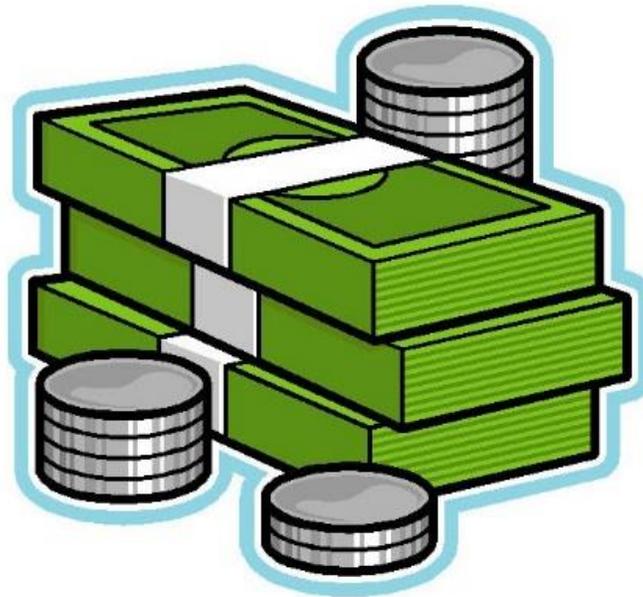


SUMMIT ACADEMY

Fiscal Policy Manual

2017



Adopted March 16, 2017

Addendum to Procurement Policy Adopted October 16, 2017

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Section 1. General Fiscal Definitions, Responsibilities, and Duties

A. Purpose

The purpose of this section is to establish policy for the fiduciary responsibilities and duties involving public funds. This section applies to all Summit Academy administrators, licensed educators, staff, students, organizations, and individuals who handle public funds.

B. Definitions Applicable to All Fiscal Policies

1. **“Arms-length transaction”** means a transaction between two unrelated, independent and unaffiliated parties or a transaction between two parties acting in their own self-interest that is conducted as if the parties were strangers so that no conflict of interest exists.
2. **“Budget account”** means an account within Summit Academy’s accounting system established to account for funds that are budgeted for a specific purpose. These funds are held in Summit Academy’s central bank accounts.
3. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
4. **“Cash receipt”** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
5. **“Cashier”** means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of Summit Academy.
6. **“Compensating control”** means an alternate procedure or set of procedures that must be used when it is not possible to segregate duties so that no one employee performs more than two of the key duty types (see section E).
7. **“Conflict of interest”** means a situation in which a person or organization is involved in multiple interests (financial, emotional, or otherwise), one of which could possibly corrupt the motivation of the individual or organization.
8. **“Summit Academy property”** means any and all of the following that rightfully belongs to Summit Academy:
 - Public funds;
 - Physical, intangible, or intellectual property;
 - Manpower that rightfully belongs to Summit Academy.

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Section 1 – General Fiscal Definitions, Responsibilities, and Duties

9. **“Summit Academy purchasing instrument”** means any of the following specific authorized means of making a purchase:
 - Check from Summit Academy authorized bank account;
 - Electronic funds transfer from a Summit Academy authorized bank account;
 - Credit Card;
 - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
10. **“External Audit”** means an official examination and verification of accounts and records performed by an external party to Summit Academy, usually an independent CPA firm, for the purpose of expressing an opinion on the accuracy of financial information reported by Summit Academy as well as compliance with laws and rules.
11. **“Independent internal review”** means the critical review of documents and transactions by a Summit Academy employee who is independent of the duties performed to produce the documents and transactions.
12. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
13. **“Internal controls”** are procedures designed to safeguard assets, detect errors and misappropriations, produce timely and accurate financial reports, and ensure compliance with laws and rules.
14. **“Internal audit”** means a review of transactions and records performed by a Summit Academy employee, typically a member of the accounting department staff, for the primary purpose of determining compliance with law, rules, and Summit Academy policies, procedures, and internal controls.
15. **“Public funds”** means 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 LEAs (Utah Code 51-7-3(25)).
16. **“School-sponsored event or activity”** means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by Summit Academy funds, including Summit Academy activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

C. Responsibilities and Authority

1. The Summit Academy Board of Trustees directs and controls all school assets in Summit Academy (Utah Code 53A-2-108 (2)). They are also authorized and directed to (1) adopt bylaws and rules for

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Section 1 – General Fiscal Definitions, Responsibilities, and Duties

2. its own procedures; (2) enforce rules necessary for the control and management of Summit Academy; and (3) do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education (Utah Code 53A-3-14, 15, and 20).
3. The Business Administrator is the budget officer of Summit Academy (Utah Code 53A-19-101).
4. The Business Administrator shall among other things (1) be custodian of all Summit Academy funds; (2) be responsible and accountable for all money received and disbursed; (3) keep accurate records of all revenues and their sources; (4) use uniform procedures which shall be in accordance with generally accepted accounting principles or auditing standards; (5) ensure that adequate internal controls are in place to safeguard Summit Academy's funds (Utah Code 53A-3-303); and (6) be authorized to assign portions of fund balance intended to be used for specific purposes.
5. Subject to the direction of the Business Administrator, the Fiscal Administrator (Principal) in each school is charged with primary responsibility of ensuring that all financial matters of his/her school are transparent, well managed, and conducted in accordance with laws, rules, and Summit Academy policies and procedures. Such responsibility is non-delegable. Because it is not possible for the Fiscal Administrator to be personally involved in every financial matter at his/her school, he/she may designate specific individuals to perform specific tasks or functions on his/her behalf. Nonetheless, the Fiscal Administrator retains ultimate responsibility and should ensure designees are properly trained.
6. In all activities, Summit Academy employees shall comply with the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16) and other Summit Academy policies. Educators shall also comply with Utah Educator Standards (Utah Admin. Code R277-515). In particular, employees shall refrain from using his/her position of influence to profit commercially or benefit personally from parties interested in conducting business with Summit Academy. Employees should not sell products or services offered by a family owned business unless the transaction is arms-length and the employee receives express permission from the Fiscal Administrator after disclosing the potential conflict of interest. This provision is not intended to prevent employees from communicating opportunities for extracurricular involvement or other enrichment activities.
7. Fiscal Administrators do not have authority to instruct or permit either by action or omission violation of Summit Academy policy and procedures.

