Policy Type: Financial Policy
Policy Title: Financial Oversight - Board
Effective:
Oversight Committee: Audit Committee

Purpose

The purpose of the financial operations of Lakeview Academy are to fulfill the mission and charter of the school efficiently while being accountable to its stakeholders, including students, parents, tax payers, the Utah State Charter School Board (USCSB), the Utah State Board of Education(USBE) and the State Legislature. The school shall follow all applicable state and federal laws and regulations in the United States of America and the State of Utah. Lakeview Academy shall establish and maintain financial policies and procedures with adequate internal controls to:

- Ensure smooth fiscal operations.
- Safeguard assets.
- Document financial processes.
- Provide timely, complete and accurate financial data to its stakeholders.
- Comply with laws, rules and governmental reporting requirements.

These policies and procedures will guide all employees and volunteers of the school to perform financial operations within their responsibilities.

Special Purpose Governmental Entity

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

Board Fiscal Authority

Lakeview Academy Board of Trustees, (Board) is responsible for the operation of the school in accordance with all applicable state and federal laws. The Board is also responsible for operating the school in accordance with the representations made in its charter and bylaws. Specifically, the Board (collectively through Board action) shall have the sole responsibility and authority to authorize and/or approve (and will incorporate into its own official minutes) such matters as:

- The development and documentation of Board policies including fiscal and operational policies.
- Review the fiscal policies per the Boards' policy review schedule, monitoring for compliance and effectiveness.

- Requiring school administration to develop a written system of internal control procedures supporting Board policies.
- Changing the school's name (as approved by the authorizer).
- The approval and formal engagement of contracts (Board signature, especially if required by charter or bylaws).
- Manage procurement process and determine the appropriate scope of contracts with management companies that provide business or student services (as required in R277-113 (6)(1)(e)(i).
- Assess the performance of management companies and ensure administration implements sufficient internal controls over the function of management companies. Delegate to school administration responsibility to document satisfactory fulfillment of contract duties prior to renewal of a management contract.
- Monitor procurement and use of systems and software applications for compliance with financial and student privacy laws.
- Monitor LEA expenditure of restricted funds to ensure compliance with applicable laws and grant terms and conditions.
- The adoption and amendment of the annual budget.
- The selection and termination of staff that reports directly to the Board (School Director and Business Administrator).
- The establishment of salaries for staff that report to the Board.
- Incurring debt, mortgages or other encumbrances, including acceptance of loan or bond covenants and restrictions (as the charter and bylaws allow).
- The purchase or sale of real property.
- Overseeing legal matters, with delegation to the director as determined by the Board.
- Monthly review of interim financial reports.
- Appointments of Board members and other persons (non-administrative) for service on the school's audit/finance committee.
- Selection of the school's independent auditor (or delegate authority to the audit committee).

Financial Administrative Authority

The school director or principal may be authorized by the Board to operate the school and execute all legal transactions for the school (with exceptions noted herein) and to make all purchases and disbursements necessary according to policy for the operation of the school. The director, and the business administrator shall report to the Board independently. Specifically, the director shall have the sole responsibility and authority to authorize and/or approve such matters as:

- Establishment of sound internal controls within the parameters of Board policy, mitigating risk of fraud or gross errors, and comply with state and federal laws and rules.
- Review established internal controls and fiscal policies annually, monitoring compliance and effectiveness.
- Ensure all staff and volunteers are provided annual training on financial policies and procedures that are relevant to their job or volunteer duties, per Board and CEO verification policies.
- Provide oversight of the day to day financial operations, monitoring staff compliance with state and federal laws and rules, Board policy and administrative procedures.
- Monitor the financial performance and outlook of the school, making sound decisions to further the mission and charter of the school and report financial data to the Board per the schedule established in this policy.

- The selection, compensation, and termination of all personnel, with the exception of the business administrator who formally reports to the Board; but also works under the direction of the director/principal.
- Oversee procurement process, providing approvals as required in this policy and administrative written internal controls and monitoring staff compliance with state and federal procurement laws and rules, Board policy and administrative procedures.
- Monitor LEA expenditure of restricted funds to ensure compliance with all applicable laws, rules, regulatory guidance, and grant terms and conditions.
- Assess the performance of all contract services providers and ensure sufficient implementation of internal controls over contracted service providers.
- Preparation of the annual budget (with the assistance of the business administrator) for approval by the Board.
- Make policies and procedures available to school staff and to the public in the school's main office or business office, and on the school's website.

Contracts

All contracts shall be reviewed and approved by the Board, unless otherwise delegated to the director or principal of the school. Arm's length contracts, as defined in R277-113, 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 state 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.

Financial Record Retention and Disposal

The school shall appoint a Records Officer. Records are maintained for the minimum period according to state law and the guidelines of the Utah State Archives. As the school exhausts storage space in the school building, the school's Records Officer may establish an account and transfer school records to the Utah State Archives. Generally, records are maintained as follows (subject to current regulations of Archives):

- Board Governance Records: permanent retention.
- Procurement Records: at least 7 years.
- Personnel Records: 65 years.
- Student Records: permanent retention.
- Bank, Finance, Facility and Insurance Records: at least 10 years.

