

FISCAL POLICIES AND ACCOUNTABILITY

In Spring 2013, the Utah State Office of Education adopted [R277-113](#), which requires all school districts to establish policies and procedures related to accounting and other operations. "The purpose of this rule is to (1) require LEAs to formally adopt and implement policies regarding the management and use of public funds; (2) provide minimum standards, procedures and definitions for LEA policies; (3) direct that LEAs make policies, procedures and training materials available to the public and readily accessible on LEA or public school websites, to the extent of resources available; (4) require LEAs to train employees in appropriate financial practices, necessary accounting procedures and ethical financial practices; and (5) provide for consistency among LEAs regarding fiscal policies, procedures and accountability practices."

In addition, recent Utah legislation requires all school districts to follow the Utah procurement code, including the ethical provisions of the Utah procurement code and Utah Public Employee's Ethics Act.

[The Utah State Auditor issued a letter](#) to all school districts reinforcing the state's intentions of requiring school districts to develop and implement internal control procedures in conjunction with R277-113, state ethics laws, and compliance with the Utah procurement code.

Organizational Principles

Iron County School District subscribes to the following principles within its policies and procedures culture. Commitment to these principles is necessary at all levels of the district in order for policies and procedures to be effective.

Communication – effective internal controls promotes communication between key team members impacted by each transaction

Compliance – following all required federal, state, grant, and local laws as well as district policies

Safeguarding Public Funds – protecting public funds from loss and abuse and using public funds for the purpose for which intended

Accuracy – accounting records reflect the correct amounts per Generally Accepted Accounting Principles for each transaction

Reliability – accounting records reflect the true nature of each transaction within reason

Complete – accounting records reflect the full nature of each transaction

Timely – accounting records are completed and recorded in a timely manner for decision-

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 2
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making purposes

Consistent – similar transactions are treated in the same way in the accounting system

Verifiable – all accounting transactions are clearly documented and documentation is available for future review

Segregation of Duties – roles and responsibilities are clearly segregated to ensure reasonable internal controls are in place – authorization and approvals, record keeping, custody of assets, monitoring, etc.

Reasonableness (Cost vs. Benefits) – the full cost vs. benefits are considered for all internal control procedures

Internal Control System

The policies and procedures outlined in this manual are based upon a principle of internal controls. Internal controls are designed to limit the risk of misstatement due to errors, theft and misappropriation of district assets. The control environment reflects the overall attitude, awareness, and action of the Board, Administration, and others concerning the importance of control and its emphasis in the district. The accounting system establishes a method to identify, assemble, analyze, classify, record, and report the district’s transactions and to maintain accountability for the related assets and liabilities. Alio is the district’s official accounting system. TES is the official accounting system for the individual schools. No other system should be used to track or record financial transactions or data. Commitment to internal controls is necessary at all levels of the district in order for the controls to be effective.

Iron County School District follows the internal control framework described in the GAO Auditing Standards (yellow book):

The Internal Control--Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides guidance on internal control. As discussed in the COSO framework, internal control consists of five interrelated components, which are (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. The objectives of internal control relate to (1) financial reporting, (2) operations, and (3) compliance. Safeguarding of assets is a subset of these objectives. Management designs internal control to provide reasonable assurance that unauthorized acquisition, use, or disposition of assets will be prevented or timely detected and corrected.

The five components of internal control are described as follows:

Control Environment

- Integrity and Ethical Values
- Commitment to Competence
- Board of Education and Audit Committee
- Management's Philosophy and Operating Style
- Organizational Structure
- Assignment of Authority and Responsibility
- Human Resource Policies and Procedures

Risk Assessment

- District-wide Objectives
- Process-level Objectives
- Risk Identification and Analysis
- Managing Change

Control Activities

- Policies and Procedures
- Security (Application and Network)
- Application Change Management
- Business Continuity / Backups
- Outsourcing

Information and Communication

- Quality of Information
- Effectiveness of Communication

Monitoring

- On-going Monitoring
- Separate Evaluations
- Reporting Deficiencies

Iron County School District uses many control activities to help the organization accomplish its objectives and maintain internal control at reasonable levels. Control activities are the specific policies and procedures used to achieve specific objectives. The most important control activities involve segregation of duties, proper authorization of transactions and activities, adequate documents and records, physical control over assets and records, and independent checks on performance. A short description of each of these control activities appears below.

