

SUMMIT ACADEMY

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# Fiscal Policy Manual

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## 2022-23

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## **A. Purpose**

The purpose of this section is to establish policy for the fiduciary responsibilities and duties involving public funds. This section applies to all Summit Academy administrators, licensed educators, staff, students, organizations, and individuals who handle public funds.

The Governing Board of SUMMIT ACADEMY CHARTER SCHOOLS, INC. has reviewed and adopted the following policies and procedures to ensure the most effective use of funds and to support and ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

1. The Governing Board formulates financial policies and procedures, delegates administration of the policies and procedures to the Executive Director and reviews operations and activities on a regular basis.
2. The Executive Director has responsibility for all operations and activities related to financial management. However the Executive Director may delegate the day to day implementation and execution of financial policies and procedures to a designee (Business Administrator).
3. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.
4. No funds or accounts may be established or maintained for purposes that are not fully accurately described within the books and record of the LEA, The purpose of the financial policies and procedures manual is to provide staff and leaders with a systematic approach to implementation of policies, plans, and work routines. It should be used to communicate organization financial policies and the appropriate procedures for implementation of the financial policies. Policies should not be confused with procedures as defined below:

Policy: A policy is a definite course or method of action to guide and determine present and future decisions. It is a guide to decision-making under a given set of circumstances within the framework of organization objective, goals, and management philosophies.

Procedure: A procedure is a way of accomplishing a task or assignment, as established ways of doing things, a series of steps followed in a definite regular order. It ensures the consistent and repetitive approach to actions.

Additionally, this manual is an invaluable communication tool to ensure optimum operations when applied consistently to all employees of the LEA and will allow the delivery and communication to everyone in the same manner. It is also intended to be a functional guide for training new and existing employees and should prevent difficulties in performing duties due to lack of understanding or inconsistent approaches from personnel changes.

### **INTERNAL CONTROL SYSTEM**

The Charter School's internal control system comprises the policies and procedures established to provide reasonable assurance that specific LEA objectives will be achieved.

Accounting responsibilities, procedures, and policies should be implemented and designed to prevent:

1. Misstatement of account balances because errors go undetected (both intentional and unintentional); and,
2. Misappropriation of cash and other resources of the LEA. These objectives are pursued through a sound internal control structure which is carefully established and meticulously followed by accounting personnel. Such an internal control structure can also tend to promote operational efficiency.

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From a financial statement perspective, the LEA's internal control structure is comprised of the control environment, the accounting system, control procedures and internal control systems. These elements of the internal control structure are as follows:

**Control Environment** The control environment encompasses the collective effect of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies or procedures. The control environment includes such factors as management's philosophy and operating style.

1. The LEA's organizational structure.
2. The functioning of the Board of Trustees
3. Methods of assigning authority and responsibility.
4. Management's control methods for monitoring and following up on performance, including internal reviews.
5. Personnel policies and procedures.
6. Various external influences that effect the LEA's operations and practices, such as examinations by regulatory agencies.

The control environment reflects the overall attitude, awareness, and action of the Board of Trustees, Administration, and others concerning the importance of control and its emphasis in the LEA.

#### **Accounting System**

The accounting system encompasses the methods and records established to identify, assemble, analyze, classify, record, and report the District's transactions and to maintain accountability for the related assets and liabilities. An effective accounting system gives appropriate consideration to establishing methods and records that will:

1. Identify and record all valid transactions.
2. Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting.
3. Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements.
4. Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.
5. Present properly the transactions and related disclosures in the financial statement

#### **Control Procedures**

Control procedures encompass those policies and procedures, in addition to the control environment and the accounting system that Administration has established to provide reasonable assurance that specific District objectives will be achieved. Control procedures pertain to:

1. Proper authorization of transactions and activities.
2. Segregation of duties to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. A sound segregation of duties entails assigning different people the responsibilities of authorizing transactions, recording and reconciling transactions, and maintaining custody of assets.
3. Design and use of adequate documents and records to help ensure proper recording of transactions and events, such as monitoring the use of pre-numbered documents.

#### **Internal Control Systems**

1. Provide adequate safeguards over access to and use of assets and records, such as secured facilities and authorization for access to computer programs and data files.
2. Independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparisons of assets with recorded accountability, computer-programmed controls, administrative review of reports that summarize the detail of account balances, and user review of computer-generated reports.

## B. Definitions Applicable to All Fiscal Policies

1. **“Arms-length transaction”** means a transaction between two unrelated, independent and unaffiliated parties or a transaction between two parties acting in their own self-interest that is conducted as if the parties were strangers so that no conflict of interest exists.
2. **“Budget account”** means an account within Summit Academy’s accounting system established to account for funds that are budgeted for a specific purpose. These funds are held in Summit Academy’s central bank accounts.
3. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
4. **“Cash receipt”** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
5. **“Cashier”** means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of Summit Academy.
6. **“Compensating control”** means an alternate procedure or set of procedures that must be used when it is not possible to segregate duties so that no one employee performs more than two of the key duty types (see section E).
7. **“Conflict of interest”** means a situation in which a person or organization is involved in multiple interests (financial, emotional, or otherwise), one of which could possibly corrupt the motivation of the individual or organization.
8. **“Summit Academy property”** means any and all of the following that rightfully belongs to Summit Academy:
  - Public funds;
  - Physical, intangible, or intellectual property;
  - Manpower that rightfully belongs to Summit Academy.

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9. **“Summit Academy purchasing instrument”** means any of the following specific authorized means of making a purchase:
- Check from Summit Academy authorized bank account;
  - Electronic funds transfer from a Summit Academy authorized bank account;
  - Credit Card;
  - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
10. **“External Audit”** means an official examination and verification of accounts and records performed by an external party to Summit Academy, usually an independent CPA firm, for the purpose of expressing an opinion on the accuracy of financial information reported by Summit Academy as well as compliance with laws and rules.
11. **“Independent internal review”** means the critical review of documents and transactions by a Summit Academy employee who is independent of the duties performed to produce the documents and transactions.
12. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
13. **“Internal controls”** are procedures designed to safeguard assets, detect errors and misappropriations, produce timely and accurate financial reports, and ensure compliance with laws and rules.



