

## 500 Financial Management

### 501 FISCAL POLICIES

Fiduciary Members: Fiduciary members or authorized signatories for Bonneville Academy are the Chair of the Board of Director's, the School Director, and the Treasurer of the Board of Director's. In the event that one of these members cannot fulfill his/her duties, the Vice Chair of the Board of Director's shall have fiduciary responsibilities.

Asset: An asset is defined as physical property which individual or collective value is in excess of \$1000 and has a durable life in excess of 12 months. For example, although a single student chair is only valued at \$20 each, the collective value of all student chairs is over \$13,000. Thus, student chairs are an asset. Conversely, the cost of a year's supply of butcher paper is over \$1000. Even so, it does not have a durable life in excess of 12 months. Therefore, this would not count as an asset.

Purchasing: Purchases under \$1000 require no bid process and may be purchased as an expense with approval from one fiduciary member.

Asset purchases between \$1000 and \$50,000 require an informal bid process, using at least three different vendors. Documentation of the bid process must be maintained. The exception to this requirement is if the purchase is through a state approved vendor. These purchases require approval from the Board of Director's. Typically these expenses are included in the annual budget approved by the Board of Director's. Non-asset/service purchases between \$1000 and \$50,000 do not require a bid process if only one service provider exists or there is only one service provider in a reasonable geographic area. If multiple companies provide the same service an informal bid process is required. Documentation of the process must be maintained. If no bid process is required a statement to the fact should be included with the invoice. These purchases require approval from the Board of Directors. Typically these expenses are included in the annual budget approved by the Board of Directors.

All purchases over \$50,000 regardless of the nature must have a formal bid process and require Board of Director approval. A justification for these purchases should be made both in writing and verbally to the Board of Directors a minimum of 30 days prior to purchase. These purchases should be included in the approved annual budget.

Check Writing: Checks under \$2000 may be signed by one fiduciary. Checks over \$2000 must have two signatures.

Budgets: A planning budget will be presented in April. The annual operations budget will be submitted for adoption to the Board of Directors before June 30th each year. An operational budget based on the July Allotment Memo will be presented to the Board of Directors at **the 3rd quarter Board Meeting**. Monthly operational budgets, with actual from previous months, will be presented at the monthly Board meetings.

Financial Reporting: An independent auditing company will complete all required financial reporting and may include the AFR, APR, Fall Enrollment Count, Year-end S3 and IRS form 990. The Business Manager will work closely with the auditing company to insure all information required is provided.

Compliance: Bonneville Academy will comply with all federal and state mandated financial laws and policies. All financial policies and procedures will be in accordance with the state approved charter and Bonneville Academy By-Laws.

Donations: Donations may be requested from local sources such as businesses, student families, and corporate partnerships. Donations may be restricted by the donor. Unrestricted donations may be dispersed at the discretion of school administration.

Asset donations become property of the school. Restricted donations will be used in accordance with the restriction, but also become property of the school.

Purchase Orders: All purchase orders must be approved by the School Director. Purchasing guidelines must be followed before a PO will be issued. PO numbers are assigned in a 7 digit format; xx-xx-xxx. The first two digits are reserved for the fiscal year in which the purchase will be assigned to. The next two digits are for the month the PO is assigned. The final three numbers are unique to the purchase. All purchase orders are assigned to the school and not to an individual.

Reimbursement: Before purchasing any item, approval must be given by a fiduciary. After a purchase is made, a reimbursement form must be completed and returned with appropriate documentation to the Business Manager.

Annually a budget is given to the teachers in order to purchase required classroom supplies. Any amount spent outside of the budgeted amount must receive prior written approval from a fiduciary or that dollar amount will not be reimbursed.

Approved:

## **502 CASH RECEIPTS POLICY**

### Purpose:

To establish Bonneville Academy (BA) policy and procedure for the handling of all cash receipts, to include currency, coin, checks, ACH transactions, and credit card transactions. These policies should mitigate theft, fraud, carelessness, and human error.

