



- Of nominal value and intended for a birthday, holiday, or teacher-appreciation occasion; or
- A public award in recognition of public service.

In either case, the gift, incentive, honorarium, or stipend must be consistent with this policy and the Ethics Act. A Utah-licensed educator may be subject to license discipline for violating Rule R277-107.

This section governs gifts an employee gives to or receives from a private source in the course of school business. It does not address gifts between an employee and a student; those are separately governed by Rule R277-217 (Educator Standards), Section 2(9), which prohibits an educator from accepting or giving an inappropriate gift to or from a student, and by Rule R277-322 (LEA Codes of Conduct), which requires GPA's Code of Conduct to include a statement on providing gifts, special favors, or preferential treatment to a student or group of students. See GPA's Code of Conduct and Educator Code of Conduct for those provisions.

For purposes of this section, the following are of nominal value and are not treated as a reportable "gift":

- A gift card of \$50 or less;
- Food, refreshments, or a meal of limited value accompanying a meeting or school-sponsored event;
- An item or memento of nominal value, such as a pen, pencil, mousepad, or notepad;
- A reward or prize open to the general public or to all public employees;
- A gift from an extended family member or personal friend; and
- Funeral flowers or memorials.

This \$50 figure is the Board's determination of "nominal value" under Rule R277-107, and it applies uniformly to gift cards and the other items listed in this section.

It is adopted independently of, and does not rely on, the Utah Public Officers' and Employees' Ethics Act's separate exception under Section 67-16-5(3)(a) for an "occasional nonpecuniary gift" of up to \$50; that exception governs non-cash items and does not itself authorize a gift-card amount.

The Board has determined that \$50 is an appropriate nominal-value standard for Gateway Preparatory Academy under that rule.

Employees receiving a gift from an outside organization in the course of school business shall:

- Report annually to their supervisor or building administrator all gifts received in their official conduct of school business;
- For a gift that cannot be accepted, take one of the following actions:
 - o Return the gift to the giver;
 - o Pay the giver its market value;
 - o Surrender the gift to the school (through the Director, for the school's use and benefit - not the Director's personal use); or
 - o Donate the gift to an education-related nonprofit.

If perishable or impractical to return, the gift may instead be shared with coworkers or donated to charity.



- Do not accept a gift or other compensation intended to influence or reward the employee's performance of official business.

This policy does not prohibit a voluntary employee group fund (e.g., for birthday gifts or funeral flowers), provided the fund is entirely separate from school/taxpayer funds and school accounting functions.

4.1.10 Allowable Use of Public Funds for Gifts, Awards, and Promotional Items

This section governs the school's own purchase of a gift, award, incentive, or promotional item (including staff-appreciation gifts, retirement or service-recognition gifts, or spirit wear), as distinct from Section 4.1.9, which governs an employee's acceptance of a gift from a private source.

Before authorizing such a purchase with any public funds, the approving administrator must first confirm the cost is allowable consistent with the general cost-allowability standards of 2 C.F.R. § 200.403 and Section 53F-1-104.

Federal program funds (including Title I, Part A and IDEA funds - see Section 3.3, Maintenance of Effort) may never be used for this purpose. Such use is expressly unallowable under:

- 2 C.F.R. § 200.445(a) - "Costs of goods or services for personal use of the non-Federal entity's employees are unallowable regardless of whether the cost is reported as taxable income to the employees"; and
- 2 C.F.R. § 200.421(e)(3)-(4) - costs of "promotional items and memorabilia, including models, gifts, and souvenirs" and of "advertising and public relations designed solely to promote the [school]" are unallowable.

Any gift, award, or promotional item the school chooses to purchase must be funded solely from unrestricted local funds and must still satisfy standard procurement requirements (Section 5.1) and the applicable approval threshold under Section 4.1.4.

Tax Compliance & Public Perception

- **IRS Guidelines:** Such a purchase must also comply with the tax-reporting treatment applicable to employee gifts and awards under IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits (which addresses, among other things, the "de minimis fringe benefit" exclusion for occasional, low-value non-cash items).
- **Taxpayer Scrutiny:** Before authorizing a purchase, the approving administrator must consider how it would be perceived by taxpayers (e.g., whether it would raise concerns if reported publicly or on social media).

Monetary Limits & Thresholds

- **Individual Employee/Volunteer Limit:** When purchasing a gift, award, or token of appreciation for a specific individual (separate from shared refreshments or group meals under Section 7.4.5):
 - Per-occasion limit: \$99 per person.
 - Cumulative fiscal year limit: \$396 per person.
- **Service/Retirement Milestones:** Documented service-recognition or retirement-milestone gifts (e.g., for 5, 10, or 15+ years of service) may exceed these dollar limits, provided the

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expense is reasonable, funded by unrestricted local funds, and receives prior written approval from the Director.

- Relationship to Section 4.1.9: This section governs only the school's own purchases for its own employees and volunteers. It is separate from, and does not change, the \$50 nominal-value threshold in Section 4.1.9 governing what an employee may accept from a private source, which rests on different legal authority (Rule R277-107 and the Ethics Act's non-cash gift exception, Section 67-16-5(3)(a)).

Approval and documentation.

- A gift, award, or token of appreciation for a specific individual employee or volunteer under this section requires the Director's (or the Director's designee's) prior written approval before purchase.
- The business office must document the name of each recipient, the value and date of the gift, and attach that documentation to the related expense record. The business office must also maintain a running total of gifts provided to each employee or volunteer during the fiscal year, so that the \$396 annual limit in this section can be verified before any additional gift to that person is approved.

Tax treatment of cash-equivalent versus non-cash gifts

- Consistent with IRS Publication 15-B, a cash-equivalent gift (including a gift card, movie pass, or admission ticket) is always taxable to the recipient regardless of dollar value and must be reported to payroll for inclusion in the recipient's wages. This is a payroll tax-reporting rule, separate from the Section 4.1.9 "nominal value" determination, which addresses ethical permissibility rather than taxability.
- A non-cash gift (such as apparel, flowers, or a consumable item) is nontaxable only if it qualifies as a "de minimis fringe benefit" - meaning, among other things, that it is occasional and infrequent rather than routine or recurring and becomes taxable if it exceeds the dollar limit in this section or is provided on a routine basis.

4.1.11 Foundations and Third-Party Fundraising Entities

Where a gift, grant, or donation is solicited or received on the school's behalf by an affiliated public education foundation established under Section 53E-3-403, a booster club, or another third-party organization, that entity's receipt of funds does not exempt the gift from this policy; funds or property intended to benefit the school remain subject to this Section 4.1 once transferred to, or expended on behalf of, the school.

See Section 4.2 (Fundraising) and Section 4.3 (School Athletics and Local Revenues for Specific Programs) for policies governing fundraising activities, booster clubs, and program-specific local revenue under Rule R277-408.

4.1.12 Recordkeeping and Annual Review

Documentation supporting donations, gifts, and sponsorships shall be retained consistent with Section 2.3 (Record Retention and Disposal). This policy shall be reviewed at least annually by the Board consistent with Rule R277-113 and Section 1.2 of this policy.



4.2 Fundraising

Within the law, fundraising is generally permitted by the Board or by school 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 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. For further fundraising compliance, refer to the school’s fundraising policy.

4.3 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 programs such as athletics, art, science, performing arts, music, ROTC, etc. High school athletic programs have unique aspects that present challenges for principals, 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 director is responsible to ensure all school programs and booster club arrangements comply with all fiscal policies.

4.4 Vending Machines

Use of vending machines may be allowed, consistent with the law, and authorized by the Board (or by the director when authorized). School staff shall follow school procedures for cash receipts, including the Cash Handling & Receipts Procedures. 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.

4.5 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 (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 director in limited circumstances, all cash receipts must occur at the front office. The director shall be responsible for the establishment of the *Cash Handling & Receipts Procedures*. The director shall provide for annual training of *Cash Handling & Receipts Procedures*.



for all staff with relevant job duties. All school staff shall follow established procedures (internal controls) for the handling of cash receipts as outlined in the *Cash Management Procedures*.

The 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 director shall ensure that the school provide a 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 (cash and checks) must be receipted or logged upon receipt and shall be kept in a central, secure location until they are deposited in the school's financial institution within 3 banking days in compliance with Utah Code 51-4-2(2)a. Periodic and unscheduled (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 State Board Administrative Rule 277-407 and shall be properly posted to a student's account. The director (or his

designated employee) 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.

4.6 Capitalization of Property

All tangible personal property, land, capital improvements or buildings with a useful life 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.

In accordance with additional GASB guidance, assets whose individual acquisition costs are less than the threshold for an individual asset but are significant in aggregate should be capitalized. Computers, classroom furniture, and library books are examples of asset types that may not meet the capitalization policy individually but may be significant collectively.

Additionally, these policies 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 & 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, 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 appropriate.



- No item on the property schedule shall be disposed of or removed from the premises without prior approval of the 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.

4.7 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 director.
- Articles of Incorporation and By-laws shall be retained by the Board, director and business office.
- Minutes of the Board of Trustees and subcommittees shall be retained by the Board and director.
- Corporate and payroll tax registrations shall be retained by the business office.
- Banking & financial agreements shall be retained by the business office.
- Copies of executed lease documents shall be retained by the business office.
- Insurance policy documents shall be retained by the Board and the business office.
- Grant and contract agreements shall be retained by the business office.
- Fixed asset inventory list shall be retained by the SpEd director, the IT manager and the business office (depreciable fixed assets in the accounting system) and/or others responsible for the oversight of restricted programs.

4.7.1 Security of Financial Records

To minimize unauthorized access to school data, the school's accounting software will be maintained properly to ensure adequate internal controls and security measures are established/functioning. (e.g. 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 office will have administrative rights (Edit access) to the financial accounting software. The business administrator 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 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 (chair, treasurer,



director). Fiscal records shall be retained on site or at the Utah State Archives according to established retention schedules.

4.8 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 the director.

4.9 Facilities Use by Outside Persons or Entities

In accordance with state law and this policy, the Board authorizes, on conditions as allowed by law, the use of school facilities (the campus—building, grounds, permanent equipment) for other than school purposes. This may be accomplished with the school facilities being utilized at no-charge as a “community center” for activities benefitting 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 Facilities Use Policy or established procedures. A formal agreement must be signed for either community center or fee-based arrangements.

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.

The Board authorizes school 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 director shall ensure that all parties follow established policies and procedures for facility use.

4.10 Insurance and Bonding

The Board is responsible for procuring and renewing all commercial insurance. The Board may delegate clerical and administrative tasks to school administrators; however, all decision-making authority rests with the Board and the Board always retains responsibility to ensure insurance is adequate and in force. This may not be delegated, either formally or informally to others. The school must maintain at least the minimum levels required of appropriate commercial coverage, as deemed appropriate by the Board or per state law or rule, for the following insurance products or policies:

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

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- 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 on the person who has investment control over the school's public funds, typically the business administrator, director or the board treasurer (UCA 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 (sub-contractors).

4.11 Student Medical Insurance Coverage

The school does not provide health insurance or medical insurance coverage for students. The responsibility for ensuring 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 director shall ensure that proper notice of this policy is published annual in the registration packet and on the school's website.

4.12 Sales Tax

The school is exempt from sales tax as both a governmental entity and as a charitable organization. The Board and the director/principal 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 vendor (when properly administered) relating to sales tax exemption. As authorized and when allowed by law, school employees or volunteers may only 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 the law, and the procedures of the Utah State Tax Commission.

5.0 Spending, Procurement, & Liabilities

5.1 Procurement

5.1.1 Procurement of Goods and Services

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The school shall establish and follow procurement (purchasing) procedures and the state procurement code (UCA 63G-6a), 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 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 (as appropriate to the procurement), 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.

Additionally:

- 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 the state procurement code (UCA 63G-6a).
- Construction and improvements shall comply with the law and administrative rules of the State of Utah and its departments or agencies, the Utah State Board of Education, and 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, USCSB and to outside counsel as required or appropriate for review as required in 53G-5-404 and USCSB procedures.
- Administration or any agent of the school may not accept hospitality gifts, gratuities, kickbacks, or any other unlawful consideration under 63G-6a-2304.5. According to section 63G-6a-2404 an employee of a tax supported entity may accept gifts from vendors, without it being against the law, so long as the gift is valued less than \$10 and the aggregate value of all gifts from the person to the recipient in a calendar year is less than \$50.
- No employee, officer, or Board member may approve a procurement that he or she requested, initiated, or from which he or she will personally benefit. Every procurement shall be reviewed and approved by an independent approver as provided in Section 5.1.6, and no single individual may hold sole authority to request, approve, and process the same transaction.

5.1.2 Thresholds



- The “individual procurement threshold” for the LEA is \$5,000. 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.
- The “single procurement aggregate threshold” for the LEA is \$10,000. This is the maximum amount that the LEA can expend for multiple individual procurement items purchased from one source at a time, without requiring competitive purchasing.
- The “annual cumulative threshold” for the LEA is \$50,000. This is the maximum total annual amount that the LEA can purchase from the same source during the fiscal year (July 1 – June 30).

5.1.3 Pre-Authorized Purchases

All procurements must be authorized in writing prior to ordering or purchasing items or services. The following procurements are pre-authorized and do not require an additional written authorization, unless otherwise required below:

- Classroom funds: The director may authorize a set amount annually for teacher classroom funds. Teachers are authorized to make legal purchases to meet the needs of their classroom with these funds without obtaining additional approval.
- Department/Committee Budgets: The director may approve department or committee budgets authorizing the department or committee to make procurements for items detailed in the approved budget that are below procurement thresholds listed in this policy without the need for an additional approval process. The approved department or committee budget shall include a reasonable level of specificity for items approved. The approved budget shall be signed by the director and provided to the department or committee chair and the business administrator. The business administrator shall ensure proper documentation is maintained for each procurement to establish the pre-authorization.

5.1.4 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; administrative law judge service; architecture; construction design and management; engineering; financial services; information technology; the law; medicine; psychiatry; or underwriting.

All third-party vendors contracting with Gateway Preparatory Academy 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 LEA without third-party verification that they are compliant with federal and state law and board rule.

- Professional services costing less than \$100,000 can be awarded through direct negotiation with the service provider after reviewing the qualifications of a minimum of three firms or individuals.
- Medical provider services costing less than \$100,000 can be awarded through direct negotiation with the medical provider after reviewing the qualifications of medical providers.
- Professional services costing over \$100,000 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP.



- Procurement of architect-engineer services must comply with 63G-6A Part 15 Design Professional Services.

5.1.5 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 are met.
- 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 the requirements are met from (1).
- Costing more than \$100,000 require an IFB or RFP procurement process. Large construction projects over 2.5 million must follow the requirements contained in Utah Code 53A-20.

5.1.6 Dual Approval and Independent Review of Purchases

Every procurement, disbursement, reimbursement, and credit or purchasing card transaction of the school shall be reviewed and approved by a person independent of the person who requested or initiated it. No single individual may request, approve, and process the same transaction.

Independent approver defined. For purposes of this policy, an “independent approver” is a person who:

- did not request, initiate, or prepare the transaction;
- does not personally benefit from the transaction, directly or indirectly;
- is not a relative of, or a direct subordinate of, the person who requested or initiated the transaction; and
- has no financial or other interest in the vendor or in the outcome of the transaction, as described in Sections 1.4 and 5.1.1.

Assignment of approval authority. Independent approval shall be provided as follows:

- A purchase requested or initiated by an employee other than the director shall be approved by the director or a designated administrative approver, and additionally by the program director or department lead.
- A purchase requested or initiated by the school director - including a reimbursement, travel expense, card transaction, or any purchase from which the director personally benefits - shall be approved by the Board chair, the Board treasurer, or another Board member designated by the Board. A school employee may not serve as the independent approver for a purchase requested or initiated by the director.
- A purchase requested or initiated by a Board member shall be approved by the school director, and by the Board chair or Board treasurer.

