



FINANCE POLICY
2024-25

CONTENTS

Purpose.....	7
Definitions.....	8
Audit Responsibilities of the Board of Directors.....	10
Audit.....	12
Required Fiscal Policies and Procedures.....	13
Fiscal Responsibilities of the Board of Directors.....	16
Accounting Requirements.....	17
Authority of the Board of Directors.....	19
Administrative Authority.....	20
Contracts.....	21
Record Retention and Disposal.....	23
Program Accounting and Accounting Requirements.....	24
Measurability of Revenues.....	24
Political Contributions.....	25
Special Purpose Governmental Entity.....	25
The Budget and Budgeting Process.....	25
The Budget.....	25
Consistency in Cost Accounting.....	28
Capitalization of Property.....	29
Accrued Liabilities.....	30
Sales Tax.....	31
State Tax Commission.....	31
Ethics.....	31
Asset Protection.....	32
Security of Key School Documents.....	32
Insurance and Bonding.....	34
Banking, Cash Management and Expenditures (Disbursements).....	35
Segregation of Duties.....	36
Investments.....	36
MMC.....	36
Petty Cash.....	36
Cash Handling and Cash Receipts.....	36
Public Funds.....	37
Electronic Funds Transfer.....	37
Donations, Gifts and Incentives.....	37
Disbursement Policies and Procedures, and Other Internal Controls.....	38
Vending Machines.....	42
Use of School Credit & Debit Cards.....	42
Accounts Payable.....	43

Procurement (Purchasing)	43
Procurement Thresholds.....	44
Purchases Requiring Quotes.....	45
Procurement Procedures for Child Nutrition Program	46
General Statement.....	46
Professional Services	53
Small Construction Projects	53
Human Resource and Payroll	54
Timesheets.....	55
Employee Retirement Plan.....	55
Employee Travel.....	55
Employee Travel Out of State.....	55
Meals.....	56
Contracted Services	56

Purpose

The Board of Directors of the Center for Creativity, Innovation, and Discovery (CCID) has established this policy to provide guidance to the school's stakeholders in the management and use of public funds, to provide minimum fiscal standards and procedures, and to ensure that the school is accountable to its stakeholders, the State Charter School Board (SCSB), the Utah State Board of Education (USBE), and the Utah State Legislature. CCID's Board of Directors has also established this policy to outline the Board's fiduciary duties including the assurance that the school has directed adequate resources toward fulfilling the mission and vision of the school.

In accordance with Utah Administrative Code R277-113, the board has adopted and implemented this policy to require proper management and use of public funds; to provide minimum standards, procedures, and definitions for fiscal management; to ensure that Administration, staff, and other stakeholders have been trained on appropriate financial practices, accounting procedures, and ethical financial practices; and to establish reporting and accounting requirements in alignment with Utah Code and USBE rule.

Through this policy, the Board of Directors has established financial policies and procedures with adequate internal controls to:

- Ensure smooth fiscal operations;
- Safeguard assets;
- Document financial processes;
- Provide timely, complete and accurate financial data to its stakeholders;
- Comply with laws, rules, and governmental reporting requirements;
- Guide all employees and volunteers of the school to perform financial operations within their assigned responsibilities.

Definitions

Accrual Basis of Accounting: means a basis of accounting that records revenue when earned and expenses when incurred; and transactions irrespective of the dates on which any associated cash flows occur.

Administration: means an Executive Director, a Deputy or Associate/Assistant Director, a Business Administrator or Manager, or another Local Education Agency (LEA) education administrator, designated staff, or a designated educational service provider.

Arm's 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.

Exclusive Contract or Arrangement: means an agreement requiring a buyer to purchase or exchange all needed goods or services from one seller.

GAAP: means Generally Accepted Accounting Principles or a common framework of accounting rules and standards for financial reporting promulgated by GASB.

GAAS: means Generally Accepted Auditing Standards or a set of auditing standards and guidelines promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants.

GAGAS: means Generally Accepted Government Auditing Standards or a set of auditing standards and guidelines promulgated by the Government Accountability Office.

GASB: means the Government Accounting Standards Board whose purpose is to establish GAAP for state and local governments within the United States.

Internal Controls: means a process, implemented by an entity's governing body, Administration or other personnel designed to:

- Provide reasonable assurance regarding the achievement of objectives in the following categories:
 - effectiveness and efficiency of operations;
 - reliability of reporting for internal and external use; and,
 - Compliance with applicable laws and regulations.
- Provide reasonable assurance regarding the achievement of the following objectives over state and federal awards:
 - proper recording and accounting for transactions, in order to:
 - permit the preparation of reliable financial statements and state and federal reports;
 - maintain accountability over assets;
 - demonstrate compliance with state and federal statutes, regulations, and the terms and conditions of state and federal awards;
 - execution of transactions in compliance with:
 - all state and federal statutes and regulations;
 - the terms and conditions of state or federal awards.
- Safeguard funds, property, and other assets against loss from unauthorized use of disposition.

Modified Accrual Basis of Accounting: means a basis of accounting, commonly used by

government agencies, that recognizes revenues when they become available and measurable and recognizes expenditures when liabilities are incurred.

Non-Operating LEA: means an LEA that has not received minimum school program funds or federal funds and is not providing educational services during a fiscal year, such as an LEA in a start-up period.

N-Size: means the minimum size necessary to disclose or display data to ensure maximum student group visibility while protecting student privacy.

Operating LEA: means an LEA that has received state minimum school program funds or federal funds and is providing educational services during a fiscal year.

Provided, Sponsored, or Supported by a School: means the same as that phrase is defined in Utah Administrative Code R277-407-2. "Provided, sponsored, or supported by a school" does not apply to non-curricular clubs specifically authorized and meeting all criteria of Utah Code §53G-7-704 through §53G-7-707.

Public Funds: means money, funds, and accounts, regardless of the source from which the money, funds, and accounts are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body per Subsection 51-7-3(26).

Public Treasurers Investment Fund (PTIF): means an investment fund available to state and local government entities as a short-term cash investment vehicle. The PTIF invests primarily in investment-grade corporate notes, top tier commercial paper, and money market mutual funds. The PTIF invests only in securities authorized in the Utah Money Management Act.

Title IX: refers to that portion of the United States Education Amendments of 1972 codified as 20 U.S.C. 1681 through 20 U.S.C. 1688.

Utah Money Management Council (MMC): means a Council created within Title 51, chapter 7 of Utah statute. The Council is composed of five members, including at least one elected treasurer from within the State of Utah, at least one appointed treasurer from within the State of Utah, and experienced representatives from Utah's banking and investment community.

Utah Public Officers' and Employees' Ethics Act: means Title 67, Chapter 16, which provides standards of conduct for officers and employees of the State of Utah and its political subdivisions in areas where there are actual or potential conflicts of interest between public duties and private interests.

Audit Responsibilities of the Board of Directors

The Chair of the school's Board of Directors shall ensure that the members of the governing board and Audit Committee are provided with training on the requirements of Title 53G, Chapter 7, Part 4, Internal Audits, and Utah Administrative Code R277-113-4 as part of the member on-boarding process. The training shall:

- Comply with Title 63G, Chapter 22, State Training and Certification Requirements; and,
- Use the online training and information materials provided by the Superintendent of Education in accordance with Utah Administrative Code R277-113.

Audit Committee

The school's Board of Directors shall designate board members to serve on an Audit Committee, consistent with Utah Code §53G-7-401; and, maintain on the school's website the names of the governing board members who serve on the audit committee.

The Audit Committee shall take the following actions on behalf of the school:

- Ensure that the school obtains all audits, agreed-upon procedures, engagements, and financial reports required by Section 51-2a-201 and Utah Code §53G-5-404;
- Provide an independent forum for internal auditors, internal audit contractors, and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance, or control weaknesses - particularly if the school Administration is involved;
- Ensure that corrective action on findings, concerns, issues, and exceptions reported by independent external auditors, internal auditors, or other regulatory bodies are resolved in a timely manner by the school's Administration;
- Present, as appropriate, information and reports from the Audit Committee's meetings to the Board of Directors;
- Receive, as appropriate, reports of reviews, monitoring, or investigations conducted by the school's Administration; and,
- Ensure appropriate corrective action is taken in a timely manner.

With regards to engagements completed by an independent external auditor, the Audit Committee shall:

- Manage the audit procurement and quality process in compliance with Title 63G, Chapter 6a, State Procurement Code;

- Advise the Board of Directors in contracting for internal audit services in accordance with Utah Code §53G-7-402;
- Conduct or advise the Board of Directors in an annual evaluation of the contractors providing internal audit services;
- Ensure that the independent external auditor has access to directly communicate with the Audit Committee;
- Review disagreements between the independent external auditors and the school's Administration;
- Consider the school's responses to audits or agreed-upon procedures;
- Receive final audit reports from external auditors providing auditing services;
- Ensure the school obtains and retains copies of all audits, agreed-upon procedures, engagements, and financial reports required by Utah Code §52-2a-201;
- Review monitoring or any internal audit reports, if applicable, prior to submission to any outside party or authority, ensuring that direct communication with the Audit Committee is provided to audit firm representatives.

The Audit Committee shall perform these additional functions on behalf of the Board of Directors:

- Prioritize an auditing or monitoring plan based on risk;
- Receive regular updates on the progress of the school's monitoring plan;
- Report to the Board information and reports from the Audit Committee's meetings, and any relevant discussions with management, external auditors, and among committee members;
- Provide an independent forum for the school's stakeholders to report findings of fraud, waste, abuse, non-compliance, or control weaknesses, particularly if Administration is involved;
- Ensure that corrective action on findings, concerns, issues and exceptions reported by independent external auditors or other regulatory bodies are resolved in a timely manner by the Administration;
- Review and sign off on original bank statements and account reconciliations from the accounting system for each reconciled period, or delegate this action to the Executive Director in writing;
- Review the school's processes, procedures and forms to ensure adequate internal controls are in place and consistently used;
- Ensure completion and submission of the annual *Fraud Risk Assessment* as required;
- Ensure all Audit Committee members complete the required annual training provided by the State Auditor and the USBE Internal Audit department, and that documentation of such training is retained;

- Ensure that the Board of Directors annually review the school's finance policies and periodically review associated procedures;
- Perform periodic internal audits of the school's fiscal records.

Audit

After receiving a recommendation from the school's Audit Committee, the Board of Directors will contract with a qualified independent certified public accounting firm to conduct an independent fiscal audit of the school's financial records annually. The Board or Audit Committee will distribute a Request for Proposal (RFP) at minimum of every five years as required by Title 63G, Chapter 6a, Utah Procurement Code.

The audit shall be performed in accordance with Generally Accepted Auditing Standards (GAAS) generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, (GAS) and, if applicable, the U.S Office of Management and Budget's relevant circulars. The selected firm must be properly licensed to perform the audit and certify the school's financial statements. The firm must also be familiar with all relevant standards and related state and federal regulations in order to properly conduct and certify the school's fiscal audit.

