

FINANCIAL MANAGEMENT AND INTERNAL CONTROLS

The District's 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 District's receipt, holding, and expenditure of public funds for authorized and appropriate public purposes. More specifically, internal controls help the District 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 District expenditures are sufficiently necessary, reasonable, authorized, allocable (e.g., to the appropriate accounting funds, budget line items, and/or revenue sources), and documented.

The District Administrator and Director of Finance and Operations have primary and overall administrative responsibility to ensure that reasonable and sufficient internal financial controls are identified, implemented, monitored, and enforced. The Board of Education expects the District'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 of Education expects appropriate changes to be promptly implemented or promptly recommended to the Board of Education (i.e., when Board of Education 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 District Administrator or administrative-level designee(s) are authorized and directed to act on behalf of the Board of Education in applying for federal funding/awards and in preparing and submitting reports related to such funding/awards. District accounting procedures shall identify all federal funds received and expended and the specific federal programs under which they were received.

The Director of Finance and Operations responsibilities related to internal controls include administrative supervision of the District's internal control over compliance requirements for federal awards. The Board of Education's expectation is that District 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 executed, 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; and

c. Maintain accountability over assets

3. The District 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 District maintains adequate written procedures governing procurement, payment, and allowability of costs.

Examples of specific federal compliance issues that the District Administrator, Director of Finance and Operations, and their administrative-level designees are charged with overseeing include (1) verifying and ensuring that the District 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 District's maintenance of effort requirements in connection with specific federal awards; (4) ensuring that the District 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 District 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.

Legal Ref: 115.28(13); 120.13(6); 120.14 WSS; Department of Public Instruction School District Audit Manual Index, Wisconsin Uniform Financial Accounting Requirements (WUFAR); 2 C.F.R. §200.01; 2 C.F.R. §200.302; 2 C.F.R. §200.303; 2 C.F.R. part 200 subpt. E; 2 C.F.R. part 200 subpt. F; 34 C.F.R. part 75; 34 C.F.R. part 76; 34 C.F.R. part 77

Cross Ref:

Adopted: 12/18/78
Revised: 04/08/96
09/24/07
09/25/23