The following records supporting federal contracts, as required by U.S. Office of Management and Budget, are retained for the indicated minimum periods, or consistent with state law, for three years after submission of the final report of expenditures: general ledger, trial balance, accounts payable and accounts receivable ledger, payroll register, and petty cash book, check register and checks, invoices except for:

- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
- Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.

Audit

The Board (after receiving a recommendation from the school's audit committee) contracts with a qualified independent certified public accounting firm to conduct an independent fiscal audit of the school's financial records annually. The Board or audit committee should distribute a request for proposal (RFP) or request for qualifications (RFQ) (at minimum every 5 years) as required in R123-5-4, following RFP requirements in 63G-6a.

The audit shall be performed in accordance with Generally Accepted Auditing Standards (GAAS) generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, 2003 Revision (GAS) and, if applicable, the U.S Office of Management and Budget's relevant circulars. The selected firm must be properly licensed to perform the audit and certify the school's financial statements. Furthermore, they must be familiar with all relevant standards and related state and federal regulations in order to properly conduct and certify the school's fiscal audit.

Political Contributions

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

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

Budgeting

To ensure compliance with state budget deadlines school administration and business office personnel shall prepare an annual operating budget of revenues and expenses (forecast, or budget) for the upcoming year and a final draft budget compared to actual expenses for the year ending. These tentative annual budgets shall:

- Be presented to the Board in a budget hearing prior to June 1st, with adoption at least 10 days after the hearing.

- Be available for public inspection at the school for at least 15 days before the date of proposed adoption to the Board.
- Be approved by the Board no later than June 30th.
- Once approved, filed with the State Auditor and USBE within 30 days of approval.

The Board, administration, department heads and the business office shall use reasonable enrollment and other forecasts and make their best good-faith effort to estimate income and expenses to ensure reasonable accuracy in budgeting for revenues and expenses. The final (Board approved) budget shall be adhered to by administration at all times—administration does not have the authority to amend the budget or spend outside of the approved budget without prior Board approval. Administration may propose and the Board may approve budget amendments at any time during a fiscal year.

Key budgeting information:

- The fiscal year of the school is July 1 through June 30 and is the budget year.
- The appropriate accounting period is used for all accruals and adjusting entries when needed.
- At the close of the fiscal year, the accounting records (including the school's books) shall be accurate, properly reflecting all transactions (reflecting what actually happened).
- Financial statements displaying budget vs. actual results are prepared by the business office and reviewed by the director and treasurer and are presented to the Board each month.
- Budgets and interim actual reports shall be maintained in the modified accrual basis of accounting.
- Year-end financial statement reporting shall be presented in both the full accrual basis and the modified accrual basis (based on GASB standards) for Entity Wide and Fund level reporting.

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.

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.

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.

Use of School Assets

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

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 benefiting the community (whereby individual(s) or other entities are <u>not</u> 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, at the discretion of the Director, may refuse the use of school facilities by outside parties if it determines the use is illegal, not in the best interest of the school or is not consistent with the school charter or values.

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.

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.
- Sexual Abuse and Molestation.
- Employment Practices Liability Insurance.
- Automobile insurance (as necessary).
- Workers' Compensation.
- Unemployment Insurance (a tax).
- Treasurers' Bond (Public Official Bond).
- ERISA Bond (as applicable for retirement plan).
- Other insurance as needed.

A Treasurer's Bond (fidelity bond or Public Official Bond) is required of the person who has investment control over the school's public funds, typically the business 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).

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.

Banking, Cash Management & Expenditures (Disbursements)

Deposit and Loan Accounts, Signature Authority

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

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

- The board chair.
- The 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 staff shall not be signers on financial accounts, but may be granted limited online access to financial accounts to view reports, download statements, and view account balances for convenience as authorized by the Board.

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

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

Segregation of Duties

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

Investments

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

While ensuring sufficient cash balances are maintained in the school's general operating account to cover all regular monthly expenditures, the school shall consider the deposit interest rates of the Public 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.

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.

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. 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 Handling & Receipts Procedures*.

The director shall be responsible for collecting past due balances owed to the school and may delegate this authority to the lunchroom or front office staff. The director shall ensure that the school provides 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 is responsible to oversee all fee waivers (including granting fee waivers) consistent with the school's approved Fee Policy and Schedule, with attention to student and family confidentiality.

Public Funds

All funds (from any source) received and 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.

Electronic Funds Transfer

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

Donations, Gifts and Incentives

The director may approve donations providing the item(s) to be donated (monetary, gifts, goods, materials, equipment, or services) are in acceptable condition, legal to possess by a public school, safe, unencumbered, free of liens or claims, usable by the school, are generally not restricted in their use, or are not restricted for use by a specific school employee. Donations for the purpose of compensating specific employees or positions may not be accepted, rather donations may be accepted without specific purposes delineated. Donations received by the school become public funds and may not be returned or expended except within the law as applicable to the appropriate use of public funds. All policies and procedures of the school are applicable to donations, including Cash Receipt and Disbursement policies and procedures, and all other internal controls.

