Board is committed to protection of persons reporting violations, i.e., "whistleblowers". Specific protection is addressed for administrators in Policy **1411**, for professional staff members (all certificated employees who are not administrators) in Policy **3211**, and for support staff in Policy **4211**.

Reports by contractors and their employees are protected by this policy.

A contractor or an employee of a contractor, hereafter an "employee/contractor", who is aware of acts by a Board member, Corporation employee, or another employee/contractor that possibly violates Federal or Indiana law or Board policy shall report this conduct to his/her immediate supervisor. If the employee's immediate supervisor is not responsive or the supervisor is the person whose behavior is in question, the employee/contractor shall report the possible violation to the Superintendent. If the reported conduct relates to the Superintendent, the report shall be filed directly with the Board President.

If a violation of law or Board policy is reported, the employee/contractor will be directed to put the report in writing. An employee/contractor making such a report in writing and his/her spouse and dependents, shall be protected from retaliation for making a report pursuant to this policy if the employee/contractor had a good faith belief at the time the report was made that the information reported was true.

Sanctions and Debarment of Contractors

Contractors are subject to sanctions, including debarment. As used here, "debarment" means exclusion from eligibility for future consideration for a specific or indeterminate period, or cancellation of the current contract or relationship upon a finding by the Board that the greater weight of the credible information available to the Board demonstrates that the contractor knowingly violated a law, Board policy, or made a false report under this policy. Contractors may also be subject to debarment if they knew of a violation of law or Board policy involving or related to the business of the Board but did not make a report confirmed in writing to a supervisor in accordance with this policy.

I.C. 5-22-7 (competitive bidding)
I.C. 5-22-16-1 (responsibility)
I.C. 5-22-16-2 (responsiveness)
I.C. 22-5-3-3 (employees of contractors)
I.C. 35-44.1-1-4 (conflict of interest)
I.C. 36-1-12-4 (bidding procedure for public works)
I.C. 36-1-12-4(10) (responsive)
I.C. 36-1-12-4(11) (responsible)
2 C.F.R. 200.112, 200.113, 200.318

T.C. 12/8/15
Revised 10/24/16

6470 - PAYMENT OF CLAIMS

The Board directs the prompt payment of legitimate claims by suppliers of goods and services to the School Corporation.

Each bill or obligation of this Board must be itemized fully and verified before a warrant can be drawn for its payment.

When an invoice is received, the Treasurer shall verify that a voucher is submitted properly, that acceptable goods were received or satisfactory services rendered, that the expenditure is included in the Board's budget and funds are available for its payment, that the amount of the invoice is correct.

All payments shall be submitted for Board approval in the form of a listing that includes the vendor's name; the number and amount of the check; and the description of the item.

All warrants or checks that are drawn on the funds of the School Corporation that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of the year are void and will not be honored by any financial institution for payment or deposit.

I.C. 20-26-4-1, 5-11-10.5-2

Revised 3/02
T.C. 12/8/15

6480 – PREPAYMENT OF INVOICES/CLAIMS

The Board of School Trustees of the Wa-Nee Community Schools Corporation (the Board) has the authority to approve the payment of invoices and claims. Invoices and claims having due dates prior to the meeting of the Board in any month may have penalties and interest assessed if payment of these invoices occurs after the due date.

The Board authorizes the *Business Manager/Treasurer* to pay prior to approval of the Board invoices and claims with due dates prior to the Board meeting.

All invoices and claims paid by their due dates prior to a Board meeting must be submitted for Board approval at the Board meeting immediately after the due date of the invoices and claims.

Legal Reference: IC 20-26-5-4(a)(19)

6520 - PAYROLL DEDUCTIONS

For those employees not covered by the terms of a negotiated agreement, the Board authorizes that certain deductions may be made from an employee's paycheck upon receipt of proper written authorization on the appropriate form. Subject to I.C. 22-2-6-2 and other applicable law, deductions may be made for:

A. Federal, State, and local income tax;

B. Social Security and Medicare (FICA);

C. Indiana State Teachers Retirement Fund or Public Employees Retirement Fund;

D. county local option income tax;

E. Section 125 deductions (cafeteria plans);

F. Section 403(b) deductions;

G. Section 457(b) deductions;

H. savings in a chartered credit union;

I. contributions to charitable or nonprofit organizations;

J. payment of group health or life insurance premiums for a plan.

Employees shall notify the Corporation's administrative offices in writing if they wish to participate in this payroll deduction program. Any payroll deduction agreement provided by an employee must otherwise comply with all of the provisions of applicable law and may be terminated as said law provides upon notice given in writing by either party.

