

Sebeka Public Schools ISD 820



Fiscal Compliance and Procedure Manual

Updated 02/28/2025

Preface

It is the intention of ISD #820, Sebeka Public School, to comply with all federal, state and local fiscal laws. It is also the intention of ISD #820 to ensure special education expenditures are necessary, reasonable, and allowable. The procedures and practices used to accomplish these goals are outlined in this manual. It is the goal of the administration of ISD #820 to ensure these practices and procedures are followed.

Code of Conduct

Each Staff member, through words and actions, will conduct oneself in the following manner:

1. Comply with all policies and procedures pertinent to one's job duties, and all state/federal laws, rules and regulations.
2. Professionally carry out one's employment duties and responsibilities.
3. Cooperate fully with internal and external auditors in all areas of the examinations; and
4. Report suspected code of conduct and ethics violations, significant internal control weaknesses, evidence of theft, embezzlement, unlawful use of public funds or property or other irregularities/wrongdoings to the district superintendent or school board.

In order to ensure accountability, ISD #820, Sebeka Public School and each of its staff members will account for all activities, accept responsibility for those activities, and disclose information/results in a transparent manner.

Conflict of Interest

No ISD #820 employee, officer or agent will participate in the selection, award or administration of a contract supported by a federal award if he or she has a conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub contracts. Violation of the above standard for a conflict of interest will result in a letter of deficiency and reprimand for the employees, officer, or agent of ISD #820.

Financial Management System and Internal Controls

The Superintendent and Business Manager of ISD #820 are responsible for preparing a budget. The designated program representative will assist in this process. The Business Manager provides monthly financial reports to the Superintendent and the school board for review and monitoring. Individual budgets by federal award are also submitted to MDE for approval via the MDE MEGS (Minnesota Education Grant System).

Cash Management

Requests of federal funds by ISD #820 to the Minnesota Department of Education via the MEGS system are submitted after ISD #820 has obligated the funds. Requests for funds will be made by the Business Manager and approved by the Superintendent.

Financial Record Retention

UGG CFR 200.333-337

All records are maintained following the MN Records Retention Schedule. Financial records will be maintained for a minimum of 3 years from the date of submission of the final expenditure report, or for ongoing grants, the date of submission of the quarterly or annual financial report. If any litigation/claim/audit starts before the 3-year period, records will be retained until completed or resolved.

Procurement

When requesting materials or services, these guidelines will be followed:

- The purchase is necessary for the provision of services.
- There is no conflict of interest in selecting the vendor. If an ISD #820 employee authorized to approve purchases is related to the vendor being submitted for payment, that employee must notify their direct supervisor so that another designated representative will be provided to approve purchase.
- There is no soliciting or acceptance of gratuities, favors, or anything of monetary value from contractors or subcontractors.
- All procurement transactions provide full and open competition to the maximum extent practicable.
- Is there an opportunity to use an intergovernmental agreement or cooperative purchasing agreement for this purchase?
- Contractors will be reviewed for suspension and debarment using the sam.gov website.

Purchasing Procedure

ISD #820 staff will complete a requisition form listing items they wish to purchase for their program.

1. The requisition form will include all necessary purchasing information and a reason why the purchase is necessary.
2. The form is submitted to the principal or superintendent who considers whether the purchase requested is allowable.
3. Upon approval, the requisition form is submitted for ordering.

When special education staff requests items for purchase the following criteria will be used:

- Is it necessary/allowable/eligible
- Items to be noted on PO would include reason for use in special education and/or student initials with most current IEP date and a description of the need. (ie. Building blocks for motor skills for “student initials” on IEP dated ##/##/## or used for student reinforcements in classroom).

Small pre-approved purchases may be made by staff using established guidelines at approved local businesses or by purchasing items and requesting reimbursement.

Ordering Procedure

Upon requisition approval by the principal, or superintendent, the administrative assistant will generate a purchase order stating vendor, item, amount, and approved reason. It is then printed and the administrative assistant determines the most efficient way to process the order.