Evidence of approval. Independent approval shall be evidenced in writing on the Requisition & Reimbursement Form, on the supporting documentation, or by documented electronic approval within the accounting or banking system, and shall be retained with the transaction record. The approval evidences that the approver verified that the expenditure:

- serves a reasonable and documented business purpose of the school;
- agrees to the supporting documentation submitted;
- is consistent with Board policy, the approved budget, and any applicable restricted program requirements; and



- complies with the procurement thresholds and competitive purchasing requirements of Sections 5.1.2 through 5.1.5.

5.2 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 director’s discretion only in an emergency, but after consultation with the business office and/or the Board chair (or designee) when possible. “Best value” procurement guidelines must be followed. Supporting documentation for purchases made under an emergency shall include a written explanation of the emergency condition.

Where prior consultation is not possible, the director shall notify the Board chair and the business administrator of the emergency purchase in writing no later than the next business day, and the purchase shall be ratified in writing by the Board chair, or by the Board at its next regular meeting. An emergency purchase requested or initiated by the director remains subject to the independent approval requirement of Section 5.1.6, which may be satisfied after the fact through this ratification.

5.3 Contracts

All contracts shall be reviewed and approved by the Board, unless otherwise delegated to the director of the school. Arm’s length contracts are preferred, and any related party contracts must be properly disclosed in writing prior to Board approval. All contracts shall:

- Be in compliance with R277-113 and 63G-6A-12 and must 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 federal requirements.
- Include language regarding data privacy and use, if applicable.
- Follow procurement code bidding requirements.
- Have a legal review prior to LEA approval per 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.

An employee, officer, or Board member with a financial or personal interest in a prospective contractor shall disclose that interest in writing and shall recuse himself or herself from the selection, negotiation, award, approval, and administration of the contract. The school director may not execute a contract in which the director has a financial or personal interest; such a contract shall be approved and executed by the Board.

5.3.1 Outside Service Providers



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) whereby management companies are delegated decision-making authority for major school policy, procedure, and operational deployment. Thus, the school gives operational autonomy to the management company and proper internal controls must be in place to oversee the activities of management companies. The school shall ensure that outside service providers with access to student or staff information properly secure data (privacy). 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 UCA 63G-6a-1204 Multiyear Contracts, 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 will clearly identify the contractor's performance requirements, including student academic achievement (if applicable), contractor's compensation and define the school's rights to educational curricula and intellectual property developed by or provided through the service agreement.
- The director shall cause that all contracts with educational service providers (as defined in R277-115) shall include language that allows the school to verify the provider is performing services consistent with the law.

The use of independent contractors is 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 their fee may include provision for fringe benefits.
- use his or her own letterhead, supplies and materials when billing for services.

The Board reserves the right at its sole discretion to amend or change these policies at any time.



5.4 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 on the transmittal instrument (wire transfer, ACH upload payment summary, 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 director, 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/Audit committee member shall receive a Check Register at each Board meeting or upon request for review and spot-audit activities using the Quarterly Review Form. .

The two required approvals shall be provided by two different individuals, at least one of whom is an independent approver as defined in Section 5.1.6. No individual may provide both required approvals for the same disbursement, and no individual may approve a disbursement that he or she requested, initiated, or from which he or she personally benefits.

Prior to the release of any check run or batch of electronic payments, an authorized signer shall perform and document a formal review and approval of the check run, comparing the payment register to the approved Requisition & Reimbursement Forms and supporting invoices. The review shall be evidenced by signature or documented electronic approval and retained with the payment records.

All cash disbursements shall be made consistent with regulations and school policies. The 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 director, with the assistance of the business office, 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.

5.5 Use of School Credit & Debit Cards

Gateway Preparatory Academy State of Utah purchase cards shall only be issued with the formal approval of the Board and with proper justification. If purchase cards are issued, they must be assigned to specific school employees (cardholder), used only by the cardholder, and must be used only for school-related expenditures. Debit and/or other forms of credit 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 office to substantiate charges. This may not be delegated and may not be delayed. The Board



authorizes the director and/or business office to revoke cardholder privileges of any cardholders who do not comply with this policy.

No cardholder may serve as the sole reviewer or approver of his or her own card activity. Each monthly cardholder reconciliation, together with itemized receipts and the corresponding Requisition & Reimbursement Forms, shall be reviewed and approved in writing by an independent approver as defined in Section 5.1.6.

The card activity of the school director shall be reviewed and approved by the Board chair, the Board treasurer, or the audit committee, and may not be reviewed or approved by a school employee. The reviewer shall ensure that they are reviewing an original copy of the card statement.

The audit committee shall review all credit card and purchasing card transactions monthly as provided in Section 3.10, and shall document that review.

5.6 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 which the school agrees), 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 director shall not allow liquidity levels to be such that payroll and tax liabilities and obligations cannot be made—the 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.

5.7 Liabilities

Encumbrances, debt, or other non-payroll-related liabilities may only be executed (typically by the director) when authorized by the Board. 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.

5.8 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.

5.9 Debt



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. All short-term and long-term debt must be approved by the Board. 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. School administration may not enter into loan agreements without Board approval.

6.0 Banking and Cash Management

6.1 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 treasurer.
- The principal/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, 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 less than two. To properly segregate duties, the Board chair/president, treasurer, director/principal 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.

Business office personnel 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. The business office must not physically sign any checks. All checks (e-checks and physical checks) and other forms of payments (ACH, Wire, etc.) shall be approved and/or signed by the school director and another authorized signer prior to payment processing. .

Board members or employees who are given signature authority over bank accounts must act in an ethical and responsible manner, consistent with the law; and shall cooperate freely when their service 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.

6.2 Account Reconciliations

The Board agrees that financial account (bank) reconciliations (deposit, investment, loan, purchasing card, school activity funds, petty cash, etc.) are one of the most important procedures for proper internal



controls. The business administrator shall perform all reconciliations for all banking or investment accounts monthly, or as often as account statements are made available

6.3 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.

No single individual shall have control over more than one of the following functions for the same transaction:

- initiating or requesting a transaction;
- approving or authorizing a transaction;
- executing the transaction or recording it in the accounting system; and
- reconciling or reviewing the account to which the transaction is posted.

No employee, officer, or Board member may approve, authorize, or review a transaction that he or she requested, initiated, or from which he or she personally benefits. This prohibition applies to the school director and the business administrator to the same extent it applies to all other personnel.

When full segregation of duties is not possible due to the size and limited staffing of the school, the Board shall implement and document compensating controls, which shall include at a minimum:

- monthly review and signature of original bank statements and reconciliations by an audit committee representative, as provided in Section 3.10;
- monthly audit committee review of all bank, credit card, and purchasing card transactions;
- review of the check register by the audit committee or Board treasurer at each Board meeting, as provided in Section 5.4; and
- quarterly audit committee review of transactions initiated by, approved by, or benefiting the school director, Board members, and related parties, using the Audit Committee Quarterly Review Form.

The presence of compensating controls does not eliminate the requirement for independent approval of individual transactions under Section 5.1.6.

6.4 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 Treasurer's Investment Fund (PTIF) compared to other approved institutions and propose to the Board investment plans consistent with this policy. 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.

6.5 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 director may authorize a person(s) to be a petty cash manager (steward of a petty cash fund) on an as-needed basis to oversee a petty cash fund. The 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.

6.6 Public Funds

All funds (from any source) received and deposit by the school are defined as public funds as soon as they are received by the school (whether 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.

6.7 Electronic Funds Transfer

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

7.0 Personnel & Human Resources

7.1 Payroll Related Expenditures

The Board, with authority delegated to the 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 authorized pay documentation (offer letter, status change form, wage agreement etc.). Any changes to pay rates or benefits must be properly authorized in writing by the school director or the Board where applicable.
- The 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 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. Personnel Activity Reports shall be prepared at a minimum twice a year in a given fiscal year.
- The school Director or other designated employee 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.
- The Supervisor shall consider available PTO balance(s) and the needs of the school prior to approving PTO.
- The business office will add or deduct PTO for all employees as authorized by policy or the Supervisor when processing each payroll and will provide balance information to the Supervisor periodically.
- Overtime wages, while not formally against policy, are not authorized under normal circumstances and are only to be used in rare instances of emergency.
- 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.

7.2 Employee Retirement Plan

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

7.3 Timesheets

Hourly employees will complete timesheets to accurately represent the time worked. The 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). 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 director immediately.

7.4 Employee Reimbursement & Travel

7.4.1 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 and this policy.

An employee's reimbursement request shall be approved by an independent approver as defined in Section 5.1.6. A reimbursement request submitted by the school director shall be approved by the Board chair or the Board treasurer, and may not be approved by a school employee.

7.4.2 Employee Travel

The director shall establish and maintain procedures for all travel and student transportation activities. Employees or volunteers (travelers) must follow the law, school policies, the employee handbook, and established procedures when operating a motor vehicle on school-related business or when traveling using non personal vehicles.

7.4.3 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 school 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.

7.4.4 Meals

Travelers who travel may receive reimbursement for meals they purchase and document during approved travel that is more than 45 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 the Employee Handbook.

7.4.5 Meals Unrelated to Travel

The following expenditures are subject to annual board approval and ongoing board review and are not subject to travel policy and procedure specifications:

1. Beverages/Food Items: Supplies of coffee, water, soda, juice and similar items may be purchased and provided to School guests.
2. Appreciation Events: Administration may hold events during the year to show appreciation for employee and/or volunteer efforts. The cost of the event should be reasonable and may include guests or family members at Administration's discretion.
3. Retirement/Separation Functions: School may hold a reception for employees retiring or separating from the School (one per employee). Reasonable expenditures are permitted.
4. Holiday Functions: Holiday functions are permitted and may include guests or family members at the Administration's discretion. The cost of such functions must be reasonable and may not be charged against any contract or restricted grant funds or reimbursed overhead.



5. Board Meetings and Annual Retreat: Refreshments, meals, and beverages for board and staff meetings, retreats, and workshops are permissible.
6. Meals may be provided to employees, board members, and the public when appropriate for the time and duration of the event. A meeting summary or agenda should accompany the purchasing records.



Gateway Preparatory Academy

Fiscal and HR Procedures

Approved & Revised August 2026

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INTRODUCTION

These written financial and human resource procedures, associated forms, and controls are adopted by the Gateway Preparatory Academy (GPA) board of directors. These procedures operationalize board-adopted policies and must be followed by all staff to ensure the integrity of the school's fiscal operations.

The foundation of GPA's internal control system is built upon these standardized processes, training, and ongoing monitoring. These resources are designed to:

- Meet financial standards set by state and federal laws.
- Comply with GPA Board policy and USBE Board Rule.
- Safeguard public funds against waste, fraud, and abuse.
- Provide necessary checks and balances for transparent accounting.

The Director and Administration shall model compliance with both fiscal policy and procedures. Annual training on these procedures and associated forms will be provided to ensure all staff understand and execute their specific fiscal responsibilities

1000 | Governance & Operational Standard

1100: Ethics and Conflict of Interest (Policy 1.4)

Control Objective

To ensure that all Gateway Preparatory Academy (GPA) officers, employees, and volunteers maintain the highest standards of conduct and act in accordance with UCA 67-16 and avoid actual or potential conflicts between public duties and private interests.

Major Controls

A. Annual Disclosure Requirements: All Board members and employees with purchasing authority must complete an annual disclosure to identify financial interests in entities doing business with the school.

B. Anti-Corruption & Conduct Standards: Personnel are prohibited from using their position or school property for personal financial gain or to benefit a private business interest.

C. Recusal Requirements: Individuals with a potential conflict are prohibited from participating in the selection, award, or administration of activities involving that conflict.

D. Independent Approval of Administrator and Related-Party Transactions: No



individual may approve a transaction that they requested or initiated, or in which they hold a financial or personal interest. Transactions involving the School Director, Board members, or related parties require independent approval and are subject to quarterly Audit Committee review.

Procedures

1. A Conflict of Interest Disclosure Form shall be completed by all required personnel and board members at the beginning of each fiscal year (July) or upon hire/appointment.
2. Board members shall annually review the school's Conflict of Interest Policy.
3. The Records Officer shall maintain all completed disclosure forms in a secure and centralized file for audit review.
4. If a potential conflict arises during the fiscal year, the individual must submit an updated disclosure form to the School Director or Board Chair immediately.
5. Any individual identifying a conflict of interest regarding a specific vendor or transaction must formally recuse themselves from all related discussions, evaluations, and voting.
6. Employees are prohibited from accepting personal gifts or gratuities from vendors exceeding the state-mandated threshold (\$10 individually / \$50 annually).
7. Any suspected waste, misuse of public funds, or gross mismanagement must be reported immediately to the Business Administrator or Board, as protected by the Utah Protection of Public Employees Act.
8. The Audit Committee shall periodically review vendor contracts against the disclosure file to ensure no unauthorized related-party transactions have occurred.
9. The Audit Committee shall review the Related-Party Transaction Log quarterly using the Audit Committee Quarterly Review Form and shall document that each transaction had a reasonable business purpose, agrees to supporting documentation, complies with school policy and procurement requirements, and received an independent secondary approval

1200: Record Retention and Disposal (Policy 2.3)

Control Objective

To ensure that Gateway Preparatory Academy (GPA) manages, preserves, and disposes of all public records in a systematic and legal manner, complying with the **Utah Public Records Management Act** and the **Family Educational Rights and Privacy Act (FERPA)**.

Major Controls

A. Records Officer Designation and Certification: The Board shall designate a Records Officer who must complete annual certification through the Utah State Archives to remain compliant with state law.

B. Departmental Responsibility: Each department head is responsible for the identification, security, and maintenance of records within their unit according to the approved State General Retention Schedules.

C. Verification of Disposal: Records may only be destroyed after their retention period has expired and no legal holds (audits or litigation) are active.

Procedures

1. **Mandatory Training:** All department leads and staff handling sensitive data must receive annual records management training. This includes instruction on classifying records as Public, Private, Protected, or Controlled under GRAMA.
2. **Inventory Maintenance:** Each department shall maintain a "Records Inventory List" that identifies the types of records they hold (e.g., student files, vendor contracts, payroll) and their corresponding retention period.
3. **Filing and Storage:**
 - **Active Records:** Maintained in the department office for daily use.
 - **Inactive Records:** Once the "In-Office" retention period ends, records must be moved to proper digital archives designation.
 - **Digital Records Preference:** Gateway Preparatory Academy maintains a preference for digital record-keeping. Wherever permitted by state law and Utah State Archives guidelines, all public records—including student files, financial documents, and HR records—shall be archived and stored in a secure digital format to ensure long-term preservation, ease of retrieval, and physical space efficiency.
4. **Disposal and Destruction:**
 - Records containing personally identifiable information (PII) must be **cross-cut shredded** or professionally destroyed to ensure they are irretrievable.
 - Non-sensitive records may be recycled once the retention period is met.
5. **Litigation Holds:** If a lawsuit or audit is pending, the Records Officer will issue a "Litigation Hold." No records related to the matter may be destroyed, even if they have reached their retention date, until the hold is formally lifted.
6. **Public Access (GRAMA):** The Records Officer shall respond to all public record requests within **10 business days** (or 5 days for expedited requests) as required

by Utah law.