Required Fiscal Policies and Procedures

The Board of Directors shall ensure that the following actions are taken in compliance with Utah Administrative Code R277-113-5:

- Review of the school's fiscal policies and procedures regularly;
- Development of a plan for annual training of the school's employees on policies and procedures in this policy and specific to jobs functions;
- Availability of the school's fiscal policies and procedures at the school's main office and on the school's website;
- Compliance to this policy by a public education foundation established by the school per Utah Code §53E-3-402;
- Policy compliance with all applicable state and federal law and regulations;
- Inclusion in the school's fiscal policies of a program accounting policy that establishes internal controls and procedures to record program revenues and expenditures in accordance with GAAP and school fee provisions in Utah Administrative Code R277-407.
- Establishment of program accounting procedures that:
 - accurately reflects the use of funds for allowable costs and activities;
 - requires that transactions be recorded when they occur;
 - allows adjusting journal entries during the year and at the end of the year, in accordance with GAAP; and,

- requires that initial transactions, and adjusting entries if applicable, be recorded in the proper program, utilizing the following codes as established by the Board-approved chart of accounts: fund, function, program, location, and object or revenue code, as applicable.
- Procedures for handling cash, which shall address cash receipts, including cash, checks, credit cards, and other items, collected at the school, shall include:
 - establishment of internal controls and procedures over the collection, deposit, and reconciliation of cash receipts received; and,
 - compliance with Utah Code §51-4-2(2) regarding deposits.
- An expenditure policy, which shall address all expenditures made by the school, shall include establishment of internal controls and procedures over the initiation, approval and monitoring of expenditures, including:
 - credit, debit, or purchase card transactions;
 - employee reimbursements;
 - travel; and,
 - Payroll;
 - directives regarding the appropriate use of the school's tax exempt status number;
 - compliance with Utah Code §63G-6a-1204 regarding length of multi-year contracts;
 - compliance with:
 - Title 63G, Chapter 6a, Utah Procurement Code;
 - Utah Administrative Code R277-454 regarding construction and improvements; and,
 - Federal Title IX requirements, found in 20 U.S.C. 1681, et seq.
 - Requirements for school contracts, including:
 - inclusion of specific scope of work language;
 - inclusion of federal requirements;
 - inclusion of language regarding data privacy and use, where appropriate;
 - legal review prior to school approval, when appropriate;
 - procedures and documentation maintained by the school if the school chooses to enter into exclusive contracts or arrangements consistent with state procurement law and this policy; and,
 - procedures for determining allowability of costs in accordance with relevant regulations and terms and conditions of awards.
- A fundraising policy that:
 - establishes procedures for school fundraising in general;
 - establishes an approval process for fundraising activities for school-sponsored activities;

- provides for compliance with school fee and fee waiver provisions outlined in Utah Administrative Code R277-407 and includes:
 - specific designation of employees by title or job description who are authorized to approve fundraising, school-sponsored activities, and grant fee waivers with appropriate attention to student and family confidentiality;
 - establishment of internal controls and procedures over the approval of fundraising and school-sponsored activities and compliance with associated cash handling and expenditure policies;
 - directives regarding the appropriate use of the school's tax exempt status number and issuance of charitable donation written disclosure in accordance with IRS regulations;
 - procedures governing school employee interaction with parents, donors, and organizations doing fundraisers not provided, supported, or sponsored by the school;
 - disclosure requirements for school employees approving, managing, or overseeing fundraising activities, who also have a financial or controlling interest or access to bank accounts in the fundraising organization or company;
 - provisions establishing compliance with Utah Constitution, Article X, Section 2, establishing a free public education system; Utah Administrative Code R277-407; and, Federal Title IX requirements, found in 20 U.S.C. 1681, et seq.
 - procedures governing the student participation and incentives offered to students; allowable types of individual or group fundraising activities; and, participation in school-sponsored activities by volunteer or outside organizations.
- A school donation and gift policy that includes:
 - An acceptance and approval process for monetary donations; donations and gifts with donor restrictions; donations of gifts, goods, materials, or equipment; and, donation of funds or items designated for construction or improvements of facilities.
 - Establishment of internal controls and procedures over the acceptance and approval of donations and gifts and compliance with associated cash handling and expenditures policies;
 - Directives regarding the appropriate use of the school's tax exempt status number, and issuance of charitable donation written disclosure in accordance with IRS regulations;

- Procedures regarding the objective valuation of donations or gifts if advertising or other services are offered to the donor in exchange for a donation or gift;
- Procedures governing school employee conduct with parents, donors, and non-school sponsored organizations;
- Procedures establishing provisions for direct donations or gifts to the school or school programs;
- Provisions restricting donations from being directed at specific school employees, individual students, vendors, or brand name goods or services;
- Compliance with Title 63G, Chapter 6a, Utah Procurement Code, Utah Administrative Code R277-454 regarding construction and improvements, IRS regulations and tax deductible directives; and Federal Title IX requirements, found in 20 U.S.C. 1681;
- Procedures for accepting donations and gifts through the school's legally organized foundation; recognition of donors; or granting of naming rights.
- A financial reporting policy, which shall include the following:
 - A requirement that the school shall ensure external audits of financial reporting, compliance, and performance, in accordance with GAAS and GAGAS;
 - A requirement that the school shall provide financial reporting in a manner consistent with the basis of accounting as required by GAAP, as applicable to the entity;
 - A requirement that the basis of accounting will be GASB; and,
 - A requirement that the school shall provide data and information consistent with budgeting, accounting, including the uniform chart of accounts for LEAs, and auditing standards for Utah LEAs provided online annually by the Superintendent of the Board of Education.

Fiscal Responsibilities of the Board of Directors

The Board of Directors has the following fiscal responsibilities at the school:

- Approve written fiscal policies and procedures required by Utah Administrative Code R277-113-5;
- Ensure that the school's Administration establish, document, and maintain an effective internal control system for the school;
- Consider guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission, when establishing, documenting, and maintaining an effective internal control system for the school;

- Develop a process to regularly discuss and review the following:
 - The school's budget and financial reporting practices;
 - Financial statements and annual financial and program reports;
 - The school's financial position;
 - The expenditure of restricted funds to ensure that the Administration is complying with applicable laws, regulations, and award terms and conditions; and,
 - Systems and software applications for compliance with financial and student privacy laws.
- Receive the results of required annual audits from the external auditor in accordance with Utah Office of Administrative Rules;
- Oversee procurement processes in compliance with Title 63G, Chapter 6a, Utah Procurement Code, and Utah Administrative Code R277-115, including:
 - Reviewing the scope and objectives of school contracts or sub-awards with entities that provide business or educational services;
 - Receiving reports regarding the compliance and performance of entities with contracts or sub-awards;
 - Ensure that the procurement process for an external auditor is in compliance with Utah Office of Administrative Rules;
 - Ensure that the school's Administration implements sufficient internal controls over the functions of entities with contracts or sub-awards to perform services on behalf of the school.
- Provide a hotline independent from Administration for stakeholders to report concerns of fraud, waste, abuse, or non-compliance;
- Post on the school's website in a readily accessible location:
 - A hotline phone number;
 - A hotline email; or,
 - A link on the school's website in a readily accessible location with contact information for the Utah State Board of Education's hotline.

Accounting Requirements

The school shall take the following actions related to accounting:

- Record revenues and expenditures in compliance with USBE-approved chart of accounts;
- Record expenditures using school location codes that can be mapped to official school location codes used in the USBE's system of record;
- Record expenditures using approved school codes in the USBE's system of record;
- Submit expenditures using location codes in the Utah Public Education Financial System;

- Perform program accounting in accordance with GAAP and Utah Administrative Code R277-113;
- Accrue school fees and fee waivers, and use contra-revenue accounts to record fee waivers in the school's accounting system;
- Record and report the following expenditures for each school annually:
 - salaries;
 - benefits;
 - supplies;
 - contracted services; and,
 - equipment.
- If the school pays for contracted services that occur at the school level, the school shall record the payments to the contractors in the appropriate function and object codes;
- Record centralized administrative costs to the administrative location code.

Fiscal Policies for School Activities

The school shall comply with Utah Administrative Code R277-113-9 for all activities provided, sponsored, or supported by the school. The school shall also ensure that revenues raised from or during activities provided, sponsored, or supported by a school are classified, recorded, and deposited as public funds in compliance with cash handling, program accounting, and expenditure of funds policies as required by Utah Administrative Code R277-113-5.

This fiscal policy of CCID's Board of Directors directs its Administration to do the following:

- The school shall maintain records in sufficient detail in order to:
 - track individual contributions and expenditures;
 - track overall financial outcomes; and,
 - verify compliance with relevant regulations.
- The school shall make records of activities available to parents, students, and donors, except as restricted by state or federal law;
- The school may also establish school-specific rules or policies that designated categories of activities or groups as provided, sponsored, or supported by the school; and regarding the use of facilities or school resources;
- The school shall document its annual review of fundraising activities that support or subsidize school-authorized clubs, activities, sports, classes, or programs to determine if the activities are provided, sponsored, or supported by the school;
- The school may enter into contractual agreements to allow for fundraising and use of school facilities, taking into consideration the school's fiduciary responsibility for the management and use of public funds, resources, and assets;

- The school shall review agreements with the school's insurer or legal counsel to consider risk to the school;
- The school shall conduct all transactions at arm's length for any activity not provided, sponsored, or supported by the school; never co-mingle revenue and expenditures with public funds; and only allow a public school employee to manage or hold funds consistent with Utah Administrative Code R277-107.

Finance Policy Compliance with State and Federal Law

Per Utah Administrative Code R277-113, the school shall ensure that its finance policies and procedures follow all applicable state and federal laws and regulations in the United States of America and the State of Utah, including, but not limited to:

- Utah Constitution, Article X, Section 3;
- Title 63G, Chapter 6a, Utah Procurement Code;
- Title 51, Chapter 4, Deposit of Funds Due State;
- Title 676, Chapter 16, Utah Public Officers' and Employees' Ethics Act;
- Family Educational Rights and Privacy Act, 20 U.S.C. 1232g;
- Title 63G, Chapter 2, Government Records Access and Management Act;
- Title 53G, Chapter 7, Part 5, Student Fees;
- Title 53G, Chapter 7, Part 6, Textbook Fees;
- Utah Code §53E-3-403, Establishment of Public Education Foundations;
- Title 53G, Chapter 7, Part 7, Student Clubs Act;
- Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act;
- Additional state legal compliance guides for operation LEAs and non-operating LEAs as published by the Office of the State Auditor;
- Utah Code §51-7-3(26), Definition of Public Funds;
- Title 53G, Chapter 7, Part 4, Internal Audits;
- Utah Administrative Code R277-407, School Fees;
- Utah Administrative Code R277-107, Educational Services Outside of Educator's Regular Employment;
- Utah Administrative Code R277-217, Utah Educator Standards;
- Utah Administrative Code R277-605, Coaching Standards and Athletic Clinics;
- Utah Office of Administrative Rules; and,
- 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- The following requirements of Title IX:
 - Fundraising shall equitably benefit males and females;
 - Males and females shall have reasonably equal access to facilities, fields, and equipment;

- School-sponsored activities shall be reasonably equal for males and females.

