

Financial Procedures

Northern Kentucky Cooperative for Educational Services



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NORTHERN KENTUCKY COOPERATIVE FOR EDUCATIONAL SERVICES

Financial Procedures

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<http://nkces.org/employee-manuals-policies>

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Introduction

These procedures are provided as a working guide to the financial operations of the Northern Kentucky Cooperative for Educational Services (NKCES). It is intended that use of these procedures will further the goals of NKCES.

Because these procedures may not provide guidance in all situations, employees are to confer with their supervisor and/or the Executive Director should questions arise.

Section

1

Budget

04.1 AP.1 Budget Development

A budget will be prepared for each program annually. Development of the program budget will require the cooperative and active involvement of the Executive Director, the Bookkeeper, the Grant Writer, and the Program Director. The following procedures will be implemented:

Authorization – Some NKCES programs are funded primarily by federal and state grants, which are awarded annually. Formal notification or permission to proceed with planning will be issued by the funding agency, together with a projected program funding level. This may be in the form of a memorandum of understanding or some similar document.

Budget Preparation – The Program Director is primarily responsible for the preparation of the program budget and grant proposal. Consequently, the program budget and grant proposals will be prepared by the Program Director in consultation with members of the program staff and other persons designated by the Executive Director. Program budgets will be prepared using appropriate NKCES budget codes. The Program Director, as well as other staff responsible for preparing the budgets, will keep current with all applicable grant policies. This will require budget personnel to attend seminars and other trainings such as the Grants/Fiscal Management Seminars.

Financial Review – All budgets will be submitted to the Bookkeeper for review prior to being submitted to the funding agency. The Bookkeeper will, at minimum, do the following:

- Check the budgets for mathematical accuracy.
- Review budget for compliance with financial guidelines.
- Review for compliance with applicable laws and regulations.
- Recommend possible changes or improvements if needed.

Administrative Review – All budgets must be submitted to the Executive Director for review and approval before they can be included in funding applications.

Board Approval – The Executive Director will draft budgets to the Board of Directors for consideration and approval.

Budget Amendments – All changes, or requested changes to budgets, must be submitted to the Bookkeeper. Requests for change will be submitted by the Program Director to the appropriate Federal grants officer or other authorized official prior to making such changes.

Recordkeeping – The Bookkeeper will insure that approved budgets are on file for all grants and contracts.

04.1 AP.11 Budget Responsibilities

Each year, the Executive Director shall prepare for Board approval a draft NKCES Budget for the upcoming fiscal year that shall include the following:

1. Provide a program of services that will meet the needs of NKCES members.
2. Estimate the revenue for the fiscal year.
3. Calculate expenditures necessary to implement the program of services and other necessary functions, including reserves for major repairs and replacements.

As directed by the Executive Director, a budget will be prepared for each program operated by NKCES. Program budgets will be prepared based on individual cost elements (e.g., salaries, supplies, etc.). Program budgets must be submitted to the Executive Director for review prior to being submitted to a funding agency.

Requests to amend a program budget must be submitted to the Executive Director. Directors of programs funding by grants must submit change requests for approval prior to forwarding the request to the grant or funding source.

04.1 AP.2 Budget Planning Timeline

Month	Due Dates/Event	Date Completed
January	Program budgets submitted to Executive Director.	January 30
February	Executive Director presents to the Board of Directors the revenue projections for the upcoming fiscal year.	February board meeting
March	Executive Director presents draft NKCES budget plan, including estimated salary increases, to the Board for its review in keeping with NKCES priorities and the proposed services plan for the upcoming fiscal year.	March board meeting
March	Board reviews draft budget plan and establishes budget parameters for the upcoming fiscal year.	March board meeting
April	Executive Director notifies staff of any reduction(s) in responsibilities for the upcoming fiscal year.	April 30
May	Board adopts tentative working budget, including salary schedules.	June board meeting

04.11 AP.1 Budget Implementation

The daily administration of the budget shall be the responsibility of the Executive Director. After the budget has been adopted, copies will be provided to employees responsible for budget administration. Unit expenditures are expected to stay within the budget, and the Executive Director/designee must give written approval if major expenditure categories are to be exceeded.

At any time an impending shortfall of budgeted revenue or an over-budget expenditure is anticipated, immediate notice shall be provided to the Executive Director, who, at the next regular meeting, shall apprise the Board. The Board shall have the discretion to make budgetary changes it deems appropriate. If the expected budgeted variance is either less than \$2500 or less than 10% of the budgeted amount for the year, whichever is smaller, no notice to the Board shall be necessary.

04.11 AP.11 Liabilities and Assets

NKCES accounting practices shall follow state and federal laws and regulations and generally accepted accounting principles. As advised by the NKCES auditor, determination of liabilities and assets prioritization of expenditures of governmental funds, and provisions for accounting disclosures shall be made in accordance with generally accepted accounting principles. This process shall include leave accumulated by employees and all NKCES properties and funds, including those that have been escrowed.