14. **“Internal audit”** means a review of transactions and records performed by a Summit Academy employee, typically a member of the accounting department staff, for the primary purpose of determining compliance with law, rules, and Summit Academy policies, procedures, and internal controls.
15. **“Public funds”** means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).
16. **“School-sponsored event or activity”** means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by Summit Academy funds, including Summit Academy activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## **C. Responsibilities and Authority**

1. The Summit Academy Board of Trustees directs and controls all school assets in Summit Academy (Utah Code 53A-2-108 (2)). They are also authorized and directed to (1) adopt bylaws and rules for its own procedures; (2) enforce rules necessary for the control and management of Summit Academy; and (3) do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education (Utah Code 53G-3-414, 415, and 420).
2. The Executive Director is the overall budget officer of Summit Academy. The Executive Director may appoint these duties to the Business Administrator. The Executive Director, Business Administrator, and the Board Treasurer will prepare a tentative budget. All three members of this budget committee will endorse the tentative budget and deliver the first reading of the annual budget to the Board of Trustees by June 1<sup>st</sup>. The final budget will be approved by June 30<sup>th</sup> (Utah Code 53G-7-303)
3. As the appointed budget officer, The Summit Academy Business Administrator shall:
  - (1) attend all meetings of the Summit Academy school board, keep an accurate record of its proceedings, and have custody of the seal and records;
  - (2) be custodian of all Summit Academy funds, be responsible and accountable for all money received and disbursed, and keep accurate records of all revenues received and their sources;
  - (3) countersign with the President of the summit Academy board all warrants and claims against Summit Academy as well as other legal documents approved by the Summit Academy Board
  - (4) prepare and submit to the Summit Academy Board each month a written report of the LEA's receipts and expenditures;
  - (5) use uniform budgeting, accounting, and auditing procedures and forms approved by the State Board, which shall be in accordance with generally accepted accounting principles or auditing standards and Title 63J, Chapter 1, Budgetary Procedures Act;

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### Section 1 – General Fiscal Definitions, Responsibilities, and Duties

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- (6) prepare and submit to the Summit Academy Board a detailed annual statement for the period ending June 30<sup>th</sup>, of the revenue and expenditures, including beginning and ending fund balances;
  - (7) assist the Executive Director in the preparation and submission of budget documents and statistical and fiscal reports required by law or the State Board;
  - (8) insure that adequate internal controls are in place to safeguard the LEA's funds; and
  - (9) perform other duties as the Executive Director may require. (Utah Code 53G-4-303)
- its own procedures; (2) enforce rules necessary for the control and management of Summit Academy; and (3) do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education (Utah Code 53G-3-414, 415, and 420.
4. Subject to the direction of the Summit Academy Executive Director, the Fiscal Administrator (Principal) in each school is charged with primary responsibility of ensuring that all financial matters of his/her school are transparent, well managed, and conducted in accordance with laws, rules, and Summit Academy policies and procedures. Such responsibility is non-delegable. Because it is not possible for the Fiscal Administrator to be personally involved in every financial matter at his/her school, he/she may designate specific individuals to perform specific tasks or functions on his/her behalf. Nonetheless, the fiscal administrator retains ultimate responsibility and should ensure designees are properly trained.
  5. In all activities, Summit Academy employees shall comply with the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16) and other Summit Academy policies. Educators shall also comply with Utah Educator Standards (Utah Admin. Code R277-515). In particular, employees shall refrain from using his/her position of influence to profit commercially or benefit personally from parties interested in conducting business with Summit Academy. Employees should not sell products or services offered by a family owned business unless the transaction is arms-length and the employee receives express permission from the Fiscal Administrator after disclosing the potential conflict of interest. This provision is not intended to prevent employees from communicating opportunities for extracurricular involvement or other enrichment activities.
  6. Fiscal Administrators do not have authority to instruct or permit either by action or omission violation of Summit Academy policy and procedures.

## **D. Segregation of Duties**

1. To ensure that no single individual is placed in a circumstance where (s)he can cause or conceal accounting irregularities (or be vulnerable to others doing so), the Fiscal Administrator, whenever possible, shall separate the following three key duty types at his/her sites among available staff so that no one employee performs more than two of the following key duty types:
  - a) Custody – having access to or control over any physical asset such as cash, checks, equipment, supplies, or materials;
  - b) Authorization – the process of reviewing and approving transactions or operations; and
  - c) Record keeping – the process of creating and maintaining records of revenues, expenditures, inventories, and personnel transactions to include reconciliations.
2. When, due to limited staffing and related constraints, a single employee performs all three key duty types, the Fiscal Administrator shall ensure that monthly independent internal reviews of the documents and transactions related to the duties performed are conducted and documented.

## **E. General Policies**

1. Fiscal Administrators shall take every reasonable precaution to safeguard Summit Academy's financial assets and resources from theft, robbery, vandalism, and unauthorized use. Every employee has a similar fiduciary duty within his/her job duties and responsibilities.
2. Any Summit Academy or school employee who becomes aware of or suspects willful violation of any Summit Academy fiscal policy shall report such to the Business Administrator immediately.
3. Any Summit Academy administrator, licensed educator, or other staff who handle public funds are prohibited from activities that might present a conflict of interest. Any such individual who might have a conflict of interest must fully disclose the interest to their supervising Fiscal Administrator and remove themselves from any exercise of influence or decision making regarding the interest.