Authority of the Board of Directors

CCID's Board of Directors is responsible for the operation of the school in accordance with all applicable state and federal laws. The Board is also responsible for ensuring that the school is operated in accordance with the representations made in its charter and bylaws. The Board has the sole authority to take the following actions:

- Development and documentation of Board policies including fiscal and operational policies;
- Review of fiscal policies annually, and monitoring their compliance and effectiveness;
- Requiring the Administration to develop a written system of internal control procedures supporting Board policies;
- Any changes to the school's name, charter, bylaws, and similar documents, as approved by the authorizer;
- The adoption and amendment of the annual budget;
- Monthly review of interim financial reports;
- Selection of the school's independent auditor.
- The selection and termination of the Executive Director and the Business Manager;
- Approval of all contracts;
- Supervision of procurement processes and determination of the appropriate scope of contracts with management companies that provide business or student services (as required in Utah Administrative Code R277-113);
- Assessment of the performance of management companies and the implementation of internal controls over the function of management companies if applicable;
- Monitoring the procurement and use of systems and software applications for compliance with financial and student privacy laws;
- Monitoring school expenditures of restricted funds to ensure compliance with applicable laws and grant terms and conditions;
- The establishment of key administrative staff salary and benefits, including on-going changes, through the approval of the annual budget;
- Incurring debt, mortgages, or other encumbrances, including acceptance of loan or bond covenants and restrictions, as allowed by the school's charter and bylaws;
- The purchase or sale of real property;
- Overseeing legal matters, including delegation to the Executive Director or an appropriate Board Committee, as determined by the Board;

- Appointments of Board members and other persons (non-administrative) for service on the school's Audit and Finance Committees.

Administrative Authority

The Executive Director may be authorized by the Board to operate the school and execute all transactions for the school, with exceptions noted herein, and to make all purchases and disbursements necessary according to policy for the operation of the school. The Business Manager shall provide an independent report to the Board's Finance Committee and to the full Board as one of the Board's internal controls.

In general, the Executive Director shall have the authority to take the following actions, if so authorized by the Board of Directors:

- Establishment of sound internal controls within the parameters of this policy;
- Providing oversight of the day to day financial operations;
- Implementing systems to mitigate the risk of fraud or gross errors in compliance with state and federal laws;
- Supporting the Board of Directors in reviewing policies and monitoring compliance effectiveness;
- Preparation of the annual budget in collaboration with the Business Manager;
- Ensuring that all staff and volunteers are provided annual training on financial policies and procedures that are relevant to their job or volunteer duties;
- Monitoring staff compliance with state and federal laws and rules, Board policy, and administrative procedures;
- Monitoring the financial performance and outlook of the school;
- Collaborating with the Business Manager on financial matters and in reports of financial data to the Board;
- Providing approvals for expenditures and allocation of resources based on sound financial considerations;
- Selecting, compensating, and terminating personnel, with the exception of the Business Manager who is hired by and formally reports to the Board;
- Overseeing the school's procurement process;
- Establishing written internal financial controls and monitoring staff compliance with state and federal procurement laws and rules, Board policy, and administrative procedures;
- Monitoring the school's expenditure of restricted funds to ensure compliance with all applicable laws, rules, regulatory guidance, and grant terms and conditions;
- Assessing the performance of all contracted services and ensuring sufficient implementation of controls over contracted service providers;
- Making policies and procedures available to school staff and to the public.

Contracts

All contracts shall be reviewed and approved by the Board of Directors unless otherwise delegated to the Executive Director. The school shall engage in arm's length contracts, and any related party contracts must be properly disclosed in writing prior to consideration by the Board of Directors. All contracts shall:

- Comply with Utah Administrative Code R277-113 and Title 63G, Chapter 6a, Utah Procurement Code;
- Not exceed five (5) years, unless the Procurement Officer determines (in writing) that a longer period is necessary in order to procure the item, customary for industry standards, or is in the best interest of the school;
- Include specific scope of work and pricing language;
- Include language for any state or federal requirements;
- Include language regarding data privacy and use if applicable;
- Follow procurement code bidding requirements;
- Have a legal or business review prior to school approval per Utah Administrative Code R277-113.

The school shall follow sound procedures and maintain documentation in the event the school enters into exclusive contracts or arrangements, or enters into "sole source" procurements.

Record Keeping

The school will maintain an accurate record of all financial transactions, records, and accounts or a good audit trail, in conformity with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards as expressly required by state law or Utah Administrative Code applicable to charter schools. The school will ensure that audited financial statements certified by an independent auditor are prepared annually. Further, this policy specifically requires that:

- No funds or accounts may be established or maintained at the school or at any financial institution without authorization and for purposes that are not fully and accurately described within the policies of the school, or required or allowed by law or code;
- Receipts and disbursements will be adequately described and reflected in the school's books and records to accurately record financial transactions;
- No false, embellished or fictitious entries may be made on the school's accounts or records, nor may any false or misleading reports be issued;
- School accounts, books, and records shall from time to time be adjusted, in accordance with GAAP and GASB standards, to reflect actual results when the need for adjustment has been identified;

- Hard-copy school records shall be maintained at or under control of the school and may not be kept at personal residences; digital records shall be kept secure per industry best practices.

Recordkeeping for Flexible Use of Restricted Funds

The school may reallocate funds for flexible uses as described in Utah Code §53F-2-209 as long as the school:

- Reports accounting transactions and adjust entries utilizing the USBE's approved charter of accounts, including:
 - A dedicated program code;
 - A dedicated "other financing uses code" for fund or program transfers from state restricted funds;
 - Expenditure details accurately describing transactions in response to changing circumstances and student needs; and,
 - Refund to the state restricted program from which the original transfer originated any remaining funds transferred that were not completely and/or materially expended at the end of each fiscal year.
- Ensures that the school continues to meet:
 - Federal maintenance of effort requirements; and,
 - Other state or federal requirements on restricted funding, including requirements for program-specific effort, matching, and equity.

Record Retention and Disposal

The school shall have an Appointed Records Officer (ARO) as required by the Utah State Board of Education (USBE) who will ensure the proper management and security of all the school's records, including student and financial records. The ARO will oversee the handling, retention, dissemination, and destruction of records in compliance with state and federal laws. The ARO will be certified annually.

By this policy, the Board delegates to the Administration the responsibility for establishing criteria for maintaining, classifying, preserving, accessing, and destroying the school's financial records in compliance with state law. The Board further authorizes the Executive Director to be the general ARO for the school and the Business Manager to be Records Officer for all records and documents related to fiscal matters such as property, budgets, payroll, accounts, contracts, etc.

Records must be maintained for the minimum period according to state law and guidelines established by the Utah State Archives. As the school exhausts storage space in the school building, the ARO may establish an account and transfer school records to the Utah

State Archives.

The following records supporting federal contracts, as required by U.S. Office of Management and Budget, are retained for the indicated minimum periods, or consistent with state law, for three years after submission of the final report of expenditures:

- General ledger;
- Trial balance;
- Accounts payable and accounts receivable ledger;
- Payroll register;
- Petty cash book;
- Check register and checks; and,
- Invoices.

If any litigation, claim, or audit is started before the expiration of the three-year period, records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition.

Program Accounting and Accounting Requirements

The school shall record transactions when they occur in the accounting system utilizing the following codes as established by the uniform Utah State Board of Education approved Chart of Accounts (COA):

- Fund;
- Function;
- Location;
- Program;
- Object or revenue code as applicable.

The school shall follow state accounting standards and minimum requirements consistent with Utah Administrative Code R277-113. Periodic reallocation of program expenses is allowable and required as state-approved plans are adjusted and as may be required by program implementation between related programs that share the same cost center. The school shall document all reallocations with the original source documents as well as updated documentation.

The Board of Directors is responsible for ensuring that expenditures are permitted and made within program rules, guidance, and regulations, that proper approvals have been obtained, and that compliance is monitored. The Board may delegate such authority to the Executive Director; however, responsibility for such compliance ultimately rests with the Board.

Any good or service booked to a restricted program (IDEA, Title, LAND Trust, etc.) shall be approved by a program-level supervisor or school-level administrator to ensure they are necessary, reasonable, and allowable per program rules, for the restricted program. Only goods or services legally permitted in a restricted program shall be approved and allocated to the restricted program.

Measurability of Revenues

The school recognizes funds as measurable and recorded in the accounting records if the revenues are collected within ninety (90) days of year end. A receivable may be recorded on the books if it is anticipated that the funds will be received within this timeline. In the event that the funds are not received, an adjustment will be entered on the books before issuing the audited financial statements.

Journal Entries

In accordance with law, rules and applicable accounting standards, the school may from time to time need to adjust the books to reflect transactions as they actually occurred using journal entries. Each journal entry shall be:

- Substantiated by supporting documentation detailing the need for the change;
- Recorded in the accounting system;
- Reviewed and approved by both the Executive Director and the Business Manager.

Frequent use of journal entries may indicate recordkeeping or other deficiencies. The Business Manager is encouraged by the Board to properly enter and correct transactions at the transactional level to avoid unnecessary or frequent journal entries.

Political Contributions

No funds or assets of the school may be used by or contributed to any political party, political organization, or to any individual who either holds public office or is a candidate for public office. The following are examples of prohibited activities:

- Donations made by the school to political campaigns or a Political Action Committee;
- Purchase of tickets by the school for political fundraising events;
- Political contributions or expenses made by an employee that are then submitted for reimbursement to the school;
- In-kind contributions, such as lending employees to political parties or using the school's assets in political campaigns;
- The school's facilities may be used to host "town hall" or other meetings where all candidates are invited/eligible to attend and participate fully in the meeting.

Special Purpose Governmental Entity

Accounting policies and financial reporting adopted by the Board of Directors should be consistent with a special purpose governmental entity that engages in business-type activities. The Board has oversight of the management of the school inclusive of establishing the governance structure and the financial management policies of the school.

The Budget and Budgeting Process

The Budget

The budget is arguably the most important publication that the school presents to its stakeholders. The budget is an expression of the school's operating and financial intent for the upcoming fiscal year. It serves as a guide and control of educational operations while protecting local resources and promoting financial accountability and transparency.