7. **Physical Security and Access Control:**

- **Secure Storage:** All physical records, especially those containing confidential or sensitive information (e.g., student files, HR records, financial documents), must be secured behind locked doors when not in active use.
- **Authorized Access:** Access to offices or storage rooms containing these records shall be strictly limited to authorized personnel only.
- **Key Control:** The Records Officer or School Director shall maintain a log of individuals with key or badge access to secure record areas.

1300: Hotline and Internal Complaint Response (Policy 2.4)

Control Objective

To establish a systematic process for the intake, investigation, and resolution of hotline complaints—whether internal or referred by the Utah State Board of Education (USBE) Internal Audit Department (IAD)—ensuring compliance with R277-123 and protecting the integrity of school operations.

Major Controls

A. Assigned Oversight: Designation of a specific administrator to manage and log all incoming complaints.

B. Documentation Standards: Minimum requirements for contact attempts and investigative record-keeping.

C. Statutory Timelines: Hard deadlines for reporting findings back to the USBE IAD (14 days for PDSTP; 45 days for general).

D. Training Verification: Mandatory annual training for all Board members and administrators.

Procedures

A. Complaint Intake and Documentation

1. **Initial Logging:** Upon receipt of a complaint, the administrator shall record the date of receipt, the IAD referral number (if applicable), the assigned investigator, and the subject of the complaint.
2. **Complainant Outreach:** If contact information is available, the school must make at least two good-faith attempts to contact the complainant.
3. **Contact Documentation:** For each attempt, staff must document:
 - Name and title of the staff member making contact.
 - Method of contact (e.g., phone, email).

- Dates and times of attempts.
- Summary of the discussion or confirmation of no response.
- The proposed or completed resolution.

B. Investigation and Privacy Protections

1. Investigation Standards: All complaints will be investigated in accordance with due process, applicable laws, and school privacy policies.
2. Confidentiality: Disclosure of allegations is strictly limited to individuals necessary for the investigation and resolution.
3. Record Retention: All documentation must be retained in a confidential administrative record subject to GRAMA and FERPA requirements.

C. Response Timelines and IAD Reporting

1. General Complaints: A summary must be submitted to the IAD within 45 days of the referral. If unresolved at 45 days, the school must provide monthly updates every 30 days until resolution.
2. PDSTP Complaints: For complaints involving Prohibited Discriminatory Submissions, Trainings, or Practices as defined in 53B-1-116 to 118 under 53G-2-103 to 105, a summary must be submitted within 14 days. Monthly updates every 30 days are required if the matter remains unresolved.
3. Submission Method: All reports to the IAD must be submitted via the IAD LEA Hotline Response Form.

2000 | Financial Planning & Reporting

2100: General Accounting Procedures (Policy 3.1)

General Ledger Activity

Control Objective

To ensure that all General Ledger entries are current, accurate, and complete.

Major Controls

A. Timeliness of Entries: All entries are made soon after the transaction, activity or underlying accounting event occurs to ensure the financial records and reporting are current.

B. Support Documentation: All entries are supported by adequate written documentation retained per Utah State Archives guidelines that clearly indicate the justification and authorization for the transaction.

C. Segregation of Duties: Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits, procurement processes, payroll processes, reconciling records, etc. should be segregated among different individuals. When full segregation of duties is not possible due to the small size and limited staffing of the school, compensating controls such as management supervision or review of financial records by independent parties must be implemented and documented.

Procedures

1. USBE Chart of Accounts (COA) Compliance
 - Standardized Coding: The Business Administrator shall ensure the school's accounting software is configured with the mandatory segments required by the USBE Uniform Chart of Accounts (COA), including Fund, Function, Location, Program, and Object codes.
 - Transaction Validation: Before finalizing monthly entries, the Business Office Assistant will verify that all expenditures—especially those related to restricted state or federal programs—are coded to the correct Program and Object codes to ensure accurate reporting on the Allotment Memo.
 - Quarterly COA Review: On a quarterly basis, the Business Administrator will review the transaction register to identify and correct any misclassified codes, ensuring that "object" and "function" allocations accurately reflect the nature of the expense (e.g., ensuring instructional supplies are not miscoded as administrative expenses).
2. Modified Accrual to Full Accrual Conversion: While monthly interim reports are maintained on a modified accrual basis for budgeting purposes, the Business Administrator is responsible for preparing year-end adjustments to convert financial data to a full accrual basis (GASB standards) for the annual audit.
3. Financial data on source documentation is verified against original documents (e.g., invoice, purchase order, etc.) by the business office assistant before entering into the accounting system.
4. All original entries in the accounting systems (e.g., cash receipts, disbursements, personnel allocations) are made soon after the accounting event from authorized forms and are prepared by the business office assistant and/or the front desk staff and reviewed afterwards by a qualified business administrator.
5. Non-recurring entries, such as for correcting entries, recording accruals, and recording non-cash transactions, are prepared as circumstances warrant and on an as needed basis.
6. Source documentation will include required quote or bid documentation; appropriate approval signatures by authorizers; date of bid, order or purchase; sufficient detail to determine item(s) purchased and quantity; and identification of the program or activity for which the goods or services were procured.

7. All journal entries shall have supported documentation that is reviewed and approved by a representative of the board (generally the audit committee) or director/principal of the school.
8. Business office personnel shall perform monthly, quarterly, and annual reviews of financial data for accuracy and proper coding (allocation) to object, function and program.
9. Business office personnel shall prepare financial reports for administration and the board on a monthly basis as required by board rule.
10. School director and other authorized signers shall review supporting documentation for transactions to ensure validity and completeness prior to signing and dating for approval.
11. The director and business office shall provide requested documents timely to the audit committee upon request.

2200: Budget Development and Monitoring (Policy 3.1)

Annual Budget

Control Objective

To effectively support the preparation of the annual budget and its periodic review.

Major Controls

A. Budget Process: The business office works with the administration and individual departments to prepare the annual operating and capital budgets. The budgets are submitted to the board for review and approval according to state required deadlines.

B. Data Integrity & Validation: The Business Administrator shall perform a line-item validation of the tentative budget against historical spending trends and known contractual obligations to ensure the accuracy, completeness, and reasonableness of all projections.

C. Administrative Spending Limit: school administration does not have the authority to spend outside of the Board-approved budget totals. Any anticipated overage in a major category must be presented to the Board as a **budget amendment** for approval prior to the expenditure being finalized.

Procedures

1. In preparation of the annual operating and capital budgets, the business office and school administration prepare preliminary budgets for review and adoption by the board.

2. The business office's role in the budgeting process is to provide the school director and the board with good information and recommendations so they can make good decisions. Where to allocate money is ultimately up to them. The business office makes reasonable assumptions regarding enrollment and fundraising, provide solid projections of revenue based on those assumptions, and project fixed expenses (rent/bond payments, insurance, etc.), and variable expenses (staffing/salaries, benefits, supplies, etc.).
3. To support the budgets and projection estimates, the business office prepares the prior year and current year-to-date financial data with projections of year-end totals.
4. In collaboration with the school director and program directors (e.g. special education director, Title I director etc) the business office collects information from all of the school departments to prepare individual restricted program budgets to incorporate into the overall budget.
5. In collaboration with the school director and program directors the business office completes the payroll/personnel tab of the budget spreadsheet. These individuals have direct knowledge of individuals working for specific programs and they help designate the employee needs working under each specific program.
6. The budgeting team must review compliance with all of the state and federal program spending requirements prior to budget creation in order to ensure that planned expenditures align with each program plan and other local policy, state and federal guidelines.
7. The business office distributes the Gateway Activity Budget Request form to all of the level leads and departments (e.g. maintenance, IT, Lunchroom, Special Education, Title I etc.). The purpose of the Budget Request form is to document and gather the direct expenditure needs of all of the individual departments.
8. All of the information collected through the Gateway Activities budget sheet is reviewed and finalized in collaboration with the school director for inclusion in the overall budget data.
9. When planning expenditures the school administration must keep in mind the Maintenance of Effort (MOE) requirements that relate to specific restricted programs (e.g. Title IA, IDEA requirements for MOE).
10. The tentative budget must be presented in a public hearing held **prior to June 1st**. Board adoption may only occur at least **15 days after** the initial hearing and following a 15-day public inspection period.
11. The tentative budget and supporting documents shall include the following items:
 - a. The revenue and expenditure of the preceding fiscal year
 - b. The estimated revenues and expenditures of the current fiscal year
 - c. A detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year.
 - d. The estimated financial condition of the charter school by funds at the close of the current fiscal year.
12. The tentative budget shall be filed with the charter school executive director for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the LEA governing board.



13. The administration and the board review the budgets submitted for completeness and reasonableness and make any changes in an open budget hearing per state law and rule.
14. The board approves and adopts budgets prior to June 30th and prior to submission to state entities.
15. The Business Office shall maintain the budget and all interim 'Budget vs. Actual' reports on a modified accrual basis.
16. Mid-year and year-end budget updates may be prepared by the business office and school administration and submitted for board approval as needed.
17. Following Board adoption (which must occur by June 30th), the Business Administrator shall file the approved budget with the Office of the State Auditor and the Utah State Board of Education (USBE) within 30 days of adoption.

2300: Financial Reporting and Board Packets (Policy 3.8)

Control Objective

To ensure the accuracy, completeness, and timeliness of financial reporting to support decision-making.

Major Controls

- A. **Schedule:** Monthly finance board reports are prepared based on a predetermined schedule in board policy.
- B. **Review and Approval:** Financial reports are reviewed for accuracy and completeness.
- C. **Audit:** The annual financial statements of the school are audited by a certified public accounting firm.

Financial Reporting Schedule

As required by USBE administrative rule R277-113, the LEA shall ensure the LEA board is provided fiscal reports on a monthly basis, regardless of the occurrence of an official board meeting. The business office is required to provide reports to the board or audit committee as delegated by the board on the following schedule.

Monthly

1. Internally generated interim income statement, including Board approved budget vs. actual data.
2. Interim balance sheet.
3. A transaction register may be submitted to audit committee only, as determined by the board.

4. Reconciliation of all bank, purchasing or credit cards, and other loan or investment accounts, shall be reviewed on a regular basis by the members of the audit committee.

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

1. Financial statements for audit, with supporting statements as needed.
2. Annual budget(s).

General Procedures

1. The business office performs monthly and quarterly review processes to properly close each month as part of reconciling financial data prior to submitting board reports.
2. The business office prepares monthly budget vs. actual financial report, balance sheet, bank statement, and reconciliation report statement for the board or audit committee each month.
3. Monthly financial reports are submitted to the board each month regardless of board meeting occurrence. The monthly financial report must be posted on the school's governance page as well as made available on the Utah public notice website.
4. The business office reconciles restricted program accounting quarterly, ensuring expenses are within the restricted program plan.
5. Restricted program reports are submitted to the administration and board quarterly. These quarterly reports are interim and may have changes throughout the year, especially prior to and upon state approval of restricted program plans in the fall.
6. The board audit committee performs a monthly review of all of the bank and purchase card transactions.
7. A member of the audit committee also performs a quarterly review of specific transactions by using the Audit Committee Quarterly Review form.
8. The school submits to an audit of its financial statements by a qualified certified public accounting firm.
9. The board and/or audit committee is responsible for procurement and selection processes for selecting an auditor.
10. The school shall submit the audited financial statements and other financial reports to state entities as required under state law.

2400: Maintenance of Effort (MOE) (Policy 3.3)

Control Objective

To ensure the School maintains a consistent level of non-federal spending for both general education (Title I) and special education (IDEA) as required by federal law and USBE guidelines.

Major Controls

A. Annual Eligibility and Compliance Testing: The Business Office must perform both a "Budget-to-Budget" eligibility test and an "Actual-to-Actual" compliance test annually for IDEA and Title I to ensure the school meets federal spending thresholds.

B. Data Integrity and Source Alignment: All MOE calculations must be derived from the school's official Annual Financial Report (AFR) and Annual Program Report (APR) to ensure that the data submitted to the USBE matches internal accounting records.

C. Documentation of Allowable Exceptions: Any reduction in Special Education spending must be supported by documentation of federal exceptions (e.g., staff turnover, student enrollment decline, or termination of costly programs) to avoid financial penalties.

Procedures

1. Annual MOE Calculation (Title I, Part A):

- By November 30th of each year, the Business Administrator shall calculate the "preceding year" expenditure total for state and local funds.
- Gateway Preparatory Academy will use the same source of state and local expenditure data that it reports to the USBE to calculate its MOE for Title I, Part A.
- Gateway Preparatory Academy will use the same student membership data that it reports to the USBE to calculate its per pupil expenditures for state and local funds.
- Gateway Preparatory Academy will compare its state and local expenditure per pupil and in the aggregate for the current fiscal year with those for the preceding fiscal year to determine if it meets the 90 percent MOE requirement for Title I, Part A.
- Gateway Preparatory Academy will provide documentation of its MOE calculation to the USBE when scheduled for a Title I monitoring visit.
- Gateway Preparatory Academy will maintain records of its state and local expenditures and student membership data for each fiscal year and make them available to the USBE upon request.
- If Gateway Preparatory Academy fails to meet the 90 percent MOE requirement for Title I, Part A, the LEA will work with the USBE to identify the reasons for the failure and develop a plan to restore its effort in the succeeding fiscal year.

- If Gateway Preparatory Academy experiences a significant decline in state and local revenues or a significant increase in student enrollment, the LEA may request a waiver of the MOE requirement from the USBE. The school may also request a waiver if there are exceptional or uncontrollable circumstances such as a natural disaster or change in organizational structure.

2. Special Education MOE (IDEA Part B):

18. The following steps are important when considering MOE:

- a. The Business Administrator, in coordination with the Special Education Director, shall perform a "Comparison Test" annually using the USBE-provided MOE worksheet.
- b. Eligibility Test: Before receiving a new IDEA award, the school must budget at least the same amount of state and local funds for special education as it spent in the most recent year for which data is available.
- c. Compliance Test: At the end of the fiscal year, the school must verify it actually spent at least the same amount of state and local funds as the previous year.
- d. The school will not be able to receive IDEA part B funds until it has met MOE eligibility. The MOE requirements help ensure that the school is expending at least a certain level of non-Federal funds for the education of students with disabilities.
- e. For purposes of meeting the eligibility for an award for a given fiscal year, the school must establish budgeted expenditures that will meet one of the four established criteria in 34 CFR §300.203(a)(1) and listed below.
- f. The school meets this standard if it does not reduce the level of expenditures for the education of children with disabilities made by the LEA from at least one of the following sources below the level of those expenditures from the same source for the preceding fiscal year, except as provided in §§ 300.204 and 300.205: (i) Local funds only; (ii) The combination of State and local funds; (iii) Local funds only on a per capita basis; or (iv) The combination of State and local funds on a per capita basis.
- g. The school may reduce its MOE obligation for budgeting or expenditures if there is an allowable exception. Allowable exceptions are those due to a) voluntary or for-cause departure of special education staff, b) decrease in enrollment of IDEA eligible children, c) termination of an exceptionally costly program for a particular child, under certain circumstances, d) termination of costly expenditures for long-term purchases, and e) assumption of cost by its SEA's high-cost fund (see 34 CFR §300.204). An LEA may reduce its budget for the education of children with disabilities if it anticipates an allowable exception in the coming school year, such as the expected retirement of a staff member. However, by reducing its budget in anticipation of an allowable exception later in the year, an LEA puts itself at risk of budgeting less than it will ultimately need to meet MOE, should the expected exception not occur.

3000 | Revenue & Asset Management

3100: USBE Revenue & Allotment Reconciliation (Policy 4.0)

Control Objective: To ensure all state-distributed funds are accurately recorded, coded, and reconciled to match the Utah State Board of Education (USBE) records.