D. Segregation of Duties

1. To ensure that no single individual is placed in a circumstance where (s)he can cause or conceal accounting irregularities (or be vulnerable to others doing so), the Fiscal Administrator, whenever possible, shall separate the following three key duty types at his/her sites among available staff so that no one employee performs more than two of the following key duty types:
 - a) Custody – having access to or control over any physical asset such as cash, checks, equipment, supplies, or materials;

- b) Authorization – the process of reviewing and approving transactions or operations; and
 - c) Record keeping – the process of creating and maintaining records of revenues, expenditures, inventories, and personnel transactions to include reconciliations.
2. When, due to limited staffing and related constraints, a single employee performs all three key duty types, the Fiscal Administrator shall ensure that monthly independent internal reviews of the documents and transactions related to the duties performed are conducted and documented.

E. General Policies

1. Fiscal Administrators shall take every reasonable precaution to safeguard Summit Academy’s financial assets and resources from theft, robbery, vandalism, and unauthorized use. Every employee has a similar fiduciary duty within his/her job duties and responsibilities.
2. Any Summit Academy or school employee who becomes aware of or suspects willful violation of any Summit Academy fiscal policy shall report such to the Business Administrator immediately.
3. Any Summit Academy administrator, licensed educator, or other staff who handle public funds are prohibited from activities that might present a conflict of interest. Any such individual who might have a conflict of interest must fully disclose the interest to their supervising Fiscal Administrator and remove themselves from any exercise of influence or decision making regarding the interest.

F. Improper Use of Summit Academy Property or Employment

1. Employee Theft
 - a) Summit Academy does not tolerate any type of theft including that of Summit Academy property that is perceived by employee(s) as having no remaining value to Summit Academy. Summit Academy expects its employees to conduct themselves in an ethical manner regarding any and all Summit Academy property.

- b) Any Summit Academy employee who becomes aware of or suspects willful theft or misuse of Summit Academy property is obligated to report the matter to an appropriate supervisor.

- c) Required Supervisory Follow-up:
 - i. If the supervisor who receives the information regarding an alleged theft is not the administrative supervisor of the accused, the supervisor is to communicate the allegation to the accused person’s administrative supervisor or superior as appropriate.

 - ii. The accused person’s administrative supervisor, or superior as appropriate, is required to:
 - 1. Perform an initial informal inquiry to see if there is merit to the claim.

 - 2. If it is determined that the claim has merit, the administrative supervisor, or superior as appropriate, is required to report the matter to the local Police Department.

 - 3. If the claim has no basis, the administrative supervisor, or superior as appropriate, should report back to the employee who made the claim that their concern has been addressed.

- d) Neither Summit Academy nor any of its supervisors may take adverse action against an employee because the employee, or a person authorized to act on behalf of the employee, communicates in good faith the waste or misuse of public funds, property, or manpower. (Utah Code 67-21-3).

2. Use of Employment for Personal Purchases

- a) The Utah Public Officers’ and Employees’ Ethics Act prohibits Summit Academy employees from using their positions to acquire private economic or other interests that are substantially different from those available to the general public.
 - i. Special promotions or rates for school and Summit Academy employees may be accepted if those promotions or rates are established by the provider on behalf on an entire class of employees if an employee meets the requirements of the category. (For example, special loan rates for teachers, educator discounts, etc.

- b) Employees shall not open accounts or memberships with merchants using the name or tax id number of Summit Academy for personal use.
- c) Employees shall not use existing school or Summit Academy accounts or memberships for personal purposes.
- d) Employees shall keep Summit Academy and personal business separate.
 - i. Employees are not authorized to associate Summit Academy with personal accounts
 - ii. Personal business shall not be transacted using the address or name of Summit Academy.
 - iii. Personal business shall not be transacted on Summit Academy time.

G. Internal and External Audits

All fiscal related transactions and records are subject to and shall be made available for internal and external audits by appropriate Federal, State, or Summit Academy personnel employed by Contractors engaged by Summit Academy to perform fiscal related service

Section 2. Cash Receipts

A. Purpose

The purpose of this section is to establish policy for the handling of all monetary transactions involving cash receipts. This policy applies to all schools and departments as well as all Summit Academy administrators, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of Summit Academy or individual schools.

B. Definitions

1. **"Fiscal Administrator"** means the top administrator at a given school, the Principal.
2. **"Cash disbursement"** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
3. **"Cash receipt"** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
4. **"Cashier"** means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of Summit Academy.
5. **"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 Summit Academy or other public bodies (Utah Code 51-7-3(26)).
6. **"School-sponsored event or activity"** means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not party of a rental or other contractual arrangement); or (c) is supported or subsidized by Summit Academy funds, including Summit Academy activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

C. Authorized Cashiers

1. Whenever possible, receipt of public funds shall be restricted to one of the following pre-authorized cashiers:
 - a. At the school level:

- i. the School Lunch Cashier or Lunch Manager (for lunch related cash receipts only); or
 - ii. the Financial Secretary or Front Office Secretary
2. For specific functions where it is not possible or reasonable for a pre-authorized cashier to be present to receive all incoming cash receipts, substitute cashiers may be authorized as follows:
 - a. At the school level, the Fiscal Administrator may authorize responsible individuals to act as substitute cashiers. In this case, the Fiscal Administrator shall ensure that each substitute cashier is trained in his/her duties by the Financial Secretary.
3. Summit Academy employees who are not authorized cashiers shall instruct payers to make payments directly to an authorized cashier. Under no circumstances shall a Summit Academy employee who is not a pre-authorized cashier or substitute cashier accept a cash receipt.

D. General Policies

1. All cash received (including lunch money) shall be deposited daily or within three days after receipt as required by Utah Code 51-4-2(2)(a).
2. All checks should be made payable to the school and restrictively endorsed upon receipt. Checks should not be made payable to an employee, a specific department, or a program.
3. Two-party checks should never be accepted.
4. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
5. All funds (cash, checks, credit card payments, school lunch payments, etc.) received must be receipted by student name, if possible, and recorded in accounting records. School lunch money will be posted by student name into SIS Gradebook.
6. All receipting of funds at school should be done at the front office. No receipting of funds should take place in the classroom or in unapproved off-site locations. Provisions shall be made for cash receipting/collection at approved activities or functions.
7. All funds shall be kept in a secure location controlled by the front office until they are deposited. Employees should never hold funds in any location for any reason. Cash receipts should not be taken home by employees or volunteers, or left in offices.
8. Disbursements are never to be made directly from cash receipts (i.e, for purchases, reimbursements, refunds, or to cash personal checks)

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Section 2 – Cash Receipts

9. All activities involving cash must be supervised by a school employee or authorized volunteer to ensure adequate controls are in place.
10. Cash count sheets will be used for cash receipts at games and other school-sponsored activities after hours or off-site. Counts will be completed by two people; signed by a member of school administration on the day of collection, and locked in a secure location.
11. Monthly, bank reconciliation(s) will be performed on all school-approved accounts.
12. Monthly, bank statements and bank reconciliations should be reviewed and approved by school administration.