The school's budget should be created according to governance and management priorities as the school seeks to achieve its mission and vision. Although the Board of Directors works closely with the Business Manager and Executive Director to create the budget, only the Board of Directors has the authority to approve and then amend the school's budget. The budget should be created with the following criteria in mind:

- Adopting a budget based on priorities of the Board of Directors;
- Matching a school's resources with the needs and wants of its stakeholders;
- Researching, planning carefully, and estimating the school's expenditures and revenues;
- Allocating finite resources to the prioritized needs of the school.

Budget Officer

Per Utah Code, Title 53G, Chapter 7, Part 3 (Budgets), the school must have a designated Budget Officer, usually the Board Treasurer. The Budget Officer may be another board member selected by the Board of Directors.

Key Budgeting Information

- The fiscal year of the school is July 1st through June 30th which constitutes the budget year.
- The appropriate accounting period is used for all accruals and adjusting entries when needed.
- At the close of the fiscal year, the accounting records, including the school's books, shall be accurate, properly reflecting all transactions.
- Financial statements displaying budget vs. actual results will be prepared by the Business Manager and reviewed by the Executive Director and Board Treasurer; these financial statements will be presented to the Board of Directors each month.

- Budgets and interim actual reports shall be maintained in the modified accrual basis of accounting.
- Year-end financial statement reporting shall be presented in both the full accrual basis and the modified accrual basis, based on GASB standards, for Entity Wide and Fund level reporting.

Budgeting Process

To ensure compliance with state budget deadlines, the school's Administration and Business Manager shall prepare an annual operating budget of revenues and expenses (forecast and/or budget) for the upcoming year and a final draft budget compared to actual expenses for the year ending. These tentative annual budgets shall:

- Be presented to the Board of Directors in a Budget Hearing prior to June 1st, with adoption at least 10 days after the Budget Hearing;
- Be available for public inspection at the school for at least 15 days before the date of proposed consideration of the budget by the Board of Directors;
- Be approved by the Board of Directors no later than June 30th;
- The budget must be filed with the State Auditor and USBE within 30 days of approval;
- The budget and supporting documents should include the following:
 - The revenues and expenditures of the preceding fiscal year;
 - A detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year;
 - The estimated financial condition of the charter school by funds at the close of the current fiscal year;
- The copy of the budget filed with the Utah State Board of Education must be submitted through the UPEFS system utilizing GASB accounting and financial reporting standards.

Original, Final, and Amended Budgets

- The original budget is the first complete appropriated budget;
- The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year;
- The original budget should also include actual appropriation amounts automatically carried over from prior years by law;
- The Board of Directors, Administration, and Business Manager shall use reasonable enrollment, other forecasts, and historical data in making a good-faith effort to estimate revenues and expenses in order to ensure reasonable accuracy in budgeting;

- The Board of Directors may reduce a budget appropriation at the board's regular meeting if notice of the proposed action is given to all board members and to the Executive Director at least one week before the meeting;
- The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, wherever signed into law or otherwise legally authorized;
- The Board of Directors may adopt a budget with an undistributed reserve which may not exceed 5% of the maintenance and operation budget adopted by the Board;
- The Board of Directors may appropriate all or part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by a majority vote of the board setting forth the reasons for the appropriation;
- The school is required by Budgetary Compliance Guidelines to limit total expenditures, by fund, to the amounts appropriated in the final adopted budget or not to exceed the final adopted budgeted amounts;
- The Board directs the Administration to implement internal controls and training that ensure that expenditures by fund do not exceed final adopted budgeted amounts, as originally adopted or as legally amended before the end of the fiscal year;
- The Board of Directors shall file a copy of the resolution with the USBE and the State Auditor.

Budget Hearing

The school's Board of Directors should hold at least one budget hearing to provide transparency to the school's stakeholders and opportunities for them to provide feedback on the budget to the Board of Directors:

- Budget hearings must be public hearings in compliance with Utah's Open and Public Meetings Act.
- The Board of Directors may include the budget hearing within a regular board meeting;
- At least 10 (ten) days prior to the public hearing, the school shall:
 - Publish a notice of the public hearing in a newspaper or combination of newspapers of general circulation in the school's community;
 - Post the proposed budget on the school's internet website;
 - A notice of public hearing on a school's proposed budget must include information on how the public may access the proposed budget.

Adherence to Board-Approved Budget

The Board-approved budget shall be adhered to by Administration at all times. Without prior Board approval, the Administration does not have the authority to amend the budget or spend outside of the approved budget. The Administration may propose and the Board may approve budget amendments at any time during a fiscal year.

Net Assets

Net assets are recorded in accordance with GAAP applicable to special purpose governmental units and include the following:

- Unrestricted assets;
- Restricted assets;
- Investment in Capital Assets, net of related debt.

Consistency in Cost Accounting

Practices used by the school in estimating costs in grant/contract proposals are consistent with its accounting practices used in accumulating and reporting costs. Accounting practices used by the school in accumulating and reporting actual costs are consistent with its practices used in estimating costs in its grant and contract proposals.

Financial Statement Reporting

As required by Utah Administrative Code R277-113, the Administration shall ensure the Board of Directors is provided fiscal reports on a monthly basis, regardless of the occurrence of an official Board meeting. The Business Manager is required to provide reports to the Board or Audit Committee as delegated by the Board on the following schedule:

Monthly Budget Reports

The Business Manager and/or Budget Officer shall provide each governing board member with a monthly report that includes:

- The amounts of all budget appropriations;
- The disbursements from the appropriations as of the date of the report;
- The percentage of the disbursements as of the date of the report;
- Internally generated interim income statement, including Board-approved budget vs. actual data;
- Interim balance sheet;
- Reconciliation of all bank, purchasing or credit cards, and other loan or investment accounts, may be submitted to the Audit Committee only, as determined by the Board;
- Within five days of providing the monthly report to the governing board, the Business Manager or Budget Officer shall make a copy of the report available for public review.

Quarterly

- Program level reporting, including prior year(s) restricted program fund balances, year to date revenue and expenses in comparison to approved program budgets for all individual restricted programs.

Annually

- Financial statements for audit, with supporting statements as needed;
- Annual budget(s).

Capitalization of Property

All tangible personal property, land, capital improvements or buildings with a use beyond a single annual reporting period and a unit acquisition cost that exceeds the Board-authorized capitalization threshold of \$5,000 are recorded and capitalized on the property schedule. The asset capitalized cost includes actual costs, tax, shipping/handling, and other expenses incurred to bring the asset ready for its intended use. Additionally, these procedures apply to capital assets:

- All capitalized assets will be depreciated using the straight-line method of depreciation in accordance with such asset's useful life and governmental and financial accounting standards.
- The depreciation expense will be recorded in the year end statement of revenues, expenses, and changes in net assets.
- The school shall maintain records of all federal and state government-furnished capital assets (where required), including those in restricted programs, with proper program identification and segregation of property and equipment acquired through government contracts, funds, or programs.
- For restricted programs, the school will ensure these assets are only used for allowable purposes per program regulations and dispose of these assets in a manner consistent with program rules (there are limitations on asset disposal in certain federal programs).
- Procedures for asset disposal must comply with state or federal law or regulation where applicable.
- No item on the property schedule shall be disposed of or removed from the premises without prior approval of the Executive Director.
- All Assets shall be disposed consistent with applicable regulations, including any regulations applicable to restricted funds with which they were purchased, according to state or federal regulations.

Liabilities

Encumbrances, debt or other non-payroll-related liabilities may only be executed by the

Executive Director when authorized by the Board of Directors. Encumbrances, debt, liabilities or other obligations are recognized and measured in conformity with GAAP and GASB standards in both the modified and full accrual basis of accounting. Liabilities also include certain other deferred amounts that are not obligated, but are recognized and measured in conformity with GAAP and GASB standards.

Accrued Liabilities

- Salaries (earned wages), certain employee benefits and payroll tax liabilities, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.
- The accrued wages of any teacher (or other employee) whose salary is paid over a period different than during which work was performed (teachers earning wages/working 9 months but being paid for those earnings over 12 months) shall be properly accounted for at the time the wages are earned and reflected on the school's balance sheet.
- Employees whose employment is terminated (either voluntarily or involuntarily) prior to the end of a school year will be paid all accrued wages either on the next regular pay period subsequent to termination or as per an agreement with said employee.

Debt

All short-term and long-term debt must be approved by the Board of Directors. Short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements and shall not be recorded as a liability on the balance sheet. Long-term debt consists of financing that is not expected to be repaid within one year and shall be recorded as a liability on the balance sheet.

Loan agreements approved by the Board shall be in writing and specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule. The Administration may not enter into loan agreements without the approval of the Board of Directors.

Emergency Purchases

An "emergency purchase" is defined by the Board as the purchase of goods or services that are so badly needed that the school will suffer financial or operational damage if they are not procured immediately, or if there is a gravely unsafe condition. A decision to purchase may be declared at the Executive Director's discretion only in an emergency, but after consultation with the Business Manager and/or Board Chair, or the Chair's designee. "Best value" procurement guidelines must be followed, and supporting documentation for purchases made under an emergency shall include a written explanation of the emergency condition.

Sales Tax

The school is exempt from sales tax as both a governmental entity and as a charitable organization. The Board and the Executive Director shall ensure the school's tax-exempt status is not compromised and is properly maintained by complying with government regulations at all times. The school shall follow the law and the policies of a vendor (when properly administered) relating to sales tax exemption.

As authorized and when allowed by law, school employees or volunteers may use the school's non-profit tax exemption registration number (and exemption form) for bona fide school purchases made utilizing school funds at the point of sale. Authorization granted to employees or others for the use of the school's tax exempt status for school-related purposes may be revoked by the school at any time.

Based on regulations, employees or volunteers may not be reimbursed for sales tax except under certain conditions defined in regulations. If sales tax is paid by the school (school employees or volunteers utilizing school funds at the point of sale) as allowed by law, the school shall seek reimbursement of sales tax consistent with law and procedures of the Utah State Tax Commission.

Ethics

All members of the Board of Directors, employees and approved volunteers shall comply with Title 676, Chapter 16, Utah Public Officers' and Employees' Ethics Act. The Act provides standards of conduct for officers and employees of the school, as a political subdivision, when there are actual or potential conflicts of interest between public duties and private interests.

Asset Protection

Security of Key School Documents

Originals of the following key corporate documents must be permanently maintained. To ensure continuity, their location shall be verified on a periodic basis:

- Charter and all related amendments shall be retained by the Board and the Executive Director.
- Articles of Incorporation and Bylaws shall be retained by the Board, Executive Director, and Business Manager.
- Minutes of meetings of the Board of Directors shall be retained by the Board and the Executive Director.
- Corporate and payroll tax registrations shall be retained by the Business Manager.
- Banking and financial agreements shall be retained by the Business Manager.
- Copies of executed lease documents shall be retained by the Business Manager.