ISD #820 staff will use purchase requisitions when making an individual purchase. This form will be attached to the purchase order. ISD #820 follows these Minnesota State Statutes requirements:

1A. Purchases up to \$25,000: If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.

1B. Purchases of \$25,000 to \$175,000: If the amount of the contract is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

1C. Purchases of \$175,000 or more If the amount of the contract is estimated to exceed \$175,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof.

Property/Casualty Insurance and Workers Compensation Bids

ISD #820 shall follow the above requirements based on Minnesota State Statutes for purchase thresholds. ISD #820 may grant the incumbent agent no more than three initial insurance carrier selections that shall be restricted to the incumbent agent. All other carriers are available to the participating agents at the time when the request for proposal is released. ISD #820 may deny the incumbent agent the right to any restricted carrier selections at its discretion.

Receipt of Materials

1. When orders are received, they will be checked in by the administrative assistant or other office staff, who will verify that the PO matches the items received.
2. The purchasing employee signs and dates the PO copy verifying the receipt of the merchandise. If a packing slip and/or an invoice is included with the order, they will attach it or them to the PO copy and send it to accounts payable for payment. Sometimes there is no packing slip in the order, and sometimes the vendor mails the invoice to the school office.
3. If the order is equipment, it will be tagged and inventoried (see inventory section) and then sent to the person requesting.
4. If the purchase is a supply, the item(s) are delivered to the employee that requested the items.

Staff Travel

Travel Costs are the expenses incurred by staff members for transportation, lodging and other related expenses who are on official business of the school district. Alcoholic beverages are not reimbursable. A school district vehicle is the first option for transportation. If a school district vehicle is not available, the staff member may use his/her personal vehicle. Reimbursement for mileage and meals are at the approved board set rate. A claim form must be completed, signed by the staff member, and submitted to the business office to be reimbursed. Once approved, the reimbursement shall be made through the payroll process the last payroll of the month.

Equipment and Inventory Management

IDEA 34 80.20(b)(3)

IDEA 34 CFR 80.32 (d) 1

UGG 2 CFR 200.313(d)(1)

ISD #820 will keep an inventory listing of equipment items purchased – regular and special education. “Equipment” means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$1,500. Items that do not meet the \$1,500 threshold but are “sensitive” in nature (such as portable technology devices) will be included on the inventory.

All items not meeting the definition of equipment shall be considered supplies. Supplies shall not be inventoried; however, each employee shall be responsible to

effectively control and account for all supplies in their care. Each employee shall properly safeguard supplies and ensure they are used for authorized purposes.

Procedure for Purchasing Equipment with Federal Funds

Staff will complete a requisition stating their reason for a purchase with federal funds. This will be submitted to the principal or superintendent. When approved, the order will be placed with an approved purchase order. When the equipment is received, an inventory number is assigned to the equipment and tagged with an ISD #820 tag. The inventory record is maintained by year of purchase.

Inventory Records

UGG 2 CFR 200.313(d)(1)

Property records will be maintained that include the tag number, a description of the item, a serial number or other identification number, the vendor, who holds title, date of acquisition, cost, percentage of federal participation in the cost, location (including staff name, building and room), condition of the item, and any ultimate disposal data including date and sale price. The ISD #820 inventory form will be used to aid in this process.

Inventory Reconciliation

UGG 2 CFE 200.313(d)(2)

A physical inventory of the property must be taken and reconciled with the property records annually during staff checkout.

Procedures for Disposition of Equipment Purchased with Federal Funds in Excess of \$5,000

1. ISD #820 will notify the Division of School Finance in writing of the equipment sale, including a description, date of sale, proceeds of the sale, and the UFARS course code.
2. ISD #820 will record the sales receipts of the equipment with the correct UFARS source code and the designated course code.
3. ISD #820 may record a journal entry to transfer \$500 or ten percent of the proceeds, whichever is less, for ISD #820's selling and handling expenses.
4. The remaining funds from the sale of the equipment shall be used only for the purpose of the delivery of special education and related services and shall be accounted for using the UFARS program code 400, established course code, and the appropriate UFARS expenditure object code.
5. ISD #820 must expend the funds from the sale of the equipment in the current fiscal year.