A. Monthly Allotment Entry & Verification

1. Download Memo: On a monthly basis, the Business Office shall download the Monthly Allotment Memo from the USBE website or financial portal.
2. Line-by-Line Entry: Revenue must be entered into the accounting system to match the allotment memo exactly. Each line item must correspond to:
 - Amount: The specific dollar value distributed for that period.
 - Revenue Code: The state-defined revenue source code.
 - Program Code: The specific program/function code assigned by USBE.
3. Validation: The Business Administrator or Assistant will perform a "line-by-line" check to ensure the total deposit in the bank matches the total on the allotment memo and that no codes have been transposed.

B. Biannual Revenue Reconciliation

1. YTD Comparison: At least twice per year (typically December and June), the Business Office will perform a Year-to-Date (YTD) Revenue Reconciliation.
2. USBE Balance Match: Compare the internal General Ledger YTD totals for each state program against the USBE "Year-to-Date" totals on the most recent allotment memo.
3. Discrepancy Resolution: Any variances must be investigated and corrected via journal entry within the same fiscal quarter.

C. Reimbursable Program Management

1. Request for Reimbursement: For programs operating on a reimbursement basis (e.g., Federal IDEA, Title I, or specific State grants), the Business Office will submit reimbursement requests through the Utah Grants Management System at least biannually.
2. Documentation: Each reimbursement request must be supported by a detailed

expenditure report from the accounting system to ensure only allowable, incurred costs are claimed.

3. Time and Effort documentation must be stored by program electronically prior to submitting the reimbursement request.
4. All purchase records relating to a specific request must be stored in the program folder prior to submitting the request.

D. Additional Critical Controls

- **Final Year-End True-Up:** After the June 30th final allotment is received, a final reconciliation must be completed before the audit data is submitted to ensure the school's books perfectly mirror the state's final payout for the fiscal year.

3200: Fundraising, Donations and Boosters (Fundraising Policy)

Control Objective: To ensure that all fundraising activities at the school level must be authorized and administered by the Director/Principal within the parameters of board policy.

Procedures

1. **Approval Process:** All proposed fundraising projects must be submitted in writing to the Director for approval before any activity begins. The Director will review proposals to ensure alignment with the school's charter, applicable school policy, and state school fees requirements.
2. **Voluntary vs. Required Participation:**
 - **Voluntary Fundraising:** Participation in any fundraising activity should be strictly voluntary. No student or employee shall be coerced, and non-participation must not affect a student's grade or eligibility for participation in school programs.
 - **Required Group Fundraising:** If a fundraiser is required for a group/team, it is considered a School Fee. It must follow all approval, notice, and waiver requirements. While an LEA may limit participation in an activity for students who choose not to participate in a required group fundraiser, they may not deny membership on a team for non-participation.
3. **Prohibited Practices:**
 - **Individual Accounts:** Required individual fundraising is prohibited. Funds raised must provide a benefit to the entire group or team.
 - **Sales Quotas:** The school may not impose sales quotas or individual awards/incentives that identify the sales of individual students.
 - **Incentives:** Fundraising monies must not directly or indirectly compensate any individual teacher or employee (e.g., commissions or payments in kind).
4. **Student Safety and Well-being:** The school will promote student safety and reduce pressure by decreasing the prospect of excessive or duplicative solicitation.



Activities involving intense sales strategies or risks of personal liability will not be approved.

5. Financial Controls:

- Segregation of Funds: Fundraising monies and donations shall not be commingled with other school funds.
 - Deposits: Cash receipts and petty cash policies must be followed. All funds must be deposited into a dedicated account under the direct control of the school.
 - Donor Restrictions: School employees shall not expend fundraised funds in a manner contrary to donor restrictions or the stated fundraising purpose.
6. Charitable Purpose: Money raised for a charitable purpose is restricted to that purpose and should not be used to supplement other school programs or activities.
7. Documentation: Documentation of fundraising activities, approvals, and financial reconciliations must be maintained in accordance with the school's record-keeping protocols.

3300: Other Receivable Procedures

Accrued Receivables

Control Objective

To accurately control and record available and measurable receivables on the schools accounting records.

Major Controls

- A. The school will follow the board measurability policy, recording receivables at year end that will be received within ninety days of year end.
- B. The business office will validate receivable general ledger account balances periodically and at year end.

Procedures

- 1. The business office reviews program revenues at year end to reconcile revenues received for restricted programs to the state allotment memo reporting revenues paid under each restricted program, correcting any balance errors, and booking a receivable for any restricted program funds that are earned, measurable and available.
- 2. Per R277-113 the business office must process at a minimum two federal program reimbursements per year per program.
- 3. At year end business office personnel records receivables for uncollected student fees that the front office has determined will be collected within the measurability period.

4. Business office personnel review all receivable general ledger account detail quarterly and at year end validating the account balance and following up on any un-received amounts.
5. Business office personnel write off any un-received amounts when it is determined by the business office that the funds will not be received. The director will review and approve all written off receivables.

3400: Property and Equipment (P&E) Procedures (Policy 4.6)

Property & Equipment Acquisitions

Control Objective

To control the acquisition of P&E and completely and accurately record fixed asset acquisitions in order to safeguard fixed assets from loss.

Major Controls

- A. **P&E Acquisitions Tied to Budget:** All acquisitions of property and capital equipment are either designated in the approved budget or subsequently approved by the board.
- B. **P&E Acquisitions Based on Approved Requests:** Official approval is obtained before a P & E purchase is made. This is performed by the authorized signer reviewing and approving the *Requisition & Reimbursement Form* prepared for the item.
- C. **Internal Accounting Controls:** Fixed asset acquisitions are reconciled with capital expenditure authorizations.

Procedures

1. Capital budget requests are submitted annually for review and approval by the board
2. Authorization requests for the acquisition of fixed assets are reviewed against the capital budget and approved by the director.
3. Each item of property and equipment received is identified and tagged in a visible area on the asset.
4. Information on each tagged asset is entered in the fixed assets general ledger.

5. No fixed assets can be purchased using federal funds without proper approval from the Utah State Board of Education. Each federal funding stream has their own specific requirements on what the proper approval process looks like.

Recordkeeping Over Property & Equipment

Control Objective

To completely and accurately record fixed asset acquisitions, transfers, and dispositions on a current basis.

Major Controls

- A. **Capitalization Policies:** The school follows generally accepted accounting principles (GAAP) as applicable to special purpose business-type activity government entities. All fixed assets purchased are capitalized in the year of purchase and recorded in the general ledger. The school follows the policy of capitalizing all fixed assets purchased greater than \$5,000 per unit.

In accordance with GASB guidance, assets whose individual acquisition costs are less than the threshold for an individual asset but are significant in aggregate should be capitalized. Computers, classroom furniture, and library books are examples of asset types that may not meet the capitalization policy individually but may be significant collectively.

Groups asset purchases are generally considered to be a group of assets at one point in time, or as part of a set initiative with multiple purchases. The materiality threshold that the school has set for such group purchases is \$20,000.

- B. **Fixed Asset Classification:** Fixed assets are accounted for by the following classifications: land, building, betterment, leasehold improvements, equipment, furniture, group assets and computer hardware and software.
- C. **Complete Record of P&E Acquisition Costs:** The Pelorus Property Analysis reports contain the full history of each capital asset acquired: original acquisition cost, including any costs incurred to prepare the asset for use.

Procedures

1. Asset acquisitions, transfers, and dispositions are entered in the fixed assets general ledger on a timely basis. They are also entered in the school's inventory system including detailed information such as make, model, serial number and location or program in the school.

2. The fixed assets general ledger & the inventory system must be reconciled and reviewed annually in preparation for the annual fiscal audit. Any differences are analyzed and resolved by the business office.
3. Repairs and maintenance of existing assets, even when over the capitalization threshold, are expensed as repairs and maintenance and not recorded as capital assets.
4. Improvements or betterments that increase the value or useful life of an asset(s) are capitalized and entered in the fixed assets general ledger.

Depreciation

The school capitalizes all fixed assets when acquired, and records the historical cost of these items in the G/L. In accordance with GAAP and GASB standards as they relate to Utah charter schools, depreciation expense must be recorded in the general ledger. Gateway Preparatory Academy uses the straight-line method of depreciation over the asset's useful life per IRS guidelines.

1. The depreciation expense will be recorded in the year end statement of revenues, expenses, and changes in net assets.
2. The school shall maintain records of all federal and state government-furnished capital assets (where required) with proper program identification and segregation of property and equipment acquired through government contracts, funds or programs.
3. Program-specific capital assets are overseen and managed by program managers. For example, the special education director is responsible for oversight—labeling and periodically accounting for capital assets purchased with federal IDEA or state special education funds through disposal.
4. Capital assets that have been identified as lost, stolen, sold, inoperable, beyond reasonable repair, or destroyed shall be reported to the business office and the director. Capital assets are only properly disposed of physically and properly removed from the accounting system after approval from the director. Requests to remove lost or stolen fixed assets must be accompanied by a statement declaring the search activities undertaken for the missing item(s) as well as a police report when applicable.
5. Used capital assets (not new when purchased) may be depreciated on an accelerated schedule commensurate with the expected useful life of the used item; however, depreciation must be reasonable and fewer years than a similar item purchased new.
6. Procedures for asset disposal must comply with state or federal law or regulation where appropriate.
7. No item on the property schedule shall be disposed of or removed from the premises without prior approval from the director and a completed Asset Disposal form signed by the director.
8. Per 2CFR 200.439 and 200.313 disposal of equipment and other capital expenditures purchased using federal funding require prior written approval of the Federal agency or pass-through entity. When equipment acquired under a federal award is no longer needed for the original program, the school must follow the specific disposition

- instructions referenced in these federal rules and clarify with USBE of the next steps prior to disposing or assuming use in other programs of such equipment.
9. All Assets shall be disposed consistent with applicable regulations of any restricted funds with which they were purchased, according to state or federal regulations.
 10. Gains and losses from the sale or other disposition of property are recorded as revenue in the year in which they occur and are reflected as such on financial statements.
 11. A physical inventory of property included on the school's property schedule shall be performed on an annual basis and is reconciled to the property schedule and general ledger of the school.
 12. Assets purchased or received that cost less than the depreciation threshold will be expensed in the period purchased.

Inventory of Property & Equipment

Control Objective

To ensure that all recorded assets exist and are in use.

Major Controls

Internal Accounting Controls

1. All property and equipment are tagged when received in accordance with policy and restricted program or grant requirements with inventory logs maintained by department/program directors.
2. Each program director is required to perform at a minimum an annual physical inventory. Program director must check that inventory is being maintained and labeled according to any restricted program requirements.
3. Differences between physical inventories and amounts recorded in the control account in the accounting records are analyzed and reconciled annually.

Procedures

1. Each department (restricted programs, IT, facilities, etc.) shall maintain an inventory log of all equipment within their program or department.
2. All property and equipment acquired through government grants or contracts are assigned asset tags and logged by the program director. Program directors/coordinators update the log, including location of asset, restricted funds used and personnel assets are checked out to.
3. Other inventory over \$100 that is not consumable within one year or at a higher risk of theft, shall be asset tagged and logged by the department.
4. The business office reviews the documentation of recorded fixed assets by asset classification and reminds departments, and program directors for review on an annual basis.

5. The program directors must share the records of inventory assets and provide it to the business office and/or director for review on an annual basis.
6. The inventory of fixed assets is compared to the amounts recorded in the G/L control account. Differences are reviewed and resolved by the business office.

Disposal of Property & Equipment

Control Objective

To ensure that assets no longer in use are disposed of in accordance with existing policies.

Major Controls

- A. **Disposal Policies:** The school has adopted policies on the disposition of property and equipment.
- B. **Internal Accounting Controls**
 - (i) Use of fixed asset disposal authorization forms, *Asset Disposal Form*.
 - (ii) Disposal or transfer of fixed assets only with proper authorization.
 - (ii) Periodic count of fixed assets that is reconciled with fixed assets recorded in the control account in the general ledger.

Procedures

1. A determination is made by the school personnel as to the usefulness of a fixed asset. Note that the school is not a state agency for purposes of procurement and as such does not utilize the procedures expressly in law or rule for state agencies nor use the services of the State Division of Surplus Property.
2. The school shall dispose of surplus property in an open and fair process deemed appropriate.
3. An *Asset Disposal Form*, including a description of the asset, purpose for disposal, and methodology of disposal is prepared by the department requesting the disposal. Disposal may include the sale of the asset and require additional subsequent documentation.
4. The *Asset Disposal Form* is reviewed and signed by the director/principal prior to disposal. If necessary, the school obtains approval from the appropriate government agency for the disposition of property and equipment acquired through a government grant or contract; and for assets paid for with restricted funds as applicable prior to disposition.
5. The *Asset Disposal Form* is updated with the date of disposal, proceeds from sale (if applicable) and any supporting documentation for sale of the asset. A copy of the *Asset Disposal Form* is routed to the business office, who enters the dollar amount of the disposed fixed asset as a reduction in the fixed asset subsidiary ledger, and adjusts the control account in the G/L. The treatment of any

proceeds from the disposition, and the recognition of any gain or loss on sale of the disposed asset, is recorded in the G/L.

6. Per 2CFR 200.439 and 200.313 disposal of equipment and other capital expenditures purchased using federal funding require prior written approval of the Federal agency or pass-through entity. When equipment acquired under a federal award is no longer needed for the original program, the school must follow the specific disposition instructions referenced in these federal rules and clarify with USBE of the next steps prior to disposing or assuming use in other programs of such equipment.

4000 | Procurement, Accounts, Payable & Liabilities

4100: Procurement and Bidding (Policy 5.1)

Purchasing Procedures

1. The school utilizes procurement guidelines established in federal procurement standards (for applicable federal programs), state procurement code, state and USBE administrative rules and school policy.
2. The school selects the most responsive, responsible, and best overall value vendor to provide required materials and services and promotes open and fair competition in order to obtain the best value to the school.
3. After approval of the annual budget, the school reviews needs to discover opportunities for splitting or grouping orders to achieve maximum value to the School, including volume discounts; however, the School shall not violate the Utah Procurement Code when splitting or combining orders.
4. When approving *Requisition & Reimbursement Forms*, the school director and designated approvers identify minimum or appropriate needs and ensure that all required documentation is included (see below for list of requirements).
5. Subject to 2CFR 200 and as detailed below the school may not procure a capital asset exceeding \$5,000 without obtaining a written approval of the Federal agency or pass-through entity (e.g. USBE in most cases).
6. Reimbursements shall be submitted timely with all required documentation in order to be processed for reimbursement to employees or volunteers. Reimbursements submitted post 90 days from the date of the receipt may not be reimbursed and processed by the business office.

Processing Requisition & Reimbursement Forms

1. *Requisition & Reimbursement Forms* are generated by the person requesting permission to make a purchase.
2. The *Requisition & Reimbursement Form* must include the following:
 - a) The name and contact information of the person making the request.