To the extent permitted by law, the Board also declares its willingness to enter into an agreement with any of its employees whereby the employee agrees to take a reduction in salary with respect to amounts earned after the effective date of such agreement in return for the Board's agreement to contribute such withheld amounts to an employee benefit plan described in section 403(b) or 457(b) of the Internal Revenue Code, which has been made available by the Corporation ("403(b) or 457(b) Plan"). Such contributions will be subject to the terms and conditions of the employee's salary reduction agreement and the Corporation's administrative guidelines that are adopted from time to time with respect to the 403(b) or 457(b) Plan, including the following:

A. Amounts withheld at an employee's election for contribution to a 403((b) or 457(b) Plan will only be forwarded to a company/vendor that has been

previously approved by the board and continues to remain on the Board's approved list of vendors.

B. An employee must complete a standard salary reduction agreement that has been pre-approved by the Corporation.

C. By providing employees with payroll deduction services for contributions to a benefit plan, the Board is not providing any financial advice to employees.

D. The Board does **not** guarantee the return or quality of any tax-sheltered annuity, mutual fund, or other investment selected by an employee, and it is intended that the Board and the Corporation shall have no liability whatsoever for any investment alternative offered by an approved vendor or selected by an employee.

E. All costs incurred in the administration of the 403(b) or 457(b) Plan and corresponding investment fees shall be paid from the assets of the applicable 403(b) or 457(b) Plan.

I.C. 22-2-6-2
Internal Revenue Service Code Section 403(b)

Revised 3/02
Revised 8/11/08
Revised 9/26/12
T.C. 12/8/15
Revised 2/8/16

6550 - TRAVEL PAYMENT AND REIMBURSEMENT

Travel expenses incurred for official business travel on behalf of the School Corporation shall be limited to those expenses necessarily incurred by the employee in the performance of a public purpose authorized, in advance, in accordance with administrative guidelines.

Payment and reimbursement rates for per diem, meals, lodging, and mileage shall be established by the Corporation and approved by the School Board annually. Employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the Corporation's travel policy and administrative guidelines. For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the Corporation's travel policy.

All travel shall comply with the travel procedures and rates established in the administrative guidelines. All costs incurred with Federal funds must meet the cost allowability standards within Board Policy **6110**.

To the extent that the Corporation's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.

2 C.F.R. 200.474

Adopted 7/9/12
Revised 10/24/16

6605 - CROWDFUNDING

This policy applies to the use of any form of crowdfunding utilizing an online service or website-based platform for the financial benefit or gain of the School Corporation – be it a specific classroom, grade level, department, school, or curricular or extra-curricular activity. For purposes of this policy, "crowdfunding" refers to a campaign to collect typically small amounts of money from a large number of individuals to finance a project or fundraise for a specific cause. Through the use of personal networking, social media platforms, and other Internet based resources, funds are solicited or raised to support a specific campaign or project.

Crowdfunding activities aimed at raising funds for a specific classroom or school activity, including extra-curricular activity, or to obtain supplemental resources (e.g., supplies or equipment) that are not required to provide a free appropriate public education to any students in the classroom may be permitted, but only with the specific approval of the Superintendent.

All crowdfunding activities are subject to this policy and other applicable Board policies including, but not limited to, Policy **5830** – Student Fundraising, Policy **9211** – Corporation-Support Organizations, and Policy **9700** – Relations with Special Interest Groups as well as any administrative guidelines approved by the Superintendent to implement this policy.

Adopted 5/8/17

6610 - EXTRA-CURRICULAR FUNDS

The School Board shall establish financial controls for the administration of the normal, legitimate, extra-curricular activities of the Corporation in accordance with guidelines of the State Board of Accounts and the applicable provisions of Policy **6111** – Internal Control Standards and Procedures.

Each fund covered by this policy must be recognized by the School Board before monies can be collected or disbursed in the name of said fund. Each fund shall be managed by a school administrator designated by the Superintendent and a bonded Treasurer approved by the Board.

All student activity funds will be managed by the bonded School Treasurer in accordance with the guidelines established by the State Board of Accounts in its Handbook of Instruction for extra-curricular accounts. The Superintendent shall be responsible for ensuring that the Corporation has the current edition of this handbook.

