

PUBLICATION OF FINANCIAL REPORTS

Each month the schedule of bills allowed by the board shall be published in a newspaper designated as a newspaper for official publication. Annually, the total salaries paid to employees regularly employed by the school district shall also be published in a newspaper designated as a newspaper for official publication.

It shall be the responsibility of the board secretary to publish these reports in a timely manner.

Legal Reference: Iowa Code §§ 279.35, .36; 618 (2005).
1952 Op. Att'y Gen. 133.

Cross Reference: 206.3 Secretary-Treasurer

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AUDIT

To review the funds and accounts of the school district, the board shall employ an auditor to perform an annual audit of the financial affairs of the school district. The superintendent shall use a request for proposal procedure in selecting an auditor. The administration shall cooperate with the auditors.

Legal Reference: Iowa Code § 11.6 (2005).

Cross Reference: 701 Financial Accounting System
707 Fiscal Reports

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INTERNAL CONTROLS

The Board expects all board members, employees, volunteers, consultants, vendors, contractors, students and other parties maintaining any relationship with the school district to act with integrity, due diligence, and in accordance with all laws in their duties involving the school district's resources. The board is entrusted with public dollars and no one connected with the school district should do anything to erode that trust.

Internal control is the responsibility of all employees of the school district. The superintendent, business manager and board secretary shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, financial impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor, or the superintendent, or an audit committee member. The superintendent and audit committee member shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the board's legal counsel, auditing firm, and other internal or external departments and agencies, including law enforcement officials, as the superintendent and audit committee member may deem appropriate.

Employees bringing forth a legitimate concern about a potential impropriety will not be retaliated against and those who do retaliate against such an employee will be subject to disciplinary action up to, and including, discharge.

In the event the concern or complaint involves the superintendent, the concern shall be brought to the attention of the board vice-president, and audit committee member who shall be empowered to contact the board's legal counsel, insurance agent, auditing firm, and any other agency to investigate the concern or complaint.

Upon approval of the board, the superintendent, or audit committee member may contact the State Auditor or elect to employ the school district's auditing firm or State Auditor to conduct a complete or partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The superintendent is authorized to order a complete forensic audit if, in the superintendent's judgment, such an audit would be useful and beneficial to the school district. The superintendent, and audit committee member shall ensure the State Auditor is notified of any suspected embezzlement or theft pursuant to Iowa law. In the event, there is an investigation, records will be maintained for use in the investigation. Individuals found to have altered or destroyed records will be subject to disciplinary action, up to, and including termination.

NOTE: For more detailed discussion of this issue, see IASB's Policy Primer, Vol. 19 #4- May 24, 2006.

Legal References: American Competitiveness and Corporate Accountability Act of 2002,
Pub. L. No. 107-204.
Iowa Code ch. 11, 279.8 (2009).

Cross References: 707.6 Audit Committee

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Code No. 707.5R1

Fraud, financial improprieties, or irregularities include, but are not limited to:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling of money or reporting of financial transactions.
- Profiteering because of “insider” information of district information or activities.
- Disclosing confidential and/or proprietary information to outside parties.
- Accepting or seeking anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.
- Destroying, removing, or inappropriately using district records, furniture, fixtures, or equipment.
- Failing to provide financial records to authorized state or local entities.
- Failure to cooperate fully with any financial auditors, investigators or law enforcement.
- Any other dishonest or fraudulent act involving district monies or resources.

The superintendent, and audit committee member shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the superintendent, and audit committee member, or board vice-president if the investigation centers on the superintendent, shall issue a report to the board and appropriate personnel. The final disposition of the matter and any decision to file or not file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with district legal counsel. The results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know until the results are made public.

Legal References: American Competitiveness and Corporate Accountability Act of 2002,
Pub. L. No. 107-204.
Iowa Code ch. 11, 279.8 (2009).