- Insurance policy documents shall be retained by the Board of Directors and the Business Manager.
- Grant and contract agreements shall be retained by the Business Manager.
- Fixed asset inventory list shall be retained by the Special Education Director, the IT Manager and the Business Manager (depreciable fixed assets in the accounting system) and/or others responsible for the oversight of restricted programs.

Security of Financial Records

To minimize unauthorized access to school data, the school's accounting software will be maintained properly to ensure that adequate internal controls and security measures have been established and are functioning properly: encryption where appropriate, user maintenance, secure password protection, etc.

- To ensure adequate segregation of duties and to maintain the integrity of financial data, only the Business Manager will have administrative rights (edit access) to the financial accounting software.
- The Business Manager shall provide the minimum level of access to the accounting software required to perform the duties of individual roles within the school (typically Read Only). To maintain the integrity of fiscal data and proper internal controls, the Board and the Executive Director may be authorized to have Read-Only access to non-sensitive data in the accounting software (as allowed by the software).
- The system's accounting data shall be backed up periodically to ensure the recoverability of financial information in case of disaster or other failure. The backup file(s) must be properly secured and stored in a separate location, or in a fireproof safe (if on-site). All other financial data, petty cash box(es), check stock, etc. must be secured from unauthorized access.
- The school's physical fiscal records shall be maintained in an organized system ordered by period (month/fiscal year, etc.), numerically or alphabetically as appropriate. Any fiscal record(s) shall be produced upon request within a reasonable time frame for active authorized individuals such as the Board Chair, the Board Treasurer, and the Executive Director.
- Fiscal records shall be retained on site or at the Utah State Archives according to established retention schedules.

Use of School Assets

Except for incidental use of school-issued personal equipment (laptop, iPad, mobile phone, etc.) and authorized rentals per policy, school employees, Board members, or others may not use any of the school's assets for personal use without prior approval from both the Board and the Executive Director.

Facilities Use by Outside Persons or Entities

The Board of Directors authorizes, on conditions as allowed by law, the use of school facilities for other than school purposes. This use may be accomplished with the school facilities being utilized at no-charge as a “community center” for activities benefiting the community, whereby individual(s) or other entities are not receiving any profit or remuneration; or on a fee-based rental arrangement, consistent with this policy and a Facilities Use Policy or established procedures. A formal agreement must be signed for either community center or fee-based arrangements.

The Board of Directors authorizes the Administration to establish rules, guidelines, procedures, standard agreements and fees for the rental and use of school facilities for other than school purposes. The Board will review the procedures as needed. The Executive Director shall ensure that all parties follow established policies and procedures for facility use.

When school facilities are used by outside parties, by law the school shall assume no expense as a result of renting/leasing. Renting/leasing facilities for purposes other than school functions shall not interfere with the school, its programs, instructional setting, curriculum, and standards. Consistent with the law, the school reserves the right to decline use of the facility by an outside party when it is an undue burden on the school or adequate school supervision cannot be provided. The school may refuse the use of school facilities by outside parties if it determines the use is illegal or not in the best interest of the school.

Insurance and Bonding

The Board is responsible for procuring and renewing all commercial insurance. The Board may delegate clerical and administrative tasks to the Administration; however, all decision-making authority rests with the Board which retains responsibility to ensure insurance is adequate and in force. As deemed appropriate by the Board, or per state law or rule, the school must maintain at least the minimum levels required of appropriate commercial coverage for the following insurance products or policies:

- General liability.
- Business and personal property.
- Property (building/facilities—earthquake coverage not included without express inclusion for a fee).
- Directors and Officers.
- Errors and Omissions/Professional Liability.
- Sexual Abuse and Molestation.
- Employment Practices Liability Insurance.

- Automobile insurance (as necessary).
- Workers' Compensation.
- Unemployment Insurance (a tax).
- Treasurers' Bond (Public Official Bond).
- ERISA Bond (as applicable for retirement plan).
- Other insurance as needed.

A Treasurer's Bond (fidelity bond or Public Official Bond) is required of the person who has investment control over the school's public funds, typically the Business Manager, Executive Director, or the Board Treasurer Utah Code §51-7-15. The school requires proof of adequate insurance coverage from all prospective service providers performing work on behalf of the school on-site such as contractors or subcontractors.

Student Medical Insurance Coverage

The school does not provide health insurance or medical insurance coverage for students. The responsibility for ensuring that students have medical insurance rests with students' parents/guardians. Insurance policies may be purchased by parents/guardians for students in the private insurance marketplace. The Executive Director shall ensure that proper notice of this policy is published on the school's website, and that parents are provided annual notice of this policy.

Banking, Cash Management and Expenditures (Disbursements)

Deposit and Loan Accounts. Signature Authority

The Board authorizes deposit and loan accounts for general or specific purposes. School fiscal assets may only be kept at any bank or financial institution that is currently on the approved list of institutions by the Utah Money Management Council.

The Board shall ensure that at least two the following three *active* individuals, currently serving in good standing, are Account Owners and signers on all accounts at all financial institutions or mortgage/loan providers, as permitted by the financial institution:

- The Board Chair;
- The Board Treasurer;
- The Executive Director.

The Board shall ensure that current signature cards are on file at financial institutions. The Board may authorize other active individuals to be additional signers on the school's financial accounts who are Board members or employees of the school and serving in a necessarily related fiscal role. The minimum number of signers necessary to meet the administrative fiscal responsibilities of the school shall be maintained; however, the number of signers shall not be

fewer than two. To properly segregate duties, the Board Chair, Board Treasurer, Executive Director, or others authorized by the Board, are the only individuals with signature authority and are responsible for reviewing and authorizing all fiscal transactions in writing.

The Business Manager or other business office staff shall not be signers on financial accounts, but may be granted limited online access to financial accounts to view reports, download statements, and view account balances for convenience as authorized by the Board.

Board members or employees who are given signature authority over bank accounts must act in an ethical and responsible manner, consistent with the law. Account signers shall cooperate freely when their service to the school ends, and they must be removed from bank accounts. The Board shall ensure these expectations are properly disclosed to account signers when these individuals are added to the school's bank accounts.

Account Reconciliations

The Board considers financial account or bank reconciliations, including deposit, investment, loan, purchasing card, school activity funds, petty cash, etc., to be one of the most important procedures for proper internal controls. The Business Manager shall perform all reconciliations for all banking or investment accounts monthly, or as often as account statements are made available.

Segregation of Duties

The Board recognizes the role of segregation of duties in protecting the assets of the school. The director shall ensure that internal control procedures maintain appropriate segregation of duties for the size and operations of the school.

Investments

The school shall follow state law and rule, including those of the Utah Money Management Council (MMC), regarding investing the school's fiscal assets. By law, the school shall not deposit fiscal assets into brokerage accounts and are limited to institutions approved by the MMC.

While ensuring sufficient cash balances are maintained in the school's general operating account to cover all regular monthly expenditures, the school shall consider the deposit interest rates of the Public Treasurers Investment Fund (PTIF) compared to other approved institutions and propose investment plans consistent with this policy to the Board. All transfers of cash between school accounts must be made within Board policy and upon approval of the Board or Treasurer as authorized by the Board. The order of investment objectives are safety, liquidity, and return.

In accordance with law, the school may not deposit school funds for investment ("public funds" as defined below) into brokerage accounts of any kind.

Petty Cash

Small petty cash funds, not to exceed \$500, may be established for incidental, non-recurring cash needs, incidental local expense reimbursement, and small-dollar vendor purchases. The Executive Director may authorize a person(s) to be a petty cash manager, or steward of a petty cash fund, on an as-needed basis to oversee a petty cash fund. The Executive Director shall ensure written procedures are developed for treatment of petty cash. All petty cash managers shall be properly trained in school policy and procedures. A reconciliation between petty cash funds on hand and petty cash general ledger accounts shall be performed monthly.

Cash Handling and Cash Receipts

Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits and reconciling records and general ledger accounts should be segregated among different individuals. When segregation of duties is not possible, due to the small size and limited staffing of the school, compensating controls such as direct management supervision, periodic and unscheduled or random review of cash receipting records by independent parties shall be implemented or performed.

Except for lunch payments collected in the lunchroom or upon approval from the Executive Director in limited circumstances, all cash receipts must occur at the front office. The Executive Director shall be responsible for the establishment of the *Cash Handling and Receipts Procedures*. The Executive Director shall provide for annual training of *Cash Handling and Receipts Procedures* for all staff with relevant job duties. All school staff shall follow established procedures or internal controls for the handling of cash receipts as outlined in the *Cash Handling and Receipts Procedures*.

The Executive Director shall be responsible for collecting past due balances owed to the school and may delegate this authority to lunchroom or front office staff. The Executive Director shall ensure that the school provides notice in the registration packet annually and on the school's website that clearly states the school's policy to collect past due balances, with the use of collection agencies when appropriate and necessary.

All funds received must be logged upon receipt and shall be kept in a central, secure location until they are deposited in the school's financial institution within three (3) banking days in compliance with Utah Code §51-4-2(2)a. Periodic and unscheduled or random audits or reviews shall be performed for all cash activity.

All payments of school fees shall correspond with the approved fee schedule, as required by Utah Administrative Code R277-407, and shall be properly posted to a student's account. The director is responsible to oversee all fee waivers (including granting fee waivers) consistent with the school's approved Fee Policy and Schedule, with attention to student and family confidentiality.

Public Funds

All funds from any source received and deposited by the school are defined as public funds as soon as they are received by the school, whether they have yet been deposited or not. Public funds shall only be spent according to the law as applicable to K-12 educational institutions in Utah and are governed by various laws and rules, including those of the Utah MMC.

Electronic Funds Transfer

Electronic fund transfer, wire transfer or any other electronic transfers (EFTs), *not including* direct deposit for payroll-related payments, may occasionally occur. Authorized account signers may initiate EFT transactions as needed for approved procurement transactions only, following all applicable policies and procedures. The Board may restrict EFTs upon its discretion.

Donations, Gifts and Incentives

The Executive Director may approve donations providing the item(s) to be donated, such as monetary, gifts, goods, materials, equipment, or services, are in acceptable condition, legal to possess by a public school, safe, unencumbered, free of liens or claims, usable by the school, are generally not restricted in their use, or are not restricted for use by a specific school employee.

The Executive Director may not accept donations for the purpose of compensating specific employees or positions. Instead, donations may be accepted without specific purposes delineated. Donations received by the school become public funds and may not be returned or expended except within the law as applicable to the appropriate use of public funds. All policies and procedures of the school are applicable to donations, including Cash Receipt and Disbursement policies and procedures, and all other internal controls.

Gifts to the school must be general in nature and may not be restricted such that they cannot be used for various purposes, except when those purposes are to a specific program, such as the PE program, science department, art program, etc. Donations or gifts intended to benefit a specific student or employee may not be accepted and, as defined in law, could be considered a bribe.

