

October 16, 2015

To: Budget Committee

From: LaDonna Radel, Accounting Specialist

RE: Internal Controls

As part of the job duties of my position as Accounting Specialist, I was tasked with updating and improving Internal Controls documents. The following is a timeline of the process.

PLANNING

To introduce District Administration and Budgetary Administrative staff to the Internal Control process, a PowerPoint presentation on internal controls was developed, based on information provided at the March 2015 WASBO Accounting Conference and research into best practices.

A format for Internal Controls was designed to identify the purpose, staff managing the process, applicable reference material (legal, BOE Policies), and detailed procedures. The development process for each document would include:

- Initial draft, developed by the Accounting Specialist
- First Draft Review by 3-4 Budgetary Administrative Assistants and/or Business Office Staff
- Updates to First Draft made based on comments and suggestions by Review Team
- Second Draft shared with all Budgetary Administrative Assistants
- Updates to Second Draft, as needed
- Final Review by Business Manager
- Final, approved Internal Control emailed to Budgetary Administrative Assistants and Administrators and posted on the Business Services for Staff webpage

PRIORTIZING

The following areas were identified as priorities for creating the initial group of Internal Controls:

- Bid Requirements/Purchases of \$5,000+
- Credit Card Use and Management
- Administrative Staff/Support Staff Reimbursement
- Cash Boxes/Event Ticket Sales Reconciliation

Additionally, Board of Education policies were identified for updating or creation as follows:

- BOE Policy 661.4 Non-Sufficient Fund Payments (created)
- BOE Policy 664 Cash in School Buildings (updated)
- BOE Policy 671.2 Expense Reimbursement (updated)
- BOE Policy 672.1 Bid Requirements (updated)
- BOE Policy 673.1 Credit Card Program (created)

IMPLEMENTATION

- On May 6, 2015, Steve Summers shared the Internal Controls PowerPoint presentation with the Budget Committee.

- On May 12, 2015, Steve Summers shared the Internal Controls PowerPoint presentation at a Budgetary Administrative Assistants Meeting. Budgetary Administrative Assistants were provided with a draft of the Internal Control for Purchases of \$5,000+ and BOE Policy 672.1 Bid Requirements.
- On May 20, 2015, Steve Summers shared the Internal Controls PowerPoint presentation at the monthly Cabinet meeting. Cabinet members were also provided with a draft of Internal Controls for “Purchases of \$5,000+” and BOE Policy 672.1 Bid Requirements to share the format and scope of the processes that will be coming in the future.
- On June 8, 2015, the Skyward approval process was modified to require a secondary level of approval for all purchase orders of \$5,000+. The secondary approver is the Accounting Specialist who reviews the request for required bid/exemption notes, correct account coding and attached documentation. Purchases with BOE approval must include a date of the board meeting where approval was given. Purchases requiring District Administrator approval are printed and to Randy Guttenberg. If approved, the signed requisition copy is attached to the request in Skyward and the Purchase Order is then approved by the Accounting Specialist.
- On August 6, 2015, the following draft documents were given to Budgetary Administrative Assistants at their group meeting:
 - Credit Card User Procedures, Management and Reconciliation, Credit Card Audit, Credit Card Request (including forms for District Credit Card Use Log and Administrator Approval for Credit Card Transactions)
 - Journal Entries (including request form)
 - Purchase of \$5,000+
 - Purchase Order Approvals
 - All drafts of proposed BOE Policies (identified above)

Feedback on drafts of Internal Controls and BOE Policies were requested from all Budgetary Administrative Assistants. Implementation date for these Internal Controls was identified as Monday, August 11, 2015.

- On August 6, 2015 a new Requisition group, 775 Admin. Reimbursements, was added for any reimbursement requests entered by or on behalf of any administrator, administrative support staff or administrative assistant staff. These reimbursement Purchase Orders are processed by the Accounting Specialist to ensure independent review of these requests.
- On August 13, Steve Summers and LaDonna Radel met with Athletic Department staff (Aaron May, Jen Lockman and Sue Patz) to discuss cash boxes and reconciliation at athletic events. A draft of an event ticket sales reconciliation report and ticket seller instructions was given to the Athletic Department staff to review for their input. The draft form was used at the first varsity football game of the season on August 21st and the first soccer game of the season on August 25th. Business Office staff worked at the football game and monitored the initial use of the form. Based on feedback from the workers as well as the Athletic Department, changes to the form were made and a final format is now being used at all ticket booths/table at high school athletic events. Two event workers count and reconcile their cash box as soon as ticket sales close for the event and the completed cash receipt report is submitted with the cash deposit to the Accounts Payable Specialist.
- As of today’s date, the following Internal Controls have been implemented. These documents are also included in this report for your review.

- Credit Card User Procedures, Management and Reconciliation, Credit Card Audit, Credit Card Request (including forms for District Credit Card Use Log and Administrator Approval for Credit Card Transactions)
- Purchases of \$5,000+
- Cash Box/Event Ticket Sales Reconciliation
- Administrator/Support Staff Reimbursement group
- Updated Expense Reimbursement policy

NEXT STEPS

Internal Control documents currently being drafted include:

- Purchase Order Audit Process
- Federal Grant Procedures
- Inventory of \$5,000+ items
- AP Process

A Master List of Internal Control documents has been drafted to include targeted areas for creating Internal Controls. The goal is to create a manual to be provided and available to all staff to clearly identify procedures and responsibilities as they relate to the identified areas. A draft of that document is included with this report.

We are also researching the use of RevTrack as a means to collect funds electronically for a variety of fees (booster clubs, t-shirt purchases, prom tickets, fundraising events, etc.). The use of an electronic system would reduce cash/check handling in district buildings and increase efficiency in the deposit of funds.

If there are questions regarding any of these procedures or the process of creating and implementing Internal Controls, I am happy to provide more information.