## F. Improper Use of Summit Academy Property or Employment

### 1. Employee Theft

- a) Summit Academy does not tolerate any type of theft including that of Summit Academy property that is perceived by employee(s) as having no remaining value to Summit Academy. Summit Academy expects its employees to conduct themselves in an ethical manner regarding any and all Summit Academy property.
- b) Any Summit Academy employee who becomes aware of or suspects willful theft or misuse of Summit Academy property is obligated to report the matter to an appropriate supervisor.
- c) Required Supervisory Follow-up:
  - i. If the supervisor who receives the information regarding an alleged theft is not the administrative supervisor of the accused, the supervisor is to communicate the allegation to the accused person's administrative supervisor or superior as appropriate.
  - ii. The accused person's administrative supervisor, or superior as appropriate, is required to:
    1. Perform an initial informal inquiry to see if there is merit to the claim.
    2. If it is determined that the claim has merit, the administrative supervisor, or superior as appropriate, is required to report the matter to the local Police Department.
    3. If the claim has no basis, the administrative supervisor, or superior as appropriate, should report back to the employee who made the claim that their concern has been addressed.
- d) Neither Summit Academy nor any of its supervisors may take adverse action against an employee because the employee, or a person authorized to act on behalf of the employee, communicates in good faith the waste or misuse of public funds, property, or manpower. (Utah Code 67-21-3).

2. Use of Employment for Personal Purchases

- a) The Utah Public Officers’ and Employees’ Ethics Act prohibits Summit Academy employees from using their positions to acquire private economic or other interests that are substantially different from those available to the general public.
  - i. Special promotions or rates for school and Summit Academy employees may be accepted if those promotions or rates are established by the provider on behalf of an entire class of employees if an employee meets the requirements of the category. (For example, special loan rates for teachers, educator discounts, etc.
- b) Employees shall not open accounts or memberships with merchants using the name or tax id number of Summit Academy for personal use.
- c) Employees shall not use existing school or Summit Academy accounts or memberships for personal purposes.
- d) Employees shall keep Summit Academy and personal business separate.
  - i. Employees are not authorized to associate Summit Academy with personal accounts
  - ii. Personal business shall not be transacted using the address or name of Summit Academy.
  - iii. Personal business shall not be transacted on Summit Academy time.

## **G. Internal and External Audits**

All fiscal related transactions and records are subject to and shall be made available for internal and external audits by appropriate Federal, State, or Summit Academy personnel employed by Contractors engaged by Summit Academy to perform fiscal related service.

The Financial Internal Auditing Procedure describes the Internal Audit Process to ensure compliance with applicable Federal, State, and Local standards and regulations pertaining to internal controls and financial reporting. Audit frequency will depend on program risk, and complexity. Summit Academy will and the Board of Directors will assign the Business

## **Summit Academy Fiscal Policy Manual – 2019**

### **Section 1 – General Fiscal Definitions, Responsibilities, and Duties**

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Administrator as responsible for managing the internal audit process , and developing any internal audit findings and directing a corrective action.

The Internal Audit process will include the following process:

- Audit Evidence- Gathering information of internal/external sources to make an opinion
- Audit Opinion- Will determine the outcome of the audit, and self-evaluate (2 CFR 200.302)
- Audit Plan- Outline of purpose, scope, and objectives
- Audit Schedule- Annual plan of audits to be accomplished
- Audit Scope- Refers to activities covered

# Section 2. Cash Receipts

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## A. Purpose

The purpose of this section is to establish policy for the handling of all monetary transactions involving cash receipts for Federal, State, and Local Sources. This policy applies to all schools and departments as well as all Summit Academy administrators, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of Summit Academy or individual schools.

## B. Definitions

1. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
2. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
3. **“Cash receipt”** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
4. **“Cashier”** means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of Summit Academy.
5. **“Public funds”** are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including Summit Academy or other public bodies (Utah Code 51-7-3(26)).
6. **“School-sponsored event or activity”** means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not party of a rental or other contractual arrangement); or (c) is supported or subsidized by Summit Academy funds, including Summit Academy activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## C. Authorized Cashiers

1. Whenever possible, receipt of public funds shall be restricted to one of the following pre-authorized cashiers:
  - a. At the school level:

- i. the School Lunch Cashier or Lunch Manager (for lunch related cash receipts only); or
  - ii. the Financial Secretary or Front Office Secretary
2. For specific functions where it is not possible or reasonable for a pre-authorized cashier to be present to receive all incoming cash receipts, substitute cashiers may be authorized as follows:
  - a. At the school level, the Fiscal Administrator may authorize responsible individuals to act as substitute cashiers. In this case, the Fiscal Administrator shall ensure that each substitute cashier is trained in his/her duties by the Financial Secretary.
3. Summit Academy employees who are not authorized cashiers shall instruct payers to make payments directly to an authorized cashier. Under no circumstances shall a Summit Academy employee who is not a pre-authorized cashier or substitute cashier accept a cash receipt.

## **D. General Policies**

1. All cash received (including lunch money) shall be deposited daily or no later than three days after receipt as required by Utah Code 51-4-2(2)(a).
2. All checks should be made payable to the school and restrictively endorsed upon receipt. Checks should not be made payable to an employee, a specific department, or a program.
3. Two-party checks should never be accepted.
4. The sites front office shall issue a receipt in triplicate form for all cash (checks) received. The copies shall be as followed (Customer, Runner shall deliver copy with cash, and one shall remain in book). The receipts shall remain in sequential order, or if skipped should state VOID or explain reasoning. An additional option would be to use a raffle ticket system which remain in sequential order and logged in the front office.
5. In addition to a receipt, all sites shall prepare a cash tally form which reconciles all cash and written receipts. This form shall be signed by a minimum of (2) signers. (Counter, Confirmed Counter). Cash Tally forms can be located through the Business Department.
6. Once the runner picks up deposit and delivers to the LEA Office, the cash should be verified and counted by (2) LEA staff.
  - a. If there is a discrepancy, the Business Administrator will contact the sites Principal for clarification.



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### **Section 2 – Cash Receipts**

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7. If payments are made with an online payment system (e.g. ASPIRE), the electronic receipt and report will be sufficient to reconcile cash.
  
8. All funds (cash, checks, credit card payments, school lunch payments, etc.) received must be receipted by student name, if possible, and recorded in accounting records. School lunch money will be posted by student name into SIS Gradebook.
  
9. All receipting of funds at school should be done at the front office. No receipting of funds should take place in the classroom or in unapproved off-site locations. Provisions shall be made for cash receipting/collection at approved activities or functions.
  
