

Shorewood School District
Operational Expectations Monitoring Document – OE-6

Disposition of the Board : **Date:** 1/10/17 **Re-monitoring:** _____

_____ In Compliance
_____ Not in Compliance
_____ Compliance with Noted Exceptions

Summary statement/motion of the Board:

President: _____ **Superintendent:** _____

Certification of the Superintendent: *I certify this report to be accurate*

Signed: _____, Superintendent **Date:** _____

Commented [RQ1]: Inconsistent format. Use the OE07 format for all OE reports.

OE-6: Financial Administration	Superintendent		BoE	
<p>The board values the financial support it receives through State and Federal aids, as well as local support through property taxes and other local sources of revenue. To that end, the Superintendent shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board's Results priorities or meeting any Operational Expectations goals; or risks the long-term financial health of the District.</p>	In Compliance*	Not in Compliance*	In Compliance	Not in Compliance
<p>Superintendent Interpretation:</p> <ul style="list-style-type: none"> • Financial activity shall mean any action conducted by District employees that is conducted on behalf of the District and sanctioned by the District and incurs a monetary cost. • Materially deviates shall mean causing the District to expend more in a budget category than the annual appropriation resolution adopted by the Board of Education or as amended by the Board of Education through supplemental appropriations. • Fiscal condition shall mean the cash flow position needed to meet financial obligations. • Long-term financial health shall mean the ability of the District to meet its monetary obligations for the current fiscal year and preserving a fund balance that provides for monetary requirements for the ensuing fiscal year. 				
Board Comments:				

OE-6.1 The Superintendent will assure that payroll and legitimate debts of the District are promptly paid when due.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> • Payroll shall mean monies owed to employees as a result of contracts with the District or services rendered. • Legitimate debts shall mean legal obligations due for goods or services performed in compliance with terms and conditions outlined in district policy, contracts or agreements. • Promptly paid shall mean covering District financial obligations within the time period noted in contracts, district policy and financing arrangements, and within a time period that maintains or improves the District's credit rating. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> • 100% of employees are accurately and timely paid in accordance with the terms and conditions outlined in the employee handbooks and applicable employee appendices. • 100% of payroll related liabilities are accurately and timely paid in accordance with timeframes established by the IRS, Wisconsin ETF and the Wisconsin Department of Revenue. • 100% of invoices are reviewed for completeness and appropriateness before a vendor is paid. Proof of receipt of materials or services is evident on the invoice. 100% of invoices are matched with the Purchase Order or Check Request to insure authorization of the purchase. • As part of the external audit process, the independent CPA firm finds no evidence of insufficient internal controls regarding processing and payment of payroll and other debts of the district. • 100% of the District long-term and short-term debts are paid in accordance with the bond debt service schedules. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -The District had no findings in the most recent annual financial statement indicating untimely or inaccurate payment of payroll, payroll related taxes, payroll related pension payments, payment of debt services, or payment of financial obligations of the district. -The District had no findings in the management communications 				

indicating untimely or inaccurate payment of payroll, payroll related taxes, payroll related pension payments, payment of debt services, or payment of financial obligations of the district. indicating untimely or inaccurate payment of payroll, payroll related taxes, payroll related pension payments, payment of debt services, or payment of financial obligations of the district.				
Board Comments:				

OE-6.2 The Superintendent will assure that all purchases are based upon comparative prices of items of similar value, including consideration of both cost and long-term quality.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> • All Purchases shall mean acquisitions that are in excess of \$5,000. Professional services are exempt. • Long-term quality shall mean effectiveness in meeting the purpose for which an item was purchased for a period of time greater than one year. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> • Purchases above \$5,000, but below the \$20,000 competitive bid threshold, are price-shopped and value-compared as measured by an annual survey of randomly selected high-dollar purchases conducted by the Finance Department. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> - <i>Evidence of compliance will be reported at the end of the fiscal year in an annual report of purchase orders submitted for approval exceeding \$5,000 with accompanying documentation of price comparison.</i> 				
Board Comments:				