Documents attached:

- Credit Cards:
 - User Procedures
 - Requesting a Credit Card
 - Management and Reconciliation
 - Audit
- POs Over \$5,000 Bid Requirements
- Athletic Department Cash Receipt Form & Event Worker Instructions
- Draft of Master List of Internal Control documents



CREDIT CARD USE

USER POLICIES AND AGREEMENT

PURPOSE AND INTENT OF THE CREDIT CARD PROGRAM

The Credit Card program has been established to provide another purchasing option, particularly when a vendor does not accept ACH payments, and to reduce the paperwork and handling costs associated with the payment of these purchases. The Credit Card Program delegates the authority and capability of purchasing items directly to the designated cardholders, allowing them to acquire materials faster and more efficiently. The Credit Card program is NOT intended to circumvent or replace the standard purchasing procedures of the District. It is every employee's responsibility to be aware of and comply with the District's administrative procedures and policies regarding purchasing.

MANAGED BY

- Employee/Credit Card User
- Cardholder
- Building/Department Budgetary Administrative Assistant
- Building/Department Administrator

APPLICABLE DISTRICT POLICIES

All Credit Card purchases must comply with District policies and procedures including, but not limited to:

- Purchasing = Policy No. 672
- Bidding Requirements = Policy No. 672.1
- Credit Card Program = 673.1

Tax Exempt Status

The Credit Card user will inform the vendor that the purchase is NOT subject to sales tax. The District Tax Exempt Certificate (S-211) is available on the Business Services/Vendors web page. A District Tax Exempt card is also available from your **Budgetary Administrative Assistant**. It will be the **Credit Card User's** responsibility to promptly coordinate reimbursement from the vendor for any tax charges. Furthermore, the **Credit Card User** will be required to reimburse the District for vendor tax charges if they are responsible for the error and the charge cannot be corrected.

Credit Card Spend Limits

Purchases may not be split to avoid authorization limits set on the card or District Policy limits for bidding/solicitation.

Failure to Comply with Policies and Procedures

The **cardholder** is ultimately responsible for all transactions completed on their issued card. Any misuse/abuse of the Credit Card, failure to comply with policies and procedures or careless use of a Credit Card may result in suspension from the Credit Card program and/or disciplinary action which could include termination of employment. All Credit Cards issued to staff, buildings, and departments are the property of the District and can be withdrawn by the District at any time. A **cardholder** who makes unauthorized purchases or carelessly uses the Credit Card may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the card issuer in

connection with the misuse. Ongoing audits will be performed by the **Business Services Department** to ensure cardholders are in compliance with the policies and procedures. Prompt cooperation with audits by cardholders is mandatory.

In Brief

A Credit Card **IS**:

- Authority granted by the District to specific employees for official District use only
- Authorized for use with only certain categories of vendors and products/services
- A restricted use credit card

A Credit Card **IS NOT**:

- A means to avoid appropriate purchasing or payment procedures
- A card to access cash or credit
- A right of employment
- For personal use

TYPES OF CREDIT CARDS

Administrator: Each administrator is issued a credit card with their name and “WCS D” embossed on the card along with the District’s Tax Exempt ID number. Use of this card is restricted to the named administrator or their **Budgetary Administrative Assistant**. All charges to this credit card must be noted on the District Credit Card Use Log.

Building/Department: Building/department cards are each issued a credit card with their building or department name and “WCS D” embossed on the card along with the District’s Tax Exempt ID number. Employees may request use of a building/department credit card through the **Budgetary Administrative Assistant**, using the District Credit Card Use Log.

Employee: If warranted, a Credit Card may be issued in the name of a district employee. If a district employee has a Credit Card issued in their name, the Credit Card will be embossed with the employee’s name and “WCS D” along with the District’s Tax Exempt ID number. **Only the named user may charge any transaction on their card.** Use of an Employee-issued credit card by anyone other than the named employee is strictly prohibited. Allowing others to submit transactions on an employee-issued credit card may result in the credit card being cancelled.

PROCEDURES

PRIOR TO USING A CREDIT CARD

Any person requesting to use a Credit Card must first read the Credit Card Use—User Policies and Agreement and sign the WCS D Credit Card Issuance Form.

Use of the Credit Card shall be limited to the following conditions:

- The total value of a good or service shall NOT exceed a cardholder’s purchase limit(s) as established by the **Business Manager**.
- All items purchased “over the counter” must be immediately available at the time of Credit card use. No backordering of merchandise is allowed.
- All orders should be shipped before a billing transaction occurs on the Credit card.

- The cardholder shall inform the vendor that the purchase is NOT subject to sales tax, as the District is tax exempt. The user will be required to reimburse the District for any WI sales taxes charged.
- Never provide your Credit card number to a person who calls or emails you. The user should initiate all transactions.

Unauthorized Transactions. You may NOT use your Credit Card for:

1. Personal purchases (use of the card for personal identification is prohibited)
2. Purchases intended to bypass any District purchasing procedures or policies
3. Purchases split to circumvent purchase limits or competitive pricing/bidding requirements
4. Business related meals and/or travel not authorized by the cardholder's supervisor
5. Capital equipment purchases (unit cost of \$5,000 or more) unless specifically authorized by the Business Manager
6. Telephone calls
7. Alcoholic beverages, drugs or pharmaceuticals
8. Insurance
9. Hazardous materials (except for Maintenance Department)
10. Leases or rentals of facilities or property
11. Purchases that require a contract unless contract has been preapproved and signed by the Business Manager
12. Consultants or temporary help
13. Services from a "Tax Reportable" or "1099" vendor. A tax reportable or 1099 vendor is defined as an individual, sole proprietorship or limited partnership who is paid more than \$600 for services. All medical and/or attorney's fees are considered tax or 1099 reportable, regardless of their status
14. Purchases from companies outside of the United States, unless specifically authorized by the Business Manager
15. Parking tickets, speeding tickets, or other vehicular tickets or fines.
16. Fuel for your personal vehicle during business travel. Fuel and mileage incurred during approved business travel using your personal vehicle will be reimbursed through the Skyward purchase order process. If business travel is done in a District-owned vehicle, fuel may be purchased using a Credit Card.
17. Purchases that are not permitted under District policies and procedures

CARDHOLDER SPENDING LIMITS / MERCHANT RESTRICTIONS

Restrictions and blocks are set up by the District through the banking entity. Attempts to make restricted or blocked transactions will be declined, and such transactions are monitored and reportable to the District from the banking entity. These restrictions/blocks include, but are not limited to:

- **Cash advances** are blocked on all cards.
- **Spending Limits** are established on every card by the District. Each card will have a monthly cumulative spending limit and limit for the total purchase price of each transaction. Every time the card is used these limits are reviewed and updated by the bank, and the authorization request will be declined if the amount is in excess of either of these limits. It is the cardholder's responsibility to know their monthly purchase limit, single purchase limit, and to be aware of their current account balance. Purchasing limits are supplied to new cardholders during orientation/training.