Section

2

Revenue

04.2 AP.1 Depositories and Investments

DEPOSITORIES

The Executive Director shall recommend to the Board for its approval an invitation to bid for bank depository services.

Institutions chosen will be accessible, capable of handling investment funds, and be able to provide those services needed by the Board in the operation of the Cooperative. Depositories must be covered by Federal Deposit Insurance Corporation (FDIC) insurance, and any balance exceeding the FDIC insurance must be collaterally secured.

Following consideration of bids received, selection of depository(ies) to provide services will be placed on the Board agenda as an action item no later than the June Board meeting.

Prior to the June Board meeting, the Executive Director/designee shall prepare and send the bid documents to financial institutions meeting the requirements of KRS 160.570 and capable of providing the necessary services.

INVESTMENTS

Funds that are temporarily in excess of operating needs shall be invested by the Executive Director at the direction of the Committee/Executive Director.

Each year, the Board President shall recommend for Board approval the names of three (3) directors to serve as an Investment Committee, who shall perform the following functions:

Work with the Executive Director to establish investment protocols and controls.

Prior to directing the Executive Director to make an investment, receive and review reports from the Executive Director concerning the current rate of interest payable offered by financial institutions approved by the Board.

Select investment advisors as deemed necessary by the Committee.

Submit to the full Board for its approval a (monthly, quarterly, semi-annual, annual) report as to the amount invested, type of investment, date of investment, rate of interest, length of investment, and current market value of the funds invested.

The primary objectives of investment activities, in priority order, shall be:

Legality - All investments shall be made in accordance with applicable legal requirements.

Safety - The Investment Committee shall consider safety of principal, along with reduction of credit and interest rate risk, in making investment decisions.

Liquidity - Investments shall remain sufficiently liquid to meet reasonably anticipated operating requirements. To promote this objective, the Executive Director shall develop a fiscal year anticipated cash flow projection schedule.

Yield - The Investment Committee shall select investments or recommend investments with the objective of attaining the maximum rate of return, but shall not include investing in derivatives.

04.21 AP.1 Accounts Receivable

➤ Membership Dues

The amount to be charged for annual membership in NKCES shall be approved by the Board of Directors.

Annual dues assessed to NKCES members for the upcoming fiscal year shall be billed to each district no later than July 31. The Bookkeeper shall retain a copy of the invoice, which shall be marked paid and the date recorded on receipt of payment. If payment is not received by September 31, a reminder invoice shall be mailed to the district.

Upon payment of dues, the Executive Director shall acknowledge receipt to the Superintendent of the district, and the remittance shall be deposited to the designated depository within one (1) banking day of receipt.

➤ **Grants**

The Executive Director is authorized to sign grant requests, contracts, grants, amendments, or other related documents, unless the grantor requires the Board President to sign the document.

The Executive Director will submit grant proposals to the Board of Directors for consideration and approval. Information provided to the Board will include both budgets and work programs.

The financial officer shall maintain on file program budgets that have been properly approved by the funding source for all grants and contracts.

Responsibility for compliance with grant requirements shall rest with the Executive Director.

NKCES limits the indirect cost rate for all colleges and universities that collaborate as sub-contractors on funded projects to the federally negotiated off-campus research rate.

➤ **Gifts and Donations**

Gifts and donations to NKCES, both cash or in-kind, may be accepted in support of the Cooperative and its programs.

The Executive Director is authorized to accept cash donations on behalf of the Cooperative according to the following:

1. Cash donations designated for a specific purpose or program will be documented to reflect restriction and purpose.
2. Cash donations with no restrictions shall be deposited in the Cooperative's unrestricted fund.
3. All cash donations will be forwarded to the HR Coordinator for documentation and deposit in accordance with applicable procedures.

In-kind contributions of services and property shall be accepted according to the following:

1. Program directors shall collect, document and report to the Executive Director in-kind contributions to their program.
2. Program directors shall prepare a contribution voucher to be signed by the donor and the Program Director.
3. Program directors shall ensure in-kind donations are documented and reported to the Bookkeeper in accordance with grant agreements.

The Executive Director shall submit budget addendums to the Board for its approval to reflect gifts and donations to NKCES.

04.21 AP.11 Cash Management

➤ Cash Depositories

The Cooperative's cash management procedures are as follows:

Depositories will be selected on a competitive basis and will be reviewed periodically as deemed necessary by the Executive Director.

All funds of the Board will be deposited in local banks and must be covered by Federal Deposit Insurance Corporation (FDIC) insurance. Any balance exceeding the FDIC insurance must be collaterally secured.

The Bookkeeper is responsible for monitoring the request for funds for all federal sponsored programs. The following procedures will be implemented:

Grants Cash Management – A cash reimbursement will be requested based upon the expenditures of the program. The Bookkeeper, in coordination with the Program Director, will monitor draw-downs versus disbursements and will request adjustments in the schedule of reimbursements, as appropriate. The standard for effective cash management, which is discussed in 45 CFR 74.61 (e), states that procedures must be established to minimize the time elapsing between the reimbursement of grant or funds and their disbursement by the recipient.