### Scope:

This policy applies to all BA administration, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf BA. The scope includes all activities at the school and in all locations where BA activities and public funds are collected.

### Segregation of Duties:

Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to limited staffing, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

### Definition:

“Public funds” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including BA. [Utah Code 51-7-3(26)].

### Policy and Procedures:

1. Bonneville Academy will comply with all applicable state and federal laws.
2. All receipting of funds at the school should be done at the front office through the secretaries. No receipting should take place in the classroom or in unapproved off-site locations. Employees shall instruct payers to take all cash, checks, credit card transactions to the front office for receipt.
3. All funds (cash, checks, credit card payments, school lunch funds, etc.) received must be logged and recorded in the school’s accounting records. A Bonneville Academy employee independent of the cash receipting process shall verify that the daily receipt or register detail reconciles to the validated deposit slip. Passwords should be established on the accounting system computers and changed periodically.
4. All funds shall be kept in a secure location controlled by the front office until they are deposited in a school-approved fiduciary institution. Funds should be deposited within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a school-approved account. Cash receipts should not be taken home by employees or volunteers, or left in classrooms.
5. Provisions should be made for cash receipting/collection at approved off-site activities or functions. Cash count sheets will be used for cash receipts at school-sponsored activities after hours or off-site. These sheets will be completed by two individuals, signed by a member of school administration on the day of the collection, and retained for

- verification in the daily receipt or register detail.
6. All checks are to be made payable to BONNEVILLE ACADEMY. Checks are not to be made payable to an employee, a specific department, or a program.
  7. Bonneville Academy employees and volunteers associated with school-sponsored activities should not open bank accounts, outside of the control of BA, for the receipting or expending of public funds associated with school-sponsored activities.
  8. Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented on a cash receipts log.
  9. Appropriate internal controls and segregation of duties should be implemented for all cash activity. These may include tickets, deposit slips, cash tally sheets, receipt registers, cash reconciliations, reports, etc. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
  10. Documents should be available, and should demonstrate that proper cash controls are in place (deposit log, reconciliations, etc.).
  11. Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).
  12. Periodic reviews should be performed for all cash activity. Bank reconciliations should be performed monthly on all school-approved accounts. Bank statements and reconciliations should be approved monthly by a board member and school administration during the finance committee meeting.
  13. All activities involving cash must be supervised by a BA employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.
  14. Detailed activity budget vs. actual statements should be reviewed by the School Director, PTO or teachers, on a quarterly basis for accuracy and reasonableness.
  15. All payments of fees shall correspond with the approved fee schedule, as required by Board Administrative Rule R277-407.

Approved:

## **503 CASH DISBURSEMENT AND PROCUREMENT POLICY**

### Purpose:

To establish policy and procedure governing the initiation, authorization, and review of all expenditures of BONNEVILLE ACADEMY (BA).

### Scope:

These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by BONNEVILLE ACADEMY. All expenditures of BA are to be consistent with applicable state and federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of BA, and are to be documented in a way which clearly substantiates such reasonableness and necessity. This policy applies to all BA administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements on behalf of BA. The scope includes all activities at BA and in all locations where BA activities and public funds are expended.

It is expected that in all dealings, BA employees will act in an ethical manner that is consistent with BA's code of ethics, the Utah Educators' Standards, the Public Officers' and Employees' Ethics Act, and State procurement law.

### Segregation of Duties:

Wherever possible, duties such as custody of purchase cards and blank checks, initiating expenditures, approving expenditures, maintaining documentation, issuing checks and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to small size and limited staffing, compensating controls such as management supervision and review of cash disbursement records by independent parties should be implemented.

### Definitions:

1. "Public funds" are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including BONNEVILLE ACADEMY [Utah Code 51-7-3(26)].
2. "Small purchase" is the procurement of goods or services for which the total cost is less than \$50,000 and the total individual procurement items cost less than \$1,000, professional services (including architectural or engineering) costing less than \$100,001, and small construction projects costing less than \$80,000 (Utah Code 63G-6a-408, 53A-20-101, Administrative Code R33-3).