OE-6.3 The Superintendent will use a competitive bidding procedure for the purchase of supplies, materials and equipment, and any contracted services except professional services, for all transactions in excess of \$20,000. Splitting orders to avoid application of this section is prohibited.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Competitive bidding shall mean a confidential process that compares like kind specifications for goods or services by various vendors for the most reasonable and responsible price. Professional services shall mean work provided by an individual or group of consultants that is not principally tied to the purchase of materials, supplies, or equipment. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> All competitively bid purchases of supplies, materials, or equipment in the amount of \$20,000 or more are awarded to the lowest responsible qualified vendor, taking into consideration the quality of materials (services) desired and their contribution to program. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> <i>Evidence of compliance will be reported at the end of the fiscal year in an annual report of expenditures exceeding \$20,000 with accompanying quote documents</i> 				
Board Comments:				

Commented [RQ2]: Are professional services provided only by consultants? What about attorneys, architects, etc?,

OE-6.4 The Superintendent will coordinate and cooperate with the Board's appointed financial auditor for an annual audit of all District funds and accounts.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Coordinate and cooperate with shall mean to provide all information to the auditors as requested to enable the auditors to present to the Board of Education an annual Comprehensive Annual Financial Report. All District funds and accounts shall mean all financial information and records contained in the accounting financial software. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> The Board appointed CPA firm performs the annual audit and presents an "Unqualified Opinion" report to the Board of Education prior to December 31st following the fiscal year end. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Annual District financial statement -Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

OE-6.5 The Superintendent will make all reasonable efforts to collect any funds due the District from any source.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Reasonable efforts shall mean internal procedures and contracted external efforts to include a variety of methods depending on amounts of uncollected funds. The cost (either monetarily and/or time resources) of collection efforts has been weighed against the amount to be collected and a purposeful decision has been made about whether or not to write off a receivable. Source shall mean funding mechanisms of state and federal government, customers, employees, vendors and any other financially related party. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> All funds due from the State and Federal Government are tracked and collected throughout the year. Uncollected funds have been processed through collection efforts, which may include reminder letters, penalties for late payments, collection agencies, liens and attorney involvement. The District passes the Wisconsin DPI auditors electronic financial data integrity check <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Low and Negative balance notifications are sent to the parent/guardian of students through the student information system -Fee balance reminders are included in parent/guardian communications through the school offices -State and Federal aids and local tax payment calendars are monitored by the District business office for timely remittance -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

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OE-6.6 The Superintendent will keep complete and accurate financial records by funds and accounts in accordance with Generally Accepted Accounting Principles.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> • Keep complete and accurate financial records shall mean the District will account for all financial resources and expenditures per the Financial Policies and Procedures account structure and report to the public using Generally Accepted Accounting Principles. • Generally Accepted Accounting Principles shall mean guidelines and standards for public school district financial reporting provided by the Federal Accounting Standards Board. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> • The independent financial auditors express an <i>“unqualified opinion”</i> on the basic financial statements and conformity with accounting principles generally accepted in the United States of America. • The audit report contains a fiscal year report of receipts and expenditures of each fund with designated program reports in accordance with the Financial Policies and Procedure Handbook and shall be in agreement with the audited financial statements of the school district • The District is in conformity with the financial reporting and audit process required by the Wisconsin DPI to ensure compliance with budgetary, accounting and reporting requirements. 				
<p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

Commented [RQ3]: How do you intend to measure this desired outcome?

