



Guide for Standard Operating Procedures and Internal Controls

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Morris Hills Regional District

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1. PREFACE

The Guide for Standard Operating Procedures and Internal Controls is a document that outlines the business practices that are approved by the Morris Hills Regional District Board of Education and administered by the Business Office. It is intended to be used as a reference manual by administrators, secretaries and any staff members that have Budgetary/Financial responsibilities. Its purpose is to provide an efficient control and accountability system that will help assure appropriate use of “Public Funds”. It must be understood that the principles of this manual are based on “Generally Accepted Accounting Principles” and rely on an assumption that individuals have a general understanding of the financial process of a school system. For this program to operate at optimum efficiency there must be a spirit of cooperation, teamwork and communication between the district staff and the Business Office.

This guide was compiled by collecting and reviewing all pertinent documents that relate to the functions of the Business Office, including:

- Job descriptions
- Board Policies
- State and Federal regulations

Various school district websites, and the New Jersey Association of School Business Officials website, in particular, their Guidance Document, were researched for models to guide in the preparation of this document. Employee interviews were conducted and included detailed explanations of the employees’ roles and responsibilities as it relates to their job descriptions, which were updated as necessary.

The Standard Operating Procedures will detail the practices and controls concerning:

- ¥ Accounting
- ¥ Cash management
- ¥ Budget development and administration
- ¥ Position control
- ¥ Purchasing
- ¥ Facilities
- ¥ Security
- ¥ Emergency preparedness
- ¥ Risk management
- ¥ Transportation
- ¥ Food services
- ¥ Technology systems
- ¥ Information management

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2. INTERNAL CONTROLS

Internal controls are not separate systems of the school district. Controls are not an isolated activity but integral part of each activity used to guide the district.

Establishment, maintenance and evaluation of the internal controls are the responsibility of the administration. The evaluation of internal controls includes identifying the framework used by the administration to determine the effectiveness of the internal controls.

Controls are in place to detect or prevent errors and fraud. An error is an unintentional mistake that has the potential to affect the financial statements and fraud is the intentional misuse or misappropriation of district's assets.

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2.1. Internal Control Document

OBJECTIVES OF INTERNAL CONTROL

The three objectives of internal control are to ensure the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The safeguarding of assets is a subset of all of these objectives.

Continuous monitoring and testing is needed to help to identify poorly designed or ineffective controls. The administration is also responsible for communicating the objectives of internal control and ensuring the organization is committed to sustaining an effective internal control environment.

COMPONENTS OF INTERNAL CONTROLS

The five components of internal controls include the control environment, administration's risk assessment, administration's communication of the controls, control activities and monitoring of the controls.

A. CONTROL ENVIRONMENT:

The control environment includes the organizational structure, the control framework, the district's policies and procedures and internal and external influences. The tone set by the school district's board and administration determines the attitude toward the controls of the district.

ORGANIZATIONAL STRUCTURE:

The organizational structure determines the administration's responsibilities and sets the relationship with the board, which sets the policies.

CONTROL FRAMEWORK:

Elements of a control framework include the following:

- Segregation of duties to help ensure the reliability of the organization's internal controls, one person should not have access to all stages of a process. If there is not proper segregation situations could arise where errors or irregularities occur and go undetected.
- Integrity and competence of the personnel performing the duties are key to achieving the desired controls. This includes hiring the proper people and continually training personnel. It is important to ensure that employees who perform financial tasks have the knowledge and skill to perform their duties.
- Communication by the administration of the controls and the employee's responsibilities are as important as ensuring that employees know how to communicate irregularities that may arise.
- Proper supervision of employees is needed to ensure proper execution of control activities.

DISTRICT'S POLICIES AND PROCEDURES:

The district's policies set the overall direction of the district. Procedures for all areas of financial preparation, reporting, operations, transportation, maintenance, personnel and payroll are needed. These policies and procedures will become the basis for the determination of compliance.

INTERNAL AND EXTERNAL INFLUENCES:

The administration must be cognizant of internal and external factors that could affect controls. Internally,

Changes in the organizational structure and policies must be continuously evaluated. External influences could include political and legal factors as well as changes in technology.

A. ADMINISTRATION'S RISK ASSESSMENT:

The administration has to conduct an assessment of risks relevant to the financial statements. This includes the identification of potential risks, the analysis of the potential impact of those risks on the ability to properly report the financial statements and the overall management of risks. Items to consider in the risk assessment of the district include, but are not limited to:

1. New personnel or new duties for existing personnel
2. How a change in accounting information system impacts controls and how effectively the training of personnel on new system was conducted
3. Changes in the regulations and laws that may affect the control environment
4. Record storage is appropriate and secure (fireproof cabinets when needed for manual documents and proper passwords and access limitations for electronic information)
5. District limits access to computers and data files
6. Segregation of duties
7. Transactions are recorded timely
8. Cash is deposited timely
9. Assets are physically safeguarded
10. Transactions are performed by only authorized personnel
11. Reconciliations are properly and promptly completed
12. Occurrences of management override

B. ADMINISTRATION'S COMMUNICATION OF THE CONTROL:

The administration needs to determine if the information systems utilized in the district are adequate and relevant for their intended purpose. The district's administration is responsible for communicating the controls of the district and the responsibilities of each employee in the control system. The administration is also charged with reviewing information that may indicate a flaw in the controls that would not allow the control to detect an error in a timely fashion.

C. CONTROL ACTIVITIES:

Control activities include the policies and procedures that are in place to achieve the controls desired. Documentation of the control activities is vital to the overall control environment. These activities include, but are not limited to:

1. Segregation of duties
2. Transactions are recorded timely
3. Cash is deposited timely
4. Assets are physically safeguarded
5. Transactions are performed by only authorized personnel
6. Reconciliations are properly and promptly completed

Control activities can be categorized into one or more assertions. All assertions should be addressed for each process (payroll, cash disbursements, etc.).

1. Existence (E) /Occurrence (O) – Existence is whether the assets or liabilities of the district exist at any given point in time (cash, state aid receivable). Occurrence is the whether the transaction took place (goods

were received before the PO was moved to accounts payable from encumbrances)

2. Valuation (V) or Allocation (A) – Valuation is whether the asset or liability is included on the board secretary's report at the proper value (the amount of cash or state aid receivable). Allocation is whether the revenue and expenditures were recorded in the proper amounts.
3. Accuracy/ Classification (A/CL) – transactions are recorded accurately and the classification of the transactions are proper.
4. Completeness (CO) – is whether all transactions are included (unrecorded purchase orders).
5. Cutoff © – Transactions are recorded at the proper time (purchase orders written in the proper year).

MONITORING OF CONTROLS

The administration is charged with reviewing internal controls on an ongoing basis. Monitoring can include responding to the recommendation of the auditor in changes in the controls. Reviewing correspondence from outside sources such as banks and vendors for unusual items is part of monitoring.

AFTER THE CONTROLS ARE ESTABLISHED:

Once the district establishes controls, those controls need to be evaluated at least annually and anytime circumstances dictate. Changes in personnel or regulations are examples of these.

As controls are evaluated they will either be effective or ineffective at achieving the proposed control.

Controls are effective when there would be no material weaknesses in internal controls involved in financial reporting. Ineffective controls would be those where at least one material weakness exists. If a control is determined to be ineffective, then the control deficiency needs to be evaluated.

CONTROL DEFICIENCIES:

A control deficiency exists when the design or operation of a control does not allow the administration to prevent or detect misstatements on a timely basis. A design deficiency exists when a necessary control is missing or is not designed to enable the control objective to be met. An operational deficiency exists when control is designed properly, but does not operate as designed or the person performing the control is not qualified to perform the control.

A deficiency may exist that is unavoidable (segregation of duties in a small office). For these, compensating procedures should be put in place. These compensating procedures do not correct the deficiency.

REASONABLE ASSURANCE AND LIMITATIONS ON CONTROLS:

Reasonable assurance is a high level of assurance, but is not absolute. The district should understand that potential fraud could exist and not be detected timely in the following circumstances: when the district has poorly designed or operated internal controls, or when there are too many overrides of controls, when there is collusion between employees or between an employee and a third party.

MORRIS HILLS REGIONAL DISTRICT CONTROLS

The MHRD control questionnaire is listed in the Appendix I of this manual.

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2.2. Evaluating Internal Controls

Purpose: To ensure that controls are evaluated on a periodic basis and continue to be effective.

Procedure:

The Business Administrator/Board Secretary will establish a process to evaluate internal controls over all areas of financial and operational procedures in the district.

These internal controls should be evaluated at least annually and every time one of the following conditions exists:

- a. Change in personnel performing a control function
- b. Change in accounting system
- c. Change in regulations

As the controls are evaluated, a determination should be made that designates the control as either effective or ineffective. Ineffective controls should be changed to achieve the proper level of effectiveness required.

Revision: 2 — Last modified: Dec 23, 2018

2.3. Communicating Staff Members Roles

Purpose: To ensure that staff who perform a control function understands the control.

Procedure:

The Business Administrator/Board Secretary will establish a procedure to ensure that all employees who are charged with a control understand the importance of the control and their role in the control environment.

- a. Controls that are not performed with an understanding of said control will not be effective.
- b. A review of the controls and the staff members' role in the controls should be conducted at least annually and anytime there is a change in the control, the personnel or the laws and regulations affecting the control.

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2.4. Business Office Organization



Revision: 7 — Last modified: Jun 12, 2020

3. ACCOUNTING

Morris Hills Regional District uses an integrated human resources, payroll, purchasing and accounting software application.

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3.1. General Ledger

Purpose: To insure the financial records of the District are maintained accurately

Procedure: The Business Administrator will perform the following tasks:

Daily:

- Record cash receipts in the alio Cash Receipts module and the Accounts Receivable module
- Monitor bank balances at PNC and Lakeland Bank
- Process budgetary transfers using the alio Budget Transfer module
- Approve payroll time and reimbursement requests in the employee portal
- Approve payroll deduction changes in the employee portal
- Review, approve, print and post purchase orders
- Review, approve, print and post accounts receivable invoices using the alio AR processing module

Weekly

- Update cash projection to meet upcoming obligations
- Review expenditure summary report by detailed line item to ensure that sufficient funds are available, no accounts were overspent as a result of payroll. Prepare transfers if necessary.

Monthly

- Record recurring journal entry to reverse health benefit receivable
- Review student activity deposits
- Record charges for transportation costs for field trips charged to Student Activity Funds
- Finalize cash projection report for Board of Education Finance Committee review.
- Prepare fund balance and cash projections
- Review SNEARS monthly reimbursement requests and certify in SNEARS.
- Record SNEARS receivables
- Review Accounts Receivable Report by Customer and contact customers in arrears.
- Prepare bank reconciliations prior to Treasurer's reconciliation
- Verify that all general ledger accounts are reflected in the Board Secretary's Report
- Review the Board Secretary Report to ensure that balance sheet account balances are correct
 - o Balance sheet is in balance for all funds
 - o Appropriation line balances are sufficient
 - o Revenue balances are reflected properly
- Generate monthly reports for Treasurer including:
 - o Treasurer's Cash Position Report – alio Intelligence
 - o Balance Sheet Detail Account – core alio
 - o Custom Cash Receipts Report by Account – core alio
 - o Adjusting Journal Entries by Account – core alio
 - o Detail Check Register – Bank 10 (AP) – core alio
 - o Summary Check Register – Bank 40 (Agency) – core alio
 - o Void Check Register – all banks – core alio
 - o Board Secretary's Report – Funds 10 through 60 – core alio

- Compare Board Secretary Report and Treasurer's Cash Report for agreement.