Section 3. Fundraising

A. Statement of Purpose

The Board of Trustees recognizes that fundraisers help make school activities accessible to students at Summit Academy. The Board intends this policy to govern fundraising activities, to comply with state rules, to limit undue distractions or time commitments, and to ensure educator standards and accounting practices are maintained.

B. Definitions

1. **“Active fundraiser”** means a fundraiser that involves active promotion by the school and active involvement of students.
2. **“Group fundraiser”** means fundraiser where all team or organization members participate and all funds raised are used for the mutual benefit of the team or organization members.
3. **“Individual fundraiser”** means a fundraiser wherein participation is optional for individual students and funds raised by individual students are used to pay that individual student’s costs.
4. **“Passive fundraiser”** means a fundraiser initiated by outside entities that involve minimal supervision or participation (i.e., collecting box tops or proofs of purchase, book fairs, recycling, student pictures, and business patronage partnerships).
5. **“Private fundraiser”** means a fundraiser initiated by an outside entity for the outside entity’s purposes with no intent to donate to or benefit the school.
6. **“School-sponsored fundraiser”** means a fundraising event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by Summit Academy funds, including Summit Academy activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.
7. **“School-wide fundraiser”** means a fundraising event or activity in which all students attending a school may participate.

C. Approval

All fundraisers must be approved by the school Principal and documented using the School-Sponsored Fundraising Approval Form. Principals, therefore, shall use discretion regarding the nature, number, and duration of fundraisers consistent with this policy and related policies. (See special consideration in part I regarding approval of private fundraisers.)

D. Administration of Fundraising Activities

1. All funds raised in school-sponsored fundraising activities are public funds and are to be used for the benefit of students and school programs or activities. Administration, staff, and other Summit Academy employees responsible for the supervision of school-sponsored fundraising activities shall ensure that Summit Academy policies and guidelines for handling and depositing funds are strictly followed.
2. Fundraising activities shall not count as instructional time and are not allowed to interfere with classroom instruction.
3. Only fundraising activities that offer at least forty-percent return of proceeds to the school may be considered.
4. In all fundraising activities, educators shall comply with Utah Educator Standards (Utah Admin. Code R277-515) and other Summit Academy policies. In particular, educators shall refrain from using his/her position of influence to profit commercially or benefit personally from fundraising (i.e., teachers should not sell products or services offered by a family owned business unless the transaction is arms-length and the educator receives express permission from the school Principal after disclosing the potential conflict of interest). This provision is not intended to prevent educators from communicating opportunities for extracurricular involvement or other enrichment activities.
5. With express approval from the Principal, Summit Academy employees may receive reimbursement out of fundraising funds for expenses incurred while supervising school-sponsored student activities (i.e., travel, accommodations, and standard, approved per-diems).

E. Student Participation

1. Teams, clubs, classes, or programs may sponsor individual or team fundraisers for appropriate purposes such as travel, equipment, professional services, or other specific purposes consistent with other Summit Academy policies and State law.
2. Student participation in school-sponsored fundraising activities shall not impact grades, academic credit, or eligibility for teams, clubs, classes, or programs.
3. Students shall not be required to solicit door-to-door for school-sponsored fundraisers.
4. Unused funds from group or individual school-sponsored fundraising activities will revert to the designated school account for the team, club, class, or program at the end of the school year and not to students or parents.

F. School-Wide Fundraisers

The following school-wide fundraisers are allowed annually:

1. One school-wide fundraiser intended to benefit the school may be sponsored by the school each year.
2. One school-wide fundraiser intended to benefit a charitable cause may be sponsored by the school each year.
3. One school-wide fundraiser intended to benefit the school’s parent organization may be sponsored by the school each year.
4. Passive fundraisers are allowed under the direction and at the discretion of the Principal. Marketing information regarding passive fundraisers may not be distributed by schools as stand-alone flyers with the exception of information packets for student pictures and forms for school book programs.

Individual Student Book Orders

In order to comply with the Utah State Tax Commission guidelines, the following procedures must be observed when ordering books for individual elementary students through mail order companies such as Troll Books, Scholastic, Weekly Readers, etc.

- a. Elementary students cannot be required to purchase books to be used as part of the curriculum. These books are to be used only for individual reading or free time activities. Student participation is voluntary.
- b. Students who wish to purchase books should:
 - i. Complete the order form.
 - ii. Attached a check or money order (NO CASH) made out to the book company.
 - iii. Return the order form and check (or money order) to their teacher or a volunteer. The order forms and checks are then sent directly to the publishers.

Following this procedure, the school is not responsible for collection and remittance of sales tax on these purchases.

- c. “Bonuses” received for the orders must remain with the school and cannot be accepted by an individual as a personal gift for initiating the purchase.
- d. The Principal and individual teachers must agree about class participation in mail order offers.

G. Utah Sales Tax

1. Utah law provides for a sales tax exemption on school fundraising sales if all of the following conditions are met:
 - a. Funds are used by the school for the purpose of purchasing equipment or materials or to provide transportation.
 - b. Fundraising activities are part of an officially school-sanctioned activity conducted in accordance with this policy.
 - c. Funds are not used to directly or indirectly compensate a teacher or other school employees.
 - d. Revenues from the fundraiser are deposited in a dedicated school account controlled by Summit Academy.
2. For all sales made during school-sponsored fundraising activities that do not qualify for the sales tax exemption, schools shall charge, collect, and appropriately remit sales tax.

