

School Board Special Meeting  
Monday, August 26, 2024 4:00 PM

District Office Conference Room, Room 164  
Austin High School  
401 3rd Ave. NW  
Austin, MN 55912

## **Agenda**

1. Call to order/roll call  
**Speaker(s):** Chairperson Dube
2. Request approval of agenda (Action)  
**Speaker(s):** Chairperson Dube
3. Special Services Department Audit Report  
**Speaker(s):** Exec Dir of Special Services Sheri Willrodt and Teamworks Consultant Stephanie White
4. Overview of cost savings project  
**Speaker(s):** Executive Director of Finance and Operations Todd Lechtenberg
5. Request approval of resolution supporting the submission of Form B application to the MN State High School League (Action)  
**Speaker(s):** Superintendent Dr. Joey Page
6. Discussion on deletion of policy 723 - Accounting and Financial Procedures Manual  
**Speaker(s):** Superintendent Dr. Joey Page
7. Adjournment



**Special Services Program Review:  
Summary Report  
Austin Public Schools  
July 2024**

*Facilitated and prepared by*



## Introduction

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This TeamWorks report presents the results of the Special Services (special education) Program Review, conducted as part of the Austin Public Schools' (APS) internal audit. This review aims to support strategic planning and continuous improvement under the MnMTSS system. The review process took place from January through June 2024 and will continue throughout the FY25 school year, with the goal of evolving to implementation. Based on the gathered, generated, and investigated information, we will provide priorities and recommendations, with the ultimate goal of improving student outcomes.

APS has participated in several audits throughout the last couple of years, in support of their dedication to continuous improvement.

1. Human Resources Operations Assessment- August 2023
2. Finance Business Operations Assessment- January 2024
3. Instructional Audit- April 2023
4. Evaluation of the APS- Gifted and Talented- February 2023
5. Review of APS MTSS- August 2022
6. English Learners Audit July 2024

Overarching all of the internal review and reflection is the APS [Strategic Plan](#), which was approved by the Board of Education in April of 2022, in partnership with TeamWorks. Key elements of the plan can be found on the *APS Strategic Roadmap*:

Mission: Inspire. Empower. Accelerate

Vision: Preparing all learners to make a difference in the world.

Our Core Values: Responsible, Resilient, Learner, Communicator, Contributor

Strategic Directions:

1. Support and resources to ensure a safe and welcoming learning environment
2. Packer Profile for all learners
3. District-wide Multi-tiered system of support for all learners
4. Excellence in resource management.

The 2025 school year will mark the third year of implementation for this plan.

The impact of the Strategic Plan and each audit should directly impact the entire system, and therefore, students who have been identified as having a disability and needing specialized services. It is through this review of the Special Services Department, and the synthesis of audits, and student data that this report will aim to intentionally identify how special education is impacted within the APS MnMTSS and what outcomes are recommended as the next priorities.

## Introduction

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APS has committed to the transformative action of implementing a system of support for all by adopting the MnMTSS Framework. Through the Minnesota Department of Education, the MTSS Audit (2022) and EL Evaluation Report (July 2024) completed by CAREI, the following descriptions are provided:

### Overview of MTSS

A Multi-Tiered System of Support (MTSS) framework provides a structure to organize evidence-based practices, allocate resources efficiently, and deliver a continuum of support across academic, behavioral, and social-emotional domains. This framework assists educators to work more effectively and efficiently as they address the needs and build on the strengths of all learners. As a result, students have a significantly better probability of achieving Minnesota’s rigorous academic standards and flourishing socially, emotionally, and behaviorally. Within Minnesota, the MTSS framework is referred to as Minnesota MTSS ([MnMTSS](#)).

When implemented with fidelity, the MTSS framework has been shown to significantly impact student outcomes (effect size of 1.29; Hattie, 2017). The MnMTSS framework includes the following components:

- **Infrastructure for Continuous Improvement:** The MnMTSS Framework defines Infrastructure for Continuous Improvement as “the collection of physical, relational and procedural mechanisms in a system that support people as they coordinate and work efficiently together. These components provide the structural stability for initiatives to be implemented, sustained, and improved independently of particular individuals. An effective school infrastructure increases the likelihood that improvement efforts are focused and aligned and that educators are empowered to ensure equitable, healing-centered, assets-based social, emotional, behavioral, developmental, and academic outcomes for every student.” Areas of focus include a system-wide mission and vision for MTSS, beliefs and school climate, professional learning, and collaborative linked teams.
- **Family and Community Engagement:** The MnMTSS Framework defines Family and Community Engagement as “a process and a practice rooted in relational-trust which creates opportunities for equitable partnerships between families and school and district staff. From birth to graduation, these partnerships nurture shared responsibility for students’ academic and social success and honor all stakeholders' lived experiences, expertise, and cultural knowledge--students, teachers, staff, families, and communities.” In pursuit of increasing family and community engagement, the framework emphasizes building high-trust and reciprocal relationships; amplifying family voices; linking families to learning; and building school staff commitment to partnership practices and continuous improvement of the family engagement process.
- **Multi-layered Practices and Support:** The MnMTSS Framework defines Multi-Layered Practices and Support as “a school-wide, culturally and linguistically sustaining multi-layered system of practices that intensifies instruction and supports as needed, so that each student meets rigorous and meaningful social, emotional, behavioral, developmental and academic benchmarks.” Within the framework, layered supports are defined as Tier 1 (core) practices for all students, Tier 2 (supplemental) intervention for some students, and Tier 3 (intensive) intervention for a few students.

## Introduction

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- **Assessment:** The MnMTSS Framework defines Assessment as “the process of gathering evidence aligned to a specific purpose to make educational decisions that improve the learning conditions for every student. Various assessment types and tools are used within the education system (classroom, school district, statewide), and the results should be used according to the intended purpose and the level of specificity of the information produced. Assessments are designed for specific purposes and uses, and validity evidence must be available to support intended interpretations and uses.” Purposes of assessment defined in the framework include systems evaluation, outcomes assessment, universal screening, progress monitoring, and diagnostic assessment.

- **Data-Based Decision Making:** The MnMTSS Framework defines *Data-Based Decision Making (DBDM)* as using data “to solve problems and make important decisions that impact student academic, behavioral, social, and emotional well-being. Such decisions should create a continuous cycle of systems improvement involving educator support, policy enhancement, and procedural/instructional improvement. Data sources might include existing academic and demographic records, surveys, interviews, observations, program/policy/process data, and fidelity data.” In order for school educators and leaders to engage in DBDM, data should be accessible and integrated. Additionally, a systematic educational decision making process should be employed that involves defining current outcomes, analyzing root causes, designing and implementing plans for improvement, and evaluating outcomes planned efforts. DBDM processes should be used for both individual student support and systems improvement efforts.

The MnMTSS framework provides the opportunity for districts and their leaders to improve outcomes for *all* students. Therefore, the core components of the MnMTSS framework are the same for students receiving special education services. The key factor is incorporating specialized and adaptive practices, aligned to the specific needs of the student, described in the evaluation and Individualized Education Plan, within the framework.

MnMTSS component, *Multi-layered Practices and Supports*, highlights the critical role high quality tier 1 instruction plays for both general and special education students. Effective Tier 1 instruction should be inclusive, ensuring that all students, including those with disabilities, have access to rigorous, grade-level content. This approach specifically aligns with APS Strategic Priority 3: District-wide Multi-tiered system of support for *all* learners.

Finally, the utilization of culturally and linguistically responsive practices within the Multi-Tiered System of Supports (MTSS) framework, and recommended by the APS EL Evaluation, ensures that instructional strategies are inclusive and equitable, thereby promoting better outcomes for *all* students, including those receiving special education services.

### **Identified Strengths from the APS Leadership Survey**

1. Wide Range of Services: Offering diverse educational programs, the transition program was specifically highlighted, to cater to various student needs.
2. Exceptional special education teachers, veteran teachers with solid experience, and expert staff in literacy and math form the backbone of our dedicated professionals supporting students with special needs.
3. Talented leadership within the district provides effective guidance and cultivates a positive work environment, while maintaining a *System Perspective* to ensure alignment across the institution.
4. Strong teamwork and cooperation among staff members, complemented by problem-solving skills aimed at addressing complex issues for student success. In addition, staff maintain a mindset of flexibility and adaptability to support all students effectively.

## Section 1: Organization and Leadership

This section will examine the current organization of the special services department and its integration within the district's organizational structure and leadership. It will include student demographic outcome data to assess the effectiveness of the current system, particularly in identifying and serving students who qualify for special education services. By using a systems thinking approach, we aim to understand how various elements within the APS system interact and influence each other to produce the current outcomes.

### Data for Section 1- Organization and Leadership:

Extensive data was made available to review and reflect on the outcomes of students receiving special education services throughout the district. Austin Public Schools is working extensively to create a system of MnMTSS to support all students, which research has shown being impactful towards improved student outcomes, and should provide additional opportunities for students to get the support they need.

#### [APS Leadership Interviews](#)

In March and April of 2024, Austin Public Schools (APS) District Leadership, including principals, participated in interviews conducted by the TW consultant, with a focus on various aspects of the special education department using the MnMTSS framework. Questions were developed targeted at identified leverage points such as Tier 1 instruction, Professional Development, Intervention, and Data. These questions were designed for consideration as the district engages in systemic reflection and review, with the overarching aim of enhancing the effectiveness of evidence-based practices and addressing the impact on all students.

#### [Student Demographic Data](#) (MN Report Card)

The following data demonstrates where the district may choose to focus to impact the trajectory of the current students receiving SPED services:

- Overall students receiving special education services is higher than the MN state average.
  - (2024) Identified SPED students 20.1% (Statewide: 18.5%)
  - (2024) Students receiving special education- 1,032
  - (2023) Identified SPED students 19.2% (Statewide 17.6%)
  - (2023) Students receiving special education- 982
  - 1.6% more than State % in 2024
  - 1.6% more than State % in 2023
  - Overall number of males greater than female.
  - (2023), 634 male and 366 female.
- Disproportionality: Identified 2 or More Races and EBD (Yr. 3 during FY24)
- % of students within the Specific Learning Disability (SLD) is over the State Averages.

## Section 1: Organization and Leadership

### Special Services Department Data

[Organizational Chart \(FY24\)](#)

[SPED Teacher Staffing Projections FY25](#)

[Initial Special Education Referrals](#)

[ECSE Qualification Data Trend Data](#)

[State Child Count Total \(MARSS\) \(Dec 2022\)](#)- used for comparison and analysis

### Leadership within the APS Special Services Department

Positions within the department are typical. Organizational chart considers number of sites, number of staff, number of students identified and current capacity of the employee.

Within the department, there are additional programs included in the realm of supervision which have additional supervisors who are overseen by the Executive Director: CTSS within the district, Cooperative, Health Services, student support professionals and a residential treatment program.

For the FY25 school year, supervisors for the Special Services Department were reorganized to enhance communication and linked teams both within the department and across the district. Clear expectations were established, including exploring the current hours spent with students versus other duties and assessing the alignment between job descriptions and actual responsibilities.

One of the biggest barriers districts are currently facing is the significant challenge leaders face when trying to hire for open positions. As of July 2024, there are two active job postings for special education teachers, for a total of 13 active teaching positions in all for APS.

The teaching shortage is significant, with more than 80% of districts being impacted, particularly in specialized areas such as special education. Moreover, nearly a third of new educators are leaving the profession within the first five years. (MPR)

Efforts to address this issue include hiring international teachers, with some districts in MN recruiting educators from countries such as the Philippines. Other initiatives involve offering bonuses for difficult-to-fill positions, streamlining the application process, and creating programs to train community members interested in teaching.

APS is implementing strategies of their own, including actively seeking ways within the Austin community to recruit candidates and interns who are interested in a *Grow Your Own Grant* opportunity. (Nov. 2023), expanding the locations of open positions, and partnering with post-secondary colleges and universities to place interns in the areas of school psychology, speech pathology and social work. APS has hired speech services, and school psychology services through telehealth companies through contracted services.

## Section 1: Organization and Leadership

Other key considerations included identifying essential duties, discontinuing unnecessary processes or meetings, and understanding the potential outcomes of de-implementation. Potential barriers to leaders impacting student outcomes were also identified, such as the number of meetings to attend, the high number of staff to supervise, support for new staff members, and the capacity of leaders to meet expectations.

### **District Linked Teams and Program Partnerships**

The leadership of MnMTSS within APS has committed to the implementation of MnMTSS and building the capacity of district leaders, including principals, with a particular focus on literacy and Tier 1/core instruction from PreK through 12th grade. Creating a collaborative district-level meeting dedicated to Tier 1 curriculum, instruction, and data—prioritizing literacy initially, and eventually encompassing all areas, would provide the leadership needed to build staff capacity, impact instruction to include formative assessments, monitor progress data, and improve student outcomes.

The members of the Teaching and Learning Team would include the Executive Directors of Teaching and Learning and Special Services, principal representation, and Data and Assessment Leadership. The success of the District Level Team would be characterized by aligned goals with corresponding professional development, improved collaboration, shared focus and goals, and better alignment between principals and district leadership. Impact of this linked team could be measured through the Staff and Leadership Survey given at the end of each school year, and student achievement data.

Research supports the notion that providing teachers with support aligned to district goals around core instruction is beneficial. Having instructional coaches to support all teachers with their evidence-based instructional practices, and prioritizing literacy instruction, will enhance student learning and outcomes. Consequently, this will improve access to various options and opportunities for high school and beyond for all students.

Distractions to MnMTSS work arise and interfere due to other expectations of these positions, and should be reflected on and eliminated when possible.

### **Systemically within the Special Services Department-factors to consider:**

1. Caseloads similar to other districts and aligned to state and national organizations recommendations
2. Due Process- Typical procedures and processes no CAP
  - a. Explore expectations from Austin that go above and beyond state requirements
  - b. Explore redundancies
3. Tier 1 push-in services may not be consistent or do not exist (Data from Leadership Interview)
4. Schedules do not always allow for extra time to support intervention or extension (Data from Leadership Interviews)
5. Co-Teaching newly implemented

## Section 1: Organization and Leadership

### Program Trends and Capacity

#### Robust Continuum of Services

Austin provides a robust, continuum of service that meets the needs of students through intense support including therapeutic support, allowing students to experience more success at school. APS has services available for students throughout the district including ECSE through a Setting IV Co-op and residential treatment in their community.

#### CTSS (Children's Therapeutic Services and Supports)

CTSS has been affected by the law enacted during the 2024 Regular Session. The final engrossment will be made available during the Summer of 2024- Chapter 85, Section 70; Chapter 127, Article 61, Section 24 and Section 25. The [2023 MN Statutes](#) will link to the new language once complete.

Through the APS Leadership Interviews, CTSS was identified as a successful program that should be supported. The leadership agrees that access to mental health support is vital to students' success at school.

Interview with APS Leadership including Principals and Supervisor. The Horizons behavior program was described as:

- One of the more successful programs -when we have the right kinds of kids within the program
- Program needs to have fidelity
- Program (middle level) needs a better facility
- Supervisor does an amazing job
- Inclusion out of the program is more of a priority in elementary school
- Check and Connect is being utilized
- Parent communication is improving
- Labor intensive program, and never seems like we have enough

Other districts do not offer this level of service within their schools due to cost, certification and reimbursement process cumbersome, difficulty staffing, a restrictive environment with limited access to instruction, and grade level standards; and CTSS is offered within their setting IV offering, which meets the needs of students.

Since legislation is instigating a change with CTSS, some future consideration for the students within the Horizons-CTSS programs might be: Students who required Therapeutic Services within a school day (1-2 times per week, and episodic moments), would have access to a co-located therapist, a school social worker, tele-health worker, and other student support workers. Behavior Certified Analysts and School Psychologists support plans and skills to be taught within the school day to gain greater access to the general education classroom. In addition, School Social Workers would assist families with community connections to ensure the student receives the support they need, to prioritize less interruption to their academic day.

## Section 1: Organization and Leadership

### Transitions

Beginning fall of 2024, transition between buildings in APS will be minimized as the K students will be joining their elementary building. There is a district wide goal to continue to explore ways to minimize the impact on students as there are still transitions between grades 4/5, 6/7 and 8/9. Transitions within the school setting are being explored by the Director to promote more inclusive delivery of services and centering the student needs.

### Recommendations from Section 1

1. Continue developing hiring processes, aligned job descriptions, high education partnerships, and on-boarding of new teachers and paraprofessionals.
  - a. Strategies for hiring active open positions,
  - b. Partnering with other leaders to create a sustainable and stable system.
  - c. Develop sustainable supports for new teachers, or staff hired on a temporary license until they earn a full teaching credential. (developing but maybe more time demanding under the current conditions, and/or communication around process may be a contributing factor (Leadership Interviews Data)
2. Re-organize collaborative meetings at the district level to shift time towards instruction and learning and shift away from activities that are not directly impacting student, family and staff outcomes.
  - a. T and L District Meeting
  - b. Instructional Coaching (Priority Literacy)
  - c. MnMTSS District Meeting
3. Continued Development of a [Special Services 3-Year Work Plan FY25-FY27](#)- centered around CI and long-range goals.
4. Clearly define the roles of the Student Support Teams including: Supervisors, Teachers, Social Worker, School Psychologist, Counselor, School Nurse and behaviorists
  - a. Define overlap
  - b. Prioritize efficiency
  - c. Prioritize strengths of each position
  - d. Develop processes and procedures to function as a team
5. Continue development of strategies to support students who should be exited
  - a. Communicate this as a goal. (Data shows this is worth exploring)
  - b. MnMTSS supports this -does the student require specialized instruction?

## Section 2 Curriculum and Instruction

On January 24, 2024, a meeting was held with the Director of Special Services and Director of Teaching and Learning. The focus of this meeting was to discuss how the departments work together, through the MnMTSS framework, and how their collaboration supports the student outcomes throughout the district.

The current district leadership structure has both positions serving on the Superintendent's cabinet. Creating a system of equitable outcomes for all students would be a shared priority, and system reform, through the MnMTSS framework, is how APS has been structuring the change to the district system.

### Data Reviewed for Section 2- Curriculum and Instruction

Through the APS curriculum and instructional processes designed to meet the needs of all students, including students with disabilities, student data is collected here to represent and reflect the outcomes of the current school system.

In Minnesota, the [Read Act](#) is new and currently requires districts to emphasize professional development of literacy instruction and updating curriculum and assessments to support these efforts. The literacy data in Minnesota, including Austin's data, show discrepancy between white students and most other student groups. This review has largely focused on literacy instruction, and Sel

An [Instructional Audit](#) of Math was conducted from Oct 2022 to Feb of 2023. The recommendations will impact all students, including students receiving special education. Examples of the specific math recommendations included standards driven classroom assessments, common assessments, aligning vocabulary and strategies with the math courses both vertically and horizontally, and a scope and sequence for MCA benchmarks to ensure they are taught by each grade level, prior to the test each year.

One particular passage from the Instructional Audit, addressing elementary, middle, and high school levels, focused on intervention. It reads as follows:

"Intervention classes should also be discussed. The limited time did not provide enough information for further comments, but further conversations to determine who is in these classes and how long they remain could be justified to provide meaningful support to the students who need it the most."