Actions to name buildings, teams, fields, schools, departments, etc. are solely within the power of the Board and shall not be authorized when unreasonable or restrictive encumbrances exist, and limitations put upon the school by a donor would limit or hamper the school to achieve its mission and comply with all regulations. This authority may not be delegated by the Board.

Donors may be recognized through print materials, announcements, and other advertising as determined by the Executive Director. Donors shall be provided equitable recognition for gifts-in-kind donations provided to the school.

The value of a gift or donation to the school may not be assessed or assigned a monetary value by the school and provided to the donor either verbally or in writing. The value and tax deductibility of a donation or gift made by an individual or company is to be determined by the donor and their tax advisor, not the school. The donor may provide and the school may sign a Form 8283 Noncash Charitable Contributions form (available from the IRS) upon request. If a product or service is given in return for a donation or gift that is clearly defined, such as a \$250 advertising slot in the yearbook, that value can be disclosed by providing the school's advertising rates to the donor for them to assign a value.

The school, its employees, and approved volunteers, including board members, shall ensure that incentives of any kind to any party are not bribes, or quid-pro-quo (this-for-that) arrangements. Enrollment, employment, or doing business with the school shall never be contingent upon gifts or incentives from the school to other parties or to the school from other parties. A few examples of prohibited activities include:

- A parent making a donation to the school if the school enrolls their child.
- The school giving a free iPad to any student that enrolls before October 1.
- A vendor giving a free trip to Hawaii to the Executive Director when the school signs a service agreement.
- The parent organization president receiving a free case of hot dogs personally from a vendor because the school placed an order with them.
- A parent making a donation to a teacher, or simply a cash payment, for an "A" grade for their student.

Fundraising

Fundraising is generally permitted by the Board or Administration to allow the school to raise additional "local funds" to supplement authorized school-sponsored programs. Local funds are defined as funds received by the school that are not state or federal program funds, or funds from state or federal sources as established in law. Fundraising at the board level is only authorized after consultation with the Executive Director and by an affirmative Board vote. The

Board shall at least annually review the local fundraising activities of the school and all local activities that support or subsidize the school.

The Board shall ensure that revenues raised during fundraising activities or through activities that support the school are raised within all established regulations and policies and that they support the school's mission and vision. The school shall not enter into fiscal agent agreements, cohorts or consortiums, etc. without Board approval.

Fundraising at the school level is only authorized and administered by the Executive Director, within the parameters of Board policy. Fundraising at the school level includes fundraising activities of the school's own parent organization, regardless of what it is called, and is also authorized by and under the direction of the Executive Director.

Grants not provided by state or federal sources in the regular operation of the school are also defined as fundraising and must be approved by the Executive Director and the Business Manager. Where encumbrances are present or strings are attached, the Board of Directors must approve the grant application and/or receipt of the grant award. It is the responsibility of the Executive Director to ensure proper compliance with all grant requirements applicable to grantees, including state or federal regulations and guidance where applicable.

The school will follow all requirements of Utah Administrative Code R277-407 , School Fees, when fundraising for student programs or fees. The Board and the Executive Director shall not circumvent established school fee regulations by calling what is ordinarily a "fee" a "donation" to avoid fee waiver regulation when such a "donation" is required for participation. Funds requested voluntarily from school patrons for fundraising activities must always be voluntary contributions. The school shall comply with Utah Administrative Code R277-407 School Fees, fundraising requirements and restrictions, including the implications on school fees and fee waivers by:

- Not requiring or allowing required individual fundraising;
- Providing optional, individual fundraising opportunities for students to raise money to offset the cost of a student's fees;
- Ensuring individual student fundraisers are included as part of the maximum fee amount per student and total aggregate fee amount per student;
- Allowing for group fundraisers;
- Not denying a student membership on a team or group if the student does not participate in a fundraiser;
- Complying with Utah Administrative Code R277-113 when using alternative methods of raising revenue that do not include students.

All local funds are public funds once the school receives the award, including before the award is deposited in the school's financial institution. All expenditures of the school, including expenditures with local funds raised during fundraising activities, shall be made in accordance with the law and established school policies and procedures. All items purchased with funds gained through fundraising activities are the property of the school, with the exception of supplies, clothing or other materials provided through school programs for student consumption or ownership (co-curricular or extracurricular activity uniforms, completed project work, etc.).

Activities of approved volunteers (non-school employees) in relation to fundraising activities of any kind must be overseen by the Executive Director or other staff as designated by the Executive Director. The Executive Director shall ensure that all activities of fundraising activities and parent organizations are adequately reviewed and considered with the school's insurer to evaluate and manage risks associated with such activities. *Conflict of Interest* forms must be completed annually when persons employed by or affiliated with the school are also involved in fundraising organizations working on behalf of or for the benefit of the school, or who temporarily hold funds that will benefit the school. The Executive Director shall develop procedures for all local fundraising activities.

"School-sponsored" means programs, activities, fundraising events, clubs, camps, clinics, sports, and any other event, or activity that are authorized by the Executive Director, the Board, Board committees, including the authorized parent organization or authorized curricular school clubs, activities, sports, classes or programs, etc. satisfying one or more of the following criteria:

- The activity is managed or supervised by Administration, staff, or approved (authorized) volunteers;
- The activity is not managed, supervised or provided by another authorized and properly insured entity;
- The activity uses the school's facilities, equipment, or other school resources;
- The activity is supported or subsidized, more than inconsequently, by public funds, including the public school's activity funds or Minimum School Program or federal dollars.

Properly approved school-sponsored activities:

- May use the school's name, facilities, and equipment;
- May utilize school employees and other resources to supervise, promote, and otherwise staff the activity or fundraiser;
- May be eligible to be insured under the school's liability insurance policy (subject to the policies of the school's insurer);

- May provide additional compensation or stipends for school employees with the approval of the Executive Director and under school payroll policies and consistent with the school's budget.

Fundraising activities, or activities of outside organizations of any kind that are not school-sponsored activities, must be conducted at arm's length so that revenues and expenditures are not commingled with the public funds of the school.

School Athletics and Local Revenues for Specific Programs

The school shall follow all regulations related to local revenue associated with "activities", such as high school activities regulations and various "Association" standards that follow the law. Examples of specific programs include athletics, art, science, performing arts, music, ROTC, etc. High school athletic programs have unique aspects that present challenges for executive directors, athletic directors, coaches, etc. If outside entities, etc. (booster clubs) desire to promote, raise funds for or provide support to school activities or programs, they may only do so with the approval of the Board.

Booster clubs may not use the school's name, mascot, logo or likeness. They must operate at arms-length and their activities may not encumber or obligate the school. Booster clubs shall not intentionally or unintentionally imply that they are "the school," nor imply that funds raised go directly to the school. Booster clubs may not use the school facilities except under a formal Facilities Use Agreement consistent with school policy. The Executive Director is responsible to ensure all school programs and booster club arrangements comply with all fiscal policies.

Vending Machines

Use of vending machines may be allowed, consistent with the law, and authorized by the Board (or by the Executive Director when authorized). School staff shall follow school procedures for cash receipts, including the Cash Handling and Receipts Procedures, involving cash received from vending machines or purchases related to vending machines. Accurate inventories of goods stocked and sold from vending machines are to be maintained. Vending machine stock shall be stored securely to minimize shrinkage (theft), and the vending program should be reviewed at least annually.

Cash Disbursement and Expenditures

Each disbursement shall require two signatures to be authorized for payment, which includes two signatures on the Requisition/Reimbursement Form and the transmittal instrument (wire transfer, check, etc.). Signature stamps for employees' signatures may not be used to sign checks or other legal instruments (contracts, etc.). Signers (or anyone else) may not sign a blank check or prepare a check with the Payee as "Cash" or "Bearer".

Except as approved by the Executive Director and Business Manager, handwritten checks must be avoided except in extreme circumstances for unique functional purposes. Voided checks shall immediately be mutilated/disabled by writing VOID prominently across the front of the check and must be retained for audit purposes. The Board shall receive a Check Register at each Board meeting or upon request for review and spot-audit activities using the Transaction Audit Report.

All cash disbursements shall be made consistent with regulations and school policies. The Executive Director shall ensure the establishment of *Cash Disbursement Procedures* with strong internal controls over:

- Credit, debit, or purchase card transactions;
- Employee reimbursements;
- Travel;
- Payroll.

The Executive Director, with the assistance of the Business Manager, shall provide for annual training of *Cash Disbursement Procedures* for all staff with relevant job duties. Prior to disbursement, the school shall ensure that the *Cash Disbursement Procedures* have been followed.

Use of School Credit & Debit Cards

The school's credit cards and purchase cards (P-Cards) shall only be issued with the formal approval of the Board and with proper justification. If credit cards are issued, they should be assigned to specific school employees (cardholder), used only by the cardholder, and should be used only for school-related expenditures. Debit cards issued to school staff are discouraged and are only authorized after formal Board approval.

All charges must follow all procurement laws, school policy, and administrative procedures. Cardholders are required, at least monthly, to reconcile their credit card accounts and provide documentation to the Business Manager to substantiate charges. This function may not be delegated and may not be delayed. The Board authorizes the Executive Director and/or Business Manager to revoke cardholder privileges of any cardholders who do not comply with this policy.

Accounts Payable

Only valid transactions based on approved, documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable. All disbursements, including accounts payable must be made consistent with Cash Disbursement Procedures. Vendors and suppliers are paid as their payment terms require and to which the school has agreed, taking

advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis, considering critical disbursements, including payroll and tax obligations, etc.

Payroll (wages earned by employees) and all tax liabilities (including payroll) must always be paid. The Executive Director shall not allow liquidity levels to be such that payroll and tax liabilities and obligations cannot be made. The Executive Director must act before liquidity levels fall to extreme levels and must ensure liquidity is sufficient for wages earned and related taxes to be paid.

Employee Reimbursement

Employees who use personal funds to purchase approved supplies or otherwise approved expenses on the school's behalf may receive reimbursement for the amount of approved documented expenses consistent with policies for all other school expenditures and cash disbursements. Such reimbursement may or may not include reimbursement for sales taxes paid, consistent with the law.

Procurement (Purchasing)

Procurement of Goods and Services

The school shall establish and follow procurement (purchasing) procedures and the Title 63G, Chapter 6a, Utah Procurement Code, and Federal Procurement Standards 2 CFR 200.318 for federal programs, including ethical provisions. Purchasing ethics for employees and Board members include:

- Following the law and ethical standards;
- Not purchasing goods or services for the school unless pre-approved by authorized persons consistent with this policy and established procurement procedures;
- Not using their positions to acquire goods or services for private economic benefit;
- Not use school contracts or vendor accounts to make personal purchases;
- Not use the school's tax exemption certificate to make personal purchases.