### General Policies:

1. All checks or check stock, credit/purchase cards, access to bank accounts and statements, etc. shall be secured and controlled by the accounting/front office with limited access.
2. All disbursing of funds at the school should be done through the accounting/front office.
3. Expenditure transactions must be approved by an individual having sufficient knowledge and authority to evaluate the transaction for reasonableness and appropriateness. The

school shall designate employees by title or job descriptions who are authorized to approve various dollar amount levels of disbursements and instructed never to sign blank checks).

4. All expenditures made using cash, checks, credit/purchase cards, electronic fund transfers, etc. shall be recorded in Bonneville Academy's accounting records.
5. Passwords should be established on user access to the accounting system and changed periodically.
6. Checks should be made payable to specified payees and never to "cash" or "bearer."
7. All disbursement activity should be substantiated by supporting documents. Documents should be available, and should demonstrate that proper disbursement controls are in place (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.).
  - a. Quotes shall contain the following information:
    - i. Date received or dates that the quoted price is valid, delivery date
    - ii. Company name, address, salesperson
    - iii. Each item, description or specifications, unit, total price, and quantity listed
    - iv. Shipping and freight charges
8. Salesperson and contact information
  - i. Vendor, BA employee name and position
  - b. Quotes may be obtained and documented by printing pages from a website; however, all of the quote elements must be documented. Better prices are usually obtained by contacting vendors directly. Telephone quotes must be documented and include all quote elements. Written quotes should be requested on vendor's letterhead.
9. Bank and credit card statements should be reviewed and accounts reconciled in a timely manner. Activity accounts should be reviewed quarterly by the custodian of the activity.
10. The school must comply with applicable BA and state purchasing laws.
11. Expenditures will follow the guidelines outlined in the State Procurement Code (Utah Code 63G-6a) and federal purchasing laws.
12. Contracts must follow guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts [Utah Code 63G-6a-1204(7)].
13. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a), Utah Code concerning school construction (Utah Code 53-A-20), the Utah State School Board Administrative Rules, and Title IX.
14. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a), BA 's procurement policy, and the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16).
15. Purchases of goods or services with BA funds for personal use or personal gain are strictly prohibited; see the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16).
16. Multi-year contracts must comply with Utah Code 63G-6a-1204.

#### Bonneville Academy Procurement Thresholds:

Bonneville Academy's procurement policy shall be followed for all qualifying purchases of

goods or services. The procurement policy includes:

1. Small Purchases

- (1) The “individual procurement threshold” for BA is \$1,000. This is the maximum amount that BA can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing (Utah Code 63G-6a-408, Administrative Code R33-3).
- (2) The “single procurement aggregate threshold” for BA is \$5,000. This is the maximum amount that BA can expend to obtain any combination of individual procurement items/services costing less than \$1,001 from one vendor at one time up to \$5,000 (Utah Code 63G-6a-408).
- (3) The “annual cumulative threshold” for BA is \$50,000. This is the maximum total annual amount that BA can expend to obtain individual procurement item(s) costing less than \$1,001 purchased from the same vendor during the fiscal year (July 1 – June 30) not to exceed \$50,000. If a purchase exceeds \$50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process (Utah Code 63G-6a-408 and Administrative Code R33-3).
- (4) Professional services, such as architectural, engineering, accounting, legal, or consulting services less than \$100,001 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 under provisions in Utah Code 63G-6a-403 and 404.
- (5) Small construction projects:
  - i. 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.
  - ii. Costing between \$25,001 and \$80,000 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 (a) above.
  - iii. Costing more than \$80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20.

2. Reoccurring Purchase Over Annual Cumulative Threshold

- (1) If purchases from the same vendor are ongoing, continuous, and regularly scheduled, and exceed the annual cumulative threshold of \$50,000 during the fiscal year, a contract shall be utilized if feasible [Utah Code 63G-6a-408(6)].