Quarterly:

- Adjust payroll records for correct FICA deductions for employees on workman's compensation
- File sales tax report for cafeteria sales and remit taxes
- Prepare 941, 927 and Pa. quarterly tax reports
- Prepare Cash Reimbursement requests for grants through EWEG and record receivable
- Prepare Cash Reimbursement requests for SDA grants and record receivable

Year End:

- Review purchase orders for encumbrance vs. accounts payable rollover
- Accrue payroll payables at June 30
- Record state and federal receivables including NP Transportation
- Review accounts receivable balances and cancel where necessary
- Analyze Balance Sheet Accounts
- File Fund 20 Financial reports in Homeroom
- Review all Fixed Asset purchases and add to the Fixed Asset System
- Close year end

New Year Opening:

- Compare original budget in Advertised Budget to July Board Secretary Report and revenue and expenditure reports
- Revise Fund 20 original budget and revenue amounts to actual awards
- Add Fund 30 budget and revenue amounts which should equal prior year unexpended balances
- Revise Fund 60 Program 910 original budget and revenue amounts to projected based on 06-30
- Record tax levy receivable for General and Debt Service Funds
- Record State Aid receivable for all funds
- Review account distribution in payroll and position control for all contract salary
- Encumber funds for contracted salary and benefits for all employees

Accounting procedures for general ledger activities are included in the Appendix II section of this manual.

Revision: 6 — Last modified: Jun 04, 2020

3.2. Payroll

Purpose: To ensure that employees are paid timely and accurately and all payments are approved by the Board of Education.

Procedure: The Business Administrator/Board Secretary will establish controls that help insure that errors and fraud in payroll would be detected in a timely manner. These controls include the following:

- a. Ensure limitations on payroll access to HR records by developing roles in alio and developing access through menu items for each role.
- b. Create an approval process for all HR changes to employee payroll records.
- c. Verify that changes to payroll amounts are authorized by issuing the HR Audit Report at the beginning of each pay cycle and reviewing Net Payroll Comparison Report each pay cycle
- d. Verify that proper tax deductions and voluntary deductions are taken by reviewing comparative deduction reports and comparing any changes to requests in the employee portal
- e. Verify that proper health benefit contributions are deducted by calculating the statutory amount each pay cycle. The NJ Healthcare Adjustment program in alio calculates the percentage of contribution based on salary each pay period.
- f. Verify the accuracy of pay rates and budgetary account numbers for any extra compensation by reviewing payroll input reports by account and earn code.
- g. At least once every three years each employee will be required to provide to the payroll department in the Business Office, a picture identification and sign for release of his or her check or direct deposit voucher on a pay date randomly selected by the Business Office.

All compensation other than overtime must be approved by the Board of Education prior to the activity. The Human Resources Department establishes an authorized job and pay for contract salary positions in the District's HR software, alio. The job and pay includes authorized dates for the activity and approved pay rates.

Regular Pay

Employees will be paid on the 15th and 30th of each month as per contract. When this is a school holiday, payday will be scheduled one working day earlier. All ten-month employees will receive 20 equal payments for their contract salary, from September to June inclusive. All twelve-month employees will receive their total contract salary, in 24 equal payments, from July thru June inclusive.

Extra Contracts

Coaching contracts will be paid in two equal installments during the coaching season. The first payment will be paid midway and the final payment will be made at the end of the season. Advisor contracts will be paid in one, two or three installments per year depending upon past practice.

Substitutes, Overtime and Hourly Paid Employees

All daily and hourly paid individuals will receive pay for the time worked up to the date that the time has been entered into the employee portal. This pay will be electronically approved in the employee portal by the administrators responsible for that activity.

Payment for Services to District Employees

All payments to District employees for services must be paid through the payroll process after an approved request is submitted through the Employee Service Portal, taxes must be withheld, and all earnings reported to the IRS on FORM W-2. Payments to reimburse expenses supported by receipts are also paid through payroll and must be submitted to the Business Office via the Employee Service Portal.

Reimbursement for Purchases to Employees

The Board of Education only recognizes an employee reimbursement when it pertains to pre-approved travel, meals and conferences. The Board will not reimburse employees for items and goods personally purchased by the employee, except in limited situations where the expenditure is pre approved by the Business Administrator.

- Approved travel, meals, and conferences – District employees may be reimbursed for out-of-pocket expenditures, if the event is pre-approved by the Superintendent and the Board of Education and complies with travel regulations.
- Other goods and services – Reimbursement of out-of-pocket expenses may be made only if:
 - 1) a bona fide emergency is demonstrated;
 - 2) the purchase is authorized by the Business Administrator/Board Secretary in advance; and
 - 3) it is supported by receipts.

All reimbursements must be entered into the employee portal and electronically approved by the immediate supervisor and the Business Administrator before payment is made on pay day.

Year End W2 and 1094/1095 Processing

The Staff Accountant will use the Alio system to create year-end tax forms as required.

Quarterly IROC Reporting and Tax Reporting

The Staff Accountant will prepare the Report of Contribution for each quarter using the TEPS system. Using the alio system, the federal 941 and NJ and PA 927 reports are completed

Detailed procedures for payroll processing are included in the Appendix II section of this manual.

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3.3. Payroll Agency

Purpose: To collect funds through payroll withholdings consisting of state and federal income taxes, social security taxes, retirement deductions, annuity premiums, and various other amounts withheld from the payroll checks of employees, from which legal or contractual obligation exists to remit monies to a third party. These payroll deductions are transferred to the appropriate agency accounts when the payroll is recorded and are held in trust until routine remittances are made to the appropriate agencies.

Procedure: Employees request changes to tax and voluntary deductions through the employee portal. Tax Shelter Annuity changes must be requested by using the TPA site, OMNI.

The Staff Accountant processes payroll agency requests each pay cycle. During the payroll cycle, the Staff Accountant will:

- Create vendor liabilities using the District's payroll system, alio.
- Reconcile agency vendor invoices to payroll liabilities
- Create ACH files, AP checks and manual checks to record agency payments
- Authorize Federal tax, Social Security withholdings, New Jersey tax and Pennsylvania tax payments through each agency's website
- Request Social Security reimbursement from the NJDOE using Homeroom
- Submit monthly withholdings to New Jersey Divisions of Pensions and Benefits for TPAF, PERS and DCRP withholdings.
- Email ACH advices to vendors through the District's E-delivery software
- Email 403b and 457 employee contribution report to District's Third Party Administrator, OMNI
- Upload ACH file to Pinnacle
- Reconcile the accounting records, Fund 90, with Agency activity.

Detailed procedures for agency processing are included in the Appendix II section of this manual

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3.4. Accounts Payable

Purpose: To pay vendors for goods and services received by the Board of Education.

Procedure: Using the District's financial software, alio, prepare checks and ACH files to pay vendors based on invoices and District staff receiving reports.

The Accounts Payable Specialist will:

- Review invoices received through US Mail
- Review Business Office Support Center tickets
- Create AP Batches in alio for invoices where District staff have verified receipt
- Print checks weekly
- Issue 1099's annually

Detailed procedures for AP processing are included in the Appendix II section of this manual.

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3.5. Accounts Receivable

Purpose: To record funds due to the Board of Education for goods or services provided

Procedure: Using the District's financial software, alio, prepare invoices.

The Accounts Receivable Specialist will:

Prepare invoices for tax levy due to MHRD from

- o Denville Township
- o Rockaway Borough
- o Rockaway Township
- o Wharton Borough

Prepare invoices for tuition due from students attending MHRD who are residents of another district.

Prepare invoices for Shared Service agreements:

- o Custodial services
 - ♣ Wharton Board of Education
 - ♣ Mine Hill Board of Education
- o Child Study Team services
 - ♣ Rockaway Borough Board of Education
 - ♣ Wharton Board of Education
 - ♣ Mine Hill Board of Education
- o Academy of Math, Science & Engineering
 - ♣ MCVTS
- Miscellaneous

Detailed procedures for AR processing are included in the Appendix II section of this manual.

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3.6. Grants Management & Donations

Purpose: To properly account for all grants awarded to and donations received by the Morris Hills Regional District

Procedure: Morris Hills Regional District receives the following entitlement grant funds:

- Federal Funds: IDEA ESEA

The EWEG system located in Homeroom is used to manage these federal grants. The NJDOE notifies the District each year of the amount awarded. The MHRD Board of Education approves that amount by Board resolution. Applications are prepared by the Assistant Superintendent of Curriculum and the Director of Special Services. After NJDOE approval, the BA creates the approved budget in Fund 20 with the appropriate program codes in the District's accounting records. Any personnel paid contract salary from federal grant fund are identified and approved by Board resolution. On a quarterly basis, the BA requests reimbursement for expenditures through the EWEG system. Final program reports and financial reports are completed by these 3 district administrators in EWEG. All federal grants are administered following the Uniform Grant Guidance issued by the federal government.

- State Funds: Non-Public Textbooks Non-Public Nursing Non-Public Security Non-Public Technology Non-Public Chapter 192/193

Non-Public funds are awarded by NJDOE based on Non-Public enrollment. State Aid notices are received through the NJDOE Homeroom. MHRD contracts with the Educational Services Commission of Morris County for the administration of state and federal non-public programs. Final reports are completed by the BA in Homeroom. State Aid for these programs is automatically received on a monthly and quarterly basis. Any unspent Non-Public funds are reported in the annual audit as Due to the State and withheld from the District's state aid the following year.

Private Donations:

The District may also receive private donations. A contribution can be accepted as a restricted contribution for a particular purpose. An expenditure account is established in Fund 20. An unrestricted contribution is recorded in the district's General Fund as miscellaneous revenue or as a credit to an expenditure account. When the board receives a donation, the contribution is accepted by Board resolution.

Special Education Medicaid Initiative (SEMI)

The District receives federal funds each year under the SEMI initiative.

PROCEDURES FOR DONATIONS AND CONTRIBUTIONS

All contributions, even those restricted for use by a particular school or individual must be received and accounted for by the Board of Education using the following procedures:

1. Forward the check and a copy of the notification award of a grant or receipt of a donation to the Business Office. Indicate how the donation will be used and the person responsible.

2. Upon receipt of the written notification, the Superintendent's Office will prepare a Board acknowledgement or resolution to accept the donation. If a cash contribution, the Board resolution will also establish GAAP account(s) in the amount of the funds received.
3. After the Board has acknowledged the donation or approved the resolution at a public meeting, the GAAP account(s) for the contributions will be entered into the computer system and the person responsible for expenditure of the funds will be notified. Personal property will be added to the fixed asset records if over \$2,000 in value.
4. All expenditures will be made by the usual district purchase order process using the assigned GAAP account codes.
5. The Superintendent's Office will provide a receipt to the donor if the value is \$250 or more.

DONATIONS FOR SCHOLARSHIPS

Acceptance of gifts or scholarships from any individuals or groups in the community requires the approval of the Superintendent of Schools subject to the following:

1. No gift or scholarship will be accepted, which in the opinion of the Superintendent is inappropriate for use by the schools.
2. The use and disposition of such gifts or scholarships will remain at the discretion of the Superintendent.
3. Gifts which require installation and/or maintenance costs will be accepted only upon approval by the Superintendent and the Business Administrator/Board Secretary and the appropriate school principal.
4. All gifts require final approval by the Board of Education.
5. Scholarship donations are recorded in Fund 95, Program 950 in the accounting records of the District by the BA after Board approval.

All purchases for or by the school district are subject to the State and Federal Purchasing Laws regardless of the source of the funds. Two quotes must be obtained for products or services when the aggregate cost during the fiscal year is more than \$3,000. Competitive bidding is required to purchase products or services when the aggregate cost during the fiscal year is over the bid threshold.

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3.7. Fixed Assets

Purpose: To accurately maintain the physical assets of the District.

Procedure: The District records all tangible assets over \$2,000 as a fixed asset. Every five years, MHRD contracts with a Fixed Asset Valuation company who performs a physical inventory in the District. Annually, purchases and disposition are added or deleted.

EQUIPMENT IDENTIFICATION AND ACCOUNTABILITY

Procedure:

NEWLY PURCHASED ITEMS

1. On an annual basis, the Business Office will review accounting records to identify any equipment purchased and paid for. That item is then added to that school years "additions to fixed assets report".
2. Describe the item completely, e.g., "one tan, four drawer, legal size locking file cabinet" or "one gray secretarial chair, upholstered back and seat." Include a serial number.
3. A complete Inventory will be maintained and continually updated by the Business Office for all items over \$2,000.00
4. Items must be tagged.
5. If grant funds are used, the tag must identify the grant.