- **Merchant Category** restrictions are set up specifically for each card. These limit the types of vendors where the card can be used. If you have questions about these restrictions, contact the **Accounts Payable Specialist**.
- Occasionally, a unique situation may require a purchase that exceeds a cardholder's established limits. If a cardholder requires a different card limit, please email the **Business Manager** your request. Please include the limit you would like your card to be set at, the reason why you need to change your limit, and the date you will need your new limit to be available. The **Business Manager** will email approval to the **Accounts Payable Specialist** who will contact the bank.

PERSONAL LIABILITY AND YOUR CREDIT RATING

The use of the Credit Card results in District liability, NOT a personal liability for the cardholder. Your credit rating will not be affected. However, remember that you have signed an agreement with the District prior to receiving the card and, as such, you are responsible for any misuse of the card as outlined in this manual and administrative procedures and policies.

PURCHASING CHECKLISTS BY ORDER METHOD

Cardholders should utilize the following checklists for the various methods of purchasing:

NOTE: Prior to using a credit card for any purchase, please check with the vendor to see if they will accept a Purchase Order with ACH payment. This is the preferred method of payment for the District.

► In Store Purchases (“over-the-counter”)

1. Before visiting the vendor location, make sure the vendor accepts credit cards.
2. Inform the vendor that the District is tax exempt. The exempt number is CES 047263. At some stores you will need to go to customer service in order for tax not to be charged to your credit card. Some known places that you need to go to customer services verses a regular checkout line are Walmart, Office Max, Staples, and Best Buy. Check with your **Budgetary Administrative Assistant** to check-out any store-specific tax exempt cards already on file with the district (examples: Walmart, Home Depot, JoAnn Fabrics, etc.)
3. Review cash register and Credit Card receipts prior to signing for purchase to ensure:
 - sales tax was not charged
 - any discount offered was included
 - total purchase price is correct
4. All items purchased “over the counter” must be immediately available at the time of purchase. No backordering of merchandise is allowed.
5. Retain documentation: cash register receipt or invoice and “customer copy” of the charge receipt showing detail of purchase. See “Receipts and Reimbursements”.

► Telephone Orders

1. When placing telephone orders, always inquire about and confirm the following before a final purchase is made:
 - that the order is tax exempt, and the vendor's policy on tax exempt purchases
 - if the goods or services are available and meet specifications
 - the cost of shipping and handling to be applied to your transaction
 - an estimated delivery date
 - any special delivery requirements the vendor may require

- complete shipping address including order number, that directs the purchase to your name, school/building name, and phone number; ***ask that this information be included on the shipping label and packing slips.*** Shipment to locations other than district building locations is strictly prohibited.
 - Request that an order acknowledgement and/or shipping notification be sent to your e-mail address or faxed to you to provide additional documentation for your records.
2. Retain written documentation detailing vendor, date, name of person order was placed with and telephone number, line item detail of each item ordered, total cost including shipping, order number supplied by the vendor, and anticipated delivery date. See “Receipts and Reimbursements”.
 3. To ensure complete and compliant record keeping, details of the order acknowledgement/receipt must be given to your **Budgetary Administrative Assistant** when the Credit Card is checked in.
 4. Advise the staff member at your site who receives merchandise, of the vendor’s name, anticipated delivery date, number of boxes expected, carrier (UPS, FedEx, etc.) and to notify the **Budgetary Administrative Assistant** when delivery is made.

► Internet Orders

1. Only purchase items from companies that are reputable and creditable. If you know nothing about the company, please refrain from ordering from them.
2. When entering credit card information, make sure you are on a secure site. For example: on Internet Explorer you should be able to see a little locked padlock in the lower right hand corner of your computer screen.
3. Remember school district purchases are tax exempt. If tax is added onto your order prior to your checkout, you should cancel the order and call the company to arrange for a tax exempt purchase.
4. Make sure that the information you enter into the vendor’s shipping information will direct the purchase to your attention, including the school/building name and address where you are located when the item is shipped. Shipment to locations other than district building locations is strictly prohibited.
5. Make sure you receive an itemized receipt for your purchase. See “Receipts and Reimbursements”. This receipt is to be provided to your **Budgetary Administrative Assistant** when the Credit Card is checked in.

► Fax Orders

Fax orders are strongly discouraged, as we have no control over the security at the building where the fax is being sent. Faxing Credit Card orders should only be done if all other methods cannot be utilized. If you do find yourself in the unique situation of having to fax an order with your Credit Card information on it, follow these guidelines:

1. Never leave the form unattended so that others that use the machine will not have access to your confidential card information. If your fax machine automatically generates a fax confirmation sheet, retain this confirmation sheet if it contains any part of your card information.
2. Retain a copy of the fax order form in your purchasing card envelope, kept in a secure location.
3. Call vendor and confirm receipt of fax order that includes card account number.
4. Request a receipt and shipping notification be sent to your e-mail address or faxed to you to provide additional documentation for your records. See “Receipts and Reimbursements”. Provide the receipt to your **Budgetary Administrative Assistant** when the Credit Card is checked in.

► Mail Orders

Mail orders are strongly discouraged, as we have no control over the security at the building where the mail is being sent. Mailing Credit Card orders should only be done if all other methods cannot be utilized. If you do find yourself in the unique situation of having to mail an order with your Credit Card information on it, follow these guidelines:

1. Retain a copy of the mailed order form in your purchasing card envelope, kept in a secure location.
2. Call vendor and confirm receipt of mailed order that includes card account number.
3. Request a receipt and shipping notification be sent to your e-mail address or faxed to you to provide additional documentation for your records. See "Receipts and Reimbursements". Provide a copy of the mailed order form to your **Budgetary Administrative Assistant** when the Credit Card is checked in. Provide the receipt to your **Budgetary Administrative Assistant** when the confirmation is received.

