

FISCAL MANAGEMENT – INTERNAL CONTROLS

The RSU13 Board of Directors has a compelling interest in the sound fiscal management of the school system. To that end it will ensure that internal control practices are in place so that District goals and objectives are accomplished; laws, regulations and good business practices are complied with; assets are protected; and accurate and reliable data are maintained.

RSU13 will continuously assess its financial condition to ensure that it will end the school year with an operating surplus or a planned deficit. It will maintain a reasonable level of fund balance, with the unreserved, undesignated fund balance being no more than 4% of the subsequent year's budget at the end of the year. The District's available fund balance should exceed its total reserves. The Board will provide a separate policy to account for all aspects of the District's reserves, including but not limited to capital, debt service, special ordinances, special requests of the community and other designations to meet the every day and long-term needs of the District.

The District's accounting system will facilitate the preparation of monthly financial reports and the year-end financial statement. All accounting transactions, including journal entries, will be supported by adequate documentation showing the amount, reason and supervisory approval. All accounting records for all funds will be kept up-to-date and balanced monthly. Revenue, expenditure, payroll, and general ledger detail reports will be printed at the end of the year and retained. Trial balance reports will be printed for all funds and reviewed account-by-account on a monthly basis and any exceptions noted will be investigated and adjusted as necessary.

All accounts will conform to the Maine Department of Education's required format and will be uniquely identifiable by code, as prescribed or recommended by the Department of education.

The District will provide for the adequate separation of duties for collections, cash receipts, deposits, cash disbursements, disbursement approval, transaction recording and bank and account reconciliations. Account receivable billings and reconciliations will be reviewed periodically for accuracy and so noted. The Board will ensure the monthly reconciliation of its bank account, which will include noting old outstanding checks to be defined as those uncashed for 60 or more days from date of issue. Such checks will be placed on a tracking list, and, if uncashed as of 90 days, will be voided and so noted, and only reissued upon receipt of proof of identity. A file of vendor I-9s will be kept current and accurate and reviewed annually

RSU 13 will provide employees of the business department with a manual of established internal control practices for school districts to serve as a guide for its operations.

Adopted: 6/5/14