10. All funds shall be kept in a secure location controlled by the front office until they are deposited. Employees should never hold funds in any location for any reason. Cash receipts should not be taken home by employees or volunteers, or left in offices.
  
11. Disbursements are never to be made directly from cash receipts (i.e, for purchases, reimbursements, refunds, or to cash personal checks).
  
12. All activities involving cash must be supervised by a school employee or authorized volunteer to ensure adequate controls are in place.
  
13. Monthly, bank reconciliation(s) will be performed on all school-approved accounts.

14. All Federal awards are paid to Summit Academy on a reimbursement basis, and therefore State and Local funds will be used to pay cash for Federal items until a reimbursement is submitted through Utah Grants. Once funds are received through reimbursement, they will be deposited into the bank and entered into financial software using Program accounting and using proper financial management.

In any case where Federal Funds have been received in Advance, all Federal Funds will be deposited into an interest bearing bank account and tracked accordingly. Quarterly a calculation will be prepared by the accounting office to show all interest earned from those funds. If funds exceed \$500, a remittance will be prepared to pay back the Federal Government. (Federal Interest Calculation) CFR 200.305 (b).

## **Section 3. Fundraising**

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**A. See Stand Alone Policy #6304 for Fundraising Policies**

## **Section 4. Donations, Gifts & Sponsorships**

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- A. See Stand Alone Policy #6302 for policies regarding Donations, Gifts, and Sponsorships.**

# Section 5. Procurement

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## A. Purpose

The purpose of this section is to establish policy to govern the initiation, authorization, and review of purchases at Summit Academy. This policy is applicable to all purchases using Federal, State, and Local funds. The scope includes all qualifying purchases of goods or services at Summit Academy and in all locations where activities are held and public funds are expended. It is expected that in all dealings, Summit Academy employees will act in an ethical manner that is consistent with the Public Officers' Ethics Act, the Utah Educators' Standards, and Federal, and State procurement law.

## B. Definitions

1. **"Summit Academy purchasing instrument"** means any of the following specific authorized means of making a purchase:
  - Check from a Summit Academy authorized bank account;
  - Electronic funds transfer from a Summit Academy authorized bank account;
  - Credit Card; and
  - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
2. **"Fiscal Administrator"** means the top administrator at a given school, the Principal.
3. **"Public funds"** are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including Summit Academy or other public bodies (Utah Code 51-7-3(26)).

## C. State Law Requirements

This policy is established pursuant to Utah Code 63G-6a-101 *et. seq.* and Utah Administrative Rules, Title R33, and requires all Summit Academy employees to comply with the same. The Summit Academy Board of Trustees has authority to establish procurement policies that are more restrictive than State laws or rules. Certain components of the law particularly relevant to Summit Academy employees are included below.

1. Contracts must follow the guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts (Utah Code 63G-6a-1204(7)).
2. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a-1302 the Utah State Board of Administrative Rules, and Title IX).

3. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a-101 *et. seq.*), Summit Academy’s procurement policy, and the Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16-1 *et. seq.*).

## **D. Federal Law Requirements (Procurement and Allowability)**

### **(I) This policy is established pursuant to Federal Code (200.318)**

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a)** Be necessary and reasonable in price for the performance of the award and be allocable thereto under these principles.
- (b)** Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- (c)** Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of Summit Academy.
- (d)** Be accorded consistent treatment. A cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost.
- (e)** Be determined in accordance with generally accepted accounting principles (GAAP).
- (f)** Be adequately documented.
- (g)** Cost must be incurred during the approved budget.

#### **(ii)(200.319)**

All transactions for acquisition of property or services required under Federal Award must be conducted in a manner providing full and open competition.

#### **(iii) 200.213 Inventory Management (use of Federal Funds)**

- (a)** All equipment used by Summit Academy with use of Federal Funds will be used in the program or project for which it was acquired.
  - (b)** All equipment and supplies used by Summit Academy with a Federal Award will be inventoried and records will be maintained which will include a Description, serial number, source of funding, acquisition date, and cost.
  - (c)** A physical inventory will be conducted at least every two years.
  - (d)** A control system will be in place to ensure adequate safeguards to prevent loss, damage, or theft.
  - (e)** If Summit Academy is authorized or required to sell the property proper sales procedures must be established to ensure the highest possible return.
- (f) Disposition.** When original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal

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### Section 5 – Procurement

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awarding agency disposition instructions, Summit Academy must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

**(1)** Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.

#### **(iv) CFR 200.430 Time and Effort Accountability**

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time spent on grant activities. (2 C.F.R. Part 200.430(i)(1))

In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching, must also keep time and effort documentation. (§ 200.430(i)(4)) Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with § 200.430(i)(1), these records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally-assisted and all other activities compensated by the agency on an integrated basis;
- Comply with the established accounting policies and practices of the agency; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. (§ 200.430(i)(1)(viii))

Time and Effort Procedures To meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on. A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. (2 C.F.R. Part 200.28) All employees whose work is funded fully (100%) by a single cost objective or grant award must complete a semi-annual certification. The semi-annual certification must be:

1. Completed at least every six (6) months (twice a year);
2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and

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4. Account for the total activity for which each employee is compensated. A PAR must be completed if an employee is funded partially on one (1) or more grant cost objective(s). It provides a written record of an employee's work activities used to document that employee's time to grants or projects. It must be completed monthly and supported by a daily calendar of activities. All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity, not a budget estimate;
2. Account for the total work activity for which each employee is compensated;
3. Be prepared at least monthly (a separate PAR for each month) and coincide with one (1) or more pay periods; and
4. Be signed by the employee. All employees who are paid in full or in part with federal funds must keep specific documents to support the amount of time they spent on grant activities as reflected in each PAR. This includes an employee whose salary is paid with state or local funds but is used to meet a required "match" in a federal program. These time and effort records should be maintained in order to charge the costs of personnel compensation to federal grants. Examples of records used to support the time entered in a PAR include desk calendars or written records of activity for each day/week, etc.

