

1 **R277. Education, Administration.**

2 **R277-113. LEA Fiscal and Auditing Policies.**

3 **R277-113-1. Authority and Purpose.**

4 (1) This rule is authorized by:

5 (a) Utah Constitution [Article X, Section 3](#), which vests general control and
6 supervision over public education in the Board;

7 (b) Subsection [53E-3-401\(4\)](#), which allows the Board to make rules to execute
8 the Board's duties and responsibilities under the Utah Constitution and state law;

9 (c) Subsection [53E-3-501\(1\)\(e\)\(i\)](#), which directs the Board to establish rules and
10 minimum standards for school productivity and cost effectiveness measures;

11 (d) Subsection [53E-3-501\(1\)\(e\)\(iv\)](#), which allows the Board to adopt rules
12 regarding financial, statistical, and student accounting requirements;

13 (e) Section [53E-3-602](#), which allows the Board to approve auditing standards for
14 LEA governing boards;

15 (f) Section [53E-3-603](#), which requires the Board to verify accounting procedures
16 of LEA governing boards for determining the allocation of Uniform School Funds;

17 (g) Section [53E-5-202](#), which directs the Board to adopt rules to implement a
18 statewide accountability system;

19 (h) Subsection [53G-5-404\(4\)](#), which requires charter schools to make the same
20 annual reports required of other public schools, including an annual financial audit
21 report;

22 (i) Subsection [53F-2-209\(2\)](#), which requires the Board to make rules for flexible
23 use of restricted funds; and

24 (j) ESSA, which requires states to revise and redesign school accountability
25 systems.

26 (2) The purpose of this rule is to:

27 (a) require LEAs to formally adopt and implement policies regarding the
28 management and use of public funds;

29 (b) provide minimum standards, procedures, and definitions for LEA policies;

30 (c) direct that LEAs make policies, procedures, and training materials available
31 to the public and readily accessible on LEA or public school websites, to the extent of
32 resources available;

33 (d) require LEAs to train employees in:

34 (i) appropriate financial practices;

35 (ii) necessary accounting procedures; and

36 (iii) ethical financial practices;

37 (e) specify uniform budgeting, accounting, and auditing procedures for LEAs

38 consistent with GAAP, GAAS, and GAGAS; and

39 (f) establish reporting and accounting requirements for LEAs to enable the Board
40 to comply with ESSA.

41 _____ (3) This Rule R277-113 is categorized as Category 3 as described in Rule [R277-](#)
42 [111](#).

43

44 **R277-113-2. Definitions.**

45 (1) "Accrual basis of accounting" means a basis of accounting that records:

46 (a) revenue when earned and expenses when incurred; and

47 (b) transactions irrespective of the dates on which any associated cash flows
48 occur.

49 (2) "Administration" means:

50 (a) an LEA superintendent or director;

51 (b) a deputy or associate superintendent or director;

52 (c) a business administrator or manager; or

53 (d) another LEA educational administrator, designated staff, or a designated
54 educational service provider.

55 (3) "Arm's length transaction" means a transaction between two unrelated,
56 independent, and unaffiliated parties or a transaction between two parties acting in their
57 own self interest that is conducted as if the parties were strangers so that no conflict of
58 interest exists.

59 (4) "Cash" or "cash receipts" means cash, checks, credit cards, electronic
60 payments via a website or a mobile payment application, or other items used for
61 payment.

62 ~~[(4)](5)~~ "Exclusive contract or arrangement" means an agreement requiring a
63 buyer to purchase or exchange all needed goods or services from one seller.

64 ~~[(5)](6)~~ "GAAP" means Generally Accepted Accounting Principles or a common
65 framework of accounting rules and standards for financial reporting promulgated by
66 GASB.

67 ~~[(6)](7)~~ "GAAS" means Generally Accepted Auditing Standards or a set of
68 auditing standards and guidelines promulgated by the Auditing Standards Board of the
69 American Institute of Certified Public Accountants.