DISPOSAL OF OBSOLETE EQUIPMENT

Procedure: Requests to dispose of obsolete equipment must be made to the Business Administrator Board Secretary. Such equipment must have been determined obsolete by the professional administrative staff. Equipment may not be sold directly to individuals. It must be sold at a public sale to the highest bidder. MHRD auctions equipment through a vendor awarded a contract for these services from the State of NJ. All proceeds from the disposition of equipment or supplies will be deposited in the general fund of the Morris Hills Regional District Board of Education.

Remove item from fixed asset inventory records after Board approval and disposition.

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3.8. Application for State School Aid (ASSA)

Purpose: The ASSA is the data collection process used to gather the resident and nonresident pupil counts required to calculate a school district's state aid entitlement. For a school district to receive state aid for a pupil,

the student must be enrolled on October 15 in a program that will meet for at least 180 days during the school

year. A district is required to report the number of pupils enrolled full-time or shared-time in each school by grade or special education category. In addition, a district must also report the number of pupils that are sent

and received and the number of pupils enrolled as follows on October 15:

- LEP pupils (ELL)
- Low income pupils (pupils eligible for free meals/free milk or reduced meals)
- Shared-time county vocational school district pupils
- County special services schools
- Pupils in certain State-operated programs
- Accredited adult high school pupils
- Pupils in approved private schools for the disabled

This information is collected through the NJDOE Homeroom. Users must gain access through the District Homeroom administrator.

Procedure:

MHRD's Student Information System is Follett's ASPEN. Key staff update student records throughout the year

and by October 15th, a student file is exported and uploaded into the NJSMART website. That information is then preloaded into the ASSA in Homeroom. The data is analyzed and if modifications are to be made, they are made in Homeroom and in ASPEN. Various personnel at MHRD are responsible for submitting the ASSA

prior to the due date.

- In February preceding the Oct 15th count, the Technology Director imports a file into ASPEN from the local elementary districts which contains all incoming 9th graders.
- From February through July, the Guidance Directors verify addresses for these incoming ninth graders.
- In August, the Technology Director inactivates the 12th grade students and activates the 9th graders using a process known as "rollover".
- During the months of August and September, Guidance Directors and the Special Ed Director verify student data in ASPEN.
- Beginning in the final week of August and through October 15th, the Technology Director uploads revised ASPEN data into NJSMART.
- On October 15th, a complete ASPEN file which is now in NJSMART is downloaded to Excel and sent to the BA for ASSA preparation.

Sequence of ASSA Activities:

1. Three days prior and one day after October 15th, discontinue processing lunch applications. This will ensure that the nightly file transfers will allow Nutrikids and ASPEN to match.
2. Multiple reports should be generated from Nutrikids for active students only as of October 15th that should include:
 - a. Application Summary
 - b. Direct Certified students
 - c. Eligibility by Application Report
 - d. Error Prone Applications
 - e. Free and Reduced Eligibility Summary
 - f. Hills Temporary Year end list
 - g. Knolls temporary year end list
3. At the end of the day on October 15th export an excel report from Nutrikids for active students only that identifies the following:
 - a. Student name
 - b. Local id
 - c. Grade
 - d. School
 - e. Application ID
 - f. Eligibility
 - g. Date of eligibility
4. Download a CSV file from ASPEN for all students that are excluded from state reporting. Sort by program since MCVTS and Foreign Exchange students will be listed.
5. Retrieve a CSV file from ASPEN on October 15th or date determined by NJDOE that year. Name the file ALL RECORDS 10/15/20XX. This file will become the workpapers required by NJDOE
6. Working with the ALL RECORDS file, create pivot tables to aggregate data in the categories required on the ASSA. Once the pivot table is complete double click on totals to create a new worksheet that displays the names that support the numbers.
 - a. Non Public Workpaper 14 – Values – Count of Local ID
 - 1. Filters
 - a. Local Identifier- NP ID
 - b. Status – Active
 - 2. Columns – County, District, and School Codes Attending and then Grade
 - 3. Rows – County and District Codes Resident
 - b. Choice Workpaper 12 -Values – Count of Local ID
 - i. Filters

- 1. Tuition code 06
- 2. Status Active
- ii. Columns – School Code Attending, Grade Level
- iii. Rows – County and District Codes Resident
- Compare count to Assistant Superintendent's records

c. Received Workpaper 3- Values – Count of Local ID

- i. Filters
 - 1. Tuition codes 01 and 03
 - 2. Status Active
- ii. Columns – Grade Level
- iii. Rows – County, District, and School codes Resident
- iv. Add to the spreadsheet students excluded from state reporting with any of these tuition codes

d. Copy this Pivot table and change the tuition code to 5, these are tuition free students. They are not Workpaper 13 since they are not children employees or board members

e. Sent All ODP – Values – Count of Local ID

- i. Filters
 - 1. Local Identifier ODP ID
 - 2. Status Active
- ii. Columns – Free and Reduced
- iii. Rows – County, District Codes Attending
- iv. This pivot table generates Workpaper 2, 4 and 5 which should be the names selected from the totals and pasted to new worksheets

f. Sent Shared Time – Values – Count of Local ID

- i. Filters
 - 1. Enrollment type is "S"
 - 2. Status is Active
- ii. Columns – County, District and School Code Resident and Grade
- iii. Rows – County, District and School Code Attending and Grade

g. Regional Enrollment – Values Count of Local ID

i. * Filters

- 1. County 27, District 3370, and School 50 & 60 codes Resident
- 2. Status Active
- ii. Columns – none
- iii. Rows – Resident Municipal Code

- Compare these numbers to last years and investigate large swings. New residential developments should be noted.

h. On Roll Total Workpaper 1- Values Count of Local ID

- i. Filters
 - 1. Local Identifier exclude ID for NP, ODP
 - 2. Status Active
 - 3. Tuition Code blank
 - 4. Enrollment Type is all
- ii. Columns – Free & Reduced
- iii. Rows – School Code Receiving, Grade Level, Special Education Classification

i. On Roll AHS – Copy On Roll Total Sheet and move School Code Receiving to a Filter and choose 040

j. On Roll Hills – Copy On Roll Total Sheet and move School Code Receiving to a Filter and choose 050

k. On Roll Knolls – Copy On Roll Total Sheet and move School Code Receiving to a Filter and choose 060

l. Free & Reduced Workpaper 7- Values Count of Local ID

- i. Filters
 - 1. Status Active
 - 2. County, 27 and District 3370 Code Receiving
- ii. Columns – Free and Reduced
- iii. Rows – School Code Receiving, Enrollment Type, Grade Level
- These totals do not include students excluded from state reporting and they are in the Nutrikids reports so in the reconciliation include them.

m. Free and Reduced without all tuition codes –Workpaper 7 – Values Count of Local ID

- i. Filters
 - 1. Status Active
 - 2. County, 27 and District 3370 Code Receiving
 - 3. Tuition Code – blank
- ii. Columns – Free and Reduced
- iii. Rows – School Code Receiving, Enrollment Type, Grade Level
- These numbers should agree to the On Roll reports

The ASSA application is found in Homeroom. It is available in early November. Once data is entered, run edits and work with other Districts to resolve sent/receive discrepancies. These procedures are meant to supplement the directions issued annually by NJDOE

4. CASH MANAGEMENT

Morris Hills Regional District retains the services of a Treasurer of School Monies. Together with the Business Administrator, cash is invested, managed and reconciled.

Responsibilities are outlined in Appendix I, MHRD Internal Control Questionnaire.

Revision: 4 — Last modified: Jan 21, 2019

4.1. Cash Controls

Purpose: To identify the controls over cash and the personnel responsible for said controls.

Procedure: Develop segregated duties. Identify authorized approvers. Review records timely. Reconcile bank records. Bond key personnel.

Responsibilities are outlined in Appendix I, MHRD Internal Control Questionnaire.

Revision: 3 — Last modified: Jan 21, 2019

4.2. Cash Flow Management

Purpose: To ensure available cash to fund District obligations such as payroll and accounts payable.

Procedure: Cash flow projections must be prepared for the school year and must be reviewed and updated on a monthly basis.

Revision: 3 — Last modified: Jan 21, 2019

4.3. Cash Receipts

Cash and check receipts – open mail, prepare deposit slip, ACH transfers, record receipt in accounting system

Treasury – confirm verification of signatures on all accounts; verification of person(s) authorized to do wires and ACH; confirmation process for all wires; utilization of on-line banking – verify authorized users; identify person(s) for authorizing stop payment

Investing – cash balances should be reviewed periodically to identify investment opportunities; investment vehicles must be in accordance with state statutes

Reconciling – all accounts must be reconciled in a timely manner

Revision: 4 — Last modified: Jan 21, 2019

4.4. Bank Deposit Procedures

Cash Deposit

- Count deposit
- Confirm that amount agrees with support
- Complete PNC deposit slip- General Account, Adult School or Central Activities
- Retain copy of deposit slip with support
- Secure deposit in bank bag in Safe until it is picked up by the messenger
- Deposit is taken to PNC Bank at Rockaway Town square
- Messenger returns bank bag and deposit receipts
- Deposit receipts and support to Business Administrator for recording

Check Deposit PNC Pinnacle Deposit On-Site:

- Internet Explorer -Corporate & Institutional Banking
- Enter 1) Company User ID, 2) Operator ID, 3) Password
- Create New Deposit, choose appropriate account, enter declared amount (total deposit)
- Place checks in scanner, select "Start Capture"
- Review deposit item list to ensure that checks and deposit match. Correct any errors.
- Select OK to confirm the account it will be deposited into
- Select Report View, and Print Report
- Attach checks and support to "Image Deposit Items Detail Report"
- Submit to Business Administrator for recording

Revision: 2 — Last modified: Jan 21, 2019

4.5. Petty Cash Fund

Purpose: To establish a uniform method of accounting for Petty Cash Funds.

Procedure: The Board of Education recognizes the convenience of impress cash funding the day to day operation of a school district, but the Board is also aware of the abuses that can result from the establishment of such funds unless there are proper controls.

1. The Board authorizes the establishment of petty cash in the amount of 2,200 with the following sub accounts and the remaining in the Business Office:
 - a. Transportation Office \$100
 - b. Morris Knolls High School \$100
 - c. Morris Hills High School \$100
 - d. MHRD Adult High School \$100
 - e. Superintendent's Office \$100
 - f. Supervisor FCS \$250
2. The Business Administrator/Board Secretary shall insure that petty cash funds are spent only for small miscellaneous purchases. Funds shall not be used to subvert the regular purchasing procedure. Individual charges from petty cash cannot exceed \$25.00. The Business Office revolving fund cannot issue checks for more than \$200.
3. To request a purchase using petty cash, prior approval Administrator in charge of the fund is required before any such purchase may occur.
4. All petty cash funds are to be closed out on June 30. To accomplish this, final reimbursement will be into the Business Office for payment at the final Board Meeting in June. This will allow for turning in the local amount of the authorized fund in cash to the Business Administrator/Board Secretary for deposit back into the General Account of the Board. All Board approved funds will be reestablished on July 1 of each school year.

Revision: 2 — Last modified: Jan 21, 2019

4.6. Student Activity Funds

Purpose: To properly account for receipts and disbursements of Student Activity Funds

Procedure: By definition, Student Activity Funds are: “Funds which are owned, operated and managed by the student body under the guidance and direction of adults or a staff member for educational, recreational or cultural purposes. Although the Board of Education has the ultimate responsibility for student activity funds, in most cases they are not school district funds.”

Student Activity Funds are accounted for in the Student Activity Funds account using the District accounting software. The Student Activities Account is audited by an independent auditing agency annually.

Student activity funds are subject to State and Federal Purchasing Laws, including (but not limited to): For every check written, there must be an invoice on file and if the check is greater than \$6,000, a voucher signed by the vendor.

Two quotes must be obtained to purchase products or services when the aggregate cost during the fiscal year is more than \$3,000.

If any public funds are used, competitive bidding is required to purchase products or services when the aggregate cost during the fiscal year is over the bid threshold.