3. Artificially dividing a purchase:

- (1) Utah Code 63G-6a-408 makes it unlawful to 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.

- i. This means that intentionally splitting a purchase of similar items that would typically be purchased at the same time from the same vendor to avoid requiring competitive quotes is unlawful (.e.g., uniforms, club or athletic equipment, textbook orders, etc.). This includes dividing the purchases or invoices over a short period of time, or making separate purchases over a period of time. Purchase splitting often occurs when making purchases on a purchase card. Employees should not split invoices to stay under daily purchase limits on purchase cards or the established purchasing thresholds.
        - ii. It may be determined after an order is placed or received that a large enough quantity was not ordered, or the correct sizes were not obtained, and that additional items must be ordered. If this occurs, the employee initiating the purchase must include a written explanation of the purpose of the purchase and justification as to why it is not considered splitting a purchase. This should be retained with the vendor invoice.
        - iii. Penalties for violating this statute are outlined in Utah Code 63G-6a-2305 and 2306. Penalties range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements.
4. Hospitality Gifts, Gratuities, Kickbacks, or Position and Influence:
  - (1) “Contract administrator” means a person who administers a current contract, on behalf of BA, including making payments relating to the contract, ensuring compliance with the contract, auditing a contractor in relation to the contract, or enforcing the contract (Utah Code 63G-6a-2304.5).
  - (2) “Interested person” is a person interested in any way in the sale of a procurement item or insurance to BA (Utah Code 63G-6a-2304.5).
  - (3) “Procurement participant” means a person involved in:
    - i. Administering, conducting, or making decisions regarding a standard procurement process.
    - ii. Making a recommendation regarding award of a contract or regarding a decision to obtain a procurement item for a particular person.
    - iii. Evaluating a quote, bid, or response.
    - iv. Awarding a contract or otherwise making a decision to obtain a procurement item from a particular person (Utah Code 63G-6a-2304.5).
  - (4) Hospitality Gift: “Hospitality gift” means a promotional or hospitality item, including, a pen, pencil, stationery, toy, pin, trinket, snack, nonalcoholic beverage, or appetizer. This does not include money, a meal, a ticket, admittance to an event, entertainment for which a charge is normally made, travel, or lodging (Utah Code 63G-6a-2304.5).
    - i. Utah Code 63G-6a-2304.5 states that the total value of all hospitality gifts given, offered or promised to, or received or accepted by, the “procurement participant” or “contract administrator” in relation to a particular procurement or contract must be less than \$10; the total value of all hospitality gifts given, offered or promised to, or received or accepted by, the “procurement participant” or “contract administrator” from any one person, vendor, bidder, responder, or contractor in a fiscal year must be

than \$50.

ii. Any hospitality gift exceeding the \$10 and \$50 threshold is considered a gratuity, and the provisions below apply.

(5) Gratuities: “Gratuity” means anything of value, including money, a loan at an interest rate below the market value or with terms that are more advantageous to the person receiving the loan than terms offered generally on the market, an award, employment, admission to an event, a meal, lodging, travel, or entertainment for which a charge is normally made (Utah Code 63G-6a-2304.5).

i. Utah Code 63G-6a-2304.5 makes it unlawful:

ii. For an “interested person” to give, offer, or promise to give a gratuity to a “procurement participant” or an individual the person knows is a family member of the procurement participant.

iii. For a “procurement participant” to ask, receive, offer to receive, accept, or ask for a promise to receive a gratuity from an “interested person.”

iv. For a contractor to give a gratuity to a “contract administrator” of the contractor’s contract or an individual the contractor knows is a family member of a “contract administrator” of the contractor’s contract.

v. For a “contract administrator” of a contract to ask, receive, offer to receive, accept, or ask for a promise to receive, for the “contract administrator” or a family member of a “contract administrator,” a gratuity from a contractor for that contract.

vi. Penalties for violating this statute are established in Utah Code 63G-6a-2304.5 and 2306. Bonneville Academy will adhere to these penalties and report violations to the attorney general’s office, as required by statute.