## E. Restricted Authority

1. No purchase shall be made and no indebtedness shall be incurred by any officer or employee of Summit Academy that exceeds the authority given in this policy except those authorized by the Summit Academy Board of Trustees (Utah Code 53A-3-405).
2. The Business Administrator, or designated agents, are the only persons authorized to engage in the following procurement-related activities:
  - a. obligate Summit Academy for the purchase of goods and services, which includes any type of leasing agreement (the only exception to this the event of an emergency wherein loss or harm will result without immediate action);
  - b. establish and manage an inventory of supplies and certain equipment, and as the need develops, replenish that inventory through means of competitive bidding or inquiry with established sources of supply;
  - c. manage the transfer of surplus equipment for purposes of use in other Summit Academy schools and departments; and
  - d. determine the value of equipment within the schools that is deemed obsolete or not repairable and direct the disposal of such items by means of a sale or salvage.
3. Fiscal Administrators are authorized by the Summit Academy Board of Trustees to enter into contracts or agreements that obligate Summit Academy to the end of the current school/fiscal year only.



## F. General Policies

1. Whenever possible, local markets and vendors shall be favored in the purchase of goods and services, where price and quality are equal to other sources.
2. Competitive prices shall be sought from all available sources whenever possible before negotiations for purchase are entered into, and preference shall not be given in such a way that one vendor has an advantage over any other vendor.
3. The Business Administrator, or designated agents, reserves the right to negotiate any quotation received by a department or school.
4. Where only one source of supply exists, the Business Administrator, or designated agents, shall negotiate the price and quality and conditions of delivery.
5. The Business Administrator, or designated agents, may substitute equivalent product provided the Business Administrator notifies the originator of the purchase requisition prior to the substitution.
6. The Business Administrator, or designated agent, may cancel all, or any part of a Purchase Order that fails to meet the specifications regarding quality, prices, delivery, or service specified thereon.
7. The Fiscal Administrator is charged with primary responsibility for all financial matters of his/her school. Such responsibility is non-delegable. Because it is not possible for the Fiscal Administrator to be personally involved in every financial matter at his/her school, he/she may designate specific individuals to perform specific tasks or functions on his/her behalf. Nonetheless, the Fiscal Administrator retains ultimate responsibility and should therefore ensure his/her designees are properly trained. Fiscal Administrators do not have authority to instruct or permit violation of Summit Academy policy and procedure.
8. All transactions will be subject to audit for compliance by appropriate Summit Academy personnel at any time.
9. Summit Academy will not recognize employees as independent contractors for services that are related to or an extension of their employment job duties.

## G. Purchases and Procurement Thresholds

1. Schools and departments are authorized to make necessary purchases within stated procurement thresholds. The dollar thresholds for purchases are to be applied to the whole purchase, not individual items.
  - a. A “small purchase” is the procurement of goods or services for which the total cost is less than \$50,000 (Utah Code 63G-6a-408). Under that amount, there are additional dollar thresholds that must be applied to specific types of purchases.
  - b. The “individual procurement threshold” for Summit Academy is \$1,000. This is the maximum amount that Summit Academy can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing procedures (Utah Code 63G-6a-408).
  - c. The “annual cumulative threshold for Summit Academy is \$50,000. This is the maximum total annual amount that Summit Academy can expend to obtain individual procurement item(s) costing less than \$1,000 from the same vendor during the fiscal year (July 1 – June 30).
  - d. If a purchase exceeds \$50,000 In a single transaction, it is not considered a small purchase and shall be processed through an invitation to bid (IFB)-(Utah Code 63G-6a-408 and R33-6 & 7).
  - e. If purchases from the same vendor are ongoing, continuous, and regularly scheduled, and exceed the annual cumulative threshold of \$50,000 during the fiscal year (July 1 – June 30), a contract shall be utilized if feasible (Utah Code 63G-6a-408(6)).
  - f. If a purchase exceeds \$100,000, it is not considered a small purchase and shall be processed through an RFP (Request for Proposal). All information regarding the RFP process is housed with the Business Administrator (Boiler Plate Information). All RFP’s will be scored by a Summit Academy Team and a winner will be selected. If Price is the only determining factor then the Invitation to Bid (IFB) process would be the appropriate process.
2. Without regard to amount:
  - a. If a service is to be purchased from an individual or sole proprietor, the purchase must be made with a Purchase Order and processed through the accounting department to facilitate compliance with IRS regulations concerning issuance of 1099 forms from Summit Academy.

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3. For purchases that total up to \$1,000:
  - a. If the items being purchased are not available from a State or Summit Academy contract, the Fiscal Administrator may make a best source selection and proceed with the purchase by either credit card or Purchase Request Form/school check.

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4. For purchases that total between \$1,000.01 and \$4,999.99:
  - a. If the items being purchased are not available on a State or Summit Academy contract, documented quotes are required, either written, via telephone, or in email received directly from the vendor, and shall contain the following information:
    - i. employee name and position;
    - ii. dates that the quoted price is valid and anticipated delivery date;
    - iii. vendor name, address, and salesperson;
    - iv. each item, description or specifications, unit, quantity unit price, unit total price, shipping and freight charges, and grand total price; and
    - v. salesperson contact information.
  - b. The employee shall document three (3) quotes on the Purchase Order Request Form and make the purchase using a School Purchase Order or credit card if the total purchase is under the transaction limit on the card.
  - c. Documented quotes and completed Purchase Order Request Forms are to be retained with the payment documents as follows:
    - i. If the payment is made with a credit card the supporting quote documentation is retained with the credit card receipt.
    - ii. If the payment is made with a School Purchase Order the supporting quote documentation is retained with the school purchase order.
5. For purchases that total over \$5,000:
  - a. The employee initiates the purchase using a Purchase Order Request Form. All such purchases are required to be approved by the Business Administrator. Once the Purchase Order Request is approved, it will be processed as follows:
    - i. Purchases up to \$49,999.99 – Administrative Office will obtain and document quotes, select the best vendor based on criteria such as price, availability, quality, etc., then issue a Purchase Order.
    - ii. Purchases of \$50,000 and over – Administrative Office will obtain formal bids, select the best vendor based on price, availability, quality, etc., submit a recommendation to the Summit Academy Board of Trustees, then upon Board approval, issue a Purchase Order.

