

# **POLICY DI**

## **Board of Education Las Cruces Public Schools**

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**Related Entries:** DI-R  
**Responsible Office:** Assistant Superintendent for Finance

### **FISCAL ACCOUNTING AND CONTROL STRUCTURE**

#### **I. PURPOSE**

To ensure financial controls are in place to safeguard District resources, to assure accuracy and reliability of information and to assure proper reporting occurs.

#### **II. BACKGROUND**

The District shall establish and maintain an internal control structure to provide reasonable assurances that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements, and that state and federal programs are managed in compliance with applicable statutes and regulations, §22-1-1 and §22-8-1 NMSA 1978, NMAC 6.20.2.

#### **III. DEFINITIONS**

1. "GAAP" means generally accepted accounting principles, NMAC 6.20.2.7.
2. "Internal control" refers to the methods an organization uses to protect its assets and promote efficient use, to ensure accurate and reliable information, and to encourage adherence to laws and regulations. (*Adapted from Committee on Auditing Procedure, Internal Control [AICPA]*).

#### **IV. POSITION**

- A. The District shall develop and maintain a structure of internal controls and sound accounting practices in performance of duties and functions, NMAC 6.20.2.11.
- B. The internal control structure shall include written administrative and accounting controls that are in accordance with GAAP, NMAC 6.20.2 Procedures shall provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions.

- C. An internal control structure shall assure the District appropriately records, processes, summarizes and reports financial data consistent with state budgeting and accounting regulation, NMAC 6.20.2.11.
- D. Internal control procedures shall safeguard the district's assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all school district transactions.
- E. The superintendent, or his/her designee, will provide financial reports at least quarterly to the Board of Education and the New Mexico Public Education Department.
- F. The superintendent, or his/her designee, also shall maintain a complete auditable financial system of district finances, which shall be comprised of individual funds and account groups as outlined by the New Mexico Public Education Department uniform chart of accounts and Generally Accepted Accounting Principles (GAAP).
- G. The Superintendent of Schools shall promulgate a regulation for the enforcement of this policy.

**V. REVIEW**

This policy shall be reviewed on an ongoing basis in accordance with the Board of Education policy review process.



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*Board of Education, President*

March 19, 2013

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*Date Approved*

*History: Formerly Policy #520: Fiscal Control; Revised March 19, 2013*

*Legal Reference: §22-1-1 NMSA 1978; §22-8-1 NMSA 1978; NMAC 6.20.2*