The resulting recommendation was to develop a uniform intervention and enrichment plan across all grades, not just within individual schools. Noted progress towards this recommendation would be the inclusion of "WIN time" in the elementary building schedules for FY25. In middle and high school, Tier 1 instruction and schedules are part of the discussions for change. There are instances where data would demonstrate success.

## Section 2 Curriculum and Instruction

### [APS Leadership Interviews](#)

In March and April of 2024, Austin Public Schools (APS) District Leadership, including principals, participated in interviews conducted by the TW consultant, with a focus on various aspects of the special education department using the MnMTSS framework. Questions were developed targeted at identified leverage points such as Tier 1 instruction, Professional Development, Intervention, and Data. These questions were designed for consideration as the district engages in systemic reflection and review, with the overarching aim of enhancing the effectiveness of evidence-based practices and addressing the impact on all students.

### [APS- End of Year Survey-Leadership](#)

Q3- Elementary students who need support in reading are provided an additional 30 mins/day of additional reading instruction from skills instructors.

Always True- 10.5%

Mostly/Partially True- 15.8%

Sometimes/Maybe True- 15.8%

Rarely/Not True 5.3%

**Unsure/ I don't know-52.6%**

Q4-Secondary students who need support with grade-level content are provided an extra period each day in the relevant subject area.

Always True- 0%

Mostly/Partially True- 21%

Sometimes/Maybe True- 21%

Rarely/Not True 15.8%

**Unsure/ I don't know-42%**

### [APS-End of Year Survey-Staff](#)

Q4- My instruction for students with disabilities has improved this year as a result of professional development and coaching. (214 Answered, 34 Skipped)

Always True- 8.4%

Mostly/Partially True- 18.69%

Sometimes/Maybe True- 33.18%

Rarely/Not True 32.7%

Unsure/ I don't know-7%

## Section 2 Curriculum and Instruction

### APS Student Data

[Minnesota Report Card](#)- APS Student Outcome Data

Reading Achievement- All Students 35.7% (Statewide 47.6%)

Reading Achievement- Students receiving special education services 21.8% (Statewide 27.1%)

Math Achievement-All Students- 27.9% (Statewide 42.8%)

Math Achievement - Students receiving special education services- 16.7% (Statewide 25.9%)

### APS Graduation Rate

Demographic	Year	Graduation Count	Graduation %
All Students	2019	294	79.5%
All Students	2020	299	80.8%
All Students	2021	288	78.9%
All Students	2022	271	71.9%
All Students	2023	289	75.5%
All Students	2024		
Male	2023	191	65.97%
Female	2023	192	84.9%
SPED-4 YR	2023	52	55.77%
SPED-5YR	2023	43	65.12%
SPED-6YR	2023	69	73.91%
SPED-7YR	2023	51	84.31%

## Section 2 Curriculum and Instruction

### Attendance Rate (2022)

Number of APS Students Consistently Attending: 61.5% (Statewide- 69.8%)

Number of APS Students receiving special education Attending: 53.2% (Statewide- 60.9%)

According to the MN Report Card, there were no special education students enrolled in PSEO classes from 2018-2022.

Based on this slice of APS student data, several key conclusions can be drawn. First, there is a disparity in achievement levels between APS students and statewide averages, particularly evident in reading and math scores among both general and special education student populations.

Now that the infrastructure of MnMTSS is getting in place, this suggests the next priority is a need for targeted strategies and interventions to improve academic outcomes across the board.

The graduation rates show fluctuation over recent years, with a notable decline from 2021 to 2022, highlighting a potential area of concern that warrants further investigation and support, with specific attention to the male students and the need for identifying root causes.

Additionally, the attendance rates, especially among students receiving special education services, are below statewide averages, indicating a need for enhanced focus and strategies to improve attendance and engagement.

Lastly, the absence of special education students in PSEO classes underscores a potential gap in access to advanced academic opportunities, which could impact their college and career readiness. Addressing these disparities through MnMTSS, tailored interventions and support structures appears crucial for fostering equitable educational outcomes within APS.

This information is not new to APS and the leadership team. Concurrently, the team could be seen at the middle of the continuous improvement pathway, and could easily identify extensive work, time, effort and resources towards creating an equitable system for all.

Partnership between the Teaching and Learning Department, Special Services Department, and the building principals become critical to creating coherence, and eliminating barriers to systemic change and change management. Leadership collaboration around Tier 1 instruction, one of the current priorities, will find success through systems thinking, effective educational leadership, capacity building, and focus on equity (Fullan).

The current measurement tool used by APS, the SEMI-DLT, will continue to assist in determining what elements an MnMTSS System requires, and what progress is being made by APS. In addition, priorities can be determined through the SEMI and through the guidance of CAREI and Kim Gibbons, through the *Review of the MTSS* dated August of 2022.

## Section 2 Curriculum and Instruction

### Tier 1 Key Components

#### Curriculum of Tier 1

The APS *Teaching and Learning (T & L) Department* offers guidance on academic standards and assessments, including how to align classroom assessments with state standards.

#### Collaborative services and inclusivity in Tier 1

Through the interviews of the APS Leaders, and reviewing the data from SPED Forms by the Executive Director, students receiving special education services within their Tier 1 General Education classrooms is much less likely to happen, than having the student pulled out to another setting for their interventions and support from SPED staff.

The top priority from the APS Leadership Interview is the need to enhance Tier 1 instruction and ensure equitable access to core literacy education for all students, particularly those receiving special education services, in order to meet diverse learning needs and promote educational equity.

One framework that has been found successful is the Universal Design for Learning (UDL), based on research in the learning sciences that guides the development of flexible learning environments and learning spaces that can accommodate individual learning differences. UDL emphasizes these core principles- *Multiple Means of Engagement, Multiple Means of Representation and Multiple Means of Action and Expression*.

By implementing these principles, UDL aims to create inclusive learning environments that accommodate the diverse needs of all students, including those with disabilities, and help all students achieve success. The goal is to reduce barriers to learning and provide rich support for all students.

Two research and evidence based organizations have websites that offer professional development and information on UDL:

#### [CAST \(Center for Applied Special Technology\)](#)

Focuses on Universal Design for Learning (UDL) and provides resources to create inclusive learning environments for all students.

#### [The IRIS Center](#)

Offers resources and training modules on evidence-based practices for special education, including strategies for inclusive education.

#### Accommodations and Modifications for Tier 1

Teaching staff have available to them several resources to determine how to support students within the general education classroom. The Guidebook, data 2006, has many great examples and should likely be updated to align with current researched based, evidence based practices.

[The IRIS Center](#) also offers resources and professional development to gain a thorough understanding of accommodations and modifications, and learn how to implement them effectively.

## Section 2 Curriculum and Instruction

**Assistive Technology for Tier 1** ([MDE-Assistive Technology Webpage](#)) An updated Assistive Technology Manual from December 2023 could provide a current resource when streamlining this tool for effective and efficient uses of assistive technology.

### **Co-Teaching within Tier 1**

Co-Teaching is being implemented as a strategy to improve Tier 1 instruction in some APS classrooms. The district has partnered with the St Cloud State University, to provide guidance and professional development to teaching partners of general education and special education, with a potential of expanding to teachers of English Learners.

When monitoring the implementation of co-teaching, this strategy can have a positive impact on student learning when:

1. **Clear Roles and Responsibilities:** Both teachers have well-defined roles and responsibilities, avoiding duplication of efforts and ensuring that each teacher brings their strengths to the classroom.
2. **Collaborative Planning:** Effective co-teaching requires thorough and ongoing collaborative planning. Teachers need to work together to design lessons that leverage their combined expertise and address the diverse needs of their students.
3. **Professional Development:** Continuous professional development and training are crucial for co-teachers to develop the skills necessary for successful collaboration and co-instruction.
4. **Reflective Practice:** Co-teachers should engage in reflective practice, regularly discussing what is working well and what needs improvement. This helps in refining their teaching strategies and enhancing student outcomes.
5. **Student-Centered Approach:** The focus should remain on the students, with co-teaching designed to provide more individualized support and differentiated instruction to meet the varied needs of learners.

While these potential benefits of co-teaching are highlighted, success is not guaranteed simply by having two teachers in the room. The quality of their collaboration, the clarity of their roles, and their commitment to reflective practice are key factors in determining the effectiveness of co-teaching in improving student achievement. (Hattie)

### **Formative Assessment Model within Tier 1 to inform instruction**

APS Teaching and Learning, and the Special Services Department offers resources and job embedded professional development through instructional coaching to help teachers understand different types of evidence based strategies, including assessments, and how to use assessment data to inform instruction. Additionally, these instructional coaches provide tools and strategies for implementing formative assessments that provide ongoing feedback to students and inform instructional decisions.

## Section 2 Curriculum and Instruction

John Hattie's meta-analyses in "Visible Learning" highlights that districts can significantly impact student learning by **providing formative evaluation (Effect Size: 0.90)** which is defined as giving students specific and timely feedback on their learning progress. Further, the Instructional Audit- April 2023 discusses and recommends formative assessments, and common summative assessments as evidence based strategies to be implemented.

Both executive directors of SPED and T/L support this priority, sustained focus on Tier 1 instruction in all grades, beginning with literacy. Leaders report that successful use of formative assessments can be found in pockets. The Leadership Interviews states their belief that teachers need on-going coaching, guidance and modeling on effective Tier 1 instruction, aligned to the state standards, and implemented with fidelity.

### APS Progress Monitoring Assessments Tools

When conducting the APS Leadership Interviews, there were several leaders who cited having plenty of data, but knowing how to use the data was a barrier, as well as having easy access for all who need the information.

The APS *Information Services Department* provides various resources to support assessment within the school and classroom settings. These resources are designed to help educators implement effective assessment practices and improve student learning outcomes.

Data analysis and interpretation was cited in several of the Leadership Interviews as a barrier for effectively instructing students based on their achievement data. Current student achievement data would support the idea that more needs to be improved in this area.

Targeted professional development for principals and instructional leaders could provide stronger support for teachers to be able to analyze assessment data and use it to drive instructional improvements and support student learning.

Some of the APS assessment tools in place:

#### [STAR](#)

Having STAR and Fastbridge as progress monitoring tools would indicate there may be some overlap in the information they provide. The team may consider what is necessary, as all leaders mentioned having too much to do for their teachers and themselves.

#### [FastBridge](#)

Progress Monitoring Tools to monitor literacy, math and SEL(not yet utilized)

#### [SWIS- data from PBIS](#)

SWIS was mentioned as a source of behavioral data that not all had access to and was not within the same data warehouse as the other social, emotional, and behavioral data. Siloed sources made it difficult to analyze and develop a synthesis and/or trends.

#### [Viewpoint](#)

## Section 2 Curriculum and Instruction

Data Warehouse that includes multiple data sources. Noted- this is also a one stop for the summative assessment information on state-mandated summative assessments, such as the Minnesota Comprehensive Assessments (MCAs), the ACT, and the COGAT.

### Intervention within Tier 1, 2, 3

#### Evidence Based Practices in Intervention

Educational intervention refers to systematic and deliberate actions taken to improve student learning outcomes. Hattie's meta-analyses identify high-effect size interventions, such as feedback (0.70), direct instruction (0.59), and formative assessment (0.68), are shown to have significant positive effects on student learning.

Therefore, successful interventions are evidence-based, data-driven, and tailored to meet the specific needs of students. They often involve:

1. Targeted Instruction: Focusing on specific skills or knowledge areas where students need improvement.
2. Frequent Monitoring and Feedback: Providing students with ongoing feedback to guide their learning process.
3. Adjustments Based on Data: Using data to inform and adapt teaching strategies to better meet student needs.

While teachers often know instruction, having clear communication and expectations around what elements make intervention instruction more likely to be effective can change the trajectory of students' achievement success. In addition, instructional coaching and a development of a guide to support teachers ([SAMPLE-Intervention Table](#)) can develop the capacity of instructional leaders, coaches and the teachers they serve.

#### Intervention Repository's

These sites offer comprehensive information and resources to support the implementation of effective, evidence-based practices in PreK-12 education.

1. [What Works Clearinghouse](#) (WWC)

WWC reviews and reports on existing research about various educational programs, products, practices, and policies to inform educators about what works in education.

2. [Institute of Education Sciences](#) (IES)

IES provides rigorous and relevant evidence on which to ground education practice and policy, offering research reports, data, and evaluation studies.

3. [National Center on Intensive Intervention](#) (NCII)

NCII provides resources and tools to help educators implement intensive interventions for students with severe and persistent learning and behavioral needs.

4. [Intervention Central](#)

## Section 2 Curriculum and Instruction

Intervention Central offers free resources for Response to Intervention (RTI) and Multi-Tier System of Supports (MTSS), including academic and behavioral interventions.

### 5. [Center on Response to Intervention at American Institutes for Research \(AIR\)](#)

This center provides evidence-based strategies and resources to support RTI implementation, focusing on improving educational outcomes for all students, particularly those at risk for poor learning outcomes.

### 6. [The IRIS Center](#)

The IRIS Center offers resources and training materials on evidence-based practices for inclusion and special education.

### 7. [Evidence for ESSA](#)

Evidence for ESSA provides educators with information on programs and practices that meet the evidence standards of the Every Student Succeeds Act (ESSA).

### 8. [National Center for Learning Disabilities \(NCLD\)](#)

NCLD provides research-based information and resources to help educators support students with learning and attention issues.

### 9. [Positive Behavioral Interventions and Supports \(PBIS\)](#)

PBIS provides schools with strategies and interventions to improve student behavior and create positive school environments.

### 10. [The Best Evidence Encyclopedia \(BEE\)](#)

BEE provides reviews of research-proven educational programs and practices in various content areas and grade levels.

These websites offer a wealth of information and resources to support educators in implementing effective, evidence-based practices in PreK-12 education.

## APS Intervention Curriculums

Literacy Interventions:

- [UFLI](#) (Elem)
- [SIPPS](#) (Elem)
- [Heggerty](#) (K)
- [SONDAY](#) (Tier 3)
- [Benchmark Phonics](#) (Tier 1)
- [Language Live \(Middle\)](#)
- [Read180](#) (HS)
- [System 44](#) (HS SPED)
- Reading Eggs

## Section 2 Curriculum and Instruction

- Math Seeds
- Pathways to Reading

Math Interventions:

Core Math

[Transmath \(Middle\)](#)

Priorities from the APS Leadership Survey: Schedules needed to support intervention efforts. Pull-out sessions from essential subjects are regulated to safeguard core instructional time, while small group sessions (WIN time) are integrated into some schedules for targeted intervention.

Obstacles such as limited WIN time in the 7/8 building and resource constraints hinder effective intervention. Leaders suggest utilizing paras through enhancing PD, establish common instructional goals, explore co-teaching models, and streamline processes to provide interventions. Challenges persist in addressing social skills instruction and maximizing existing resources.

### Program Trends and Capacity

#### SPED Literacy Coach

Through the APS Leadership Interview within the Tier 1 section, the SPED Literacy Coach was identified as one of the most impactful supporters. ECSE leadership also cited Pyramid Coaches as intensive support for teachers. In the third year of implementation, the literacy coach provided job-embedded professional development through literacy coaching cycles and organized networking meetings to ensure the fidelity of reading instruction.

#### Data Utilization

There is a need to improve the utilization of data for monitoring student progress and informing instructional decisions. Data-driven instruction is essential for identifying student needs, measuring growth, and evaluating the effectiveness of interventions. Collaboration among staff members needs improvement and support through purposeful scheduling and expectations of collaboration to address student needs and improve outcomes.

#### SEL/Behavior Supports

The APS Leaders identified that managing disruptive behavior and providing adequate support for students are significant concerns. Effective behavior management strategies and interventions are essential for creating a positive learning environment and promoting student success. Consistently, APS Leaders demonstrated system's thinking and the need for a review of SEL and Behavior support through the MnMTSS Model.

#### Professional Development

District leaders shared their belief that staff members require ongoing professional development to enhance their skills and knowledge in areas such as behavior management, literacy instruction, equity and social-emotional learning. Addressing these needs is crucial for improving teaching practices and meeting the diverse needs of students.

## Section 2 Curriculum and Instruction

### Recommendations from Section 2

- Updated Accommodations and Modifications Guidebook (2006) as a support for Tier 1.
- Updated [Assistive Technology](#) to support Tier 1 Instruction.
- Continued development of a Professional Learning Plan in collaboration with district PD Plan.
- Develop a [Communication Strategy Plan](#) to lead a clear focus on literacy PreK-12 and the design of Tier 1 for all students in all classes for the FY25 school year.
- In collaboration with the department of Teaching and Learning and building principals, commit to having all buildings have [schedules](#) that support instructional and intervention needs for all students.
- In collaboration with the department of Teaching and Learning and the building principals, develop a [Classroom ToA](#) for Tier 1.
- Continued Refinement of the [Special Services 3 Year Work Plan](#) for Tier 1 instruction.
- Continued Refinement of SEL/Behavior plan within the MnMTSS Model for equitable and sustained system of services.
- Development of the Intervention Curriculum Menu, aligned to the assessments used to determine appropriate fit and how to know if what is being used is working through progress monitoring.

### Section 3: Resource Allocation and Management

This section will focus on the management of resources in the special education department and not the specific allocations of special education funding. Focusing on the management side of the resource directly aligns with APS Strategic Priority 4: Excellence in Resource Management.

MDE defines Special Education Instruction, from the funding perspective, to include activities providing learning experiences for students of any age who, because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided for pupils in regular or vocational instruction.

It should be noted that special education is underfunded by the state and typically, districts manage this shortfall by using additional monies from their General Fund—a strategy also utilized by APS. Further, the allocations of special education funding and development of a budget is complex and requires partnerships between the Executive Directors of Finance and Operations, and Executive Director of Special Services. Included below are sources of data from MDE and the Executive Director providing evidence of excellence in the allocation of funding and developing a budget.

#### Data for Section 3- Resource Allocation and Management

##### [Minnesota Report Card- Fiscal Transparency](#)

This data illustrates how APS spends their allocations, including special education services from February 2024.

##### [Special Education Cross-Subsidies per Weighted Average Daily Membership \(WADM\)](#)

SPED Cross-Subsidies per WADM: compared to other districts of similar size in our region; most recent report to legislature (FY22) shows the following:

Albert Lea: \$661.93

Rochester: \$712.26

Austin: \$843.44

Owatonna: \$941.50

Winona: \$979.25

Northfield: \$1,052.86

Red Wing: \$1,171.03

Faribault: \$1,291.78

##### [Support and Resources to ensure a Safe and Welcoming Learning Environment](#)

This is a summary, provided by the Executive Director, which highlights the significant initiatives and support that are in place to ensure a safe and welcoming learning environment. This document details how mental health is supported throughout the district and is aligned to the APS Strategic Priority 1: Support and resources to ensure a safe and welcoming learning environment

### Section 3: Resource Allocation and Management

#### [EOY Survey- Staff \(2024\)- All Staff](#)

Q12- My job satisfaction has improved this year.