Segregation of duties requires that different individuals be assigned responsibility for different elements of related activities, particularly those involving authorization, custody, or recordkeeping. For example, the same person who is responsible for an asset's recordkeeping should not be responsible for authorizing use and expenditure of the asset. Having different individuals perform these functions creates a system of checks and balances.

Proper authorization of transactions and activities helps ensure that all company activities adhere to established guidelines unless responsible managers authorize another course of action.

Adequate documents and records provide evidence that financial statements are accurate. Controls designed to ensure adequate recordkeeping include the creation of invoices and other documents that are easy to use and sufficiently informative; the use of pre-numbered, consecutive documents; and the timely preparation of documents.

Physical control over assets and records helps protect the district's (and public's) assets. These control activities may include electronic or mechanical controls (such as a safe, employee ID cards, fences, cash registers, fireproof files, and locks) or computer-related controls dealing with access privileges or established backup and recovery procedures.

Independent checks on performance, which are carried out by employees who did not do the work being checked, help ensure the reliability of accounting information and the efficiency of operations. For example, a supervisor verifies the accuracy of a clerk's cash drawer at the end of the day. Internal auditors may also verify that the supervisor performed the check of the cash drawer.

The district's internal control system is designed to eliminate significant deficiencies in the internal control organizational structure in the district that would otherwise put assets, program funding, and services to children in jeopardy.

District Audit Committee

The District's Board of Education ensures that an appropriate audit committee is in place to perform the following responsibilities:

- Ensures that management properly develops and adheres to a sound system of internal controls consistent with the requirements of R277-113-5;
- Receives a report of the risk assessment process undertaken by management in developing the system of internal controls;
- Develops a process to review financial information, financial statements, and LEA and individual school records on a regular basis;
- Ensures that management conducts a competitive RFP process to hire external auditors and other professional services and making a recommendation to the LEA Board on the results of the RFP process consistent with the State Procurement Code;

- Receives communication from or meeting with the external auditors annually and receiving a direct report of the audit findings, exceptions, and other matters noted by the auditor;
- Reviews the annual audit reports and findings or other matters communicated by the external auditor or other regulatory bodies to the LEA Board in a public meeting;
- Ensures that matters reported by external audits, internal audits, or other regulatory bodies are resolved in a timely manner.

The District's Board of Education has at its option to appoint members of the Board or other designees to serve on the audit committee.

Key Roles & Responsibilities - Internal Control System

[Internal Control System](#)

The district's internal control system is designed to meet several objectives--1) strengthen the operating and control environment, 2) minimize risk to everyone in the system, 3) strengthen communication and teamwork, and 4) safeguard public assets. The following describes the roles and responsibilities within the district internal control system.

Superintendent:

- Serves as the chief budget officer (by law) and oversees all programs and budgets in the district
- Serves in the authorization role--approves staffing, costs, and district budget
- May not process payments, payroll, accounts payable checks, cash receipts, journal entries, and any other transactions in the accounting system

Business Administrator:

- Accounts for all transactions, financial reports, and assists the Superintendent in budget oversight and development
- Completes bank reconciliations, monitors budgets, and oversees all internal controls in the district
- Ensures Generally Accepted Accounting Principles are followed
- May not process payments, payroll, accounts payable checks, cash receipts and deposits, journal entries, and any other transactions in the accounting system
- Oversees electronic funds transfers and journal entries

Administrators:

- Serve primarily in leadership, authorization, and oversight functions--overseeing all transactions and activities occurring under their direction
- May not process payments, payroll, accounts payable checks, cash receipts, journal entries, and any other transactions in the accounting system

Financial Specialists & Secretaries:

- Serve primarily by processing payments, payroll, accounts payable checks, cash receipts and deposits using the accounting system
- May not be the primary authorization of transactions

Faculty & Staff:

- Oversee custody of equipment and capital assets
- Work with administrators to oversee activities which impact financial transactions
- Work with administrators to best utilize financial resources, be involved with purchasing transactions, and implement internal control procedures

Compliance with Utah Money Management Act

The district complies with all provisions of the Utah Money Management Act and Rules of the State Money Management Council. The district, schools, and programs may only use [authorized bank and investment accounts](#) and are required to follow the policy adopted by the Board for [authorized bank and investment accounts](#).