A person who has charge of the collection, custody, and disbursement of funds collected and expended to pay expenses incurred in conducting any athletic, social, or other school function, the cost of which is not paid from public funds, shall: (1) keep an accurate account of all money received and expended, showing the: (A) sources of all receipts; (B) purposes for which the money was expended; and (C) balance on hand; and (2) file a copy of the account with the Board of School Trustees within two (2) weeks after the close of each school year.

The funds of all accounts of any organization, class, or activity shall be accounted separately from all others. Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and Treasurer of the organization, class, or activity. However, in the case of athletic funds: (1) approval of the transfer must be made by the athletic director, who is regarded as the sponsor; and (2) participating students are not considered members. All expenditures of the funds are subject to review by the governing body of the school corporation.

The Treasurer shall give a bond in an amount fixed by the Superintendent and principal of the school approximating the total amount of the anticipated funds that will come into the possession of the Treasurer at any one (1) time during the regular school year. Bonds shall be filed with the trustee or Board of School Trustees.

The surety on the bonds must be a surety company authorized to do business in Indiana. However, the requirement for giving the bond and the requirement to deposit the receipts in a separate bank account, as required by I.C. 20-41-1-9, does not apply to any school for which the funds, as estimated by the principal, will not exceed three hundred dollars ($300) during a school year.

The principal or teacher in charge of the school shall designate a collecting authority to be in charge of the collection of any funds described in this section. This designation must be made immediately upon the opening of the school term or the vacating of the office of Treasurer. Upon collection of any funds, the collecting authority shall deliver the funds, together with an accounting of the funds, to the custody of the school Treasurer. The principal may designate different collecting authorities for each separate account of funds.

The Treasurer shall keep an accurate account of all money received by the collecting authority and expended, showing: (1) the sources of all receipts; (2) the purposes for which the money was expended; and (3) the

balance on hand. A copy of the report, together with all records and files of extracurricular activities, shall be filed as required under I.C. 20-41-1-3.

However, in a school that has two (2) or more semesters in any one (1) school year, the Treasurer of the school shall file a copy of the Treasurer's financial report of receipts and disbursements with the Board of School Trustees not more than two (2) weeks after the close of each semester. Records and files of extracurricular activities for the entire school year shall be filed with the last financial semester report of any one (1) school year. These records shall be kept for five (5) years, after which they may be destroyed, unless the school corporation's records retention policy requires this category of records to be maintained for a longer period.

The Treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay. The account shall be known as the school extracurricular account. The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times.

The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money. However, investments under this section are at the discretion of the principal. The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund. The interest earned from the investment may be used for any of the following:

A. a school purpose approved by the principal.

B. an extracurricular purpose approved by the principal.

Amounts expended from the extra-curricular account are in addition to any appropriation under I.C. 20-26-5-4-(3).

I.C. 5-11-1-24, 5-11-1-27
I.C. 5-13-10, 5-13-10.5
I.C. 20-26-5-4(3)(A) – Uniform Internal Control Standards for Political Subdivisions Accounting and Uniform Compliance Manual for Extra-Curricular Accounts
I.C. 20-41-1

Revised 7/28/03
T.C. 12/8/15
Revised 6/25/18

6620 - PETTY CASH

The Board recognizes the convenience afforded the day-to-day operation of the schools by the establishment of a Petty Cash Fund not to exceed $100.

The Board shall allow small petty cash funds to be established provided controls are imposed by the Superintendent to prevent abuse of such funds or total spending to exceed the fund appropriation.

The custodian of the petty cash fund shall ensure that the funds in his/her care shall be disbursed only for minor expenditures not readily deferred. No petty cash fund may be used to circumvent the purchasing procedures required by law and the policies of the Board. A receipt for petty cash must be signed by the person making the request and include such supporting documentation as may be appropriate. The petty cash box must be secured daily.

The custodian of the petty cash fund shall prepare a schedule of disbursements when the funds available have declined to less than twenty-five percent (25%) of the full amount authorized and shall show the disbursements by line account numbers. The custodian shall submit the schedule to the Treasurer with a voucher requesting replenishment in like amount.

All petty cash funds will be closed out for audit at the end of the school year and unused funds will be returned to the depository.