Always True- 10.9%

Mostly/Partially True- 22.8%

Sometimes/Maybe True- 28.8%

Rarely/Not True 36.7%

Unsure/ I don't know-2%

<b>My job satisfaction has improved this year.</b>					
<b>SPED Staff Only</b>	District	EC/K	Elementary	Middle	High School
Always/True	7		5	0	7
Mostly/Partially True	15	3	4	4	15
Sometimes/Maybe True	21	4	5	6	21
Rarely/Not True	18	3	3	6	18
Unsure/I Don't Know	0	0	0	0	0

#### [FY24 EOY SPED Program-Staff- Just SPED Teachers May 28, 2024](#)

**My instruction for students with disabilities has improved this year as a result of professional development and coaching.**

<b>SPED Staff Only</b>	District	EC/K	Elementary	Middle	High School
Always/True	8	1	5	0	1
Mostly/Partially True	18	2	10	2	3
Sometimes/Maybe True	24	6	4	6	4
Rarely/Not True	12	1	0	6	5
Unsure/I Don't Know	2	0	0	2	0

**My skills as a literacy intervention instructor have improved this year as a result of professional development and coaching.**

<b>SPED Staff Only</b>	District	EC/K	Elementary	Middle	High School
Always/True	11	2	8	0	1
Mostly/Partially True	16	1	5	3	4
Sometimes/Maybe True	14	3	4	5	1
Rarely/Not True	12	1	0	6	5
Unsure/I Don't Know	9	2	2	2	2

### Section 3: Resource Allocation and Management

<b>During PLC meetings, data is used to monitor progress and make adjustments to focus on getting improved results for students.</b>					
<b>SPED Staff Only</b>	District	EC/K	Elementary	Middle	High School
Always/True	15	2	7	2	3
Mostly/Partially True	11	4	3	2	2
Sometimes/Maybe True	17	3	2	4	4
Rarely/Not True	9	1	0	7	1
Unsure/I Don't Know	11	0	7	1	3

<b>Teachers and staff hold high expectations that students receiving special education will demonstrate progress at high levels.</b>					
<b>SPED Staff Only</b>	District	EC/K	Elementary	Middle	High School
Always/True	17	4	5	3	4
Mostly/Partially True	26	5	9	5	6
Sometimes/Maybe True	19	1	4	8	3
Rarely/Not True	0	0	0	0	0
Unsure/I Don't Know	0	0	0	0	0

[EOY Survey- Leadership \(2024\)](#)-(Review as no question directly aligns)

#### [APS Leadership Interviews](#)

In March and April of 2024, Austin Public Schools (APS) District Leadership, including principals, participated in interviews conducted by the TW consultant, with a focus on various aspects of the special education department using the MnMTSS framework. Questions were developed targeted at identified leverage points such as Tier 1 instruction, Professional Development, Intervention, and Data. These questions were designed for consideration as the district engages in systemic reflection and review, with the overarching aim of enhancing the effectiveness of evidence-based practices and addressing the impact on all students.

[Staffing Levels and Qualifications](#) (MN Report Card- 2023)

## Section 3: Resource Allocation and Management

### Resource Allocation

Third Party Billing (TPB) is a funding source districts utilize as part of their required processes. APS TPB revenue has been \$400,000 + consistently. Some districts similar in size are able to generate more funding when they improve their processes.

*Minnesota Statutes 2021, section 125A.21, subdivision 2, requires school districts to seek reimbursement from insurers and other third-parties for the cost of services provided by a Local Educational Agency (LEA) whenever these services are covered by the child's health insurance. This statute is based on federal regulations and the Individuals with Disabilities Education Act (IDEA). LEAs can enroll with the Minnesota Health Care Programs (MHCP) as an MHCP Individualized Education Program (IEP) provider. To bill Medical Assistance (MA) for the federal share of covered IEP health-related services, LEAs must be enrolled with Minnesota Department of Human Services (DHS) MHCP.*

APS recently met with an outside TPB consultant to receive a different perspective on how to improve the practices and procedures, and generate improved funding.. The consultant emphasized specifically how the work of the Personal Care Assistants (PCS's) should be revised to reflect the work they do and how they process this information.

### Management of Resources

Building a positive culture throughout the district and department was mentioned within the Leadership Interviews and the End of Year Survey-Staff, as an area for improvement. Research highlights several key approaches to effectively enhance school culture, and align/support the recommendations APS has received from this review as well as the other audits mentioned above:

#### 1. Strong Leadership:

Effective leadership is crucial in setting the tone for a positive school culture. Leaders should be visible, approachable, and committed to the school's vision and values. They should foster collaboration, encourage professional development, and lead by example.

#### 2. Professional Development:

Continuous professional development helps teachers and staff stay informed about the latest educational practices and technologies. Training focused on social-emotional learning, diversity, equity, and inclusion can significantly impact school culture .

#### 3. Student Engagement and Voice:

Encouraging student participation in decision-making processes and valuing their feedback can create a sense of ownership and belonging. Programs that promote student leadership and active involvement in school activities contribute to a positive school culture .

#### 4. Positive Relationships:

Building strong, positive relationships among students, teachers, staff, and the community is fundamental. Schools can implement mentoring programs, peer support systems, and team-building activities to strengthen these connections .

### **Section 3: Resource Allocation and Management**

#### **5. Clear Expectations and Consistency:**

Establishing clear, consistent expectations for behavior and academic performance helps create a structured and predictable environment. Consistent application of rules and policies ensures fairness and builds trust among students and staff.

#### **6. Focus on Well-being:**

Prioritizing the mental and emotional well-being of students and staff is essential. Schools can offer counseling services, mindfulness programs, and wellness initiatives to support overall well-being .

#### **7. Celebrating Successes:**

Recognizing and celebrating achievements, both big and small, fosters a positive atmosphere. Schools can hold award ceremonies, highlight accomplishments in newsletters, and create a culture of appreciation.

### **Program Trends, and Capacity**

#### **Costs of SPED Services**

Cost of SPED Services has increased consistently since the onset of these services- on the state and federal levels. Recently, MN received a boost in the budget of 10.2% in the hopes of helping districts adequately support and serve students with special needs. Although helpful, this does not make up the difference districts need. General Funds are typically utilized to support the difference between the cost and the revenue received for these services.

#### **Building Culture through MnMTSS**

When considering how to improve culture, the mindset of Continuous Improvement (CI) focuses on the ongoing pursuit of improving educational systems, processes, and services. By fostering a culture of collaboration, accountability, and continuous learning, districts can create a dynamic environment that consistently seeks to improve and innovate. This approach is fundamental in the MnMTSS framework and emphasizes a commitment to making things better continuously. This is a key element of MnMTSS and is monitored on the SEMI-DLT.

#### **The Packer Profile for all Learners (Strategic Priority 4)**

The Packer Profile directly results from feedback from students, staff, and family groups during the 2021-22 strategic planning process. The Packer Profile identifies the community's shared aspirations for students and what it means to be a graduate of APS. It reflects what our students, staff, and families desire each day for our students and supports their preparation to become college, career, and life-ready.

The Special Services Department, under the leadership of the Executive Director, has an established practice surveying members of the community to gain feedback about their experiences and perspectives, specific to special education. The data from the feedback informs initiatives and goals set by the department under a continuous improvement model.

### **Section 3: Resource Allocation and Management**

#### **Recommendations from Section 3**

- Developing a project plan to evaluate the root cause of whether these initiatives (professional development, the provision of clerical support, flexible time for due process, and the implementation of efficiency tools) effectively improve job satisfaction.
- Develop a plan to determine root causes, and strategies to create a positive culture throughout the district and department.
- Continue implementation of new strategies to increase Third Party Billing (TPB) revenue.
- Pursue creating a process through Focus Groups to gain data around student engagement and voice. This is in alignment with APS Strategic Priority 2: The Packer Profile for all Learners. Graduation data, and attendance outcomes would suggest this practice as a valuable means to gain insight and understanding.

## Section 4: Federal/State Compliance and Corrective Action Plans

In this section, the due process aspects of a special education program will be discussed, and data reviewed. APS Special Education Program has a well established system that utilizes the guidance from the MDE to provide a [Due Process Manual](#).

SPEDFORMS is the online program, utilized by most districts in the state to house all of the Individual Education Plans and Evaluations.

### Data Reviewed for Section 4:

#### [APS Student Initial Evaluation Trend Data](#)

One way APS will monitor the success of their MnMTSS Framework, is the data trends seen at the end of each year through initial referrals to special education. The researched evidence is that if students get their needs met through the MnMTSS Framework, then referrals to special education will decline.

Evidence the MnMTSS Framework beginning to impact student outcomes can be found in the passage below ([ADSIS FY24 EoY Report](#)):

*This school year, there were 41 initial special education (SPED) evaluations for speech-only needs, compared to 23 in the previous year. When excluding these speech-only evaluations, there were 48 initial SPED evaluations this school year, down from 63 the previous year. This decrease suggests the success of our new Multi-Tiered System of Supports (MTSS) process, a key district priority.*

*The rise in speech-only evaluations is believed to be a result of the COVID-19 pandemic, during which young children missed critical language acquisition opportunities due to masking and limited face-to-face interaction. We will continue monitoring our data, expecting the number of speech-only evaluations to decline as we move further from the pandemic years. Additionally, we anticipate ongoing reductions in SPED evaluations in other areas as we refine our MTSS process.*

#### [State Enrollment Data FY23](#)

This information is used for comparing and analyzing current district data. In Minnesota, the population is approximately 51% male and 49% female. This measurement does not account for individuals who identify as neither male nor female. For this analysis, we compare the state gender percentages with the APS gender percentages. If the statewide statistics are relatively balanced, why does APS have a higher percentage of males identified for SPED services compared to females?

## Section 4: Federal/State Compliance and Corrective Action Plans

### [Enrollment by Race/Ethnicity Data \(Feb. 22, 2024\)](#)

This data can be use when determining action plans for students impacted for the CAP

<b>Race/Ethnicity</b>	<b>Count</b>	<b>Percent</b>
American Indian	59	1.1%
Asian	613	11.9%
Black or African American	450	8.7%
Hispanic or Latino	1551	30.1%
Native Hawaiian or Pacific Islander	166	3.2%
Other Indigenous People	5	.1%
White	2133	41.4%
2 or More Races	169	3.3%
All Students	5146	100%

### [2024 Enrollment by Other Criteria](#)

	<b>Count</b>	<b>Percent</b>
<b>English learner</b>	1,184	23.0%
<b>Special education</b>	1,032	20.1%
<b>Free/Reduced-Price meals</b>	3,314	64.4%
<b>Homeless</b>	12	<b>0.2%</b>

## Section 4: Federal/State Compliance and Corrective Action Plans

### Federal/State Compliance

Districts get identified by the state when data indicates a potential of over identification within a disability.

Corrective Action Plans current or ending are listed here:

#### CEIS Over-Identification of EBD- 2 or More Races

- a. Year 3 status, requiring set aside of 15% of federal special education funds for Coordinated Early Intervention Services (we are focusing on early intervention by school counselors and school psychologists)

#### Over-Identification of students identifying as “2 or more races” as OHD

- a. Year 1 status (also focusing on early intervention by school counselors and school psychologists)

#### Out of School Suspensions of students identifying as “Black or African American”

- a. Year 1 status (focusing on Alternatives to Suspension and Non Exclusionary Discipline Practices)

### Program Trends, and Capacity

#### Due Process

The Special Education Department consistently has quality due process paperwork. There are no outstanding complaints with the Department of Education. Both of these facts indicate a strong implementation of required due process.

Paperwork and meeting requirements are often cited by staff and administrators as causing stress on the workloads. Strategies have been developed to support finding efficiencies, and effective ways to stay compliant with state and federal regulations.

#### Strategies to Improve Over-Identification

A school district can consider these strategies to address and reduce the over-identification of any student group:

##### 1. Conduct a Thorough Review and Audit:

- Examine the identification process, including referral, assessment, and placement procedures, to identify any biases or inconsistencies.
- Review the data to understand the scope and patterns of over-identification.

##### 2. Implement Bias Training:

- Provide training for teachers, administrators, and support staff on implicit bias, cultural competency, and equitable practices.
- Ensure that staff understand the potential impact of cultural and racial biases on identification processes.

##### 3. Use Culturally Responsive Assessments:

#### **Section 4: Federal/State Compliance and Corrective Action Plans**

- Adopt assessment tools and practices that are culturally responsive and validated for diverse student populations.
- Involve multidisciplinary teams, including cultural liaisons or experts, in the evaluation process.

#### 4. Enhance Support Systems:

- Strengthen and expand the availability of early intervention and support services to address behavioral and emotional needs
- Implement restorative practices, social-emotional learning programs, and positive behavior interventions and supports (PBIS).

#### 5. Increase Family and Community Engagement:

- Engage families and communities in the decision-making process to ensure their perspectives and insights are considered.
- Provide resources and support to families to help them navigate the special education system.

#### 6. Regularly Monitor and Evaluate:

- Continuously monitor identification rates and outcomes.
- Evaluate the effectiveness of implemented strategies and make adjustments as needed.

#### 7. Policy and Practice Revisions:

- Review and revise district policies and practices to ensure they promote equity and do not disproportionately impact any student group.
- Ensure that disciplinary practices are fair and do not contribute to any over-identification.

## **Section 4: Federal/State Compliance and Corrective Action Plans**

### **Recommendations from Section 4**

1. MKV homeless data is low compared to other districts in the same region and/or same size. New social work positions within APS for the FY25 school year should review and revise guidelines, and support for identification of students and families experiencing homelessness under MKV.
2. Continued development of strategies to reduce the stress surrounding due process requirements.

## Section 4: Federal/State Compliance and Corrective Action Plans

### Summary of Recommendations

#### Section 1: Organization and Leadership

- Continue developing hiring processes, aligned job descriptions, high education partnerships, and on-boarding of new teachers and paraprofessionals.
  - Strategies for hiring active open positions,
  - Partnering with other leaders to create a sustainable and stable system.
  - (developing but maybe more time demanding under the current conditions, and/or communication around process may be a contributing factor (Leadership Interviews Data)
- Re-organize collaborative meetings at the district level to shift time towards instruction and learning and shift away from activities that are not directly impacting student, family and staff outcomes.
  - T and L District Meeting
  - Instructional Coaching (Priority Literacy)
  - MnMTSS District Meeting
- Continued Development of a [Special Services 3-Year Work Plan FY25-FY27](#) centered around CI and long-range goals
- Clearly define the roles of the Student Support Teams including: Supervisors, Teachers, Social Worker, School Psychologist, Counselor, School Nurse and behaviorists
  - Define overlap
  - Prioritize efficiency
  - Prioritize strengths of each position
  - Develop processes and procedures to function as a team
- Continue development of strategies to support students who should be exited
  - c. Communicate this as a goal. (Data shows this is worth exploring)
  - d. MnMTSS supports this -does the student require specialized instruction?

#### Section 2: Curriculum and Instruction

- Updated Accommodations and Modifications Guidebook (2006) as a support for Tier 1.
- Updated [Assistive Technology](#) to support Tier 1 Instruction.
- Continued development of a Professional Learning Plan in collaboration with district PD Plan.
- Develop a [Communication Strategy Plan](#) to lead a clear focus on literacy PreK-12 and the design of Tier 1 for all students in all classes for the FY25 school year.
- In collaboration with the department of Teaching and Learning and building principals, commit to having all buildings have [schedules](#) that support instructional and intervention needs for all students.

#### **Section 4: Federal/State Compliance and Corrective Action Plans**

- In collaboration with the department of Teaching and Learning and the building principals, develop a [Classroom ToA](#) for Tier 1.
- Continued Refinement of the [Special Services 3 Year Work Plan](#) for Tier 1 instruction.
- Continued Refinement of SEL/Behavior plan within the MnMTSS Model for equitable and sustained system of services.
- Development of the Intervention Curriculum Menu, aligned to the assessments used to determine appropriate fit and how to know if what is being used is working through progress monitoring.

#### **Section 3: Resource Allocation and Management**

- Developing a Job Satisfaction project plan to evaluate the root cause of whether these initiatives (professional development, the provision of clerical support, flexible time for due process, and the implementation of efficiency tools) effectively improve job satisfaction.
- Develop a Positive Culture project to determine root causes, and strategies to create a positive culture throughout the district and department.
- Continue implementation of new strategies to increase Third Party Billing (TPB) revenue.
- Pursue creating a process through Focus Groups to gain data around student engagement and voice.

#### **Section 4: Federal/State Compliance and Corrective Action Plans**

- MKV homeless data is low compared to other districts in the same region and/or same size. New social work positions within APS for the FY25 school year should review and revise guidelines, and support for identification of students and families experiencing homelessness under MKV.
- Continued development of strategies to reduce the stress surrounding due process requirements.

#### **Overarching Recommendations from Leadership Interviews:**

##### **What areas of needs would you want to make sure we know about or need to address?**

1. Reviewing Structure and Roles: Ensuring alignment between job descriptions and actual duties
2. Teacher and Para On-boarding and Training
3. Developing strategies to alleviate paperwork burdens for SPED teachers.
4. Establishing clear mission, vision and goals for the SPED department and aligning them with the district's mission and vision.
5. Reevaluating service format and considering alternatives to pull-out services and addressing issues like long walking distances for students.
6. Improving Tier 1 Instruction: Enhancing academic and behavioral instruction to meet the needs of all students.
7. Building Capacity and Skills: Providing support and training to teachers across various programs.
8. Addressing issues with facilities and scheduling opportunities related to an aging building, staff scheduling, and self-contained classrooms.
9. Fostering a Growth Mindset to promote belief in the potential of all students and attracting qualified staff.
10. Enhancing support and training in areas such as SEL curriculum, and behavior management.

# APPENDIX

[Link to References and Resources for APS SPED Review FY24](#)

# Overview of Cost Savings Project

August 26, 2024

# AUSTIN PUBLIC SCHOOLS STRATEGIC PLAN

## OUR MISSION

*(Our Core Purpose)*

Inspire. Empower. Accelerate.

## OUR VISION

*(What We Intend to Create)*

Preparing all learners to make a difference in the world.

