




**MILWAUKEE
PUBLIC SCHOOLS**

Office of Board Governance – Audit Services

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DATE: October 5, 2021

TO: Members of the Board of School Directors

From: Mr. Paul E. Geib 

RE: Audit #2022-015: Individualized Developmental Educational Approaches to Learning
Instrumentality Charter School Financial Performance and Compliance Audit

C: Dr. Keith Posley
Dr. Jacqueline Mann
Ms. Martha Kreitzman
Ms. Renee Dudley
Dr. Toni Dinkins
Ms. Marla Bronaugh
Ms. Bridget Schock
Mr. Matt Chason
Ms. Jennifer Carter
Mr. Alberto Adame

Transmitted herewith is our report on *Audit #2022-015: Individualized Developmental Educational Approaches to Learning – Financial Performance and Compliance Audit*. If you have any questions regarding this report or would like the report to be placed on a committee agenda, please contact our office.

On behalf of the Audit Services' staff, we wish to thank the school staff and the MPS administration for their cooperation and assistance throughout the audit process.

Attachment

**Individualized Developmental Educational Approaches to Learning
Instrumentality Charter School**

**Statement of Fund Expenditure Activities and
Schedule of Charter School Revenues and Expenditures
Financial Performance and Compliance Audit
For the Period July 1, 2020 to June 30, 2021**

Audit: 2022-015

October 2021



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PUBLIC SCHOOLS

Office of Board Governance-Audit Services

**Individualized Developmental Educational Approaches to Learning
Instrumentality Charter School**

AUDIT: 2022-015

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**MILWAUKEE PUBLIC SCHOOLS
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**Milwaukee Public Schools
Individualized Developmental Educational Approaches To Learning
Statement of Fund Expenditure Activities
For the Period July 1, 2020 to June 30, 2021**

	School Operations	Categorically Aided	School Nutrition	Construction	Extension	Camp	Sub-Total	Student Activity	Trust	Grand Total
Expenditures										
Salaries	\$ 1,167,433	\$ 174,466	\$ 23,720	\$ -	\$ -		\$ 1,365,619	\$ -	\$ -	\$ 1,365,619
Benefits	622,243	92,991	14,374	-	-		729,608	-	-	729,608
Other Wages	26,797	-	-	-	-	2,212	29,009	-	-	29,009
Other Benefits	14,280	-	-	-	-	759	15,039	-	-	15,039
Purchased Services	30,958	-	75	-	-	-	31,033	-	-	31,033
Supplies	52,662	3,224	3,090	-	-	-	58,976	-	-	58,976
Capital Expenses	10,000	-	6,690	-	-	-	16,690	-	-	16,690
Other	-	-	-	-	-	-	-	3,454	-	3,454
Total Expenditures	\$ 1,924,373	\$ 270,681	\$ 47,949	\$ -	\$ -	\$ 2,971	\$ 2,245,973	\$ 3,454	\$ -	\$ 2,249,428

Milwaukee Public Schools
Individualized Developmental Educational Approaches To Learning
Schedule of Charter School Revenues and Expenditures
For the Period July 1, 2020 to June 30, 2021

<u>Revenues</u>	<u>Contract Budget</u>	<u>Actual</u>	<u>Variance</u>
MPS Charter School - Project 611	<u>\$1,235,576</u>	<u>\$1,091,445</u>	<u>\$144,131</u>
Total Revenues	<u>1,235,576</u>	<u>1,091,445</u>	<u>144,131</u>
 <u>Expenses</u>			
Salaries	657,347	657,347	0
Benefits	350,365	350,366	(1)
Other Wages	7,500	8,546	(1,046)
Other Benefits	3,997	4,555	(558)
Purchased Services	149,949	20,099	129,850
Supplies	56,418	40,532	15,886
Capital Expenses	10,000	10,000	0
Other	0	0	0
Total Expenses	<u>1,235,576</u>	<u>1,091,445</u>	<u>144,131</u>
 Revenues in Excess of (Less Than) Expenditures	 <u><u>\$0</u></u>	 <u><u>\$0</u></u>	 <u><u>\$0</u></u>

I. Background

Organization

Individualized Developmental Educational Approaches to Learning (IDEAL) operates under Chapter 118.40 of the Wisconsin statutes and its contract with the Milwaukee Board of School Directors (Board). On November 28, 2000, the Board granted the petition of IDEAL to operate as a Milwaukee Public School (MPS) instrumentality charter school. The five-year amended contract for school years 2016-17 through 2020-21 was approved by the Board on February 23, 2017. For the 2020-21 school year (year ended June 30, 2021), the amended contract required IDEAL to maintain an average daily membership enrollment of 350 pupils in grades K4 through grade 8. MPS is the Local Educational Agency (LEA) for IDEAL.