70 ~~[(7)](8)~~ "GAGAS" means Generally Accepted Government Auditing Standards or
71 a set of auditing standards and guidelines promulgated by the Government
72 Accountability Office.

73 ~~[(8)](9)~~ "GASB" means the Governmental Accounting Standards Board whose
74 purpose is to establish GAAP for state and local governments within the United States.

75 ~~[(9)](10)~~ "Internal controls" means a process, implemented by an entity's
76 governing body, administration, or other personnel, designed to:

77 (a) provide reasonable assurance regarding the achievement of objectives in the
78 following categories:

- 79 (i) effectiveness and efficiency of operations;
80 (ii) reliability of reporting for internal and external use; and
81 (iii) compliance with applicable laws and regulations;

82 (b) provide reasonable assurance regarding the achievement of the following
83 objectives over state and federal awards:

84 (i) proper recording and accounting for transactions, in order to:

85 (A) permit the preparation of reliable financial statements and state and federal
86 reports;

87 (B) maintain accountability over assets; and

88 (C) demonstrate compliance with state and federal statutes, regulations, and the
89 terms and conditions of state and federal awards; and

90 (ii) execution of transactions in compliance with:

91 (A) all state and federal statutes and regulations; and

92 (B) the terms and conditions of state or federal awards; and

93 (c) safeguard funds, property, and other against loss from unauthorized use or
94 disposition.

95 ~~[(40)]~~(11) "Modified accrual basis of accounting" means a basis of accounting,
96 commonly used by government agencies, that recognizes revenues when they become
97 available and measurable and recognizes expenditures when liabilities are incurred.

98 ~~[(44)]~~(12) "Non-operating LEA" means an LEA that has not received minimum
99 school program funds or federal funds and is not providing educational services during
100 a fiscal year, such as an LEA in a start-up period.

101 ~~[(42)]~~(13) "N-size" means the minimum size necessary to disclose or display
102 data to ensure maximum student group visibility while protecting student privacy.

103 ~~[(43)]~~(14) "Operating LEA" means an LEA that has received state minimum
104 school program funds or federal funds and is providing educational services during a
105 fiscal year.

106 ~~[(44)]~~(15)(a) "Provided, sponsored, or supported by a school" has the same
107 meaning as defined in Section [R277-407-2](#).

108 (b) "Provided, sponsored, or supported by a school" does not apply to non-
109 curricular clubs specifically authorized and meeting all criteria of Sections [53G-7-704](#)
110 through [53G-7-707](#).

111 ~~[(15)]~~(16) "Public funds" has the same meaning as that terms is defined in
112 Subsection [51-7-3](#)(26).

113 ~~[(46)]~~(17) "Title IX" refers to that portion of the United States Education
114 Amendments of 1972 codified as 20 U.S.C. 1681 through 20 U.S.C. 1688.

115 ~~[(47)]~~(18) "Utah Public Officers' and Employees' Ethics Act," means Title 67,
116 Chapter 16, which provides standards of conduct for officers and employees of the state

117 of Utah and its political subdivisions in areas where there are actual or potential conflicts
118 of interest between public duties and private interests.

119

120 **R277-113-3. Superintendent Responsibilities.**

121 (1) The Superintendent shall provide training, informational materials, and model
122 policies for use by LEAs in developing LEA and public school-specific financial policies.

123 (2) The Superintendent shall provide online training and resources for LEAs
124 regarding the use and management of public funds and ethical practices for licensed
125 Utah educators who manage, control, participate in fundraising, or expend public funds.

126 (3) The Superintendent shall provide training and informational materials for use
127 by LEA governing boards in establishing their audit committees and internal audit
128 programs in compliance with Section [53G-7-402](#).

129 (4) The Superintendent shall provide and establish a cycle for state review of
130 LEA fiscal policies and standards.

131 (5) The Superintendent shall work with and provide information upon request to
132 the Utah State Auditor's Office, the Legislative Fiscal Auditors, and other state agencies
133 with the right to information from the Board.