6. Artificially Dividing a Purchase:

- a. It is unlawful to intentionally divide a procurement purchase into two or more smaller purchases, to divide an invoice or Purchase Order into two or more invoices or Purchase Orders or to make smaller purchases over a period of time (Utah Code 63G-6a-408).
- b. Dividing a purchase, or intentionally splitting a purchase of similar items that would typically be purchased at the same time from the same vendor to avoid requiring competitive quotes is unlawful (e.g., uniforms, club or athletic equipment, textbook orders, etc.).
- c. Purchase splitting often occurs when making purchases on a credit card. Employees should not split invoices to stay under single transaction purchase limits on credit cards or the established purchasing thresholds.
- d. It may be determined after an order is placed or received that a large enough quantity was not ordered, or the correct sizes were not obtained, and additional items must be ordered. If this occurs, the employee initiating the purchase must include a written explanation of the purpose of the purchase and justification as to why it is not considered splitting a purchase. This should be retained with the vendor invoice.
- e. Penalties for dividing purchases range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements

## H. Ethical/Legal Standards in the Utah Procurement Code

State law mandates that **all public employees** comply with ethical/legal standards when administering or using public funds. Utah Code 67-16-4 & 5 *et. seq.* outlines conduct considered unlawful and proscribes penalties for violating these ethical laws.

67-16-4. Improperly disclosing or using private, controlled, or protected information – Using position to secure privileges or exemptions – Accepting employment that would impair independence of judgment or ethical performance – Exception.

1. Except as provided in Subsection (3), it is an offense for a public officer, public employee, or legislator to:
  - a. accept employment or engage in any business or professional activity that he might reasonably expect would require or induce him to improperly disclose controlled information that he has gained by reason of his official position;
  - b. disclose or improperly use controlled, private, or protected information acquired by reason of his official position or in the course of official duties in order to further substantially the officer's or employee's personal economic interest or to secure special privileges or exemptions for himself or others;
  - c. use or attempt to use his official position to:
    - i. further substantially the officer's or employee's personal economic interest; or
    - ii. secure special privileges or exemptions for himself or others;
  - d. accept other employment that he might expect would impair his independence of judgment in the performance of his public duties; or
  - e. accept other employment that he might expect would interfere with the ethical performance of his public duties.
2.
  - a. Subsection (1) does not apply to the provision of education-related services to public school students by public education employees acting outside their regular employment.
  - b. The conduct referred to in Subsection (2)(a) is subject to Section 53A-1-402.5.
3. This section does not apply to a public officer, public employee, or legislator who engages in conduct that constitutes a violation of this section to the extent that the public officer, public employee, or legislator is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

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67-16-5. Accepting gift, compensation, or loan – When prohibited.

1. As used in this section, “economic benefit tantamount to a gift” includes:
  - a. a loan at an interest rate that is substantially lower than the commercial rate then currently prevalent for similar loans; and
  - b. compensation received for private services rendered at a rate substantially exceeding the fair market value of the services.
2. Except as provided in Subsection (4), it is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:
  - a. That would tend improperly to influence a reasonable person in the person’s position to depart from the faithful and impartial discharge of the person’s public duties;
  - b. That the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken; or
  - c. If the public officer or public employee recently has been, is now, or in the near future may be involved in any governmental action directly affecting the donor or lender, unless a disclosure of the gift, compensation, or loan and other relevant information has been made in the manner provided in Section 67-16-6.
3. Subsection (2) does not apply to:
  - a. an occasional nonpecuniary gift, having a value of not in excess of \$50;
  - b. an award publicly presented in recognition of public services;
  - c. any bona fide loan made in the ordinary course of business; or
  - d. a political campaign contribution.
4. This section does not apply to a public officer or public employee who engages in conduct that constitutes a violation of this section to the extent that the public officer or public employee is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

State law mandates **procurement professionals** comply with ethical/legal standards when administrating or using public funds. Utah Code 63G-6a-2404 *et. seq.* outlines conduct considered unlawful and proscribes penalties for violating procurement laws.

1. For purposes of this section, the following definitions apply:

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- a. **“Contract administration professional”** means an individual who is directly under contract with Summit Academy or employed by a person under contract with Summit Academy and has responsibility in developing a solicitation or grant, or conducting the procurement process; or supervising or overseeing the administration or management of a contract or grant. This does not include an employee of Summit Academy. (Utah Code 63G-6a-2402).
- b. **“Procurement professional”** means an individual who is an employee, and not an independent contractor, of Summit Academy and who, by title or primary responsibility has procurement decision making authority and is assigned to be engaged in or is engaged in the procurement process or the process of administering a contract or grant including enforcing contract or grant compliance, approving contract or grant payments, or approving contract or grant change orders or amendments. Procurement professional excludes:
  - i. Any individual who, by title or primary responsibility, does not have procurement decision making authority;
  - ii. The Executive Director, Assistant Director, Business Administrator, Principal, or Assistant Principal of Summit Academy (Utah Code 63G-6a-2402).
- c. **“Hospitality gift”** means a token gift of minimal value, including a pen, pencil, stationery, toy, pin, trinket, snack, beverage, or appetizer, given for promotional or hospitality purposes. This does not include money, a meal, admission to an event for which a charge is normally made, entertainment for which a charge is normally made, travel, or lodging (Utah Code 63G-6a-2402).
  - i. Utah Code 63G-6a-2404 state that it is **not** unlawful for a person to give or receive, offer to give or receive, or promise or pledge to give or ask for a promise or pledge of, a hospitality gift if the total value of the hospitality gift is less than \$10; and the aggregate value of all hospitality gifts from the person to the recipient in a calendar year is less than \$50.
  - ii. Any hospitality gift exceeding the \$10 and \$50 threshold is considered a gratuity, and the provisions below apply.
- d. **“Gratuity”** means anything of value given without anything provided in exchange or in excess of the market value of that which is provided in exchange including a gift or favor, money, a loan at an interest rate below the market value or with terms that are more advantageous to the borrower than terms offered generally on the market, anything of value provided with an aware (other than a certificate, plaque, or trophy), employment, admission to an event, a meal, lodging, travel, entertainment for which a charge is normally made, and a raffle, drawing for a prize, or lottery.
  - i. Gratuity does not include:
    - a. An item, including a meal in association with a training seminar, that is:
    - b. Included in a contract or grant; or