6. ISD #820 must be aware that these expenditures shall not be included in the MOE calculation requirement of the Individuals with Disabilities Education Act (IDEA).
7. ISD #820 must submit an "Activity Report" to the Division of School Finance at the end of the fiscal year to document expenditures.

Procedures for Disposition of Equipment less than \$5,000

UGG 2 CFR 200.313(e)(1)

If the current pre-unit fair market value is less than \$5,000, the equipment may be retained, sold or otherwise disposed of with no further obligation.

A record of the date, reason, and method of disposal or sale must be maintained with the equipment inventory.

Time and Effort Reporting

Time and effort reporting will be completed for all employees of the District. Upon completion, the Certifications and PARs reports will be kept in the business office for quarterly comparison.

For employees funded through a single cost objective, a semi-annual certification stating that the employee worked solely on activities related to a single cost objective will be kept. This certification will be signed by the supervisor after-the-fact.

The Special Education Services and its member districts will also submit to the state an application to participate in a substitute system of Time and Effort. The substitute system is for those staff with 2 or more codes but have a consistent set schedule of when they work in the different programs. For employees paid through multiple cost objectives, a monthly time report or Personnel Activity Report (PAR) will be kept. The report will be prepared and signed by the employee after-the-fact, reflecting actual work performed.

All Sebeka special education staff will complete a weekly or monthly schedule and submit at the beginning of the year of which copies will be kept in business office.

Periodic Certification/PARs Report

At the beginning of each fiscal year the Business Manager will prepare an estimated budget based on the previous year of expenditure report that includes the staff allocation amounts and disability coding. This information will be provided to the Freshwater Education District to be entered into SEDRA.

No later than the start of the school year, the Business Manager will review employee assignment/work schedules and payroll records to determine which special education employees are working in single or multiple activities or cost objectives. This information will be used to establish reasonable budget estimates. A SEDRA staff breakdown of identified employees and the appropriate designation will be provided to the Freshwater Education District for SEDRA entry. Anytime a staff person is hired midyear, the Business Manager will be notified to determine if working in a single or multiple activities or cost objective.

New employees identified as working under multiple activities or cost objectives will be trained by the Business Manager or designated sub-grantee to accurately complete Personnel Activity Reports (PARs) or the substitute system of Time and Effort Report.

All full-time special education staff working under a single cost objective will be reported on a Semi-Annual Certification Report each December and June. A copy of their schedule will be requested and attached to this report. After review for accuracy the Principal will approve with signature. The reports will be kept on file in the Business Manager's office.

Employees who work in multiple cost objectives but have a clearly set schedule will complete the Substitute System of Time & Effort. This includes providing the schedule and signing the appropriate form.

Employees who work multiple activities or cost objectives without a set schedule will complete a monthly PARs report. These staff will keep a daily log of all activities performed under each cost objective. Each identified employee will sign and complete the report. These reports will be turned in to the Principal who will review the report, sign and send to the Business Manager. The Business Manager will then review that the PARs reports are accurate based on their current teacher schedule or work assignment when compared to the corresponding activity log.

Should the Principal determine that deviations from the original schedule have happened; they will first confirm with the employee that a change in activities has occurred. Once confirmed adjustments will be made to the percentage attested to on the monthly PARs report, and the Business Manager will be notified to adjust the budget if necessary.

Quarterly, the Business Manager will review the PARs reports to compare the actual costs to the budget distribution for all employees and make necessary adjustments on SEDRA and UFARS for all federal employees if the actual costs are determined to be significant based on the Business Manager's discretion. If the difference between budgeted and actual costs is not considered significant, the adjustments will be made annually.

Adjustments/Journal Entries

Adjustments will be processed through payroll when possible; otherwise a journal entry will be completed. All manual journal entries shall be reviewed and approved by the Superintendent.

Third Party Billing (Special Education)

Minn. Stat. Sec. 125A.21, Subd.2.

On behalf of its member districts, Freshwater shall seek reimbursement from third parties for the cost of services provided by district or Freshwater staff whenever the services provided are otherwise covered by the child's health coverage.

The Director of Special Education is responsible for the oversight of the third-party reimbursement procedures. The Freshwater Education District IEP Billing Specialist is responsible for billing for IEP health-related services and retaining the required documents as designated in the procedure.

Freshwater Education District follows the most current policies issued by MHCP in its "IEP Provider Manual". This manual identifies eligible services, establishes licensing and other requirements for health providers, outlines training and supervision requirements, and details necessary documentation and billing procedures. Our district complies with all aspects of the manual as written, including its stipulations for coverage of telemedicine.

Covered Services:

- Assistive Technology Devices
- Oral Language & Sign Language Interpreter Services
- Mental Health Services
- Nursing Services
- Occupational Therapy or Physical Therapy
- Social Worker Services
- Speech/Language Pathology and Audiology
- Personal Care Assistants
- Special Transportation

Consents:

For students with disabilities in Part B and C, parents agree to allow the district to seek payment from their insurer and the parents complete the Consent to Share Data and Seek Payment for Individualized IFSP/IEP Health-Related Services. This written consent is done initially and is kept on file at the Freshwater Education District office. Annual notice is provided via procedural safeguards.

Private Insurers:

- Private insurers do not cover the following services:
- IEP Personal Care Assistance
- IEP Special Transportation
- All other IEP health-related services could be covered by private insurance.

Billing Procedures:

All MHCP claims will be submitted on a regular basis, but no later than 12 months from the date of the service.

Use of Funds:

Freshwater Education District and its member districts will use third-party revenue to:

- Pay for the cost of obtaining the revenue;
- Secure or provide training and technical assistance to obtain third-party revenue or increase the amount of their third-party revenue; and/or
- For purchases or costs that benefit students with special needs.

The revenue received from third-party sources will be tracked through the Uniform Financial Accounting and Reporting Standards (UFARS).

- UFARS Finance Code 372: Used to report expenditure using third-party revenue.
- UFARS Source Code 071: Used to report revenue received from MHCP (MA and MNCare).

Proportionate Share

The Freshwater Education District will control and administer federal special education funds used to provide equitable participation services to parentally-placed private school children with disabilities.

A timely and meaningful consultation will occur in August-September with representatives of private schools located in the member districts that will include discussion of the child find process, the calculation of proportionate amount, and how the services will be provided.

ISD #820 will maintain control over the property and program decisions and the Freshwater Education District will maintain control over the funds. The Education District will ensure that proportionate share funds are used to meet the special education and related services needs of eligible students with disabilities and are not used for the general needs of the private school. The Education District will track the required expenditures by fiscal year. Any unused funds at the end of the fiscal year will be spent during the following one-year carryover period. A report will be run once a year by the designated staff person to verify the nonpublic school students receiving special education services.

This is given to the Special Education Finance Manager. Upon receipt of the report the Special Education Finance Manager will:

- Verify that a Time and Effort is completed
- The business office of the staff's employing district will maintain the record
- Track expenditures by Fiscal Year to demonstrate how the LEA spent the proportionate share of Federal Flow Through funds on providing special education and related services to parentally-placed private school children with disabilities.
- Special Education Finance Manager will contact member district Business Managers to relay coding of expenditures for any non-public special education students.
- The member district will maintain documentation of supplies and equipment purchased for the shared-time student.

Coordinated Early Intervening Services (CEIS)

Voluntary CEIS

April

When contacted by the Freshwater Education District, ISD #820 will decide whether or not to use Part B Federal Flow through Funds to implement Coordinated Early Intervening Services (CEIS). The Freshwater Education District will include that information in the annual Federal application and submit it to MDE by June 1.

The "Request for Coordinated Early Intervening Services (CEIS)" form will be completed by ISD #820 and returned to Freshwater Education District by May 15. Freshwater Education District will submit the CEIS form to MDE for Approval.

Freshwater Education District will enter the ISD #820's application into MEGS for CEIS. The Freshwater Education District Special Education Finance Manager will assist districts in this process.

September – June

If CEIS funds are used for a staff person, the appropriate time and effort form will be completed.

ISD #820 will identify all students receiving CEIS services and enter them as a Special Education Evaluation Status 8 on MARSS.

June

ISD #820 will complete the "Coordinated Early Intervening Services (CEIS) Student Tracking Form." This form identifies the students who received CEIS services during the school year that later were found eligible for special education services. This form is submitted to the Freshwater Special Education Finance Manager who will submit to MDE. The deadline to submit this form is in mid-October. This data will be maintained by ISD #820 for audit and monitoring purposes and will be provided upon request.

Mandatory CEIS

Jan-Feb

MDE notifies Freshwater Education District if the district or any member district is disproportionate on any indicator. If any district is disproportionate in a third year consecutively, Freshwater will need to do mandatory CEIS programming. This also requires the use of 15% of its federal dollars for the entire education district for the CEIS program.

March-May

Freshwater will plan its programming for CEIS for the upcoming year. Freshwater will enter its application for CEIS into the MEGS system prior to the June 30 deadline.

September-June

If CEIS funds are used for a staff person, the appropriate time and effort form will be completed.

ISD #820 will identify all students receiving CEIS services and enter them as a Special Education Evaluation Status 8 on MARSS. Students with an IEP that are served in mandatory CEIS will be entered on the separate MDE spreadsheet.

June

ISD #820 will complete the “Coordinated Early Intervening Services (CEIS) Student Tracking Form.” This form identifies the students who received CEIS services during the school year that later were found eligible for special education services. This form is submitted to the Freshwater Special Education Finance Manager who will submit to MDE. The deadline to submit this form is by mid-October. This data will be maintained in the LEA for audit and monitoring purposes and will be provided upon request.

Transporting Students with Disabilities

Regulatory Citations:

- A. IDEA 34 CFR 300.34 (a) and (c) (16)
- B. IDEA 34 CFR 300.202(a) – Use of Amounts
- C. EDGAR 34 CFE 80.20 (a) (6) – Standard for Financial Management Systems

Transportation for a child receiving special education is a “related service” when because of the disability, the student requires special transportation in order to benefit from his/her specialized instruction. When an Individualized Education Program (IEP) team determines that transportation is a related service for a student, it should be written in the IEP.

While the vast majority of students with disabilities receive the same transportation services as nondisabled children, it is the responsibility of the IEP team to determine whether the student’s disability prevents the student from using the same transportation provided to nondisabled students. In developing recommendations for special transportation, IEP teams should consider the following relating to a student and his/her disability.

1. Mobility issues – Is the student non-ambulatory, wheelchair bound?
2. Communication issues – Is the student hard of hearing; visually impaired; nonverbal; has limited understanding of questions and directions; non-English speaking?
3. Physical issues – Does the student need assistive devices to maintain a sitting position; need assistance walking and going up and down stairs?
4. Health issues – Does the student have seizures; fatigue that causes him/her to fall asleep on the bus; require oxygen equipment?
5. Behavior issues – Does the student have very significant behavioral issues; physically abusive to other students; attempts to get off the bus; is self-abusive?
6. The child will be receiving Early Childhood Special Education services in a center-based program
7. The student is being transported to a separate site/facility for special education services.
8. Special transportation is not considered for any child who is capable of riding the regular school bus.

Credit Card Summary

Use the credit card for purchases, online or otherwise, when you have confirmed sales tax will not be charged. If you are unsure, please contact the Business Office.

In Store (face to face) purchases can be made with stores that we have an agreement made with sales tax exempt status.

1. Advise cashier that your purchase will be tax exempt.
2. Present card for payment.
3. Request detailed receipt.
4. If tax has been charged, have cashier correct it.

Once you have made a transaction with the card, the receipt and documentation is to be turned in immediately.

Purchase Order purchase – submit to an administrator who processes purchase orders along with a receipt (email confirmation).

The card is not to be used for personal purchases.

The district credit cards are to be stored in the district office safe.