H. Limitations and Prohibitions

1. Employees are not permitted to accept personal payments, bonuses, or gratuities from commercial fundraising organizations or individuals (Utah Code 63-56-72 and Utah Administrative Code R277-515). Fundraising incentives, bonuses, etc., however, may be accepted if used to directly benefit students and/or programs.
2. School-sponsored fundraising may not involve communication, advertising, and/or depictions of tobacco or alcoholic products or any other material or product that may not legally be used by school age children or is otherwise not in compliance with the state or Summit Academy rules; that may be harmful to the health and welfare of students; that may exploit or create undue intrusion into the classroom or home; that would detract from or interfere with student learning; that would conflict with the educational mission of Summit Academy; or that would commercialize or damage the image of Summit Academy.
3. Schools may not sponsor or co-sponsor fundraising events with the intended or unintended effect of offering an undue advantage to any outside entity or otherwise circumventing Summit Academy policies or state laws regarding facility rentals, donations, booster clubs, access to students, etc. For example, an individual or entity shall not be allowed to profit commercially by promising a donation or a portion of event proceeds to a team, club, class, or program in exchange for free or reduced-rate use of facilities, work performed by students or district personnel, or some other advantage gained by using a public facility.

4. School-sponsored fundraisers cannot require students to submit the personal information of other people, and students shall not be used to develop mailing or contact lists for any commercial or fundraising organizations.
5. Schools shall ensure against selling during the school day, as part of a fundraiser, food and beverage items that do not meet nutrition standards for competitive foods unless exempted. To be exempted, the number of such fundraisers may not exceed three (3) per year with each fundraiser lasting no longer than five (5) consecutive days. If these conditions are not met, Summit Academy shall ensure that all food and beverage items sold as part of a fundraiser meet such nutrition standards. (See Utah Administrative Code R277-719-5.)

I. Private Fundraisers

1. A third party who wishes to conduct a fundraiser using school facilities, equipment, or other resources may do so provided they enter into a rental or other contractual arrangement with Summit Academy to use such resources.
2. Private fundraisers using school facilities, equipment, or other resources may not be conducted during normal school operating hours.
3. Private fundraisers must be approved by the Principal. In doing so, the Principal shall consider whether the private fundraiser will compete or otherwise interfere with school-sponsored fundraising activities.
4. The funds raised belong to the third party and are not considered public funds.
5. The third party retains all risk as well as all obligations to comply with State laws and/or requirements.

Section 4. Donations, Gifts & Sponsorships

A. Statement of Purpose

Donations to Summit Academy are welcomed and community partnerships are encouraged. In accordance with Utah Admin. Code R277-113-5, the Summit Academy Board of Trustees establishes procedures governing the acceptance, valuations, and recognition of all types of donations, gifts, and sponsorships at its schools. The Board delegates to the Administration responsibility for implementing the policy according to the established guidelines.

B. Guidelines

1. All funds, property, or goods donated become public funds and the property of Summit Academy and shall be used for the purpose for which they were donated and in accordance with State and Summit Academy policies. Donations, gifts, and sponsorships shall not be directed at specific employees, individual students, vendors, or brand name goods or services.
2. Summit Academy will comply with all applicable state and federal laws; the State procurement code (Utah Code 63G-6a); State Board of Education rules, including construction and improvements; IRS Publication 526 "Charitable Contributions"; and other applicable IRS regulations.
3. The collection of funds or assets associated with donations, gifts, or sponsorships will comply with Summit cash receipting policies. The expenditure of funds associated with donations, gifts, or sponsorships will comply with Summit cash disbursement policies.
4. Donations, whether in-kind, cash, or otherwise, shall be complete transfers of ownership, rights, privileges, and/or title in or to the donated goods or services and become exclusive property of Summit Academy upon delivery.
5. Summit employees must comply with procurement policies and procedures, including complying with obtaining competitive quotes; bid splitting; and no accepting gifts, gratuities, or kickbacks from vendors or other interested parties.
6. If donations or gifts are offered in exchange for advertising or other services, an objective valuation will be performed and a charitable receipt will be issued by the Business Administrator.
7. Donations, gifts, and sponsorships given by vendors to specific programs (e.g., drama, sports teams) or employees shall be evaluated for compliance with Utah Code 63G-6a-2304.5, "Gratuities, Kickbacks, Unlawful use of position or influence". As required by state law, donations will only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. Employees are not permitted to accept personal payment or gratuities in any form from a vendor or potential vendor as a precondition for purchase of any product or service.

8. Donations and gifts over \$250 will be provided with an acknowledgment of the contribution for IRS purposes. The acknowledgment will be in the form of a receipt issued by the Business Administrator. These receipts will be generated from the information provided on the “Donations, Gifts, and Sponsorships” form.

C. Products

Summit Academy may accept donated products which carry the donor company’s name, trademark, log, or limited advertising on the product (e.g., cups, T-shirts, hats, instructional materials, furniture, office equipment, etc.). These items shall be valued at fair market value at the time of the contribution. Advertising or other services offered in exchange for the donation or gift may alter the contribution amount.

D. Cash Donations

1. Cash donations are welcomed and may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities. All cash donations will be received in compliance with Summit’s cash receipting policies.
2. Cash donations may be used to fund or enhance programs, facilities, equipment, supplies, services, etc.
3. Cash donations may not be used to hire regular classroom teachers. Classroom assistants, coaching assistants, or specialists of any kind, including individuals who may hold educator licenses, may be hired using the funds received. Donations to fund such positions shall be made to a program or department and not directly to individuals and employment will be processed through Human Resources.
4. Cash donations shall not be used to augment an employee’s remuneration beyond the remunerations associated with the salary schedule of the employee’s position.

E. Donor and Business Partner Recognition

1. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts that are not considered capital or fixed assets. Non-permanent recognitions may be placed on buildings or structures with written approval from the Board of Trustees.
2. Principals may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner. Such materials shall feature the school-business partnership and not promote or endorse the business named.

F. Equipment, Supplies or Goods

Individual schools may accept donated equipment, supplies, or goods for use in the schools or school programs. These items shall be valued at the fair market value at the time of the contribution. Advertising or other services offered in exchange for the donation or gift may alter the valuation amount.

G. Approval and Acceptance

1. Donations, gifts, and sponsorships valued at more than \$250 must be documented on the Summit Academy Contribution form. This form must be completed prior to the acceptance of money or goods, and must be retained in accounting records. A copy of the completed form will be sent to the Business Administrator, and a receipt for charitable contribution purposes will be issued to the donor.
2. Approval levels are as follows:
 - a. Money, good, supplies, or in-kind donations, gifts, or sponsorships valued at \$250-\$10,000 must be documented on the Summit Academy Contribution form and approved by the Principal or applicable department or division supervisor prior to acceptance.
 - b. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at \$10,000-\$50,000 must be documented on the Summit Academy Contribution form and approved by the Business Administrator and Director prior to acceptance.
 - c. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at more than \$50,000 must be documented on the Summit Academy Contribution form and be approved by the Board of Trustees prior to acceptance.