- c. Provided in the proper performance of a requirement of a contract or grant;
  - d. An item requested to evaluate properly the award of a contract or grant;
  - e. A rebate, coupon, discount, airline travel award, dividend, or other offering included in the price of a procurement item;
  - f. A meal provided by an organization or association, including a professional or educational association, an association of vendors, or an association composed of public agencies or public entities that does not, as an organization or association, respond to solicitations;
  - g. A product sample submitted to a public entity to assist the public entity to evaluate a solicitation;
  - h. A political campaign contribution;
  - i. An item generally available to the public; or
  - j. Anything of value that one public agency provides to another public agency (Utah Code 63G-6a-2402).
- e. **“Kickback”** means a negotiated bribe in connection with a procurement or the administration of a contract or grant; and does not include items in subsection 4.e.(1) (Utah Code 63G-6a-2402).

2. Utah Code 63G-6a-2404 makes it unlawful:

- a. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a gratuity to Summit Academy, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.
- b. For a “procurement professional” or “contract administration professional”, or a family member of either, knowingly to receive to accept, offer or agree to receive or accept, or ask for a promise or pledge of, a gratuity from a person who has or is seeking a contract with or a grant from a public entity.
- c. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a kickback to Summit Academy, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.

- d. For a “procurement professional” or “contract administration professional” or a family member of either, knowingly to receive or accept, offer or agree to receive or accept, or ask for a promise or pledge of, a kickback from a person who has or is seeking a contract with or a grant from a public entity.
3. Penalties for violating this statute are established in Utah Code 63G-6a-2404 & 2407. Individuals will adhere to these penalties and report violations to the attorney general’s office, as required by statute. Penalties range from a class B misdemeanor to a second degree felony and individuals are subject to disciplinary action up to and including dismissal from public employment or return the value of the unlawful gratuity.

## **Addendum to Procurement Policy**

### **Equal Opportunity Requirement**

Contracting with small and minority firms, women-owned business enterprises and labor-surplus area firms (44 CFR Part 13.36(i); 2 CFR Part 215.44(b); 2 CFR Part 200.32)

- Must take affirmative steps to assure these firms are used when possible.
- Affirmative steps emphasize assurance that firms receive solicitation if they are potential sources.
- Appears to require that potential Subrecipients (Applicants) maintain a list of such firms.
  - Subrecipients (Applicants) allowed to divide total requirements to permit participation by such firms.
- Use the Small Business Administration (SBA) and Minority Business Development Agency (MBDA) of the US Department of Commerce (DOC) for assistance in complying.

### **Buy American Provision**

Buy American Provision shall be included in all applicable bids, quotes, and food purchases for the School Lunch Program, where possible, in accordance with 7 CFR Part 210.21. In addition all vendors shall comply with the Buy American Provision.

### **Termination for Cause (for Contracts in excess of \$10,000, according to Appendix II to 2 CFR Part 200)**

Summit Academy may terminate agreements for cause upon ten days prior written notice to the contractor of the contractor's default in the performance of any term of the agreement. Such termination shall be without prejudice to any of Summit Academy's rights or remedies by law.

### **Termination for Convenience (for Contracts in excess of \$10,000, according to Appendix II to 2 CFR Part 200)**

Summit Academy may terminate agreements for its convenience at any time upon 30 days written notice to the contractor. In the event of Summit Academy's termination of the agreement for convenience, the contractor will be paid for those services actually performed. Partially completed performance of the agreement will be compensated based upon a signed statement of completion to be submitted by the contractor, which shall itemize each element of performance.

# Section 6. Cash Disbursement

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## A. Purpose

The purpose of this section is to establish Summit Academy's policy governing the authorization and review of all expenditures made by Summit Academy. The scope of this policy includes all activities at Summit Academy and in all locations where Summit Academy activities are held and public funds are expended. This policy applies to all Summit Academy administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements on behalf of Summit Academy. It is expected that in all dealings, Summit Academy employees will act in an ethical manner that is consistent with the Public Officers' Employees' Ethics Act, the Utah Educators' Standards, and State procurement law.

## B. Definitions

1. **"Cash disbursement"** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
2. **"Summit Academy purchasing instrument"** means any of the following specific authorized means of making a purchase:
  - Check from a Summit Academy authorized bank account;
  - Electronic funds transfer from a Summit Academy authorized bank account;
  - Credit Card; and
  - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
3. **"Fiscal Administrator"** means the top administrator at a given school, the Principal.
4. **"Public funds"** are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including Summit Academy or other public bodies (Utah Code 51-7-3(26)).

## C. General Policies

1. All disbursement of public funds under Summit Academy control shall be made using a Summit Academy purchasing instrument and accompanied by documentation that establishes:
  - a. compliance with all applicable state and federal laws and regulations; other Summit Academy policies, any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices; and

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- b. reasonableness and necessity for carrying out the programs and activities of the Summit Academy.
2. All disbursements shall be signed by two parties: The Executive Director, the Business Administrator, or a designated agent, signifying his/her explicit approval of the purchase. Signature stamps shall only be used if necessary by one of the two parties in their absence in lieu of an actual signature. Each individual receipt and/or invoice must also be initialed by the Business Administrator or his/her designee signifying his/her detailed review for compliance, reasonableness, and necessity.
3. All disbursements shall be executed through Summit Academy's administrative office using an account code that accurately reflects the expenditure being made.
4. Access to Summit Academy purchasing instruments as well as bank accounts and statements shall be secured and controlled by the accounting departments. (Credit cards shall be secured by the named cardholder.)
5. Any employee authorized to receive a credit card understands that (s)he will follow the credit card policy. All credit card statements are to be reconciled by the cardholder on a monthly basis, have original receipts attached, and attached log. If there is a discrepancy or problem with any specific purchase on the statement, it must be resolved immediately by contacting the Business Administrator.
6. Summit Academy is exempted from paying sales tax on purchases it makes in the course or performing its mission. To qualify for the exemption, the purchase must be made using Summit Academy's funds. A completed TC-721 Exemption Certificate, purchase order, or Summit Academy check may be used to evidence the exemption (Utah Code 59-12-104)
7. Access to the Summit Academy accounting systems shall be secured and safeguarded by restricted passwords.
8. Checks shall be made payable to specified payees and never to "cash" or "bearer". Blank checks shall never be signed by both parties in advance of a disbursement.
9. Purchases of goods or services with Public funds for personal use or personal gain are strictly prohibited (see the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16-1 *et. seq.*).