1. Interested person and contractors: penalties range from a class B misdemeanor to a second degree felony.

2. Procurement participant and contract administrator: penalties range from a class B misdemeanor to a second degree felony and make employees subject to disciplinary action up to and including dismissal from employment.

(6) Kickback: “Kickback” means a gratuity given in exchange for favorable treatment in a pending procurement or the administration of a contract (Utah Code 63G-6a-2304.5).

Utah Code 63G-6a-2304.5 makes it unlawful:

i. For a person to give, offer, or promise to give a “kickback” to a “procurement participant” or to another person for the benefit of a “procurement participant.”

1. For a “procurement participant” to ask, receive, offer to receive, accept or ask for a promise to receive a kickback for the “procurement participant” or for another person.

2. For person to give a kickback to a “contract administrator,” or to another person for the benefit of a “contract administrator.”

3. For a “contract administrator” to ask, receive, offer to receive, accept or ask for a promise to receive a kickback for the “contract administrator” or for another person.
  - ii. Penalties for violating this statute are established in Utah Code 63G-6a-2304.5 and 2306. Bonneville Academy will adhere to these penalties and report violations to the attorney general’s office, as required by statute.
    1. Person and contractors: penalties range from a class B misdemeanor to a second degree felony.
    2. Procurement participant and contract administrator: penalties range from a class B misdemeanor to a second degree felony and individuals are subject to disciplinary action up to and including dismissal from employment.
5. Position or Influence - Utah Code 63G-6a-2304.5 makes it unlawful for a “procurement participant” to use the “procurement participant’s” position or influence to obtain a personal benefit for the “procurement participant,” or for a family member of the “procurement participant,” from an “interested person.”
  - i. Penalties for violating this statute are established in Utah Code 63G-6a-2304.5 and 2306. Bonneville Academy will adhere to these penalties and report violations to the attorney general’s office, as required by statute.
  - ii. Interested person: penalties range from a class B misdemeanor to a second degree felony.
  - iii. Procurement participant: penalties range from a class B misdemeanor to a second degree felony and subject to disciplinary action up to and including dismissal from employment.

#### Cash Disbursements:

1. General Procedures
  - a. Bonneville Academy’s tax exempt status number should only be used in conformity with the Utah State Tax Commission’s guidelines.
  - b. Bonneville Academy has designated State Procurement Code as its purchasing policy.
  - c. If an outside entity reimburses employee expenses (meals, travel, etc.), these expenses should not be submitted to Bonneville Academy for reimbursement.
  - d. No disbursing of funds is to be done in other offices or at unapproved off-site activities or functions.
  - e. Purchases of goods or services for personal use or personal benefit of any amount are strictly prohibited.
  - f. Any purchases should be equitable for both male and female students and comply with Title IX.
2. Procurement Decision Tree

How does an employee initiate a purchase?

  - a. Is the purchase available from a state agency or a state cooperative contract? If so, you are encouraged to purchase the item from the agency or state contract. If not,

follow the decision chart below.

b. If the total purchase is between:

i. \$0-\$1,000

The purchaser may select the best source without seeking competitive quotes. The signature of the requestor and immediate supervisor (or authorized business officer for department or administration) are required on the purchase order or check request form. If the purchase is made using a Bonneville Academy credit/purchase card, the employee should follow the credit/purchase card policy below.

ii. \$1,001-\$5,000

The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote. Quotes must be attached to the purchase documentation and maintained as part of Bonneville Academy's records. The signature of requestor, immediate supervisor (or authorized business officer for the department), and business administrator are required on the purchase order or check request form.

iii. \$5,001-\$10,000

The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications. Quotes must be attached to the purchase documentation and maintained as part of Bonneville Academy's records. The signature of requestor, immediate supervisor (or authorized business officer for the department), and business administrator are required on the purchase order or check request form.