134

135 **R277-113-4. LEA Audit Responsibilities.**

136 (1) The presiding officer of an LEA governing board shall ensure that the
137 members of the governing board and audit committee are provided with training on the
138 requirements of [Title 53G, Chapter 7, Part 4](#), Internal Audits, and this Section R277-
139 113-4 as part of the member on-boarding process.

140 (2) The training described in Subsection (1) shall:

141 (a) comply with [Title 63G, Chapter 22](#), State Training and Certification
142 Requirements; and

143 (b) use the online training and informational materials provided by the
144 Superintendent in accordance with Subsection R277-113-3(3).

145 (3) An LEA governing board shall:

- 146 (a) designate board members to serve on an audit committee, consistent with
147 Subsection [53G-7-401](#)(1); and
- 148 (b) maintain the following information on the LEA's website:
- 149 (i) names of the governing board members who serve on the audit committee;
150 and
- 151 (ii) if required by Subsection [53G-7-402](#)(2);
- 152 (A) the name and contact information of the internal audit director; and
153 (B) a copy of the LEA's annual audit plan.
- 154 (4) An LEA audit committee shall:
- 155 (a) ensure the LEA obtains all audits, agreed-upon procedures, engagements,
156 and financial reports required by Section [51-2a-201](#) and Subsection [53G-5-404](#)(4);
- 157 (b) provide an independent forum for internal auditors, internal audit contractors,
158 and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance,
159 or control weaknesses, particularly if LEA administration is involved;
- 160 (c) ensure that corrective action on findings, concerns, issues and exceptions
161 reported by independent external auditors, internal auditors, or other regulatory bodies
162 are resolved in a timely manner by LEA administration;
- 163 (d) present, as appropriate, information and reports from the audit committee's
164 meetings to the LEA board; and
- 165 (e) receive, as appropriate, reports of reviews, monitoring, or investigations
166 conducted by LEA administration and ensure appropriate corrective action is taken in a
167 timely manner.
- 168 (5) With regards to engagements completed by an independent external auditor,
169 an LEA audit committee shall:
- 170 (a) manage the audit procurement and quality process in compliance with Title
171 [63G, Chapter 6a](#), State Procurement Code and Rule [R123-5](#);
- 172 (b) ensure that the independent external auditor has access to directly
173 communicate with the audit committee;

174 (c) review disagreements between independent external auditors and LEA
175 administration;

176 (d) consider LEA responses to audits or agreed-upon procedures; and

177 (e) determine the scope and objectives of other non-audit services, as
178 necessary.

179 (6) An LEA audit committee shall if required by Section [53G-7-402](#):

180 (a) establish an internal audit program that provides internal audit services for
181 the programs administered by the LEA;

182 (b) advise the LEA board in the appointment of an audit director or in contracting
183 for internal audit services in accordance with Subsection [53G-7-402](#)(3);

184 (c) conduct or advise the LEA board in an annual evaluation of the internal audit
185 director or contractors providing internal audit services;

186 (d) prioritize the internal audit plan based on risk;

187 (e) receive regular updates on the internal audit plan and internal audit project
188 progress; and

189 (f) receive final internal audit reports from internal auditors or contractors
190 providing internal audit services.

191

192 **R277-113-5. LEA Fiscal Responsibilities and Required Fiscal Policies.**

193 (1) An LEA shall review the LEA's fiscal policies and procedures regularly.

194 (2) An LEA shall develop a plan for annual training of LEA and public school
195 employees on policies and procedures enacted by the LEA specific to job function.

196 (3) LEA fiscal policies and procedures shall be available at each LEA main
197 office, at individual public schools, and be publicly available on the LEA's website.

198 (4) LEA fiscal policies, procedures, and training may have different components,
199 specificity, and levels of complexity for public elementary and secondary schools.

200 (5) An LEA may have one or more policies to satisfy the minimum requirements
201 of this Rule R277-113.

202 (6) An LEA fiscal policy may reference specific training manuals or other
203 resources that provide detailed descriptions of business practices which are too lengthy
204 or detailed to include in the LEA policy.