RECEIPTS AND REIMBURSEMENTS

The District requires an itemized receipt for each purchase. Check your receipts immediately to confirm they meet district policy. If the detail does not provide itemization of charges, request a detailed receipt immediately. If you did not obtain an itemized receipt, contact the vendor and request an itemized copy. Many vendors can look up charge information based on reference information on the summary receipt. If a receipt is lost, you should contact the vendor to obtain a duplicate receipt. Summary receipts are not accepted as documentation for any transaction.

If the vendor is unable or unwilling to help you, the following applies:

- Pay the entire bill personally by sending payment when you submit your credit card receipt/statement to your **Budgetary Administrative Assistant**.
- Do not ask your **Budgetary Administrative Assistant** to make an exception as they must follow District policy for transaction approval or denial.

Waunakee Community School District purchases are tax exempt; therefore, tax should not be charged to District purchases. **If you were charged tax on your credit card, you have two options.**

1. Contact the vendor to ask for the tax to be reimbursed to your Credit Card. Submit the original receipt to your **Budgetary Administrative Assistant** with the sales tax circled and the date the vendor was contacted for credit. You are responsible to follow up with the vendor to assure credit is received in a timely manner. If tax is not credited, you are responsible for reimbursing the district for amount of sales tax charged.
2. Pay for the sales tax personally by enclosing the correct tax amount when you submit your credit card receipt/statement to your **Budgetary Administrative Assistant**. Circle the sales tax charged on the receipt and indicate that you are reimbursing the district and the date.

NOTE: Do not ask your **Budgetary Administrative Assistant** to make an exception as they must follow District policy for transaction approval or denial.

RETURNS, CREDITS AND DISPUTED ITEMS

If you have a problem with a purchased item or a billing resulting from use of the Credit Card, you should first try to reach a resolution with the vendor that provided the item. In most cases, disputes can be resolved directly between the **user** and the vendor.

The **user** is responsible for following up with the vendor on any erroneous charges, disputed items or returns, as soon as possible. Disputed billings can result from: failure to receive the goods, defective merchandise, incorrect amounts, duplicate charges, credit not processed, as well as fraud and misuse. If you suspect fraud is involved, contact the **Accounts Payable Specialist** immediately at extension 2010. If you do not talk directly to the **Accounts Payable Specialist**, please call the **Business Manager** at extension 2491.

► Credits

Contact the vendor and request that a credit be placed on your card account; you may need to refer to your original card receipt. If the item was shipped, maintain records of the return shipment (tracking number for UPS, FedEx or USPS).

Request a credit memo to be sent to you via email, fax or U.S. Mail. Credit documentation must be provided to your **Budgetary Administrative Assistant** along with the original transaction documentation.

► Returns

If an item is not satisfactory, a wrong item is delivered, damaged and/or defective, duplicate order, etc., the cardholder should make contact with the vendor to explain the problem and get a credit issued. The cardholder should follow the return policies established by the vendor and the District. Record the return on the original receipt and submit any credit memos issued by the vendor along with that receipt to your **Budgetary Administrative Assistant**. Any item purchased with the Credit Card that is returned **MUST** be returned for credit. Do **NOT** accept a refund in cash or by check. The credit may appear on a subsequent statement. If the credit appears on a subsequent statement, the charge will be processed to your account in the current month and the credit applied during the month the transaction appears on the Credit Card statement.

If the goods are shipped, have the vendor send a credit memo. Be sure to look for the credit on your statement. Maintain records of the return shipment (tracking number for UPS, FedEx or USPS) as proof of return.

► Disputed Items

If you have a disputed charge and cannot reach resolution with the vendor, please contact the **Accounts Payable Specialist** at extension 2010 for more information.

Note: Make sure to submit documentation of credits, returns, and exchanges to your **Budgetary Administrative Assistant**, or attach electronically to each transaction in Skyward.

RECONCILIATION

Credit Card transactions must be reconciled and the credit card statement sent to the Business Office by the 25th of the month. Credit Card receipts, credit memos or any other documents are to be given your **Budgetary Administrative Assistant** when the Credit Card is checked in after use. Notify your **Budgetary Administrative Assistant** of any pending credits and provide documentation of the return. Follow up with your **Budgetary Administrative Assistant** to ensure the credit has been received in a timely manner.

If you have a Credit Card issued in your name, you may have the ability to electronically attach documentation and enter accounting information to submit your transactions for approval.

The employee submitting the charges cannot also approve the transaction(s). All transactions must be reviewed and approved through the Skyward system by the **Budgetary Administrative Assistant**. If the required documentation is not supplied, the **Budgetary Administrative Assistant** will notify the **Administrator** and the **Accounts Payable Specialist**. The **Administrator** will notify you that your credit card use is being suspended until approved documentation is received.

If you have not resolved any receipt/tax issue by the 30th of each month, your card will be suspended. You will receive an email from your **Administrator** indicating that your card is suspended and can no longer be used. Your card may be reactivated after the issue has been resolved.

The second time a receipt/tax is not attached or received by the deadline date; your card will be suspended until reactivation is approved by the **Business Manager**.

CARD SECURITY

By requesting use of a Credit Card, you accept responsibility to safeguard the Credit Card and account number. A District Credit Card should be treated with the same level of care and discretion as you use with your personal credit cards. The security of District Credit Cards is very important. A violation of the requirements listed below, or other behaviors which pose a risk to the security of the Credit Card will result in loss of privileges, including the employee having his/her card withdrawn and possible disciplinary action up to and including termination of employment.

Do not lend your card to anyone. Building/Department Credit Cards must be signed out using the District Credit Card Use Log for your Building/Department card which is managed by the **Budgetary Administrative Assistant**. Only employees who have signed the WCSD Credit Card Issuance Form may sign out and use the Credit Card. Credit Cards may not be signed out on behalf of any other user. Employees with Credit Cards issued in their name are strictly prohibited from lending their card to any other user.