iv. \$10,001-\$50,000

The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications. Quotes must be attached to the purchase documentation and maintained as part of Bonneville Academy's records. Completed bids and an approved purchase order shall be sent to Bonneville Academy purchasing for initiation and purchase. The signature of requestor, immediate supervisor (or authorized business officer for the department), and business administrator for Bonneville Academy are required on the purchase order or check request form.

v. Greater than \$50,001

Bonneville Academy shall enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711, or use an approved vendor list with an invitation for bids or an RFP in compliance with Utah Code 63G-6a-403 and 404. The bid or RFP process shall be managed by Bonneville Academy purchasing. If a bid process is

utilized, select the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. If an RFP process is utilized, select the responsive and responsible offeror with the highest total score. Supporting documents must be retained and maintained as part of Bonneville Academy's records. The signature of requestor, immediate supervisor (or authorized business officer for the department), business administrator, and superintendent of Bonneville Academy are required for final approval. If the purchase is greater than \$99,999, the signature of the board of Director's is also required for final approval.

vi. Less than \$100,001 for professional services

When acquiring professional services such as accounting, legal, consulting, architectural, or engineering goods or services valued less than \$100,001, Bonneville Academy shall follow the policy in section e. above.

1. Small construction projects

a. 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. The signature of the requestor, immediate supervisor (or authorized business officer for the department), business administrator, and superintendent of Bonneville Academy are required for final approval.

b. Costing between \$25,001 and \$80,000 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 (i). The signature of the business administrator and director of Bonneville Academy are required for final approval.

c. Costing more than \$80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20, and the board shall advertise for bids at least 10 days before the bid due date. The signature of the business administrator, director, and the board of Director's are required for final approval.

vii. Greater than \$100,000 for professional services

Bonneville Academy shall enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711. The bid or RFP process shall be managed by Bonneville Academy purchasing. If a bid process is utilized, select the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. If an RFP process is utilized, select the responsive and responsible offeror

with the highest total score. Supporting documents must be retained and maintained as part of Bonneville Academy's records. The signature of the business administrator, director, and Bonneville Academy's board of Director's are required for the invitation to bid or RFP.

### 3. Sole Source

- a. Sole source procurement shall only be used if a product or service is unique and can be easily proven as one of a kind, offered by only one vendor. If there is more than one potential bidder or offeror for a particular item, sole source does not apply. All sole source determinations must be completed through the Bonneville Academy purchasing department.
- b. All sole source requests estimated to be \$50,000 and above must be posted for public comment, in accordance with Utah Code 63G-6a-802 and 406.
- c. Sole source justification should be documented according to Utah Code 63G-6a-802 and be approved by administration.

### 4. Purchase Cards

- a. All purchase cards shall be kept secured and controlled by the accounting/front office with limited access. PIN numbers should be kept secured.
- b. Card users shall follow Bonneville Academy and state purchasing policies and comply with the Utah State Tax Commission's guidelines regarding Bonneville Academy's tax exempt status number.
- c. Purchases exceeding \$1,000 made using the purchase card should be pre-approved, using an expenditure authorization form, prior to making the purchase.
- d. If cards are assigned to specific employees, the card user shall retain all receipts for purchases made with public funds. The card user shall review and reconcile the card statement activity each month and attach all receipts to the card statement. The card user should sign their card statement certifying that all purchases have been made in accordance with Bonneville Academy and state policy.
- e. Administration (or designee) must review each card holder's statement, along with all receipts, for approval. Approval should be documented.
- f. An employee with oversight over the card user(s) should be responsible for providing authorization.
- g. Individual expenditures made on purchase cards shall be recorded in Bonneville Academy's accounting records according to approved NCEC chart of accounts. The issuance of a check or an electronic funds transfer to pay the monthly card statement balance shall be documented and approved by administration prior to issuance.
- h. ATM transactions, cash advances, or personal use are strictly prohibited.
- i. Violation of purchase card policy, including not retaining documentation of purchases or making personal purchases, may result in card cancellation, disciplinary action, or criminal prosecution.
- j. Transaction, daily, or monthly limits will be established based on purchasing authority.
- k. Administration or employees designated by Bonneville Academy will develop an

internal review plan to periodically select purchase card statements to verify that Bonneville Academy policies and procedures are being followed, and that purchases are appropriate, documented, and coded to the proper funding sources.