205 (7) A public education foundation established by an LEA shall follow the
206 requirements set forth in Section [53E-3-403](#).

207 (8)(a) An LEA shall ensure that the LEA's written fiscal policies and procedures
208 address all applicable state and federal statutes and regulations.

209 (b) The requirements set forth in this Section R277-113-5 are minimum
210 requirements.

211 (c) An LEA may include other related items, provide LEA specific policy and
212 guidance, and set polices that are more restrictive and inclusive than the minimum
213 provisions established by Board rule.

214 (9) LEA fiscal policies shall include the following:

215 (a) a program accounting policy that establishes internal controls and
216 procedures to record program revenues and expenditures in accordance with:

217 (i) GAAP; and

218 (ii) the school fee provisions in Section [R277-407](#)-~~[43]~~12;

219 (b) a program accounting policy that:

220 (i) accurately reflects the use of funds for allowable costs and activities;

221 (ii) requires that transactions be recorded when they occur;

222 (iii) allows adjusting journal entries during the year and at the end of the year, in
223 accordance with GAAP; and

224 (iv) requires that initial transactions, and adjusting entries if applicable, be
225 recorded in the proper program, utilizing the following codes as established by the
226 Board approved chart of accounts:

227 (A) fund;

228 (B) function;

229 (C) program;

230 (D) location; and

231 (E) object or revenue code, as applicable;

232 (c) a cash handling policy, which shall address cash receipts, including cash,
233 checks, credit cards, electronic payments via a website or a mobile payment
234 application, and other items used for payment, collected at the LEA and individual public
235 schools and shall include:

236 (i) establishment of internal controls and procedures over the collection, deposit,
237 and reconciliation of cash receipts received; and

238 (ii) compliance with Subsection [51-4-2\(2\)](#) regarding deposits.

239 (d) an expenditure policy, which shall address all expenditures made by the LEA
240 and individual public schools and shall include:

241 (i) establishment of internal controls and procedures over the initiation, approval
242 and monitoring of expenditures, including:

243 (A) credit, debit, or purchase card transactions;

244 (B) employee reimbursements;

245 (C) travel; and

246 (D) payroll;

247 (ii) directives regarding the appropriate use of the LEA's tax exempt status
248 number;

249 (iii) compliance with Section [63G-6a-1204](#) regarding length of multi-year
250 contracts;

251 (iv) compliance with:

252 (A) [Title 63G, Chapter 6a](#), Utah Procurement Code.

253 (B) Board rule regarding construction and improvements; and

254 (C) federal Title IX requirements, found in 20 U.S.C. 1681, et seq.

255 (v) requirements for LEA contracts, including:

256 (A) inclusion of specific scope of work language;

257 (B) inclusion of federal requirements;

258 (C) inclusion of language regarding data privacy and use, where appropriate;

259 and

- 260 (D) legal review prior to LEA approval; and
- 261 (vi) procedures and documentation maintained by the LEA if the LEA chooses to
- 262 enter into exclusive contracts or arrangements consistent with state procurement law
- 263 and the LEA procurement policy; and
- 264 (vii) procedures for determining allowability of costs in accordance with relevant
- 265 regulations and terms and conditions of awards;
- 266 (e) a fundraising policy that:
- 267 (i) establishes procedures for LEA and public school fundraising in general;
- 268 (ii) establishes an approval process for fundraising activities for school
- 269 sponsored activities;
- 270 (iii) provides for compliance with ~~[school fee and fee waiver provisions outlined~~
- 271 ~~in Rule [R277-407](#)]~~the requirements of Rule R277-408; and
- 272 (iv) includes:
- 273 (A) specific designation of employees by title or job description who are
- 274 authorized to approve fundraising~~;~~and school sponsored fundraising activities~~;~~and
- 275 ~~grant fee waivers with appropriate attention to student and family confidentiality~~];
- 276 (B) establishment of internal controls and procedures over the approval of
- 277 fundraising and school sponsored activities and compliance with associated cash
- 278 handling and expenditure policies;
- 279 (C) directives regarding the appropriate use of the LEA's tax exempt status
- 280 number and issuance of charitable donation written disclosure in accordance with IRS
- 281 regulations;
- 282 (D) procedures governing LEA or public school employee interaction with
- 283 parents, donors, and organizations doing fundraisers not provided, supported, or
- 284 sponsored, by a school or LEA;
- 285 (E) disclosure requirements for LEA and public school employees approving,
- 286 managing, or overseeing fundraising activities, who also have a financial or controlling
- 287 interest or access to bank accounts in the fundraising organization or company;
- 288 (F) provisions establishing compliance with:

- 289 (I) Utah Constitution, [Article X, Section 2](#), establishing a free public education
290 system;
- 291 (II) Rule ~~R277-408~~[R277-407](#); and
- 292 (III) federal Title IX requirements, found in 20 U.S.C. 1681, et seq.
- 293 (v) may include procedures governing:
- 294 (A) student participation and incentives offered to students;
- 295 (B) allowable types of individual or group fundraising activities; and
- 296 (C) participation in school sponsored activities by volunteer or outside
297 organizations;
- 298 (f) an LEA donation and gift policy that includes:
- 299 (i) an acceptance and approval process for:
- 300 (A) monetary donations;
- 301 (B) donations and gifts with donor restrictions;
- 302 (C) donations of gifts, goods, materials, or equipment; and
- 303 (D) donation of funds or items designated for construction or improvements of
304 facilities;
- 305 (ii) establishment of internal controls and procedures over the acceptance and
306 approval of donations and gifts and compliance with associated cash handling and
307 expenditure policies;
- 308 (iii) directives regarding the appropriate use of the LEA's tax exempt status
309 number, and issuance of charitable donation written disclosure in accordance with IRS
310 regulations;
- 311 (iv) procedures regarding the objective valuation of donations or gifts if
312 advertising or other services are offered to the donor in exchange for a donation or gift;
- 313 (v) procedures governing LEA or public school employee conduct with parents,
314 donors, and nonschool sponsored organizations;
- 315 (vi) procedures establishing provisions for direct donations or gifts to the LEA or
316 LEA programs, individual public school or public school programs;

- 317 (vii) provisions restricting donations from being directed at specific LEA
318 employees, individual students, vendors, or brand name goods or services;
- 319 (viii) compliance with:
- 320 (A) [Title 63G, Chapter 6a](#), Utah Procurement Code.
- 321 (B) state law and Board rule regarding construction and improvements;
- 322 (C) IRS regulations and tax deductible directives; and
- 323 (D) Title IX;
- 324 (ix) procedures for:
- 325 (A) accepting donations and gifts through an LEA's legally organized foundation,
326 if applicable;
- 327 (B) recognition of donors; or
- 328 (C) granting naming rights; and
- 329 (g) an LEA Financial Reporting policy, which shall include the following:
- 330 (i) a requirement that the LEA shall ensure external audits of LEA financial
331 reporting, compliance, and performance, in accordance with GAAS and GAGAS;
- 332 (ii)(A) a requirement that the LEA shall provide financial reporting in a manner
333 consistent with the basis of accounting as required by GAAP, as applicable to the entity;
334 and
- 335 (B) a requirement that the basis of accounting will be GASB; and
- 336 (iii) a requirement that the LEA shall provide data and information consistent with
337 budgeting, accounting, including the uniform chart of accounts for LEAs, and auditing
338 standards for Utah LEAs provided online annually by the Superintendent.
- 339 (10) The Superintendent shall maintain a School Finance website with
340 applicable Utah statutes, Board rules, and uniform rules for:
- 341 (a) budgeting;
- 342 (b) financial accounting, including a chart of accounts required for an LEA;
- 343 (c) student membership and attendance accounting;
- 344 (d) indirect costs and proration;
- 345 (e) financial audits;

- 346 (f) statistical audits; and
347 (g) compliance and performance audits.