Guard your Credit Card and your card number carefully. Do not write or communicate your card account number in a location that is accessible to others. Maintaining a copy of credit card information (photo copy, hand-written, etc.) is strictly prohibited.

Review your Credit Card statement carefully. Ensure no unauthorized purchases were made.

Card Security Tips:

- When you are not traveling on official District business, the card should be retained in a secure location other than your personal billfold or purse.
- A canceled card should be destroyed by cutting it in several pieces. The canceled card is to be returned to the **Accounts Payable Specialist**.
- When presenting your card for purchases, provide your District ID or driver's license to identify yourself.
- Sign the back of an individual-issued card.
- Do not provide your card account number to unsolicited marketing calls.

REPORTING LOST OR STOLEN CARDS

If a Credit Card is lost or stolen, the cardholder must immediately notify the Bank of Montreal at 1-800-361-3361. Once the Bank of Montreal has been notified, promptly notify the **Accounts Payable Specialist** at extension 2010 in the Business Office.

RANDOM AUDITS

The **Accounting Specialist** will perform both intentional and random audits of purchasing card usage. The primary purpose of these audits is to ensure adherence to the Credit Card Program Manual, and Board of Education policies and procedures.

Notification of audit discrepancies will be delivered to the cardholder via e-mail. Upon receiving notification of an audit of transactions on your Card, follow the instructions contained in the e-mail notification. Documentation copies and written explanation of expense(s) are required to be forwarded to the Business Manager within 7 business days of receiving the notification. Compliance with the audit is mandatory and failure to provide needed documentation or respond to request will result in disciplinary action.

The audit process will review for potential violations of these policies and procedures including, but not limited to:

- Intentional splitting of transactions to circumvent the single purchase or cumulative transaction limits.
- Consistently delinquent reconciliation of account transactions
- Personal use of the Credit Card
- Allowing unauthorized use of the Credit Card
- Purchase of prohibited products, services, or merchandise outlined in policies and procedures
- Failure to pay inadvertent personal charges placed on Credit Card
- Failure to submit requested documentation from previous internal audits
- Failure to collect reimbursement of tax charges from vendors
- Fraudulent transactions with a vendor
- Lack of proper documentation for transactions

WHAT IF I TRANSFER TO ANOTHER DISTRICT SITE OR LEAVE THE SCHOOL DISTRICT?

Leaving employment with the District: If you leave the school district, you must return your Credit Card to your building/department **Budgetary Administrative Assistant**. The **Budgetary Administrative Assistant** will cut the card in half and return it to the **Accounts Payable Specialist** who will cancel the card. Returned Credit Cards are not reissued to other employees for use.

CONTACT LIST

DISTRICT CONTACTS:

The following resource persons are available to provide assistance, answer questions, or help solve any problems that arise:

Accounts Payable Specialist:

Rebecca McDonough / Phone 849-2010 / E-Mail rmcdonough@waunakee.k12.wi.us

- Resource for all questions about the Credit Card Program and its related policies and procedures.
- Assistance with Credit Card billing and account management.
- Skyward interface
- Receives and processes new Credit Card applications.
- To be notified of lost or stolen cards immediately after bank is alerted.

Accounting Specialist: LaDonna Radel / 849-2426 / lradel@waunakee.k12.wi.us

- District Credit Card Auditor
- Resource for questions about policies and procedures

Business Manager: Steve Summers / 849-2491 / ssummers@waunakee.k12.wi.us

- Reviews all new applications; approves or declines
- Reviews all requests for card or transaction limit adjustments
- Reviews all requests to temporarily change merchant restrictions

BANK OF MONTREAL / HARRIS BANK CONTACT NUMBERS:

Primary Number: 1-800-263-2263

- For general inquiries regarding your account

Lost/Stolen Card Number: 1-800-361-3361

- To report a lost or stolen card
- For emergency replacement of a card
- Note: notify the **Accounts Payable Specialist** of a lost/stolen card as soon as you have alerted the bank.

Rev. 8/10/2015

Waunakee Community School District

Credit Card Issuance Form

The Waunakee Community School District is pleased to present you with a Credit Card or use of a site card. It represents Waunakee Community School District's trust in you and your empowerment as a responsible agent to safeguard and protect our assets.

I acknowledge receipt of the Credit Card Procedure Manual and confirm that I have read and understand the terms and conditions. I agree I will promptly review and reconcile my Credit Card Transactions as outlined in the Credit Card Manual (if applicable).

I understand that the Waunakee Community School District is liable to the card issuer for all charges against this card.

I agree to use this card for Waunakee Community School District approved purchases only and agree not to charge personal purchases. I agree to immediately indemnify the Waunakee Community School District for any improper or unauthorized purchases and for all cost and expenses (including attorneys' fee and expenses) incurred by the District in recovering improper or unauthorized expenditures.

I understand the Waunakee Community School District will audit the use of this card and report any discrepancies. I understand that I am responsible for correcting any discrepancies found. I further understand that improper use of this card may result in appropriate disciplinary action.

I understand that the Waunakee Community School District may terminate my right to use this card at any time and for any reason. I agree to return the card to the Waunakee Community School District immediately upon request or termination of my employment.

Employee Signature _____

Print Name _____

Building/Department _____

Date _____

Witnessed by: _____

Date: _____



REQUEST FOR CREDIT CARD INDIVIDUAL OR BUILDING-BASED

PURPOSE

To establish consistent procedures for requesting and approving a District Credit Card to an individual (department-based use) or administrator (building-based use).

MANAGED BY

- Business Manager
- Accounts Payable Specialist

PROCEDURES

The **Business Manager** shall determine whether an employee should be issued a Credit Card in their name or if the employee should use a building card.

- If a Credit Card is to be assigned, the requestor should forward the application to the **Business Manager** in the Business Office.
- The **Business Manager** shall confirm whether or not the employee will be considered for cardholder privileges.
- When the Business Office receives the Credit Card, it will be forwarded along with a Credit Card Procedures and User Agreement Manual to the building/department **Budgetary Administrative Assistant**. The card will not be issued to the cardholder until the employee has read and signed the Credit Card Issuance form.
- Signature of this Issuance form acknowledges that the cardholder understands the procedures and responsibilities of the Credit Card.