H. Capital Donations or Gifts/Large Donations or Gift Projects

1. All donations or gifts for constructions, maintenance, facilities renovation or improvement, and other capital equipment purchases must be approved in writing by the Business Administrator, the Director, and the Board of Trustees. Prior to the initiation of a large capital drive or specific fundraising drive, the following will be provided to the Business Administrator for evaluation and recommendation to the Director.
 - a. Prospective construction, maintenance or renovation plans and estimated costs
 - b. Proposed naming opportunities
 - c. Proposed donation or gift timeline

- d. Loans or financing agreements
 - e. Maintenance or upkeep requirements and costs
 - f. Assurances of compliance with Title IX
2. The Director will make a recommendation to the Board of Trustees. The Board reserves the right to tentatively approved plans, pending donations, gifts, equity, or other conditions.
 3. All physical facilities are owned and operated by Summit Academy. No part of any school facility or capital equipment may be named for a donor without the express written consent of the Board of Trustees.
 4. Summit Academy shall only grant naming opportunities that are consistent with the mission and educational objectives of the school. Decisions regarding naming opportunities are within the sole discretion of the Board of Trustees.

I. Advertising

1. To avoid disruption of students' instructional activities, schools shall not be used for distribution of partisan, religious, or commercial advertisements, flyers, bulletins, newspaper, etc.; nor shall such items be placed on vehicles parked on school grounds.
2. Principals may permit the school distribution of flyers, bulletins, newspapers, etc. with information regarding nonprofit community youth programs such as Boy Scouts of America, Girl Scouts of America, county and municipal programs, and little league-type recreation programs.
3. Students and employees of Summit Academy, including teachers and administrators, shall not act as agents for commercial agents during school hours or contract time.
4. School employees' participation in a private, but education-related, activity must be separate and distinguishable from the employees' public employment. They may purchase advertising space to promote private or non-school-sponsored events in the same manner as the general public. Their employment and experience may be used to demonstrate qualifications. The advertisement must clearly state that the activity is not school-sponsored. See R277-107 for specific direction.

Section 5. Procurement

A. Purpose

The purpose of this section is to establish policy to govern the initiation, authorization, and review of purchases at Summit Academy. This policy is applicable to all purchases using public funds. The scope includes all qualifying purchases of goods or services at Summit Academy and in all locations where activities are held and public funds are expended. It is expected that in all dealings, Summit Academy employees will act in an ethical manner that is consistent with the Public Officers' Employees' Ethics Act, the Utah Educators' Standards, and State procurement law.

B. Definitions

1. **"Summit Academy purchasing instrument"** means any of the following specific authorized means of making a purchase:
 - Check from a Summit Academy authorized bank account;
 - Electronic funds transfer from a Summit Academy authorized bank account;
 - Credit Card; and
 - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
2. **"Fiscal Administrator"** means the top administrator at a given school, the Principal.
3. **"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 Summit Academy or other public bodies (Utah Code 51-7-3(26)).

C. State Law Requirements

This policy is established pursuant to Utah Code 63G-6a-101 *et. seq.* and Utah Administrative Rules, Title R33, and requires all Summit Academy employees to comply with the same. The Summit Academy Board of Trustees has authority to establish procurement policies that are more restrictive than State laws or rules. Certain components of the law particularly relevant to Summit Academy employees are included below.

1. Contracts must follow the guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts (Utah Code 63G-6a-1204(7)).
2. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a-1302 the Utah State Board of Administrative Rules, and Title IX).

3. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a-101 *et. seq.*), Summit Academy’s procurement policy, and the Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16-1 *et. seq.*).

D. Restricted Authority

1. No purchase shall be made and no indebtedness shall be incurred by any officer or employee of Summit Academy that exceeds the authority given in this policy except those authorized by the Summit Academy Board of Trustees (Utah Code 53A-3-405).
2. The Business Administrator, or designated agents, are the only persons authorized to engage in the following procurement-related activities:
 - a. obligate Summit Academy for the purchase of goods and services, which includes any type of leasing agreement (the only exception to this the event of an emergency wherein loss or harm will result without immediate action);
 - b. establish and manage an inventory of supplies and certain equipment, and as the need develops, replenish that inventory through means of competitive bidding or inquiry with established sources of supply;
 - c. manage the transfer of surplus equipment for purposes of use in other Summit Academy schools and departments; and
 - d. determine the value of equipment within the schools that is deemed obsolete or not repairable and direct the disposal of such items by means of a sale or salvage.
3. Fiscal Administrators are authorized by the Summit Academy Board of Trustees to enter into contracts or agreements that obligate Summit Academy to the end of the current school/fiscal year only.

E. General Policies

1. Whenever possible, local markets and vendors shall be favored in the purchase of goods and services, where price and quality are equal to other sources.
2. Competitive prices shall be sought from all available sources whenever possible before negotiations for purchase are entered into, and preference shall not be given in such a way that one vendor has an advantage over any other vendor.
3. The Business Administrator, or designated agents, reserves the right to negotiate any quotation received by a department or school

4. Where only one source of supply exists, the Business Administrator, or designated agents, shall negotiate the price and quality and conditions of delivery.
5. The Business Administrator, or designated agents, may substitute equivalent product provided the Business Administrator notifies the originator of the purchase requisition prior to the substitution.
6. The Business Administrator, or designated agent, may cancel all, or any part of a Purchase Order that fails to meet the specifications regarding quality, prices, delivery, or service specified thereon.
7. The Fiscal Administrator is charged with primary responsibility for all financial matters of his/her school. Such responsibility is non-delegable. Because it is not possible for the Fiscal Administrator to be personally involved in every financial matter at his/her school, he/she may designate specific individuals to perform specific tasks or functions on his/her behalf. Nonetheless, the Fiscal Administrator retains ultimate responsibility and should therefore ensure his/her designees are properly trained. Fiscal Administrators do not have authority to instruct or permit violation of Summit Academy policy and procedure.
8. All transactions will be subject to audit for compliance by appropriate Summit Academy personnel at any time.
9. Summit Academy will not recognize employees as independent contractors for services that are related to or an extension of their employment job duties.