- b) A description and quantity of the items to be ordered.
 - c) A statement justifying the purchase (identify the need—the purpose of the procurement).
 - d) A cost estimate with supporting documentation attached (e.g. quote, phone quote sheet, Internet print out, etc.).
 - e) Supporting documentation for additional required quotes, bids, RFP as specified in school fiscal policy.
 - f) The required delivery information.
 - g) Identify the restricted or unrestricted program being utilized (e.g. IDEA, Land Trust etc.).
 - h) Identify the school level budget being utilized (e.g. SpEd, PTO, athletic clubs, classroom budget, etc.).
3. The requesting person presents the *Requisition & Reimbursement Form*, and all required supporting documentation to the director (or designee) for review and approval. Procurements of goods or services for a restricted program must be approved by either the program director or school director to ensure the expense is necessary, reasonable, and allowable under restricted program rules.
 4. When approving *Requisition & Reimbursement Forms*, dual approval is required: both the School Director and a designated secondary administrative approver must review and authorize the form to ensure minimum/appropriate needs are met and all required documentation is included. The two approvals must be provided by two different individuals, and neither approver may be the person who requested or initiated the purchase or who personally benefits from it. For a purchase requested or initiated by the School Director, the second approver shall be the Board Chair, the Board Treasurer, or a Board-designated Audit Committee member, and may not be a school employee. Refer to the routing table under “Dual Approval and Independent Review of Purchases” below.
 5. 2CFR.200.313 and 2CFR200.439 require that purchases using federal funds of a single item of more than \$5,000 and that meets the definition of a capital expenditure must have prior written approval of the Federal agency or pass through entity (e.g. USBE). The written approval must be attached to the procurement documentation prior to the purchase being placed.
 6. Approved *Requisition & Reimbursement Forms* are forwarded to the business office or designated procurement staff.
 7. Teacher Materials and Supplies Funding purchases:
 - a. Teachers are approved for and allocated teacher classroom supply funds per full-time equivalent (FTE) or classroom annually, and as appropriated by the legislature.

- b. These funds are appropriated and tracked for each qualifying teacher using the Class Wallet platform. The funds must be made available by August 15 of each school year.
 - c. The expenditure must directly support classroom instruction, student engagement, or behavior management strategies aligned with the school's educational mission. Incentives must be tied to a defined academic or instructional objective.
 - d. All food or beverage items provided to students during the school day must comply with the school's Local Wellness Policy, including USDA Smart Snacks in Schools guidelines. Food that does not meet these standards may not be offered during the instructional day unless used solely for non-consumption educational purposes (e.g., science experiments or engineering activities using candy or snacks).
 - e. Teachers shall take into account potential allergy risks, dietary sensitivities, and parental concerns before offering food-based incentives. Alternative non-food rewards are recommended in settings where food allergies are present.
 - f. The school director shall approve all Class Wallet transactions prior to Class Wallet reimbursement. A Requisition & Reimbursement Form is not required in these cases; however, teacher receipts and request approval reports from the Class Wallet system must be printed and filed with the accounting records.
8. Personnel ordering or purchasing items shall attach order confirmation and receipt of payment documentation and forward to the business office.

Dual Approval and Independent Review of Purchases

1. Every purchase, reimbursement, and card transaction requires approval by an independent approver - a person who did not request, initiate, or prepare the transaction, does not personally benefit from it, is not a relative or direct subordinate of the requester, and holds no interest in the vendor.

2. Approvals shall be routed as follows:

Purchase requested or initiated by	First approval	Independent (second) approval
Teacher, staff member, or volunteer	Program Director, level lead, or direct supervisor	School Director or designated administrative approver
Program Director or department lead	School Director	Business Administrator or designated administrative approver
School Director	Business Administrator — verifies documentation,	Board Chair, Board Treasurer, or Board-designated Audit

	coding, and budget availability	Committee member. May NOT be a school employee.
Board member	School Director	Board Chair or Board Treasurer — not the requesting member

3. The approver shall confirm and evidence on the form that the expenditure: (a) serves a reasonable and documented business purpose; (b) agrees to the attached supporting documentation; (c) is within the approved budget and any restricted program requirements; and (d) meets the quote, bid, and threshold requirements of these procedures.

4. Both approvals shall be evidenced by signature and date on the Requisition & Reimbursement Form, or by documented electronic approval retained in the accounting system, and filed with the procurement documentation.

Documenting Bids and Quotations

1. The purchasing employee may request bids or quotations verbally on transactions not expected to exceed \$5,000. These verbal bids must be documented using the *Phone Quotes Form* for audit purposes (the competitive verbal bids must be written down by the purchaser including the date, whom/what site(s) were contacted/visited, pertinent details such as the item info and price, etc.) and in writing for transactions between \$5,000 and \$50,000. Purchases over \$50,000 may require an RFP and paperwork shall be consistent with school policy, state procurement code, and USBE admin rule requirements.
2. Purchase of a single item in excess of \$5,000 requires a minimum of two competitive quotes.
3. Purchase of a group of items in excess of \$10,000 requires a minimum of two competitive quotes.
4. For all other purchases refer to board approved policy, state code, USBE administrative rules, and individual federal grant requirements. Program directors shall have an understanding of specific program requirements and ensure purchases are within those requirements when approving requisition forms.
5. Sole source determination letter, awards not awarded to the lowest quote and other selection criteria analysis shall be properly documented and attached to the approved procurement document package.
6. Phone quotes require the use of the *Phone Quotes Form*, documenting the date, vendor, person(s) providing quotes, contact information, delivery, etc. Attach the *Phone Quote Form*, to the final procurement documentation.

Negotiation and Award

1. Award may be made to other than the low bidder in circumstances where the higher bid demonstrates a best value to the school. In such situations, the

requesting employee shall prepare a justification statement for any award that requires multiple bids or other procurement process, furnishing a brief explanation of the criteria leading to such a decision.

Receipt of procured items

1. All items procured must be delivered to the school's address.
2. Packages should be received and opened by staff who are independent from the ordering process.
3. All items should be accounted for and packing slips or shipping confirmations should be reviewed by the requesting employee. Any discrepancies should be addressed with the business office or purchasing employee.
4. All items purchased with restricted funds or other funds that require inventory tracking shall be labeled with asset tags and added to the school's inventory list as required by the grants that identify the grant source (Land Trust, Digital Teaching and Learning, Special Education, Title I, II, III, etc.).

School Lunch Program Procedures

The plan for procuring items for use in the Child Nutrition Program is as follows. These procurement procedures maximize full and open competition, transparency in transactions, comparability, and documentation of all procurement activities. Gateway Preparatory Academy assures that positive efforts will be made to involve small and minority businesses, women's business enterprises, and labor surplus area firms [2 CFR 200.321].

1. All procurement activities will be made in accordance with 2 CFR 200; the State of Utah Procurement Code 63G-6a; and Utah Administrative Code Title R33. The most restrictive principles will be applied when conflicts in requirements exist.
 - a. If the amount of the purchase is more than 50,000 formal procurement procedures will be used.
 - b. Informal procurement procedures (small purchase) will be required for purchases under the most restrictive small purchase threshold as defined in Title R33 or school fiscal policy approved threshold if less:
 - i. The "Individual Procurement Item" threshold is a maximum amount 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.
 - ii. The single procurement aggregate threshold is a maximum amount of **\$10,000** for multiple procurement item(s) (each item must be \$5,000 or less), that are purchased from one source at one time; and
 - iii. The annual cumulative threshold from the same source is a maximum amount of \$50,000
2. It will be the responsibility of the lunchroom director 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 \$50,000.

B. When a formal procurement method is required, the following *COMPETITIVE SEALED BID in the form of an Invitation for Bid or COMPETITIVE PROPOSAL in the form of a Request for Proposal (RFP)* procedures will apply:

1. An announcement of an **Invitation for Bid (IFB) or a Request for Proposal (RFP)** will be placed on the 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 to publicize the intent of the school to purchase needed items.
2. An advertisement is required for all purchases over the district's small purchase threshold of \$50,000. The announcement will contain a:
 - a. general description of items to be purchased.
 - b. deadline for submission of questions and the date written responses will be provided including addenda to bid specifications, terms and conditions as needed.
 - c. date of pre-bid meeting, if provided, and if attendance is a requirement for bid award.
 - d. deadline for submission of sealed bids or proposals, and
 - e. address of location where complete specifications and bid forms may be obtained.
3. The developer of written specifications or descriptions for procurements will be prohibited from submitting bids or proposals for such products or services.
4. The IFB or RFP will clearly define the purchase conditions. The following list includes requirements to be addressed in the procurement, as applicable:
 - a) Contract period
 - b) LEA is responsible for all contracts awarded (statement)
 - c) Date, time, and location of IFB/RFP opening
 - d) How vendor is to be informed of bid acceptance or rejection
 - e) Delivery schedule
 - f) Set forth requirements (terms and conditions) which bidder must fulfill in order for the bid to be evaluated
 - g) Buy American Provision requirements
 - h) Benefits to which the School Food Authority will be entitled if the contractor cannot or will not perform as required
 - i) Statement regarding the return of purchase incentives, discounts, rebates, and credits to the LEA's non-profit Child Nutrition account
 - j) Contract provisions as required in Appendix II to 2 CFR 200
 - k) Procuring instrument to be used are purchase orders from firm fixed prices after formal bidding
 - l) Price adjustment clause (tied to an appropriate) (Consumer price index, or other as stated in terms and conditions for pricing and price adjustments)

- m) Specific bid protest procedures
 - n) Provision requiring access by duly authorized representatives of the school, State Agency, United State Department of Agriculture, or Comptroller General to any books, documents, papers and records of the contract which are directly pertinent to all negotiated contracts
 - o) Method of shipment or delivery upon contract award
 - p) 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
 - q) Description of process for enabling vendors to receive or pick up orders upon contract award
 - r) 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)
 - s) Signed statement of non-collusion
 - t) Signed Debarment/Suspension Certificate or statement included in contract or copy of Excluded Parties List System (EPLS).
5. 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 [2 CFR 200.319(6)]
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 lunchroom director and date specified.
- a) The lunchroom director will be responsible for ensuring all SFA procurements are conducted in compliance with applicable Federal, State, and local procurement regulations.
 - b) The following criteria will be used in awarding contracts as a result of bids/proposals.
 - i. Price
 - ii. (Ex.: quality, delivery, service, etc.)
 - iii. Other criteria as applicable to the type of purchase
7. In awarding an RFP, a set of award criterion 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 evaluation and negotiations a firm fixed price or cost reimbursable contract is awarded.
- a) The contracts will be awarded to the responsible bidder/proposer whose bid or proposal is responsive to the invitation and is most advantageous to the school, price as the primary and other factors considered. Any and all bids or proposals may be rejected in accordance with law.
 - b) The food service director 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.

- c) The food service director will be reviewing the procurement system to ensure compliance with applicable laws.
 - d) The food service director is responsible for documentation that the actual product specified is received.
 - e) Any time an accepted item is not available, the food service director will select the acceptable alternative. The contractor must inform the food service director when a product is not available. In the event a non-domestic agricultural product is to be provided to the school, the contractor must obtain, in advance, the written approval of the product. The food service director must comply with the Buy American Provision.
 - f) 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 person responsible for this documentation is the food service director.
 - g) The food service director is responsible for maintaining all procurement documentation.
 - h) The food service director must supply a copy of the procurement documentation to the business office.
- C. If the amount of purchases for items is less than the school's small purchase threshold, the following, **small purchasing procedures, including quotes**, will be used **as outlined in Utah State Administrative Code Title R33**. Quotes from an adequate number of qualified sources will be required.
- 1. Product written and/or verbal detailed specifications will be prepared and provided to the vendor. When specifying a "brand name" an "equal" product must be allowed to be offered [2 CFR 200.319(6)].
 - 2. 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.
 - 3. The food service director will be responsible for contacting potential vendors when price quotes are needed.
 - 4. The price quotes will receive appropriate confidentiality before award.
 - 5. Quotes will be awarded by the food service director. Quotes awarded will be to the lowest and best quote based upon quality, service availability, price, Buy American Provision requirements, as applicable, and other specified criteria.
 - 6. The food service director and business administrator will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and **written specifications**.
 - 7. The food service director will be responsible for documentation that the actual product specified is received.

8. Any time an accepted item is not available, the food service director will select the acceptable alternate. Full documentation will be made available as to the selection of the acceptable item.

9. Bids will be awarded on the following criteria:

- a. *Price (must be Primary Factor)*
- b. Ex.: quality, delivery, service, etc.)
- c. Other criteria as necessary.

10. The food service director is required to sign all quote tabulations, signifying a review and approval of the selections.

D. 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:

1. If the cost exceeds the school's small purchase threshold the non-competitive proposal (sole source) must be publicly posted.
2. Written Specifications will be prepared and provided to the vendor.
3. The food service director 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.
4. The food service director will be responsible for documentation that the actual product or service specified was received.
5. The food service director will be responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive proposals are met.
6. A record of non-competitive negotiation purchase shall be maintained by food service director and business administrator. The record of non-competitive purchases shall include, at a minimum, the following:
 - a. item name
 - b. dollar amount
 - c. vendor, and
 - d. reason for non-competitive procurement
6. The food service director will approve, in advance, all procurements that result from non-competitive negotiations.

E. Emergency or "Pressing Need" Purchases

1). If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase must be authorized using a Requisition/Reimbursement form signed by the school director. The following emergency procedures shall be followed. All emergency procurements shall be approved by school director. At a minimum, the following emergency procurement procedures shall be documented:

- a. item name
- b. dollar amount
- c. vendor, and
- d. reason for emergency

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

- a) Written rationale for the method of procurement;
- b) A copy of the original solicitation;
- c) The selection of contract type;
- d) The bidding and negotiation history and working papers;
- e) The basis for contractor selection;
- f) Approval from the State agency to support a lack of competition when competitive bids or offers are not obtained;
- g) The basis for award cost or price;
- h) The terms and conditions of the contract;
- i) Any changes to the contract and negotiation history;
- j) Billing and payment records;
- k) A history of any contractor claims; and
- l) A history of any contractor breaches.

3). Where the school director requests or initiates an emergency procurement, the director shall notify the Board Chair and the Business Administrator in writing no later than the next business day. The emergency procurement shall be ratified in writing by the Board Chair, or by the Board at its next regular meeting, and the ratification attached to the procurement documentation.

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

1. No employee, officer or agent shall participate in the selection or 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:



- a. The employee, officer or agent;
 - b. Any member of the immediate family;
 - c. His or her partner;
 - d. An organization which employs or is about to employ one of the above.
2. 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.
3. Penalties for violation of the standards of code of conduct of the School Child Nutrition Program may result in the following:
 - a. Reprimand by Board of Education;
 - b. Dismissal by Board of Education;
 - c. Any legal action necessary.

Petty Cash Purchasing Procedures

1. Gateway Preparatory Academy may maintain a petty cash fund with a balance of up to \$250, which will be maintained and secured in a locked safe in the school office.
2. Designated school personnel maintain a log of all disbursements made from the petty cash fund. No disbursements will be greater than \$150.
3. No more than two (2) petty cash funds may be established by the school, not to exceed \$500 in total.
4. All purchases made with petty cash funds are required to follow the purchasing procedures above.
5. A signed *Requisition & Reimbursement Form* and the related receipts for items procured with petty cash will be turned in to the business office.
6. When the fund needs to be replenished, designated school personnel must request the funds by submitting a signed *Requisition & Reimbursement Form* to the business office.
7. Petty cash accounts are listed (recorded) on the school's balance sheet as a cash account.
8. All petty cash funds are balanced periodically by the steward of the petty cash fund and the business office.
9. The business office must reconcile the petty cash fund to the general ledger account on a monthly basis.

School Sponsored Activity Purchasing Procedures

1. School personnel or volunteers overseeing activities will follow all school procurement procedures, including but not limited to properly identifying activity

expenses on *Requisition and Reimbursement Forms*, obtaining required approvals prior to making purchases and submitting forms and documentation to the business office timely.

2. School personnel or volunteers overseeing activities at the school shall monitor their activity budget prior to making purchases to ensure funds are not spent in excess of the budget and/or raised funds.
3. Business office personnel shall allocate revenues and expenses to activities as reported on requisition forms, compensation agreements and other forms, and receipt of school fees and fundraising as documented on deposit and merchant account logs.