Basis of Reporting Financial Information

The Statement of Fund Expenditure Activities and the Schedule of Charter School Revenues and Expenditures are the responsibility of IDEAL's management. IDEAL, as an MPS instrumentality charter school, is obligated to account for their funds in a manner consistent with the requirements of MPS. MPS requires that instrumentality charter schools account for activities by each major fund category – School Operations, Categorically Aided, School Nutrition Services, Construction, Extension, and other non-major governmental funds, Student Activity Funds and Private-Purpose Trust Funds.

The Statement of Fund Expenditure Activities and Schedule of Charter School Revenues and Expenditures were prepared to present the program expenditures to the Milwaukee Board of School Directors pursuant to the charter school contract and are not intended to represent comprehensive financial statements of the organization. The school's financial activities are subject to review by MPS's independent external auditors and are incorporated into MPS's Annual Basic Financial Statements and the MPS Schedule of Federal and State Awards (Single Audit).

The school follows the district's requirement to record activity using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Student Activity Funds follow the accrual basis of accounting and do not have a measurement focus.

Board policy requires that all annual appropriations lapse at fiscal year-end except for the following: excess budgetary authority for capital project funds lapse when a specific project is completed; deficits incurred automatically reduce the subsequent year's budget appropriations; and, schools are allowed to automatically carry over a maximum of 1% of the total revised school budget each year without written justification or Board approval; and appropriations for special projects or planned purchases can be carried into the subsequent year.

The IDEAL Statement of Fund Expenditure Activities and Schedule of Charter School Revenues and Expenditures have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing

I. Background

governmental accounting and financial reporting principles. In accordance with the charter school contract between MPS and IDEAL, the school received \$1,209,349, or \$4,529 per pupil, based on 267 pupils. In addition, IDEAL's budget includes \$11,970 relating to prior year appropriations and encumbrances. Expenditures from the Charter School contract are reported in the School Operations Fund.

II. Scope, Objectives and Methodology

The purpose of our review is to (1) express an opinion on the reliability of financial information in the Statement of Fund Expenditure Activities and Schedule of Charter School Revenues and Expenditures for the year ended June 30, 2021, based on our audit and (2) express an opinion on IDEAL's compliance with the fiscal provisions of the contract including expenditure and annual operating budget requirements for the year ended June 30, 2021. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our review included interviews with school and district staff and a limited review of transactions that occurred from July 1, 2020, through June 30, 2021. As part of our review of transactions, we assessed compliance with laws, regulations, and provisions of contracts or grant agreements. We also assessed compliance with School-Based Governance Financial Standards as prescribed in the charter school contract. In addition, we assessed whether the existing internal controls over the school's financial activities can be relied upon to ensure that financial transactions are properly authorized, recorded, documented, and safeguarded. Specific charter school contract provisions examined included financial management, audit and grant requirements.

III. Conclusion

In our opinion, (1) the Statement of Fund Expenditure Activities and Schedule of Charter School Revenues and Expenditures present fairly, in all material respects, the activities of IDEAL for the year ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America and the reporting requirements defined in the MPS amended contract dated February 23, 2017, and (2) IDEAL complied with the fiscal provisions of the MPS contract dated February 23, 2017, including expenditure and annual operating budget requirements for the year ended June 30, 2021. The audit identified no material or non-material areas of noncompliance.

We have also attached a document that summarizes the most commonly used internal controls and other procedures the district requires schools to follow.

MILWAUKEE PUBLIC SCHOOLS
OFFICE OF AUDIT SERVICES
Internal Controls and Other Procedures

School funds are accounted for through the Integrated Finance and Accounting System (IFAS). The MPS School Accounting Manual (SAM), MPS Financial Standards (FS), Travel Policies and Procedures Manual (TPPM), Educational Materials Inventory Management Process Manual (EMIVMP), and Administrative Policies and Procedures (AP) are the primary sources for district financial guidelines. The following information summarizes the most commonly used Internal Controls and Other Procedures the district requires schools to follow. In some cases, information and/or explanations were added or expanded by Audit Services based on best business practices (BBP). Sources where more detailed information can be found are referenced throughout.