348

349 **R277-113-6. LEA Governing Board Fiscal Responsibilities.**

350 (1) An LEA governing board shall have the following responsibilities:

351 (a) approve written fiscal policies and procedures required by Section R277-113-
352 5;

353 (b) ensure, considering guidance in "Standards for Internal Control in the
354 Federal Government," issued by the Comptroller General of the United States or the
355 "Internal Control Integrated Framework," issued by the Committee of Sponsoring
356 Organizations of the Treadway Commission, that LEA administration establish,
357 document, and maintain an effective internal control system for the LEA;

358 (c) develop a process to regularly discuss and review LEA:

359 (i) budget and financial reporting practices;

360 (ii) financial statements and annual financial and program reports;

361 (iii) financial position;

362 (iv) expenditure of restricted funds to ensure administration is complying with
363 applicable laws, regulations, and award terms and conditions; and

364 (v) systems and software applications for compliance with financial and student
365 privacy laws;

366 (d) receive the results of required annual audits from the external auditor in
367 accordance with Section [R123-5-5](#);

368 (e) oversee procurement processes in compliance with Title 63G, Chapter 6a,
369 Utah Procurement Code, and Rule [R277-115](#), including:

370 (i) reviewing the scope and objectives of LEA contracts or subawards with
371 entities that provide business or educational services; and

372 (ii) receiving reports regarding the compliance and performance of entities with
373 contracts or subawards;

374 (f) ensure the procurement process for an external auditor is in compliance with
375 Section [R123-5-4](#);

376 (g) ensure LEA administration implements sufficient internal controls over the
377 functions of entities with contracts or subawards to perform services on behalf of the
378 LEA;

379 (2) An LEA governing board shall:

380 (a)(i) provide a hotline independent from administration for stakeholders to report
381 concerns of fraud, waste, abuse, or non-compliance; and

382 (ii) post on the school's website in a readily accessible location:

383 (A) a hotline phone number;

384 (B) a hotline email; or

385 (C) an online complaint form; or

386 (b) post a link on the school's website in a readily accessible location with
387 contact information for the Board's hotline.

388

389 **R277-113-7. Reporting of School Level Expenditures.**

390 (1) In accordance with ESSA, the Superintendent shall make public the per pupil
391 expenditures of federal, state, and local funds, for each LEA and each school in the
392 state.

393 (a) The Superintendent shall exclude expenditures that:

394 (i) are non-current;

395 (ii) do not reflect the day-to-day operations of an LEA or school;

396 (iii) do not contribute to k-12 education; or

397 (iv) are significant, unique expenditures that may skew data in certain years and
398 thwart year-to-year comparison.

399 (b) The Superintendent shall publish and make available a comprehensive list of
400 expenditures that are excluded from per pupil expenditure information.

401 (2) The Superintendent's school level report for each school shall include:

402 (a) average daily membership for the fiscal year covered by the report;

- 403 (b) an indicator if the school is:
- 404 (i) a Title I School; or
- 405 (ii) a Necessarily Existent Small School;
- 406 (c) grade levels served by each school;
- 407 (d) student demographics;
- 408 (e) expenditures recorded at the school level and central expenditures allocated
- 409 to each school by:
- 410 (i) federal program expenditures; and
- 411 (ii) state and local combined expenditures;
- 412 (f) calculated per pupil expenditures; and
- 413 (g) average teacher salary.
- 414 (3) The Superintendent may not report expenditure data for a school with an n-
- 415 size of less than 10.

416

417 **R277-113-8. LEA Accounting Requirements.**

- 418 (1) Each LEA shall:
- 419 (a) record revenues and expenditures in compliance with the Board approved
- 420 chart of accounts;
- 421 (b) record expenditures using school location codes that can be mapped to
- 422 official school location codes used in the Board system of record;
- 423 (c) record expenditures using approved district and school codes in the Board
- 424 system of record;
- 425 (d) submit expenditures using location codes in the Utah Public Education
- 426 Financial System;
- 427 (e) perform program accounting in accordance with GAAP and this rule; and
- 428 (f) beginning with the fiscal year that begins on July 1, 2021, accrue school fees,
- 429 and fee waivers and use contra-revenue accounts to record fee waivers in the LEA's
- 430 accounting system.