The **Accounts Payable Specialist** shall maintain all records of Credit Card applications, issuance forms, limits, and lost/stolen/destroyed card information.

CREDIT CARD AGREEMENT

The issuance of a Credit Card is strictly prohibited prior to receipt of a signed agreement from the employee. An employee must sign the Credit Card agreement prior to receiving a Credit Card.

FORMS

- WCSD Credit Card Application

Waunakee Community School District Credit Card Application

Instructions: Complete the information requested on this form and submit to the Business Office.

Cardholder's Name:	School/Department:
Cardholder Phone: (____) _____	Cardholder Email Address:
Credit Card Limit Request Amount: _____	Check One: <input type="checkbox"/> Employee Assigned Card <input type="checkbox"/> Building/Department Card

The Credit Card is intended for best-judgment purchases. Purchases made with a credit card must comply with district purchasing procedures.

The Purchasing Card **MAY NOT** be used to purchase the following:

- Personal Purchases or identification
 - Cash Advances
 - Services from a "Tax Reportable (1099) " Vendor , Consultants or temporary help
 - Purchases intended to bypass District purchasing procedures
 - Purchases split to circumvent purchase limits or competitive price solicitation (bidding) requirements
 - Meals, travel or entertainment expenses, **unless specifically authorized by budget holder**
 - Alcoholic beverages, drugs or pharmaceuticals
 - Purchases that are not permitted under District purchasing procedures
 - Computer hardware, software or peripherals, **unless specifically authorized by the Technology Director**
 - Telecommunications equipment (i.e. phones or cellular phones) or telephone calls, **unless specifically authorized by Financial Services**
 - Insurance
 - Purchases that require a contract
 - Leases/Rentals of facilities/property
- For more information, please see the Credit Card Procedure Manual***

Non-adherence to any of the procedures, as outlined in the Credit Card Procedure Manual, may result in revocation of individual Cardholder privileges and other appropriate disciplinary actions.

As an applicant of the Waunakee Community School District Credit Card, I understand the responsibility for the protection and proper use of this card as detailed above and as written in the Credit Card Procedure Manual. I understand I will be making financial commitments on behalf of the district and will strive to obtain the best value. I agree to read the Credit Card Procedure Manual prior to issuance of the card.

X _____
Applicant/ Cardholder Signature Date Signed

NOTE: Tax-exempt number CES 047263 District Credit Card is not to be used for personal use.

I approve the issuance of a Credit Card to this District employee and acknowledge responsibility for overseeing the proper use of the card.

Issue Credit Card in applicant's name

X _____
Cardholder's Supervisor/Administrator Date Signed

X _____
Business Manager Date Signed



CREDIT CARD MANAGEMENT AND RECONCILIATION

PURPOSE

To define the roles and responsibilities of the building/department **Budgetary Administrative Assistant** and **Administrator** in managing and reconciling Administrator and Employee-assigned Credit Cards

MANAGED BY

- Budgetary Administrative Assistants
- Building/Department Administrators

PROCEDURES

► BUDGETARY ADMINISTRATIVE ASSISTANT'S ROLE

New User Orientation

The **Budgetary Administrative Assistant** will provide training to new users/new cardholders as follows:

- Provide the user/cardholder with copy of the "Credit Card Use – User Policies and Agreement"
- Have the user/cardholder complete and sign the WCSD Credit Card Issuance Form, and witness the signature, maintaining the original signed copy in a secure file.
- Instruct cardholders of monthly reconciliation process and train in Skyward use, as appropriate
- Instruct users in Credit Card check-in and check-out procedures and answer any questions they may have regarding credit card use and policy.

Credit Card Administration

The **Budgetary Administrative Assistant** is responsible for maintaining the District Credit Card Use Log as follows:

- Administrator credit card use is restricted to the named administrator and their Administrative Assistant.
- Only approved users may check out a Building/Department Credit Card.
- The location of use, intended purchase and estimated amount must be noted along with the check out date.
- When the Credit Card is checked in, check the receipt for compliance with District policy. The user should write their name and budget(s) to be charged. This information is used as documentation for the Credit Card transaction in Skyward.
- Any discrepancies must be noted on the receipt and Credit Card Use Log when checking in the Credit Card.
- Following procedures in the Credit Card Use – User Policies and Agreement, the **Budgetary Administrative Assistant** will collect funds for unapproved charges (example: sales tax) and deposit them into the account that was charged for the transaction. Include cash receipt batch number in the Notes on the District Credit Card Use Log.

Administrator Transactions

- Administrators are required to follow the same policies and procedures as other employees using a Credit Card
- The **Budgetary Administrative Assistant** will review all **Administrator** transactions for compliance with District policy. If any discrepancies are found, the **Budgetary Administrative Assistant** will notify the **Business Manager** via email. The **Business Manager** will contact the **Administrator** to request reimbursement for unapproved charges. Repeated non-compliance will be reported to the **District Administrator** and which may result in suspension of Credit Card use.

Skyward Credit Card Transaction Entry and Approval

NOTE: Credit card charges of \$5,000+ must follow Board of Education Policy, including attaching appropriate documentation and entering Notes regarding Bid or Bid Exempt purchases.

Credit Card transactions are pulled from BMO Harris into the Skyward Accounts Payable-Credit Cards system every Monday. The **Budgetary Administrative Assistant** will process these transactions as follows:

- Match each transaction appearing on the Credit Card statement with transactions listed in Skyward to confirm there are no discrepancies
- The description of the transaction should summarize the purchase. A reference for this is the “Intended Purchase” listed on the District Credit Card Use Log, or other descriptive summary. Include the First initial and last name of the user at the end of the description.
- Assign the account number(s). Check account for available funds. If funds are not available, notify **User** and **Administrator**. Adjust account number(s) as necessary.
- Confirm the receipt/documentation provided meets District policy. Note any discrepancies on the document prior to scanning. Attach the electronic copy to the transaction.
- Add a Note to list any discrepancies with the credit card charge. Use the following Categories:
 - Credit Pending/Received (include details in description)
 - Reimbursement Required (include amount and date of reimbursement as well as cash receipt batch number)
 - Sales Tax to be Reimbursed (include amount and date of reimbursement as well as cash receipt batch number)
 - Notes (Used to document transaction information that is useful for historical purposes. (Example: account number if an administrator is allowing the charge to be made to an account other than the user’s regular budget)
- Approve the transaction to complete the process for monthly reconciliation
- After all transactions that are on the monthly statement are approved, complete “Administrator Approval of Credit Card Transactions” form for Administrator’s review and signature
- Forward signed form and Credit Card Statement to the **Accounts Payable Specialist** by the 25th of the month.