Cross References: 707.6 Audit Committee

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AUDIT COMMITTEE

The board recognizes that it is charged with raising tax revenues and related expenditures to maintain the educational program for the school district. Public funds are held in trust by the board to be spent appropriately on the educational program. To further ensure funds are spent appropriately, the board establishes an audit committee to assist the board on internal financial matters and with the annual audit.

The audit committee is comprised of:

[List members that may include board members, administrators and public members. It's recommended that there be a balance between internal and external members.]

The audit committee chair is selected by *[either the board or the audit committee – insert appropriate process.]*

The major responsibilities of the audit committee are to:

- Recommend an auditor to the board *[insert frequency, every three years, annually, etc.]*.
- Oversee the selection of the independent auditor and the resolution of audit findings including compliance with the mandatory request for proposal process.
- Act as a liaison between the board and the auditor during the audit process.
- Annually report to the board about the annual audit.
- Recommend internal changes that may need to be made to ensure appropriate internal controls are being implemented.

The audit committee will meet as directed by its chair. The audit committee is subject to the open meetings law.

Legal References: American Competitiveness and Corporate Accountability Act of 2002, Pub. L. No. 107-204.
Iowa Code ch. 11, 279.8 (2009).

Cross References: 208 Ad Hoc Committees
707.5 Internal Controls

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CARE, MAINTENANCE AND DISPOSAL OF SCHOOL DISTRICT RECORDS

School district records shall be housed in the central administration office of the school district. It shall be the responsibility of the superintendent to oversee the maintenance and accuracy of the records. The following records shall be kept and preserved according to the schedule below:

- Secretary's financial records Permanently
- Treasurer's financial records Permanently
- Minutes of the Board of Directors ... Permanently
- Annual audit reports Permanently
- Annual budget..... Permanently
- Permanent record of individual pupil..... Permanently
- Records of payment of judgments Against the school district 20 years
- Bonds and bond coupons 10 years
- Written contracts 10 years
- Cancelled warrants, check stubs, bank statements, bills, invoices, and related records 5 years
- Recordings of closed meetings..... 1 year
- Program grants As determined by the grant
- Nonpayroll personnel records 7 years
- Payroll records 3 years

Employees' records shall be housed in the central administration office of the school district. The employees' records shall be maintained by the superintendent, the building administrator, the employee's immediate supervisor, and the board secretary.

An inventory of the furniture, equipment, and other nonconsumable items other than real property of the school district shall be conducted annually under the supervision of the superintendent. This report shall be filed with the board secretary.

The permanent and cumulative records of students currently enrolled in the school district shall be housed in the central administration office of the attendance center where the student attends. Permanent records must be housed in a fireproof vault. The building administrator shall be responsible for keeping these records current. Records of students who have graduated or are no longer enrolled in the school district shall be housed in the high school principal's office. These records will be maintained by the high school principal.

The superintendent may microfilm or microfiche school district records and may destroy paper copies of the records if they are more than three years old. A properly authenticated reproduction of a microfilmed record meets the same legal requirements as the original record

Legal Reference: City of Sioux City v. Greater Sioux City Press Club, 421 N.W.2d 895 (Iowa 1988).
 City of Dubuque v. Telegraph Herald, Inc., 297 N.W.2d 523 (Iowa 1980).
 Iowa Code §§ 22.3, .7; 279.8, .15, .16; 304 (2005).
 281 I.A.C. 12.3(6).

Cross Reference: 206.3 Secretary-Treasurer
 218 Board of Directors' Records
 401.6 Employee Records
 506 Student Records
 901.1 Public Examination of School District Records

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INSURANCE PROGRAM

The board will maintain a comprehensive insurance program to provide adequate coverage against major types of risk, loss, or damage, as well as legal liability. The board will purchase insurance at replacement values, when possible, after reviewing the costs and availability of such insurance. The comprehensive insurance program shall be reviewed once every three years. Insurance will only be purchased through legally licensed Iowa insurance agents.