All procurement activities are under the direction of the Executive Director. The school shall procure only those items and services that are required to perform the mission and/or fill a bona fide need. The school shall acquire goods and services with integrity in a fair, open, ethical, efficient, and cost-effective manner. Segregation of duties is required for procurement activities where possible, from the quotation process through to the payment of invoices. Procurements are made using best value contracting which includes assessing the best value considering quality, performance, timing, and price.

Additional requirements for procurement include, but are not limited to, the following:

- Administration or other school personnel shall not intentionally divide a procurement purchase into one 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 in order to circumvent any aspect of this policy or of state law.
- Exclusive contracts (requiring the purchase of needed goods or services from a single, specified seller) are not authorized except as outlined in Title 63G, Chapter 6a, Utah Procurement Code.
- Construction and improvements shall comply with the law and administrative rules of the State of Utah and its departments or agencies, and the Utah State Board of Education.
- Differing rules, forms or reports, not in accordance with state law and administrative rules, may not be produced by school staff or outside service providers without Board authorization.
- Leases will be provided to the USBE, SCSB, and to outside counsel as required or appropriate for review as required in Utah Code §53G-5-404.
- Administration or any agent of the school may not accept hospitality gifts, gratuities, kickbacks, or any other unlawful consideration under Title 63G, Chapter 6a, Utah Procurement Code.

Procurement Thresholds

- The “individual procurement threshold” for the school is \$1,000. This is the maximum amount that the LEA can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing. It is recommended that all purchases require competitive quotes.
- The “single procurement aggregate threshold” for the LEA is \$5,000. This amount is the maximum amount that the LEA can expend to obtain any combination of individual procurement items/services costing less than \$1,001 from one vendor at one time up to \$5,000, without requiring competitive purchasing. Example: You can purchase 4 laptops from a single vendor when those laptops, individually, cost \$1,000.99 or less each. You can purchase five if they cost \$999.99 or less each. In the event any single item on an order is over the \$1,000 single item threshold, ALL items on the order require competitive purchasing.
- The “annual cumulative threshold” for the LEA is \$50,000. This amount is the maximum total annual amount that the LEA can expend to obtain individual procurement item(s) costing less than \$1,001 purchased from the same vendor during the fiscal year (July 1 – June 30) not to exceed \$50,000. If a purchase exceeds \$50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process.

Purchases Requiring Quotes

- | |
|---|
| <ul style="list-style-type: none">• For procurement item(s) costing between \$1,001 and \$5,000, the LEA must obtain a minimum of two competitive quotes that include minimum specifications, and the LEA shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specifications. The school shall retain documentation per Utah State Archives regulations. |
| <ul style="list-style-type: none">• For procurement item(s) costing between \$5,001 and \$50,000, the LEA must obtain a minimum of two competitive quotes that include minimum specifications, and the LEA shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specification. The school shall retain documentation per Utah State Archives regulations. |
| <ul style="list-style-type: none">• For procurement item(s) costing over \$50,000, the LEA must conduct an invitation for bids or other procurement process outlined in <u>Title 63G, Chapter 6a, Utah Procurement Code</u>. The school shall retain documentation per Utah State Archives regulations. |

Procurement Procedures for Child Nutrition Program

General Statement

The plan for procuring items for use in the Child Nutrition Program may be found below. These procurement procedures maximize full and open competition, transparency in transactions, comparability, and documentation of all procurement activities. All procurement activities will be made in accordance with 2 CFR 200; the State of Utah Procurement Code Title 63G 6a 63G-61; and Utah Administrative Code Title R33. The most restrictive principles will be applied when conflict in requirements exist.

Assurances

The Center for Creativity, Innovation, and Discovery, as the School Food Authority, assures that positive efforts will be made to involve small and minority businesses, women's business enterprises, and labor surplus area firms in accordance with 2 CFR 200.321.

Procedures

All procurement activities will be made in accordance with 2 CFR 200.318-326; State of Utah Procurement Code Title 63G 6a 63G-61; and Utah Administrative Code Title R33.

- If the amount of the purchase is more than \$50,000, formal procurement procedures will be used.
- Informal procurement procedures for small purchases will be required for purchases under the most restrictive small purchase threshold as defined in Utah Administrative Code Title R33:
 - The “Individual Procurement Item” threshold is a maximum of \$5,000 for a procurement item; a procurement unit may select the best source by direct award and without seeking competitive bids or quotes.
 - The single procurement aggregate threshold is a maximum amount of \$10,000 for multiple procurement item(s) with each item at \$5,000 or less, that are purchased from one source at one time; and,
 - The annual cumulative threshold from the same source is a maximum amount of \$50,000.
- It will be the responsibility of the school’s Business Manager to document the amounts to be purchased so the correct method of procurement will be followed. Cost analysis documentation will also be required for any amendments to resulting contracts when the amendment is expected to exceed CCID’s Small Purchase Threshold.

Advertisements

An advertisement is required for all purchases over CCID’s small purchase threshold of \$5,000.

Formal Procurement

When a formal procurement method is required, the following Competitive Sealed Bid in the form of an Invitation for Bid (IFB) or Competitive Proposal in the form of a Request for Proposal (RFP) procedures will apply:

- An announcement of an Invitation for Bid (IFB) or a Request for Proposal (RFP) will be placed on CCID’s website and/or on a state website that is owned, managed by, or provided under contract with the Division of Purchasing for posting a public procurement notice.
- Other places such as social media or a local newspaper may be included in addition in order to publicize the intent of CCID to purchase needed items. The advertisement for bids/proposals or legal notice will be run for a minimum of 10 days.
- The announcement will contain:

- A general description of items to be purchased;
- The deadline for submission of questions and the date written responses will be provided including addenda to bid specifications, terms, and conditions, as needed;
- Date of pre-bid meeting, if provided, and if attendance is a requirement for bid award;
- A deadline for submission of sealed bids or proposals; and,
- The address of location where complete specifications and bid forms may be obtained.
- The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.
- The IFB or RFP will clearly define the purchase conditions. The following list includes requirements to be addressed in the procurement, as applicable:
 - Contract period;
 - CCID is responsible for all contracts awarded (statement);
 - Date, time and location of IFB/RFP opening;
 - How a vendor is to be informed of bid acceptance or rejection;
 - Delivery schedule;
 - Set forth requirements (terms and conditions) which the bidder must fulfill in order for the bid to be evaluated;
 - Buy American Provision requirements;
 - Benefits to which the School Food Authority will be entitled if the contractor cannot or will not perform as required;
 - Statement regarding the return of purchase incentives, discounts, rebates, and credits to CCID's Child Nutrition account;
 - Contract provisions as required in Appendix II to 2 CFR 200;
 - Procuring instrument to be used are purchase orders from firm fixed prices after formal bidding;
 - Price adjustment clause (tied to an appropriate Consumer Price Index or other, as stated in terms and conditions for pricing and price adjustments);
 - Specific bid protest procedures;
 - Provision requiring access by duly authorized representatives of CCID, a Utah State Agency, the United States Department of Agriculture, or Comptroller General to any books, documents, papers, and records of the contract which are directly pertinent to all negotiated contracts;
 - Method of shipment or delivery upon contract award;

- Provision requiring contractor to maintain all required records for six years after final payment and all other pending matters (audits) are closed for all negotiated contracts;
- Description of the process for enabling vendors to receive or pick up orders upon contract award;
- Provision requiring the contractor to recognize mandatory standards/policies related to energy efficiency contained in the State Energy Plan issued in compliance with the Energy Policy and Conservation Act (PL 94-165);
- Signed statement of non-collusion;
- Signed Debarment/Suspension Certificate or statement included in the contract or copy of Excluded Parties List System (EPLS).
- Specifications and estimated quantities of products and services prepared by SFA and provided to potential contractors desiring to submit bids/proposals for the products or services requested. When specifying a “brand name,” an “equal” product must be allowed to be offered per 2 CFR 200.319(6).
- If any potential vendor is in doubt as to the true meaning of specifications or purchase conditions, interpretation will be provided in writing to all potential bidders by the Business Manager with the date specified.
 - The Business Manager will be responsible to ensure all SFA procurements are conducted in compliance with applicable Federal, State, and local procurement regulations;
 - The following criteria will be used in awarding contracts as a result of bids/proposals.
 - Price
 - Quality
 - Delivery
 - Service
- In awarding an RFP, a set of award criteria in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. Price alone is not the sole basis for award but remains the primary consideration among all factors when awarding a contract. Following the evaluation and negotiations, a firm fixed price or cost reimbursable contract is awarded.
 - The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and is most advantageous to CCID, with price as the primary consideration along with other factors considered;

- The Business Manager is required to sign on the bid tabulation of competitive, sealed bids or the evaluation criterion score sheet of competitive proposals signifying a review and approval of the selections;
- The Executive Director will review the procurement system to ensure compliance with applicable laws;
- The Business Manager is responsible for documentation that the actual product specified has been received;
- Any time an accepted item is not available, the Business Manager will select the acceptable alternative;
- The contractor must inform the Business Manager within one week if a product is not available;
- In the event a non-domestic agricultural product is to be provided to CCID the contractor must obtain, in advance, the written approval of the product;
- The Business Manager must comply with the Buy American Provision;
- Full documentation as to the reason an accepted item was unavailable, and to the procedure used in determining acceptable alternatives, will be available for audit and review;
- The Business Manager is responsible for maintaining all procurement documentation.

Small Purchase Procedures

If the amount of purchases for items is less than CCID's small purchase threshold, the following Small Purchase Procedures, including quotes, will be used as outlined in Utah Administrative Code Title R33. Quotes from an adequate number of qualified sources will be required.

- Written Specifications will be prepared and provided to the vendor. When specifying a "brand name," an "equal" product must be allowed to be offered per 2 CFR 200.319(6).
- Each vendor will be contacted and given an opportunity to provide a price quote on the same specifications. A minimum of two vendors shall be contacted.
- The Business Manager will be responsible for contacting potential vendors when price quotes are needed.
- The price quotes will receive appropriate confidentiality before the award.
- Quotes will be awarded by the Business Manager. Quotes awarded will be to the lowest and best quote based upon quality, service, availability, price, Buy American Provision requirements, as applicable.

- The Business Manager will be responsible for documentation of records to show selection of a vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and written specifications.
- The Business Manager will be responsible for documentation that the actual product specified is received.
- Any time an accepted item is not available, the Business Manager will select the acceptable alternative. Full documentation will be made available as to the selection of the acceptable item.
- Small purchase decisions on bids are to be objective with the deciding factor always being the lowest price. Subjective grading is not allowed in procurement documentation as part of the decision.
- Prior to requesting bids, the school may do taste tests, talk to vendors about the products and what can be offered, and do other quality tests to determine which vendors to request bids from. However, once bids are requested then the only thing that can go into the decision is the lowest price.
- The school has the power of choice by deciding which vendors to request bids from that would meet their quality and specifications needs.
- The Business Manager is required to sign all quote tabulations, signifying a review and approval of the selections.

