

Policies and Procedures: Financial Accounting, Cash Handling and Purchasing

Financial Accounting, Cash Handling and Purchasing

1. Policy

1.1 To establish accurate and efficient procedures for program accounting, including all revenue, expenditures, cash handling and internal controls for St. George Academy in accordance with Utah Code (*R277-113*).

2. Program Accounting

2.1 St. George Academy will perform program accounting in compliance with Utah Code *R277-113-6*.

- Transactions will be recorded according to the Board approved Chart of Accounts:
 - Fund
 - Function
 - Location
 - Program
 - Object or revenue code

3. Timely Reconciliations

3.1 Bank reconciliations are to be performed monthly on each bank account and shall be completed no later than 30 days after the end of the month.

3.2 The school's Director is to receive, review and sign-off on bank statements and provide business services manager with a signed bank statement to complete monthly reconciliation.

4. Financial Reporting to Board

4.1 A financial report, including year-to-date expenses, total revenue, and anticipated costs will be provided to the board monthly.

4.2 The Board finance committee is to review financial reports monthly.

5. Board Risk Management

5.1 Reliable Information

5.1.1 To ensure that reliable information is provided to the Board, the Board may request a copy of any General Ledgers, state allocation reports, invoices or any other accounting ledgers without restriction. Business Manager will provide the requested ledgers without delay. Business Management to provide supporting documentation of all transactions as requested by the Board in a timely manner.

5.2 Board Effectiveness and Efficiency Metrics

5.3 Safeguard Assets

5.3.1 St. George academy complies with regulations and guidelines outlined by the occupational health and safety guidelines.

5.4 Asset Management

5.4.1 Definition

- Asset management is for the purpose of maintaining capital equipment.

5.4.2 Any item purchased by LEA funds is owned by the LEA and intended for LEA use only.

5.4.3 Any item purchased by LEA funds cannot be given to or sold to employees or students, regardless of condition.

5.4.4 The LEA may sell decommissioned equipment in a community sale that is open to the public

- All proceeds from the sale of decommissioned items are to be processed following LEA cash handling policy, section 6.

5.5 Fraud Protection

5.5.1 To reduce the risk of fraud St. George Academy will;

- Ensure two individuals count all cash received
- A third individual responsible for bank deposits
- Two individuals to sign checks
- Limited access to financial accounts
- Monthly financial reports for review and approval
- Bank reconciliations to be reviewed and approved by Board CFO monthly

5.5.1 Fraud Risk Hotline

<https://auditor.utah.gov/hotline/>

5.6 Ethical Culture

5.6.1 The Board of Directors commits to the highest ethical conduct. Each member of the Board shall comply with all State and Federal laws applicable to a member of the Board including the “Utah Public Officer and Employees Ethics Act (*Utah Code Ann. 67-16-1 to 14*).

6. Cash Handling

6.1 Cash checks or credit card payments will be collected by the St. George Academy Administrative representative.

6.1.1 The payor will be provided with a receipt.

- Written receipt for cash and checks
- Electronic receipt upon payment via credit card

6.1.2 St. George Academy will maintain a copy of all receipts and record all transactions.

6.1.3 Money is not to be collected in classrooms; all payments should be received in the office.

6.1.4 For events not during school hours, a cash box is to be used. At least two people, one of which must be an employee, should always be present while payments are taken.

6.1.5 Cash and checks should be deposited daily when possible. Cash and checks must be deposited within 3 days of receipt.

6.1.6 If cash or checks are kept overnight, they should be locked in a secure lockbox.

6.1.7 When preparing cash and checks for the bank, the following should be followed:

6.1.8 Cash and checks should be counted twice, by different office staff, signed and recorded.

6.1.9 Record of date of receipt and deposit information should be recorded and retained.

6.1.10 A spreadsheet that can act as the deposit form should contain:

- Payor name (parent and student, if applicable).
- Purpose
- Date received
- Amount

6.1.11 Save the bank receipt, attach the receipt to the spreadsheet records and the copies of checks, give to the business manager for recording.