4200: Accounts Payable and Disbursements (Policy 5.4)

Accounts Payable

1. Invoices received by mail shall be opened by the front office or business office. Mail opened by the front office shall be promptly forwarded to the business office for processing. Any past due invoices shall be reported to the director/principal.
2. The business office compares invoices to approved Requisition & Reimbursement Forms and supporting documentation confirming invoice accuracy.
3. The invoice is reviewed for:
 - (i) The nature, quality, and quantity of goods ordered and the related price.
 - (ii) Accuracy of all arithmetic calculations and extensions.
 - (iii) Proper general ledger account coding.
4. All invoices are recorded and processed for payment on a timely basis for authorized purchases.
5. The individual assigned to record invoices in the system is the business office assistant. The business manager shall perform a regular review all invoices for accuracy of payment and proper chart of account coding.
6. When a transaction is complete and payment is approved as due by the purchaser, a pre-numbered check or authorized electronic payment is prepared by the business office who attaches all supporting documentation: (e.g. vendor invoice, purchase order, *Requisition & Reimbursement Form*, quotes, etc.) and submits the package to the designated approvers for approval.

7. All invoices submitted for signature will include approvals for payment, expense account(s) charged, check number and date of payment, which may be documented on the check stub prepared by the accounting system.
8. Each disbursement shall require two (2) signatures to be authorized for payment, which includes two (2) signatures on the Requisition/Reimbursement Form and the transmittal instrument (wire transfer, check, etc.) The two signatures must be provided by two different individuals, at least one of whom is an independent approver. No individual may sign as both approvers, and no individual may approve a disbursement that he or she requested, initiated, or personally benefits from.
9. Prior to release of any check run or batch of electronic payments, two authorized signers shall review the payment register/summary against the approved Requisition & Reimbursement Forms and supporting invoices, and shall sign or electronically approve the register to evidence that review. The signed register shall be retained with the disbursement records.
10. All check/ach payment processing procedures listed above apply to this section.
11. All supporting documents including the check stub or check summary indicating payment are attached to the package and filed by business office assistant.
12. On a periodic basis, cash disbursement records are matched against accounts payable/open invoice files for any discrepancies or outstanding transactions.
13. Debit balances in the account's ledger are resolved appropriately (e.g., an offset against other amounts due the vendor, requesting payment from the vendor, etc.)
14. Reconciliation of source data and general ledger accounts is performed periodically to ascertain the accuracy of accounts payable entries.

Documenting Purchases (Vendor Documentation)

The business office establishes all vendors within the accounting system upon initial use of the vendor. The director and business office shall approve all new vendors. An approved Requisition & Reimbursement Form prior to purchase suffices as an approval of the vendor where an agreement with the vendor is not available. Proper vendor documentation (e.g., W-9, proof of insurance, service contract, vendor discounts, etc. as applicable) must be maintained in the active vendor files. Required documents shall be on file prior to vendor payments being made to the vendor.

Travel Expense Reimbursement Procedures

1. Gateway Preparatory Academy pays only for authorized travel expenses as approved by the school director or designated employee. Travel requested by the school director-including registration, lodging, transportation, mileage, and meal reimbursement-shall be approved in advance and again upon completion by the Board Chair or the Board Treasurer, and may not be approved by a school employee.

2. A *Requisition & Reimbursement Form* must be completed and approved prior to travel. The form must include a statement about the purpose of the travel, details on the date and time of travel, and other travel arrangement needs.
3. When feasible a travel or a meeting agenda or registration email must be attached to the requisition form. If not available in advance, this should be submitted after attending the meeting.
4. Mileage reimbursements for travel over 45 miles roundtrip will be paid at the board approved rate as specified in the employee handbook and/or fiscal policy.
5. When traveling over 100 miles roundtrip, renting a car is typically more economical and is preferred. For travel exceeding 150 miles, car rental is required, and mileage reimbursement may not otherwise be made.
6. Reimbursement for meals shall follow the school's policy for per meal limits as outlined in the Employee Handbook. Meal reimbursement will not be paid for meals that are otherwise included in the registration cost of any conference, meeting, travel accommodation, or event associated with approved travel.
7. Parking fees and required tolls paid for travel are allowable for reimbursement with receipts.
8. Upon the completion of the travel, the employee must submit all related travel receipts and documentation to the business office. The Mileage & Fuel Log Reimbursement form must be used for approved trips. The Meal Reimbursement form must be used to be reimbursed for eligible related to a pre-approved travel request.
9. The business office issues reimbursement for travel after reviewing the submitted travel requests and in accordance with approved travel allowances for mileage, meals and lodging consistent with this policy. The business office issues travel reimbursement only after a copy of the meeting agenda has been provided with the reimbursement forms.
10. The school shall not reimburse employees or volunteers for moving violations or parking tickets.
11. The board, administration, and other authorized department employees may on occasion have business lunches or dinners for school-related purposes. These business meals are not travel and as such are not considered a travel expense. Non-travel-related meals must be made within board approved budget and authorized in advance by the school director. A meeting summary or agenda should accompany the purchasing records.

Prepaid Items

1. Vendor invoices are reviewed by the business office to identify all required prepayments.
2. For recording of prepaid items, the transaction is coded to reflect the appropriate portion of the payment representing the prepaid portion.
3. For prepaid items with a long-term payment schedule, an amortization schedule is prepared to reflect the incurring of an expense for prepaid items.

4. A standard journal entry or invoice is prepared by the business office, if applicable to record the expense periodically (monthly, quarterly, annually etc.).
5. The business office shall review the general ledger prepaid accounts on a regular basis.

Cash Disbursements

Control Objective

To disburse cash for authorized purposes only and record cash disbursements completely, accurately and within the correct period.

Major Controls

A. Cash Disbursements

All cash disbursements shall be made consistent with state law, administrative rules, and Gateway Preparatory Academy Fiscal Policies.

B. Internal Accounting Controls

1. All school personnel and volunteers will receive annual training on procurement processes relevant to their duties. In addition to those with ongoing procurement duties, this typically includes teachers making purchases with classroom funds or other approved budgets, parent organization members, activity leads or coaches, etc.
2. The business office and director/principal shall monitor compliance with procurement procedures, address non-compliance and provide retraining where needed.
3. No school employee is authorized to pay employees or vendors with cash, except (for vendors only) from properly authorized petty cash funds.
4. The school shall incorporate a banking system that requires approval on all ACH, Wire transfers, and electronic checks in order for the payments to be made.
5. Business office personnel will issue regular ongoing disbursement of funds by electronic payment or issuance of a check. Electronic payments are preferred and where an ACH or electronic payment option is not offered by the vendor the business office personnel may issue a paper check.
6. To ensure segregation of duties, no single employee and/or board member of the school can initiate and approve a single transaction. As such the bank master user account and login information resides with authorized bank personnel and no representative of the school can have access to such account.
7. The business office personnel shall be given authority to initiate electronic and /or paper check transactions, but they are not permitted to authorize or sign electronic transactions or paper checks.
8. The director, board chair, and another onsite board authorized signer can approve electronic transactions and are authorized signers on the school's bank account. A signer may not approve a transaction that he or she requested,

- initiated, or personally benefits from. Electronic transactions initiated by or benefiting the director shall be approved by the board chair, the board treasurer, or another authorized board signer.
9. Recurring transactions for regular and approved charges (e.g., benefit payments, tax payments, utility bills etc.) can be approved once on the positive pay approved vendor list and not each time a transaction occurs. Signed invoice records are in place for such transactions.
 10. The school shall use only special high security pre-numbered paper checks.
 11. Check stock will be kept in a secured location by the business office.
 12. All voided checks should be properly mutilated and retained in the business office.
 13. Under no circumstance may the school issue a blank check, issue a check that is signed only (for completion of Payee and the Amount written in later), issue a check made out to "Cash" or otherwise fail to write a check to a specific Payee for authorized disbursement purposes.
 14. Disbursements shall be recorded and issued directly from the accounting system. The director shall only issue disbursements in rare extreme circumstances necessary in order to avoid the interruption of programs and/or services.
 15. Disbursement records shall be reconciled with accounts payable/open invoice files.
 16. Bank statements shall be reconciled to cash accounts and verified by the business office on a monthly basis.
 17. Purchasing Card (P-Card) or credit card statements shall be reconciled against credit/p-card accounts and any outstanding transactions verified by the business office on a monthly basis and reviewed by the audit committee and/or the director/principal. The person reviewing the P-Card statements, shall receive an original copy of the card statement not by business office personnel but by a school authorized signatory or direct access to the school's US Bank account statements. The director's card statement and reconciliation shall be reviewed and signed by the audit committee, the board chair, or the board treasurer. The director can review and sign all of the other users' p-card statements.
 18. Payment verification documentation should be attached to the original source documentation for record keeping and to prevent resubmission for payment. Where possible, payment verification documentation must show an electronic signature of the school's authorized signers.
 19. Detailed comparison of actual vs. budget disbursements should happen on a periodic basis and any discrepancies included in the monthly budget reports to the director and the board.
 20. Separation of duties to the extent possible for an organization the size of the school.
 21. Bank statements and reconciliations are reviewed and signed by audit committee representative(s) on a monthly basis. In the event that no member of the audit committee is present, the director/principal may review and sign such records in

a given month. The person reviewing the statements, shall receive an original copy of the bank statement by a school authorized signatory.

22. The school's banking system must allow access for positive pay services for all checks clearing the bank account.

5000 | Banking & Cash Management

5100: Cash Receipts and Daily Deposits (Policy 4.5)

Cash Receipts

Control Objective

To record cash receipts including currency, coin, checks, electronic funds, ACH transactions, and credit card transactions completely and accurately and to prevent misuse, theft, or diversion of cash assets.

Major Controls

A. Cash Receipts Procedures

Gateway Preparatory Academy has internal control systems in place to monitor cash receipts, and ensure that deposits are made in a timely manner (within 3 banking business days per Utah Code). The school also uses electronic fund transfers where possible to accelerate deposits.

B. Internal Accounting Controls

1. All school personnel and volunteers with cash receipting job duties, will receive annual training on Cash Receipts Procedures relevant to their duties.
2. The business office and director/principal shall monitor compliance with cash receipt procedures, address non-compliance and provide retraining where needed.
3. Whenever feasible, receipting of funds at the school should be done at the front office in the presence of two staff members at the time of the receipt. Except upon prior approval by the board or the director, receipting may not be performed in other offices, classrooms or in unapproved locations. Cash receipting in the lunchroom may be allowed upon director/principal approval.
4. All cash shall be secured, and access limited to those authorized for access.
5. Employees shall instruct payers to take all cash, checks, and credit card transactions to the front desk for receipt.
6. Provisions shall be made for cash receipt/collection at approved activities or functions for which front office cash collection is unreasonable.
7. Opening and sorting of mail is assigned to a front office employee with responsibilities independent of access to accounts receivable or cash accounts.

8. Listed receipts and credits are compared to accounts receivable and bank deposits by the business office.
9. All checks received must be exclusively made payable to the school (no two-party checks) and restrictively endorsed immediately. Checks written to other parties may not be signed over to the school.
10. The school shall not cash a check for any individual, accept IOUs nor loan money in any form to any person or entity, including employees.

Front Office Cash Procedures

Credit Card Receipting Procedures

1. Credit card merchant account(s) for receipt of funds shall be approved by the board.
2. Only front office personnel and the director shall have the authority and access to reverse credit card transactions (issue refunds or credits). No other outgoing transactions shall be permitted through any merchant account.
3. Credit Card payments may only be made through the school's website, a director approved contracted third-party merchant processor website, or at the front office.
4. Credit Card payments may be made outside of regular school hours (e.g. at after school activities) only if authorized school personnel is present to properly process payments.
5. All credit card receipts shall be recorded in the accounting system by office personnel and shall include transaction details identifying the specific fee or activity being paid for, by payee, and by item paid (line item detail).
6. Front office staff shall forward the reconciled credit card receipt register to the business office for periodic reconciliation with deposit records.

Cash and Check Handling Procedures

1. Cash receipts (cash and checks) are received and sorted by front office personnel only. Business office personnel or individual teachers cannot receive cash or checks.
2. Receipting should take place late enough into the day to accommodate the majority of students and parents but not so late that receipts cannot be prepared in time to get to the bank that day.
3. All funds given to the school for any reason, including cash collected at school-sponsored activities, will be recorded in the appropriate Payment code in Pelorus and reflected on the *Pelorus Payment Register* and posted to student accounts by separate front office personnel where possible.
4. All checks received must be made payable to the school and endorsed immediately by front office personnel with a "Deposit Only to the Gateway Account" stamp. No checks may be accepted that have been "signed over" to the school. All checks must be originally made payable to the school.

5. Cash and checks shall be counted separately by two independent front office personnel and reconciled with the *Pelorus Payment Register*. Both personnel must sign the *Pelorus Payment Register* certifying that the cash/checks received match register. Any discrepancies shall be resolved or reported to the director and business office in the event they cannot be resolved.
6. All cash must be securely stored onsite until taken to the bank for deposit. Cash shall never be kept in unsecured locations (unlocked drawers, vehicles, etc.).
7. Deposits are made at least every 3 banking days (72 hours) in compliance with Utah Code 51-4-2(2)(a). Funds shall be deposited daily when funds exceed \$5,000. If deposits are made other than daily, pending deposits shall be maintained in a secure location with limited access at all times.
8. Deposit receipts, deposit slips and other internal records, including the *Pelorus Payment Register* tracked by office or lunch personnel, are forwarded to the business office.
9. The front office personnel or lunchroom personnel entering electronic payments, shall submit a detailed report to the business office to store with the deposit records.

Purchasing Cards (P-Cards), Credit and Debit Cards

Purchase cards and school bus driver fuel credit cards may only be issued with board authorization. Employees who are approved for any credit account(s) are required to comply with all requirements of the purchasing procedures above, including but not limited to required approvals, requisitions forms, documentation, and procurement requirements.

1. The school shall utilize the State Purchasing Card program for purchasing where possible in order to take advantage of the associated rebate program. Federal programs may require allocation of the rebate back to the program when purchases were made with the P-Card. The business office shall ensure the allocation is made at the time of booking the rebate.
2. The business office shall ensure that all account holders receive annual training on relevant procurement and card holder procedures.
3. Account holders shall sign agreement that states they have been trained on and will follow procurement and cardholder procedures and that not doing so will result in the revocation of the card.
4. The director/principal shall ensure that all account holders reconcile accounts monthly or as often as statements are made available.
5. Cardholders who have repeated occurrences of "missing receipts" or timeliness issues with monthly reconciliation may have their card revoked and may be subject to further disciplinary action. The director/principal (or others) may not authorize the continued use of cards by cardholders who do not follow this policy and established procedures.



State Purchasing Cards (P-Cards)

1. State purchasing card (P-Card) holders will follow all rules established by the state P-Card Agreement, as well as school fiscal policies and procedures, including but not limited to purchasing and tax-exempt policies and procedures.
2. P-Cards are issued to individual employees, who are the only authorized users of the card per state purchasing card agreement.
3. Account holders may make approved purchases on behalf of other school employees or volunteers, but P-Cards may not be checked out for use by other staff members.
4. P-Card holders must log all transactions as they take place on a *P-Card Log*. An electronic log from the accounting system is acceptable and has been considered acceptable by both USBE internal audit and Division of purchasing, however, each card holder must sign and review the accounting system P Card log on a monthly basis.
5. Requisition forms, receipts and other required documentation for purchases made with the P-Card shall be turned in to the business office immediately after the order or purchase occurs and after being listed on the log to facilitate accurate timely recording of transactions in the accounting system. Failure to do so may result in the card being revoked for use.
6. The cardholder shall reconcile the log to the statement each month and have supervisor review and sign these documents. For the School Director, the supervisor signing the statement shall be the Board Chair, the Board Treasurer, or a Board-designated Audit Committee member.