Single Source Award

If items are available only from a single source or when the award of a contract is not feasible under small purchase, sealed bid, or competitive negotiation, non-competitive proposal procedures will be used:

- If the cost exceeds CCID's small purchase threshold, the non-competitive proposal (sole source) must be publicly posted;
- Written Specifications will be prepared and provided to the vendor;
- The Business Manager will be responsible for the documentation of records to fully explain the decision to use the non-competitive proposal;
- The records will be available for audit and review;
- The Business Manager will be responsible for documentation that the actual product or service specified was received;
- The Executive Director will be responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive proposals are met;
- A record of non-competitive negotiation purchase shall be maintained by the Business Manager;
- The record of non-competitive purchases shall include, at a minimum, the following:
 - Item name;

- Dollar amount;
 - Vendor; and,
 - Reason for non-competitive procurement.
- The Executive Director will approve, in advance, all procurements that result from non-competitive negotiations.

Miscellaneous Provisions.

- New product evaluation procedures will include a cost/benefit analysis and consideration of availability, delivery, service, and alternatives.
- CCID as the School Food Authority agrees that the reviewing official of each transaction will be the Business Manager.
- Payment will be made to the vendor when the contract has been met and verified and has met the School Food Authority's procedures for payment. If prompt payment is made, discounts and other related price deductions are accepted.
- Specifications will be updated as necessary.
- If the product is not as specified, the following procedure will take place:
 - The School Food authority will investigate the reasons for the delivery of an unspecified product, including availability, food contamination, or department of health or agriculture concerns;
 - The School Food Authority will consider reductions to the cost for the unspecified product;
 - The School Food Authority may cancel an agreement for breach of contract or non-delivery;
 - The School Food Authority may engage in a new procurement process in order to work with a vendor who can deliver the specified product.

Emergency or "Pressing Need" Purchases

If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase must be authorized using a purchase order signed by the Business Manager. All emergency procurements shall be approved by the Executive Director. Emergency procurements shall maintain records that include the following: item name; dollar amount; vendor; and reason for emergency.

Record Retention

CCID shall retain all books, records, and other documents relative to an award of the contract for six (6) years after final payment. Specifically, the school shall maintain, at a minimum, the following documents:

- Written rationale for the method of procurement;

- A copy of the original solicitation;
- The selection of contract type;
- The bidding and negotiation history and working papers;
- The basis for contractor selection;
- Approval from the State Agency to support a lack of competition when competitive bids or offers are not obtained;
- The basis for award cost or price;
- The terms and conditions of the contract;
- Any changes to the contract and negotiation history;
- Billing and payment records;
- A history of any contractor claims; and,
- A history of any contractor breaches.

Standards of Conduct

In accordance with Utah Code §63G-6a-2400, the following conduct will be expected of all persons who are engaged in the awarding and administration of contracts supported by the School Food and Nutrition Program Funds. These written standards of conduct are:

- No employee, officer, or agent shall participate in the selection of in the award or administration of a contract supported by program funds if a conflict of interest, real or apparent, would be involved.
- Conflicts of interest arise when one of the following has a financial or other interest in the firm selected for the award:
 - The employee, officer, or agent;
 - Any member of the immediate family;
 - His or her partner;
 - An organization which employs or is about to employ one of the above.
- Employees, officers, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.
- Penalties for violation of the standards of code of conduct of the School Child Nutrition Program should be:
 - Reprimand by the Utah State Board of Education;
 - Dismissal by the Utah State Board of Education;
 - Any legal action necessary.

Professional Services

"Professional service" means labor, effort, or work that requires an elevated degree of

specialized knowledge and discretion, including labor, effort, or work in the field of: accounting; law; architecture; construction design and management; engineering; financial services; information technology; the law; medicine; psychiatry; or underwriting.

All third-party vendors contracting with the school must be compliant with Utah's Student Data Protection Act (SDPA), U.C.A §53E-9-300. Vendors determined not to be compliant may not be allowed to enter into future contracts with the school without third-party verification that they are compliant with federal law, state law, and board rule.

- Professional services costing less than \$50,000 can be awarded through direct negotiation with the service provider.
- Professional services costing between 50,000 and 100,000 need a minimum of two competitive quotes.
- Professional services costing over \$100,000 shall be acquired using a competitive bidding or Request for Proposal (RFP) process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP.

Small Construction Projects

- Small construction projects costing less than \$25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements have been met.
- Small construction projects costing between \$25,001 and \$100,000 may be procured by obtaining a minimum of two (2) competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements have been met.
- Small construction projects costing more than \$100,000 require an RFP procurement process. Large construction projects over 2.5 million must follow the requirements contained in Utah Code §53E-3-703, School Construction.

Human Resource and Payroll

Payroll Related Expenditures

The Board, with authority delegated to the Executive Director, shall ensure that payroll-related expenditures are earned, accurate, and approved (authorized) before payment is made.

Additionally, the following applies to payroll-related expenditures:

- Employees are paid on a 12-month schedule, with wages accrued as earned, and in accordance with pay periods and pay dates as authorized by the Board.

- The school shall communicate pay period and pay day information clearly and effectively to individual employees upon hire.
- The school shall communicate pay rate information clearly and effectively to individual employees upon hire and whenever a change occurs.
- Employees will be paid for all services (stipends, additional work, etc.) related to their position at the school through payroll and not as a 1099 employee or service provider.
- Pay advances are not authorized. All payments to employees are to be made only after wages are earned.
- All employee payroll amounts are calculated based upon approved rates included in the individual's personnel file.
- Any changes to pay rates or benefits must be properly authorized in writing by appropriate individuals or the Board where applicable.
- The Executive Director will ensure that employees whose compensation is paid in any portion from one or more restricted sources of revenue shall document their time and effort on a Personnel Activity Report consistent with 2 C.F.R. § 200.430 and other applicable state law and rule. Personnel Activity Reports are mandatory to ensure ongoing compliance with program regulations and to ensure funds are not recalled from the school by the state or federal governments.
- The Executive Director or an employee's immediate supervisor will accurately record and track all employees' accrued paid time off (PTO). PTO includes a variety of paid time off, including but not limited to Sick, Personal, Vacation time, etc., per the school's Employee Handbook.
- The Executive Director or supervisor shall consider available PTO balance(s) and the needs of the school prior to approving PTO.
- The Business Manager will add or deduct PTO for all employees as authorized by policy, the Executive Director, or the supervisor when processing each payroll and will provide balance information to the Executive Director or supervisor periodically.
- Overtime wages, while not formally against policy, are not authorized under normal circumstances and are only to be used in rare instances or emergencies.
- Pay rates or employee benefit package changes may not be authorized exclusively by persons for whom the pay rate or benefits will affect.
- All payroll taxes and benefits are properly calculated and any deposits made in a timely manner.
- All payroll tax reports are prepared in a timely manner and reviewed for accuracy prior to filing.

Timesheets

Hourly employees will complete timesheets to accurately represent the time worked. The Executive Director shall cause that employees paid with restricted program funds complete

required timesheets compliant with state and federal laws and restricted program rules (Personnel Activity Reports). The Executive Director or employee supervisors will review timesheets for accuracy prior to approval to be processed for payroll. Falsification of time will not be allowed and shall be reported to the Executive Director immediately.

Employee Retirement Plan

The school shall participate in a retirement plan as determined by the Board and administered by the Executive Director and the Trustee of the retirement plan. All retirement funds shall be deposited into retirement accounts in a timely manner and without delay.

Employee Travel

The Executive Director shall establish and maintain procedures for all travel and student transportation activities. Employees or volunteers (travelers) must follow the law, school policies, and established procedures when operating a motor vehicle on school-related business. Travelers who travel for the school typically travel using their own personal motor vehicle or a school-rented vehicle. Travelers using their own personal vehicle for school-related travel may be reimbursed at the current federal standard mileage rate (per mile, at time of travel). In addition, parking fees and tolls paid are reimbursable if properly supported. Moving violations or parking violations may not be paid using school funds.

Employee Travel Out of State

Employees and other Travelers who travel out of state (or on overnight travel within the state) will do so with itineraries approved by or booked through the Administration, except as otherwise approved. Employees may not use public funds to pay for (or submit for reimbursement) personal expenses while traveling for the school. In addition, parking fees and tolls paid are reimbursable if properly supported.

Meals

Travelers who travel may receive reimbursement for meals they purchase and document during approved travel that is more than 100 miles from the school's primary facility. Travelers will be reimbursed for actual expenses, including tax and gratuity, for the reasonable cost of meals or a per diem as outlined in administrative procedures.

Contracted Services

Outside Service Providers

If so determined by the Board of Directors, outside service providers may be used to provide services or management services under a service agreement. Service providers receive direction from the school and execute the decisions made by the school. The school retains major decision-making authority and autonomy for all aspects of operations. The school shall

ensure that outside service providers with access to student or staff information properly secure data. Service agreements must include prohibitive language in relation to data privacy.

Examples of service providers are lawn maintenance contractors, contracted speech therapy and business services, all of which are delegated certain tasks as assigned by the school. Examples of management companies include education service providers that provide curriculum, professional development, student assessments, management and supervision of employees, and overall operational management services, etc.

Consistent with Title 63G, Chapter 6a, Utah Procurement Code, service agreements shall not exceed five years in term (with renewals) and all services shall be reviewed against performance objectives and bid at least every five years. The utilization of outside service providers (i.e. independent contractors) and contracted personnel must be sufficiently evidenced by:

- Service Agreements outlining the terms of the agreement (e.g., responsibilities, work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing services and details of actual services performed.
- Required IRS W-9 form, proof of authorization or licensure and liability insurance certification (among other things) are required before service is rendered or payment is made.
- Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.
- The use of a management contract for educational administrative services that clearly identify the contractor's performance requirements, including student academic achievement (if applicable), contractor's compensation, and the school's rights to educational curricula and intellectual property developed by or provided through the service agreement.
- The Executive Director shall cause that all contracts with educational service providers shall be made in accordance with Utah Administrative Code R277-122, and shall include language that allows the school to verify the provider is performing services consistent with the law.

The use of independent contractors must be closely monitored so as not to vary from the rules of the Fair Labor Standards Act and Utah law. The contractor will:

- Be free from the school's control and direction in scheduling and performing the service, both under a contract and in fact.

- Provide a professional service, and/or a service that is outside the school's usual course of business, or provide a service on a temporary basis.
- Not receive any fringe benefits as such, although the fee may include provision for fringe benefits.
- Use his or her own letterhead, supplies and materials when billing for services.

Discretionary Right to Amend

The Board of Directors reserves the right at its sole discretion to amend or change this policy and its procedures or directives at any time.