I. Financial Transactions

IFAS-Student Activity (IFAS-SA) Balance Sheet

Purpose: To ensure that no expenditures are made in excess of funds available in an account and that only school-related activities are represented on the balance sheet.

1. The principal should ensure that IFAS-SA Balance Sheet accounts never have negative balances (except the budget reimbursement – xx20101 L201 and camp reimbursement – xx20501 L205 accounts). No expenditure should be made in excess of the total funds in the club’s account. [SAM]
2. All accounts on the general ledger should represent currently active, school-sponsored clubs or activities. Cash balances relating to inactive club accounts should be transferred to the General School account after one year. [SAM]
3. The principal/secretary/bookkeeper should ensure that the petty cash is kept in the office and in a secure location. [SAM]
4. The principal should ensure that the petty cash is no more than \$50. [BBP]
5. The principal should receive, open, and review the bank statements. The principal should review cancelled checks returned with the bank statement to ensure all checks were signed by the principal. [SAM]
6. The monthly bank statement should be reconciled to the IFAS-SA report and checkbook balance and a copy of the reconciliation should be remitted to the Finance Department by the 20th of the month. The review of the bank reconciliation should be performed in tandem with the monthly review of the school’s financial records and should be signed by the principal. [SAM, FS #7, AP 3.06]

7. The secretary/bookkeeper should record bank adjustments such as returned items and bank charges in the checkbook as soon as they are known. [SAM]
8. Outstanding checks greater than one year old should be written off. [SAM]
9. Correction memos from the bank and adjusting entries on IFAS-SA should be rare occurrences. [BBP]
10. Electronic fund transfers (EFT) used to transfer monies from the school's checking account to a central nutrition account should be monitored. Daily cafeteria receipts should be reconciled to the monthly EFT on the bank statement and differences should be investigated and resolved. [SAM, BBP]
11. Interest earned on savings accounts or certificates of deposit should be recorded when received which may be monthly, quarterly, or upon investment maturity. [SAM]

Cash Receipts

Receipt of Funds

Purpose: To ensure adequate control is maintained over all funds that are received by school personnel.

1. When an individual (advisor) receives funds, the advisor should, on a daily basis, count the funds and prepare and sign the standard three-part Cash Receipt form which includes the account number and name, date, and the breakdown of funds being deposited. The funds and the completed Cash Receipt form should then be submitted to the secretary/bookkeeper. Food service managers should prepare three signed cafeteria reports, which detail the cafeteria receipts, and submit two copies to the secretary/bookkeeper in lieu of the three-part Cash Receipt form. [SAM, AP 3.08]
2. The secretary/bookkeeper should independently count the funds and counter-sign the Cash Receipt/cafeteria reports which detail the cafeteria receipts. The secretary/bookkeeper's signature indicates agreement on the accuracy of the amount being deposited. If a discrepancy exists, the secretary/bookkeeper should contact the advisor and resolve the discrepancy. [SAM, AP 3.08]
3. The secretary/bookkeeper should (a) return one copy of the completed and verified Cash Receipt/cafeteria reports to the submitter, (b) file the second copy of the Cash Receipt/cafeteria form by the IFAS-SA account/key number, and (c) attach the top copy of the Cash Receipt/cafeteria form to the bank deposit receipt to use when posting financial information to IFAS-SA. [SAM]

Depositing the Funds

Purpose: To ensure all funds are properly deposited.

1. All funds received should be secured in a locked environment, preferably a safe, but at least a locked cabinet or locked drawer in an area with limited access, such as the principal's office. Under no circumstances should funds be kept in desks, file cabinets, or any location in a classroom. [SAM, AP 3.08]
2. The secretary/bookkeeper should deposit funds at least on a weekly basis. [SAM, AP 3.08]
3. The secretary/bookkeeper should deposit all revenue received since the last deposit. No cash should be held back for any reason. [BBP]

Recording the Receipts and Retention of Records

Purpose: To ensure receipts are properly recorded and that records are properly retained.