## Our Core Values

*(Drivers of Our Words and Actions)*

- Responsible: Demonstrates accountability to self and others
- Resilient: Develops perseverance and self-confidence
- Learner: Challenges self to think critically
- Communicator: Listens actively and shares learning and experiences
- Contributor: Engages as a productive member of the community and global society

## OUR STRATEGIC PRIORITIES

*(Drivers of Our Continuous Improvement)*

1. Support and resources to ensure a safe and welcoming learning environment
2. Packer Profile for all learners
3. District-wide multi-tiered systems of support for all learners
4. Excellence in resource management

# History of Project

- Jan 23, 2023-APS school board authorized Ameresco to submit Federal Grant/Concept documents
- Feb 10, 2023-Kickoff meeting with Andrew and Brian to review what Ameresco could do
- Apr 2023-Federal grant concept paper was approved and recommended for full grant application
- May 2023-Andrew Adams signed professional service agreement allowing Ameresco to provide services to develop a guaranteed energy savings project
  - Cost was \$49K and was waived if a project was approved

# History of Project

- Jun 2023-APS was notified their grant application was not approved for grant funding for 1<sup>st</sup> round
- Nov 2023-APS requested Ratwik Law to review if all steps had been taken to award this project to Ameresco
  - Law firm said cooperative purchasing method did not meet the bid requirements
- Mar 2024-APS notified Ameresco that we would only be focusing on a possible LED lighting project

# History of Project

- Jun 2024-
  - Ameresco presented to facilities committee about LED project only
  - Ameresco submitted a term sheet to APS to finance the project and wanted us to sign before board approved
    - Terms did not align with prior conversations and numbers did not appear correct
  - Term sheet was sent to lawyers to review
  - Decision was made that this project did not follow bid requirements
  - APS requested from Ameresco to provide documentation regarding bid steps
- July 2024
  - Letter was sent from law firm to Ameresco stating that we need to restart the process and request bids from all vendors

# Current Facts

- District is needing to replace non-LED lights
- Current estimated cost is \$1,502,989
- Different financing methods
  - Lease purchase agreement
  - Building referendum
  - Put aside LTFM money and replace as we can
  - Assigned Funds

# Different Financing Options

- Lease purchase agreements
  - Pros
    - Do not use current operating dollars for this
    - Replace all at once
  - Cons
    - Pay back over 15 years
    - Interest rate is around 4.65%
- Building referendum
  - Pros
    - Do not use current operating dollars for this
    - Replace all at once
    - Paid back over 15 years
  - Cons
    - Not sure when we will go out
    - Not guaranteed approval

# Different Financing Options

- Put aside LTFM money and replace as we can
  - Pros
    - Not using unassigned funds for this
    - Not borrowing money
  - Cons
    - Will take 5-8 years to replace all lights with all competing projects
- Assigned Funds
  - Pros
    - Not borrowing money
    - Can replace all lights once we save enough money
  - Cons
    - Would take a few years to save up the money
    - Assigned funds only happen if we continue to achieve board target fund balance
    - Other competing priorities of the district

# Next Steps

- September 9<sup>th</sup> board meeting
  - Approve RFP to determine the extra scope of this project
  - Timeline to turn in RFP will be two weeks
- September 11<sup>th</sup> facilities committee
- September finance committee
  - Reviewing financing options
- Week of September 30<sup>th</sup>-October 4<sup>th</sup>
  - Review proposals and determine next steps
- October 14<sup>th</sup> board meeting
  - Review proposals

# Questions



**DATE:** August 16, 2024  
**TITLE:** Special NFHS AED Form B  
**TYPE:** Action  
**PRESENTER:** Katie Carter, Activities Director

**BACKGROUND: NFHS AED Grant Request Purpose:** To provide additional AEDs in MSHSL member schools.

**NFHS AED Grant Description:** The NFHS Foundation, a philanthropic arm of the NFHS, is providing AEDs (Philips HeartStart OnSite AED) to state associations at a discounted rate. These AEDs have been made available to the state associations for their distribution by a process by which they determine. The MSHSL Foundation has exercised their opportunity to purchase these 32 AEDs and is supplying them to MSHSL member schools through this grant. Member schools that are successful in being selected to receive an AED through this grant process will be credited with receiving a partial Form B Grant. These AEDs are available at no cost to schools.

**Awarding of Grants:** The MSHSL Foundation will collect applications for these AEDs through Friday, September 6, 2024. Following this deadline, the MSHSL Foundation will randomly select 32 schools to receive an AED from this process. Schools that have applied for this special grant will be notified by Friday, September 13, 2024. Schools that receive an AED will be notified that this constitutes a Form B Grant of \$588 which is the purchase price paid by the MSHSL Foundation.

**The application must be submitted to the MSHSL Foundation no later than Friday, September 6, 2024. All required information must be included in order for the Application to be submitted and considered.**

**RATIONALE:** Austin Activities have sites where no AED is available on site. Receiving this grant would allow us to outfit those teams to have this device on hand in case of an emergency. Adding portable AEDs to our inventory directly supports Strategic Priority #1 & 4 for Austin Public Schools.

**RECOMMENDATION:** Board Approval and Signature

## SPECIAL NFHS AED FORM B

### RESOLUTION OF SCHOOL BOARD/GOVERNING BOARD SUPPORTING FORM B APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the Governing Board of Austin High School recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist schools to provide seminars/training opportunities or support for specific school functions for students/faculty members/officials and others who are involved in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Governing Board of Austin High School supports the school's application to the Minnesota State High School League Foundation for a NFHS AED FORM B grant to provide the opportunity for member schools to receive an AED through this grant process. The school will be credited with receiving a partial Form B Grant.

August 26, 2024

Date

\_\_\_\_\_  
Carolyn Dube, School Board Chair

August 26, 2024

Date

\_\_\_\_\_  
Peggy Young, School Board Clerk

**Austin Public Schools,  
ISD #492**

**Accounting & Financial  
Procedures Manual**

## **Effective Date(s) of Accounting Procedures**

The effective date of all accounting procedures described in this manual is July 1, 2016. If a procedure is added or modified subsequent to this date, the effective date of the new/revised procedure will be indicated parenthetically immediately following.

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## INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting procedures for Austin Public Schools, ISD #492, which shall be referred to as “Austin Public Schools, ISD #492” throughout this manual.

It shall be the responsibility of the Superintendent to implement School Board policy and to recommend additions or modifications thereto. The administration is authorized to develop guidelines and directives to effectuate the implementation of School Board policies. These guidelines and directives shall not be inconsistent with said policies. At least once every three years, these written procedures shall be presented to the School Board for review. (School Board Policy #208)

**Austin Public Schools, ISD #492** is incorporated in the state of Minnesota under Minnesota Constitution Article 13 section 1, with powers and duties defined in Minnesota Statutes Chapter 123B.

### MISSION STATEMENT

The mission of Austin Public Schools is to work together with family and community to empower all:

- to learn for life,
- to strive for excellence,
- to contribute in a global society.

This manual shall document the financial operations of the Austin Public Schools, ISD #492. Its primary purpose is to formalize accounting guidance and selected procedures for all staff who have a role in accounting processes and to document internal controls.

If a particular grant or award has provisions that are more restrictive than those in this manual, the more restrictive provisions will be followed only for that grant or award.

The contents of this manual were approved as official by the School Board. All Austin Public Schools, ISD #492 staff members are bound by the procedures herein, and any deviation is prohibited.

# SECTION 1: GENERAL PROCEDURES

## BUSINESS DEPARTMENT OVERVIEW

### Austin Public Schools, ISD #492 Structure

The Business Office consists of six staff members who manage and process financial information for Austin Public Schools, ISD #492. The following positions comprise the Business Office:

- Executive Director of Finance & Operations
- Controller
- Administrative Assistant to the Executive Director of Finance & Operations
- Payroll Specialist
- Benefits Specialist/Cash Management
- Accounts Payable Clerk

Other officers and employees of Austin Public Schools, ISD #492 who have financial responsibilities are as follows:

- Superintendent
- Department Directors/Principals
- Human Resources Department
- Teaching & Learning Department
- Chair – Board level
- Treasurer – Board level
- Clerk – Board level
- Vice-Chair – Board level

### Department Responsibilities

The primary responsibilities of the Business Office consist of:

- General ledger
- Budgeting
- Cash and investment management
- Asset management
- Grants and contracts administration
- Purchasing
- Accounts receivable and billing
- Cash receipts
- Accounts payable

- Cash disbursements
- Payroll
- Financial statement processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with government reporting requirements
- Annual audit
- Leases
- Insurance

### **Standards for Financial Management Systems**

In accordance 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Austin Public Schools, ISD #492 maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

1. Identification, in all its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
2. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of 2 CFR Parts 200.327, Financial Reporting, and 200.328, Monitoring and Reporting Program Performance, and/or the award.
3. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation.
4. Effective control over and accountability for all funds, property, and other assets. Austin Public Schools, ISD #492 must adequately safeguard all such assets and ensure they are used solely for authorized purposes.
5. Comparison of outlays with budget amounts for each award.
6. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources. (*2 CFR Part 200.301, Performance Measurement*)
7. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by Austin Public Schools, ISD #492. Advance payments must be limited to

the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements. *2 CFR Part 200.305 Payment*

8. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of the 2 CFR Part 200 Subpart E, Cost Principles, and the terms and conditions of the award.

# **BUSINESS CONDUCT**

## **Practice of Ethical Behavior**

Austin Public Schools, ISD #492 requires board members and district employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. All board members and school district employees are required to comply with all applicable laws and regulatory requirements. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The reputation of Austin Public Schools, ISD #492 depends to a very large extent on the following considerations.

Each employee must apply her or his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. Each employee is responsible for applying common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Austin Public Schools, ISD #492 policy and procedures?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Austin Public Schools, ISD #492 or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all of these questions before taking action.

Each board member and district employee is responsible for the ethical business behavior of her or his subordinates. School Board members and district employees must carefully weigh all courses of action suggested in ethical, as well as economic, terms and base their final decisions on these guidelines, as well as their personal sense of right and wrong.

## **Compliance with Laws, Regulations, and Austin Public Schools, ISD #492 Policies**

Austin Public Schools, ISD #492 does not tolerate:

- The willful violation or circumvention of any federal, state, local, or foreign law by an employee during the course of that person's employment.
- The disregard or circumvention of Austin Public Schools, ISD #492 guidelines or engagement in unscrupulous dealings.

Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

The performance of all levels of employees will be measured against implementation of the provisions of these standards.

Policies regarding School Board Members Code of Ethics can be found at School District Policy Section 209 "Code of Conduct".

# **CONFLICTS OF INTEREST**

## **Introduction**

In the course of business, situations may arise in which an Austin Public Schools, ISD #492 decision maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All School Board members and district employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Austin Public Schools, ISD #492 in dealing with outside entities or individuals,
2. Disclose real and apparent conflicts of interest to the School Board, and
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

## **What Constitutes a Conflict of Interest**

All School Board members and district employees of Austin Public Schools, ISD #492 owe a duty of loyalty to the Austin Public Schools, ISD #492. This duty necessitates that in serving the Austin Public Schools, ISD #492 they act solely in the interests of the Austin Public Schools, ISD #492, not in their personal interests or in the interests of others.

The persons covered under this guidance shall hereinafter be referred to as “interested persons.” Interested persons include all members of the School Board and all district employees, as well as persons with the following relationships to School Board members or district employees:

1. Spouses or domestic partners
2. Brothers and sisters
3. Parents, children, grandchildren, and great-grandchildren
4. Spouses of individuals listed in 2 and 3
5. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employee or director, either individually or in combination with individuals listed in 1, 2, 3, or 4, collectively possess a [35%] or more ownership or beneficial interest

Conflicts of interest arise when the interests of an interested party may be seen as competing with those of the Austin Public Schools, ISD #492. Conflicts of interest may be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information).

A conflict of interest arises when a School Board member or district employee involved in making a decision is in the position to benefit, directly or indirectly, from his or her dealings with the Austin Public Schools, ISD #492 or person conducting business with the Austin Public Schools, ISD #492. (A potential conflict of interest exists when the School Board member or district employee, or his or her immediate family {spouse, parent, child, brother, sister and spouse of parent, child, brother, or sister} owes/receives more than 1% of the benefiting business/profits.)

Examples of conflicts of interest include, but are not limited to, situations in which a school board member or district employee:

1. Negotiates or approves a contract, purchase, or lease on behalf of the Austin Public Schools, ISD #492 and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services.
2. Negotiates or approves a contract, sale, or lease on behalf of the Austin Public Schools, ISD #492 and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services.
3. Employs, or approves the employment of, or supervises a person who is an immediate family member of the director or employee.
4. Sells products or services in competition with the Austin Public Schools, ISD #492.
5. Uses the Austin Public Schools, ISD #492's facilities, other assets, employees, or other resources for personal gain.
6. Receives a substantial gift from a vendor, if the director or employee is responsible for initiating or approving purchases from that vendor.
7. Is a Board member of a financial institution that does business with the school district.

### **Honoraria Acceptance**

An Austin Public Schools, ISD #492 employee shall not accept an honorarium for an activity conducted where district-reimbursed travel, work time, or resources are used, or where the activity can be construed as having a relationship to the employee's position with Austin Public Schools, ISD #492. Such activity would be considered official duty on behalf of Austin Public

Schools, ISD #492. A relationship exists between the activity and the employee's position with Austin Public Schools, ISD #492 if the employee would not participate in the activity in the same manner or capacity if he or she did not hold his or her position with Austin Public Schools, ISD #492. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular non-working hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating.
- The activity has no relationship to the employee's Austin Public Schools, ISD #492 duties.

Nothing in this document shall be interpreted as preventing the payment to Austin Public Schools, ISD #492 by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to Austin Public Schools, ISD #492 (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to Austin Public Schools, ISD #492 should be deposited to the Austin Public Schools, ISD #492 account and an appropriate entry should be made coded to the same program or department to which the employee's corresponding time was charged.

### **Disclosure Requirements**

A School Board member or district employee who believes that he or she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

Therefore, Austin Public Schools, ISD #492 requires the following:

1. The Superintendent shall review all potential conflicts reported by employees, and the School Board shall review all potential conflicts reported by the Superintendent and determine appropriate resolution in accordance with the next section.
2. Prior to management, board, or committee action on a contract or transaction involving a conflict of interest, a district employee, or School Board member having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
3. A district employee or School Board member who plans not to attend a meeting at which he or she has a reason to believe that the convening body will act on a matter in which the person has a conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

4. A person who has a conflict of interest shall not participate in or be permitted to hear the discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter.
5. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction. Such person's ineligibility to vote and abstention from voting shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the School Board of Austin Public Schools, ISD #492 has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the School Board.
6. If required by Federal awarding agencies, Austin Public Schools, ISD #492 will notify those agencies in writing of any *potential* conflict of interest. (2 CFR Part 200.112, *Conflict of interest*)

### **Resolution of Conflicts of Interest**

All real or apparent conflicts of interest shall be disclosed to the Superintendent of the Austin Public Schools, ISD #492. Conflicts shall be resolved as follows:

- The chair of the Board shall be responsible for making all decisions concerning resolutions of the conflict involving the Superintendent
- The Superintendent or designee shall be responsible for making all decisions concerning resolutions of conflicts involving district employees.

A district employee may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the chair of the school board, with a courtesy copy to the Superintendent.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full School Board.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board.

## **Disciplinary Action for Violations of Conflict of Interest**

Failure to comply with the standards contained in this manual will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Austin Public Schools, ISD #492 or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation will be afforded an opportunity to explain her or his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy;
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy; and/or
3. Against any school board member or district employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

A Board member who violates this standard may be removed from the Board.

Policies regarding School Board Members Conflict of Interest can be found at Section 210 – “Conflict of Interest – School Board Members” in the School District policies.

## GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is the collection of all asset, liability, net assets, revenue, and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts. The general ledger is the foundation for the accumulation of data and production of reports.

### Chart of Accounts Overview

The chart of accounts is the framework for the general ledger system and the basis for the accounting system, and follows the Minnesota Department of Education's Uniform Financial Accounting and Reporting Standards (UFARS). The chart of accounts consists of account title and account numbers assigned to the titles. The Chart of Accounts also includes dimensions to facilitate several purposes:

- Providing better financial information for public review and evaluation,
- Demonstrating financial accountability for program implementation,
- Enabling compliance with state and federal financial reporting requirements, and
- Improving decision-making capabilities for state and local agencies.

Austin Public Schools, ISD #492's chart of accounts is comprised of the following dimensions:

Dimension	Digits	Purpose
Fund	2	A fiscal entity with a set of accounts that record financial resources, liabilities and equities. Each fund is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
Austin Public Schools, ISD #492/Site	3	That portion of the total account code that makes it possible to identify expenditures and revenues as district-wide or by budgeted learning site.
Program	3	Used to separate sets of activities within a fund.
Course	3	For state reporting purposes, the Course dimension is to report revenues and expenditures for projects that overlap school district fiscal years.
Finance	3	Used to establish the revenue and expenditure relationship for financial accounting and reporting.
Object	3	Combined with the Source code in the account string, this dimension identifies the generic service or commodity obtained as the result of an expenditure.
Source	3	Combined with the Object code in the account string, this dimension identifies the origin of revenues.

## **Distribution of Chart of Accounts**

All Austin Public Schools, ISD #492 employees involved with account coding or budgetary responsibilities will be issued a current chart of accounts, or the section of the chart of accounts applicable to their program. As the chart of accounts is revised, an updated copy of the chart of accounts shall be promptly distributed to these individuals.

## **Control of Chart of Accounts**

The Controller monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts must be approved by the Controller, who ensures that the chart of accounts is consistent with the Austin Public Schools, ISD #492 structure of Austin Public Schools, ISD #492 and meets the needs of each division and department.

## **Fiscal Year of Austin Public Schools, ISD #492**

Austin Public Schools, ISD #492 shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the Austin Public Schools, ISD #492 must be ratified by majority vote of Austin Public Schools, ISD #492's School Board.

## **Accounting Estimates**

Austin Public Schools, ISD #492 utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment,
2. Fair market values of investments,
3. Fair market values of donated assets,
4. Values of contributed services, and
5. Cost allocation calculations.

The Executive Director of Finance & Operations will assess, review, and approve all estimates yearly. All conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the external audit firm.

## **Journal Entries**

All general ledger entries shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of noncash transactions,
2. Corrections of posting errors, and

3. Nonrecurring accruals of income and expenses.

Certain journal entries, called “recurring journal entries”, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets,
2. Amortization of prepaid expenses,
3. Accruals of recurring expenses, and
4. Amortization of unearned revenue.

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal\_voucher.

All journal entries shall be authorized in writing by the Executive Director of Finance & Operations by initialing or signing the entries.

## SECTION 2: REVENUES AND CASH RECEIPTS

### ADMINISTRATION OF FEDERAL AWARDS

#### Definitions

Austin Public Schools, ISD #492 may receive financial assistance from a donor/grantor agency through the following types of agreements:

**Grant:** A financial assistance award given to the Austin Public Schools, ISD #492 to carry out its programmatic purpose.

**Cooperative Agreement:** A legal agreement where the Austin Public Schools, ISD #492 implements a program with the direct involvement of the funder.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal “award.”

#### Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the Executive Director of Finance & Operations prior to submission to government agencies or other funding sources to ensure the proposed budget includes all appropriate costs. Final proposals shall be reviewed and approved in writing by the Superintendent.

#### Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Business Office shall review the terms, time periods, award amounts, and expected expenditures associated with the award. A *Catalog of Federal Domestic Assistance* (CFDA) number shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers (or segments). New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. See the following section, “Document Administration”, for details.

