



Sun Prairie Area
School District

Futures depend on us...every child, every day.

OE 7: Asset Protection Summary of Compliance Status

Date: January 22, 2018

Superintendent Certification

With respect to the results of Operational Expectation 7 (OE 7): Asset Protection, the superintendent certifies that the following information is accurate and complete, and the School District is:

- ☒ In compliance.
☐ In compliance with exceptions noted.
☐ Not in compliance.

Executive Summary:

The following Operation Expectation covers the Asset Protection of the District.

Topics include:

- Maintaining adequate property insurance
- Maintaining proper levels of Errors and Omissions insurance
- Having proper safeguards in place for employee theft
- Having proper safeguards in place for electronic files and fixed assets
- Maintaining the facilities in a safe manner
- Protecting the district from negligence claims
- Ensuring districts funds are properly invested
- Ensuring that the district does not sell land without proper authority
- Ensuring the Superintendent does not harm the District's public image

Summary of Compliance Status:

- Of the 18 measures, all 18 measures are in compliance.

This data conveys the district is very effectively managing the district's assets. This is evident by being compliant in all measures.

We have improved the Asset Protection outcomes by employing the following strategies:

The district upgraded its insurance by adding Pollution Liability. Pollution Liability would have covered the mold issue that the district experienced in 2016. SPASD is one of the few districts that have this coverage. The policy has a \$1,000,000 clean-up cost provision and a \$25,000 deductible. In addition, the district added Cyber Liability insurance. This is an enhancement over the normal cyber liability a school district has. The \$1,000,000 policy is written by Breazley company.

Action plan to improve/enhance non-compliance measures:

N/A

Areas to focus on for continuous improvement:

The district will undergo bidding of the district's insurance (workers' compensation, property, liability). This will ensure that we have the best pricing available. In addition, while bidding out the insurance, we will include any suggestions from our insurance broker to bolster the district's insurance. We will also continue to improve and enhance the district's facilities by:

1. Continuing to fund the Long-term Capital Investment Account (Fund 46)
2. Continuing to update the long-term capital maintenance plan
3. Following through on the successful November 8, 2016 referendum of capital maintenance projects



Signed: _____
Brad Saron, Superintendent

Date: January 22, 2018

School Board Action

With respect to the results of Operational Expectation 7 (OE 7): Asset Protection, the School Board finds that the organization and the superintendent are:

- ☒ In compliance.
☐ In compliance with exceptions noted.
☐ Not in compliance.

Summary Statement/Motion of the School Board:

Motion #1 by Dave Hoekstra, second by Caren Diedrich to accept the report as complete. Motion carried.

Motion #2 by Dave Hoekstra, second by Steve Schroeder to approve the report as in compliance. Motion carried.

Signed:  _____ **Date:** 3-2-18

Title: Tom Weber, School Board President



Sun Prairie Area School District

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OE 7: Asset Protection

OE 7: The Superintendent will assure that all district assets are adequately protected, properly maintained, appropriately used and not placed at undue risk.

Interpretation: The School Board expects the Superintendent to protect and maintain district assets.

Definition of terms:

- **Assets:** Items of value to the district.

OE 7.1

OE 7.1: The Superintendent will maintain property and casualty insurance coverage on district property with limits equal to 100 percent and of replacement value.

Interpretation:

The Board expects the Superintendent to have property insurance coverage equal to 100 percent of replacement value.

Definition of terms:

- **Property** shall mean facilities, vehicles, equipment, and materials with an insurable risk.
- **100 percent and of replacement value** shall mean the ability to replace and make whole property losses experienced by the District subject to any and all deductibles.

OE 7.1

Measure	Superintendent	Board
<p>Measure 1: The District purchases and receives the coverage declarations for property and casualty insurance equal to 100% of replacement value.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• Certificate of insurance from EMC	Compliant	

OE 7.2

OE 7.2: The Superintendent will maintain both Errors and Omissions and Comprehensive General Liability insurance coverage protecting board members, staff and the district itself in an amount that is reasonable for school districts of comparable size and character.

Interpretation:

The Board expects the Superintendent to have the necessary Errors and Omissions and Comprehensive General Liability insurance.

Definition of terms:

- **Errors and Omissions insurance**, which is also called Educators Legal Liability or Linebacker insurance, shall mean protection for board members and staff who make a mistake in performing their duties in good faith and results in harm to the District.
- **Comprehensive General Liability insurance** shall mean protection for the District against claims by third parties.
- **Amount that is reasonable** shall mean in accordance with industry standards.
- **Comparable size and character** shall mean other school districts with similar numbers of students and at-risk factors.

OE 7.2

Measure

Superintendent

Board

Measure 1: The District has purchased and receives the coverage declarations for Errors and Omissions and Comprehensive General Liability insurance coverage.

Compliant

Evidence of Compliance:

- [Certificate of insurance from EMC](#)

OE 7.3

OE 7.3: The Superintendent will adequately protect the District against theft or misappropriation of funds by any personnel who have access to material amounts of district and school funds.

Interpretation:

The Board expects the Superintendent to have reasonable measures in place to protect against theft.

Definition of terms:

- **Material amounts** shall mean funds worth more than \$500.

OE 7.3

Measure	Superintendent	Board
Measure 1: The District has procedures for handling cash. Evidence of Compliance: <ul style="list-style-type: none">• No exceptions identified in audit	Compliant	
Measure 2: The District has crime insurance. Evidence of Compliance: <ul style="list-style-type: none">• Certificate of insurance from EMC	Compliant	

OE 7.4

OE 7.4: The Superintendent will protect intellectual property, information, files, records and fixed assets from loss or significant damage.

Interpretation:

The Board expects the Superintendent to protect the District's property, information, files, records and fixed assets.

