

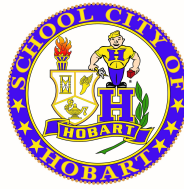
Exhibit 18

Policy 6111 – Internal Control Standards and Procedures (Revised)

Policy 6116 – Time and Effort Reporting (Revised)

Policy 6151 – Bad Checks and Uncollectable Debts (Revised)

Policy 6230 – Budget Hearing (Revised)



Book	Policy Manual
Section	Policies for Board 37-2
Title	Copy of INTERNAL CONTROL STANDARDS AND PROCEDURES
Code	po6111
Status	Work Session
Adopted	February 2, 2017

6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

The Superintendent shall establish and maintain effective internal control standards and procedures for all funds received by the School Corporation, including financial grants and awards from Federal or State sources, that provide reasonable assurance that the program and funds are managed in compliance with applicable Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards made to the Corporation.

The Corporation shall have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

The internal control standards and procedures must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal and State reports; maintain accountability over assets; and demonstrate compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the Federal Compliance Supplements and/or directives of the State Board of Accounts (SBOA).

Additionally, the Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss from theft, fraud, unauthorized use, or unauthorized disposition.

Further, erroneous or irregular variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

If the Corporation is declared to be unaudited by the Indiana State Board of Accounts because it failed to reconcile accounts, records, files, or reports, the Corporation shall bring its accounts into an auditable condition within ninety (90) days.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular variances, losses, shortages, or thefts of Corporation funds or property in excess of :

A. with respect to cash funds:

\$500 in any fund

B. with respect to assets other than cash funds:

any asset valued in excess of \$1,000

are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal grants and awards;
- B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation;
- C. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of Federal grants and awards and State and local funds received;
- D. investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;
- E. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
- F. report all misappropriations of Corporation funds or property to the SBOA and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriation has occurred;
- G. provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and
- H. take reasonable measures to safeguard protected "personally identifiable" information (PII) and other information the State, awarding agency, or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, State, local, and tribal laws and Corporation policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

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I.C. 5-11-1-27

2 C.F.R. 200.61-.62

2 C.F.R. 200.79

2 C.F.R. 200.203

State Examiner Directive 2015-6 (SBOA 11-18-15)



Book	Policy Manual
Section	Policies for Board 37-2
Title	Copy of TIME AND EFFORT REPORTING
Code	po6116
Status	Work Session
Adopted	February 2, 2017

6116 - **TIME AND EFFORT REPORTING**

As a recipient of Federal funds, the School Corporation shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of Title 2 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects **as well as internal controls**. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services also may include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation—fringe benefits. **Anticipated employee compensation amounts, including hourly costs and/or stipends, shall be approved by the School Board before any costs are incurred.** Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. is reasonable for the services rendered, conforms to the Corporation's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the Corporation's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the Corporation;
- C. reasonably reflect the total activity for which the employee is compensated by the Corporation, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the Corporation on an integrated basis;
- E. comply with the Corporation's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The Corporation also shall follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data shall be made available only to authorized auditors.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the Corporation may use budget estimates for interim accounting purposes. The system used by the Corporation to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the Corporation and entered into the Corporation's records in a timely manner.

The Corporation's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

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2 C.F.R. 200.430, 200.431



Book	Policy Manual
Section	Policies for Board 37-2
Title	Copy of BAD CHECKS AND UNCOLLECTABLE DEBTS
Code	po6151
Status	Work Session
Adopted	May 20, 2010
Last Revised	July 16, 2015

6151 - **BAD CHECKS AND UNCOLLECTABLE DEBTS**

The Superintendent may contract with a third party check recovery or collection processor, to transfer checks received, with or without assignment of rights, in exchange for the face amount of the check, or any part thereof. Reasonable effort shall be made to inform persons likely to issue checks to the School City of Hobart or any school or department thereof that a third party processor is being utilized.

If a check received from any party, when deposited, is returned marked "insufficient funds" or is found to have been issued on a closed account, and a third party processor is not utilized, the issuer shall be given notice of the dishonor the check, and not less than ten (10) days to make the check good. If payment is not received within the time specified in the notice, or the funds do not for any other reason appear to be collectible, the School Board authorizes the Superintendent to remove the fee or charge from the Corporation's Accounts Receivable, and to take appropriate action against the party issuing the check.

If efforts to collect an amount due the Corporation have not been successful and, in the opinion of the Superintendent (hereafter "the staff"), further efforts to collect the amount due are unlikely to be successful, the staff shall submit a recommendation that the Board find that the debt is uncollectable. This recommendation shall be supported by a brief statement that summarizes the efforts to collect the debt to date and the reason(s) why further efforts to collect the debt are not likely to be successful. The Board shall act upon this recommendation.

If the Board approves the staff recommendations that it find a debt to be uncollectable, the staff recommendation and any Board addition, deletion, or modification to the staff recommendation shall be included in the minutes of the Board meeting in which the staff recommendation is considered by the Board.

If the staff concludes that collection of the full amount due the Corporation is not possible, but that collection of a lesser amount is possible, the staff shall recommend that the Board authorize the staff to accept a reduced amount as payment in full of the amount due to the Corporation. This authorization shall contain a date by which payment in full of the reduced amount is due. If payment in full of the reduced amount is received by the due date established by the Board, the amount by which the original debt to the Corporation is reduced shall be processed pursuant to this policy as an uncollectable amount.

Outstanding (Stale Dated) Checks - Unclaimed Property Process

Checks that are outstanding, meaning they have not been cashed by the payee, after (X) the period of time established by the banking institution for the validity period of the the check ~~() a period of 180 days after issuance () a period of~~ () days after issuance **[END OF OPTION] [DRAFTING NOTE: Neola recommends that the Corporation consult with its banking institution to determine if the bank has established a period of time after which a check is no longer valid. It is also recommended that the Corporation list the expiration period on its checks.]** shall be deemed to be a "stale" check. Any stale check shall be treated as unclaimed property consistent with the guidance provided by Indiana's Unclaimed Property Division and its Reporting Guidelines for unclaimed property, including

due diligence prior to remittance and annual reporting of unclaimed property.

Insufficient Funds Checks

When the Corporation receives a check that is not honored upon presentation to the respective bank or other depository institution, the Treasurer/CFO is authorized to take appropriate action. If payment is not received within thirty (30) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board authorizes the Treasurer to remove the fee or charge from the Corporation's Accounts Receivable and to take appropriate action against the payer. The payer may be charged a fee for insufficient funds (NSF fee) not to exceed \$25.00 for a returned check. A check may be presented for payment not more than three (3) times. However, only one (1) NSF fee may be charged.

Revised 3/20/14

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I.C. 24-4.5-7-202

I.C. 32-34-1.5



Book	Policy Manual
Section	Policies for Board 37-2
Title	Copy of BUDGET HEARING
Code	po6230
Status	Work Session
Adopted	May 20, 2010
Last Revised	April 7, 2022

6230 - **BUDGET HEARING**

The annual budget adopted by the School Board represents the Board's position on the allocation of resources required to operate an appropriate system of education. All reasonable means shall be employed by the Board to present and explain that position to all interested parties. The public budget hearings ~~will~~ shall be conducted in accordance with law.

Each member of the Board and each School Corporation administrator shall be sufficiently acquainted with the budget and its underlying purposes to answer questions from members of the public.

At the public hearing to adopt the budget, the Corporation shall acknowledge whether the anticipated transfer amount from the Education Fund to the Operations Fund during the next calendar year ~~will~~ shall be more than fifteen percent (15%) of the total revenue deposited in the Education Fund.

Also, at the public hearing, the Corporation shall annually specify the Corporation's revenue spending plan associated with a referendum tax levy. The spending plan includes: 1) an estimate of the amount of annual revenue expected to be collected; 2) the specific purposes for which the revenue collected ~~will~~ shall be used and 3) an estimate of the annual dollar amounts that ~~will~~ shall be expended for each purpose.

The budget approved by this Board ~~will~~ shall be made available to the public in the ~~form~~ manner and at the places required by law.

The final adoption of the proposed annual budget shall be made by the Board after completion of the public hearing.

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Legal	I.C. 6-1.1-17-5.3
	I.C. 20-26-5-4
	I.C. 20-46-1-8(e)
	I.C. 20-46-1-8(f)