Financial Oversight

Asking the Right Questions

Board Oversight (Finding 1)

- Boards are responsible for proper oversight of the CFO and Superintendent.
- Boards have a legal oversight responsibility in reviewing financial information, purchases, travel, etc.

Travel Reimbursement and Credit Cards (Finding 2)

- Policy should state who may be issued a district credit card.
- Boards should review credit card statements monthly.
- Reimbursement of registration fees should have supporting documentation.

Travel Reimbursement and Credit Cards

- All in-state travel should be approved by the Superintendent. (Policy GBRF)
  - *Policy should include when employee can bill for overnight lodging. (hotel room)*
- All out-of-state travel should be approved by the Board. (Policy DK)

Bank Reconciliations (Policy-DIB) (Finding 3)

- Monthly bank statement reconciliations are required.
  - Policy should require that the monthly reconciled bank statement include a certification by the CFO that the information is timely and accurate.
Fuelman Cards (Finding 4)

• Different pin numbers should be issued to each person authorized to have a card.
• Fuelman charges should be reviewed each month.
• Fuelman cards cannot be used for personal cars.

16th Section Lease Receipts/Deposits (Finding 5)

• Deposits should be made daily. (Policy DIAB)
• Policy should specify that procedures are to be developed to ensure that assets are adequately safeguarded and revenue is properly receipted, recognized, and recorded. (Policy DFAD)

Activity Funds (Finding 6)

• Boards should receive an activity fund report indicating money received and disbursed.
• Ticket sales to athletic events should be monitored.
• Deposits should be made in a timely manner.

Credit Cards (Finding 7)

• Credit card statements should be maintained for five years. (39-5-9)
• Credit cards should be signed in and out.
• Credit card purchases should have corresponding P.O.'s.

Credit Cards (Finding 7) cont.

• Credit card purchases should match P.O numbers.
• Anyone approving purchases must be bonded.
• Financial records should include P.O.’s, invoices, receipt copies, etc.

• The district/school may purchase coffee, coffee supplies, and soft drinks for a meeting providing a determination is made, consistent with the facts, that the activity is reasonably related to the said goal or function of the meeting/seminar.
Financial Reports (Finding 8)

• An accurate and complete set of financial reports should be submitted to the Board each month as required by law (37-9-18) and such reports reflected in the minutes. (See handout)

Sole Source Purchases (Finding 9)

• Letters from vendors stating that the vendor’s product/company is sole source is not adequate to determine whether or not the company/product is sole source.

• Vendors cannot claim sole source based on trademark or copyright of a brand.

Sole Source Purchases (Finding 9) cont.

• Section 31-7-139(c)(iv)(1) prohibits a public entity from writing bid specifications that exclude comparable equipment.

• If valid justification is presented, the board may approve such sole source requests, providing such justification is recorded in the minutes.

Approval of Contracts (Finding 10)

• The terms of all employee contracts must be approved by the board and such approval reflected in the minutes. (37-7-301 and 37-9-15)

• Employee travel to and from his/her home is not considered reimbursable travel.

Financial Statement Filing Requirements (Finding 11)

• All year-end financial statements are to be completed on or before October 15th of each year and filed with the MDE. (37-61-21[2])

Approval of Depositories (Finding 12)

• Board should properly accept bids for depositories by July 1st...not less than every three years... and such action reflected in the minutes. (37-7-333)
Annual Reconciliation of Funds (Finding 13)

• A Public Depositor Annual Report is to be submitted to the State Treasurer’s Office within 30 days of fiscal year end. (27-105-5[6][b])

Approval of Original and Amended Budgets (Finding 14)

• Boards must approve the original budget and such approval be reflected in the minutes. (37-61-9)
• Budget reports must be in the format as required by the state.
• District accounting software must print the budget in the format required by law.

Approval of Original and Amended Budgets (Finding 14) cont.

• Board action regarding the combined final amended budget, with supporting details for each fund, must be reflected in the minutes.
• The budget should be signed by the Board President and Secretary.

Statement of Economic Interest (Finding 15)

• Board members should file their Statement of Economic Interest annually, no later than May 1 of each year, with the MS Secretary of State’s office. (25-4-25)
• Board members can be fined for non-compliance with this law.

Sixteenth Section Educable Child List (Finding 16)

• The Sixteenth Section Educable Child List must be filed by custodial districts by December 31st of each year. (29-3-119 and 29-3-121)
• Failure to file such report could result in forfeiting funds.

Sixteenth Section Shared Townships (Finding 17)

• Districts must share sixteenth section revenue with other districts within its shared township. (29-3-119 and 29-3-121)
Sixteenth Section Tax and Lease Payments (Finding 18)

- Districts must cancel lease agreements for unpaid annual property taxes. (29-3-57)
- Upon 60 days default in payment of rentals, the lease shall be declared terminated unless the Board finds extenuating circumstances were present. (29-3-71; 29-3-65; 29-3-63)

Reemployment of Retired Public Employees (Finding 19)

- Districts are required to properly complete and submit the required Form 4B “Certification/Acknowledgement of Reemployment of Retirees” to PERS within five days of employment. (25-11-127[4])
- Failure to submit Form 4B could result in fines to the District.

Surety Bonds (Finding 20)

- The District must file surety bonds with the Chancery Clerk on each employee who is required by law to be bonded. (25-1-19)
- Improper bonding or failure to bond required employees could limit the amount available for recovery if a loss occurs.

Quotes (Finding 21)

- Quotes must be obtained for items exceeding $5,000.00 but not over $50,000.00. (31-7-13[b])
- Districts must advertise for purchases of items exceeding $50,000.00.
- District is required to accept the lowest and best bid.

Background Checks (Finding 22)

- Districts are required to obtain background checks (criminal and child abuse registry) for all employees, licensed and non-licensed. (37-9-17)
- Such information must be kept on file.

Mississippi School Boards Association

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