➤ Cash

All cash receipts shall be deposited promptly and recorded accurately as to account, amount, and date.

Incoming Mail – The mail is sorted and routed to the various programs and departments in individual compartments in the file cabinet for mail and inter-office documents.

- All cash, checks, and other forms of legal tender are forwarded to the Human Resources Coordinator.
- Payroll information, Workman's Compensation and Unemployment information are forwarded to the Human Resources Coordinator.
- Vendor invoices, utility bills, telephone bills, etc., are forwarded to the Accounts Payable Coordinator.
- Personnel information, resumes, employment applications, changes of name/address, and employment verification are forwarded to Human Resources Coordinator.
- Bank statements are downloaded electronically and given to the Accountant.

Recording – The Human Resources Coordinator will receive all cash, checks, and other forms of legal tender received by the Cooperative.

- The Human Resources Coordinator will record all receipts into a deposit log.
- The Human Resources Coordinator stamps all checks with a restricted endorsement as follows, “For Deposit Only to the account of Northern Kentucky Cooperative for Educational Services.”
- The Human Resources Coordinator completes a deposit slip and makes deposit daily.
- The Human Resources Coordinator gives a copy of the deposit ticket and the bank deposit verification to the Bookkeeper for comparison to the log.
- After the Bookkeeper makes verification, they enter cash receipts into the computer system’s cash receipts program as deposited.
- Documentation for all receipts is filed along with the duplicate deposit slip and the validated bank receipt.

➤ **Petty Cash**

The following procedures will be implemented:

- A. The petty cash fund shall not exceed \$100.00.
- B. The Bookkeeper is responsible for oversight of petty cash.
- C. Disbursements must be supported by an invoice or other supporting documentation.
- D. Reimbursements to petty cash funds should be as follows:
 1. When expenditures exceed approximately 70% of the total petty cash fund, the AP/Payroll & Benefits Coordinator will total disbursements by program and account classification, and submit a check request with all receipts attached for reimbursement.
 2. Petty cash fund reimbursement checks will be made payable to the petty cash.

Section**3**

Expenditures

04.31 AP.1 Salaries and Payroll Distribution

A *Recommendation for Employment* form is completed and signed by the Program Director prior to personnel actions resulting in hiring new employees. It is then forwarded to the finance office and is verified and approved then forwarded to the Executive Director for final approval. The following will be done:

- The Human Resources Coordinator will prepare an Employee Personnel File with the necessary paperwork for orientation. The Bookkeeper will prepare a contract or probationary agreement following the constraints of the *Recommendation for Employment*.
- The Human Resources Coordinator will file the original and one copy of the *Recommendation for Employment* form in the employee's personnel file and maintain the files in the department. Program Directors upon receipt of an approved *Recommendation for Employment* form will contact the employee to set up an orientation appointment with Accounts Payable\HR.

The Human Resources Coordinator is responsible for conducting new employee orientation. As part of the orientation, the Human Resources Coordinator shall obtain the following documents to be kept in the employee's personnel file: W-4, K-4, Employment Eligibility Verification (I-9), Health Insurance Application, Elective Benefits Form, Drug Free Form, Criminal Records Check Releases, and NKCES Policy Handbook Acknowledgement Form.

The Human Resources Coordinator will set-up employee information in the payroll system. Entry of new employees and payroll changes to existing employees are calculated and checked by the Bookkeeper for accuracy.

PAYROLL

NKCES employees will be paid on a semi-monthly basis. Payroll checks for new employees not set up in the direct deposit system and direct deposit vouchers for all other employees are issued on the 15th and the last day of month. If payday occurs on a weekend then they are issued the Friday before. If it occurs on a holiday the payroll checks and direct deposits are issued the day before. The following shall apply to the Cooperative's payroll procedures:

Time sheets or Calendars time sheets and calendars, showing hours or days worked, signed by the supervisor and properly dated are required by all the Cooperative's employees. The following procedures apply to time sheets:

- Employees are responsible for submitting an accurately completed time sheet to their supervisor.
- The Program Director are responsible for assuring that time sheets are submitted in a timely manner by their staff. A check-off procedure should be used to expedite this process, and the completed check-off sheet, with the original time sheets attached, should be forwarded to Accounting/HR.
- The Program Director will compare time sheets with the check-off lists to determine whether any time sheets are missing. In addition, time sheets will be reviewed by the Program Director to determine if they are properly prepared, reviewed, and that hours appear reasonable.
- The Program Director or Supervisor is responsible for the correctness of the time sheets of his/her staff. Accordingly, time sheets are reviewed by the Program Director or Supervisor and each time sheet signed and dated indicating that the review has been performed.
- The Human Resources Coordinator shall receive employee monthly time sheets no later than 5 workdays from the end of the pay period.
- The Human Resources Coordinator will verify time sheet information submitted by Program Director.
- Payroll Checks/Direct Deposits and Register – During the processing of payroll checks, direct deposits and the various payroll registers, edits and reviews will be made prior to running payroll to assure that no errors have