Definition of terms:

- **Intellectual property** shall mean creations of the mind; inventions, literary and artistic works, and symbols, names, images, and designs used in commerce. Additionally, intellectual property includes original curriculum, teaching materials, or other documents created by district employees as part of their job for use by the District or its employees.
- **Information, files and records** shall mean electronic data on district servers deemed critical (Finance, Human Resources, Student Support and data, Research & Accountability) to the operations of the District.
- **Fixed assets** shall mean property and equipment with original cost of \$5,000 or more.
- With regard to fixed assets, **significant damage** shall mean harm or destruction requiring \$5,000 or more of unplanned repair or maintenance including labor, material, and equipment rental costs.

OE 7.4

Measure	Superintendent	Board
Measure 1: The District receives no legal complaints that any of its employees has violated intellectual property rights. Evidence of Compliance: <ul style="list-style-type: none">• No lawsuits in last year on intellectual rights.	Compliant	
Measure 2: Information, files, and records are backed up each night and there is no loss of these files and records during the year. Evidence of Compliance: <ul style="list-style-type: none">• Daily Reports are sent to the network engineers summarizing backup and archive activity. There is no evidence of data loss.	Compliant	
Measure 3: The District has no significant damage to fixed assets due to circumstances within its control during the year. Evidence of Compliance: <ul style="list-style-type: none">• No insurance claims for fixed assets damage within control of the district.	Compliant	
Measure 4: The District has offsite storage or onsite fireproof safe storage and	Compliant	

a recovery plan for loss of information, files and records deemed to be critical to the operations of the District.

Evidence of Compliance:

- Network engineers keep a schedule of archive disk sets.

OE 7.5

OE 7.5: The Superintendent may not allow facilities and equipment to be subject to improper use or insufficient maintenance.

Interpretation:

The Board expects the Superintendent to have the facilities used for education to be properly maintained.

Definition of terms:

- **Facilities and equipment** shall mean assets in excess of \$5,000 original cost.
- **Improper use** shall mean inappropriate operation or treatment, or utilization in a manner or for a purpose contrary to what was intended.
- **Insufficient maintenance** shall mean inadequate repair, cleaning, inspection, or upkeep as recommended by manufacturer specifications.

OE 7.5

Measure

Superintendent

Board

Measure 1: No person is injured in one of the District's facilities or when using District equipment as a result of insufficient maintenance of the facility or equipment.

Evidence of Compliance:

- Zero injuries as a result of insufficient maintenance.

Compliant

Measure 2: The District tracks worker's compensation claims and makes adjustments as needed.

Evidence of Compliance:

- The insurer didn't request any adjustments.

Compliant

Measure 3: The District has an active safety program for investigating accidents to identify improper use or insufficient maintenance of facilities and equipment.

Evidence of Compliance:

- No injuries reported from insufficient maintenance of facilities.

Compliant

Measure 4: The District maintains and adheres to a long-range capital projects plan to help guide the prioritization of projects.

Evidence of Compliance:

- [The district has a 10-year capital maintenance plan in place](#)

Compliant

OE 7.6

OE 7.6: The Superintendent may not recklessly expose the District, the Board or staff to legal liability.

Interpretation:

The Board expects the Superintendent to protect the District from negligent liability claims.

Definition of terms:

- **Recklessly expose** shall mean to commit an offence that is grossly negligent putting the District in a legally untenable position which costs the District more than \$10,000.
- **Legal liability** shall mean litigation with another party where attorney fees are incurred.

OE 7.6

Measure	Superintendent	Board
<p>Measure 1: The District incurs no legal costs or damage awards as a result of careless and reckless acts by the Superintendent.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• In 2016-17 no legal costs were incurred to grossly negligent claims.	Compliant	

OE 7.7

OE 7.7: The Superintendent will not invest funds in investments that are not secured or that are not authorized by law.

Interpretation:

The Board expects the Superintendent to only invest in legally approved investments.

Definition of terms:

- **Funds** shall mean money or capital.
- **Investments** shall mean the commitment of district money or capital to the purchase of financial instruments or other assets so as to gain profitable returns in the form of interest, income, dividend, or appreciation of the value of the instrument.

OE 7.7

Measure	Superintendent	Board
<p>Measure 1: All investments are in compliance with Wisconsin State Statutes and the auditor's management letter makes no comment in regards to investments.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• No exceptions identified in audit	Compliant	
<p>Measure 2: The District has only deposited funds with entities governed by Public Depository Protection Act and District investment policy.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• No exceptions identified in audit	Compliant	

OE 7.8

OE 7.8: The Superintendent will not sell real estate, including land and buildings.

Interpretation:

The Board expects the Superintendent not to sell any real estate without Board approval.

Definition of terms:

- **Sell** shall mean to surrender ownership of an asset in exchange for money or value.

OE 7.8

Measure	Superintendent	Board
<p>Measure 1: All dispositions of land and buildings are approved by board resolution.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• No exceptions identified in audit	Compliant	
<p>Measure 2: There is no finding by the independent external auditors in reference to disposition of land and buildings.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• No exceptions identified in audit.	Compliant	

OE 7.9

OE 7.9: The Superintendent will not take any action that damages the District's public image or credibility.

Interpretation:

The Board expects the Superintendent to not do harm to the District's public image.

Definition of terms:

- **Public image** shall mean overall positive perception of District among the members of the greater Sun Prairie area.

OE 7.9

Measure	Superintendent	Board
<p>Measure 1: When the District has no successful litigation regarding careless and reckless acts by the Superintendent.</p> <p>Evidence of Compliance:</p> <ul style="list-style-type: none">• No successful litigation occurred regarding careless and reckless acts of the Superintendent.	Compliant	