#### **D. Reimbursements**

1. Employees will be reimbursed for purchases made using personal funds under the following conditions:

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- a.) The employee obtained prior approval from their Fiscal Administrator/Principal to make the purchase.
- b.) Proof of payment must be either cash, check, or credit card.
  
- c.) Each transaction is evidenced by original itemized receipts.
  
- d.) Sales tax can be reimbursed. We encourage the use of form TC-721G, which is an exemption certificate for Governments and Schools. This exemption certificate should provide most entities enough information to waive sales tax on purchases.
  
- e.) The request for reimbursement must be received in Accounting no later than sixty (60) days after the date of the purchase.
  
- f.) All reimbursements need to be turned in and received no later than May 15TH of any given Fiscal Year.
  
- g.) Any purchase of food must include the following: Agenda and Attendee list Sign-in sheet and description of the purpose of the meeting.
  
- h.) Summit Academy purchases made using personal funds must adhere to the requirements of the Summit Academy's procurement policies including but not limited to dollar thresholds, documented quote requirements, etc.

## **E. Credit Card Use**

- 1) Credit Cards should NOT be used for purchases from approved state contracted vendors, or any vendor that easily accepts a purchase order.
- 2) Any purchase of food must include the following: Agenda and Attendee list Sign-in sheet and description of the purpose of the meeting.
- 3) If receipts are not available or are missing, the individual making the charge will be held responsible for payment, unless the LEA or Business Administrator allows an in Lieu form to be used in place of the missing receipt.

## **F. Travel**

- 1) Employees will be reimbursed for mileage with proper approval of travel. Mileage will be reimbursed at the Internal Revenue Service mandated rate for the distance traveled from the location within the site of the Charter and back.
- 2) All mileage submissions must accompany backup detail (ie: Mapquest)
- 3) All mileage must be approved by employees direct supervisor
- 4) Any out of state or overnight travel requires prior approval from the Executive Director.
- 5) Any out of state or overnight travel of the Executive Director requires prior written approval of the board chair. Written approval should be attached to the reimbursement request.
- 6) Any UHSAA Athletic Travel over 150 miles must be approved by the Governing Board in accordance to the UHSAA Travel Policy.

# Section 7. Petty Cash

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## A. Purpose

The purpose of this section is to establish a policy for keeping and using petty cash consisting of public funds. The scope of this policy includes all activities at all Summit Academy schools and in all locations where school activities occur and public funds are handled.

## B. Definitions

1. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
2. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.

## C. Issuance of Petty Cash

1. All petty cash must be requested from, approved by, and issued by the Financial Secretary under the direction of the Business Administrator.

Summit Academy checks may not be made payable to “cash” or “bearer” and cashed by Summit Academy employees to create petty cash funds outside of the application and approval process. Funds may not be withheld from cash receipts to create petty cash funds.

## D. Securing and Use of Petty Cash

1. All petty cash shall be operated consistent with standard accounting practice and as determined by the Business Administrator.
  - a. Petty cash shall be issued and maintained with a specific imprest amount.
    - i. The total amount of cash in a petty cash fund shall always equal the fixed amount.
  - b. Every cash disbursement from a petty cash fund shall be supported by an associated purchase receipt(s).
  - c. A Fundraising Accounting Cash Record shall be completed by two (2) people.
2. All petty cash funds should be kept locked in a secure location.
3. All petty cash shall be reconciled after each use.



# Section 8. Banking and Other Institutional Accounts

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## A. Purpose

The purpose of this section is to establish policy for opening, using, and reconciling all bank and other institutional accounts including checking, savings, certificates of deposit, merchant processing, and all other accounts into which public funds may be deposited and/or maintained.

## B. Definitions

1. **“Cash receipt”** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
2. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
3. **“Public funds”** are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including Summit Academy or other public bodies (Utah Code 51-7-3(26)).

## C. Authorization of Accounts

1. All bank account shall be authorized by the Summit Academy Board of Trustees. Summit Academy shall not open or operate unauthorized bank accounts for receiving, holding, or expending public funds.
2. Outside organizations or entities are not permitted to use the LEA’s tax ID or sales tax exemption numbers for banking or any other purpose.
3. Investments shall comply with the Utah Money Management Act (Utah State Law Section 51) and be made under the direction of the Summit Academy Board of Trustees and administered by the Business Administrator.
4. In order to maximize interest earning, any excess funds not needed for immediate use may be invested in a “sweep account”, a higher yielding savings account, or a “certificate of deposit” with a twelve month or less maturity if interest earnings are projected to exceed fees charged for establishing such an account.
5. The Business Administrator and Principals shall be authorized to sign on school bank accounts. If additional signers are desired on a specific account, application must be made to the Business Administrator and approval granted by the Summit Academy Board of Trustees.

## **D. Deposits, Disbursements, and Reconciliations**

1. All cash receipts of public funds controlled by Summit Academy shall only be deposited into authorized school or LEA bank accounts using a bank-issued deposit slip.
2. Summit Academy accounts shall not be used for non-school purposes.
3. Funds shall only be disbursed from the Summit Academy bank account via an appropriately authorized check or electronic transfer, and disbursements shall be restricted to authorized activity as described above. Under no circumstances is cash to be withdrawn from a school or LEA bank account.
4. Monthly reconciliations shall be performed by the Business Administrator or her/his designee on Summit Academy approved bank accounts.