431 (2) Each LEA shall record and report the following expenditures for each school
432 annually:

- 433 (a) salaries;
- 434 (b) benefits;
- 435 (c) supplies;
- 436 (d) contracted services; and
- 437 (e) equipment.

438 (3) If an LEA pays for contracted services that occur at the school level, the LEA
439 shall record the payments to the contractors in the appropriate function and object
440 codes established under Subsection (2) at the school level.

441 (4)(a) An LEA shall record centralized administrative costs to the administrative
442 location code.

443 (b) The Superintendent shall allocate such costs to each school based on school
444 enrollment.

445 (5) The Superintendent shall present one expenditure report for a school
446 receiving more than one report card under Subsection [R277-497](#)-4(8).

447 (6) If an LEA reports expenditures in programs, the LEA shall report the
448 expenditures to one or more schools.

449

450 **~~[R277-113-9. LEA Recordkeeping for Flexible Use of Restricted Funds.~~**

451 ~~—— (1) An LEA may reallocate funds for flexible uses as described in Section 53F-2-~~
452 ~~209.~~

453 ~~—— (2) An LEA that makes flexible adjustments as described in Subsection (1) shall:~~

454 ~~—— (a) report accounting transactions and adjust entries utilizing the Board~~
455 ~~approved chart of accounts, including:~~

456 ~~—— (i) a dedicated program code;~~

457 ~~—— (ii) a dedicated other financing uses code for fund or program transfers from~~
458 ~~state restricted funds; and~~

459 ~~—— (iii) expenditure details accurately describing transactions in response to~~
460 ~~changing circumstances and student needs; and~~
461 ~~—— (b) refund to the state restricted program from which the original transfer~~
462 ~~originated any remaining funds transferred under Subsection (1) not completely and or~~
463 ~~materially expended at the end of each fiscal year.~~
464 ~~—— (3) An LEA that makes flexible adjustments under this section shall ensure that~~
465 ~~the LEA continues to meet:~~
466 ~~—— (a) federal maintenance of effort requirements; and~~
467 ~~—— (b) other state or federal requirements on restricted funding, including~~
468 ~~requirements for program-specific effort, matching, and equity.~~
469 ~~—— (4) The Superintendent shall publish online a list of eligible state restricted~~
470 ~~programs meeting requirements of Section 53F-2-209 no later than May 30 of each~~
471 ~~year.]~~

472

473 **R277-113-[10]9. Activities Provided, Sponsored, or Supported by a School.**

474 (1) An LEA or school shall comply with this Section R277-113-9 for all activities
475 provided, sponsored, or supported by a school.

476 (2) An LEA shall ensure that revenues raised from or during activities provided,
477 sponsored, or supported by a school are classified, recorded, and deposited as public
478 funds in compliance with LEA cash handling, program accounting, and expenditure of
479 funds policies as required by Section R277-113-5.

480 (3) An LEA shall:

481 (a) maintain records in sufficient detail to:

482 (i) track individual contributions and expenditures;

483 (ii) track overall financial outcomes; and

484 (iii) verify compliance with relevant regulations; and

485 (b) make records of activities available to parents, students, and donors, except
486 as restricted by state or federal law;

487 (4) An LEA may establish LEA-specific rules or policies:

488 (a) designating categories of activities or groups as provided, sponsored, or
489 supported by the school; and

490 (b) regarding use of facilities or LEA resources.

491 (5) An LEA shall document their annual review of fundraising activities that
492 support or subsidize LEA or public school-authorized clubs, activities, sports, classes, or
493 programs to determine if the activities are provided, sponsored, or supported by a
494 school.