When all funds are raised by or collected from students to support the purchase of student oriented items and materials such as field trips, yearbook, class rings, and a class gift, competitive bidding is no longer required.

Receipt of Funds:

- All funds will be collected by the Activity Advisor and submitted to the School Treasurer. These funds will be deposited within two working days into the established bank account for Student Activity Funds at PNC.
- Large balances should not be permitted to accumulate. Money should not be raised or collected unless there is a definite purpose for doing so.
- All deposited funds will be recorded by the School Treasurer in the Student Activity accounting records using the District software.
- The Student Activity Account is reconciled by the Treasurer of School Monies

Disbursement of Funds:

- All funds will be disbursed from the Business Office using the district's accounting software and Student Activity accounts. Requisitions must be entered into the accounting system and be processed with all system required approvals.
- Each month a bank reconciliation will be prepared by the Treasurer of School Monies.

Fundraising Activities:

- The primary source of funds in the Student Activities account should be from students' dues and/or fees. Proceeds from fundraisers are another source. The Board of Education will limit the solicitation of funds by and from the pupils of this district in order to protect pupils from unnecessary pressures and the instructional

program from disruption. “Pupil fundraising” means the solicitation and collection of money by pupils, on or off school premises, for any purpose associated directly or indirectly with the school district or under circumstances in which the solicitors are identified as pupils of this district.

- Pupils may solicit and collect money on behalf of approved school organizations, provided the fundraising has been approved by the Superintendent or his/her designee. Door to door solicitation by students is prohibited. In no event shall fundraising be contingent upon student’s performance or outcome. The Board discourages incentives or other awards based upon the amount of funds raised by any student or groups of students. In no event, shall any outside fundraiser be authorized to take part in any solicitation, or in any other fundraising activity whatsoever.

Interest

- Interest earned on accounts, small donations (under \$500), consolidated funds from inactive accounts and other miscellaneous revenue may be accumulated in a sub-account for use at the discretion of the Principal for students.

Accounting procedures for Student Activities and Scholarships are located in the Business Office Manual Library under Staff Links on the District website, mhrd.org.

Revision: 5 — Last modified: Jun 04, 2020

5. BUDGET DEVELOPMENT and ADMINISTRATION

Purpose: To develop a spending plan that complies with state and federal guidelines and is supported by matching revenues.

Procedure: In accordance with the budget calendar adopted by the Board of Education each year, develop a balanced budget and monitor spending while projecting additional expenditures. Monitor spending and prepare necessary transfers according to the NJDOE rules that govern transfers.

Revision: 4 — Last modified: Jan 21, 2019

5.1. Budget Development Process

School and Department budgets are the responsibility of the Principal or Department Director. It is their responsibility to annually develop and justify proposed expenditures in each of the line item accounts. They track their school accounts during the year making the necessary transfers needed to insure no accounts are over-expended. The budget calendar and tasks are determined annually and approved by the Board of Education at their September meeting.

The MHRD Budget Manual is updated and distributed with all stakeholders annually in October of each year.

Revision: 3 — Last modified: Jun 04, 2020

5.2. Budget Maintenance & Transfers

Individual budget line item transfer requests are to be submitted to the Business Administrator/Board Secretary by Principals and Department Directors. Requests are entered into the district accounting software and must comply with NJDOE regulations regarding budgetary transfers the account. Monthly, the Business Administrator submits transfers to the Board of Education for ratification. Also submitted is the NJDOE S1701 report of transfers.

The purchasing system does not accept requisitions in excess of the available balances in expense accounts. Transfers must be requested in order to fund an insufficient line accounts.

Revision: 2 — Last modified: Jan 21, 2019

5.3. Budget Account Number Coding

When completing requisitions for materials, supplies, equipment and/or services, it is important to use the correct budget account number as outlined by the New Jersey Chart of Accounts and the MHRD Chart of Accounts. MHRD has expanded the NJ Chart of Accounts by adding two more dimensions, one for area/subject and one for location.

To assist administrators, supervisors and staff members who complete purchase orders, an example of how accounts are displayed has been developed and is available in the MHRD Purchasing Manual.

Budget transfer guidelines and account number coding directions are included in the MHRD Purchasing Manual located on the District website, mhrd.org, under Staff Links, in the Business Office Manual Library

Revision: 2 — Last modified: Jan 21, 2019

6. POSITION CONTROL

Purpose:

To describe forms and procedures needed to assign position control numbers (PCN), and create or abolish positions. Position control is a process to precisely and accurately define the staff positions authorized by the Board of Education to exist; and to measure the current budget status of those positions in order to assess their fiscal impact on the whole budget year.

Procedure: The concept of position control requires that each staff position be defined in specific terms, and that the hiring procedure not be completed until a specifically defined position exists for the applicant. Position control baseline data for budget development is generated on the “snapshot” date of December 1 of the pre-budget year. Grouping will minimally use budgetary “function” and “object” categories, and may include additional detail.

According to N.J.A.C. 6A:23: A-6.8, districts shall maintain an accurate, complete, and up-to-date automated position control roster in order to track the actual number of employees, as well as, the category of employees in details.

Revision: 3 — Last modified: Jan 21, 2019

6.1. Position Control System

The position control roster shall:

1. Share a common database and be integrated with the district's payroll system;
2. Agree to the account codes in the budget software.
3. Insure that the data within the position control roster system includes:
 - i. A tracking number for each position including:
 - (1) An accurate expenditure account code(s)
 - (2) The position's full-time equivalent value by location;
 - (3) The certification title and endorsement held, as applicable
 - (4) The assignment position title as follows:
 - (A) Superintendent or Chief School Administrator
 - (B) Assistant Superintendent
 - © Business Administrator/Board Secretary
 - (D) Board Secretary (when other than I, II, or III above)
 - (E) Principal
 - (F) Vice Principal
 - (G) Director
 - (H) Supervisor
 - (I) Facilitator
 - (J) Instructional Coach by Subject Area
 - (K) Department Chairperson by Subject Area
 - (L) Certificated Administrator – Other
 - (M) Guidance
 - (N) Media Specialist/Librarian
 - (O) School Nurse
 - (P) Social Worker
 - (Q) Psychologist
 - ® Therapist – OT
 - (S) Therapist – PT
 - (T) Therapist – Speech
 - (U) Certificated Support Staff – Other
 - (V) Teacher by Subject Area and/or Grade Level
 - (W) Instructional Assistants
 - (X) Certificated Instructional – Other
 - (Y) Aides supported by IEP
 - (Z) Other Aides
 - (AA) Maintenance Worker
 - (BB) Custodian
 - (CC) Bus Driver

(DD)Vehicle Mechanic
(EE)Food Service
(FF)Other Non-certificated

- ii. A budgetary control number for substitute teachers
- iii. A budgetary control number for overtime
- iv. A budgetary control number for extra pay
- v. The status of the position (filled, vacant, abolished, etc.)
- vi. Name and/or ID # of the employee currently filling the position
- vii. An indication, when available, of whether the incumbent employee is retiring in the budget year or not being renewed including associated costs such as contractual buyouts, severance pay, paid vacation or sick days, etc.;
- viii. Each of the following for the incumbent employee: 1. base salary 2. step 3. longevity 4. guide 5. stipends by type 6. overtime 7. other extra compensation
- ix. The benefits paid/provided to the incumbent employee by the district, net of employee reimbursements or co-pays, by type of benefit and for FICA and Medicare;
- x. The date the position was filled by the incumbent employee; and
- xi. The date the position was originally created by the Board. If the date the position was originally created is not available, this item shall represent the date the person currently filling that position was approved by the Board.

Revision: 6 — Last modified: Jan 21, 2019

6.2. Position Control Guidelines

Authority

The assignment of PCN's is initiated by the Superintendent and Human Resources, in conjunction with the Business Administrator, and after the Board of Education approves the creation of the position.

Position

A position is a set of duties and responsibilities specified in a written job description assigned to be performed by an employee of the district. A position may be full-time, or part-time, salaried or stipend, permanent or temporary, seasonal (summer school, after school, athletics, etc.) and either filled or vacant. A permanent position does not exist until it has been authorized and established by the Board of Education.

- **Position Control Number (PCN)**

A position control number (PCN) is created to represent each Board approved contracted position within the District. As each position is filled, the corresponding control number is linked to the employee who is filling the position. Control numbers that are not linked to any employees represent vacant positions.

Position Control Number – Creating and Maintaining

Position control data is maintained by the Business Administrator. The HRS system requires that all pay records have a PCN number.

Request for PCN for a New Position

Any administrative request to use a PCN for a new position, or to reactivate the PCN of an abolished position, requires Superintendent and Board approval. If the Superintendent recommends, and the Board of Education approves the requested position, the Business Administrator will create a new PCN.

Revision: 4 — Last modified: Jun 04, 2020

7. PURCHASING

Purpose: To acquire goods and services that assist in the delivery of instruction

Procedure: Develop purchases that comply with New Jersey State Purchasing Laws

Revision: 3 — Last modified: Jan 21, 2019

7.1. Understanding Purchasing Laws

Authority to Purchase

A Purchase Order is a binding contract issued by the Business Administrator authorizing the work or service to be done and/or the materials and supplies to be delivered to the school district [N.J.S.A. 18A-2(v)]. The Board of Education has authorized the Business Administrator/Board Secretary as Qualified Purchasing Agent for the Morris Hills Regional District.

Authorized Purchases

All purchases of materials, supplies, and services must be made through an approved purchase order signed by the Business Administrator/Board Secretary.

Unauthorized Purchases and Penalties

Any Board of Education employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

When the purchase order follows the goods ordered, it is often referred to as a “confirming order”.

Unauthorized purchases and confirming orders are a violation of State law and Board policy. Employees may be required to pay for unauthorized purchases and you may be subject to disciplinary action by the Superintendent.

Blanket Purchase Orders

All purchase orders must be written and approved for each purchase even if multiple purchases are made from the same vendor throughout the school year. It is a violation of purchasing regulations and district policy to issue a purchase order to a vendor or supplier without a specific dollar amount and a description of the goods or services being provided.

Signing Contracts

Board of Education employees are prohibited from signing any contract offered by a vendor. The power to sign and execute contracts after Board of Education approval lies with the Board President and the Board Secretary. Contracts signed by an employee shall be considered non-binding with the employee accepting full responsibility for the costs of the contract.

The award of a contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or to purchase materials from, the vendor. All purchases require a purchase order authorizing the purchase of goods and/or services from the vendor.

Ethics in Purchasing

The Board of Education expects that all Board employees practice exemplary ethical behavior in the purchasing of goods, materials, supplies and services. Employees are reminded of the following:

Financial Interest in any Contract: Direct or Indirect

No employee or board member may have a direct interest in any contract or agreement for the sale of goods and services to the Board of Education, nor receive any benefit, compensation or reward from any contract for the sale of goods and services to the Board of Education (N.J.S.A. 18A:6-8).

Conflict of Interest

District officials and employees are prohibited from recommending purchases from members of their family or businesses that employ members of their family.

Favoritism

District officials and employees are prohibited from extending favoritism to any vendors. Each recommended purchase should be based upon quality, price, service, delivery and other applicable factors in full compliance with N.J.S.A. 18A:18A.

Funds, Solicitation of Gifts

All district staff are prohibited from soliciting funds, materials, goods, supplies, favors and other items of value from vendors doing business with the Morris Hills Regional District Board of Education.

All district officials and employees shall be guided by the tenets of the New Jersey School Ethics Law.

Criminal Code Citations

All district employees must understand the seriousness of ethics in Purchasing as described above.

A person commits a crime if the person, as a public servant:

“directly or indirectly, knowingly solicits, accepts or agrees to accept any benefit from another for or because of any official act performed or to be performed by the person or for or because of a violation of official duty.” [N.J.S.A. 2C:27-4(1)]

If the benefit solicited, accepted, agreed to be accepted, offered, conferred or agreed to be conferred is of a value of \$200 or less, it is a crime of the third degree. A person convicted of a crime of the third degree is subject to a fine of not less than \$25,000, or imprisonment, or both.