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

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

Donors may be recognized through print materials, announcements, and other advertising as determined by the director. Donors shall be provided equitable recognition for donations provided to the school.

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

The school nor its employees or approved volunteers (including board members) shall ensure that incentives of any kind to any party are not bribes, or quid-pro-quo (this-for-that) arrangements. Enrollment, employment or doing business with the school shall never be contingent upon gifts or incentives from the school to other parties or to the school from other parties. A few examples of prohibited activities include:

- A parent making a donation to the school if the school enrolls their child.
- The school giving a free iPad to any student that enrolls before October 1.
- A vendor giving a free trip to Hawaii to the director when the school signs a service agreement.
- The parent organization president receiving a free case of hot dogs personally from a vendor because the school placed an order with them.

- A parent making a donation to a teacher (or simply a cash payment) for an "A" grade for their student.

Fundraising

Within the law, including fee waiver laws, 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.

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

Grants not provided by state or federal sources in the regular operation of the school are also defined as fundraising and must be approved by the director and the business administrator, and where encumbrances are present or strings are attached, the Board. It is the responsibility of the director to ensure proper compliance with all grant requirements applicable to grantees, including state or federal regulations and guidance where applicable.

The Board and the director shall not circumvent established school fee regulations by calling what is ordinarily a "fee" a "donation" to avoid fee waiver regulation. Funds requested voluntarily from school patrons for fundraising activities must always be voluntary contributions. The school shall comply with UCA R277-407 School Fees fundraising requirements and restrictions, including the implications on school fees and fee waivers by:

- Not requiring or allowing required individual fundraising, but may provide for optional individual fundraising opportunities for students to raise money to offset the cost of the student's fees.
- Ensuring individual student fundraisers are included as part of the maximum fee amount per student and total aggregate fee amount per student.
- Allowing for group fundraisers.
- Not denying a student membership on a team or group if the student does not participate in a fundraiser.
- Complying with R277-113 when using alternative methods of raising revenue that do not include students.
- Notifying parents of required group fundraising, providing specific details including the nature of the required fundraiser, and the estimated participation time required of the parent or student.

All local funds are public funds once the school receives the award, including before the award is deposited in the school's financial institution. All expenditures of the school, including expenditures with local funds raised during fundraising activities shall be made in accordance with the law and established school policies and procedures. All items purchased with funds gained through fundraising activities are the property of the school, with the exception of supplies, clothing or other materials provided through school programs for

student consumption or ownership (co-curricular or extracurricular activity uniforms, completed project work, etc.)

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

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

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

Properly approved school-sponsored activities:

- May use the school's name, facilities, and equipment.
- May utilize school employees and other resources to supervise, promote, and otherwise staff the activity or fundraiser.
- May be eligible to be insured under the school's liability insurance policy (subject to the policies of the school's insurer).
- May provide additional compensation or stipends for school employees with the approval of the director and under school payroll policies and consistent with the school's budget.

Fundraising activities, or activities of outside organizations of any kind that are <u>not</u> school-sponsored activities, must be conducted so that revenues and expenditures are not commingled with the public funds of the school.

School Athletics and Local Revenues for Specific Programs

The school shall follow all regulations related to local revenue associated with "activities", such as high school activities regulations and various "Association" standards that follow the law. Examples of specific programs include 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 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. Outside entities may not use the school's name, mascot, logo or likeness, or imply endorsement Their activities may not encumber or obligate the school. Outside entities shall not intentionally or unintentionally imply that they are "the school" nor imply that funds raised go

directly to the school. They 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 comply with all fiscal policies.

Vending Machines

Use of vending machines may be allowed, consistent with the law, and authorized by the Board (or by the 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.

Cash Disbursement and Expenditures

Each disbursement shall require two signatures to be authorized for payment, which includes two signatures on the Requisition/Reimbursement Form and the transmittal instrument (wire transfer, check, etc.). Signature stamps for employees' signatures may not be used to sign checks or other legal instruments (contracts, etc.). Signers (or anyone else) may not sign a blank check or prepare a check with the Payee as "Cash" or "Bearer". Except as approved by the director and business office, handwritten checks must be avoided except in extreme circumstances for unique functional purposes. Voided checks shall immediately be mutilated/disabled by writing VOID prominently across the front of the check and must be retained for audit purposes. The Board shall receive a Check Register at each Board meeting or upon request for review and spot-audit activities using the Transaction Audit Report.

All cash disbursements shall be made consistent with regulations and school policies. The 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.

Use of School Credit & Debit Cards

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

All charges must follow all procurement laws, school policy and administrative procedures. Cardholders are required, at least monthly, to reconcile their credit card accounts and provide documentation to the business

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.

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.

Contracted Services

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.

Certification:
The undersigned officers and/or directors of Lakeview Academy certify that this Electronic Meetings Policy was duly adopted as of and replace all previous financial policies.

Signature of Board Officer	Signature of Board Officer
Title	Title
Print Name	Print Name