F. Purchases and Procurement Thresholds

1. Schools and departments are authorized to make necessary purchases within stated procurement thresholds. The dollar thresholds for purchases are to be applied to the whole purchase, not individual items.
 - a. A “small purchase” is the procurement of goods or services for which the total cost is less than \$50,000 (Utah Code 63G-6a-408). Under that amount, there are additional dollar thresholds that must be applied to specific types of purchases.
 - b. The “individual procurement threshold” for Summit Academy is \$1,000. This is the maximum amount that Summit Academy can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing procedures (Utah Code 63G-6a-408).
 - c. The “annual cumulative threshold for Summit Academy is \$50,000. This is the maximum total annual amount that Summit Academy can expend to obtain individual procurement item(s) costing less than \$1,000 from the same vendor during the fiscal year (July 1 – June 30).

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- d. 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 R33-6 & 7).
 - e. 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 (July 1 – June 30), a contract shall be utilized if feasible (Utah Code 63G-6a-408(6)).
2. Without regard to amount:
 - a. If a service is to be purchased from an individual or sole proprietor, the purchase must be made with a Purchase Order and processed through the accounting department to facilitate compliance with IRS regulations concerning issuance of 1099 forms from Summit Academy.
3. For purchases that total up to \$1,000:
 - a. If the items being purchased are not available from a State or Summit Academy contract, the Fiscal Administrator may make a best source selection and proceed with the purchase by either credit card or Purchase Request Form/school check.
4. For purchases that total between \$1,000.01 and \$4,999.99:
 - a. If the items being purchased are not available on a State or Summit Academy contract, documented quotes are required, either written, via telephone, or in email received directly from the vendor, and shall contain the following information:
 - i. employee name and position;
 - ii. dates that the quoted price is valid and anticipated delivery date;
 - iii. vendor name, address, and salesperson;
 - iv. each item, description or specifications, unit, quantity unit price, unit total price, shipping and freight charges, and grand total price; and
 - v. salesperson contact information.
 - b. The employee shall document three (3) quotes on the Purchase Order Request Form and make the purchase using a School Purchase Order or credit card if the total purchase is under the transaction limit on the card.
 - c. Documented quotes and completed Purchase Order Request Forms are to be retained with the payment documents as follows:
 - i. If the payment is made with a credit card the supporting quote documentation is retained with the credit card receipt.

- ii. If the payment is made with a School Purchase Order the supporting quote documentation is retained with the school purchase order.

- 5. For purchases that total over \$5,000:
 - a. The employee initiates the purchase using a Purchase Order Request Form. All such purchases are required to be approved by the Business Administrator. Once the Purchase Order Request is approved, it will be processed as follows:
 - i. Purchases up to \$49,999.99 – Administrative Office will obtain and document quotes, select the best vendor based on criteria such as price, availability, quality, etc., then issue a Purchase Order.
 - ii. Purchases of \$50,000 and over – Administrative Office will obtain formal bids, select the best vendor based on price, availability, quality, etc., submit a recommendation to the Summit Academy Board of Trustees, then upon Board approval, issue a Purchase Order.

- 6. Artificially Dividing a Purchase:
 - a. It is unlawful to intentionally divide a procurement purchase into two 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 (Utah Code 63G-6a-408).
 - b. Dividing a purchase, or 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.).
 - c. Purchase splitting often occurs when making purchases on a credit card. Employees should not split invoices to stay under single transaction purchase limits on credit cards or the established purchasing thresholds.
 - d. 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 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.
 - e. Penalties for dividing purchases range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements

G. Ethical/Legal Standards in the Utah Procurement Code

State law mandates that **all public employees** comply with ethical/legal standards when administering or using public funds. Utah Code 67-16-4 & 5 *et. seq.* outlines conduct considered unlawful and proscribes penalties for violating these ethical laws.

67-16-4. Improperly disclosing or using private, controlled, or protected information – Using position to secure privileges or exemptions – Accepting employment that would impair independence of judgment or ethical performance – Exception.

1. Except as provided in Subsection (3), it is an offense for a public officer, public employee, or legislator to:
 - a. accept employment or engage in any business or professional activity that he might reasonably expect would require or induce him to improperly disclose controlled information that he has gained by reason of his official position;
 - b. disclose or improperly use controlled, private, or protected information acquired by reason of his official position or in the course of official duties in order to further substantially the officer's or employee's personal economic interest or to secure special privileges or exemptions for himself or others;
 - c. use or attempt to use his official position to:
 - i. further substantially the officer's or employee's personal economic interest; or
 - ii. secure special privileges or exemptions for himself or others;
 - d. accept other employment that he might expect would impair his independence of judgment in the performance of his public duties; or
 - e. accept other employment that he might expect would interfere with the ethical performance of his public duties.
2.
 - a. Subsection (1) does not apply to the provision of education-related services to public school students by public education employees acting outside their regular employment.
 - b. The conduct referred to in Subsection (2)(a) is subject to Section 53A-1-402.5.
3. This section does not apply to a public officer, public employee, or legislator who engages in conduct that constitutes a violation of this section to the extent that the public officer, public employee, or legislator is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

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67-16-5. Accepting gift, compensation, or loan – When prohibited.

1. As used in this section, “economic benefit tantamount to a gift” includes:
 - a. a loan at an interest rate that is substantially lower than the commercial rate then currently prevalent for similar loans; and
 - b. compensation received for private services rendered at a rate substantially exceeding the fair market value of the services.
2. Except as provided in Subsection (4), it is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:
 - a. That would tend improperly to influence a reasonable person in the person’s position to depart from the faithful and impartial discharge of the person’s public duties;
 - b. That the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken; or
 - c. If the public officer or public employee recently has been, is now, or in the near future may be involved in any governmental action directly affecting the donor or lender, unless a disclosure of the gift, compensation, or loan and other relevant information has been made in the manner provided in Section 67-16-6.
3. Subsection (2) does not apply to:
 - a. an occasional nonpecuniary gift, having a value of not in excess of \$50;
 - b. an award publicly presented in recognition of public services;
 - c. any bona fide loan made in the ordinary course of business; or
 - d. a political campaign contribution.
4. This section does not apply to a public officer or public employee who engages in conduct that constitutes a violation of this section to the extent that the public officer or public employee is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

State law mandates **procurement professionals** comply with ethical/legal standards when administrating or using public funds. Utah Code 63G-6a-2404 *et. seq.* outlines conduct considered unlawful and proscribes penalties for violating procurement laws.

