

**YORK SCHOOL DISTRICT ONE
IDEA CLUSTER**

MEMO-INTERNAL CONTROLS

York School District (“District”) considers the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) requirements while developing the internal controls for each of the District’s federal programs. The COSO requirements are listed below.

Internal Control Component	Principles
Control environment	<ol style="list-style-type: none"> 1. Demonstrate commitment to integrity and ethical values 2. Ensure that board exercises oversight responsibility 3. Establish structures, reporting lines, authorities and responsibilities 4. Demonstrate commitment to a competent workforce 5. Hold people accountable
Risk assessment	<ol style="list-style-type: none"> 6. Specify appropriate objectives 7. Identify and analyze risks 8. Evaluate fraud risks 9. Identify and analyze changes that could significantly affect internal controls
Control activities	<ol style="list-style-type: none"> 10. Select and develop control activities that mitigate risks 11. Select and develop technology controls 12. Deploy control activities through policies and procedures
Information and communication	<ol style="list-style-type: none"> 13. Use relevant, quality information to support the internal control function 14. Communicate internal control information internally 15. Communicate internal control information externally
Monitoring	<ol style="list-style-type: none"> 16. Perform ongoing or periodic evaluations of internal controls (or a combination of the two) 17. Communicate internal control deficiencies

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York School District One internal controls are the processes designed to provide reasonable assurance regarding the achievement of the district's objectives relating to operations, reporting and compliance. These processes are affected by the Board of Trustees, district leadership and other management personnel and staff. Administration is responsible for maintaining an effective internal control system and communicating the expectations and responsibilities to all staff members as part of the internal control environment. All staff members are responsible for carrying out the internal control requirements as set forth by administration.

There is a direct relationship between the district's objectives (operations, reporting and compliance), the components of the internal control system (listed above) and the district's structure. Objectives represent what the district strives to achieve. Components of the internal control system represent what is required in order to achieve the objectives.

The district's objectives relating to operations, reporting and compliance are as follows:

- **Operations Objectives**
 - Provide opportunities for the success of all students by providing a high-quality and comprehensive instructional program, to include related arts and athletics
 - Provide high quality, safe and secure facilities
 - Implement initiatives that reinforce the use of technology as a tool for instructional improvement and improvement of student achievement
 - Review/analyze, on an on-going basis, the effectiveness and efficiency of the district's operational processes for continuous improvement.
 - Pursue all funding sources and effectively and efficiently utilize funds for the optimal support of vision, mission goals and the overall operations of the district.
 - Maintain fiscal responsibility and stability
- **Reporting Objectives**
 - Utilize a variety of conventional and technological means to improve communication with all facets of the school and business community.
 - Provide reliable, timely and transparent reporting of the district's financial and non-financial information as required by local, state and federal agencies as well as requirements by the district's policies and procedures.
- **Compliance Objectives**
 - Maintain compliance with local, state and federal laws and regulations.
 - Maintain compliance with district policies and procedures.

General Information:

Individuals with Disabilities Education Act ("IDEA") provides funding for education programs / procedures for students with disabilities. The program is to be administered in accordance with the terms of the Act and expenditures are to be in compliance with the provisions of 34 CFR Part 200 and 34 CFR Parts 76, 77, 79, 80 and 86.

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IDEA Administration:

Mr. Bryan Greeson is the Director of Special Services and is the Program Director for the District for IDEA. He prepares and submits the annual budget to the SDE for IDEA funding and is responsible for the monitoring and oversight of the expenditure of IDEA funds.

Budget Process:

Mr. Greeson prepares a project proposal which incorporates the above funds which is reviewed and signed by Amy Hagner and Dr. Prosser. After state review and approval, Bryan enters the budget in the Grants Accounting Processing System (GAPS) on the SDE website. Sherry Hernandez then approves the budget in GAPS. After the proposal is approved by the SDE and loaded in GAPS, the District can start being reimbursed for funds expended. Martie Bailes maintains the reimbursement request, budget, and expenditure records. All expenditures must be approved by Mr. Greeson. For expenditures other than salaries, Mr. Greeson approves the purchase order which is then entered into the District's purchasing system. When the supplies or goods ordered are received, proof of receipt is submitted to the District's business office (Accounts Payable). AP then matches the invoice to the approved PO and proof of receipt and processes the invoice for payment. Monthly, Mr. Greeson and Mrs. Bailes monitors the program expenditures for compliance to the budget and grant document. Sherry Hernandez completes the reimbursement form for IDEA expenditures and forwards it Amy Hagner, Assistant Superintendent, for approval. After it is approved by Amy, Sherry enters the information into GAPS and Hagner approves in GAPS. Funds are received under the same procedures used for receipt by all grant funds in the District's finance department.

Activities Allowed or Unallowed

Mr. Greeson reviews all requisitions to ensure that the IDEA program operation complies with the grant application, budget, and the State Department of Education Guidelines and that all expenditures are for allowable activities. He approves and reviews all invoices to ensure that they are only for allowable items.