“A public servant commits a crime of the fourth degree if, while performing his official functions on behalf of a governmental entity, the public servant knowingly transacts any business with himself, a member of his immediate family, or a business organization in which the public servant or an immediate family member has an interest.” [N.J.S.A. 2C:27-9]

Revision: 3 — Last modified: Jan 21, 2019

7.2. Classifying Purchases

Expenditures of public funds are controlled by law to ensure that taxpayers' interests are safeguarded. Therefore, all purchases made with school funds must be classified on the purchase order as one of the following categories:

Open Market

The purchase of products and services when the aggregate cost during the fiscal year is less than 15% of the bid limit. In the 2017-18 school year, the bid limit is \$44,000 and the quote limit is \$6,600 for a District with a Qualified Purchasing Agent.

Quotes

Although public advertisement for bids is not required in all cases, quotations must be solicited for major purchases. New Jersey Purchasing laws require a quote for all purchases over \$6,600. MHRD policy requires two quotes for purchases in excess of \$3,000. Quotations must be in writing.

After two quotations have been solicited, the award of the contract (purchase order) is made on the basis of the lowest responsible quotation received and which quotation is most advantageous to the Board of Education, taking all factors into consideration. If the lowest price quoted is not selected, an explanation of the reason or reasons why the lowest quotation was not awarded is required. The quotations and explanation (if applicable) must be forwarded to the Business Office. Purchases may not intentionally be divided to avoid the requirements.

State Contract

The State Purchase Bureau conducts a competitive bidding process and contracts for the furnishing of certain products and services on behalf of State Agencies and local government entities. Contracted pricing lists are disseminated and available on the state website. The school district may select from the vendors on the State list and determine the best price for the specific products or services needed by the district. Only the items included on the State Contract are exempt from local bidding. A vendor may have a State Contract for some items offered and not for others. The State Contract number must be entered on the purchase order.

Bid and Bid Process

Only the Business Office can conduct a bid. Every contract for the performance of work or the purchase or lease of materials or supplies not exempted by law will be subject to public bidding whenever the aggregate value of such a contract within one fiscal year exceeds the bid threshold established by law. Whenever possible, purchases will be aggregated. The purchase shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids (N.J.S.A. 18A:18A-3.4).

You cannot circumvent the law by splitting purchases to be under the bid limit. If you find that your purchases may exceed the bid limit, please contact the Business Office at once. The formal bidding process takes about 6-8 weeks to complete. This means that any specific item, class of items, and/or services of a similar nature purchased by the school district totaling more than the bid limit for the entire year must be competitively bid. This restriction is for the entire district and not by location or school.

CO-OP and Consortiums

New Jersey School Districts are permitted to participate in contracts/cooperative purchasing networks. At this time, the law only permits local entities to use either the State of New Jersey cooperative contracts or local New Jersey cooperative systems registered with the Division of Local Government Services.

Statute authorizes two or more boards of education to enter into agreements for the purchase of supplies, materials or work. The Morris Hills Regional District Board of Education is a member of many coops and consortiums. Contact the Business Office for the list.

Competitive Contracting

Certain contracts over the bid limit can be awarded using the competitive contracting process outlined in 18A:18A-4.1. The Board of Education must approve by resolution the use of competitive contracting for a particular good or service. Requests for proposals are advertised and evaluative criteria must be developed. This method is used for proprietary software, professional development services and educational consultant services to name a few.

Extraordinary Unspecifiable Services

This method of procurement is an RFP process that also requires Board approval to use. It is a procurement method that is used for insurance purchases and broker services.

Federal Grant Purchases

Purchases using federal funds are to follow the Public School Contracts of New Jersey AND the Uniform Grant Guidance document. If a conflict exists, the most stringent guidance is to be used.

Professional Services/Professional Consultants

Although Professional Services do not require competitive bids or quotations, it is in the best interest of the Board of Education to obtain proposals for any professional service. All Professional Service contracts must be approved by the Morris Hills Regional District Board of Education at a public meeting.

An appropriate resolution must be written for consideration by the Board at a regular public meeting. Submit a request to have a resolution prepared to the Business Office and enclose a written proposal from the consultant outlining the following:

Name and address of consultant (no P.O. Box numbers)

A description of services to be provided

Starting date of service; ending date of service

Cost of the service; terms of payment

Social Security Number/Employer Identification Number

Chapter 271 Political Contribution Disclosure Form (PCD) – It is the responsibility of the administrator/supervisor recommending the contract to provide the Business Office a copy of the vendor's Chapter 271 Political Contribution Disclosure Form if one is required.

Contracts awarded for professional services that exceed the bid threshold must be advertised in an official newspaper of the Board of Education.

No service is to be performed without a properly executed contract and purchase order

Emergency Purchase Contracts

An emergency is a situation affecting the health or safety of the occupants of school property that requires the immediate delivery of the goods or performance of a service to alleviate the emergency. An actual emergency must exist. An “emergency” is not to be created as a result of inadequate planning, delay, administrative convenience, or failure to take into account construction season.

The following is the process for declaring an emergency:

Superintendent of Schools is Notified

The Superintendent must be notified by the employee, supervisor or administrator requesting a declaration of emergency.

Business Administrator/Board Secretary

The official in charge of the building facility where the emergency exists must notify the BA/BS of the following:

nature of the emergency

time of the occurrence

need for the performance of a contract

This notice must be submitted in writing to the Business Administrator as soon as practicable.

Contract by Business Administrator is Awarded

When the Business Administrator/Board Secretary is satisfied that a bona fide emergency exists, the BA/BS, by law, is authorized to award the emergency contract.

Contract Filed with State and County

The Business Administrator/Board Secretary must file a copy of the contract or agreement with the Bureau of Facility Planning and the Executive County Superintendent within three (3) days after awarding an emergency contract or agreement.

Contract Approved by Board of Education

The Board of Education must review and approve the emergency purchase at its next public meeting.

Revision: 3 — Last modified: Jun 04, 2020

7.3. Annual Supply Purchases

The District utilizes Educational Data Services for annual supply orders. Staff members can place their orders at www.eddataonline.com. User ID's and passwords can be obtained from the Business Office. Each user has a budget that cannot be exceeded. Approval chains are established in this system so that all users' orders are approved by their supervisor and the BA. Once approved, Educational Data Services will prepare a file to be imported into ALIO by the Business Office. This file will generate the purchase orders that will be faxed or emailed to vendors by the Business Office.

All other items that require Public Bidding are procured by the Business office. A specification must be prepared that describes the goods or services required in detail. The Business Office will advertise for the good or service and provide all of the required legal documents that must accompany a public bid. Once proposals are received and opened, only the Board of Education can award a contract at a public meeting

Revision: 3 — Last modified: Jan 21, 2019

7.4. Disbarred Vendors

No contract may be made to parties listed on the General Services Administration's List of parties Excluded from Federal Procurement or Non Procurement Programs in accordance with EO12549 and EO 12689-Debarment and Suspension. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies and contractors declared ineligible under statutory or regulatory authority other than EO 12549. Contractor shall complete a Certification as required by the Department of Education regulations implementing Executive Order 12549, Debarment and Suspension 34 CFR Part 85, for all lower tier transactions meeting the threshold and tier requirements stated therein.

Revision: 2 — Last modified: Jan 21, 2019

7.5. Purchasing Deadline

The purchase of supplies ends each school year on the last Friday of January in that school year. This deadline does not pertain to Student Activity Funds, supplies for graduation, or athletic year end expenses

Revision: 2 — Last modified: Jan 21, 2019

7.6. Training & Assistance

Annually the Business Office conducts training for all staff involved in the purchasing process. This training is held in August and September of each year. All school personnel involved in the purchasing process are encouraged to attend the annual training session to review the purchasing procedures. All new staff with purchasing responsibilities receive individual training.

A detailed Purchasing Manual with technical instructions for creating a purchase order is in the Business Office manual Library under Staff Links on the District website, mhrd.org

Revision: 2 — Last modified: Jan 21, 2019

8. FACILITIES

Purpose: To provide adequate facilities for all students and staff and that to maintain all buildings so that students have a safe and healthy environment in which to learn.

Procedure: The Morris Hills Regional District employs a certified facilities manager in accordance with NJDOE code.

Revision: 2 — Last modified: Jan 21, 2019

8.1. Administration of Facility Management

Building Coordinator

The building principal or his designee has the responsibility to be the contact person for the facility to handle communication and administrative details. The building principal or designee generally approves requests for long term and elective maintenance.

Planning for Alterations and Remodeling

The principal is to communicate to the Director of Buildings and Grounds requests for any alterations. He will review and submit all requests for remodeling with the Business Administrator and Superintendent.

After the Superintendent approves the request, it will be sent to the Buildings and Grounds Department to obtain a project cost estimate for the proposed work. A source of funding must be identified before the project can move to the Buildings and Grounds Committee and the full Board for approval. Once the project is funded and approved, the Director of Buildings & Grounds will be instructed to work with the District architect of record or appointed architect for the project to prepare the proper documentation to submit to the Executive County Superintendent and the Department of Education for approval.

Maintenance and Repair of Equipment

The Director of Buildings and Grounds holds contracts with several service companies who provide maintenance and repair services such as elevators, fire alarms, burglar alarms, clock repairs, public address systems, gym door repairs and roof repairs.

The Maintenance Department is prepared to carry out some minor renovations, alterations and improvements and support buildings in order to offer a constant safe environment. These operations must be scheduled in advance.

Pest Control

The Buildings and Grounds Department provides exterminator services to rid the building of rodents, insects and other pests in accordance with the district's Integrated Pest Management Plan.

Recycling

Materials such as newspaper, glass containers, aluminum cans, office paper and corrugated cardboard are recycled. Recyclable materials are to be left in containers properly labeled and located in areas throughout the buildings.

Refuse Collection Services

Trash collection is provided by contract and is under the supervision of the Buildings and Grounds Department. It is done on a regularly scheduled basis.

Asbestos Management

The district maintains its AHERA management plan and insures that it is updated every three years.

Indoor Air Quality

The district updates the Indoor Air Quality plan annually.

Fire Alarm Systems

The district has the fire alarm systems inspected annually and conducts monthly inspections of all fire extinguishers.

Boilers

The district has boilers inspected annually.

The district assigns a properly licensed boiler operator on site whenever the boilers are running and buildings are occupied.

Safety Inspections

The district conducts all health and safety inspections on a regular basis, in accordance with the NJ Department of Education evaluation of school buildings checklist.

Long Range Facility Plan

The district submits all required documents for its Long-Range Facility Plan to the Department of Education on a timely basis.

Comprehensive Maintenance Plan

The district develops and approves its comprehensive maintenance plan annually which includes corrective and preventative measures for the interior and exterior of each building.

Revision: 4 — Last modified: Jan 21, 2019

8.2. Maintenance & Repair Scheduling

Purpose: To provide all staff with access to a work order system to request repairs to building spaces.

Procedure: The District utilizes a web based work order system to request, prioritize, perform and record all maintenance repair requests for all district buildings and grounds. Head custodians or designee enter their requests directly into the web-based work order system, School Dude.

The work order must be approved by the Director of Buildings and Grounds before any work is performed. The work orders will be performed in the following priority order:

A. Emergency – An emergency is a situation that poses an imminent threat to the health or safety of occupants of school property which requires the immediate delivery of goods or the performance of services. Normal purchasing procedures may be waived in the event of an emergency.

1. An actual or imminent emergency must exist requiring the immediate delivery of the goods or the performance of the service.
2. Within three days, the superintendent shall inform the Executive County Superintendent of the nature of the emergency and the estimated needs to respond to it.
3. The emergency purchasing procedures may not be used unless the need for the goods or the services could not have been reasonably foreseen.
4. The contract shall only cover the necessary tasks to alleviate the emergency.

B. Safety – A safety issue exists when the issue could lead to the injury of any occupant of the building. Examples would include broken handrails, steps, etc.

C. High – A work order should be categorized as high if the situation is in violation of laws or regulations or board of education policy. Examples would include broken heaters in winter, boiler repair, and any issue affecting the delivery of instruction.