1. Each bank deposit slip should be supported by Cash Receipt forms included in that deposit. This group of documents should be filed chronologically. [SAM]
2. Whenever a deposit is made, the secretary/bookkeeper should record the deposit in the school's checkbook register along with the new running balance. [SAM, BBP]
3. The secretary/bookkeeper should update IFAS-SA at least monthly by entering the information from the original Cash Receipt/cafeteria report. Audit Services strongly recommends weekly updates so that each student activity fund balance is known throughout the month and deficit spending does not occur. Weekly entry will also require posting to IFAS-SA based upon the original Cash Receipt/cafeteria report and will ensure that a reconciliation is performed between the school's cash balance and the bank statement balance. [BBP]
4. All copies of the Cash Receipt forms should be retained by the individuals responsible for the copies. [SAM]
5. Cash donations, gifts, and scholarships should be recorded and acknowledged by the School Board in accordance with district procedures. Scholarships/grants/donations of \$5,000 or more should be remitted to Central Services for administration. [SAM]

Cash Disbursements

Purpose: To ensure that all expenditures are properly authorized and approved and payments are adequately documented.

Payment Authorization and Processing

Approval:

1. Original invoices and packing slips or other expenditure documentation should be submitted to the secretary/bookkeeper for Student Club account and General School expenditures to be paid by a school check. The only acceptable forms of documentation are original receipts and invoices. Photocopies and duplicate invoices are not acceptable. Statements should not be used as documentation as their purpose is only to list amounts owed. The secretary/bookkeeper should then prepare a check for the principal's signature. [SAM]
2. Prior to check signing, the principal should ensure that (a) the expenditure is reasonable, relates to the activities of the account, and is allowable under MPS guidelines, and (b) sufficient funds are available in the club account from which the expenditure will be drawn. [SAM]

Payment:

1. The checkbook and any unused check stock should be safeguarded to protect against unauthorized use. [SAM]
2. On each check stub schools should record: date, payee, description, IFAS-SA account, IFAS budget code (Capital Cash reimbursement only), amount of check, and balance in the account after the check. [SAM]
3. Checks written to a vendor by the secretary/bookkeeper should be mailed directly to the vendor and not forwarded to the club advisor. [BBP]

Documentation and CASH Entry

1. The secretary/bookkeeper should mark receipts and invoices "paid" and list the check number and date of issuance on the original invoice. This will avoid duplicate payments. [SAM]
2. The secretary/bookkeeper should enter expenditure transactions on IFAS-SA at least monthly. Audit Services strongly recommends weekly updates so that each student activity fund balance is known throughout the month and deficit spending does not occur. Weekly entry will also require posting to IFAS-SA based upon the original invoice and will ensure that a reconciliation is performed between the school's cash balance and the bank statement balance. [BBP]
3. Invoices paid with a school check should be filed alphabetically by the payee's name or by check number or by month. If a school has many disbursements, a separate file can be set up for each vendor. [SAM]
4. The principal/secretary/bookkeeper should ensure that supporting documentation is retained. [SAM]

General

1. When writing checks to businesses, always make the check payable to the business, never to an individual. [BBP]
2. New principals should ensure that the Change in Authorized signer documentation is prepared and provided to the School Accounting Division to update the bank account authorized signers. [SAM]
3. The principal should ensure that the school checking account is never overdrawn. [SAM]
4. The principal should not sign blank checks or allow checks to be signed by use of a signature stamp. [SAM, FS #8, AP 3.06]
5. The principal should not approve checks payable to cash. [BBP]

Capital Cash/Budget Reimbursements

Purpose: To ensure that Board and categorical funded small purchases made with school checks are appropriately accounted for and processed efficiently.

1. Capital Cash should be used for small expenditures that can be reimbursed by Central Services and charged to a school's budget. Requests for reimbursement(s) should be submitted at least once a month. All receipts/documentation must be initialed and dated by the school administrator; including the check number and amount to be reimbursed. This will let the Accounts Payable staff know the invoice has been approved for payment. [SAM, FS #5, AP 3.06]
2. Capital Cash/Budget Reimbursement should not be used for: (a) purchases greater than \$500; (b) payments to individuals (employees, contractors, or consultants); or (c) payment of travel expenses. [SAM]
3. The secretary/bookkeeper should ensure that all Capital Cash reimbursable expenditures are posted to the budget reimbursement account – xx20101 L201. When reimbursement checks are received, the secretary/bookkeeper should ensure that all items posted to account – xx20101 L201 were included on the reimbursement check. Adjusting journal entries to xx20101 L201 should be made when items recorded in xx20101 L201 are not reimbursed (e.g. sales tax, gifts for staff). [SAM, BBP]
4. Expenditures that are submitted through Capital Cash/Budget Reimbursement and are charged to a grant must comply with the grant requirements. [SAM]

Camp and Club Accounts

Purpose: To ensure that cash receipts and expenditures are accurately recorded and district assets are safeguarded relating to Camp and Club account activities.