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been made. The procedures for payroll checks and direct deposits are as follows:

- Payroll checks will be printed on checks drawn on a separate payroll bank account by an outside payroll company.
- Direct deposits will be printed on non-negotiable check stock. Direct deposits contain details of gross pay and deductions.
- Secondary check stubs are detached from checks and non-negotiable direct deposit checks and attached to time sheets, where applicable.
- The Human Resources Coordinator reviews all active contracts to be paid each pay period. Upon submitting payroll, the Human Resources Coordinator will forward an electronic request to the Bookkeeper for transfer of funds. The Executive Director authorizes transfer of funds in review of the payroll journal summary. The Bookkeeper transfers the monies to cover the entire payroll including taxes to the payroll account.

Policies & Procedures for Time on Demand Timekeeping & Attendance

I. Introduction. The FLSA distinguishes between exempt and non-exempt employees. Exempt employees are not paid for the time that they work, but for the work that they do. Exempt employees are salaried, and they are exempt from the overtime requirements of FLSA. Non-exempt employees, on the other hand, are paid for the time that they work, and NKCES is required by FLSA to pay time and one-half for all hours worked over 40 hours.

The purpose of these policies and procedures, therefore, is to set forth rules for employees who “punch” or log their time in Time on Demand web clock and attendance reporting.

II. Clocking in and out for Regular Work Shift . Classified employees (who are subject to overtime provisions of FLSA) are required to clock in no later than the beginning of their scheduled work shift and to clock out at the end of the scheduled work shift, unless required to work pre-approved over time or unless on approved leave. Employees are required to clock in no sooner than fifteen minutes prior to the beginning of their shift and to clock out no later than fifteen minutes after their shift ends. Employees who clock in late or clock out early will have compensation for such lost time deducted from their paychecks. Certified employees are required to log their start and stop work time for each day.

III. Clocking in and out during Lunch and Break Periods. Employees are not required to punch in and out during scheduled lunch and break periods if the lunch period does not exceed thirty minutes. All employees (classified & certified) are required by law to take a minimum of a ½ hour lunch period and not permitted under any circumstances to “work through” their lunch period. Time on Demand will automatically deduct ½ hour from each work period that exceeds 5 hours for a lunch period. Employees are not permitted to work through lunch to leave early. Employees are not permitted to work over their scheduled shift without written approval of the Principal.

IV. Clocking in for other Employees Prohibited. Under no circumstance will an employee log in or punch in/out for another employee.

V. Employees on Leave. Employees who are on person, sick leave, or other approved special leave, are not required to punch the time clock while on such approved leave; however, all documentation for leave must be submitted to the immediate supervisor, in accordance with the NKCES’s leave policies.

I certify by my signature that I have received a copy of Policies and Procedures for use of the Time on Demand; that these policies and procedures have been explained to me; and further that I have had an opportunity to ask questions about the policies and procedures.

Employee

Date:_____

04.31 AP.2 Credit Cards

A credit card issued in the name of NKCES may be used by authorized employees to purchase food, lodging, transportation, and other items incurred in the course of NKCES business as approved by the Executive Director. Personal items, spouse/family expenses, etc., are not to be charged to a NKCES credit card even if later reimbursed.

Individuals using a NKCES credit card shall submit a detailed receipt that indicates the date, purpose, and nature of the expense for each claim item. Failure to provide a proper receipt shall make the individual responsible for expenses incurred. In addition, unauthorized charges made by employees to District/school credit cards may result in disciplinary action. However, in exceptional cases, the Executive Director may allow a claim without proper receipt. Written documentation explaining the exceptional circumstances shall be considered part of the District's record of claims.

The Accounts Payable Coordinator will review credit card statements and match receipts to charges listed. Employees shall be noted of discrepancies found and be required to provide required information.

The Accounts Payable Coordinator shall control physical access to NKCES credit cards. Employees authorized to check out and use an NKCES credit card on an "as needed" basis shall document the following information checkout form.

Employees shall report immediately a NKCES credit card that is lost.

NKCES credit cards may not be lent to or used by anyone other than the employee to whom it is checked out. NKCES is exempt from paying sales tax. Employees must use the NKCES tax exempt number, as sales taxes will not be reimbursed.						
Name	Purpose	Credit Card Name	Credit Card #	Date Out	Date In	Initials of Executive Director/ Designee

04.311 AP.1 Accounts Payable

Expenditures shall be made in accordance with the budget approved by the Board. All purchases shall require prior approval of the Executive Director/designee. NKCES shall not be responsible for expenditures not properly authorized and not made according to purchasing procedures.