I.C. 36-1-8
I.C. 21-2-5

T.C. 12/8/15

6621 - CASH CHANGE FUND

The Board recognizes the convenience of a cash change fund in the day-to-day operation of the School Corporation.

The Board authorizes the establishment of a cash change fund by means of a check drawn on the Corporation's General Fund in an amount designated by the Board. The fund shall be under the direction of the Superintendent who may designate a building cashier who shall be responsible for providing change as needed and for the safekeeping and accounting of cash change funds in their possession.

The Superintendent may request the Board to increase or decrease the amount of this fund appropriate to the need of the schools. When the fund is no longer needed, all remaining monies shall be returned to the General Fund.

I.C. 36-1-8-2

T.C. 12/8/15

6655 - SCHOOL TECHNOLOGY FUND

The Board shall establish a School Technology Fund. The fund consists of monies received by the School Corporation for a specific purpose or purposes, by gift, endowment, or pursuant to any Federal statute, which was held in a separate fund, is no longer needed, and no local tax funds are involved. However, no such funds shall be accepted unless the terms of the gift, endowment or payment and their acceptance are so stated that the School Board is not divested of any authority which they now have or may be granted by law. Funds so received for specific purposes and any earnings from them may be disbursed without appropriation. Any money saved by the School Corporation as a result of universal service discounts provided to the School Corporation under the Federal Telecommunications Act of 1996 must be transferred to the School Technology Fund. Property taxes levied for a Capital Projects Fund shall not be transferred to the School Technology Fund.

Money in the fund may not be used to purchase software programs to be used exclusively for administrative purposes. However, if a particular software program is to be used for administrative purposes and other authorized purposes, a pro rata portion of the cost of the software program may be paid from the fund.

I.C. 21-2-11-6
I.C. 21-2-11-6.5
I.C. 21-2-18

Revised 3/02
T.C. 12/8/15

6700 - FAIR LABOR STANDARDS ACT ("FLSA")

Statement of Policy

It shall be the policy of the Board to comply with the provisions of the Fair Labor Standards Act of 1938.

Definitions of Terms Applicable to this Policy:

A. **"Employ"** means to suffer or permit work.

B. **"Exempt Employees"** means an employee who is exempt from the FLSA minimum wage and overtime provision. These employees may include executive, administrative, professional, and computer employees earning at least a specified minimum salary.

C. **"FLSA"** means the Fair Labor Standards Act of 1938 as amended by 29 U.S.C. Section 201 et seq. and the regulations implementing this Act found, in part, at 29 C.F.R. Part 541.

D. **"Non-Exempt Employee"** means an employee who is not exempt from the FLSA minimum wage and overtime provisions.

E. **"Primary Duty"** means the principal, main, major, or most important duty that the employee performs. Determination of an employee's primary duty shall be based on all the facts in a particular case, with the major emphasis on the character of the employee's job as a whole.

F. **"Salary Basis"** means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis.

G. **"Workday"** means the period between the time on any particular day when an employee commences his/her "principal activity" and the time on that day at which s/he ceases such principal activity or activities. The workday may therefore be longer than the employee's scheduled shift, hours, tour of duty, or production time.

H. "Workweek" means the seven (7) day period of time beginning on Friday at 12:00 and continuing to the following Thursday at 11:59 p.m.

Minimum Wage

It is the policy of the Board to pay at least the minimum wage required by the FLSA to all covered, non-exempt employees, unless an employee's individual contract or the terms of an applicable collective bargaining agreement provide for greater benefits than mandated by the FLSA or Indiana law.

Recordkeeping Responsibilities

It shall be the responsibility of all non-exempt employees to record and submit an accurate account of their time worked each week on approved forms or via electronic or machine timecards. An employee's misrepresentation or failure to submit an accurate account of their time worked may subject the employee to discipline up to and including discharge.

Non-exempt employee time records shall be verified by a supervisor who has personal knowledge of the hours worked by the employee. It shall be a violation of this policy for a supervisor to ask a non-exempt employee to record fewer hours than were actually worked by the employee.

A non-exempt employee's time record is an official school record and will be maintained for a period of not less than three (3) years.

Overtime

Overtime for hourly non-exempt employees shall be paid at a rate of one and one-half (1 ½) times the employee's regular rate of pay for each hour worked in a workweek in excess of forty (40) hours worked.

Overtime may be authorized only by a supervisor and will be used primarily to address circumstances of an emergency or temporary nature. Non-exempt employees who work overtime without prior approval from a supervisor may be subject to disciplinary action up to and including discharge.