► BUILDING/DEPARTMENT ADMINISTRATOR’S ROLE

The building/department **Administrator** will support and enforce all District policies and procedures regarding use of their Administrator Credit Card, or any Credit Card issued in the name of an employee under their supervision.

Transactions Not Complying with District Policy

When employee transactions do not comply with District policy, the **Budgetary Administrative Assistant** will notify the **Administrator**. An email is to be sent by the **Administrator** to the user regarding the unapproved expense. The first notice is to remind the user of their obligation to follow the Credit Card Use – User Policies and Agreement, and request reimbursement of unapproved expenses. The second notice will instruct the user that their Credit Card privileges have been suspended due to repeated transactions that do not comply with District policy. The **Accounts Payable Specialist** will be copied on the email and will suspend the card accordingly, confirming the suspension with the **Administrator** and **Budgetary Administrative Assistant** via email.

Review and Approval of Statement Transactions

The **Administrator** will review all transactions on the monthly statements for the Administrator Credit Card, and for any Credit Card issued in the name of an employee under their supervision. The **Administrator** will sign a monthly statement to be attached to each Credit Card statement, approving payment of all charges, and documenting any unapproved charges that are to be reimbursed. It is the responsibility of the **Administrator** to work with the **Budgetary Administrative Assistant** to follow up with employees or Credit Card users to ensure reimbursements are collected and deposited.

The **Administrator** whose name is on the Credit Card is not allowed to approve their own transactions. Transactions made by an **Administrator** must follow the Skyward Credit Card Transaction Entry and Approval process. The **Administrator** will not direct the **Budgetary Administrative Assistant** to make exceptions to this process.

► BUSINESS MANAGER'S ROLE

The **Business Manager** will support and enforce all District policies and procedures regarding use of any District Credit Card. Discrepancies in charges made by an **Administrator** are to be reported to the **Business Manager**, who will contact the **Administrator** to request reimbursement or corrective measures. Repeated non-compliance will be reported to the **District Administrator** and which may result in suspension of Credit Card use.

FORMS

- District Credit Card Use Log
- Administrator Approval of Credit Card Transactions

Est. 8/1/2015



CREDIT CARD AUDIT

PURPOSE

To establish procedures for auditing credit card transactions to assure compliance with district policy

MANAGED BY

- Accounts Payable Specialist
- Accounting Specialist
- Business Manager

PROCEDURES

▶ ACCOUNTS PAYABLE SPECIALIST

- Confirms that all monthly transactions are submitted and approved through Skyward prior to processing payment.
- Confirms receipt of statements and Administrator Approval forms from all cardholders prior to processing payment.
- Provides monthly credit card transaction report to Board of Education treasurer along with statements for review.
- Forwards credit card statements and Administrator Approval forms for all cardholders to the **Accounting Specialist** for review and auditing purposes.

▶ ACCOUNTING SPECIALIST

- Conducts monthly audits credit card transactions to monitor compliance with district policy:
 - Random Transactions Audit: Exports monthly charges from all credit cards from Skyward into Excel and, using an automated process, randomly selects 5% of transactions for auditing, confirming appropriate account codes and attachments. Notes each transaction that is audited and results (in compliance, reimbursement required, etc.).
 - Random Statement Audit: Reviews all charges of two statements, chosen at random, for compliance with Board of Education policy. Notes audit date and compliance or discrepancies on the statement.
 - Audit of all credit card transactions of \$5,000+ to ensure
 - Results of both audits are provided to the **Business Manager** for monthly review.
- Follows up with **Budgetary Administrative Assistants** and **Administrators** on any required reimbursements or other compliance issues to ensure resolution to any issues.

▶ BUSINESS MANAGER

- Reviews results of monthly audits.
- Reports repeated non-compliance to **District Administrator**



Waunakee Community School District Business Office Procedures

PURCHASE ORDERS - \$5,000+

PURPOSE

To define procedures for purchases of \$5,000 and above in order to ensure compliance with **BOE Policy 672.1**.

MANAGED BY

- Budgetary Administrative Assistants
- Accounting Specialist
- District Administrator and Board of Education

PROCEDURES

Purchase Order Entry

Any purchase order submitted with a total cost of \$5,000 or above must include documentation attached electronically which shows that competitive pricing has been sought. *Examples: letter sent to vendors along with the list of vendor names/addresses; competitive bids received.* These documents are to be attached to the purchase order using the Attachment category of “Bid Requirement”.

PO Number Attachments

Add PO Number Attachment for PO Number 7201100068

Type: Bid Requirement PO

Entered Date: 04/22/2015

Entered Time: 10:10 AM

Entered By: LADONNA M RADEL

Description: Competitive Bids from Company A, Company B and Company C attached

Attached File: Upload a New File Scan in a New File

Email to Vendor with Purchase Order

Save Back

NOTE: Purchases may not be split on separate purchase orders to circumvent purchase limits or competitive pricing/bidding requirements.

Exemptions

Any purchase that is exempt from the bidding requirement as outlined in BOE Policy 672.1 must be noted as such by selecting the appropriate “Note” category in Skyward.

Description	Source
Bid Exempt: CESA contract	PON
Bid Exempt: Emergency Circumstances/approved byBOE	PON
Bid Exempt: Prof Service Contract/Agreement	PON
Bid Exempt: Replacement parts	PON
Bid Exempt: State of WI contract	PON
Bid Exempt: Textbooks, prepared educ. kit	PON

The **Budgetary Administrative Assistant** is responsible for reviewing the purchase order to ensure that it complies with all Board of Education policies, including adequate funds availability, correct account coding, and appropriate documentation, prior to approving the requisition.