The standard system used by NKCES requires that a specific form be prepared for each purchase. Employees shall use the PO Request/Check Request form posted on the NKCES web site:

www.nkces.org

Based on an approved purchase request, the Accounts Payable Coordinator shall prepare a purchase order.

When an order arrives, the Accounts Payable Coordinator shall check items received, sign and date the appropriate copy of the invoice. A notation shall be made on the receiving report as to the condition of the items received and any shortage in the shipment. The receiving report is then returned to the NKCES Bookkeeper for payment.

Expenditures, individually or in the aggregate, which exceed \$20,000 shall be subject to the bidding process or competitive pricing (obtaining at least three [3] quotes).

Because NKCES is tax exempt, purchases in the state of Kentucky shall not include sales tax.

The Accounts Payable Coordinator is responsible for the preparation for payment of all invoices. The process of check preparation and recording of expenses to the various programs shall include the following:

- Utilities, telephone, payroll withholding, etc., will be prepared using a Check Request form, which will be processed for payment on the next payables run.
- Vendor invoices, etc., travel, and standard invoices submitted and received by Accounts Payable Coordinator on or before the last working day of the month will be paid within thirty (30) days.
- The Accounts Payable Coordinator will verify that all bills are properly supported by documentation, properly approved, and properly coded. Bills not supported in accordance with the above will be returned to Program Directors. Bills properly supported will be entered for payment.

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Each purchase order shall be matched with its invoice, shipping document, and receiving report and filed with disbursement documentation, which shall reflect the check number and date of payment on the front item. Disbursement records shall be filed in such a manner as to be easily traced.

Except for situations as defined below providing for subsequent Board approval, the NKCES Executive Director is authorized to issue payment on a depository bank following approval by the Board.

With the exception of recurring monthly payments such as utilities and fixed charges, no bill shall be paid without the following supportive information:

1. A purchase order signed by the Executive Director or designated representative;
2. An invoice as to goods or services received; and
3. Confirmation that materials were received in accurate quantity and in good order.

Issuance of Payment

The Executive Director shall give subsequent approval to all budgeted disbursements.

CHECKS

Check numbers of all signed checks are recorded sequentially in a log. Checks for \$1,000 or more will be signed by both the Bookkeeper and the Executive Director.

Signing of blank checks is prohibited.

All voided checks shall be maintained on file.

Blank check stock will be locked in the Finance Department office to prevent unauthorized use. Custody of checks after signature and before mailing will be controlled by the Accounts Payable Coordinator who will supervise the mailing.

The vendor's invoice, purchase order and check request are filed in vendor number order in the regular paid invoice file.

BILL-PAYING PROCESS

1. The Executive Director approves invoices.
2. The Accounts Payable Coordinator
 - Enters invoices. (Every invoice paid should contain an invoice, signed purchase order, and a receipt of goods/packing slip initialed by the purchaser confirming receipt.)

- Prints checks
- Matches invoices to checks
- Have checks signed
- Mails checks

BANK RECONCILIATION PROCESS

1. The Executive Director:

- Receives an email from the bank depository notifying them the bank statement is available. The Executive Director notifies the Bookkeeper who will download electronic bank statements. (It is important that a perception exists that someone is looking. The checks could be scanned to scan signatures. Bank statements could be reviewed to find inconsistent check numbers or abnormal transaction amounts.)

2. The Bookkeeper:

- Downloads electronic bank statements and give to the Accountant to review and verifies bank reconciliation.

Bank accounts will be reconciled promptly after the end of each month. The Accountant is designated to prepare all bank reconciliations. The Bookkeeper reviews the bank reconciliation and also notes the chronological listing of receipts to deposit slips and to deposits on the bank statement.

The reconciliation procedures for all bank accounts include:

- Accounting for the sequence of check numbers and sorting by numerical order.
- Examination of canceled checks for authorized signature(s).
- Examination of canceled checks for irregular endorsements.
- Examination of canceled checks for alterations.
- Comparison of canceled checks with the check registers (payable checks and payroll checks) as to number, date, payee, and amount.
- The completed bank reconciliation and supporting documentation is filed in chronological order.

The Bookkeeper reviews and signs completed bank reconciliations and maintains them in the finance office for secure storage.

04.311 AP.11 Travel Expense Reimbursement

Provided the Executive Director/designee has given prior approval to incur the expense, NKCES personnel shall be reimbursed for necessary and appropriate business related travel when such travel is a required part of the duties of the employee. NKCES will be responsible only for actual expenses. Travel expenses for guests of employees shall not be reimbursed.

Employees must obtain prior approval to attend a professional meeting at NKCES expense. In order for employees to receive reimbursement for travel expenses following authorized travel, they must complete the required Professional Meeting Form as posted on the NKCES web site:

www.nkces.org

For reimbursement of authorized expenses, this shall be followed unless otherwise state in the Grant, employees shall use the Reimbursement Form posted on the NKCES web site

www.nkces.org

Allowable expenses include:

MILEAGE

Actual mileage for trips on behalf of NKCES that have been approved by the Executive Director will be reimbursed at the state mileage rate when the employee uses his/her own vehicle.