D. Medium – A work order should be categorized as medium for general repair work of an existing system that no longer works, such as a leaky faucet or light ballast out. The Medium category also includes items included in the annual Comprehensive Maintenance Plan and the district's Strategic Plan.

E. Low – A work order should be categorized as low for requests that are new items, such as a new shelf or cosmetic improvements.

F. Scheduled – Preventive maintenance.

Within each priority category, work orders should be completed in chronological order. The Director of Buildings and Grounds may group work orders in order to complete them in an efficient manner.

Revision: 2 — Last modified: Jan 21, 2019

9. SECURITY

Purpose: To ensure a safe environment for students, staff and visitors.

Procedures: Various systems and procedures are in place as described below

Revision: 2 — Last modified: Jan 21, 2019

9.1. Emergency Management Plan

Our crisis management plan serves as an operating guide for a wide range of emergencies. It is developed in coordination with local police, fire, and emergency agencies.

Revision: 2 — Last modified: Jan 21, 2019

9.2. Swipe (Proximity) Card Access System

The district issues proximity cards to all employees. Their position determine the hours/days/ and locations of access.

Revision: 2 — Last modified: Jan 21, 2019

9.3. Emergency Blue Strobe Lights/Sirens

The district has installed emergency blue strobe lights and sirens in both the interior and exterior areas of our campus. The blue lights and sirens will alert our students and staff members that we are in an emergency lockdown situation and they will alert parents and visitors about emergent situations. If you arrive on campus and see the flashing strobes, you will know that we are in lockdown and you should not enter our buildings.

Revision: 3 — Last modified: Jun 04, 2020

9.4. Alice Protocol

We continue to use ALICE response protocol for active intruder situations. This protocol has been implemented under the recommendation of Morris County law enforcement.

Revision: 2 — Last modified: Jan 21, 2019

9.5. Share 911

This program is designed primarily to allow staff to use smart phones, tablets, computers, or any web-connected device to provide real-time information on emergency situations to first responders and colleagues.

Revision: 2 — Last modified: Jan 21, 2019

9.6. Security Cameras on Campus

Multiple cameras are installed throughout our buildings, grounds, and busses. Denville Police and Rockaway Borough Police have access to cameras during emergent situations.

Revision: 2 — Last modified: Jan 21, 2019

9.7. School Resource Officers

We have a Denville Police Officer in Morris Knolls and a Rockaway Borough Police Officer in Morris Hills during the instructional school day to ensure safety and respond to emergent situations.

Revision: 2 — Last modified: Jan 21, 2019

9.8. Security Staff Assistants

We have multiple Staff Assistants positioned throughout the buildings to monitor the safety of our students (cafeteria, common areas, and security desk).

Revision: 2 — Last modified: Jan 21, 2019

9.9. Visitor Badge System

All visitors are required to submit their license upon signing in at each front door. This system checks the National Sex Offender registry when a license is scanned. The system also permits us to have people black listed and alerts generated to administrative and security personnel when there is a match.

Revision: 2 — Last modified: Jan 21, 2019

9.10. Cameras on Buses

All buses are equipped with multiple cameras. This video is stored on the bus and a copy is uploaded into a server when necessary.

Revision: 2 — Last modified: Jan 21, 2019

9.11. Security Drills

Each month we run both fire and emergency drills to provide students and staff with an opportunity to practice emergency protocol.

Revision: 2 — Last modified: Jan 21, 2019

9.12. Student Transportation Attendance System

Each bus is equipped with a card reader that registers students entering and exiting the bus.

Revision: 2 — Last modified: Jan 21, 2019

10. EMERGENCY PREPAREDNESS

Purpose: To provide staff with a reference document and plan with detailed information to use in the event of an emergency.

Procedures: The administration will create an Emergency Management Plan. These plans will be confidential documents shared with the Emergency Response Team.

The administration will conduct the following emergency drills:

Evacuation drills (twice monthly)

Lock down drills (semiannually)

Active Shooter drills (annually)

Shelter in Place drills (annually)

Bus Evacuation drills (semiannually)

A Biosecurity Plan is reviewed and modified on an annual basis.

An Emergency Management plan is on file in the Principal's Office of each school

Revision: 2 — Last modified: Jan 21, 2019

11. RISK MANAGEMENT

Purpose: To identify risk and then establish procedures to minimize that risk in the daily operation

Procedures: Accidents involving staff, visitors and students should be promptly reported to the school nurse or athletic trainer

Revision: 2 — Last modified: Jan 21, 2019

11.1. Staff Injuries

The District contracts with a third party administrator (NJSIG) that manages staff injuries and the workers compensation program. If an employee has an accident while working, it must be reported to their supervisor and the school nurse within 24 hours and an accident report must be completed and forwarded to the Business Administrator. If immediate medical attention is required, the school nurse or administrator in their absence will send the employee to the designated medical facility for treatment and observation. That facility will notify New Jersey Schools Insurance Group (NJSIG) of the claim.

Revision: 2 — Last modified: Jan 21, 2019

11.2. Visitor Injuries

If a visitor is injured the administrator in charge, day or evening, must complete an accident report and forward it to the Business Administrator. If the accident is during the day, the School Nurse would assist in evaluating the injured visitor. If it is in the evening, the injured visitor would be referred to an urgent care of necessary. These accidents are reported to the District's insurance broker within 24 hours.

Revision: 2 — Last modified: Jan 21, 2019

11.3. Student Injuries

Students injured at school are evaluated and treated by the school nurse. Accident reports are completed and forwarded to the administrator.

Revision: 2 — Last modified: Jan 21, 2019

11.4. Property/Vehicle Losses

The District maintain general liability and property insurance for all of its assets. If property is damaged, the insurance broker is notified and arrangements are made for an inspection. In the case of motor vehicle accidents with district vehicles, police reports are forwarded to the insurance broker. If an accident occurs with a school bus, the bus drivers' handbook details the steps to be taken including the reporting to NJDOE through Homeroom.

Revision: 2 — Last modified: Jan 21, 2019

12. TRANSPORTATION

Purpose: The District recognizes that transportation to and from school is required for the promotion of education. The District has a responsibility to transport eligible students to and from their homes.

Procedures: The District provides a number of transportation services with a combination of District and contracted resources. The District has a fleet of 54 passenger buses, 26 passenger buses, and wheelchair vans as well as bus drivers. The District is also a member of ESCMC and Sussex County Transportation Consortium

The Transportation Coordinator is responsible for evaluating transportation requests and determining which resources will best deliver the service. The District provides transportation services:

1. to and from Morris Hills (MH) and Morris Knolls (MK) High Schools.
2. to and from Morris County Vocational Technical School (MCVTS) for eligible resident students
3. to and from Morris Catholic High School, or aid in lieu
4. to MH for eligible Academy students zero block
5. to MCVTS midday for shared time eligible resident students
6. to private schools for the handicapped for eligible resident students
7. at 4PM twice per week for students that participate in clubs and activities after school
8. for all field trips, both during and outside of school hours
9. for athletic needs

Student Transportation Databases

The District's student information system, ASPEN and the Transportation Department's routing and planning software, Versa Trans, are integrated. Each evening, imported and exported data is sent back and forth. Each morning the Transportation Office staff receive a report of all demographic changes made the prior day that may necessitate a change in transportation services.

Trip Software

The District uses another Versa Trans product, Trip Tracker as a transportation field and athletic trip request system. Multiple administrative paths of approval exist including Board of Education approval within this system. All administrators have access to the systems calendar which reveals all scheduled trips including the location and assigned driver. The procedures for the development of a trip request is included in the Transportation Request System in the Business Office manual Library.

Training

The Transportation Coordinator ensures that all school bus drivers and school bus aides are properly trained for the functions for their position. He ensures that anyone driving a school vehicle used to transport students to and from school and school related activities meet all of the requirements of N.J.S.A. 18A:39-17, 18, 19, and 20 and all New Jersey Department of Transportation rules governing school bus drivers. Anyone driving a school vehicle is required to hold a valid Commercial Driver's License with appropriate endorsement(s) for the class and type of vehicle operated. Each year, the District will file the Annual Certification of School Bus Drivers Report with the County Office Department of Education.

Random drug and alcohol testing of bus drivers is conducted in accordance with applicable regulations.

Non-Public/Aid-in-Lieu

Transportation or aid in lieu of transportation is provided in accordance with N.J.S.A. 18A:39-1.

The District utilizes the services of the Educational Services Commission of Morris County (ESCMC) to administer this program.

The Applications for Non-Public Transportation forms are distributed and evaluated by the ESCMC.

ESCMC determines students' eligibility for transportation or aid in lieu of transportation, and notifies parents and non-public school administrators of the determination for each application by August 1st.

ESCMC prepares the Non-public School Transportation Summary form and submits it to the non-public school administrators in January and May for certification of each.

ESCMC forwards the Non-public Transportation Summary form and the applications to the Transportation Coordinator in January and June for the issuance of aid in lieu of transportation reimbursement payments to parents.

The Transportation Department prepares requisitions for all eligible students in the District's accounting software, alio.

The Transportation Department receives all requisitions in the alio system for payments in February and June.

Required Reporting

The annual District Report of Transported Resident Students (DRTRS) is completed by the Transportation Coordinator and submitted within the State set timeframe.

Revision: 5 — Last modified: Jun 04, 2020

13. FOOD SERVICES

Purpose: To provide food services to all students

Procedure: The Morris Hills Regional District contracts with a Food Service Management Company, Pomptonian, to deliver food services to all students.

Application for Participation in Child Nutrition Program:

During the summer preceding the beginning of each school year, the Business Administrator completes the Application with the Bureau of Child Nutrition to participate in the Free and Reduced Meal Program.

Direct Certification:

Students eligible for TANF and/or Food Stamps may be directly certified for free lunch by the State. At least three times a year, the District compares its student data file to the State's TANF and Food Stamp File using the SNEARS program. In these cases, the Business Office sends a letter, from the SNEARS program, to the household and notifies them of their child's lunch status before school begins and periodically throughout the school year if necessary. In these instances, no lunch applications are necessary.

Free and Reduced Meal Application:

The District uses a web based application system, My School Apps, to process free and reduced meal applications. There is a link to this application on the District website.

The Principals notify all families that the application system is available in their opening communication to families each year.

For families that choose not to use the online application system, the Business Administrator provides applications for free and reduced meals to each school before the opening of school. The schools post these forms on their website. Families are notified about the availability of this form in the school's summer mailing. Completed applications are then forwarded to the Business Office.

Determining Eligibility for Participation in the Child Nutrition Program:

The District utilizes a software program for lunch applications, Nutrikids POS System, which determines eligibility in accordance with applicable regulations established by the Department of Agriculture.

Paper applications are entered into this system by the Assistant to the Board Secretary. Online applications entered into My School Apps are imported into the POS System by the Assistant as well.

After determination, letters are sent to all applicants advising them of their status (i.e. free, reduced or denied). All applications are maintained in the Business Office.

Master Eligibility List:

A master eligibility list is generated by the POS System. This is a comprehensive list of all students who filed an application and indicates their status as free, reduced or denied. The master eligibility list is maintained for each school (location) as well as district-wide as required per regulations.

Civil Rights Compliance:

Per regulation, a Civil Rights Compliance is completed each year. Using the October 15th student data, lists are maintained by school, broken down by ethnic group and further broken down by status of free, reduced

and denied.

Verification:

By November 15th, the required percentage of applications deemed eligible for free and reduced are verified. These applications are chosen at random and applicants are asked to provide name and social security number for each adult listed on the application as well as proof of income.

Daily Deposits:

Deposits are prepared daily, by school and reconciled to the register tapes by food service management company personnel. They are then put into a locked bank bag and brought to the bank. Deposit totals are reconciled to the bank statement and the POS system report of daily sales by the BA and the Treasurer of School Monies.

Establishing Cafeteria Prices:

Each year, the Board of Education sets prices for food items. Every effort is made to set prices that are affordable for students but enable the food service program to operate without a contribution from board funds.

Voucher Certification/Submission:

Each month, Food Service Management Company personnel enter meal counts into the Department of Agriculture meal reimbursement system in SNEARS (School Nutrition Electronic Application System). These meal counts are then verified by the Business Office and then Certified so that State reimbursement can be made.