Bus Fuel Credit Cards

1. The school shall issue fuel cards for each bus driver to use and upon board approval.
2. The school shall establish card accounts with the State of Utah fuel program.
3. The business office shall review and pay the fuel invoices on a timely basis and review these invoices for accuracy.

Peer-to-Peer (P2P) Payment Applications

Control Objective

To establish internal controls over the use of Peer-to-Peer (P2P) payment applications, ensuring compliance with Utah State law, preventing misuse, fraud, and commingling of public and personal funds, and maintaining financial transparency.

Major Controls

1. Documentation must be maintained for authorization of users, daily deposits, monthly reconciliations, and periodic reviews/audits.
2. P2P applications must be board-approved and registered in the name of Gateway Preparatory Academy.

3. The Business Administrator and School Director are responsible for oversight, reconciliation, and compliance.
4. Board-approved P2P applications must be reviewed periodically to ensure compliance and effectiveness.
5. All P2P transactions must be transferred daily into the designated school's depository account.
6. Separation of duties must be maintained, ensuring no single individual can initiate, approve, and reconcile transactions.

Procedures

A. Authorization and Use

1. Only school board-approved P2P applications (e.g., Venmo, PayPal, Cash App, Apple Pay) may be used for school transactions.
2. P2P accounts must be registered in the school's name and linked to a school-owned bank account.
3. The main checking account where the majority of the funds are stored should not be the account linked to this payment system.
4. Personal P2P accounts are strictly prohibited for school-related transactions by Utah Code 10-6-146.
5. The Business Administrator and School Director are responsible for oversight of P2P account activity per Utah Code 51-7-15.
6. **Authorized users** must be designated by the School Director or other board authorized approver and must have written approval documented and maintained.
7. Authorized users cannot be Business Office Personnel or personnel that have direct access to the school's financial records.
8. Authorized users must be official volunteers or employees of the school who are ensured by Risk Management.
9. An authorized user list must be reviewed every year and users no longer serving in that capacity must be removed from the list.

B. Fund Management & Reconciliation

1. Daily deposit reports must be maintained for all P2P transactions and reconciled with financial reports.
2. The daily deposit reports must have sufficient detail as outlined in the cash receipt procedures.
3. P2P application balances must be transferred daily to the school's designated depository account.
4. **Monthly reconciliations** must be performed by the **Business Administrator** per **Utah Code 17-24-11**, with supporting documentation retained for **audit and compliance purposes**.
5. Transactions must be properly classified and recorded in the accounting system following the FY25 Uniform Chart of Accounts.

6. A monthly reconciliation review shall be conducted by the Audit Committee.
7. Payments in excess of \$2,000 per transaction may not be made via P2P platforms and must be made via the school's electronic card system or a direct check.

C. Separation of Duties & Internal Controls

1. No single individual shall have authority over initiating, approving, and reconciling transactions.
2. All payments shall follow the same approval and budget authorization process as traditional bank transactions.
3. The Audit Committee or a designated Board Member shall perform periodic audits.
4. P2P accounts must be included in the school's annual budget approval process.
5. The Business Administrator will ensure compliance with all applicable state and federal laws.
6. Annual training on P2P compliance and fraud prevention must be provided to authorized users.

D. Security & Compliance

1. P2P applications must be reviewed annually for compliance with data security laws.
2. Students and unauthorized staff members are prohibited from accessing P2P accounts.
3. The school director must approve all the users of the P2P account.
4. Any suspected fraud or misuse shall be immediately reported to the State Auditor's Office and Board of Directors.
5. Unauthorized use of personal P2P accounts for school transactions is strictly prohibited.
6. Violations of this procedure may result in disciplinary action, revocation of access, financial penalties, or employee termination

Business Office Cash Procedures

1. Business office personnel review the *Pelorus Payment Register* against the *Receipts register* comparing it to the student account records provided by front office or lunch personnel for accuracy, noting any discrepancies. The Receipts Register includes all payments (cash and electronic) received. Any discrepancy should be researched and/or returned to the front office for re-processing and any resolution documented within the deposit records. Frequent or recurring discrepancies shall be reported to the director/principal and the business administrator.
2. Reconciliation of payment receipt register to deposit slips are done by business office personnel prior to transaction entry review into the accounting system.
3. Cash deposits accounting shall be reviewed by business office personnel (within the proper period), with receipt numbers assigned by the accounting system. The business office personnel shall attach the final and

reviewed receipt accounting register to the original register submitted by the front office personnel.

4. Reconciliation of total deposit receipts to bank statements will be performed by business office personnel on a monthly basis.
5. Records for credit card and EFT deposits will be utilized by the business office for deposit entry and deposit entry reviews in the accounting system G/L. Where possible the front office personnel will enter student EFT credit card payments and lunchroom personnel will enter student and adults lunch EFT payments.
6. The business office personnel will reconcile credit card and EFT deposit entries against bank statements and student account reports provided by the merchant account system and front office personnel.

School-Sponsored Activity Cash Procedures

1. All cash collected at school-sponsored activities (and not in the school office) must follow all procedures as outlined in this document.
2. Petty cash (a cash drawer) for use at school sponsored events may only be requested by school personnel by specifying the cash amount in the Activity Request form, with approval signature from the director/principal.
3. The school personnel requesting the cash drawer is responsible to ensure all policies and procedures of the school are maintained. The requestor shall ensure cash receipting procedures are followed in the event that non-school personnel assist with cash collection.
4. Money should be collected by at least two responsible persons at all times in a safe and secure environment, following all established procedures.
5. Cash collected at an event or activity should be counted by two or more non-related individuals with one individual being the school's personnel.
6. A *Cash Count log* must be completed and signed by both individuals.
7. All of the cash collected along with the *Cash Count log* should be returned to the front office to be logged for deposit the same day, or the next morning in the event of a late evening activity. For evening activities all money must be kept on site at the school and secured in a safe location.
8. Receipt of funds via credit card transactions at school sponsored activities shall follow the procedures in the credit card procedures section.

6000 | Human Resources & Payroll

6100: HR & Payroll Procedures (Policy 7.1)

Personnel Requirements

Control Objective

To ensure that the School hires only those employees—full or part-time—that meet a bona fide need and exerts tight control over authorization for hiring and onboarding of new employees.

Major Controls

Payroll Policies

The School has adopted payroll policies for entering new employees into the payroll system and removing terminated employees from the system, as well as monitoring vacation and sick pay.

New Employee Procedures

1. The school director or designee shall obtain a signed *Release and Reference Check Form* from prospective employees to perform the legally required reference check on all employees with significant unsupervised access to students. The director/principal shall complete the *Reference Check Form*, calling the previous employer(s) and documenting required questions and answers.
2. Requests for new employees are initiated by the director and compared with the approved annual personnel budget prior to hire.
3. An *Offer Letter* form is initiated when hiring a new employee. Included on this form are the job title, start date, approved pay rate, title, restricted program allocation and department. Information on this form is reviewed by the business office and entered into the payroll software.
4. The director shall ensure that new hires are provided with a job description and all training relevant to their job duties.
5. Using information provided by the director or administration, the business office shall ensure proper program allocation for employees working in restricted programs by selecting the appropriate program codes available for the employee to allocate time.
6. New employees receive and complete a *New Hire Packet*, including required legal notices, *Application for Employment*, W-4, I-9, and other forms deemed necessary. The *New Hire Packet* shall include notification of pay period and pay dates as follows:
 - 24th – 23rd of the following month, 1st of the month payday
7. New employees receive a copy of the *Employee Handbook*, *Agreements & Acknowledgments*, *Educator Code of Conduct Notice*, *Technology Use Policy* and other policies/notices upon hire and annually thereafter. Employees are required to sign certifications of receipt of and agree to follow all school policies and procedures.
8. Human Resource and Employee Benefit documents may be distributed and signed electronically or via hard copy. Employees will sign an annual *Notice of Electronic Disclosure* indicating their acceptance of electronic delivery. The school uses

Employee Navigator as an onboarding tool for new employees and for the management of its benefits.

9. A criminal background check is conducted on new employees prior to working according to policy and state requirements.
10. New employees are provided with information and enrollment forms for benefit programs, if eligible. Returned forms are forwarded to benefit providers and appropriate entries made into payroll software. Forms may be distributed and collected electronically.
11. The business office and administration will complete *New Team Member Checklist* and/or *New Hire Passport* to ensure new employees complete all required paperwork, receive orientation to the school, policies and procedures, and necessary equipment and training needed for their assigned role.
12. The business office shall complete employment reporting within the required reporting deadlines. E-Verify will be performed within 3 days of hire and State of Utah New Hire Reporting within 20 days of hire.

Personnel Change Procedures

1. Changes to personnel data are initiated by the director or designated supervisor with an *Employee Status Change Form* to make changes in position, FTE status, pay rate, or department/program.
2. The director or designated supervisor authorizes any change to payroll data.
3. Authorized *Employee Status Change Forms* are routed to the business office and needed information entered into in-house payroll software.
4. A copy of the *Employee Status Change Form* is retained in the employee's personnel file.

Personal Time Off, Leave, Vacation and Sick Pay (PTO)

1. Employees accrue PTO based on the policy of Gateway Preparatory Academy.
2. Employees' earned PTO balances are adjusted monthly to reflect PTO time earned and used. PTO balances are reviewed by the business office.
3. *Leave Request* forms will be submitted by the employee in accordance with the school's leave policy.
4. PTO taken is monitored against each employee's available PTO balance on an electronic ledger or spreadsheet and reviewed by the director/principal or designated personnel.
5. Before PTO is paid, a Leave Request form is prepared by the employee, reviewed and approved by the director.
6. The designated front office personnel logs any PTO not requested and reviews PTO log on a daily basis.
7. The business office uses the PTO log to record requested time in payroll.



8. The business office monitors PTO by maintaining a record within the payroll system for each individual.
9. At the end of each school year, the business office requests from eligible employees a final review of their time to ensure that PTO is accurately reflected for each employee.

Employees may not use PTO before it is earned; however, at the director's discretion, employees may use the annual leave balance in advance when extenuating circumstances occur (as deemed appropriate by the director). The director shall ensure that advanced use of PTO is a rare exception. If employment is terminated by the employee or the school before PTO has been earned, but used, the school will deduct funds to properly reimburse the school for any PTO used but not yet earned.

Employee Evaluation Procedures

1. Employees will receive at least one annual evaluation providing feedback regarding job performance and a plan for any needed improvement or support.
2. Employee improvement plans will have clear criteria and timelines for any employee actions deemed necessary and subsequent follow-up with the director or supervisor.
3. The director or supervisor will follow up with the employee within the timeframe outlined in the improvement plan.

Progressive Discipline

1. The principal/director and supervisors will utilize progressive discipline when dealing with personnel performance issues.
2. Progressive discipline is typically a three or four step process including verbal notice, written notice, possible suspension, and termination of employment.
3. Verbal notice may be provided formally or informally and should be followed up with a date and time stamped email documenting what was discussed and agreed to by the employee and supervisor.
4. Written notices are done utilizing an *Action Notice* form and shall document personnel issue at hand, policy or procedure that has been violated, and a detailed plan for improvement.
5. Plans for improvement shall include clear measurable expectations, any follow up support or training to be provided, deadlines for completion and any subsequent follow up needed with the supervisor.
6. More than one written notice may be provided on the same personnel issue, or a suspension may occur prior to any termination action, if deemed prudent by the principal/director.
7. Employment may be terminated at any time without the use of progressive discipline for more egregious personnel issues such as but not limited to assault, drug, or alcohol use at the school, or at school functions, etc.

Terminations

1. When an employee is terminated, a *Termination Form* documenting the reason(s) for the termination of each employee will be completed by the director and routed to the business office.
2. A resignation letter is obtained from an employee terminating employment of their own will whenever possible.
3. The termination of employment is communicated to benefits providers timely by the business office.
4. If applicable, COBRA procedures are followed. The approved *Termination Form* and any resignation letters are maintained in the terminated employee's personnel file.
5. Business office and other designated personnel will complete the *Termination Checklist*, meeting with the employee to discuss final paycheck, date benefits will terminate and address any employee questions or concerns.
6. The business office or other designated personnel will collect all school assets and keys from terminated employees prior to final paycheck being distributed to the employee. Final paychecks will be distributed on the next regularly occurring payroll. Exceptions may be made at the director's discretion.

Payroll Withholdings

Control Objective

To ensure that payment withholdings are correctly reflected and paid to the appropriate third parties.

Major Controls

- A. **Reconciliation of Payment and Payroll Withholdings:** Payroll withholdings are recorded in the appropriate General Ledger control accounts and reconciled with payments made to third parties.
- B. **Internal Accounting Controls:** The payroll software calculates payroll tax withholdings, which are reviewed and verified by the business office periodically.

Procedures

1. Payroll withholding or benefit election form shall be completed for all withholdings that are not court ordered or required tax withholdings.
2. Business office staff enter all benefit elections into the payroll system for timely processing of withholdings.
3. Payroll withholdings are reconciled with election forms and the amounts recorded in the general ledger control accounts by the business office.
4. The business office reviews the accuracy and timeliness of payments made to third parties for payroll withholdings at the time of monthly or per pay period payment to benefit service providers.



Preparation of Payroll

Control Objective

To ensure that payment of salaries and wages is accurately calculated.

Major Controls

Internal Accounting Controls

- A. Time records or contracts are periodically reconciled with payroll records.
- B. The responsibility for checking the accuracy of payroll calculations is separated from the responsibility for payroll preparation to the extent possible for the size of Gateway Preparatory Academy.

Procedures

1. The business office must create a payroll checklist used during payroll processing to ensure all of the payroll steps have accurately been completed. Business office personnel must sign off on the payroll checklist attesting to the accuracy of the steps processed.
2. The total time recorded on time sheets and the number of employees is calculated by the timekeeping system and reviewed by the direct supervisor and the business office personnel.
3. The business office and direct supervisor review and approve hourly time sheets for appropriate allocation to programs as well as budgeted vs actual hours.
4. Recorded hours from the timekeeping system approved timesheets are pulled into in-house payroll software including program allocations.
5. Salaried personnel wages are pulled into the in-house payroll software based on salary and program allocation setup in the system.
6. Any pay in addition to salary or regular hourly compensation must be approved by the director and reported to the business office with the use of a *Status Change Form* or other written request.
7. Any manual adjustments such as PTO, garnishments, deduction adjustments are entered by the business office.
8. Deductions not documented via garnishment paperwork, benefit statements, PTO records etc. must be authorized in writing by the employee requesting the deduction.
9. The business office reviews preprocessed payroll reports verifying gross pay and payroll deductions.



10. The business office reviews the preprocessed payroll register to ensure all employees who have worked are paid compensation.
11. The preprocessed payroll register is submitted to director to be reviewed and approved prior to payroll being processed for payment. The director must check various random employees to identify any red flags in payroll processing.
12. The business office prepares direct deposit ACH file and prints checks for authorized signature. Direct deposit is the preferred method of payment for all employees. Check payment may be made on rare circumstances and as directed and approved by the school director.
13. The business office prepares a processed payroll summary for review and approval by the director/principal or board treasurer.
14. The business office initiates a payroll ach file to the school banking provider.
15. The director or other authorized signer electronically approves the ach file for processing and confirms that the processed payroll matches the preprocessed register that was approved for payment, signing the reports.
16. Any errors or other needed adjustments identified after payroll is processed shall be approved by the director prior to processing the correction.

6200: Timekeeping and Hourly Approvals (Policy 7.3)

Control Objective

To ensure that payment for salaries and wages is made in accordance with documented time records.