## **Compliance with Laws, Regulations, and Provisions of Awards**

Austin Public Schools, ISD #492 recognizes that as a recipient of federal funds, the Austin Public Schools, ISD #492 is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Austin Public Schools, ISD #492 meets this responsibility, the following procedures apply with respect to every grant or contract received directly or indirectly from a federal agency:

1. For each federal award, an employee within the department responsible for administering the award will be designated as Grant Manager.
2. Each Grant Manager shall attend a training on grant management prior to beginning his or her role as a Grant Manager (or as early in their functioning as a Grant Manager as practical). Thereafter, all grant managers shall attend refresher/update courses on grant management every two years.
3. The Grant Manager shall take steps to identify all applicable laws, regulations, and provisions of each grant and contract. These steps include but are not limited to the following.
  - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
  - b. Review *2 CFR Part 200 Appendix XI, Compliance Supplement* (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all federal awards.
  - c. Review the section of the *Catalog of Federal Domestic Assistance (CFDA)* applicable to the award.
  - d. The Grant Manager will communicate grant requirements to those who will be responsible for carrying them out, or impacted by them.
4. The Grant Manager shall identify and communicate any special changes in procedures necessitated by federal awards as a result of the review of each award.
5. The Grant Manager shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to *2 CFR Part 200 Appendix XI, Compliance Supplement*, and communications with federal awarding agency personnel.
6. The Executive Director of Finance & Operations, or designee, shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The grant manager shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

## **Document Administration**

For each grant/award received by Austin Public Schools, ISD #492 from a federal, state, or local government agency, a master file of documents applicable to the award shall be prepared by the Grant Manager assigned to administer the program.

The master file assembled for each government award shall include all of the following documents (including originals of all documents received from the awarding agency):

1. Copy of the initial application for the award and corresponding budget,
2. All correspondence to and from the awarding agency post-application, leading up to the award,
3. The final, approved budget and program plan, after making any modifications
4. The grant agreement and any other documents associated with the initial making of the award,
5. Copies of pertinent laws and regulations, including awarding agency guidelines, associated with the award,
6. Subsequent grant modifications (financial and programmatic)
7. Copies of program and financial reports,
8. Subsequent correspondence to/from the awarding agency,
9. Results of any monitoring visits conducted by the awarding agency, including resolution by Austin Public Schools, ISD #492 of any findings arising from such visits, and
10. Correspondence and other documents resulting from the closeout process of the award.

The preceding grant document file shall be organized into four sections as follows:

1. Pre-award documents,
2. Post-award documents, including reports,
3. Laws, regulations, and agency guidelines, and
4. Audit/monitoring-related documents.

On the inside front cover of the grant document file shall be a Summary of Critical Award Provisions, prepared by the Grant Manager. This summary shall include, at a minimum, the following:

1. Key compliance requirements, including citations of applicable laws and regulations,
2. Important deadlines, and
3. Correspondence contact information at the awarding agency.

The original grant document file shall remain in the office of the Grant Manager or Business Office. The Grant Manager shall maintain a separate file of frequently-requested documents that shall consist of photocopies of the documents included in the secure grant document file. The purpose of this file of copied documents is to limit the potential for loss of valuable

documents. Any other Austin Public Schools, ISD #492 employee making a valid request for access to grant documents shall be provided with the file of copied documents.

### **Closeout of Federal Awards**

Austin Public Schools, ISD #492 shall follow the closeout procedures described in 2 CFR 200.343 – 345, Closeout, and in the grant agreements as specified by the granting agency.

Austin Public Schools, ISD #492 and all sub recipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

## **COST SHARING AND MATCHING (IN-KIND)**

### **Overview**

Austin Public Schools, ISD #492 values contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or federal agency regulations identify specific values to be used.

Austin Public Schools, ISD #492 shall claim contributions as meeting a cost sharing or matching requirement of a federal award only if all of the following criteria are met.

1. They are verifiable from Austin Public Schools, ISD #492 records.
2. They are not included as contributions (or match) for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under the federal cost principles, 2 CFR Part 200 Subpart E, Cost Principles.
5. They are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the federal awarding agency.
7. They conform to all provisions of federal administrative regulations, 2 CFR Part 200 Subpart D, Post Federal Awards Requirements.
8. In the case of donated space, (or donated use of space), the space is subject to an independent appraisal performed by a certified appraiser as defined by 2 CFR Part 200.306(i)(1) to establish its value.

### **Valuation and Accounting Treatment**

In-kind typically falls into one of the following categories:

- Cash
- Space, buildings, land, and equipment
- Staff time

- Volunteer time and services
- Supplies

The following sections discuss the valuation and accounting treatment for each category.

### ***Cash***

- Austin Public Schools, ISD #492 shall recognize cash contributions as in-kind income in the period in which they are spent on allowable program costs.
- Any discounts received on goods or services are recognized as in-kind only if such discounts are not available to the general public. Discounts taken as in-kind must be supported by a letter from the vendor stating that it is providing this discount in support of the program.

### ***Space, Buildings, Land, and Equipment***

#### ***Buildings and Land***

If the purpose of the contribution is to assist the Austin Public Schools, ISD #492 in the acquisition of equipment, building, or land, the total value of the donated property may be claimed as matching with prior approval of the awarding agency.

If the purpose of the donation is to support activities that require the use of equipment, buildings, or land, depreciation may be claimed as matching, unless the awarding agency has approved using the full value as match.

Equipment, land, or buildings are valued at their fair market value as determined by an independent appraiser. Information on the date of donation and records from the appraisal will be maintained in a property file.

#### ***Space***

- Donated space will be valued at the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
- Information on the date of donation and records from the appraisal will be maintained in a property file.
- If less than an arms-length transaction, donated space will be valued based on actual allowable costs to occupy the facility (e.g. repairs and maintenance, insurance, etc.) not to exceed fair market rental value.

#### ***Staff Time***

Staff time used as cost sharing or match will be valued at the rate which the employee is paid. The rate will include gross hourly wages plus fringe benefits.

Austin Public Schools, ISD #492 requires employees to document and account for the time accounted for as match in the same manner time as other time worked by the employee.

### ***Volunteer Time and Services***

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor will be included in in-kind if the services are an integral and necessary part of the program.

Examples of contributed services received and recorded as income and expense by Austin Public Schools, ISD #492 include plumbing, electrical, contractor labor as well as general labor.

Volunteer services will be valued at rates consistent with those paid for similar work in the Austin Public Schools, ISD #492. For skills not found in the Austin Public Schools, ISD #492, rates will be consistent with those paid for similar work in our labor market. Rates should include gross hourly wages plus fringe benefits calculated based on fringe benefits received by employees in similar positions, or on agency average.

Volunteers must possess qualifications and perform work requiring those skills in order to be valued at greater than an unskilled labor rate.

Austin Public Schools, ISD #492 requires volunteers to document and account for their contributed time in a manner similar to the timekeeping system followed by employees. Each program that uses volunteers will provide the volunteers a sign-in sheet which collects the following information:

- Date service was performed
- Volunteer name and address
- Hours donated (time in and out)
- Service provided
- Signature of volunteer

The sign-in sheets will be delivered to the Business Office monthly so they can be tallied, valued, and recorded as in-kind in the accounting records.

### ***Supplies***

Donated supplies must be used in the program and shall be valued at fair market value at the time of donation. Supplies can be counted as match only if the program would have purchased such items with federal funds.

## **BILLING/INVOICING**

### **Overview**

The Austin Public Schools, ISD #492's primary billable sources of revenue are:

- State funding – scheduled by the state in accordance with state statutes,
- Federal funding – reimbursement based on allowed, incurred expenses, and
- Local Property taxes – scheduled by the County Board in accordance with state statutes.

Other lesser sources of income such as reimbursement and fee-for-service grants, transportation fees, meal charges, or child care fees will be collected and recorded when the services are provided.

### **Responsibilities for Billing and Collection**

Austin Public Schools, ISD #492's Business Office is responsible for the invoicing of funding sources and the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection procedures will be discussed in subsequent sections.)

### **Billing and Financial Reporting**

Austin Public Schools, ISD #492 strives to provide management, staff, and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

Austin Public Schools, ISD #492 shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Executive Director of Finance & Operations or designee.

Austin Public Schools, ISD #492 shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded in the accounting records of Austin Public Schools, ISD #492 by the Executive Director of Finance & Operations.

If a federal award authorizes the payment of cash advances to Austin Public Schools, ISD #492, the Executive Director of Finance & Operations may require that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, Austin Public Schools, ISD #492 shall reflect a liability equal to the advance. As part of the monthly closeout and invoicing

process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

### **Accounts Receivable Entry**

Individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to accounts receivable.

### **Fund Balance Reporting**

A local government classifies its fund balances based on the nature of the particular net resources reported in a governmental fund in the following order:

1. Nonspendable net resources,
2. Restricted resources,
3. Committed resources,
4. Assigned resources, and
5. Unassigned resources.

This will classify a fund's net resources in the order of those that have the most constraints placed on their use to those that have the fewest constraints. The net resources with the most constraints are usually listed first.

The following are Austin Public Schools, ISD #492 Fund Balance reports according to GASB 54 standards:

1. Nonspendable – amounts that cannot be spent because they are either
  - a. Not in spendable form, or
  - b. Legally or contractually required to be maintained intact.
2. Restricted – amounts that have restraints placed on the use of the resources either
  - a. Imposed externally by creditors, grantors, contributors, or laws or regulations of other governments, or
  - b. Imposed by law through constitutional provision or enabling legislations
3. Unrestricted Committed – resources used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
4. Unrestricted assigned - - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed
5. Unassigned – the residual classification for the General Fund, and not reported in any other classification.

# CASH RECEIPTS

## Overview

Cash (including checks payable to the Austin Public Schools, ISD #492) is the most liquid asset an Austin Public Schools, ISD #492 has. Therefore, it is the objective of Austin Public Schools, ISD #492 to establish and follow the strongest possible internal controls in this area.

## Processing of Checks and Cash Received in the Mail

The following procedures will be followed:

- Cash receipts are received at buildings and sites through the mail by the building secretaries.
- Mail is opened and a cash count form of cash/checks received shall be prepared in an open area, in the presence of other employees.
- The cash count forms and cash/checks are directed to the AHS Cashier's office
- The Cashier double counts the cash/checks to verify the cash count form and prepares a consolidated deposit to go to the bank
- A deposit slip is prepared from the cash count forms and placed in locked bank bags along with a document indicating the number of deposits in the locked bag in which the bank teller signs off on also to indicate receipt of all deposits.
- The District courier takes the bank bags to the bank and returns bags to the cashier which contains the bank teller confirmation of number of deposits and the bank deposit slips.
- The business office receives cash/checks via mail also. These deposits are prepared by the Assistant to the Exec. Director of Finance and Operations, double counted by another business office staff person who signs the deposits and the bank teller confirmation form also.
- In the absence of the Cashier, (summers) the Assistant to the Exec. Director of Finance and Operations will create all district deposits as indicated above.
- In the absence of the District Courier, the Assistant to the Exec. Director of Finance and Operations will bring deposits to the bank.

## Processing of Checks and Cash Received in Food Service Programs

The following procedures will be followed:

- Cash receipts are received by cafeteria cashiers who use registers and the food service program software for receipting cash during lunch periods. They balance out at the end of each day.
- The Head Cooks at Austin High School, Ellis and IJ Holton combine the various cashier lines into one deposit and verify the total receipts with those of the cashiers. At least one other cashier is present while this is completed.

- The deposit from the above sites are taken to the bank via courier in locked bank bags.
- The Head Cooks at the elementary sites double check the cashier counts, with the cashier present and create a cash count form.
- The cash count form and cash is then routed via the district courier in a locked bank bag to the District Cashier where the above procedures are followed for double counting and preparation of a consolidated elementary deposit to the bank.

### **Processing of Checks and Cash Received at Events**

The following procedures will be followed:

- Heavy duty combination lock cash boxes for Events are prepared by the District Cashier.
- Cash boxes are picked up by Activities Office Personnel (Activities Director, Secretary or Site Supervisor) delivered to the Ticket Takers
- It is Recommended Ticket Takers count the initial cash in the cash box to verify beginning balance
- Ticket Takers Receive cash and checks during the event and hand out pre-numbered tickets to the attendees. Beginning Ticket numbers are recorded on the Event Cash Count Form in the Cash box for the event
- Ticket Takers Count the Cash at the end of the event and record on the Event Cash Count Form by denomination. They also record the ending ticket numbers, total cash less beginning balance which should match the calculated receipts for the event based on the number of tickets sold. Any difference the ticket taker is asked to write why they feel there was a discrepancy.
- The cash boxes are picked up by the Activity Director and placed in the vault in the Cashiers office whenever possible. Occasionally, a Site Supervisor will turn in the cash box to the Activities office or Cashier in the morning.
- The District Cashier then follows above procedures for double counting and preparation of a deposit to the bank.

### **Endorsement of Checks**

All checks received that are payable to the Austin Public Schools, ISD #492 shall immediately be restrictively endorsed by the individual who prepares the cash count forms. The restrictive endorsement shall be a stamp that includes the following information:

1. For Deposit Only
2. Austin ISD #492
3. The bank name
4. The bank account number of Austin Public Schools, ISD #492

### **Timeliness of Bank Deposits**

Bank deposits will be made on a daily basis, except during non-academic calendar breaks. Undeposited checks and cash shall be maintained in a locked box/or safe and kept in a secure area until deposited. Such cash will not be used as petty cash or to make change.

### **Credit Card Receipts**

Austin Public Schools, ISD #492 accepts Visa, MasterCard and Discover Card and has negotiated contracts for outsourcing processing payment transactions. Individual Austin Public Schools, ISD #492 departments may not use or negotiate individual contracts with these or other payment card companies or processors.

When citizens wish to make payment via credit card, they will be directed to the Austin Public Schools, ISD #492's website.

### **Reconciliation of Deposits**

On a periodic basis, the Benefits Specialist/Cash Management, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits on the monthly bank statement and/or daily transactions posted to the bank. Any discrepancies shall be immediately investigated.

### **Control Grid - Revenue and Cash Receipts**

Austin Public Schools, ISD #492 strives to maintain adequate segregation of duties in its income and cash receipts functions. The following table illustrates how responsibilities have been assigned. In this table, personnel are identified as follows:

- A. Controller/Exec. Dir. Of Finance & Operations
- B. Department Directors/Secretary
- C. Cashier's Office/Courier
- D. Cash Management
- E. Administrative Asst. to Exec. Dir. Of Finance & Operations

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Produces invoice to bill customer/funder	X	X			
Enters invoice into A/R system	N/A				
Initials receipt of funds (cash or checks)	X	X	X		
Restrictively endorses checks		X	X		
Initials receipt of credit card payments			X	X	
Prepares initial record of funds collected		X	X		X

Prepares deposit slip			X		X
Takes deposit slip to bank			X		X
Processes credit card payments					X
Enters payments into A/R system	N/A				
Reconciles log of collections w/ A/R posting				X	
Authorizes credits or other adjustments	X				
Posts credits/adjustments to A/R system					X
Authorizes write-off of bad debts	X				
Posts bad debt write-offs to A/R system	X				
Prepares periodic customer statements				X	
Reconciles A/R with general ledger				X	
Reconciles bank statement				X	
Reviews A/R aging	N/A				
Performs follow-up calls on old A/R	X	X	X	X	X

## **GRANTS RECEIVABLE MANAGEMENT**

### **Monitoring and Recognition**

Austin Public Schools, ISD #492 records grants receivable and income as it is earned and billed during the grant year. The Executive Director of Finance & Operations is responsible for monitoring budget-to-actual expenditures, and will meet with the Grant Manager to discuss grant fiscal results.

## **SECTION 3: EXPENDITURES AND DISBURSEMENTS**

### **PURCHASING PROCEDURES**

#### **Overview**

**THE GUIDELINES AND PROCEDURES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY AUSTIN PUBLIC SCHOOLS, ISD #492.**

Austin Public Schools, ISD #492 requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The guidelines in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

The goal of these procurement procedures is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements.

#### **Responsibility for Purchasing**

All department heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Business Office of all individuals that may initiate purchases or prepare purchase orders. The Business Office shall maintain a current list of all authorized purchasers.

The Business Office shall be responsible for processing purchase orders. The Executive Director of Finance & Operations or designees have approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

#### **Code of Conduct in Purchasing (2 CFR Part 200.318 (c)(1))**

Ethical conduct in managing the Austin Public Schools, ISD #492's purchasing activities is absolutely essential. Staff must always be mindful that they represent the School Board and share a professional trust with other staff and the general membership.

- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No board member, district employee, or agent shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved. Such a conflict would arise if a board member, district employee or agent, or any member of his or her immediate family, his or her spouse or partner, or an Austin Public

Schools, ISD #492 that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the contractor selected.

- In compliance with the MN statutes, School Board members, district employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value, including any food or beverages, from vendors or parties to sub-agreements. Unsolicited gifts with a value of \$5 or less may be accepted with the exception of food and beverages.

### **Competition (2 CFR Part 200.319)**

In order to promote open and full competition, purchasers will:

- Be alert to any internal potential conflicts of interest;
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade;
- For federal awards, not permit contractors who develop specifications, requirements, or proposals to bid on such procurements;
- Award contracts to qualified bidders whose product or service is most advantageous in terms of price, quality, and other factors;
- Issue solicitations that clearly set forth all requirements to be evaluated;
- Reserve the right to reject any and all bids when it is in the Austin Public Schools, ISD #492's best interest;
- For federal awards, not give preference to state or local geographical areas unless such preference is mandated by Federal statute (200.319(b)); and
- "Name brand or equivalent" description may be used as a means to define the performance or requirements (200.319(c)(1)).

### **Nondiscrimination**

All vendors or contractors who are the recipients of Austin Public Schools, ISD #492 funds or who propose to perform any work or furnish any goods under agreements with Austin Public Schools, ISD #492 shall agree to these important principles:

1. Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractors.
2. Contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for meeting the intent of this section.

## **Procurement Procedures**

The following are Austin Public Schools, ISD #492's procurement procedures.

1. Austin Public Schools, ISD #492 shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award. *(2 CFR Part 200.318(d))*
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. *(2 CFR Part 200.318(d))*. This analysis should only be made when both lease and purchase alternatives are available to the program.
3. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services. *(2 CFR Part 200.318(e))*
4. Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. *(2 CFR Part 200.318(f))*
5. Documentation of the cost and price analysis associated with each procurement decision in excess of the MN bid law threshold (\$100,000) shall be retained in the procurement files. *(2 CFR Part 200.323)*
6. Austin Public Schools, ISD #492 will maintain records sufficient to detail the history of procurement, including: *(2 CFR Part 200.318(i))*
  - a. Rationale for the method of procurement,
  - b. Selection of contract type,
  - c. Contractor selection or rejection, and
  - d. The basis for the contract price.
7. Austin Public Schools, ISD #492 shall make all procurement files available for inspection upon request by a federal awarding agency.
8. Austin Public Schools, ISD #492 shall not utilize the cost-plus-a-percentage-of-costs method of contracting. *(2 CFR Part 200.323(d))*

All staff members with the authority to approve purchases made with federal awards will receive a copy of and be familiar with 2 CFR Part 200.400 – 475, Cost Principles.

