

Internal Financial Controls Policy 3006

Adopted August 23, 2021

The Kenosha High School of Technology Enhanced Curriculum (“The School”) internal financial controls consist of a combination of policies, procedures, systems, communication/education initiatives, and monitoring activities. Internal controls exist for a variety of reasons, including to demonstrate accountability for The School’s receipt, holding, and of public funds for authorized and appropriate public purposes. More specifically, internal controls help The School demonstrate and provide reasonable assurance of (1) effectiveness and efficiency of operations; (2) reliability of reporting for both internal and external uses; (3) adequate safeguards for protected personally-identifiable and other sensitive or confidential information; and (4) compliance with applicable laws, regulations, and contracts.

In terms of internal controls surrounding expenditures and procurement, the controls shall be a means of assuring that The School expenditures are sufficiently necessary, reasonable, authorized, allocable (e.g., to the appropriate accounting funds, budget line items, and/or revenue sources), and documented.

The business manager has primary and overall administrative responsibility to ensure that reasonable and sufficient internal financial controls are identified, implemented, monitored, and enforced. The Kenosha Schools of Technology Enhanced Curriculum Board of Directors expects The School’s internal controls to be regularly assessed for their adequacy, effectiveness, and efficiency. When deficiencies or areas for improvement are identified through an internal review, an audit finding, or some other source, the Board expects appropriate changes to be promptly implemented or promptly recommended to the Board (i.e., when Board approval for a specific change is sought or required).

Responsibilities and Controls Related to Federal Programs and Awards

To the extent permitted by law, the Chief Executive Officer (“CEO”) or his/her administrative-level designee(s) are authorized and directed to act on behalf of the Board in applying for federal funding/awards and in preparing and submitting reports related to such funding/awards. The School accounting procedures shall identify all federal funds received and expended and the specific federal programs under which they were received.

The business manages responsibilities related to internal controls include administrative supervision of The School's internal control over compliance requirements for federal awards. The Board's expectation is that The School's processes related to such federal compliance will be sufficient to provide reasonable assurance that:

1. Transactions related to federal awards are executed in compliance with applicable federal statutes and regulations and any specific terms and conditions of a federal award.
2. Transactions related to federal awards are properly recorded and accounted for, in order to:
 - a. Permit the preparation of reliable financial statements and federal reports;
 - b. Adequately demonstrate the specific source and application of federal funds;
 - c. Maintain accountability over assets; and
 - d. Demonstrate compliance with federal statutes, regulations, and the terms and conditions of each specific federal award.
3. The School maintains effective control over funds, property, and other assets that are subject to federal requirements, including safeguarding such assets from loss and ensuring that the assets are used solely for authorized purposes.
4. The School maintains adequate written procedures governing procurement, payment, and allowability of costs.

Examples of specific federal compliance issues that the CEO and their administrative-level designees are charged with overseeing include (1) verifying and ensuring that The School appropriately documents that all claimed costs under federal awards are allowable costs; (2) developing and overseeing procedures associated with tracking, allocating, and certifying staff time and compensation to particular federal awards; (3) developing and overseeing procedures associated with documenting The School's maintenance of effort requirements in connection with specific federal awards; (4) ensuring that The School uses appropriate procurement methods and procedures for federally-supported transactions, including maintaining records sufficient to detail the history of such transactions; (5) maintaining adequate oversight of the performance of The School vendors and contractors connected to federal awards; and (6) providing adequate training for employees whose work and work procedures are directly affected by the compliance requirements for federal awards.

Work Expense Claims

The KTEC High School administrator will identify staff members cost objectives single or multiple when they are working on activities during their normal salaried period. The objectives of the work will be assigned by the administrator. The amount of time budgeted for each objective will be determined by the building administrator or CEO at the time of assignment.

The objectives and assignments will be reviewed and adjusted monthly. At the monthly review, the following will be analyzed:

Work products

Progress vs. completion

Hours of work vs. Budget

Quality of product

Documentation of the review will be kept on a shared Staff Objective Review spreadsheet that is only editable by the CEO and building administrator; this will be updated monthly. In addition to monthly reviews, a review will be performed at the completion of the objective by the staff member.

The process to determine the amount budgeted for an objective or set of objectives will be determined in a collaboration between the CEO and building administrator using prior experience, prior budget to actual review, and/or input from staff members or other stakeholders. The shared Grant Objective spreadsheet will be updated and reviewed monthly. In addition to monthly reviews, a review will be performed at the completion of the objective for the grant.

Staff will include information about objectives worked on each timesheet submitted. This timesheet information and allowable hours in the Grant Objective spreadsheet will be compared by the building administrator before marking it as claimed on the spreadsheet and submitting the claim to CESA 6 for processing.

Summary of monthly activities and claims will be submitted to the Kenosha Schools of Technology Enhanced Curriculum Board of Directors quarterly.

Short-term work eligibility for federal grants will be determined by the building administrator or CEO. At the time short-term work is assigned by the building administrator or CEO, licensing or certification requirements will be determined. Short-term work will have cost-objectives identified the same as salaried work and will follow the same process as above.

Claim Processing for Federal Funds

Separate budget accounts will be set up for Federal funds. Prior to submission the CEO or building administrator will approve all obligated expenditures. These obligated expenditures will be submitted to CESA 6 with the following information: grant name, budget account number, and request for payment. CESA 6 will report to KTEC High when an obligation has been liquidated. Using this information CESA 6 will prepare the claim for expenditure reimbursement monthly. The expenditure report produced by CESA 6 will only include expenditure that have been obligated and liquidated in the requested amounts. This will be verified by the CEO or building administrator.

The CEO will coordinate with CESA 6 to ensure that the final expenditure claim for the fiscal year ending June 30th is claimed no later than September 30th. CESA 6 will produce a report of obligated expenditures not liquidated within 45 days monthly. This report will be used by the CEO to determine if an amount claim has not been claimed within 90 days of year end. CESA 6 will produce a report of obligated expenditure not yet liquated at year's end.

CESA 6 along with the CEO will verify that the final expenditure report ties to the general ledger accounts.

Monthly CESA 6 will provide the Kenosha Schools of Technology Enhanced Curriculum Board of Directors with financial reports.

Separation of duties will require the CEO will perform petty cash reconciliation based on information from the building administrator.