495 (6)(a) An LEA may enter into contractual agreements to allow for fundraising and
496 use of LEA facilities.

497 (b) An agreement under Subsection (6)(a) shall take into consideration the LEA's
498 fiduciary responsibility for the management and use of public funds, resources, and
499 assets.

500 (c) An LEA shall review an agreement under Subsection (6)(a) with the LEA's
501 insurer or legal counsel to consider risk to the LEA.

502 (7) An LEA shall comply with this Subsection (7) for any activity not provided,
503 sponsored, or supported by a school:

504 (a) ~~[An]~~an LEA shall conduct all transactions at arm's length;

505 (b) ~~[An]~~an LEA may not co-mingle revenue and expenditures with public funds;
506 and

507 (c) ~~[A]~~a public school employee may only ~~[manage or hold funds]~~provide
508 educational services outside of the employee's regular employment consistent with Rule
509 [R277-107](#).

510

511 **R277-113-~~[44]~~10. LEA Policies and Compliance with State and Federal Law.**

512 (1) An LEA is responsible to ensure that its policies comply with the following:

513 (a) Utah Constitution [Article X, Section 3](#);

514 (b) [Title 63G, Chapter 6a](#), Utah Procurement Code;

515 (c) [Title 51, Chapter 4](#), Deposit of Funds Due State;

516 (d) [Title 67, Chapter 16](#), Utah Public Officers' and Employees' Ethics Act;

- 517 (e) Family Educational Rights and Privacy Act, 20 U.S.C. 1232g;
- 518 (f) [Title 63G, Chapter 2](#), Government Records Access and Management Act;
- 519 (g) [Title 53G, Chapter 7, Part 5](#), Student Fees;
- 520 (h) [Title 53G, Chapter 7, Part 6](#), Textbook Fees;
- 521 (i) Section [53E-3-403](#), Establishment of Public Education Foundations;
- 522 (j) [Title 53G, Chapter 7, Part 7](#), Student Clubs Act;
- 523 (k) [Title 51, Chapter 2a](#), Accounting Reports from Political Subdivisions,
524 Interlocal Organizations, and Other Local Entities Act;
- 525 (l) Additional state legal compliance guides for operating LEAs and non-
526 operating LEAs as published by the office of the state Auditor;
- 527 (m) Subsection [51-7-3](#)(26), Definition of Public Funds;
- 528 (n) [Title 53G, Chapter 7, Part 4](#), Internal Audits;
- 529 (o) Rule [R277-407](#), School Fees;
- 530 (p) Rule [R277-107](#), Educational Services Outside of Educator's Regular
531 Employment;
- 532 (q) Rule [R277-217](#), Utah Educator Standards;
- 533 (r) Rule [R277-605](#), Coaching Standards and Athletic Clinics;
- 534 (s) Rule [R123-5](#), Audit Requirements for Audits of Political Subdivisions and
535 Governmental Nonprofit Corporations; and
- 536 (t) 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and
537 Audit Requirements for Federal Awards.
- 538 (2) An LEA shall include the following requirements of Title IX in LEA policies:
- 539 (a) Fundraising shall equitably benefit males and females;
- 540 (b) Males and females shall have reasonably equal access to facilities, fields,
541 and equipment;
- 542 (c) School sponsored activities shall be reasonably equal for males and females.
- 543
- 544 **R277-113-[42]11. Applicability to the Utah Schools for the Deaf and the Blind.**
- 545 The Utah Schools for the Deaf and the Blind shall comply with:

546 (1) Subsection R277-113-5(9)(f);

547 (2) Section R277-113-[10]9; and

548 (3) Section R277-113-[11]10.

549

550 **KEY: school sponsored activities, public funds, fiscal policies and procedures,**

551 **audit committee**

552 **Date of Last Change: December 11, 2023**

553 **Notice of Continuation: September 9, 2021**

554 **Authorizing, and Implemented or Interpreted Law: [Art X, Sec 3](#); [53E-3-401](#)(4);**

555 **[53E-3-501](#)(1)(e)**