Commodities:

The district participates in the commodities program offered by the New Jersey Department of Agriculture.

Revision: 4 — Last modified: Jan 21, 2019

13.1. Start of New Year Procedures

On June 15th, request free and reduced lists of 8th graders from the elementary districts. Denville is only free milk but that entitles students to free lunch.

After last serving day in June, Business Office and Heartland Nutrikids staff close the current year system for both Nutrikids and My school apps. Save all.

June 30th account balance reports, student and adult, as well as all Free and reduced reports and accounting reports should be generated.

July 1 or as soon as the SNEARS system is open, Business Office prepares Letter to Parent Packet. Superintendent is Hearing Officer and BA is Determining Official. Each year, a request must also be sent to Trenton for approval to use the online application system. When Letter to Parent is approved by Trenton access all approved documents including application, sharing agreement and FAQs under reports in SNEARS. Add MySchool apps address to the documents.

PDF and hard copy of letter to parent in English and Spanish as well as the sharing agreement is sent to both schools for distribution and webmaster for distribution through Family ID and posting on website. Also send Policy 8550 on unpaid meal charges to schools to be sent through Family ID. Prepare Schedule A. Information for this schedule comes from Board agenda and Pomptonian

August 7th IT updates Nutrikids to reflect new year students from ASPEN. Direct Certification can not be started until the ASPEN roll over data has been populated into Nutrikids.

Direct Certification is processed four (4) times each year. Request a file to be uploaded into the SNEARS website from IT. The dates are as follows:

1. July 15th – August 30 (requested for August 13) 2. September 1st – September 30 (requested for September 5)
3. October 1st – October 30 (requested for October 10)
4. March 1st – March 30 (requested for March 6)

Once certified as DC, that status in Nutrikids remains for the entire school year. Send letters home to advise families that students are DC and give them the opportunity to add other students that we may not have captured.

August 8th, The “Start of New School Year” process is started with Nutrikids support. It’s a scheduled appointment and updates the system for Income eligibility guideline changes. We must also identify the date that temporary eligibility expires. Prior year eligibility is used until the 30th serving day of the new school year then expires.

August 13, first Direct certification match is in processed in the Business Office from file prepared by IT and uploaded into the SNEARS site. This file should exclude OOD students. The SNEARS software will create a DC match, foster match and household match and generate an excel file and letters to parents. Save both. Save the file to be uploaded into Nutrikids with Heartlands assistance. Use letters from the SNEARS website to notify parents of DC eligibility. Keep copies of all letters. Contact Nutrikids for assistance uploading this file into Nutrikids System. This must be scheduled and make take a few days.

August 13 Nutri kids will be updated by Business Office for the elementary students received by elementary schools manually. This is entered after the Direct Cert process. It will minimize the amount of students that have to be adjusted. Federal regs extend these benefits for 30 operating days of the new school year.

Revision: 4 — Last modified: Jun 04, 2020

13.2. Processing Lunch Applications

Most applications are entered using the web application MyschoolApps, which can be found on our website. They are reviewed and imported by the Business office.

Paper Applications are received by Asst Principal, reviewed for completeness and forwarded to the Business Office. If they are incomplete they are returned to the Asst Principal.

Paper Applications are entered into the Nutrikids system by the Business Office staff. Letters of eligibility are sent to homes from the Business Office.

Nutrikids reports, application review list, application summary by student, and eligibility application list are printed daily by BO staff and reviewed and signed by the Business Administrator. Generate error prone and MEL (eligibility summary list) at the end of each month.

Entering Lunch applications into Nutrikids system

- Step 1 Review Application to be sure that this section has student names, schools, and student check box completed. If foster is checked for the only child on the app, proceed to Step 4. If there are other high school students on the same app that are not Foster proceed to Step 2 because Foster designation does not transfer to all students in household.
- Step 2 If SNAP or TANF are checked this eligibility applies to all students in the household. A case number must be provided. It is either 6 or 9 digits after the letters CO or CS. then proceed to Step 4.
- Step 3 must list all adults, their income, (annual income is no longer an option) number of household members, 4 digits of a social OR no social checkbox checked.
- Step 4 must include signature OR printed name of adult household member.

If any of these required fields are missing, return the application to the Assistant Principal

Entering applications into the POS system:

Access POS system with user id and password

Select the Free and Reduced applications tab and Enter and Modify Applications

Under the search option field, type the student's last name and enter, a list of students with that last name will appear

Double click on each student that you want to address with this app then select close.

Check that address on application agrees with system.

Enter Y if printed name or signature is reflected.

Enter 1 for an income app. Enter 2 if foster child box is checked in Step 1 of the application. Enter 3 or 4 if Step 2 of the application is completed with a case number (required). Enter 5, 7, or 8 if these boxes are checked in Step 1 of the application.

Enter number in household from application Step 3B

Enter yes for SS number or just that the box is checked with no SS.

Select Add Incomes

Enter each name and up to four different incomes for each person. Select save and enter the name of the next household member with income. Reportable income is earnings from work, welfare, child support, alimony, pensions, SS, retirements, veterans pay, disability income.

Enter Application language

Enter race and ethnicity

Select process Application and meal eligibility will calculate.

Select Save and the system will number the application. Enter the application number on the paper application. If Error Prone is reflected check the error prone box on the application.

At the end of the day, print application review list for that date and JG's signature

Print and mail the eligibility letters each day

On a monthly basis generate and save a Master Eligibility List (MEL) from Nutrikids

Foster eligibility does not extend to other household members

SNAP and TANF numbers are 10 digits that include a letter and a county code.

Revision: 3 — Last modified: Jun 04, 2020

13.3. Collecting Negative Account Balances

Purpose: The District must make every effort to collect negative balances in accordance with District Policy #8550 and N.J.S.A. 18A:33-21

Procedure: Policy and statute require parent notification when an account is in arrears.

District Policy requires a first notification to be sent on the (5th) fifth of the month where parents are given 10 days to pay the arrears. The first notification is a template stored in Nutrikids.

During that time, the cafeteria follows the following procedure:

\$7.00 in arrears or more.

The student continues to be served a meal for breakfast or lunch which can be charged to the account but ala carte items can not be charged. Ala carte purchases are cash only.

A second notification is sent on the (15th) fifteenth of the month to parents/guardians that did not respond to the first notification. The second notification states that if the account is not paid within one week of the letter, the student will be on a cash basis only. No items can be charged.

During that time, the cafeteria continues to follow the following procedure:

\$7.00 in arrears or more.

The student continues to be served a meal for breakfast or lunch which can be charged to the account but ala carte items can not be charged. Ala carte purchases are cash only.

If the arrears is not paid by the 22nd of the month:

The cafeteria follows the following procedure:

\$7.00 in arrears or more.

The student continues to be served a meal for breakfast or lunch which can be charged to the account but ala carte items can not be charged. Ala carte purchases are cash only.

\$15.00 in arrears

The student can make purchases with cash only. No charges are allowed for meals or ala carte items

Revision: 2 — Last modified: Jun 04, 2020

13.4. Remitting Sales Tax

Although student purchases are not subject to sales tax, all adult meals and ala carte items are. Quarterly the District is required to remit sales tax collected to the State of New Jersey.

The following steps are followed:

- Sign in to the Nutrikids POS Manager System with a user id and password
- Select Reports, Accounting Reports, Revenue Reports
- Choose the period for reporting

July 1 through September 30
October 1 through December 31
January 1 through March 31
April 1 through June 30

- Save the report
- Calculate total sales for the the quarter for the following categories for both schools

Adult Breakfast
Adult Lunch
Adult Ala Carte

- Access the [New Jersey Sales and Use Tax Online Filing and Payments](#) at
- Select File Quarterly Return, ST-50 with the quarter ending date
- Enter total sales calculated for both schools for the quarter
- Calculate sales tax based on NJ sales tax rate for that period.
- Enter 0 for any tax payments previously submitted
- Select the Calculate button
- Clear any errors
- Select Submit this return
- In drop down for balance due select electronic check then file and pay balance due
- Enter bank information for Claims Account
- Create a direct payment requisition in alio
- Prepare manual check for requisition

Revision: 11 — Last modified: Jan 11, 2019

14. TECHNOLOGY SYSTEMS

Revision: 1 — Last modified: Dec 23, 2018

14.1. Physical Security Over Technology Equipment

Purpose: To ensure the overall performance of the technology systems, the equipment must be protected from harm, abuse, misuse and pilfering.

Procedure:

1. Rooms or cabinets that house servers will be secured either by electronic door entry systems or proximity cards or by mechanical means (locks). Access to these rooms/cabinets is restricted to authorized personnel only.
 - a. Keys or cards that allow access to the areas are limited in number and accounted for regularly.
 - b. Review of the personnel who has access to these areas is reviewed several times a year.
2. Rooms or areas that house large amounts of computer or technology equipment (including server rooms, switch closets and computer labs) have environmental controls to ensure that proper heating, cooling, ventilation, and dehumidification is provided. Environmental controls are monitored with a system to report environmental alarms.
3. All computer and technology equipment inventoried.
 - a. Verification is made periodically to ensure that equipment is still located where the inventory record states. When equipment is moved, the inventory record should be updated.
 - b. Laptops and other portable pieces of equipment are accounted for periodically by requiring the users to provide the piece for physical inspection.
 - c. Software clients such as Security, NetOp, Apple Remote Desktop, Google and Active Directory applications are capable of gathering inventory information, and can be used to track inventory of computer-based assets. Updates of software clients should be made on a regular basis.
4. A master set of user manuals are maintained and secured to ensure continuity of operations should other versions be destroyed. A master set of manuals is held in another area.
5. Media, such as disks, tape and other output should be protected in locked areas or cabinets. Media that is utilized for back-up of information, applications or systems are held in another area building or in a fire-rated cabinet. Aging media are transferred to a current technology (archived).

Revision: 2 — Last modified: Jan 21, 2019

14.2. Security Over Data

Purpose: To ensure the overall performance of the district via its technology systems and data

Procedure:

1. Password protection is utilized for all network logons. Key district applications also require users to have passwords.

- a. Users are reminded not to share or write down passwords
- b. Passwords are “hardened” and must be at least eight characters long.
- c. Passwords for network access are forced to be changed periodically.
- d. Passwords for key district applications are changed periodically.
- e. Passwords are user generated and not written down, with only reset ability housed at the technology department level.
- f. Passwords are not repeated for network access and application access, particularly the student information system.

2. User accounts are only made for network access and individual application access as required for the completion of the staff duties or learning opportunities for students.

Access to district wide public or private folders is restricted based on user role.

Revision: 4 — Last modified: Jan 21, 2019

14.3. Systems of Software & Applications

Purpose: To ensure the number, type and scope of individual applications are monitored to maximize the efficiency of the technology while not creating an overly complex environment.

Procedure: Purchase and use of new applications, including those that are web hosted and not actually owned by the district require approval of the Supervisor of Technology and the Superintendent.

Among considerations are any licensing issues, purpose of application, and compatibility of the new application with the current infrastructure. The need to expand the infrastructure as a result of the new application (for example, video sharing software may need additional storage)

- a. Before new applications are purchased, there is a determination of the needs of the district, a review of available solutions, a compatibility test with existing infrastructure and a determination of the needs satisfied by the application.
- b. Before implementation of new applications, timelines and deliverables are established. The deliverables include what is expected of the application, training, support, and the time frame for each.
- c. Before installation of new applications, back-up of systems is done in case of incompatibility and adverse reactions to the new software. Baseline information is held.
- d. Hardware requirements for the new application are identified and purchased well in advance of installation of new applications, if needed. This allows for the proper testing of the new hardware. Summer imaging provides enough time to create an image of new software and hardware and to test it properly.
- e. Hardware and operating systems software must be updated with the latest firmware and security updates, before any applications.

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14.4. Network Protection – Internet Dangers

Purpose: To employ several layers of protection to ensure that unauthorized access to the network does not occur.

Procedure: 1. Webroot and MalwareBytes Anti-Virus Application is in use, and automatically updated and forced automatic rollouts to all district computers occurs on a regular basis to protect from computer virus contamination. District users cannot modify the antivirus program.