Upon approval of the **Budgetary Administrative Assistant**, the Skyward system will automatically forward the purchase order to the **Accounting Specialist**. The **Accounting Specialist** will review the requisition for compliance and proceed with final approval, based on requirements of BOE Policy 672.1, as follows:

Purchases over \$25,000:

The Purchase Order and attached documentation will be provided to the **Board of Education** by the **Business Manager**. If the Board approves the purchase, documentation of their approval will be electronically attached to the Purchase Order and the order will be approved in Skyward by the **Accounting Specialist**.

Purchases over \$10,000:

The Purchase Order and attached documentation will be provided to the **District Administrator** by the **Accounting Specialist**. If the **District Administrator** approves the purchase, they will sign the Purchase Order. This document will be electronically attached to the Purchase Order and the order will be approved in Skyward by the **Accounting Specialist**.

Purchases over \$5,000:

The Purchase Order will be approved in Skyward by the **Accounting Specialist**.

The Skyward system will send a system-generated email to the person who entered the purchase order, notifying them of the approval of their request.

Requests that do not comply with Board of Education Policy 672.1 and do not have appropriate attachments and/or notes included in the Skyward system will be denied.

Rev. 5/11/2015

Waunakee Community School District Athletic Department Cash Receipt

ATHLETIC OFFICE USE ONLY:	
Date	
Event	
Cash Box #	
Start Up Cash	
Verified By	

EVENT WORKER

CASH BOX		A
Step 1	Remove Starting Cash Amount from cash box & place in envelope (Try to keep amounts close to original starting cash)	
Step 2	Count Remaining Cash & Tally Amounts Below	
Checks		
\$100		
\$50		
\$20		
\$10		
\$5		
\$2		
\$1		
\$1 coin		
\$.50		
\$.25		
\$.10		
\$.05		
\$.01		
Step 3		
TOTAL PROFIT		

TICKET SALES		B
Ticket Color		
Ticket End #		
Ticket Begin #		
Total # of Tix Sold		
Cost of Ticket		
TOTAL \$ (# tix X cost)		

Special Events		C
Event:		
# of Coupons		
Cost of Coupon		
TOTAL # x Cost		

CASH RECONCILLIATION		D
A. Total Profit		
B. Total # of tickets sold x Ticket Price		
C. Total Coupons (# x Cost)		
Difference (if any)		

VERIFICATION: Your signature below certifies that the information on this form is true and accurate.	
Printed Name	
Ticket Taker Signature	
Date	
Printed Name	
Ticket Taker Signature	
Date:	

THANK YOU!!!

Please make sure you sign & turn in your time card!



ATHLETIC/BUSINESS OFFICE USE ONLY:	
Deposit Summary	
Currency	
Coins	
Checks	
TOTAL	
Account #	
Batch #	
Date	

EVENT WORKER INSTRUCTIONS AFTER GATE CLOSURES	
<input type="checkbox"/>	Report to High School Conference room to count out cash box.
<input type="checkbox"/>	Remove Starting Cash Amount from cash box & place in envelope provided (Try to keep amounts close to original starting cash)
<input type="checkbox"/>	Complete Section A
<input type="checkbox"/>	Complete Section B – Ticket Sales
<input type="checkbox"/>	Complete Section C – Special Events
<input type="checkbox"/>	Complete Section D - Cash Reconciliation Section
<input type="checkbox"/>	Complete Section E – Make sure to complete the Required Verification Signatures for the cash receipts.
<input type="checkbox"/>	Time Cards – Make sure that you complete, sign and turn in your time card
THANK YOU FOR WORKING THIS EVENT!	



ATHLETIC DEPARTMENT STAFF RESPONSIBILITIES FOR ATHLETIC EVENTS	
<input type="checkbox"/>	Set Up Cash Box for Event
<input type="checkbox"/>	Verify Start Up Cash
<input type="checkbox"/>	Enter the Beginning Ticket Number
<input type="checkbox"/>	Meet Event Workers in the High School Conference Room so they can process gate receipts
<input type="checkbox"/>	Secure Event Monies after Event
Athletic Office Responsibilities: Day Following Event	
<input type="checkbox"/>	Process Cash Receipts
<input type="checkbox"/>	Send Deposit to Business Office via District Courier
THANK YOU FOR ALL THAT YOU DO!	



DRAFT

MASTER LIST: INTERNAL CONTROL DOCUMENTS

Preface Internal Controls (Purpose)

Section I Budgeting

- 1.1 – Beginning of Fiscal Year
- 1.2 – End of Fiscal Year
- 1.3 – Funds
- 1.4 – Account Codes
- 1.5 – Budgetary Data Mining

Section II: Purchase Orders

- 2.1 – Purchasing Procedures
- 2.2 – Purchase Order Approval
- 2.3 – Purchase Order Audit
- 2.4 – Purchases \$5,000+
- 2.5 – Reimbursements
- 2.6 – Scholarships
- 2.7 – Sales Tax Exemption Qualifications
- 3.8 – Vendor Management

Section III: Cash Management

- 3.1 – Cash Box Reconciliation
- 3.2 – Petty Cash Accounts
- 3.3 – Refunds
- 3.4 – Cash Receipts
- 3.5 – Bank Deposits
- 3.6 – Fund Raising
- 3.7 – Fee Payments (Infinite Campus / RevTrack)
- 3.8 – Bank Accounts

Section IV: Credit Card Use

- 4.1 – Credit Card User Procedures
- 4.2 – Requesting a Credit Card
- 4.3 – Credit Card Management & Reconciliation
- 4.4 – Credit Card Audit

Section V: Clubs/Organizations

- 5.1 – District Based Accounts
- 5.2 – Independent Groups
- 5.3 – Fund Management
- 5.4 – Activities Procedures

Section VI: Federal Grants

- 6.1 – District Based Accounts
- 6.2 – Independent Groups

Section VII: Assets/Inventory

- 7.1 – Inventory Procedures for \$5,000+ items

Section VIII: Training/Back-Up Coverage

- 8.1 – Training Program for new Budgetary Administrative Assistants
- 8.2 – Ongoing Training for Budgetary Administrative Assistants
- 8.3 – Emergency/Back-Up Coverage Plan