The district finance office (Sherry Hernandez, Accounting Manager) can produce monthly financial reports, which show both budget data and actual expenditures. These reports can be provided to the IDEA coordinator periodically or the Bookkeeper can pull the reports out of CSI. Bryan Greeson, Amy Hagner, and Sherry Hernandez review expenditures to ensure that the IDEA program expenditures comply with the grant application, budget, and the State Department of Education Guidelines and that all expenditures were allowable activities. Journal entries are prepared by Sherry Hernandez, her signature is documented electronically on the JE posting register and manually signed and dated. Amy Hagner then reviews these JE and her review is evidenced by her manual signature and date.

The majority of the transactions charged to this program are salaries and related benefits. Salaries and personnel of specifically identified teachers, teacher assistants and support staff are

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approved/reviewed by Bryan Greeson on an annual basis during the budget preparation process. Time and effort is determined by job function and the grant for which their work pertains. Employees who work directly for the program are verified throughout the year via a semi-annual Certification or a Personnel Activity Report (PAR) as required by federal guidelines. Sherry Hernandez is responsible for preparing the monthly personnel activity report (PAR) or the semi-annual certification forms. All forms are signed by the employee and supervisor and kept in the Finance Office. Please see the District's time and effort procedures for more detail.

Allowable Costs

The District handles expenditures for IDEA in the following manner. For salaries and related employee benefits, the District identifies all personnel who are assigned to Special Education (IDEA), verifying that these personnel are actually working on activities allowed by the grant documents (teachers, aids, psychologists, administrative personnel, etc.). The salaries and related costs for these employees are appropriately coded by the payroll department. For expenditures other than salaries Mr. Greeson reviews them all to ensure they are eligible expenses.

Indirect Costs:

The District allocates indirect costs to all Federal programs per the "Indirect Cost Negotiation Agreement" with the State Department of Education. See SDE website or accounting files in Sherry's office. Sherry Hernandez performs the indirect cost calculation. Amy Hagner is responsible for ensuring the correct indirect rate is used. Her signature on the claim request is documentation this has been confirmed.

IDEA Budget:

Annually, the budget for IDEA funds is prepared by Mr. Greeson, Amy Hagner and Sherry Hernandez and becomes part of the Grant application. The IDEA Grant application often takes until late in the school year to be accepted by the State Department of Education and returned to the District.

Cash Management

At least quarterly, Sherry Hernandez prepares a reimbursement claim to the State Department of Education for IDEA expenditures. All expenditures have been made and recorded when the claim is processed. Sherry also prepares the claim using the budget reports from CSI. The report amounts are then adjusted based upon what has been claimed so far during the year. Sherry enters the claim data into the online Grants Accounting Processing System (GAPS) under the expenditure claim tab. After entering the data into GAPS, Amy Hagner approves the claim in the GAPS system. The claims are reviewed and signed by Amy Hagner prior to submitting them to the State Department of Education for reimbursement through the GAPS system.

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The State Department of Education transfers the reimbursement amount to the district's local government investment pool account at the South Carolina State Treasurer's office. Sherry goes online to State Department Website to print off weekly payments to school districts and she uses this to match to the claims made and to record the revenue correctly (this entry is prepared by Sherry and reviewed by Amy).

At the end of the year, Sherry receives a Project Accounting Master List and a SCDE provided Payment to Counties Report. The reports are reconciled against the amounts recorded as revenue in the general ledger.

Eligibility

Screening and Acceptance Process

The District has in place Early Intervention Services for students experiencing academic or behavioral difficulties in school. At the beginning of the process, the school notifies the parent with information about the interventions and that strategies will be put in place to assist the student. Progress is monitored and if such interventions do not lead to significant progress for the student, the staff support grade level team can modify interventions or continue with a referral for further evaluation. The home/school liaison invites the parent to participate in the conferences and will obtain the necessary permission for evaluation if determined that the student may have a disability under IDEA. The team will review the student's records, MAP data, grades, observations, parent input, and any relevant information and data, as well as conduct hearing, vision, and speech screening. The possible referral is completed by the school referral coordinator or team facilitator, as well as reviewed by a school psychologist or speech pathologist.

If further assessment is indicated, the student is placed on the "clock," which means that the District has 60 calendar days to complete the student's assessment, followed by a 15 day time period to hold the team eligibility meeting. The parents complete any additional forms that may be required. A comprehensive evaluation will be conducted. Once the evaluations are completed an eligibility team meeting is scheduled. The eligibility team--which consists of school personnel, parents, and when appropriate, students--reviews the collected data and determines whether or not the student is: 1) eligible for special education; and 2), needs special education and related services. The eligibility team determines eligibility based on state and federal law. If the eligibility team determines that the student is eligible for special education, the team signs the eligibility form and develops an Individual Education Plan (IEP) or Student Services plan (SSP). This team determines the appropriate level of service for each student participating in special education in the District.

If the parent does not give the District permission to test the student further, the District will ask them to reconsider their decision. The District will continue to conduct intervention programs that the student had already entered, in addition to monitoring the student's performance at the school level.

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Every student participating in special education in the District is re-evaluated every three years pursuant to state and federal guidelines. A reevaluation review meeting is set up before the triennial due date to conduct the reevaluation review. If there is a question as to whether a student still needs special education the reevaluation team will resolve the issue. Additional assessment may be requested at any time during the re-evaluation meeting by anyone present.

After each and every IEP meeting, a Prior Written Notice (PWN) is developed and given to the parent/student of age to review the results of the IEP meeting before any new or changes in services take place. The PWN will address:

- Action(s) that the school district/agency proposes or refuses to take;
- Why the school district/agency proposes or refuses to take action(s);
- Other options considered and reasons why rejected;
- Procedure(s), assessment(s), record(s), or report(s) used as a basis for the action(s); and
- Sources (outside agencies or organizations) that parents may contact to obtain assistance in understanding the IEP or IEP process:

The Education Service Center is responsible for maintaining all special education student files.

Equipment and Real Property Management

The district has a purchasing policy (see District Purchasing Policy). The district handles purchases for IDEA expenses in the same manner it handles all expenditures. Since the controls are the same regarding federal funds and general purchases, see the district internal control memo regarding procurement. It should be noted that when possible, the district utilizes State Contract vendors to avoid having to bid out purchases. All purchases would require Bryan Greeson's approval.

Travel Policy

The District has a board policy regarding travel Policies BIA/BIB, BID and DKC that address travel for employees. The District also provides a travel reimbursement form. The District also limits per diem reimbursements made with federal or state grant funds to meet the Assurances and Terms and Conditions for grant awards that must be signed with each grant awarded by SDE (See the District travel procedures).

Matching, Level of Effort, Earmarking

Matching: N/A

Level of Effort – While preparing the IDEA grant each year, Amy Hagner, Sherry Hernandez and Bryan Greeson ensures that the District expends an amount of state and local funds, for the education of children with disabilities that is at least equal to the amount of state and local funds actually expended in the most recent preceding fiscal year. If there are decreases, they are

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supported by the allowances described in the SDE audit guide. The Accounting Manager, Sherry, actually performs the MOE calculation and maintains the documentation in the IDEA federal grant file. There are four ways a district can meet MOE: state and local expenditures, local expenditures only, state and local per capita, and local only per capita.

State and local expenditures and Special Ed child counts are used for each fiscal year requested. Once the allocations are entered in the spreadsheet provided by SDE, it automatically calculates and determines if the district meets MOE.

Once the MOE calculation is completed, it is sent to the Assistant Superintendent for review and then forwarded to the Director of Special Services for submission to SDE.

Earmarking – N/A

Period of Performance

The Grant Award Notification (GAN) from the grantor defines the period of performance. The district conforms to each individual grant's period of performance. When the district has carryover money from a previous grant, carryover funds are expended first before using new grant funds.

Conflicts of Interest

The District address conflicts of interest for school board members in Policies BCA, BCB and conflicts of interest for staff in Policy GBEA, and GBI.

Procurement Procedures

As stated under the Equipment and Real Property Management section, the district uses the same State policies and procedures for all expenditures, including those using federal funds. The District has a purchasing policy (see Perm File – approval by department head or principal for all purchases, and Amy Hagner for all purchases greater than \$1,500). The district handles purchases for IDEA expenses in the same manner it handles all expenditures. Since the controls are the same regarding federal funds and general purchase, see the district internal control memo regarding procurement. It should be noted that when possible, the district utilizes State Contract vendors to avoid having to bid out purchases. The district normally does not contract for construction or other expenditures for which the suspension or debarment compliance requirements would apply.

Procurement, Suspension and Debarment

The District uses the same State policies and procedures for all expenditures from Federal funds and other funds. See a copy of the District's purchasing policy. The District handles purchases for IDEA expenditures in the same manner as it handles all other expenditures. All Purchases orders are signed and approved by the department head/IDEA Coordinator. Federal and State awards may

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have guidelines that are followed in addition to district policies. All review levels are met before any order for products or services takes place. These reviews mitigate the risk of violations.

The District will research the vendor on the System for Award Management website (www.sam.gov) to verify whether or not the vendor has been suspended or debarred. The Procurement Office will print the search results page from the System for Award Management website to be filed in New Vendor file.

Reporting

The District prepares and submits on at least a quarterly basis the SDE-approved Expenditure Report, listing all expenditures incurred during the quarter. This report is prepared using the general ledger information generated from the District's accounting software. Amy Hagner's signature on these reports is documentation they have been review and approved.

Subrecipient Monitoring

N/A – for this Grant

Special Tests and Provisions

N/A – for this Grant