2. The district utilizes spam filters and anti-spyware software to minimize the potential for unsolicited and unauthorized access to the network.
3. The district utilizes an external firewall (a router that controls access) to prevent access from unauthorized sources.
 - a. Any applications or web pages (such as the video server, web server, email, Blackboard) that will be viewable by the general public or by certain users, are held in the “DMZ” (Demilitarized Zone), or that portion of the network outside of the district Wide Area Network/Intranet, where there is limited trust.
 - b. Network resources that are relegated to the “DMZ” are completely separated from any internal networks, thereby blocking firewall avoidance.
 - c. The available and open ports are reviewed periodically.
4. Automatic updates are done for operating systems and common applications such as the Webroot program.
5. The district secures the wireless network by using a combination of Wireless Equivalent Privacy (WEP) and MAC filtering done at the Radius server to avoid access by unauthorized sources.
6. District monitors wireless transmission to verify authentication of users.
7. Network administrators periodically check system access logs for unauthorized activity.

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14.5. Network Protection – Internal Dangers

Purpose: To create procedures that prevent unauthorized use from within the district.

Procedure:

1. The district utilizes “Lock Out”, where the workstations and password screensavers automatically lock the unit when not in use for 180 minutes.
2. Access to the network is requested, changed, added and deleted by authorized personnel only on behalf of those staff members who need access.
3. User rolls are defined that allows for many users to be grouped together. The use of profiles allows for more standardization and efficiency in administering the security access of each application
4. All application access is reviewed periodically for discrepancies in the user roles and the access to sensitive information (Group Policies for Windows and Workgroup Manager for Macintosh).

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14.6. Electronic Communication Archiving

Purpose: To store electronic communications made within district.

Procedure:

1. District employs hardware solution to maintain electronic backups of all communications.
2. Email archival system access is restricted to secure district personnel.
3. Monthly checks of the email archival system are made to insure reliability.
4. Regular password changes are made to the archival system to limit potential security breaches. The archive system is not accessible from outside the district.
5. The district sets up network policies to block any unauthorized electronic instant messaging/chat program

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14.7. Web Content Filtering & Supervision

Purpose: To insure a safe and secure electronic environment for students.

Procedure:

1. District employs tools to monitor access to web sites. Using a hardware “proxy” solution, the district has put into place a method to filter web sites containing content that is against the district’s acceptable use policy.
2. System filters web sites that contain viruses, spyware, malware, unsecure connections and improper certificates.
3. Technology staff conducts regular maintenance of the filter.
4. Filter system regularly (automatically) updates to block new web sites.

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14.8. Network Storage Availability

Purpose: To provide users with a secure area on the network to store files.

Procedure: District employs tools to allow users to save files on a secure server and district Google platform. Fileservers are in place and are regularly backed up.

1. Systematic and regular backups are being made of network-stored data.
2. Access to individual network space is restricted to individual users and network administrators based on user level permissions.
 - a. Quotas for space limitations are being investigated in the high schools so as to not exceed the capacity of the server space.
 - b. Users of the network storage system agree to store content that is in agreement with the district's acceptable use policy.
3. Shared network storage is monitored to insure proper access based on security groups.
4. Network administrators check backups of the system.
6. A backup policy that insures quick recovery is in place.

Revision: 2 — Last modified: Jan 21, 2019

15. INFORMATION MANAGEMENT

Revision: 1 — Last modified: Dec 23, 2018

15.1. Acceptable Use

Purpose: To ensure that anyone who has access to district electronic resources understands what is acceptable use of the technology and information and to ensure that anyone who has access to sensitive information understands the acceptable uses of that information.

Procedure:

1. The Board has established a policy that informs all users of the districts' data, systems and information of the acceptable and non-acceptable uses of those district assets. The policy identifies students, staff, parents and guardians, and other users who may have access to the district's data, systems and information.

a. Students are required to sign the policy when they begin their tenure at MHRD.

b. Other web users of information are required to have an electronic acceptance on the web pages before data is displayed. These may include calendars, or web requests for use of facilities, these instances may require additional assurances as well (i.e., secure logon).

c. All persons with sign-on to the district's network or to district data, i.e. parent portals, are required to agree to the acceptable use policy, which should be listed.

2. The Board has adopted an Acceptable Use Policy that, at a minimum, prohibits the following regarding electronic systems conduct that interferes with or stops district activities, including but not limited to excess download, uploads, printing, copying, bandwidth usage, etc.

a. Conduct any activity not related to the district's operation, including, but not limited to, advertising, soliciting business, or political lobbying.

b. Involvement in the violation of, or conviction for violation of, federal, state, or local statutes or regulations regarding computers, electronic communications, interstate commerce and/or security regulations. This includes, but is not limited to, material protected by copyright, trade secret, obscenity and related laws.

c. Threats, harassment, libel or slander.

3. This policy is reviewed annually for changes in the types of information used and in the types of technology used

4. Information as referred to in the policy is not limited to electronic information or simply the use of electronic systems. Controls exist over written information and paper files.

a. Individuals who have access to district records should not use the information for personal reasons.

b. Sensitive information is stored in a manner that does not allow for easy access. In the case of electronic information, passwords and restrictions based on user are employed. For written and paper files, information is secured by locking cabinets, drawers and doors to offices that hold such information.

c. Copies of sensitive material are only made in cases where it is necessary. Any copies of information that is sensitive in nature should be destroyed in an appropriate manner, such as shredding.

SECTION XIV – INFORMATION MANAGEMENT (cont.)

ACCEPTABLE USE OF DISTRICT'S TECHNOLOGY AND INFORMATIN (CONT.)

5. All staff members are required on an annual basis to review and uphold the mandated Board policies/regulations posted on the district website and superintendent's manual.

6. Violations of the Acceptable Use Policy are spelled out in student and staff code of conduct.

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15.2. Securing of Information

SECURING OF SENSITIVE MANUAL (WRITTEN OR PAPER) INFORMATION

Purpose: To ensure that sensitive information is properly handled and to limit the potential exposure of information from being obtained through the district.

Procedure:

1. All employees who have access to any of the following information are required to abide by the proper methods of use, compilation, dissemination and destruction, when appropriate, and safe-guarding of that information.
2. The Superintendent and Business Administrator/Board Secretary or their designees determine those records of a sensitive nature held in the district. The records include, but are not limited to staff, student, volunteer and board member personal information such as address, unlisted phone number, social security number, marital or guardian status, garnishment information, health related information, free and reduced lunch status and disciplinary information.
3. Sensitive information is housed in a locked cabinet or behind locked doors.
 - a. Access to keys is restricted to personnel authorized to view the information. Keys have “do not duplicate” on them and copies are prohibited, except as needed.
 - b. Areas housing sensitive information are locked whenever the areas are not staffed.
 - c. Whenever possible, sensitive information is stored away from high traffic areas.
4. Original sensitive information files should be housed in a fire rated cabinet, where possible.
5. Backups of paper documents are treated as sensitive. Electronic documents are backed up daily and paper documents are housed in locked areas.

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16. APPENDIX I

Revision: 1 — Last modified: Dec 23, 2018

16.1. Glossary of School Accounting Terms

ACCOUNT: A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source.

APPROPRIATION: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes

AUDIT: The examination of records and documents and the securing of other evidence for one or more of the following purposes:

- A. Determining the propriety, legality and mathematical accuracy of proposed or completed transactions.
- B. Ascertaining whether all transactions have been recorded.
- C. Determining whether transactions are accurately recorded in the accounts and in the statement drawn from the accounts.
- D. To determine whether the statements prepared present fairly the financial position of the school district.

BID: The process which includes legal advertising and direct contact, sought from appropriate vendors for goods and services individually or in the aggregate, whose cost is above the mandated bid threshold.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

CAPITAL OUTLAY: An expenditure which results in the acquisition of fixed assets or additions to fixed assets. It is an expenditure for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings and the remodeling of buildings, with the life expectancy of at least ten years.

CASH: Currency, checks, postal and express money orders, and bankers' drafts on hand on deposit with an official or agent designated as custodian of cash, and bank deposits.

CHART OF ACCOUNTS: A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged by Fund, Program, Function and Object.

CONTRACTED SERVICES: Services rendered by personnel who are not on the payroll of the Board of Education including all related expense covered by the contract. Also, called Purchased Services.

DEFICIT: The excess of the obligations of a fund over the fund's resources.

DISBURSEMENTS: Payments.

ENCUMBRANCES: Purchase orders, contracts, and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved.

EQUIPMENT: An instrument, machine, apparatus, or set of articles with a value of at least \$2000 which retains its original shape and appearance with use and/or is nonexpendable; i.e., if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair than to replace it with an entirely new unit.

EXPENDITURES: Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year.

FISCAL YEAR: The twelve-month period from July 1 through June 30, during which the financial transactions of the school system are conducted.

FIXED ASSETS: Land, buildings, machinery, furniture, and other equipment which the Board of Education intends to hold or continue to use over a long period of time and costs over \$2,000.00 when purchased. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

FUNCTION: A group of related activities which are aimed at accomplishing a major service for which the school system is responsible.

FUND: All accounts necessary to set forth the financial position, the financial operations, the changes in residual equities or balances, and the changes in financial position of a fund.

GENERAL FUND: Used to account for all transactions in the ordinary operations of the Board.

INVENTORY: A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property on hand at a given time. Also, the cost of supplies and equipment on hand not yet distributed to requisitioning units.

INVOICE: An itemized list of merchandise purchased from a particular vendor from which payment is made. The list includes quantity, description, price, terms, date and the like, and is matched with the receiving information.

OBLIGATIONS: Amounts which the Board of Education will be required to meet out of its resources, including both liabilities and encumbrances.

PETTY CASH: A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Also, a sum of money, in the form of a special bank deposit, set aside for the purpose of making immediate payments of comparatively small amounts.

PROGRAM: A plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

PRORATING: The allocation of parts of a single expenditure to two or more different accounts. The allocation is made in proportion to the benefits which the expenditure provides for the respective purposes

or programs for which the accounts were established.

PURCHASE ORDER: A written request to a vendor to provide materials or services at a price set forth in the order and is used as an encumbrance document.

PURCHASED SERVICES: Personal services rendered by personnel who are not on the payroll of the Board of Education and other services which may be purchased by the Board of Education.

REFUND: A return of an overpayment or over collection. The return may be either in the form of cash or a credit to an account.

REIMBURSEMENT: The return of an overpayment or over collection in cash.

REPLACEMENT OF EQUIPMENT: A complete unit of equipment purchased to take the place of another complete unit of equipment which is to be sold, scrapped or written off the record and serving the same purpose as the replaced unit in the same way.

REQUISITION: A written request to a school official for specified articles or services. It is a request from one school official to another school official, whereas a purchase order is from a school official to a vendor.

STUDENT ACTIVITY FUND: Financial transactions related to school-sponsored student activities and interscholastic activities. These activities are supported in whole or in part by income from students, gate receipts, and other fund-raising activities.

SUPPLY: A material item of an inexpensive, expandable nature that is consumed, worn out or deteriorated in use; loses its identity through fabrication or incorporation into a different or more complex unit or substance. Is expendable or subject to replace rather than repair if damaged or if some of its parts are lost or worn out.

TRAVEL: Costs for transportation, meals, hotel and other expenses associated with traveling on business for the Board of Education.

VOUCHER: A document which authorizes the payment of money and usually indicates the accounts to be charged.

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16.2. Internal Control Questionnaire

Morris Hills Internal Control Questionnaire is updated annually or if there is a change in staffing in the Business Office. It can be accessed [HERE](#)

Revision: 5 — Last modified: Jun 04, 2020

17. APPENDIX II

Detailed procedures for the following activities are on file in the Business Office:

- General Ledger Activities
- Payroll Processing Procedures
- Payroll Agency Procedures
- Quarterly Tax Filings
- ACA Year End 1094/1095 Processing
- W2 Year End Processing
- IROC Reporting Procedures
- Accounts Payable Procedures
- Year End 1099 Processing
- Accounts Receivable Processing

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