1. The following IFAS-SA accounts should be set up to properly account for before and after school day care programs:
 - Account xx20401 L204 should be used to post parent payments and other Camp receipts. [SAM]
 - Account xx20501 L205 should be used to record Camp expenditures to be reimbursed from the Camp budget (000-0-0-CMP-XX). Budget Reimbursement account xx20101 L201 may be used in lieu of account xx20501 L205. [SAM, AP]
2. All Camp funds received from parents and other sources must be remitted to Finance each month. The budget adjustment account 000-0-0-CMP-XX-EBAJ is used to record these funds in IFAS. [SAM]
3. Appropriate records should be maintained by the Camp Director to show that all Camp funds received from parents are recorded on attendance and payment logs and are remitted to the school secretary with a cash receipt form for bank deposit. [BBP]
4. The secretary/bookkeeper should provide staff advisors with IFAS-SA Detail Trial Balance/Query Accounts (QA) reports each month whenever there is club account activity. A reconciled copy of the CAMP QA IFAS-SA report must be provided to the school principal for review. [SAM]
5. Staff advisors should review their club account transactions and balances for accuracy based on their retained Cash Receipt forms, invoices, and club records. The principal should ensure staff is aware of their responsibility to review their account transactions and balances for accuracy. [SAM]

Fund Raising

Purpose: To ensure that fund raising events are adequately monitored, fund raising revenues are properly deposited, and expenditures are reasonable and appropriate. [AP 7.22]

1. The principal should provide prior approval for all fund raisers by signing fund raising request forms submitted by the staff advisor. [SAM]
2. The principal should obtain approval from their Regional Director of School Support for fundraisers anticipated to generate revenue of \$5,000 or greater. [SAM]
3. All fund raising transactions must be conducted through the school's checking account and reflected in the school's General Ledger. This includes every receipt and disbursement. No cash payments to vendors are allowed. [SAM]

4. Fund raising financial report forms should be completed by the staff advisor and submitted to the secretary/bookkeeper within one week after the completion of the fund raiser. The principal should ensure that properly completed Fundraising Request and Report forms are on file for all fund raising events. [SAM]

5. The school principal should review the completed fund raising form to ensure that [SAM]:
 - a. The fund raising activity was completed within the approved time frame.
 - b. Actual revenue was similar to expected revenue.
 - c. Profit was reasonable (fund raising profit margins are typically 35-50%).
 - d. The financial report was submitted by the staff advisor immediately following completion of the event.
 - e. Expenditures are reasonable and consistent with the purpose of the fund raiser.

6. If the school has a PTA/PTO that records their activity on IFAS-SA, all such fundraising activities must be in accordance with the same rules as a school fundraiser. If the PTA/PTO is a recognized parent organization that maintains their own financial records [AP 7.22, BBP]:
 - a. All fund raising needs the approval of the principal before proceeding with any activity.
 - b. The treasurer should provide the principal with a financial report for each event.
 - c. All monies collected should be deposited into the PTA/PTO bank account on a regular basis and shall not be kept in an individual's bank account.
 - d. The principal should ensure that two individuals authorize all expenditures.
 - e. The principal should ensure that no members on the PTA/PTO receive a salary or any other type of compensation.
 - f. Financial statements should be prepared for fund raising activities upon completion of all financial transactions related to the fund raising activity.
 - g. The treasurer should prepare and distribute a financial report to the parent group at least once each semester. The report should detail the receipts and expenditures for each respective period.
 - h. The principal should meet with the PTA/PTO president or treasurer at least once a semester to review financial statements and bank statements and to discuss PTA/PTO financial activities.
 - i. Copies of PTA/PTO annual financial reports and fund raising activity reports must be forwarded to the Department of Finance.

Other Expenditures and Controls

Purpose: To ensure that assets are adequately safeguarded and protected from risk of loss.

1. To the extent possible, different employees should be assigned to: [SAM, FS #6, AP 3.06]
 - Counting cash
 - Depositing cash
 - Recording receipts/expenditures
 - Reconciling IFAS-SA balance sheet and checkbook to bank statements

Authorizing payments/reimbursements to principal
Receiving fixed assets and recording fixed assets in IFAS