1. For purposes of this section, the following definitions apply:

- a. **“Contract administration professional”** means an individual who is directly under contract with Summit Academy or employed by a person under contract with Summit Academy and has responsibility in developing a solicitation or grant, or conducting the procurement process; or supervising or overseeing the administration or management of a contract or grant. This does not include an employee of Summit Academy. (Utah Code 63G-6a-2402).
- b. **“Procurement professional”** means an individual who is an employee, and not an independent contractor, of Summit Academy and who, by title or primary responsibility has procurement decision making authority and is assigned to be engaged in or is engaged in the procurement process or the process of administering a contract or grant including enforcing contract or grant compliance, approving contract or grant payments, or approving contract or grant change orders or amendments. Procurement professional excludes:
 - i. Any individual who, by title or primary responsibility, does not have procurement decision making authority;
 - ii. The Executive Director, Assistant Director, Business Administrator, Principal, or Assistant Principal of Summit Academy (Utah Code 63G-6a-2402).
- c. **“Hospitality gift”** means a token gift of minimal value, including a pen, pencil, stationery, toy, pin, trinket, snack, beverage, or appetizer, given for promotional or hospitality purposes. This does not include money, a meal, admission to an event for which a charge is normally made, entertainment for which a charge is normally made, travel, or lodging (Utah Code 63G-6a-2402).
 - i. Utah Code 63G-6a-2404 state that it is **not** unlawful for a person to give or receive, offer to give or receive, or promise or pledge to give or ask for a promise or pledge of, a hospitality gift if the total value of the hospitality gift is less than \$10; and the aggregate value of all hospitality gifts from the person to the recipient in a calendar year is less than \$50.
 - ii. Any hospitality gift exceeding the \$10 and \$50 threshold is considered a gratuity, and the provisions below apply.
- d. **“Gratuity”** means anything of value given without anything provided in exchange or in excess of the market value of that which is provided in exchange including a gift or favor, money, a loan at an interest rate below the market value or with terms that are more advantageous to the borrower than terms offered generally on the market, anything of value provided with an aware (other than a certificate, plaque, or trophy), employment, admission to an event, a meal, lodging, travel, entertainment for which a charge is normally made, and a raffle, drawing for a prize, or lottery.
 - i. Gratuity does not include:
 - a. An item, including a meal in association with a training seminar, that is:
 - b. Included in a contract or grant; or

- c. Provided in the proper performance of a requirement of a contract or grant;
 - d. An item requested to evaluate properly the award of a contract or grant;
 - e. A rebate, coupon, discount, airline travel award, dividend, or other offering included in the price of a procurement item;
 - f. A meal provided by an organization or association, including a professional or educational association, an association of vendors, or an association composed of public agencies or public entities that does not, as an organization or association, respond to solicitations;
 - g. A product sample submitted to a public entity to assist the public entity to evaluate a solicitation;
 - h. A political campaign contribution;
 - i. An item generally available to the public; or
 - j. Anything of value that one public agency provides to another public agency (Utah Code 63G-6a-2402).
- e. **“Kickback”** means a negotiated bribe in connection with a procurement or the administration of a contract or grant; and does not include items in subsection 4.e.(1) (Utah Code 63G-6a-2402).

2. Utah Code 63G-6a-2404 makes it unlawful:

- a. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a gratuity to Summit Academy, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.
- b. For a “procurement professional” or “contract administration professional”, or a family member of either, knowingly to receive to accept, offer or agree to receive or accept, or ask for a promise or pledge of, a gratuity from a person who has or is seeking a contract with or a grant from a public entity.
- c. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a kickback to Summit Academy, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.

- d. For a “procurement professional” or “contract administration professional” or a family member of either, knowingly to receive or accept, offer or agree to receive or accept, or ask for a promise or pledge of, a kickback from a person who has or is seeking a contract with or a grant from a public entity.
3. Penalties for violating this statute are established in Utah Code 63G-6a-2404 & 2407. Individuals will adhere to these penalties and report violations to the attorney general’s office, as required by statute. 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 public employment or return the value of the unlawful gratuity.

Addendum to Procurement Policy

Equal Opportunity Requirement

Contracting with small and minority firms, women-owned business enterprises and labor-surplus area firms (44 CFR Part 13.36(i); 2 CFR Part 215.44(b); 2 CFR Part 200.32)

- Must take affirmative steps to assure these firms are used when possible.
- Affirmative steps emphasize assurance that firms receive solicitation if they are potential sources.
- Appears to require that potential Subrecipients (Applicants) maintain a list of such firms.
 - Subrecipients (Applicants) allowed to divide total requirements to permit participation by such firms.
- Use the Small Business Administration (SBA) and Minority Business Development Agency (MBDA) of the US Department of Commerce (DOC) for assistance in complying.

Buy American Provision

Buy American Provision shall be included in all applicable bids, quotes, and food purchases for the School Lunch Program, where possible, in accordance with 7 CFR Part 210.21. In addition all vendors shall comply with the Buy American Provision.

Termination for Cause (for Contracts in excess of \$10,000, according to Appendix II to 2 CFR Part 200)

Summit Academy may terminate agreements for cause upon ten days prior written notice to the contractor of the contractor's default in the performance of any term of the agreement. Such termination shall be without prejudice to any of Summit Academy's rights or remedies by law.

Termination for Convenience (for Contracts in excess of \$10,000, according to Appendix II to 2 CFR Part 200)

Summit Academy may terminate agreements for its convenience at any time upon 30 days written notice to the contractor. In the event of Summit Academy's termination of the agreement for convenience, the contractor will be paid for those services actually performed. Partially completed performance of the agreement will be compensated based upon a signed statement of completion to be submitted by the contractor, which shall itemize each element of performance.

Section 6. Cash Disbursement

A. Purpose

The purpose of this section is to establish Summit Academy’s policy governing the authorization and review of all expenditures made by Summit Academy. The scope of this policy includes all activities at Summit Academy and in all locations where Summit Academy activities are held and public funds are expended. This policy applies to all Summit Academy administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements on behalf of Summit Academy. It is expected that in all dealings, Summit Academy employees will act in an ethical manner that is consistent with the Public Officers’ Employees’ Ethics Act, the Utah Educators’ Standards, and State procurement law.