TOLLS AND FEES

All tolls and parking fees incurred in business related travel. Parking fees must be substantiated by a ticket or receipt.

COMMON CARRIERS

All charges or fares for necessary travel on common carriers (plane, bus, train, subway, taxi, ferry, etc.). Sight-seeing and pleasure tours are not reimbursable.

OUT-OF-STATE TRAVEL

Reimbursement for out-of-state travel by privately owned vehicles shall be made on the basis of airplane coach fare or mileage rate, whichever is the lesser amount.

FOOD

Meals will be reimbursed at a rate not to exceed \$30.00 per 24-hour day for approved - in-state travel. (Food costs will only be reimbursed in conjunction with an overnight stay.) Alcoholic beverages will not be reimbursed.

Meals will be reimbursed as follows:

	<u>In-State</u>	<u>Out of State</u>
Breakfast - Travel between 6:00 a.m. - 9:00 a.m.	\$6.00	\$8.00
Lunch - Travel between 11:00 a.m. - 2:00 p.m.	\$8.00	\$9.00
Dinner - Travel between 5:00 p.m. - 8:00 p.m.	\$16.00	\$19.00
Daily Totals	\$30.00*	\$36.00*

*Gratuities/tips included

NOTES:

- Employees **MUST** be traveling the entire time for each period listed. (e.g.-if employee begins travel at 6:30 a.m., no breakfast reimbursement will be earned.)
- If claiming reimbursement for three (3) meals in one (1) day, employees may exceed individual meal limits if the daily total is not exceeded.

LODGING

Hotel or motel charges (not including food or other charges) incurred in cooperative-related travel. Charges must be substantiated by a receipt.

REIMBURSEMENT FORMS

No requests for travel reimbursement will be considered unless filed on the proper form(s) and accompanied by the itemized receipts.

Without proper documentation, individuals shall not receive reimbursement, and, if it is determined that reimbursement was made based on incomplete or improper documentation, the individual may be required to reimburse NCKES.

04.312 AP.1 School Activity Funds

School activity funds refer to all school funds including funds derived from fund-raising activities sponsored under the auspices of the school. Funds raised or received by organizations that do not come under the direct supervision of school authorities shall not be considered activity funds.

School activity funds may be expended for purposes which contribute generally to the benefit of the students, provided expenditures are consistent with requirements set out in Accounting Procedures for Kentucky School Activity Funds. The Executive Director shall review the status of school activity funds at least twice each fiscal year.

School personnel shall comply with the uniform financial accounting system and activity fund accounting procedures set out in 702 KAR 3:120.

The Principal shall be responsible for the manner in which accounts are kept and preserved. Two (2) signatures shall be required on each check drawn against school activity funds, neither of which may be a signature stamp. The two (2) signatures shall be the manual signatures of the Principal/designee and the school treasurer.

Activity fund purchases must be supported by a properly executed purchase request and authorization for payment by the Principal.

Each month the Principal shall provide the Executive Director with a financial report for activity fund accounts. On or before July 25, following the end of the fiscal year, the Principal shall submit to the Executive Director an annual financial report for those accounts.

All school activity funds shall be audited annually by a certified public accountant. All audit reports shall be reviewed and appropriate action taken as required by 702 KAR 3:130.

School Support/Booster Groups

Each year support/booster club organizations shall provide the Principal the information required by Accounting Procedures for Kentucky School Activity Funds.

All booster groups wishing to be recognized by and/or affiliated with the school shall comply with the following:

- Adhere to applicable state and federal laws, including taxable income reporting requirements, when conducting fund-raising activities to benefit the school; and
- Conduct fund-raising activities to benefit the entire group and not permit credit to be earned through fund-raising for an individual student in lieu of participation fees or related activity costs.

External support/booster organizations shall obtain prior Executive Director approval to establish and lend support, seek assistance, and/or raise funds in the name of the school or students or a school program.

Although they may be general members, employees shall not serve as the treasurer or any other officer with check-signing authority on a bank account for an external support/booster organization. Employees may serve as a member of the executive board of an organization.

Proof of general liability insurance for external support/booster organizations must be submitted to the Principal prior to commencing any fund-raising activities.

04.32 AP.1 Purchasing

For the procurement of equipment, merchandise or services, the following documents and procedures will be used for all purchases and are the primary documents to be used by staff for any purchase of goods and services.

After a purchase order is submitted by a Program Director, the Accounts Payable Coordinator will check the purchase order to ensure policies and procedures for purchasing are being followed. Next, the purchase order will then be forwarded for approval by the Executive Director and then returned to the Accounts Payable Coordinator for a purchase order number.

A copy of the purchase order will be retained in the finance department until an invoice is received.