6.1.12 Credit card payments taken at the school should contain the same four items listed under 6.1.10 above.

6.1.13 Credit card payments taken through the school's website should also have the same four items recorded.

7. Reconciliation of Cash Receipts

7.1 All checks received are to be made payable to St. George Academy.

7.2 All monies received by the school are to be documented and signed prior to delivery to Business Services by the receiving party.

7.2.1 Money is counted with two individuals present.

7.2.2 In the presence of two individuals, all money is documented as reconciled. In the event the monies do not reconcile, balance variances shall be investigated.

7.2.3 Cash is placed in a secure bank deposit bag with a third individual to deposit money.

7.2.4 Deposit slip is to be attached to Business Office internal deposit slip.

7.2.5 Cash is deposited to the bank by a third party who has authorization to manage LEA bank accounts.

7.2.6 Deposit receipts are to be returned to Business Management with appropriate documentation and reconciled within thirty days of the month of deposit.

8. Purchasing Card

8.1 Use of the school purchasing card is to be used for LEA approved purchases only and may not be used for personal purchases.

8.2 Improper use of the purchasing card is considered misappropriation of LEA funds.

8.3 Misuse of the purchasing card may result in termination of employment and prosecution by law.

8.4 Purchasing card account statements will be reviewed for appropriateness of purchases and reconciled monthly.

9. Segregation of Duties (Acr: Authorization, Record Keeping & Custody)

9.1 Bank Access

9.1.1 The individual with access to manage LEA funds may not have full access to bank accounts.

9.1.2 Business Manager is granted viewing access to LEA bank accounts, but not granted access to manage monies.

9.2 Purchasing Budget

- Budget created prior to the fiscal year based on accurate and reasonable data.
- Factor in anticipated expenditures.
- The Board is to review and approve the original budget prior to the start of the fiscal year.

- The Board is to review the budget and year-to-date actuals on a monthly basis and approve budget amendments as necessary as provided by Business Management.

10. Records

10.1 School Purchase Orders

10.1.1 An individual may request the purchase of supplies on behalf of a school funded program by completing a purchase order.

10.1.2 All purchases are to be in alignment with the funding sources and outlined cost objectives.

10.1.3 Purchases under \$1,000 are to be approved by Business Manager as deemed appropriate with funding source cost objectives.

10.1.4 Purchases over \$1,000 require approval by the Board President or Board CFO.

11. Small Purchases

11.1 Definition

- St. George Academy policy defines small purchases as less than \$10,000.

11.2 For small purchases less than \$1,000;

- LEA will seek the best possible sources of supply-based factors, such as price, performance and delivery

11.3 Purchases between \$1,000 - \$10,000;

- No fewer than two vendors shall be contacted
- Business Services, Director and Board President or Board CFO to sign off on purchase
- Vendor selection justification must be submitted to Business Services for final approval

11.4 Purchases exceeding \$10,000

- Formal bids complete with descriptions, specifications and suggested sources for the goods/services requested
- Business Services, Director and Board President or Board CFO to sign off on purchase

12. Local Markets

12.1 Local sources are preferred and should be suggested whenever possible after giving consideration where pricing and quality are comparable.

13. State Contracts

13.1 Items available under statewide contracts or similar agreements may be procured under such agreements when it is in the best interest of St. George Academy.

13.2 Bidding Requirements

- Purchases \$1,000 – 5,000 require minimum of three bids
- The bid with the most comprehensive and reasonable cost should be awarded the purchase
- Board President or Board CFO to approve purchases of \$1,000 or more

14. Emergencies

14.1 Definition

- St. George Academy defines an emergency condition as a situation which creates a threat to public health, welfare, or safety such as floods, epidemics, riots, equipment failures or as may be determined by the Director.