OE-6.7 The Superintendent will publish a financial condition statement annually.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Publish a financial condition statement annually shall mean publishing a complete audit report conducted by a firm of licensed certified public accountants on the District website, and make that statement available to the public. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> The District publishes within six months of the close of each fiscal year a complete set of financial statements and a report consistent with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants The statements and report are published in print for the Board and copies made available to the public, and are posted for download on the District's website. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

OE-6.8 The Superintendent may not expend more funds than have been received in the fiscal year unless revenues are made available through other legal means, including the use of fund balances, the authorized transfer of funds from reserve funds or from tax anticipation notes.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Expend more funds than made available shall mean spend more money at the fund level than was budgeted and originally adopted by the Board or as amended by the Board of Education through supplemental appropriations. Legal means shall mean the use of appropriation resolution authorizing expenditures, use of fund balance, and transfers of interfund borrowing. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> Expenditures at the object level do not exceed appropriation amounts originally adopted, or as amended by the Board of Education through supplemental appropriations. There is no violation of state law or notification of a violation in connection with expenditures exceeding appropriations as determined by external auditors or the Wisconsin DPI. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

Commented [RQ4]: How will this be documented?

OE-6.9 The Superintendent will not indebt the District.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Indebt the District shall mean incurring long term (beyond the current year) financial obligations that are not planned for and approved by the Board or, in the case of a bond election or mill levy override, by the community. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance: We will know we are compliant when:</p> <ul style="list-style-type: none"> There are no long-term financial obligations or debts except those that have been approved by the <u>Board</u>. The external auditors make no reference to unapproved material obligations remaining unpaid 60 days after the close of the fiscal year. All operating or capital lease-financing arrangements that extend multiple years include non-appropriation clauses. <p>SUPERINTENDENT Evidence of Compliance: -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm</p> <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

Commented [RQ5]: How will all these indicators be documented? You say below that the audit will do the trick, but since there is no audit, there is no evidence.

OE-6.10 The Superintendent will not expend monies from reserve funds.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Reserve funds shall mean resources that are non-spendable, restricted, committed or assigned, and not included in the appropriation resolutions. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance: We will know we are compliant when:</p> <ul style="list-style-type: none"> Expenditures at the object level do not exceed appropriation amounts originally adopted, or as amended by the Board of Education through supplemental appropriations. There is no violation of state law or notification of a violation in connection with expenditures from reserve funds as determined by external auditors or the Wisconsin DPI. <p>SUPERINTENDENT Evidence of Compliance: -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm</p> <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

OE-6.11 The Superintendent will not permanently transfer money from one fund to another.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Permanently transfer shall mean to move monies other than cash flow between funds that are not paid back before the end of the current fiscal year. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> The District only transfers between funds with Board of Education authorization as approved by the adopted or revised annual budgets or subsequent resolutions. There are no violations of state law in connection with unauthorized transfers between funds as determined by external auditors or the Wisconsin DPI. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

OE-6.12 The Superintendent will not allow any required reports to be overdue or inaccurately filed.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Overdue or inaccurately filed shall mean all deadlines will be met or extension requested and reports will be filed as accurately as possible with the most current information and knowledge available. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> The District has presented financial information on a monthly basis to the Board of Education. The District has presented the audited financial statements to the Board and to other users of the information within the statutory timeframes. The District does not receive any letters of noncompliance in regards to late or inaccurate filings. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -The District business office publishes monthly expenditure reports to the board on the second monthly board meeting. -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				

OE-6.13 The Superintendent will not receive, process or disburse funds under controls that are insufficient under generally accepted accounting procedures.				
<p>SUPERINTENDENT Interpretation:</p> <ul style="list-style-type: none"> Controls that are insufficient shall mean the absence of providing reasonable assurance that establish and maintain processes and procedures to safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud to the best of its ability with the personnel assigned. 			In Compliance	Not in Compliance
<p>SUPERINTENDENT Indicators of Compliance:</p> <p>We will know we are compliant when:</p> <ul style="list-style-type: none"> The external auditors find there to be no material internal control weaknesses inherent in the District's financial system. <p>SUPERINTENDENT Evidence of Compliance:</p> <ul style="list-style-type: none"> -Compliance verified through the annual District financial statement -Compliance verified through the Management Communication from the District CPA firm <p><i>* The 2016 District Financial statement and Management communication is delayed due to the release of data from the Employee Trust Fund. Evidence of this expectation will be brought to the board once those documents are available for publication.</i></p>				
Board Comments:				