A packing slip or receipt will be used to document that the goods and services have been received. When goods or services are received, Accounts Payable Coordinator will attach packing slip, initialed and dated on the receipt and Invoice to the Purchase Order.

The Accounts Payable Coordinator will review the purchase documentation and complete the check request section of the purchase order for payment as each invoice or packing slip is submitted.

For all contracts funded in whole or in part by NKCES, the reciprocal preference for resident bidders required by law shall be applied. Geographical preferences relating to school nutrition service purchases may be utilized only as permitted by applicable federal law.

04.32 AP.11 Consultants

The Executive Director must approve all contracts for projects involving professional consulting services.

Contract employees are those individuals who provide a service outside the normal realm of NKCES responsibility and who are not under direct control of NKCES. Before contracting for professional consulting services, the following shall be considered:

1. Could current staff provide the service?
2. Would the need be best met through consulting services or a position as an NKCES employee?
3. If consulting services are needed, the following guidelines should assist in determining whether an individual is an independent contractor:
 - a. Is the individual in business for himself/herself?

- b. Is the service to be provided to NKCES the typical type of business assistance provided to the individual's client?
 - c. Does the individual possess a special skill or ability?
 - d. Are the services being provided for a limited time (a single job)?
 - e. Is the individual being paid by the job rather than by the hour?
4. Is the projected cost provided for by the program budget?

Consultant services will be paid in accordance with guidelines specified in the contract. Each year, consultants shall be issued Internal Revenue Service Form 1099.

The following are required of all consultants contracted to perform services with NKCES:

1. A contract with NKCES that calls for supplying goods or services shall be governed in all respects as to validity, construction, capacity, performance, or otherwise by the laws of the Commonwealth of Kentucky.
2. Contractors providing goods or services must assure NKCES they will comply with the following:
 - a. Employment practices that do not discriminate against any employee(s) or applicant(s) for employment because of race, age, religious creed, sex, national origin, or disability.
 - b. Applicable federal, state, and local laws and regulations pertaining to wages, hours, and conditions of employment.
3. Contracts with NKCES shall include the provision granting NKCES employees the right to access the contractor's records.
4. NKCES shall not contract with individuals or organizations prohibited from performing services funded by Federal funds.

Section**4****Financial
Oversight****04.4 AP.1 Bonding of Employees**

All NKCES employees who handle or are responsible for cooperative monies shall be covered by a blanket bond provided by the Board. As reflected in the contract for all such positions, employment shall be contingent on the ability to obtain the required bond.

By July 1 of each year, the Board shall determine the amount of the bond.

04.41 AP.1 Fraud Prevention

The following anti-fraud standards have been established by the NKCES Board:

1. NKCES shall operate in a culture of honesty and ethical behavior with employees doing all within their power to further that goal.
2. Employees shall comply with all laws, rules, regulations and court orders of the Commonwealth of Kentucky and of the United States, as well as NKCES policy and procedures addressing fiscal matters.
3. Employees shall practice good stewardship of NKCES financial resources.
4. Employees with financial/accounting responsibilities shall support and follow sound business practices to the best of their ability and in keeping with their assigned responsibilities and job-related training by:

FINANCIAL OVERSIGHT

- a. Maintaining and protecting NKCES financial records;
- b. Performing one's job with the highest attention to detail to minimize and prevent error, falsification of accounting records, and omission of transactions;
- c. Reporting knowledge of fraud or suspected fraud, including intentional misstatements and omissions of amounts or disclosures;
- d. Guarding against misappropriation of assets; and
- e. Resisting incentives, pressures, and negative attitudes that detract from performance of assigned responsibilities.

As used in this procedure, "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 NKCES assets, including theft of funds, securities, supplies, or other District 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 NKCES Board conflict of interest policies.
- Mishandling financial records or NKCES assets (destroying, removing, or misusing).

Employees who suspect that financial fraud, impropriety or irregularity has occurred shall immediately report those suspicions to the Executive Director and Board President who shall take appropriate action. If the Executive Director is an alleged party in the fraud complaint, provision shall be made for addressing the complaint to the Board President

Instances of fraud shall be reported to the Board and to the NKCES auditor.

Reports of suspected fraudulent activities shall be investigated in a manner that protects the confidentiality of the parties and avoid unfounded accusations. Employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates occurrence of a fraudulent activity, the Executive Director shall issue a report to appropriate personnel and to the NKCES Board. Final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation may be made in consultation with legal counsel. Results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

04.7 AP.1 Inventory Process

NKCES policy prohibits employees from using NKCES property for personal use, unless otherwise approved by the Executive Director. Employees shall be responsible for the equipment, supplies, furniture, and other property under their care and use. Any damaged, lost, stolen, or vandalized property shall be reported to the employee's immediate supervisor.

Employees designated by the Program Director are accountable for inventory, control and maintenance of all assets and equipment in their area of responsibility.

Each year, results of inventories shall be reconciled, coordinated and reported to the Executive Director/designee, who shall prepare a list for the auditor.