14.2 Emergency procurements using other than normal bid or price quotation procedures may be made only by the Purchasing Department, except that, local school/district administrators confronted with an emergency condition occurring after normal business hours, on weekends or District holidays are authorized to make the necessary purchase(s) to meet the emergency.

15. Inventory

15.1 Inventory maintenance is to comply with government auditing standards to avoid penalty and reduction in state funding.

15.2 Only LEA approved equipment and software for tracking and maintenance of inventory.

15.3 Inventory is not to be loaned or rented without appropriate Director or Business Services Manager approval.

15.4 Inventory purchased with categorical funds or special programs are not to be transferred outside the program area without Department approval.

15.5 Inventory Management

- Compile inventory data
- Contracts
- Purchase Orders
- Invoices
- Requisitions
- Accounting records
- Complete required reports in accordance Utah Code 63G-2

- Issue inventory tag

16. Repair of Equipment and Facilities

16.1 Facility and equipment repairs are generally handled by St. George Academy Custodian.

17. Damaged Equipment and Supplies - Replacement of Stolen or Vandalized Equipment and Facilities

17.1 Damaged equipment, supplies, and replacement of stolen or vandalized equipment will be handled on a situational basis by the corresponding Department.

18. Student Purchases

18.1 Students may request the purchase of goods for the use of school clubs and/or school sponsored activities.

18.2 Student purchases require a school faculty member to place purchase order on behalf of school sponsored activity or club.

18.3 The original signing faculty member is to sign and date purchase order on receipt of goods.

19. Student Activity Funds

- Ensure all expenditures are legitimate and for the benefit of the specified organization.
- Documentation of all revenue and expenses is required
- Accessible information regarding specific organizations use of funds
- All funds are documented in accounting software

20. Travel

20.1 Reimbursement

20.1.1 As per Utah Financial Code 10 -02_00 - For insurance purposes, all travel on state business, whether reimbursed by the State or not, must have **PRIOR APPROVAL** by an appropriate authority.

20.1.2 This also includes non-state employees where the State is paying for the travel expenses.

20.1.3 In-State Travel must be approved by the employee's supervisor or higher-level supervisor such as a manager, director or executive director. Approval can be documented one of two ways: (1) using a request for In-State Travel Authorization, form FI5_IS (optional); or (2) approving the applicable in-state travel reimbursement form.

20.1.4 Out-of-State Travel must be approved by the executive director or designee using a Request for Out-Of-State Travel Authorization, form FI 5. Any delegation of this responsibility by the executive director must be in writing and maintained in the agency for audit purposes.

20.1.5 Exceptions to the prior approval must be justified in the comments section of the document.

20.1.6 Request for Out-Of-State Travel Authorization, Travel request form, or on an attachment, and must be approved by the executive director or the designee.

20.1.7 More than two travelers to the same function– The director or the designee must approve all travel to out-of-state functions where more than two employees from the same department are attending the same function at the same time. Document the approval in a memo or on the Out-Of-State Travel Authorization, Travel request form, signed by the executive director or designee explaining the reason for more than two persons attending the function and the total costs associated with the trip. Attach the approved memo to the Travel Reimbursement Request.

21. Continuous Improvement

21.1 Self-Monitoring of the Board

21.1.1 Board members will complete all required annual State training and State Auditor’s training.

21.2 Performance Evaluations of Staff and Faculty

21.2.1 In ensure the best possible instruction, St. George Academy faculty are to complete an annual performance evaluation to provide feedback to the educator to promote growth.

21.3 Change Monitoring

21.3.1 If there are any changes within the Board structure, Board policies or school policies, the Board will ensure that policies comply and are in accordance with State and Charter guidelines.

21.4 Structure Transparency

21.4.1 Board will divide duties into internal committees to provide internal control compliance.

21.4.2 Board members will engage and participate as members of internal committees.

21.5 Conflict of Interest

21.5.1 Upon election to the Board, Board members will sign and disclose any potential conflict of interest.

21.5.2 Conflict of interest disclosure shall be reviewed annually.