2. No staff at any school should have a credit card or debit card in the school's name. [SAM]
3. The principal should avoid conflicts of interest; e.g., hiring a friend or family member to work for the school. [FS #3, AP 3.06]
4. Paramount to a strong internal control environment is staff knowledge of the MPS School Accounting Manual (SAM), MPS Financial Standards (FS), and Board Administrative Policies and Procedures (BAP). These documents are available on the MPS portal for schools to use as a reference and to assist schools when conducting financial transactions. The Office of the Chief Financial Officer provides training classes pertaining to the conduct of school financial operations which should be attended by school leaders, secretaries and bookkeepers. [BBP]
5. Whenever a theft occurs, Principals should report it immediately to their Administrative Specialist. The Administrative Specialist can help determine if it is necessary to 1) report the theft to the police and 2) relieve the employee of his/her responsibilities. [SAM]
6. The principal should ensure that all travel outside the Milwaukee metropolitan area is entered on IFAS and reconciled within 15 days of trip completion. No trips for a school or department will be approved if that school or department has any trips that have not been reconciled on IFAS. [SAM, TPPM]
7. The principal should ensure that all open encumbrances are reviewed and monitored. Open encumbrances that are no longer needed should be reversed by contacting the Department of Finance.
8. School budgets should be managed and controlled to maximize benefits allowed under the financial standards. Principals are responsible for: determining that expenditures are necessary, reasonable and ordinary; payments are timely to take advantage of discounts and to avoid finance charges; using appropriate account codes; establishing and authorizing purchasing procedures; retaining adequate funding levels throughout the fiscal year; and aligning budget preparation with the school's educational plan. The principal should monitor the monthly responsibility reports to ensure sufficient funds are available for operating expenses. Schools should seek higher rates of return by investing in Certificates of Deposit when appropriate. [SAM, FS #1, AP 7.30, BBP]
9. The principal should meet with the Department of Finance to discuss strategies to eliminate deficits and, if required, develop a multi-year plan to reduce and eventually eliminate the deficit. [BBP]
10. When goods and services have been negotiated by Purchasing under blanket contracts, ordering from the blanket contract vendor is mandatory. If a blanket agreement does not

exist, IFAS Dashboard procedures including applicable Quick Quote and Purchase Requisition (PR) must be followed. Ordering goods from a blanket contract not on Punch Out is done by entering a PR in IFAS, printing out the resulting Purchase Order (PO), and sending the PO to the vendor. When items from vendors are physically received at schools, staff must electronically “receive” them in IFAS (POUPRC). Services should not begin prior to contract signing. [SAM, FS #4, BBP]

II. Fixed Asset Management

Purpose: To ensure that district assets are recorded, safeguarded, and protected from risk of loss.

1. The principal should ensure that all new fixed assets are recorded on IFAS, tagged, and secured within 30 days of receipt. [FS #10, AP 3.06]
2. A separate file should be maintained that contains all documents relating to the acquisition and disposal of fixed assets. [AP 3.06]
3. Periodically during the school year, random audits should be made to determine if assets are still in use or if they should be removed from the IFAS fixed asset register. A physical inventory of all fixed assets must be completed prior to the end of each school year. [FS #10, AP 3.06]
4. Equipment loan forms should be utilized and properly completed for all district assets loaned to staff. [SAM]

III. Payroll Exception Reporting

Purpose: To ensure that employee pay is accurate and appropriate and district assets are safeguarded.

1. The principal should establish site security designating the principal as the only person with online payroll system access to approve the payroll. Passwords must not be shared. [SAM, FS #2, AP 3.06]
2. The principal must approve bi-weekly payroll for all personnel under their authority in the district’s PeopleSoft system. [Thursday Updates 8/28/14]
3. The principal must review and sign a hard copy of the “Print My Unapproved Time” (PUTR) to indicate approval. A hard copy of the “Print My Approved Timesheets” must be printed, signed and retained. [SAM, FS#2]
4. The principal must validate non-hourly employees in PeopleSoft each Monday following a payday Friday. If there are employees on the PeopleSoft list that do not work at your site, you will need to identify them by selecting the **Do Not Pay** box so they can be removed from your staff roster. Print and attach the confirmation email to the corresponding payroll as proof

that the validation of non-hourly employees has been completed. [Thursday Updates 8/28/14 and 2/12/15, FS#2]

5. Other compensation such as overtime and extra pay must be documented properly, reviewed, and signed by the principal. Time sheets should list the employee's name, pay period, dates worked, tasks completed, time worked, and number of hours worked. Time and Effort reports for grant funded positions must be prepared and submitted to the Department of Finance. [SAM, BBP]
6. Principals should review payroll accounts each pay period to verify 1) personnel being paid are school employees, 2) personnel are being paid only for hours worked and 3) personnel are being paid at the correct rate. [SAM]