A complete, up-to-date inventory of the following shall be maintained:

1. Fixed assets (real property) with an acquisition value of \$5,000 or more that has a useful life of more than one (1) year; and
2. Any additional items designated by the Executive Director/designee.

CAPITAL ASSETS

NKCES staff shall refer to the KDE Capital Asset Guide for guidance in establishing capitalization threshold amounts.

04.7 AP2 Inventory Form

SUBMIT THIS FORM TO THE EXECUTIVE DIRECTOR/DESIGNEE BEFORE THE LAST DAY OF THE FISCAL YEAR.

Program _____ Date _____

Location (room #, office, storage, etc.) _____

Employee's name (please print): _____

Item	ID/ Tag#	General Condition of Item	Location (room #/name of area)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			

I certify the above to be a true and accurate record. _____

Employee's Signature

04.8 AP.1 Disposal of Property

NKCES property that is no longer needed will be disposed of as follows:

1. Authorized personnel shall provide the Executive Director a complete description of items no longer needed for NKCES purposes.
2. The Executive Director advises the Board that certain property is no longer needed.
3. Upon receiving this report, the Board may, at such time as it deems proper and after compliance with applicable legal requirements, authorize the disposal of properties through closed sealed bids or public auction.
4. As appropriate, property may be appraised by qualified appraiser.
5. Once the Board declares the property surplus, the Executive Director/designee shall advertise the property for sale.
6. The Board reserves the right to reject any and all bids.

For additional information, please refer to NKCES Policy 04.8.

04.81 AP.1 Financial Records and Reports

INTERNAL FINANCIAL REPORTS

NKCES financial records are maintained both in paper and electronic format in a safe and secure manner. Financial reports are distributed monthly to Program Directors to assist them in administering program budgets and to assure that expenses are kept within the budgetary limits. A financial report is submitted to the Board of Directors at each meeting showing the total month-to-date receipts and disbursements by major budget category, the cash balance on hand, and the amount of invested funds at the end of the immediate preceding month. Responsibility for preparing and reviewing financial reports are as follows:

1. The Bookkeeper is responsible for preparation of all financial reports.
2. Program Directors are responsible for monitoring financial information for their programs. Discrepancies or questions are to be resolved with the Bookkeeper and, as appropriate, the Executive Director.
3. All financial reports to be provided to the Board of Directors or to anyone outside the Cooperative must have prior approval of the Executive Director.

FINANCIAL REPORTS FOR FUNDING SOURCES

Depending on the funding source, NKCES must accommodate various reporting formats and dates. To meet those requirements, the following procedures will be implemented.

The Executive Director will be responsible for supervising the preparation of financial reports required by funding sources and will maintain a file for each source that contains copies of all reports by program year and reporting instructions.

TYPES OF FINANCIAL RECORDS

Active financial records are under the management of the Executive Director.

1. Current financial records that are designated as “permanent” shall include, but not be limited to:

Annual Financial Report	Annual Audit Report
Annual Approved Budget	Funds Ledger
Bond Records File	

After audit the Executive Director shall file those financial records designated as “permanent” in an approved space in the NKCES Office.

2. Current financial records that are designated as “indefinite” shall include, but not be limited to:

Contracts and Service Agreements	Building and Equipment Leases
Assets/Equipment Inventory File	Payroll Personnel File
Budget Drafts/Proposals	Budget Work Papers
	Bid Files-Successful

The retention period for indefinite records is defined by the explanation found in the Disposition Instructions column of the records retention schedule.

Certain financial records marked as “destroy after audit” in the Disposition Instructions indicate records that shall only be destroyed after the retention period has expired and an official audit has been performed. For complete information about retention and disposal of cooperative/District financial records, consult the Records Retention/Public School District Schedule, which may be accessed online at:

<http://kdla.ky.gov/records/recretentionschedules/Documents/Local%20Records%20Schedules/PublicSchoolDistrictRecordsRetentionSchedule.pdf>

04.9 AP.1 Audits

All accounts and records of NKCES shall be subject to regular audit by the Kentucky Auditor of Public Accounts as provided by law for intermodal cooperatives.

Fraud Prevention Sign-off

Upon initial employment, employees designated with responsibilities for financial management, budgeting, purchasing or executing payments, deposits, or preparing financial documents shall be required to sign this document signifying their understanding of, and intent to comply with, established fraud prevention measures.

I, _____, have been given
Employee Name

access to the NKCES Financial Procedures and understand and agree that I am to review them in detail and to consult with my Program Director if I have any questions concerning their contents.

I understand and agree:

1. that NKCES may modify any or all of these procedures, in whole or in part, at any time, with or without prior notice; and
2. that in the event the District modifies any of the procedures, the changes will become binding on me immediately upon issuance of the new procedure.

I understand that as an employee of NKCES I am required to review and follow the established financial procedures, and I agree to do so.

Signature of Employee

Date

Return this signed form to your supervisor.