The school district will assume the risk of property damage, legal liability, and dishonesty in cases in which the exposure is so small or dispersed that a loss does not significantly affect the operation of the education program or financial condition of the school district.

Insurance of buildings, structures, or property in the open will not generally be purchased to cover loss exposures below \$1,000 unless such insurance is required by statute or contract.

The board may retain a private organization for fixed assets management services.

Administration of the insurance program, making recommendations for additional insurance coverage, placing the insurance coverage and loss prevention activities shall be the responsibility of the superintendent. The purchasing manager shall be responsible for maintaining the fixed assets management system, processing claims and maintaining loss records.

Legal Reference: Iowa Code §§ 20.9; 85.2; 279.12, .28; 285.5(6), .10(6); 296.7; 298A; 517A.1; 670.7 (2005).
1974 Op. Att'y Gen. 171.
1972 Op. Att'y Gen. 676.

Cross Reference: 205.2 Board Member Liability
804 Safety Program

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INSURANCE REPORT

At the annual meeting each year, the board shall receive a written report indicating the types, amounts of, and cost of the insurance for the school district. This report shall include bonds purchased for employees and board officers. It shall be in written form and sent to the board with the agenda for the board meeting.

It shall be the responsibility of the board secretary to file this report with the board.

Legal Reference: Iowa Code § 279.8 (2005).

Cross Reference: 709.1 Insurance Program

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SCHOOL FOOD PROGRAM

The school district will operate a school food program in each attendance center. The school food program services will include hot breakfast and lunches through participation in the National School Lunch Program and supplementary foods for students during the school day. Students may bring their own food from home and purchase milk or juice and other incidental items.

School food service facilities are provided to serve students and employees when school is in session and during school-related activities. They may also be used under the supervision of the food services director for food service to employee groups, parent-teacher meetings, civic organizations meeting for the purpose of better understanding the schools, and senior citizens in accordance with board policy.

The school food program is operated on a nonprofit basis. The revenues of the school food program will be used only for paying the regular operating costs of the school food program. Supplies of the school food program shall only be used for the school food program.

The board will set, and periodically review, the prices for school meals and special milk programs. It shall be the responsibility of the superintendent to make a recommendation regarding the prices of school meals and milk.

It shall be the responsibility of food services director/s to administer the program and to cooperate with the superintendent and head cook for the proper functioning of the school food program.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (1994).
7 C.F.R. Pt. 210 *et seq.* (2002).
Iowa Code ch. 283A (2005).
281 I.A.C. 58.

Cross Reference: 710 School Food Services
905.3 Use of School District Facilities and Equipment

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FREE OR REDUCED COST MEALS ELIGIBILITY

Students enrolled and attending school in the school district, who are unable to afford the special milk program, the cost or a portion of the cost of the school lunch, breakfast and supplemental foods, will be provided the school food program services at no cost or at a reduced cost.

It shall be the responsibility of the central office to determine if a student qualifies for free or reduced cost school food services. Students, whom the principal believes are improperly nourished, will not be denied the school food program services simply because the paperwork has not been completed.

Employees, students and others will be required to purchase tickets for meals consumed.

It shall be the responsibility of the superintendent to develop administrative regulations for implementing this policy.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (1994).
7 C.F.R. Pt. 210 *et seq.* (2002).
Iowa Code ch. 283A (2005).
281 I.A.C. 58.

Cross Reference: 710 School Food Services

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VENDING MACHINES

Food served or purchased by students during the school day and food served or purchased for other than special circumstances shall be approved by the superintendent. Vending machines in the school building shall be the responsibility of the building principal. Purchases from the vending machines, other than juice machines, shall not be made during the lunch periods.

It shall be the responsibility of the superintendent to develop administrative regulations for the use of vending machines and other sales of food to students.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (1994).
7 C.F.R. Pt. 210 *et seq.* (2002).
Iowa Code ch. 283A (2005).
281 I.A.C. 58.

Cross Reference: 504.6 Student Fund Raising
710 School Food Services

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