## **Authorizations and Purchasing Limits**

All completed purchase orders must be signed by the preparer and approved by the Department Director or Executive Director of Finance & Operations. The following table lists required approval levels and solicitation processes for purchases made with federal or non-federal funds:

<b>Purchase Thresholds</b>		<b>Delegated Approval Authority</b>	<b>Process</b>
<b>Non-Federal</b>	<b>Federal</b>		
≤ \$25,000	≤ \$3,000	<ul style="list-style-type: none"> <li>• Executive Director of Finance &amp; Operations for purchases within budget</li> </ul>	Evidence of solicitation not required as long as the purchaser believes the price is reasonable, but purchases should be distributed among qualified vendors
\$25,001 ≤ \$100,000	\$3,001 ≤ \$100,000	<ul style="list-style-type: none"> <li>• Executive Director of Finance &amp; Operations:               <ul style="list-style-type: none"> <li>○ Purchases within budget</li> <li>○ Contracts up to the bid law threshold</li> </ul> </li> </ul>	Sealed bids or direct negotiation with 2 quotations whenever possible
> \$100,000	> \$100,000	Board prior approval required	Sealed bids solicited by public notice and subject to the particular requirements of the governmental subdivision

The Superintendent and Executive Director of Finance & Operations are authorized to enter into any contract on behalf of Austin Public Schools, ISD #492. Contracts of [\$10,000] or less must be reviewed and approved by the Department Director and the Executive Director of Finance & Operations but do not require approval from the Superintendent. These procedures shall also apply to renewals of existing contracts.

## **Use of Purchase Orders**

Austin Public Schools, ISD #492 utilizes a purchase order system. A requisition form is completed by the requesting party and approved by the Department Director. The building secretary properly completes an electronic purchase order (i.e., total amount of goods and services purchased, not unit cost), with the exception of travel advances, expense reimbursements, or local field orders, which require the preparation of a separate form described elsewhere in this manual. A properly completed purchase order may contain the following information:

1. Specifications or statement of services required,

2. Vendor name, address, and phone number,
3. Source of funding (if applicable),
4. Delivery or performance schedules,
5. Delivery, packing, and transportation requirements, (if applicable),
6. Special conditions (if applicable),
7. Catalog number, page number, etc. (if applicable),
8. Net price per unit, less discount, if any
9. Total amount of order,
10. Authorized signature, and
11. Date purchase order was prepared.

Purchase orders are electronically approved by the Executive Director of Finance & Operations.

All purchase orders shall be recorded in an electronic purchase order log. At the end of the fiscal year, outstanding purchase orders shall be reviewed by the Executive Director of Finance & Operations or designee, and either closed or carried forward to the next year

### **Required Solicitation of Quotations from Contractors**

Solicitations for goods and services (requests for proposals or RFPs) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product, or service to be procured. Descriptions shall not contain features which unduly restrict competition. *(2 CFR Part 200.319(c)(1))*
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals. (See the next section entitled "Evaluation of Alternative Contractors" for required criteria.) *(2 CFR Part 200.319(c)(2))*
3. Technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards. *(2 CFR Part 200.319(c)(1))*
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when appropriate. *(2 CFR Part 200.319(c)(1))*

5. A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent.
6. The date by which proposals are due.
7. Required delivery or performance dates/schedules.
8. Clear indications of the quantity(ies) requested and unit(s) of measure.

### **Extension of Due Dates and Receipt of Late Proposals**

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, an extension may be granted if a prospective offeror so requests.

Contractor proposals are considered late if received after the due date and time specified in the solicitation. Late proposals shall be so marked on the outside of the envelope and retained or returned to the proposer. Contractors that submit late proposals shall be notified that their proposal was late and could not be considered for award.

### **Evaluation of Alternative Contractors**

Contractors shall be evaluated on a weighted scale that considers some or all of the following criteria as appropriate for the purchase:

1. Adequacy of the proposed methodology,
2. Skill and experience of key personnel,
3. Demonstrated experience,
4. Other technical specifications designated by the department requesting proposals,
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.),
6. Contractor's financial stability,
7. Contractor's demonstrated commitment to the governmental sector,
8. Results of communications with references supplied by the proposer,
9. Ability/commitment to meeting time deadlines,
10. Cost,
11. Minority- or women-owned business status of vendor, and
12. Other criteria (to be specified by the department requesting proposal).

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a contractor has been selected and approved by the Department Director, the final selection shall be approved by others according to Austin Public Schools, ISD #492's purchasing approval procedures.

**Affirmative Consideration of Minority, Small Business, Women-Owned Businesses, and Labor Surplus Area Firms**

*(2 CFR Part 200.321)*

Positive efforts shall be made by Austin Public Schools, ISD #492 to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms whenever possible. Therefore, the following steps shall be taken:

1. Ensure that small business, minority-owned firms, women's business enterprises, and labor surplus area firms are used to the fullest extent practicable. *(2 CFR Part 200.321)*
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, women's business enterprises and labor surplus area firms. *(2 CFR Part 200.321(b)(4))*
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms, and women's business enterprises. *(2 CFR Part 200.321(b)(6))*
4. Encourage contracting with consortiums of small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms when a contract is too large for one of these firms to handle individually. *(2 CFR Part 200.321(b)(3))*
5. Use the services and assistance, as appropriate, of such organization as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises. *(2 CFR Part 200.321(b)(5))*

**Availability of Procurement Records (2 CFR Part 200.324(b))**

Austin Public Schools, ISD #492 shall, on request, make available for the federal awarding agency, pre-award review and procurement documents, such as requests for proposals, when any of the following conditions apply:

- The process does not comply with the procurement standards in 2 CFR Part 200. *(2 CFR Part 200.324(b)(1))*
- The procurement is expected to exceed the Minnesota-defined simplified acquisition threshold (\$100,000) and is to be awarded without competition or only one bid is received. *(2 CFR Part 200.324(b)(2))*
- The procurement exceeds the simplified acquisition threshold and specifies a "name brand" product. *(2 CFR Part 200.324(b)(3))*

- The proposed award exceeds the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed-bid procurement. (2 CFR Part 200.324(b)(4))
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the simplified acquisition threshold. (2 CFR Part 200.324(b)(5))

**Provisions Included in All Contracts Charged to Federal Awards (2 CFR Part 200 Appendix II)**

Austin Public Schools, ISD #492 includes all of the following provisions, as applicable, in all contracts charged to federal awards (including small purchases) with vendors and subgrants to grantees:

1. **Contracts** for more than the simplified acquisition threshold currently set at \$100,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
3. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
4. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** When required by Federal program legislation, all construction contracts of more than \$2,000 awarded by Austin Public Schools, ISD #492 and its subrecipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3).
5. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** Where applicable all contracts awarded by Austin Public Schools, ISD #492 in excess of \$100,000 that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 3702 and 3704 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR part 3).

6. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Austin Public Schools, ISD #492 and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the award agency.
7. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
8. **Mandatory** standards and procedures relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act ([42 U.S.C. 6201](#)).
9. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or subgrants of \$100,000 or more, Austin Public Schools, ISD #492 shall obtain from the contractor or subgrantee a certification that it will not and has not used federal appropriated funds to pay any person or Austin Public Schools, ISD #492 for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. 1352.
10. **Debarment and Suspension (E.O.s 12549 and 12689):** No contract shall be made to the parties listed on the General Services List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.'s 12549 and 12689, "Debarment and Suspension."

### **Non Competitive Purchases**

#### *Emergencies:*

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Austin Public Schools, ISD #492 property is involved. The reasons for such purchases will be documented in the procurement file.

#### *Single Distributor/Source:*

Sole source purchases contracts may be made when one or more of the following conditions apply:

- The item or service is only available from one source;
- The situation is an emergency and will not permit a delay resulting from competitive solicitation;
- The awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; or
- After solicitation, competition is deemed inadequate (insufficient bidders).

Approval from the awarding agency or pass-through entity may be required.

### **Right to Audit Clause**

Austin Public Schools, ISD #492 requires a “Right to Audit” clause in all contracts between the Austin Public Schools, ISD #492s and vendors that either:

1. Take any form of temporary possession of assets directed for the Austin Public Schools, ISD #492, or
2. Process data that will be used in any financial function of the Austin Public Schools, ISD #492.

This Right to Audit clause shall permit access to and review of all documentation and processes relating to the contractor’s operations that apply to Austin Public Schools, ISD #492, as well as all documents maintained or processed on behalf of Austin Public Schools, ISD #492, for a period of three years. The clause shall state that such audit procedures may be performed by Austin Public Schools, ISD #492 employees or any outside auditor or contractor designated by the Austin Public Schools, ISD #492.

### **Contractor Files and Required Documentation**

The Business Office shall create a contractor folder for each new contractor from whom Austin Public Schools, ISD #492 purchases goods or services.

The Business Office shall supply a blank Form W-9 to new contractor and request that the contractor complete, sign and return the W-9 (or provide equivalent, substitute information). Completed, signed Forms W-9 or substitute documentation shall be filed. See the section on “Payroll and Related Items” for guidance on determining whether a vendor should be treated as an employee.

Prior to making the final payment to a construction contractor, the Business Office must receive a completed IC134, Minnesota Contractor Affidavit, from the contractor.

## **Procurement Grievance Procedures**

Any bidder may file a grievance with Austin Public Schools, ISD #492 following a competitive bidding process. Once a selection is made, bidders must be notified in writing of the results. The written communication mailed to bidders must also inform them that they may have a right to appeal the decision. Information on the Austin Public Schools, ISD #492's appeal procedures must be made available to all prospective contractors or subgrantees upon request, including the name and address of a contact person, and a deadline for filing the grievance. Grievances are limited to violations of federal laws or regulations, or failure of the Austin Public Schools, ISD #492 to follow its own procurement guidelines.

## **Receipt and Acceptance of Goods**

A Department Director or designated individual shall inspect all goods received. Upon receipt of any item from a contractor, the following actions shall immediately be taken.

1. Review bill of lading for correct delivery point.
2. Verify the quantity of boxes/containers with the bill of lading.
3. Examine boxes/containers for exterior damage and note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.).
4. Sign and date the bill of lading.
5. Remove the packing slip from each box/container.
6. Compare the description and quantity of goods per the purchase order to the packing slip.
7. Examine goods for physical damage.
8. Count or weigh items, if appropriate, and record the counts on the purchase order.

This inspection must be performed in a timely manner to facilitate prompt return of goods and/or communication with contractors.

## **Contract Administration**

Austin Public Schools, ISD #492 is required to have procedures on contract administration. (2 CFR Part 200.318(b)) Therefore, all contract managers will adhere to the following procedures.

1. Contract administration files shall be maintained in a separate file:
2. Contract administration files shall contain:
  - a. The required documentation specified in the authorizations and purchasing limits table for the original scope of work and for all amendments.
  - b. Where the contract work is identified in the grant award or budget, the identification and scope of the work contained in the award or budget, and all approved changes.

3. Authorization of work:
  - a. No work shall be authorized until the contract for the work has been approved and fully executed.
  - b. No change in the work shall be authorized until an amendment to the contract for the work has been approved.
  - c. No amendment of a contract for work shall be executed until it has been approved and authorized as required in the Authorizations and Purchasing Limits table and, where required by the terms of the grant award or budget, approval by the funding source.
  
4. Conformance of work:
  - a. For each grant award, based on the applicable laws, regulations and grant provisions, the Department Director shall establish and maintain a system to reasonably assure contractor:
    - i. Conformance with the terms, conditions, and specifications of the contract, and
    - ii. Timely follow-up of all purchases to assure such conformance and adequate documentation.
  
5. The Department Director will authorize payment of invoices to contracts after final approval of work products.

## **SUBRECIPIENTS**

### **Making of Subawards**

From time to time, Austin Public Schools, ISD #492 may find it practical to make subawards of federal funds to other organizations. All subawards in excess of the simplified acquisition threshold shall be subject to the conflict of interest procedures described in the preceding section. In addition, all subrecipients must be approved in writing by the federal awarding agency and agree to the subrecipient monitoring provisions described in the next section.

Austin Public Schools, ISD #492 is required to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine the appropriate monitoring. Evaluations may include such factors as: *(2 CFR Part 200.331(b))*

- The subrecipient's prior experience with the same or similar subawards;
- The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- Whether the subrecipient has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

### **Monitoring of Subrecipients**

When Austin Public Schools, ISD #492 utilizes federal funds to make subawards to subrecipients, Austin Public Schools, ISD #492 is subject to a requirement to monitor each subrecipient in order to provide reasonable assurance that subrecipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor subrecipients, the following requirements apply to all subawards of federal funds made by Austin Public Schools, ISD #492 to subrecipients:

The following required information will be provided to all subrecipients:

1. Federal Award Identification.
  - a. Subrecipient name (which must match its registered name in DUNS);
  - b. Subrecipient's DUNS number ;
  - c. Federal Award Identification Number (FAIN);
  - d. Federal Award Date;
  - e. Subaward period of performance start and end date;
  - f. Amount of Federal funds obligated by this action;

- g. Total amount of Federal funds obligated to the subrecipient;
  - h. Total amount of the Federal award;
  - i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
  - j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
  - k. Catalogue of Federal Domestic Assistance (CFDA) number and name. Sample Austin Public Schools, ISD #492 must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
  - l. Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414 Indirect (F&A) Costs).
2. All requirements imposed by Austin Public Schools, ISD #492 on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
  3. Any additional requirements that Austin Public Schools, ISD #492 imposes on the subrecipient in order for Austin Public Schools, ISD #492 to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
  4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between Austin Public Schools, ISD #492 and the subrecipient, or a de minimis indirect cost rate as defined in § 200.414 Indirect costs.
  5. A requirement that the subrecipient permit Austin Public Schools, ISD #492 and auditors to have access to the subrecipient's records and financial statements as necessary for Austin Public Schools, ISD #492 to meet the monitoring requirements of 2 CFR Part 200; and
  6. Appropriate terms and conditions concerning closeout of the subaward.
  7. Subawards shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
  8. Subawards shall require that subrecipients submit financial and program reports to Austin Public Schools, ISD #492 on a basis no less frequently than annually.
  9. Austin Public Schools, ISD #492 will follow up with all subrecipients to determine whether all required audits have been completed. Austin Public Schools, ISD #492 will cease all funding of subrecipients failing to meet the requirement to undergo an audit in accordance with 2 CFR Part 220.501. For subrecipients that properly obtain

an audit in accordance with 2 CFR Part 200.501, Austin Public Schools, ISD #492 shall obtain and review the resulting audit reports for possible effects on Austin Public Schools, ISD #492's accounting records or audit.

10. Austin Public Schools, ISD #492 shall assign one of its employees the responsibility of monitoring each subrecipient on an ongoing basis during the period of performance by the subrecipient. This employee will establish and document, based on her or his understanding of the requirements that have been delegated to the subrecipient, a system for the ongoing monitoring of the subrecipient.
11. Ongoing monitoring of subrecipients will vary from subrecipient to subrecipient based on the nature of work assigned to each. However, ongoing monitoring activities may involve any or all of the following:
  - a. Regular contacts with subrecipients and appropriate inquiries regarding the program;
  - b. Reviewing programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern;
  - c. Monitoring subrecipient budgets;
  - d. Performing site visits to the subrecipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward;
  - e. Offering subrecipients technical assistance where needed;
  - f. Maintaining a system to track and follow up on subrecipient deficiencies in order to ensure that appropriate corrective action is taken, and
  - g. Establishing and maintaining a tracking system to ensure timely submission of all reports required of the subrecipient.
12. Documentation shall be maintained in support of all efforts associated with monitoring of subrecipients.
13. In connection with any subrecipient that has been found to be out of compliance with provisions of its subaward with Austin Public Schools, ISD #492, responsive actions by the Austin Public Schools, ISD #492 shall be determined by Executive Director of Finance & Operations. Such actions may consist of any of the following actions:
  - a. Increasing the level of supporting documentation that the subrecipient is required to submit to Austin Public Schools, ISD #492 on a monthly or periodic basis;
  - b. Requiring that subrecipient prepare a formal corrective action plan for submission to Austin Public Schools, ISD #492;
  - c. Requiring that certain employees of the subrecipient undergo training in areas identified as needing improvement;
  - d. Requiring documentation of changes made to procedures or forms used in administering the subaward;

- e. Arranging for on-site (at the subrecipient's office) oversight on a periodic basis by a member of the Austin Public Schools, ISD #492 accounting or grant administration staff;
- f. Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the subrecipient;
- g. Arranging with an outside party (such as Austin Public Schools, ISD #492's own independent auditors) for periodic on-site monitoring visits;
- h. Reimbursing after-the-fact, and not provide advances;
- i. Requiring review and approval for each disbursement and all out-of-area travel; and
- j. As a last resort, terminating the subaward relationship and seeking an alternative.

# CHARGING OF COSTS TO FEDERAL AWARDS

## Overview

Austin Public Schools, ISD #492 charges costs that are reasonable, allowable, and allocable to a federal award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to federal awards.

## Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Grant Manager and Business Office personnel shall be familiar with the allowability of costs provisions 2 CFR Part 200.400 – 475, Cost Principles, particularly:
  - a. The list of specifically unallowable costs found in 200.421 – 475, Selected Items of Cost, such as alcoholic beverages, bad debts, contributions, fines and penalties, etc., and
  - b. Those costs requiring advance approval from federal agencies in order to be allowable in accordance with 2 CFR Part 200.407, Prior Written Approval, such as participant support costs, equipment purchases, etc.
3. No costs shall be charged directly to any federal award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.400 – 475, Cost Principles.
4. For each federal award, an appropriate set of general ledger accounts (or account segments) shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to costs that were originally charged to a federal award or to an activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

## **Criteria for Allowability**

All costs must meet the following criteria from 2 CFR Part 200.402 – 406, Basic Considerations, in order to be treated as allowable direct or indirect costs under a federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
  - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Austin Public Schools, ISD #492 or the performance of the award;
  - b. Restraints imposed by such factors as generally accepted sound business practices, bargaining between unrelated parties, federal and state laws and regulations, and the terms and conditions of the award;
  - c. Whether the individuals concerned acted with prudence in the circumstances; and
  - d. Consistency with established procedures of the Austin Public Schools, ISD #492, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
  - a. The cost is incurred specifically for a federal award;
  - b. The cost benefits both the federal award and other work and can be distributed in reasonable proportion to the benefits received; or
  - c. The cost is necessary to the overall operation of the Austin Public Schools, ISD #492, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of 2 CFR Part 200 Subpart E Cost Principles, or the federal award itself.
4. Treatment of costs must be consistent with procedures that apply to both federally financed activities and other activities of the Austin Public Schools, ISD #492.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles (GAAP).
7. Costs may not be included as a cost of any other federally financed program in the current or prior periods.
8. The cost must be adequately documented.

## **Direct Costs**

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 (*2 CFR Part 200.413(a)*). Austin Public Schools, ISD #492 identifies and charges these costs exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate Department Director and reviewed by the Executive Director of Finance & Operations.

Time sheets are submitted on a regular basis, reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to federal awards and nonfederal functions. See the Payroll section of this manual for detailed procedures.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated for grant purposes, but will be capitalized and depreciated at year-end for financial statement purposes).

## **Indirect Cost Rate**

Austin Public Schools, ISD #492 maintains an annual indirect cost budget. Each year an indirect cost rate is assigned to Austin Public Schools, ISD #492 by the MN Department of Education. The approved indirect cost rate is used when determining the overhead applied to each federal award and major function.

## **Direct Costing Procedures**

Direct and joint costs are allocated to the benefiting programs using cost pools under the following:

1. Costs will be charged to each program up to the limit allowed by the funding source.
2. As much as possible, costs will first be charged directly to benefiting programs.
3. All remaining shared costs will be allocated on the most meaningful measures. The following bases will be used:
  - a. Facilities and related costs will be allocated based on square footage occupied.
  - b. Costs of the Human Resources Department will be allocated based on number of employees.