1. If the card is lost or stolen, immediately contact the appropriate authority.
5. Reimbursement Requests
    - a. Employees seeking reimbursement for Bonneville Academy expenditures made with employee funds must complete a reimbursement request form, which is signed by the requestor and approved by the employee's immediate supervisor. An administrator's or board employee's immediate supervisor may be the director or board chair.
    - b. Supporting documentation, including detailed receipts and justification for departure from the standard purchase order process, is required. Authorization must be documented by the immediate supervisor.
  6. Bonneville Academy Issuance of Checks
    - a. All checks, check stock, access to bank accounts, and bank statements shall be kept secured and controlled by the accounting/front office with limited access. Password should be kept secured and changed periodically.
    - b. An employee who does not have the ability to issue checks shall review the issued check and accompanying supporting documentation to ensure all policies and procedures are followed prior to signing the check
    - c. Each disbursement shall be substantiated with supporting documentation, such as an invoice, receipts, quotes (according to the procurement policy above), reimbursement forms, contracts, travel forms, etc. All expenditures shall be recorded in Bonneville Academy's accounting records using the NCES chart of accounts, or under Bonneville Academy's roll-up process to convert to the NCES chart of accounts.
    - d. Signature stamps should not be utilized, and blank checks or checks made payable to "cash" or "bearer" should never be signed.
    - e. It may be necessary to void a check. If this occurs, the word "VOID" should be written on the check, and the actual check shall be retained.
  7. Journal Entries/Electronic Fund Transfers
    - a. All electronic fund transfers and journal entries shall be kept secured and controlled by the accounting/front office with limited access. Password should be kept secured and changed periodically.
    - b. Each journal entry or electronic fund transfer should be substantiated by supporting documentation.
    - c. Each journal entry or electronic fund transfer should be recorded in Bonneville Academy's accounting records.
    - d. Administration or an individual without cash disbursement duties shall document approval of journal entries or electronic fund transfers.
    - e. Periodically, Bonneville Academy's finance committee or designee should review and approve the journal entries and electronic fund transfers.
  8. Review process
    - a. Monthly, bank reconciliation(s) should be performed on all Bonneville Academy -approved accounts, including credit card transactions. If the bank reconciliation

is completed by someone who has access to the accounting system and the bank accounts, it should be reviewed and approved by another person, such as the school Director or director, or a member of the finance committee or board.

- b. Monthly, administration should review bank statements and bank reconciliations, as well as credit card statements, and document the review and approval. Bonneville Academy's finance committee or Bonneville Academy management should ensure that monthly bank reconciliations and credit/purchase card statement reconciliations are occurring.
- c. Periodically, administration or designated members of management shall review cash disbursements to verify that all Bonneville Academy and State policies and procedures are being followed.

Approved:

#### **5104 GENERAL FINANCIAL MANAGEMENT**

In general, the Board and Administration of Bonneville Academy (or "BA") shall manage the financial affairs of MA based on the following Administrations: (1) comply with all applicable laws or bond covenants, (2) provide the best educational services to the students of MA consistent with BA's charter, and (3) get the most effective and cost efficient services possible in all areas at BA.

The BA Board understands that the school is a steward over the financial resources and assets entrusted to them by the state of Utah. The Board recognizes the need to abide by all applicable laws and regulations, including 53A-1a-508, including the following acknowledgements: (i) fiscal procedures will be consistent with generally accepted financial management standards; and (ii) neither the chartering entity nor the state, including an agency of the state, is liable for the debts or financial obligations of BA or persons or entities who operate BA, unless agreed to in writing with BA.