B. Definitions

1. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
2. **“Summit Academy purchasing instrument”** means any of the following specific authorized means of making a purchase:
 - Check from a Summit Academy authorized bank account;
 - Electronic funds transfer from a Summit Academy authorized bank account;
 - Credit Card; and
 - Purchase Order, which is a Summit Academy generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
3. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
4. **“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 Summit Academy or other public bodies (Utah Code 51-7-3(26)).

C. General Policies

1. All disbursement of public funds under Summit Academy control shall be made using a Summit Academy purchasing instrument and accompanied by documentation that establishes:
 - a. compliance with all applicable state and federal laws and regulations; other Summit Academy policies, any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices; and

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- b. reasonableness and necessity for carrying out the programs and activities of the Summit Academy.
2. All disbursements shall be signed by the Business Administrator, or a designated agent, signifying his/her explicit approval of the purchase. Signature stamps shall not be used in lieu of an actual signature. Each individual receipt and/or invoice must also be initialed by the Fiscal Administrator or his/her designee signifying his/her detailed review for compliance, reasonableness, and necessity.
3. All disbursements shall be executed through Summit Academy's administrative office using an account code that accurately reflects the expenditure being made.
4. Access to Summit Academy purchasing instruments as well as bank accounts and statements shall be secured and controlled by the accounting departments. (Credit cards shall be secured by the named cardholder.)
5. Any employee authorized to receive a credit card understands that (s)he will follow the credit card policy. All credit card statements are to be reconciled by the cardholder on a monthly basis, have original receipts attached, and attached log. If there is a discrepancy or problem with any specific purchase on the statement, it must be resolved immediately by contacting the Business Administrator.
6. Summit Academy is exempted from paying sales tax on purchases it makes in the course or performing its mission. To qualify for the exemption, the purchase must be made using Summit Academy's funds. A completed TC-721 Exemption Certificate, purchase order, or Summit Academy check may be used to evidence the exemption (Utah Code 59-12-104)
7. Access to the Summit Academy accounting systems shall be secured and safeguarded by restricted passwords.
8. Checks shall be made payable to specified payees and never to "cash" or "bearer". Blank checks shall never be signed by both parties in advance of a disbursement.
9. Purchases of goods or services with Public funds for personal use or personal gain are strictly prohibited (see the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16-1 *et. seq.*).

D. Reimbursements

1. Employees will be reimbursed for purchases made using personal funds under the following conditions:
 - d) The employee obtained prior approval from their Fiscal Administrator/Principal to make the purchase.

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- e) Proof of payment must be either cash, check, or credit card.
 - f) Each transaction is evidenced by original itemized receipts.
 - g) Sales tax will not be reimbursed.
 - h) The request for reimbursement must be received in Accounting no later than sixty (60) days after the date of the purchase.
2. Summit Academy purchases made using personal funds must adhere to the requirements of the Summit Academy's procurement policies including but not limited to dollar thresholds, documented quote requirements, etc.

Section 7. Petty Cash

A. Purpose

The purpose of this section is to establish a policy for keeping and using petty cash consisting of public funds. The scope of this policy includes all activities at all Summit Academy schools and in all locations where school activities occur and public funds are handled.

B. Definitions

1. **“Cash disbursement”** means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. A cash disbursement does not include the giving of change in a cash transaction.
2. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.

C. Issuance of Petty Cash

1. All petty cash must be requested from, approved by, and issued by the Financial Secretary under the direction of the Business Administrator.

Summit Academy checks may not be made payable to “cash” or “bearer” and cashed by Summit Academy employees to create petty cash funds outside of the application and approval process. Funds may not be withheld from cash receipts to create petty cash funds.

D. Securing and Use of Petty Cash

1. All petty cash shall be operated consistent with standard accounting practice and as determined by the Business Administrator.
 - a. Petty cash shall be issued and maintained with a specific imprest amount.
 - i. The total amount of cash in a petty cash fund shall always equal the fixed amount.
 - b. Every cash disbursement from a petty cash fund shall be supported by an associated purchase receipt(s).
 - c. A Fundraising Accounting Cash Record shall be completed by two (2) people.
2. All petty cash funds should be kept locked in a secure location.
3. All petty cash shall be reconciled after each use.

Section 8. Banking and Other Institutional Accounts

A. Purpose

The purpose of this section is to establish policy for opening, using, and reconciling all bank and other institutional accounts including checking, savings, certificates of deposit, merchant processing, and all other accounts into which public funds may be deposited and/or maintained.

B. Definitions

1. **“Cash receipt”** means anything that represents resources flowing into Summit Academy to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
2. **“Fiscal Administrator”** means the top administrator at a given school, the Principal.
3. **“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 Summit Academy or other public bodies (Utah Code 51-7-3(26)).

C. Authorization of Accounts

1. All bank account shall be authorized by the Summit Academy Board of Trustees. Summit Academy shall not open or operate unauthorized bank accounts for receiving, holding, or expending public funds.
2. Outside organizations or entities are not permitted to use the district’s tax ID or sales tax exemption numbers for banking or any other purpose.
3. Investments shall comply with the Utah Money Management Act (Utah State Law Section 51) and be made under the direction of the Summit Academy Board of Trustees and administered by the Business Administrator.
4. In order to maximize interest earning, any excess funds not needed for immediate use may be invested in a “sweep account”, a higher yielding savings account, or a “certificate of deposit” with a twelve month or less maturity if interest earnings are projected to exceed fees charged for establishing such an account.
5. The Business Administrator and Principals shall be authorized to sign on school bank accounts. If additional signers are desired on a specific account, application must be made to the Business Administrator and approval granted by the Summit Academy Board of Trustees.

D. Deposits, Disbursements, and Reconciliations

1. All cash receipts of public funds controlled by Summit Academy shall only be deposited into authorized school or district bank accounts using a bank-issued deposit slip.
2. Summit Academy accounts shall not be used for non-school purposes.
3. Funds shall only be disbursed from the Summit Academy bank account via an appropriately authorized check or electronic transfer, and disbursements shall be restricted to authorized activity as described above. Under no circumstances is cash to be withdrawn from a school or district bank account.
4. Monthly reconciliations shall be performed by the Business Administrator or her/his designee on Summit Academy approved bank accounts.