Joint/Dual Employment

Joint/Dual Employment exists when:

A. An employee is employed in two (2) wage positions or a salaried and a wage position with the Wa-Nee Community School Corporation, and

B. at least one (1) of the positions is non-exempt:

1. If one of the positions is exempt, the hours may not have to be added together to calculate the number of overtime hours worked. To determine this, the duties of the two (2) positions must be combined as if one (1) position. If the percentage of time spent performing non-exempt duties exceeds fifty percent (50%), the employee is considered non-exempt and hours worked shall be added together for the two (2) positions.

2. If both positions are non-exempt, hours worked are cumulative, and overtime shall be paid after forty (40) hours are worked in a workweek in one (1) or a combination of positions.

3. If the two (2) positions are paid at different rates, a weighted average shall be used as the regular rate for determining overtime compensation due.

Joint employment does not exist when the employee independently seeks employment with another school corporation or another state agency.

Volunteers

The FSLA requires that non-exempt employees must be compensated for all hours they are required or permitted to work. Thus, even through employees volunteer to work beyond their normally scheduled hours, the employer must compensate employees for those hours worked. An individual is considered to be a volunteer only if the following conditions are met:

A. Services are performed for which no compensation is received beyond expenses of a nominal fee; and

B. Services rendered are not the same type services that the individual is employed to perform for the school employer.

Example: A custodial employee wishing to volunteer as a lay coach for a sport team. This individual is not considered an employee while volunteering.

Exemptions

Certain school employees shall be exempt from the overtime and minimum wage provisions of the FLSA and shall therefore be exempt employees for the purposes of this policy. Exempt employees may include, but are not limited to, the following categories:

A. Executive

B. Administrative

C. Learned Professionals

D. Computer Employees

The tests for these exemptions can be found in the administrative guidelines that accompany this policy.

Deduction from Exempt Employees Pay

The Corporation reserves the right to make deductions from the pay of otherwise exempt employees under the following circumstances:

A. when the employee is absent from work for one (1) or more full days for personal reasons other than sickness or disability;

B. for absences of one (1) or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice or providing compensation for salary lost due to illness;

C. to offset amounts employees receive as jury or witness fees, or military pay against the salary due for that particular week;

D. for penalties imposed in good faith for infractions of safety rules of major significance;

E. for unpaid disciplinary suspensions of one (1) or more full days imposed in good faith for workplace conduct rule infractions.

The Corporation shall not be required to pay the full salary in the initial or terminal week of employment, or for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act.

In addition to the foregoing, exempt employees who accrue personal leave and sick leave may have their pay reduced or may be placed on unpaid leave for absences due to personal reasons of less than one (1) full day when leave is not used by the employee because:

A. permission to use leave has not been sought or permission has been sought and denied;

B. the employee's accrued leave has been exhausted; or

C. the employee chooses to use leave without pay.

Deductions from the pay for absences due to a budget-required furlough shall not disqualify the employee from being paid on a salary basis except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced.

The Corporation recognizes that with limited legally permissible exceptions, no deductions should be taken from the salaries of exempt employees. If an exempt employee believes that any improper deduction has been made from their salary, the exempt employee should report the matter immediately to the Superintendent or Business Manager. If the deduction is deemed inappropriate, the exempt employee will be promptly reimbursed for the entire amount of the deduction and the Corporation will make a good faith commitment to avoid any recurrence of the error.

29 U.S.C. Section 201 et seq.
29 C.F.R. Part 541

Adopted 9/12/05
Revised 8/28/06
Revised 5/8/17

6800 - SYSTEM OF ACCOUNTING

It is the policy of the Board that a chart of accounts be established in accordance with the requirements of the State Board of Accounts for the accounting of all Corporation funds.

The Treasurer shall be responsible for the proper accounting of all Corporation funds. S/He shall ensure that expenditures are budgeted under and charged against those accounts which most accurately describe the purpose for which such monies are to be or have been spent. Wherever appropriate and practicable, salaries of individual employees, expenditures for single pieces of equipment, and the like shall be prorated under the several accounts which most accurately describe the purposes for which such monies are to be or have been spent.

A report of the revenues and expenditures in the General Fund shall be made to the Board on a monthly basis by the Treasurer.

I.C. 5-11-1-2

T.C. 12/8/15