- c. Fiscal and accounting-related costs will be allocated based on number of transactions.
4. Program-related costs will be allocated based on relevant activity measures, such as number of meals served, number of children or clients.

## **CASH DISBURSEMENTS (CHECK-WRITING)**

### **Check Preparation**

Austin Public Schools, ISD #492 prints contractor checks and expense reimbursement checks on a weekly/bi-monthly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All contractor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, and travel and business entertainment procedures described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.
3. Generally, all contractors shall be paid within 35 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run are monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.
6. Checks shall be utilized in numerical order and unused checks are stored in a locked safe in the Business Office.
7. Checks shall never be signed prior to being prepared.
8. Upon the preparation of a check, contractor invoices and other supporting documentation shall immediately be defaced in order to prevent subsequent reuse, attached to a copy of the check and filed.

### **Check Signing**

All checks require three signatures except for activity account checks which require one. No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

Checks shall be signed by an individual other than the one who approved the transaction for payment.

Images of check signatures are scanned into the Accounts Payable software and applied to the checks during the check printing process.

Activity Fund Checks are signed by hand.

The Executive Director of Finance & Operations will review all checks either before or shortly after they are mailed.

### **Mailing of Checks**

The Accounts Payable Clerk mails checks immediately after they are approved by the Executive Director of Finance & Operations or the Board. The Board will approval all payments either before they are mailed or at the next Board meeting.

### **Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID." All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written/online authorization to the bank by accounting personnel with this authority. An entry is made to record the stop payment and any related bank fees.

### **Recordkeeping Associated with Independent Contractors**

Austin Public Schools, ISD #492 shall obtain a completed Form W-9 or equivalent substitute documentation from all contractors to whom payments are made (see "Accounts Payable Management"). A record shall be maintained of all contractors to whom a Form 1099 is required to be issued at year-end. Payments to such contractors shall be accumulated over the course of a calendar year.

## **Control Grid – Purchasing and Disbursements**

Austin Public Schools, ISD #492 strives to maintain adequate segregation of duties in its purchasing and disbursements functions. The following table illustrates how responsibilities have been assigned. In this table personnel are identified as follows:

- A. Benefits Specialist/Cash Management
- B. Department Managers/Secretaries
- C. Executive Director of Finance & Operations/Controller
- D. Accounts Payable Clerk/Assistant to the Exec. Director of Finance & Operations
- E. School Board

<b>Duty</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
Inputs data into vendor master file				X	
Obtains Form W-9 from new contractors				X	
Initiates purchases		X			
Authorizes purchases			X		
Prepares purchase order/requisition				X	
Prepares request for proposal		X	X		
Administers collection of proposals				X	
Evaluates proposals		X	X		
Selects contractor			X		X
Receives contractor invoice				X	
Approves contractor invoice			X		
Assigns general ledger coding		X			
Inputs invoice into A/P system				X	
Selects A/P to be paid				X	
Runs A/P checks				X	
Reviews and approves checks			X		
Mails checks				X	
Maintains custody of unused checks	X				
Reconciles A/P to general ledger	X				
Performs bank reconciliation	X				
Reviews cancelled checks	X				
Reviews bank reconciliations			X		

## **CREDIT CARDS**

### **Authority to Issue Credit Cards**

The School Board and the Executive Director of Finance & Operations determine who is authorized to have a District-issued credit card, and who can use District credit cards that are available for occasional use. The following procedures apply to each of these situations.

### **Occasional Use District Credit Cards**

Austin Public Schools, ISD #492 recognizes that there could be occasions when employees need to use a corporate credit card for travel or gas purchases as approved by the Board. Currently, Austin Public Schools, ISD #492 has zero (0) credit cards available to be checked out by employees upon approval by their supervisors. The cards will be retained in a locked cabinet by the Business Office which will temporarily assign them to users.

Card users will be required to sign a statement acknowledging the following:

- The card shall be used exclusively for legitimate Austin Public Schools, ISD #492-related business purposes.
- The cardholder will avoid splitting purchase or service costs over multiple transactions to circumvent the single transaction limit.
- The cardholder agrees to take reasonable precautions to protect the card from loss or theft by storing it in a secure location, and understands the actions to take in case of theft or loss.
- The cardholder will follow all required procurement guidelines and procedures.
- The cardholder understands and agrees to disciplinary procedures for misuse of the card.

### **Sales Tax**

If appropriate, card users should remind contractors at the time of purchase that according to the tax laws in Minnesota that Sample Austin Public Schools, ISD #492 is exempt from sales tax. If a cardholder is charged sales tax for a card purchase that should be tax exempt, the cardholder should contact the contractor directly to request a credit for the amount of the sales tax.

### **Card User Responsibilities**

Card users will turn in receipts with appropriate account coding to the Department Director when they return the credit card. The Department Director will deliver the receipts to the Business Office on a weekly basis. If the Business Office is missing a receipt when the monthly statement is reconciled, the Assistant to the Exec. Director of Finance & Operations will confer

with the Department Director to determine who used the card, and follow up with that employee to get the receipt.

Any fraudulent or other unauthorized charges shall be immediately pointed out to the Executive Director of Finance & Operations for further investigation with the card provider.

Personal use of corporate credit cards is strictly prohibited. Any personal use will subject the employee to the Austin Public Schools, ISD #492's disciplinary actions discussed earlier in this manual and in the Personnel Manual.

Cardholders shall report the loss or theft of a corporate credit card immediately by notifying the credit card company as well as the Executive Director of Finance & Operations.

### **Credit Card Assigned to Employee**

The board may authorize the use of a credit card by any officer or employee otherwise authorized to make a purchase on behalf of the district. If a district officer or employee makes or directs a purchase by credit card that is not approved by the School Board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or district policy applicable to school district purchases.

### **Revocation of Corporate Credit Cards**

Failure to comply with any of these guidelines and procedures associated with the use of Austin Public Schools, ISD #492's corporate credit cards or purchasing cards shall be subject to possible revocation of card privileges. The Executive Director of Finance & Operations, with the approval of the Superintendent, shall determine whether credit cards or purchasing cards are to be revoked.

### **Employee Credit Cards**

District employees and School Board officers incurring legitimate Austin Public Schools, ISD #492 business expenses are expected to utilize their personal credit cards for such expenditures. The Austin Public Schools, ISD #492 shall reimburse employees and officers for properly supported and documented business expenditures charged to personal credit cards within thirty business days of the proper completion of an expense report.

# PURCHASING CARDS

## Authorization of Purchasing Cards

The Executive Director of Finance and Operations authorize the use of P-cards by department and specific users. The Executive Director of Finance & Operations will determine spending limits for each employee authorized to use the card.

Users of Purchasing Cards will follow the same responsibilities outlined under Credit Cards above.

## Monthly Purchasing Card Procedures

Monthly P-card procedures are:

- 1.....E  
Each cardholder will receive an email from the card issuer that they have transactions to review. Each transaction will need an account code assigned in the system which indicates the user's review and approval of the transaction.
- 2.....T  
The supervisor receives notice from the P-card issuer that her or his direct reports have approved their transactions and that the supervisor can now review and approve them. The supervisor receives a notice on the 3<sup>rd</sup> of each month that transactions are waiting for approval.
- 3.....T  
The Business Office receives the paperwork and signed statements from the P-card users. The Assistant to the Exec. Director of Finance & Operations reviews amounts and coding and makes any corrections.
- 4.....T  
The Assistant to the Exec. Director of Finance & Operations processes the monthly payment for the P-card issuer in the same manner as other vendor payments.
- 5.....T  
The School Board or the Executive Director of Finance & Operations approves the payment either before or shortly after payment is made.

## **PAYROLL AND RELATED ITEMS**

### **Payroll Administration**

Austin Public Schools, ISD #492 operates on a bi-weekly payroll. A personnel file is established and maintained for all employees with current documentation, as described throughout this section and more fully described in Austin Public Schools, ISD #492's Employee Handbook.

The following forms, documents, and information shall be obtained and included in the personnel files of all new employees either physically or electronically:

1. Austin Public Schools, ISD #492 Employment Application (and resume, if applicable),
2. Applicant references (work & personal),
3. Board minutes approving the hire and position,
4. Form W-4 Employee Federal Withholding Certificate,
5. Form W-4 MN State Withholding Certificate,
6. Form I-9 Employment Eligibility Verification,
7. Acceptable Use Policy,
8. Confidentiality Statement and Code of Ethics,
9. Starting date and scheduled hours,
10. Job title and starting salary, and
11. Authorization for direct deposit of paycheck, along with a voided check or deposit slip.

Either a current, valid driver's license or one of the following documents is verified for the I-9:

1. U.S. Passport,
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561),
3. Voter's registration card,
4. U.S. Military card,
5. ID card issued by a federal, state, or local government, provided it contains a photo, or
6. School record or report card (for persons under age 18 only).

Either a Social Security card or one of the following documents is verified for the I-9:

1. U.S. Passport,
2. Certificate of U.S. Citizenship (INS Form N-560 or N-561),
3. Original or certified copy of a birth certificate issued by a state, county, or municipal authority,
4. Certificate of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350),
5. U.S. Citizen ID Card (INS Form I-197),
6. Native American tribal document, or

7. ID Card for use of Resident Citizen in the United States (INS Form I-179).

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

The employee payroll file must also include a pre-employment background check.

### **Changes in Payroll Data**

All of the following changes in payroll data are to be authorized in writing:

1. New hires,
2. Terminations,
3. Changes in salaries and pay rates,
4. Voluntary payroll deductions,
5. Changes in income tax withholding status, and
6. Court-ordered payroll deductions.

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the appropriate Department Director, the Human Resources Director, and the Executive Director of Finance & Operations, and approved by the school board as required by Austin Public Schools, ISD #492.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

### **Payroll Taxes**

The Business Office is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Business Office may utilize the services of an outside payroll service center for the processing of payroll, as determined by the Executive Director of Finance & Operations.

Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

### **Personnel Activity Reports**

Austin Public Schools, ISD #492 follows the requirements in *2 CFR Part 200.430(i), Standards for Documentation of Personnel Expenses*, as well as requirements in specific grants.

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into the official records of the Austin Public Schools, ISD #492;
3. Reasonably reflect the total activity for which the employee is compensated;
4. Encompass both federally assisted and all other activities compensated by the Austin Public Schools, ISD #492 on an integrated basis;
5. Comply with the established accounting practices of Austin Public Schools, ISD #492; and
6. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect cost activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

All employees that are financed by a federal source of funds as well as other sources, will complete monthly Personnel Activity Reports. These reports will be reviewed by the Department Director and turned into the Business Office. The Department Director and Business Office will adjust salary distribution based on the Personnel Activity Reports each year.

### **Preparation of Timesheets**

Employees required to fill out a timesheet must submit to their supervisor a signed timesheet. The supervisor reviews and approves the timesheets and delivers them to the Business Office no later than Tuesday following the close of each pay period. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not.
2. Timesheets shall be prepared in ink or electronically.
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e., employees shall not use whiteout or correction tape).
4. Employees shall identify and record hours worked based on the nature of the work performed.

5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such.
6. Timesheets shall be signed by the employee prior to submission.

Department Directors or their designees shall approve timesheets prior to submission to the Business Office. Corrections identified by an employee's supervisor shall be authorized by the employee by initialing next to the change.

An Austin Public Schools, ISD #492 employee who is on leave, traveling, or is ill on the day that timesheets are due may telephone or email timesheet information (actual time worked and the appropriate classifications) to his or her supervisor (or designated alternate). The employee must initial a timesheet immediately upon his or her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or email by (employee) to (supervisor or designated alternate)." The timesheet shall be signed by the supervisor or the designated alternate.

### **Processing of Timesheets**

The Payroll Specialist will process the timesheets by checking them for mathematical accuracy (not required if timesheets are electronic), then entering all timesheets into the payroll system.

The Payroll Specialist may not change or correct timesheets. When errors are noted, a corrected and approved timesheet must be resubmitted to the Payroll Specialist who will process a new paycheck or correction.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet procedure may result in disciplinary action, up to and including discharge.

### **Review of Payroll**

The Executive Director of Finance & Operations will periodically review the payroll.

### **Distribution of Payroll**

Payroll payments (or check stubs for electronic deposits) shall be distributed by individuals who do not approve timesheets, are not responsible for hiring and firing, and do not control the preparation of payroll.

### **Control Grid – Payroll and Human Resources**

Austin Public Schools, ISD #492 strives to maintain adequate segregation of duties in its payroll and human resources functions. The following table illustrates how responsibilities have been assigned. In this table, personnel are identified as follows:

- A. Human Resources Manager/Human Resource Specialist
- B. Executive Director of Finance & Operations/Controller
- C. Department Director/Supervisor
- D. Payroll Specialist
- E. School Board
- F. Secretaries
- G. Benefits Specialist/Cash Management

<b>Duty</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Authorizes new hires					X		
Authorizes salary adjustments					X		
Authorizes terminations					X		
Sets up new employee in P/R system	X						
Enters salary adjustments to P/R system				X			
Enters direct deposit info. in P/R system				X			
Deletes terminated employees from P/R				X			
Reviews changes to payroll master file		X					
Approves timesheets			X				
Enters timesheets				X			
Reviews input of timesheet data				X			
Reviews distribution of time		X		X			
Reviews payroll register		X					
Prints checks (or paystubs)				X			
Signs payroll checks					X		
Distributes checks (paystubs)				X		X	
Has access to unused payroll checks		X		X			
Prints annual W-2 forms				X			
Reviews annual W-2 forms		X					X
Distributes annual W-2 forms				X		X	
Prepares and distributes the annual 1095							X

## SECTION 4: SPECIFIC ASSET ACCOUNTS

### CASH AND CASH MANAGEMENT

#### Cash Accounts

##### ***General Checking Account (operating account)***

Austin Public Schools, ISD #492 maintains three primary operating accounts to provide for routine cash transactions. The Finance and Payroll account is for routine business check disbursements and payroll disbursements. The Health Ins Trust account is used for health and dental plan disbursements. Both of those accounts are sweep accounts that are swept through the Main Account. All cash and credit card deposits are made to the Main account. Cash transfers are done on an as-needed basis to cover disbursements. All funds in the Main account are swept to a Repurchase account daily and collateralized as needed per the balance.

##### ***Petty Cash Account:***

The petty cash account is housed in the Cashier's office and has a balance of \$3000. The account is used to make change for students making cash payments to the school for meals and activities, set up and take care of cash boxes for events and activities. The account is reconciled monthly.

##### ***Savings Account:***

The Austin Public Schools, ISD #492 also maintains an interest-bearing MSDLAF account. All State and County Receipts are received directly into this account. Transfers are made from this account first if needed to cover the weekly disbursements scheduled in the primary accounts. Transfers to or from the MSDLAF account shall be initiated by the Benefits Specialist/Cash Management or Controller.

#### Authorized Signers

The following Austin Public Schools, ISD #492 personnel are authorized to sign checks drawn on the general operating and payroll accounts:

- School Board Chair
- School Board Treasurer
- School Board Clerk
- Executive Director of Finance & Operations

The Executive Director of Finance & Operations will promptly notify the Austin Public Schools, ISD #492's financial institutions of changes in authorized signatures upon the departure of any authorized signer. Refer to the section titled "Check Signing" for procedures.

## **Bank Reconciliations**

The Benefits Specialist/Cash Management prepares a reconciliation between the bank balance and general ledger balance. The bank reconciliation process will be completed by the 15<sup>th</sup> of the month following receipt of each bank statement.

The reconciliation process shall involve an inspection of the fronts and backs of cancelled checks returned with the bank statement. The purpose of this inspection is to identify signs of forgery, altered or substitute checks, unusual endorsements, or other signs of fraudulent activity. If the Austin Public Schools, ISD #492's financial institution does not return original cancelled checks or paper copies thereof, the person preparing the monthly bank reconciliation shall view electronic copies of cancelled checks provided by the financial institution via CD-ROM or Internet access to the Institution's website.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed and approved by the Executive Director of Finance & Operations on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the Business Office by the Benefits Specialist/Cash Management.

## **Cash Flow Management**

The Executive Director of Finance & Operations monitors cash flow needs on a monthly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

Austin Public Schools, ISD #492 adheres to the requirements of its grants which prohibit loaning funds between programs. Therefore, cash management and reporting is performed at the program level as well as for the Austin Public Schools, ISD #492 as a whole.

## **Stale Checks**

Austin Public Schools, ISD #492 will send out letters quarterly to all payees with checks outstanding for 3 months or more. The letter will state the amount of the check and what the payment is for and ask for verification the check will be cashed, or if the payee requests a re-issue of the check or permission to void the check in its entirety.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

Austin Public Schools, ISD #492 will also comply with the Minnesota laws regarding unclaimed property. Accordingly, if uncashed checks are subject to a state reporting and transfer requirement, the Austin Public Schools, ISD #492 shall file all appropriate forms and remit unclaimed property to the appropriate jurisdiction.

### **Wire Transfers**

The Superintendent, Executive Director of Finance & Operations, Controller, Benefits Specialist/Cash Management and the Payroll Specialist shall be the only employees authorized to transact wire transfers from Austin Public Schools, ISD #492 bank accounts. To prevent anyone other than these parties from transacting wire transfers, a system shall be employed that requires the use of pass codes. Each person's pass code is changed according to bank requirements.

Confirmations of all wire transfers are delivered to the Executive Director of Finance & Operations.

## **PREPAID EXPENSES**

### **Accounting Treatment**

Pre-paid expenses are recorded at the end of each fiscal year for financial reporting purposes.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as noncurrent assets.

### **Procedures**

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Business Office shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the annual closeout process.

## PROPERTY AND EQUIPMENT

### Capitalization

Physical assets acquired with unit costs in excess of \$2500 are capitalized as property and equipment on the Austin Public Schools, ISD #492's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

If an awarding agency requires a lower amount for equipment, Austin Public Schools, ISD #492 will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the Austin Public Schools, ISD #492's financial statements, these assets will be capitalized and depreciated according to these guidelines.

### Equipment and Furniture Purchased with Federal Funds (2 CFR Part 200.313)

Austin Public Schools, ISD #492 may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal agency. In addition to those procedures on Asset Management described earlier, equipment and furniture charged to federal awards will be subject to certain additional procedures as described below.

For purposes of federal award accounting and administration, *equipment* shall include all assets with a unit cost equal \$2500.

All purchases of *equipment* with federal funds shall be approved, in advance and in writing, by the federal awarding agency. In addition, the following guidelines shall apply regarding equipment purchased and charged to federal awards:

1. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.
2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Austin Public Schools, ISD #492 shall retain the equipment without any requirement for notifying the federal agency.
3. If the remaining per unit fair market value is \$5,000 or more, Austin Public Schools, ISD #492 shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal

agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs not to exceed \$500, to the federal agency. (2 CFR Part 200.313(e))

4. The Grant Manager shall determine whether a specific award with a federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every 2 years by an employee who is not responsible for ordering or approving the purchase of these assets. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by Austin Public Schools, ISD #492.