BA adheres to Generally Accepted Accounting Principles as constituted by the Financial Accounting Standards Board. BA also ensures that all applicable areas of the Utah Money Management Act are followed. Cash collected at BA is reconciled daily in the presence of two authorized individuals, sealed in tamperproof envelopes, and deposited daily, whenever practicable, but not later than three days or as otherwise required by applicable rules governing BA cash management.

In accordance with state law, BA, prior to June 30th of the each fiscal year, prepares an annual operating budget for the next fiscal year. The budget is designed so that BA priorities, as established by the Board, are met. All budgets and budget amendments are Board approved,

being voted upon in a public meeting in accordance with the Utah Open and Public Meetings Act. Subject to appropriation limits with object codes and other restrictions, BA reserves the right to reallocate funds from one line item in the budget to another as prescribed by the Board if purchasing practices or conservation result in an expenditure different from the budgeted amount. The Board may choose to add undistributed reserves from BA operational budget to the following year and/or may reallocate them to the current fiscal year's budget, at its discretion. The budget and cash flow projections utilized by BA provide sufficient detail to enable reasonably accurate projections of revenues and expenses, separation of capital and operational items, cash flow, and subsequent audit trail documentation.

In addition, BA understands and complies with all applicable fiscal rules/regulations, including completion and submission of an annual financial audit of the current fiscal year conducted by an independent certified public accounting firm by November 30th of the following fiscal year, submission of October and December student counts in accordance to state mandated deadlines, Utah Money Management reports, wages and benefits negotiation reports, Utah Transparency Act reports and updates, October 1st AFR and APR submissions, and any other regular enrollment and financial reports as required by the State Office of Education.

Purchases are authorized and carried out in accordance with the Cash Disbursement and Procurement, Cash Receipt and Fiscal Policies, adopted by the Board and the Utah Procurement Code.

BA utilizes a [fixed asset inventory system] that, in accordance with federal guidelines, tracks all of BA fixed assets. This inventory system is implemented in accordance with BA [Capitalization & Expense Policy]. BA has adopted procedures for the disposal of fixed assets to ensure proper reconciliation of inventory records at the end of the fiscal year. Regular inventory counts are performed, and the Board holds the administration, teachers, and custodial/maintenance staff responsible to inventory items assigned to their classroom, office, or role at BA.

All fiscal policies and procedures comply with BA conflict of interest policy.

BA assigns a representative to attend school finance and statistics training and all required finance training. BA will continue to take the measures necessary so that its representative(s) attend future trainings as announced or provided to ensure accounting and management of BA resources are in compliance with any revisions to rules and laws governing BA.

#### Minimum Reserve and Coverage Levels

BA will maintain minimum reserve and coverage levels that the Board determines are consistent with long-term financial health. The board treasurer, administration, business manager and accounting staff will regularly monitor the status of reserve and coverage ratios and report that

information to the Board.

BA will ensure that it satisfies minimum reserve and coverage levels as required by law or applicable bond covenants.

BA will take reserve and coverage levels into consideration when making budgeting, financial planning, and other financial decisions, including decisions regarding major purchases.

#### Financial Forecasting and Budgeting

Throughout the fiscal year, the financial [manager], administration, business manager and accounting staff will meet regularly to discuss the budget, BA financial status, and any changes. The Board will be fully engaged in the budgetary process and informed of such issues on a regular, monthly basis.

The board treasurer, administrator, business manager and accounting staff will meet to prepare a tentative budget. BA's budgeting philosophy will be to conservatively project both revenues and expenses while achieving the level of accuracy required by state standards. The tentative budget will be circulated to the Board for further review and discussion. The tentative budget will be scheduled for discussion on a board meeting agenda, further discussed, and adopted at the annual board meeting.

As the October 1 count is finalized, and as BA receives new revenues, the Board will be updated on new figures. In order to account for these changes, the Board will approve revisions and amendments to the budget over the course of the fiscal year, as needed and appropriate.

Approved: