

Business Procedures Manual MSBO 2015

Mike Radke, Director
Field Services – Michigan Department of Education

Rebecca Rocho,
Asst. Superintendent / Legislation and Education Policy
Calhoun ISD

rochob@calhounisd.org

269.789.2475

Agenda

- Why is a “manual” necessary?
- Discuss MAISA Model Procedure Manual.
- What are the key elements in such a manual?
- What other resources are available?
- What is the environment in Michigan?
- What are the practical applications of such a manual?

Written policies and procedures are necessary and required

- For both Fiscal and Program Issues
- What do we look for?
 - Written and tailored to your organization
 - Policies have board approval
 - Procedures have Superintendent/CEO approval
 - Implemented & documented
 - Changed when needed

Office of Field Services/MDE

- OFS Fiscal monitoring requires Policies and Procedures for:
 - Cash Management
 - Procurement
 - Payroll
 - Purchases and Inventory
 - Identification of Free Lunch Eligible Students
 - Conflict of interest

Policies and procedures required under Uniform Grant Guidance, UGG

- Cash Management - § 200.302(b)(6) & § 200.305
- Allowability - § 200.302(b)(7) & Subpart E – Cost Principles
- Conflicts of Interest - § 200.318(c); Gratuities
- Procurement - § 200.319(c)
- Procedure for Conducting Technical Evaluations of Proposals and Selecting Recipients - § 200.320(d)(3)
- Travel Policy - § 200.474(b)

Policies – *Don't need to be long and complicated!*

- Describe the goal or destination
- Establish the fabric of internal controls
- How organization intends to operate
- Use clear, simple statements
- Guiding principles to help make decisions

Policies vs. Procedures

- Procedures describe how policy is put into action
 - Who will do what (Separation of duties)
 - What steps should be taken
 - When actions are triggered
 - Which forms or documents to use
 - Bullet points, instructions, forms, checklists, flowcharts, etc.

Instructive Value

- * Policies give staff the destination
- * Procedures give staff the step by step instructions for reaching the destination

Why is a Business Procedures Manual Required

- LEA / ISD Auditors will request and review
- MDE Auditors will request and review
- Such a written manual (rather hard copy or electronic) provides a daily practice and training guide
- A written manual and related timeline will help keep projects on time; avoid crisis and loss of state or Federal funding

What is Michigan doing?

- In 2007, MDE and MAISA identified several areas in which to work collaboratively
- One key area was in Grant and Fiscal Management due to risk management and cost exposure; 1st Training October, 2009
- This represented a key “merger” of MDE monitoring and MAISA business practice expertise

Michigan Efforts – page 2

- Collaborative work outcomes:
 - October 2009 ISD “Train the Trainer” PD
 - Identification and Aggregation of Resources for LEA/ISD staff
 - Beginnings of Business Procedures Model development
 - 2011-12 Review and Update of Previous Work
 - Posting of Resources for Educators
 - 2012 – 2014 Review of Prior work; revisions; development of “model”

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- Discussions with Field Services have been ongoing re: their need to see and “review” written Business Procedures
- MDE Cross-department monitoring discussions occurring
- Identification of Best Practice models for the benefit of LEA/ISD staff
- Discussions about integration of this information in the MSBO training accessed by LEA/ISD staff

Resources - MDE

- MDE Website lists MANY resources available for grant management as well as on-going business practices
- www.michigan.gov/mde; then go to MDE Offices; then go to Office of Audits
- MDE has some of the following guides:

Snap Shot of MDE Resources:

- Procedures - Allowable Use of Funds - Cost Principles [DOC](#)
- Procedures - MHPS Contracting Procurement - Conflict of Interest [DOC](#)
- Procedures - Equipment Management and Monitoring [DOC](#)
- Procedures - Code of Conduct Questionnaire [DOC](#)
- Procedures - Time Effort Reporting [DOC](#)
- Procedures - TE PARS example [XLS](#)
- Procedures - TE Blanket Semi-Annual Certification Example [DOC](#)
- Procedures - TE Individual Semi-Annual Certification Example [DOC](#)
- Procedures - Suspension Debarment [DOC](#)
- Financial Management - Allowable Costs [PPT](#)
- Financial Management - Procurement [PPT](#)
- Resources for LEA Financial Management [DOC](#)
- Financial Management - Timekeeping [PPT](#)
- LEA Fiscal Review Tool [DOC](#)
- Financial Management - Cash Management [PPT](#)

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- MDE also provides links to key financial regulations:
 - Michigan Administrative Rules
 - Michigan School Auditing Manual
 - OMB Circulars; Link to GAO
 - EDGAR – USED General Administration Req.
 - MDE Audit Materials, including past LEA/ISD Audit reviews and Audit Review Guides
 - MDE/MAISA Fiscal Requirements PowerPoint
 - Link to list serve of School Accountants
 - Link to key MDE memos, documents

MAISA Model Table of Contents

Financial Management Systems:

General Accounting and Financial Management	
Purchasing and Procurement.....	
Cash Receipts.....	
Payroll and Timekeeping.....	
Bank Reconciliations	
Journal Entries and Non-routine Transactions.....	
Investments	
Capital Assets.....	
Long-term Debt	
Grant Administration.....	
Year-end Closing and Reporting	

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Polices for Compliance with Michigan Department of Education Requirements:

Chart of Accounts.....	
Annual Audit.....	
Budgeting and Budgetary Compliance.....	
Additional Federal Awards Compliance Requirements.....	

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Policies for Compliance with the OMB Circular A-133 Compliance Supplement:

General Information.....	
Activities Allowed/ <u>Unallowed</u>	
Allowable Costs/Cost Principles.....	
Cash Management	
Davis-Bacon Act.....	
Eligibility	
Equipment and Real Property Management.....	
Matching, Level of Effort and Earmarking.....	
Period of Availability.....	
Procurement, Suspension and Debarment.....	
Program Income.....	
Real Property and Relocation Assistance	
Reporting.....	
<u>Subrecipient Monitoring</u>	
Special Tests and Provisions	

Note: The OMB is now named the UGG (Uniform Grant Guidance) and is generally effective July 1, 2015.

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Other Policies and Procedures:

Conflict of Interest	
Records Retention	
Information Technology	
Supplies	
Copyrights	
District Credit Card Procedure.....	
Training and Sanctions.....	

Accountability

- Business Practices should be laid out in an annual timeline with key milestones and deadlines identified
- MDE Self-Assessment Checklist good place to begin; for organization and individuals
- Daily and key tasks should be identified, plotted on the timeline and individuals identified as responsible for task
- Review work with LEA/ISD Auditors
- Align with District Policies

Communication and Planning

- Internal Business Office Communication
- Internal Communication with Superintendent; Board of Education
- Internal Communication with Project, Grant and Department Staff
- Monitoring of significant milestones in the Annual Activity Timeline

Data Collection; Improvement

- Periodic Review where Policies and Practices don't align; next steps
- Review annual data for budget amendments
- Review data for annual budget projecting
- Review data to suggest changes for Scope of Work within the Business Office; review / revise staff assignments
- Review data with Auditing Team; CARs

Status

- MAISA has presented a “Model” Business Procedures Manual to MDE; MDE has provided feedback for changes; the Model is ready for distribution via MSBO website
- MSBO is willing to incorporate this Manual in the SBO certification training.
- How can that be operationalized? Training, support needs to occur at the ISD level . . .

Questions