Major Controls

- A. **Timekeeping Policies:** Employees are instructed on the proper charging of time to assure the accuracy of recorded time and allocation to appropriate department and program.
- B. **Time Record:** Labor hours are accurately recorded and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented. Time worked in restricted programs may be estimated based on work schedule and reviewed on an after-the-fact *Time and Effort* or *Personnel Activity Report*.
- C. **Internal Reviews:** The school personnel monitor the overall integrity of timekeeping. Prior to processing payroll, on-site supervisory review and approval of time records is sent to the business office.

Procedures

Approval and Collection of Hourly Time Sheets

1. All hourly and/or non-exempt employees' clock in and out, allocating hours worked to department and program in the timekeeping system on a daily basis, which ensures all the timesheets are submitted in a timely manner.
2. Employee reviews hours worked and allocation to department and program before submitting for supervisor approval.
3. Supervisors review timesheets for accuracy of hours, budgeted hours worked and program allocations prior to approval.
4. Employee and/or Supervisor electronic approval of timesheet allocation to programs is an electronic signature for the *Time and Effort* or *Personnel Activity Reports* generated by the Timekeeping and Payroll software.
5. Approved timesheets are reviewed by the business office prior to payroll processing to assure hours worked by employee have been allocated to the proper programs and submitted for payroll.
6. In the event reallocation of time to programs needs to occur, the employee and/or supervisor will review, and sign updated *Time and Effort* or *Personnel Activity Reports*. The updated Time and Effort document is attached to the original document with documentation as to why the update was necessary and filed by the business office.

Approval and Collection of Salary Time and Effort or Personnel Activity Report

1. Time and Effort documentation is required for personnel paid with federal funds or from state/federal special education funds. In accordance with the guidelines established by the Utah State Board of Education and 2CFR200.430(i), the school has adopted the following procedures:
 - a. Any individual charged to a federal program and/or state Special Education program will keep time and effort reporting in accordance with these established procedures. At a minimum, Semi-annual certifications will be completed by those individuals who have a single-cost objective or multiple-cost objectives according to the following requirements:
 - i. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
 - ii. Be incorporated into the official records of the school.
 - iii. Comply with the established fiscal policy and these procedures.
 - iv. Per 2CFR 200.430: "Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 1. The system for establishing the estimates produces reasonable approximations of the activity actually performed;

2. Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
3. The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.
4. To meet the above requirements the program director must communicate any schedule changes to the Business Office.
5. The Business Office must review new documentation (e.g. work schedule, status change form etc.) and incorporate the changes in the accounting system at a minimum once at the end of each quarter.
- v. Must be maintained for all employees who are paid in part or full by federal funds and Special Education State funds.
- vi. All time allocated to programs must be necessary, reasonable, and allocable as required by 2CFR 200.430.
- vii. In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.
- viii. Each Personnel Activity Report must accurately and reasonably reflect the total compensated activities of the employee and not exceed 100% of the total compensated activities.
- ix. The report must clearly split all of the employee's job functions for which the employee is compensated for and must accurately account for 100% of the employee's total compensation, including all stipends and other supplemental compensation.
- x. Stipends and other supplemental compensation must be separated from the employee's base compensation.
- xi. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

- xii. Personnel Activity Reports for employees working in a single Federal award (State Special Education included) will be prepared at a minimum twice a year. These reports can be signed by either the employee or their supervisor. Ideally these reports should be prepared monthly, and after payroll has been completed and reviewed.
- xiii. Employees that split their time between more than one federal program (state special education included) must sign a Personnel Activity report at a minimum twice a year.
- xiv. For all FLSA non-exempt employees who are compensated with any federal funds or state/federal special education funds, the time clock system shall document time records showing the total number of hours worked each day. 2CFR 200.430(i)3.
- xv. Any non-exempt employee not using the time clock system shall sign the Personnel Activity Report form produced by the accounting system.
- xvi. School Business Office personnel shall generate the time and effort documentation not already in existence or automatically generated by the time clock system and deliver such forms to each employee for their review and signatures. Once the employee's signatures have been received, the business office personnel shall deliver these forms to the employee's direct supervisor.
- xvii. The employee's direct supervisor performs an after-the-fact review of the form, confirm its accuracy, and also sign the Time and Effort or Personnel Activity Report forms.
- xviii. In the event reallocation of time to programs needs to occur, the employee and/or supervisor will review, and sign updated *Time and Effort* or *Personnel Activity Reports*. The updated document is attached to the original document with documentation as to why the update was necessary and filed by the business office.
- xix. *Time and Effort* or *Personnel Activity Reports* are scanned and filed electronically by program by the business office.
- xx. Compensation reported in Personnel Activity report is to be reported on a payment/cash basis and business office staff must perform a regular reconciliation of these forms with relevant payroll reports and/or reimbursement records submitted to the Utah State Board of Education or other outside funding sources.

6300: Other Payroll Liabilities Procedures (Policy 7.0)

Accrued Liabilities

Control Objective

To accurately control and record accrued liabilities.

Major Controls

- A. **Maintaining an Accrual Register:** To properly set up and monitor accrued liabilities, accrual accounts, and deferred revenues.

Procedures

1. Payroll accruals are set up at the time of employee entry into the payroll system based on employee compensation and calendared workdays. The system calculates and expenses the employee's daily rate for each calendared workday.
2. Salaried instructional employees earn and accrue wages during the calendared school year as assigned workdays are worked, typically a 10-month work period. Wages are typically paid to salaried instructional employees over 12 months.
3. The business office reviews wage accruals, validating the accrued rate, amount paid and accrual balance for payment periodically, with a final review at year-end.
4. The business office reviews and determines any needed benefit accruals at year-end. A general journal entry is prepared at year-end to record any needed accrual adjustments deemed necessary by the business office. Necessary non-payroll related accruals are analyzed and entered periodically and reviewed annually to ensure expenditures are recorded accurately and in the proper period.
5. The business office will record deferred revenues for restricted program funds that have been received and not expended, according to state and/or federal requirements for the restricted program.

6400: Payroll Tax Compliance (Policy 7.0)

Control Objective

To accurately prepare and file required tax documents on a timely basis.

Major Controls

- A. **Preparation:** Obtain a payroll service provider or in-house payroll software to assist in the preparation of periodic payroll tax filings.
- B. **Approval of Tax Returns:** Payroll tax documents are reviewed and approved by the business office.

Procedures

1. The School maintains a schedule of required filing due dates for:

- (i) IRS Form W-2 - Wage and Tax Statement.
 - (ii) IRS Form W-3 - Transmittal of Income and Tax Statements.
 - (iii) IRS Form 941 - Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes.
 - (iv) IRS Form 1099 MISC (also 1099-DIV, 1099-INT, 1099-OID) - U.S. Annual Information Return for Recipients of Miscellaneous Income.
 - (i) Quarterly and annual state(s) unemployment tax return(s).
 - (ii) Other required benefit filing (e.g. form 5500, form 720 etc.)
3. Before submission, all payroll tax documents, and the supporting schedules are reconciled with payroll data and approved by the business office for accuracy and completeness.
 4. After payroll processing, all payroll taxes must be paid within three school days. This is very important to ensure that no payroll related penalties are imposed on the school. Late payroll tax processing by the business office may result in the termination of personnel in charge of processing these taxes.

User Access Management for Financial Reporting Systems

Objective:

To ensure that only authorized personnel have access to financial reporting systems, thereby safeguarding the integrity, confidentiality, and availability of financial data.

Scope:

This procedure applies to all users, including staff, contractors, and temporary personnel, who require access to the financial reporting systems.

General Procedures:

1. Access Request and Approval:

- o All requests for access to the financial reporting system must be submitted through a written access request.
- o The written request must include the requestor's name, job title, department, reason for access, and the specific access levels required.
- o The request must be approved by the school director.

2. Role-Based Access:

- o Access to the financial reporting system shall be granted based on the principle of least privilege, where users are provided with the minimum level of access required to perform their job duties.
- o Roles will be predefined based on job functions (e.g., Finance, Accounting, Audit, Front Office etc) with corresponding access levels.

- o The Business Administrator will map the requestor's access to the appropriate role within the system.

3. User Authentication:

- o Users must authenticate using a unique username and a strong password.
- o Reports emailed to outside users of the financial reporting data shall be password protected when containing sensitive information.

4. Periodic Access Review:

- o The IT and/or Business Office will conduct an annual review of user access to the financial reporting system.
- o During the review, the IT department and/or the business office will verify that all current users have appropriate access based on their current job roles.
- o Any unnecessary or outdated access will be revoked immediately.

5. Access Termination:

- o Upon termination or resignation of an employee, the Business Office must notify the IT department immediately.
- o The IT/Business Office will revoke the user's access to the school secured devices and the Business Administrator must remove access to the financial reporting system within 24 hours of notification.
- o A log of all terminated accesses will be maintained for audit purposes.

6. Audit Trail and Logging:

- o The financial reporting system must maintain an audit trail of all user activities, including login attempts, data modifications, and access changes.

7. Training and Awareness:

- o All users with access to the financial reporting system must undergo annual training on the importance of data security, their responsibilities, and best practices for maintaining secure access.
- o All users must lock their machines when not present at their desk or other machine location.

8. Disaster Recovery Plan:

- o The financial software is hosted onsite with daily local backups.
- o The server that the financial software resides on is backed up daily to two different remote sites Pelorus Methods, and Utah Education Network in the event of an onsite disaster.
- o Contingent upon restoration of technology, the data will be restored immediately.

9. IT Security:

- o School devices & BYOD onsite pass their traffic through a cloud-based web-filter to prevent access or accidental visitation to unauthorized websites.
- o All onsite devices and equipment are located behind an enterprise firewall and require a password to access.
- o The principle of least privilege is employed throughout the school in case of a compromised account or device, preventing unnecessary access to information and data.
- o All school-devices are enrolled and policy-based, meaning that they're restricted from performing many unnecessary actions and downloading unapproved content.
- o In the event of a power outage, there are two TrippLite SmartPro UPS backup battery in place to prevent data loss, enable continuous access to financial software, and extend time in the event the power outage occurs for a long period.

Distance Education Policy

Consistent with its charter and with state law, Gateway Preparatory Academy offers its educational program to eligible students across Utah. Students may attend school either on campus during regular school hours or attend virtually, primarily using technology and online curriculum and instruction, as authorized by State Board Rule R277-419.9.C-D. Students may also apply for the school's board-approved Hybrid Program

A. General Provisions

1. Gateway Academy may provide distance and online educational opportunities to eligible students through the following programs:
 - a. Distance Education Program – A program in which students are enrolled with Gateway Academy and receive educational services primarily through a contracted educational service provider (ESP).
 - b. Hybrid/Distance Education Program – A program authorized under Gateway Academy's approved charter Exhibit A in which students are enrolled with Gateway Academy and receive hybrid and/or distance education directly through Gateway Academy. The program may include online, virtual, and in-person educational opportunities and may be customized and individually paced to address student learning needs.
2. Gateway Academy retains responsibility and oversight for all students participating in its Distance Education and Gateway Hybrid/Distance Education Programs. Educational services shall be provided or administered by Gateway Academy employees or authorized educational service providers in accordance with applicable law, State Board rule, Gateway Academy policy, and, where applicable, Gateway Academy's written monitoring plan and contractual requirements.
3. All applicable laws, State Board rules, and GPA policies regarding student enrollment, attendance, participation, assessment, student records, and accountability apply to students participating in GPA's Distance Education and Hybrid Programs.
4. GPA shall not claim public education funding for homeschool instruction, courses, or services that are not eligible for funding under applicable Utah

law or State Board rule.

B. Third Party Vendors

1. An educational service provider (ESP) providing educational goods or services on behalf of Gateway Academy shall:
 - a. not use public funds to provide incentives or referral bonuses for student enrollment in Gateway Academy or participation in a Gateway Academy program;
 - b. not use public funds to provide disbursements to a student or the student's parent or guardian for curriculum, instruction, private lessons or classes, technology, or other educational expenses except as permitted by applicable law or State Board rule; and
 - c. ensure that technology and equipment provided to students through the Distance Education Program is purchased, provided, maintained, and accounted for in accordance with applicable State Board rule, Gateway Academy policy, and the approved written monitoring plan.
2. Agreements with an educational service provider shall include provisions necessary to ensure compliance with applicable federal and state law, State Board rule, Gateway Academy policy, and Gateway Academy's written monitoring plan. The ESP shall provide Gateway Academy, upon request, information necessary to verify compliance.
- ~~3. Beginning with the official State Board of Education approval of R277-419.9, GPA shall submit documentation of compliance with law and Board rules to the State Superintendent's office for review prior to the initiation or continuance of the program~~
4. Gateway Academy shall supervise and monitor educational services provided by an ESP and shall ensure compliance with applicable federal and state law, State Board rule, Gateway Academy policy, and contractual requirements, including requirements related to student enrollment, educator qualifications and background checks, curriculum and instruction, students with disabilities, student records, assessment, and use of public funds.
5. Gateway Academy shall maintain a written monitoring plan for each applicable third-party provider, monitor and supervise the educational goods or services provided, and maintain documentation of supervisory activities consistent with Gateway Academy's records retention requirements. The written monitoring plan and documentation of supervisory activities shall be reviewed with Gateway Academy's audit committee at least annually.

C. Enrollment Records and Verification

1. Gateway Academy shall ensure enrollment verification records for students participating in its Distance Education and Gateway

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Hybrid/Distance Education Programs are collected, transmitted, and stored consistent with applicable law, State Board rule, and Gateway Academy data policies.

2. Gateway Academy shall verify the accuracy and validity of enrollment records prior to enrolling students in the Distance Education or Gateway Hybrid/Distance Education Program and shall provide students and their parents or guardians notification of enrollment. Gateway Academy shall maintain responsibility for official enrollment verification records, including:
 - a. birth certificates or other verification of age and identity;
 - b. verification of immunization or exemption form;
 - c. proof of Utah ~~public school~~ residency;
 - d. family income verification; or
 - e. special education records, including:
 1. individualized education program;
 2. (b) 504 plan; or
 3. (c) English learner plan.

D. General Compliance

1. Gateway Academy shall maintain documentation demonstrating compliance with applicable requirements governing its Distance Education and Gateway Hybrid/Distance Education Programs, including:
 - a. pupil accounting, enrollment, eligibility, attendance, and reporting requirements consistent with R277-419;
 - b. applicable educator licensure, assignment, fingerprinting, and background check requirements;
 - c. instruction aligned with applicable Utah State Standards and Gateway Academy's approved charter; and
 - d. administration of applicable statewide assessments consistent with R277-404.

E. Attendance and Continuing Enrollment

1. Gateway Academy shall measure the continuing enrollment of students participating in its Distance Education and Gateway Hybrid/Distance Education Programs at least once every ten consecutive school days and shall document each student's continuing membership or enrollment status consistent with R277-419 and Gateway Academy's Learner Validated Program Monitoring and Academic Progress Policy.
 - a. Gateway Academy shall monitor student attendance, participation, engagement, and academic progress using appropriate evidence of educational activity.
 - b. When a student demonstrates insufficient attendance, participation, engagement, or academic progress, Gateway

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Academy shall provide appropriate outreach, intervention, and support consistent with applicable law, State Board rule, Gateway Academy policy, and established administrative procedures.

- c. Gateway Academy shall appropriately adjust and update student membership records in the student information system for students who do not meet the applicable continuing enrollment measurement, consistent with R277-419.
- d. Changes to enrollment or membership shall be made in accordance with applicable law and State Board rule, including applicable requirements for students with disabilities.

Reviewed and Approved:

September 10th 2020

8/27/2026

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