### **Establishment and Maintenance of a Fixed Asset Listing**

All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset: (2 CFR part 200.313(d)(1))

1. Date of acquisition,
2. Cost,
3. Description (including color, model, and serial number or other identification number),
4. Source of the funds used to purchase the equipment, including the federal award number, if applicable,
5. Whether the title vests in the Austin Public Schools, ISD #492 or the federal government,
6. Information to calculate the federal share of the cost of the equipment, if applicable,
7. Location, use and condition,
8. Depreciation method,
9. Estimated useful life, and
10. Ultimate disposition data including the date of disposal and sale price.

The physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Executive Director of Finance & Operations.

### **Receipt of Newly Purchased Equipment and Furniture**

At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the contractor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the contractor immediately.

## **Depreciation and Useful Lives**

All capitalized assets are maintained in the special property and equipment account group. Property and equipment are depreciated over their estimated useful lives using the straight-line annual method.

In the year of acquisition, all new assets are depreciated for a full year, no matter the purchase date.

Estimated useful lives of capitalized assets shall be determined by the Business Office with the category of choice. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

<b>Asset Class Code</b>	<b>Description</b>	<b>Asset Life Years</b>
02	LAND/SITE IMPROVEMENTS	20
03	BUILDINGS	20
05	KSMQ	10
10	DESK - ADMIN	15
14	CABINETS - ADMIN	15
16	ADMIN - COMPUTER EQUIP	5
18	ADMIN-OFFICE MACHINES	5
19	ADMIN-MISC. EQUIPMENT	10
52	TABLES & STANDS	15
53	OPEN SHELVING	20
54	CABINETS, GENERAL (LOCKERS)	20
56	A-V EQUIPMENT OR SOFTWARE	10
57	FOOD SERVICE EQUIPMENT	15
58	ATHLETIC EQUIP/UNIFORMS	20
61	OFFICE MACH & DEVICES-PRINTER	5
62	VO-TECH TRAIN EQUIP	15
63	SCIENCE-LABORATORY EQUIP	10
64	MUSIC INSTRUMENTS - NOT PIANOS	10
67	NON-ADMIN COMPUTER EQUIP	5
68	FINE ARTS	10
70	BAND UNIFORMS	10
71	VEHICLES - AVG. RETAIL	8
96	GENERAL BLDG & GROUNDS EQUIP.	15
98	EDU. & JANITORIAL SUPPLIES	15
99	MISC. MOVABLE EQUIP - HVAC	20

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

## **Changes in Estimated Useful Lives**

If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Executive Director of Finance & Operations.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the Austin Public Schools, ISD #492's statement of activities.

For example, if in the fourth year of an asset's life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between  $\frac{4}{5}$  of the asset's basis (accumulated depreciation at the end of year four) and  $\frac{3}{7}$  of the asset's basis (accumulated depreciation at the beginning of the year).

## **Repairs of Property and Equipment**

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

## **Dispositions of Property and Equipment**

If equipment is sold, scrapped, donated, or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the amount received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

## **Write-Offs of Property and Equipment**

The Executive Director of Finance & Operations approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Executive Director of Finance & Operations. If not located, this property will be written off the books with the proper notation specifying the reason.

## **SECTION 5: LIABILITY AND NET ASSET ACCOUNTS**

### **ACCRUED LIABILITIES**

#### **Identification of Liabilities**

The Business Office shall establish a list of commonly incurred expenses that may have to be accrued at the end of the fiscal year. Some of the expenses that shall be accrued by Austin Public Schools, ISD #492 at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Paid leave (see below)
- Taxes

In addition, Austin Public Schools, ISD #492 shall record a liability for unearned revenue (revenue received but not yet earned) in accordance with the revenue recognition procedures described elsewhere in this manual. Adjustments to unearned revenue accounts shall be made monthly.

#### **Accrued Leave**

In accordance with District policy and the collective bargaining agreements, employees can carry forward unused leave from year to year. Such unused leave may be payable to an employee upon termination of employment.

Accordingly, Austin Public Schools, ISD #492 records a liability for accrued leave to which employees are entitled. The total liability at the end of the fiscal year shall equal the total earned but unused hours of leave, up to the bargaining unit maximum, multiplied by each employee's current hourly pay rate or bargained pay out of accrued leave.

If leave policies allow sick leave to be converted to retirement benefits, Austin Public Schools, ISD #492 will record a liability based on an actuarial calculation.

Leave that does not "vest" with employees (i.e., leave that is not paid to employees if unused at the time of termination of employment) shall not be accrued as a liability.

## SECTION 6: FINANCIAL AND TAX REPORTING

### FINANCIAL STATEMENTS

#### **Standard Financial Statements of the Austin Public Schools, ISD #492**

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Austin Public Schools, ISD #492. Financial statements may reflect year-to-year historical comparisons or current year budget-to-actual comparisons.

#### **Government-wide Statements**

The two government-wide statements report the District's net position and how it has changed.

***Statement of net position*** – Presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position.

***Statement of activities*** – Presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

#### **Fund Financial Statements**

***Governmental funds*** – Most of the District's basic services are included in governmental funds. Governmental fund financial statements present near-term inflows of cash and other financial assets that can readily be converted to cash, as well as the balances at year-end that are available for spending.

***Fiduciary funds*** –The District is the trustee, or fiduciary, for assets that belong to others, such as the student activity funds and employee flex benefit plan. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

#### **Frequency of Preparation**

On a monthly basis members of the School board will receive a Treasurer's report consisting of a detailed listing of cash disbursements made through accounts payable and payroll. Department Directors may review their own programs budget to actual line items either online or

through a printout prepared from the finance software. Department Directors can view these budget items at any time.

### **Annual Financial Statements**

On an annual basis, the Austin Public Schools, ISD #492 shall prepare, under the direction of the Executive Director of Finance & Operations, a complete set of GASB financial statements, including footnotes addressing all disclosures required by GAAP.

Presentation of the Austin Public Schools, ISD #492's annual audited financial statements shall be provided by the independent auditor to the School Board. See separate guidance regarding the annual audit under "Financial Management."

## **SECTION 7: FINANCIAL MANAGEMENT**

### **BUDGETING**

#### **Overview**

Budgeting is an integral part of managing Austin Public Schools, ISD #492 in that it is concerned with the translation of Austin Public Schools, ISD #492al goals and objectives into financial terms. A budget should be designed and prepared to direct the most efficient and prudent use of the Austin Public Schools, ISD #492's financial and human resources. A budget is a management commitment of a plan for present and future Austin Public Schools, ISD #492 activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Austin Public Schools, ISD #492's programs and activities simultaneously in light of the available resources.

Budgets are also prepared for funding sources, and each grant manager must be aware of budget modification requirements. Awarding agencies may or may not require approval for changes in line items. Austin Public Schools, ISD #492 will document and follow all such requirements.

#### **Preparation and Adoption**

Austin Public Schools, ISD #492 will prepare an annual budget on the accrual basis of accounting. The Controller gathers proposed Austin Public Schools, ISD #492-wide budget information from all Department Directors and others with budgetary responsibilities and prepares the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and should explain all material fluctuations in budgeted amounts from prior years.

After appropriate revisions and a compilation of all department budgets by the Controller, a draft of the Austin Public Schools, ISD #492-wide budget is presented to the Executive Director of Finance & Operations and then the Superintendent for discussion, revision, and initial approval.

The final draft is then submitted to the School Board for adoption.

Austin Public Schools, ISD #492 will adopt a final budget before the beginning of the Austin Public Schools, ISD #492's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Business Office to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Budgets for programs that are not on the Austin Public Schools, ISD #492's fiscal year will be prepared in accordance with awarding agency requirements.

### **Monitoring Performance**

Austin Public Schools, ISD #492 monitors its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the financial reporting process described earlier.

Financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Business Office and distributed to or retrieved on-line by each employee with budgetary responsibilities on an as-needed basis.

### **Budget and Program Revisions**

Austin Public Schools, ISD #492 will request prior approval from federal awarding agencies for any of the following program or budget revisions. (*2 CFR Part 200.308*)

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (Project Director, etc.) specified in the application or award document.
3. Disengagement for more than three months (other than breaks in the academic year), or a 25% reduction in time devoted to the project, by the approved Project Director or principal investigator.
4. The need for additional federal funding.
5. The inclusion, unless waived by the federal awarding agency, of costs that require prior approval in accordance with 2 CFR Part 200.407, Prior written approval.
6. The transfer of funds allotted for participant support costs to other categories of expense.
7. Unless described in the application and funded in the approved awards, the subaward, transfer, or contracting out of any work under an award. (However, this provision does not apply to purchases of supplies, materials, equipment, or general support services.)
8. Changes in the amount of the approved cost-sharing or matching provided by the Austin Public Schools, ISD #492.

## **Budget Modifications**

At least once per year, the Executive Director of Finance & Operations will present a list of budget modifications to the School Board for approval.

## **ANNUAL AUDIT**

### **Role of the Independent Auditor**

Austin Public Schools, ISD #492 will arrange for an annual audit of the Austin Public Schools, ISD #492's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the School Board will be required to communicate directly with the Austin Public Schools, ISD #492's Executive Director of Finance & Operations upon the completion of their audit.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the School Board by the independent accounting firm at a Board meeting.

### **Auditor Independence**

Austin Public Schools, ISD #492 may from time to time request the independent auditor to provide services outside the scope of the annual audit. In connection with these non-audit services, it is imperative that the independent auditor remain independent in fact and in appearance in order to continue serving the Austin Public Schools, ISD #492 as its auditor.

Generally, in order to remain independent with respect to the audit, the Austin Public Schools, ISD #492's auditors should not provide non-audit services that involve performing management functions or making management decisions nor should they provide non-audit services in situations where the non-audit services are significant/material to the subject matter of the audits (or where they would be auditing their own work in connection with the annual audit).

Therefore, the Austin Public Schools, ISD #492 will evaluate any non-audit service requested from the independent auditor for possible impairments to the firm's independence, and to not permit the performance of any services that would impair independence. This evaluation shall be performed by the Executive Director of Finance & Operations, who may consult the independent auditor or other external sources in making this determination.

In addition, for each non-audit service that is to be provided by the Austin Public Schools, ISD #492's independent auditor, the Austin Public Schools, ISD #492 shall:

1. Designate a management level individual to be responsible and accountable for overseeing the non-audit service (to be determined by the Executive Director of Finance

& Operations.

2. Establish and monitor performance of the non-audit service to ensure that it meets management's objectives (to be performed by the person designated in step 1).
3. Make any decisions that involve management functions related to the non-audit service and accept full responsibility for such decisions.
4. Evaluate the adequacy of the services performed and findings that result.

### **How Often to Review the Selection of the Auditor**

Austin Public Schools, ISD #492 shall review the selection of its independent auditor in the following circumstances:

1. Any time there is dissatisfaction with the service of the current firm;
2. When a fresh perspective and new ideas are desired; or
3. Every 5 years to ensure competitive pricing and a high quality of service (this is not a requirement to change auditors every five years, but simply to reevaluate the selection).

### **Selecting an Auditor**

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by Austin Public Schools, ISD #492 in selecting an accounting firm:

1. The firm's reputation in the school district community;
2. The depth of the firm's understanding of and experience with school districts and federal reporting requirements under 2 CFR Part 200;
3. The firm's demonstrated ability to provide the services requested in a timely manner; and
4. The ability of firm personnel to communicate with Austin Public Schools, ISD #492 personnel in a professional and congenial manner.

If Austin Public Schools, ISD #492 decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required,
2. Type of contract to be awarded (fixed fee, cost basis, etc.),
3. Complete description of the services requested (audit, management letter, tax returns, etc.),
4. Identification of meetings requiring their attendance, such as staff or Board meetings,
5. Austin Public Schools, ISD #492 chart of Austin Public Schools, ISD #492,

6. Chart of account information,
7. Financial information about the Austin Public Schools, ISD #492,
8. Copy of prior year reports (financial statements, management letters, etc.),
9. Identification of need to perform audit in accordance with 2 CFR Part 200.500 – 521 and the appropriate Compliance Supplements,
10. Other information considered appropriate,
11. Description of proposal and format requirements,
12. Due date of proposals,
13. Overview of selection process (i.e., whether finalists will be interviewed, when a decision shall be made, etc.), and
14. Identification of criteria for selection.

Minimum Proposal Requirements from prospective CPA firms shall be:

1. Firm background,
2. Biographical information (resumes) of key firm member who will serve Austin Public Schools, ISD #492,
3. Client references,
4. Information about the firm's capabilities,
5. Firm's approach to performing an audit,
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings,
7. Other resources available with the firm,
8. Expected timing and completion of the audit,
9. Expected delivery of reports,
10. Cost estimate including estimated number of hours per staff member,
11. Rate per hour for each auditor, and
12. Other information as appropriate.

In order to narrow down the proposals to the top selections, the Executive Director of Finance & Operations shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. Copies of all proposals shall be forwarded to the Executive Director of Finance & Operations. Final interviews of each firm are conducted by the Executive Director of Finance & Operations, who will make the final recommendation to the School Board for approval.

### **Preparation for the Annual Audit**

Austin Public Schools, ISD #492 shall be actively involved in planning for and assisting with the Austin Public Schools, ISD #492's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Business Office shall provide assistance to the independent auditors in the following areas:

**Planning** – The Executive Director of Finance & Operations is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. The Executive Director of Finance & Operations shall review the list of information requested by the auditors and assign responsibility for each item to the appropriate staff of Austin Public Schools, ISD #492. The Executive Director of Finance & Operations shall then schedule and direct status meetings in the weeks leading up to the audit in order to review the progress of staff in preparing for the audit.

The Executive Director of Finance & Operations shall arrange and coordinate any and all meetings, interviews, telephone discussions, and conference calls requested by the auditor with Austin Public Schools, ISD #492 board members, audit or finance committee members, or employees of Austin Public Schools, ISD #492 to facilitate the auditor’s work. Prior to any such meetings or discussions, the Executive Director of Finance & Operations shall inform each Austin Public Schools, ISD #492 participant of the nature of the discussion or meeting and what, if any, preparations they should do prior to the meeting. The Executive Director of Finance & Operations shall communicate to each Austin Public Schools, ISD #492 participant in such meetings or discussions the importance of being open, honest, and frank with the auditors with respect to any and all questions posed by the auditors.

**Involvement** – Austin Public Schools, ISD #492 staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

**Interim Procedures** – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Austin Public Schools, ISD #492’s year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Austin Public Schools, ISD #492 staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.

Throughout the audit process, Austin Public Schools, ISD #492 will make every effort to provide schedules, documents, and information requested by the auditors in a timely manner.

### **Concluding the Audit**

Upon receipt of a draft of the audited financial statements of Austin Public Schools, ISD #492 from its independent auditor, the Executive Director of Finance & Operations shall perform a detailed review of the draft, consisting of the following procedures.

1. Carefully read the entire report for typographical errors.
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of Austin Public Schools, ISD #492.
3. Review each footnote for accuracy and completeness.

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Executive Director of Finance & Operations.

It shall also be the responsibility of the Executive Director of Finance & Operations to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the Single Audit Clearinghouse form shall be completed and a copy submitted to the Executive Director of Finance & Operations.

### **Audit Adjustments**

The Austin Public Schools, ISD #492 will review all adjustments prepared by the independent auditor in connection with the annual audit, and, if in concurrence, record them in the general ledger.

The Austin Public Schools, ISD #492 may also receive a list of unadjusted differences (or passed audit adjustments) from the independent auditor in connection with the audit. If the Austin Public Schools, ISD #492 receives such a list, it shall be the responsibility of the Executive Director of Finance & Operations to review them and determine whether or not to record them in the current year.

### **Internal Control Deficiencies Noted During the Audit**

In accordance with generally accepted auditing standards, at the conclusion of the audit the Austin Public Schools, ISD #492's independent auditors may provide a written communication of internal control deficiencies noted in connection with their audit. Not all deficiencies in internal control are required to be reported by the auditor. Only the following two types of deficiencies are required to be communicated:

1. **Material weakness** – A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.
2. **Significant deficiency** – A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Austin Public Schools, ISD #492's independent auditors are required to provide written communication to the Executive Director of Finance & Operations of all significant deficiencies and material weaknesses (i.e., only those control deficiencies that rise to the level of materiality at which they qualify under the definitions provided above, in the opinion of the auditor).

It is the Austin Public Schools, ISD #492's procedure that all internal control deficiencies that are communicated by the auditor in writing will be formally addressed by the Superintendent, and/or the Executive Director of Finance & Operations.

### **Board Communications with the Auditors**

In accordance with generally accepted auditing standards, in connection with and at the conclusion of each annual audit, the auditors are required to make certain communications directly to the Board. The Executive Director of Finance & Operations shall facilitate all of these communications, arranging for face-to-face meetings, telephone or conference calls, or delivery of electronic or paper documents between auditor and Board members.

Some of the communications that Austin Public Schools, ISD #492's auditors may have with the Austin Public Schools, ISD #492's Board include:

1. Planning discussions prior to commencing the audit, such as by inquiring of Board members their perception of where the risk of material misstatements in the Austin Public Schools, ISD #492's financial statements may be greatest, the various risks of fraud, and other inquiries.
2. Internal control deficiencies noted during the audit, communicated in writing at the conclusion of the audit.
3. Any material fraud detected by the auditor, or any fraud, regardless of materiality, involving senior management, noted at any time during the audit.
4. Significant problems or other issues that arose during the audit (e.g., disagreements with management and certain other items that the auditors may be required to report to the School Board).
5. Audit adjustments made by the auditors as a result of their audit.
6. Certain audit differences noted by the auditors that they deemed not material enough to warrant making an adjustment for.

Board members should be aware of these communications and engage in active discussions with the auditors whenever it is considered appropriate in the fulfillment of these or their other duties.

# **INSURANCE**

## **Overview**

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of Austin Public Schools, ISD #492.

Austin Public Schools, ISD #492 maintains proper property, liability including fidelity bonding, auto and workers' compensation coverage.

# **RECORD RETENTION**

## **Record Retention Procedures**

Austin Public Schools, ISD #492 retains records as required by law and destroys them when appropriate. All files, both hard copy and electronic shall be labeled with topic and year. Electronic copies shall be saved in appropriate folders on the network storage device. Hard copies should be stored in file cabinets or archived in the storage area.

Austin Public Schools, ISD #492 will follow the records retention time periods listed in the MN School District General Records Retention Schedule.

The destruction of records must be recorded. Review and purging of files may take place on an ongoing basis, but must occur at least once per year, and must follow the minimum retention requirements outlined below.

The destruction of any documents containing social security numbers or any other “consumer data” as defined under federal laws and regulations shall be done via shredding.

## **Exception for Investigations**

In connection with any ongoing or anticipated investigation into allegations of violations of federal laws or regulations, provisions of government awards, or violations of the Austin Public Schools, ISD #492’s Code of Conduct, the following exceptions are made to the preceding scheduled retention and/or destruction of records:

1. All records related to the subject of the investigation or allegation shall be exempt from any scheduled record destruction.
2. The term “records” shall also apply to any electronically stored record (e.g., documents stored on computers, email messages, etc.), which shall also be protected from destruction.

Policy Adopted: 02/13/17