

POLICY TITLE: FINANCIAL MANAGEMENT

Goals

Since educational programs are dependent on adequate funding and the proper management of those funds, Agency goals can best be attained through efficient fiscal management. As Trustee of local, State, and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the Agency must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of Agency management and operation.

In the Agency's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended;
2. Establish levels of funding which shall provide superior education for the Agency's students;
3. Provide timely and appropriate information to staff who have fiscal responsibilities; and
4. Establish efficient procedures in all areas of fiscal management.

Financial Fraud and Theft Prevention

All Agency employees, Board members, consultants, vendors, contractors and other parties maintaining a business relationship with the Agency shall act with integrity and due diligence in matters involving Agency fiscal resources.

The Chief Executive Officer shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety or fiscal irregularities within the Agency. Every member of the Agency's administrative team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her areas of responsibility.

The Chief Executive Officer 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. While investigating and responding to the financial fraud allegations, the Chief Executive Officer or Chair of the Board will give priority to avoiding possible retaliation or reprisals.

Staff Responsibilities

Any employee who suspects that financial fraud, impropriety, or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Chief Executive Officer/designee who shall have the primary responsibility for initiating necessary investigations. Additionally, the Chief Executive Officer shall coordinate investigative efforts with the Agency's legal counsel, auditing firm, and other internal or external departments and agencies, including the county prosecutor's office and law enforcement officials, as the Chief Executive Officer may deem appropriate.

An employee who believes they have suffered reprisal, retaliation, or discrimination for a report under this policy shall report the incident(s) to the Chief Executive Officer/designee. The Board will attempt to ensure that no employee who makes such a report will suffer any form of reprisal, retaliation, or discrimination for making the report. Employees are prohibited from preventing or interfering with those who make good faith disclosures of misconduct. This policy shall not apply when an employee knowingly makes a false report.

In the event the concern or complaint involves the Chief Executive Officer, the concern shall be brought to the attention of the Chair of the Board who is hereby empowered to contact the Agency's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

Definition

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

- Behaving in a dishonest or false manner in relation to Agency assets, including theft of funds, securities, supplies or other Agency properties.
- Forging or altering financial documents or accounts illegally or without proper authorization.
- Improper handling or reporting of financial transactions
- Personally profiting as a result of insider knowledge
- Disregarding confidentiality safeguards concerning financial information
- Violating Board conflict of interest policies
- Mishandling financial records of Agency assets (destroying, removing or misusing)

Internal Controls

The following internal controls shall be a regular practice of the Agency in an effort to prevent the possibility of fraud:

- Budgetary Transfers. The transfer of appropriations is important for the Chief Executive Officer, purchasing agent, and Business Manager, and all should have written confirmation of the information. The purchasing agent shall be apprised if the transfer has been approved, and the Business Manager shall document and record it.
- Business Manager's Receipts. The Business Manager should have receipts and numbered duplicates for everything paid out in his/her custody.
- Checks. The Business Manager shall keep personal custody of any signature stamps and maintain a log for every check written.
- Audit. An individual not connected to the business office should audit the check register during the Agency's annual audit.
- Conduct background checks on potential business office employees. Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted.
- Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.

LEGAL REFERENCE:

I.C. § 33-701 et seq. Fiscal Affairs of School Districts

POLICY HISTORY:

Adopted: 12/16/2013
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