Utah Treasurer - Required Deposit & Investment Reports. Periodically, the Utah Treasurer's Office requires the district to provide information regarding all bank and investment accounts for compliance purposes. The district shall provide these reports with all necessary information. In addition, these reports shall be provided to the Board and Audit Committee for their review.

Authorized Bank & Investment Accounts

District Policy. The District follows the requirements of the [Utah Money Management Act \(Section 51, chapter 7 of the Utah Code\)](#) in handling its depository and investing transactions. The District considers the actions of the Utah Money Management Council to be necessary and sufficient for adequate protection of its bank deposits and investments. District funds are deposited in qualified depositories as defined by the Act. District and school bank and investment accounts must meet all provisions of the Utah Money Management Act.

The primary objectives, in priority order, of investment and banking activities shall be:

1. *Safety:* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
2. *Liquidity:* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. *Return:* The investment portfolio shall be designed with the objective of attaining a market

rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

[Electronic transfer of funds](#) between bank and investment accounts shall follow reasonable and compliant internal control procedures established to meet the three primary objectives explained above, in order of priority.

[Bank and investment account reconciliations](#) shall follow reasonable and compliant internal control procedures to protect and safeguard public funds.

Utah Treasurer - Required Deposit & Investment Reports. Periodically, the Utah Treasurer's Office requires the district to provide information regarding all bank and investment accounts for compliance purposes. The district shall provide these reports with all necessary information. In addition, these reports shall be provided to the Board and Audit Committee for their review.

All bank and investment accounts used in the district must be approved through the district's Board of Education. Only qualified depositories with the State Treasurer's office (Money Management Act Compliance) may be used. The following accounts are the authorized bank and investment accounts within the district:

<u>Location</u>	<u>Entity</u>	<u>Type</u>
District	State Bank of Southern Utah	Checking
District-Food Service	State Bank of Southern Utah	Savings
District	State Bank of Southern Utah	Payroll
District	Public Treasurer's Investment Fund	Main Investment
District	Public Treasurer's Investment Fund	Construction
Investment		
East Elementary	Wells Fargo	Checking
North Elementary	Wells Fargo	Checking
South Elementary	State Bank of Southern Utah	Checking
Escalante Valley Elem.	State Bank of Southern Utah	Checking
Enoch Elementary	State Bank of Southern Utah	Checking
Fiddlers Elementary	Wells Fargo	Checking
Parowan Elementary	State Bank of Southern Utah	Checking
Iron Springs Elementary	State Bank of Southern Utah	Checking
Three Peaks Elementary	State Bank of Southern Utah	Checking
Cedar Middle School	Wells Fargo	Checking
Canyon View Middle School	State Bank of Southern Utah	Checking
Cedar High School	State Bank of Southern Utah	Checking
Parowan High School	State Bank of Southern Utah	Checking
Canyon View High School	State Bank of Southern Utah	Checking

Southwest Educ. Academy State Bank of Southern Utah Checking

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Iron County School District are protected from loss, theft, or misuse. Specifics for the internal controls shall be documented in the following procedures. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following at a minimum:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Dual authorizations of wire transfers
- Staff training
- Review, maintenance, and monitoring of security procedures both manual and automated.

Procedures:

- The Business Administrator is delegated authority to oversee accounts and transfers given the district's internal control structure and segregation of duties.
- All wire transfers shall be documented and approved by two separate staff members. All transfers should have supporting documentation for the purpose of each transfer.
- All bank and investment account reconciliations shall be made available to the Board upon request.
- Schools are given authority to make transfers where needed with the accounts; however, the bank reconciliation and all journal entries must be overseen by district office personnel.
- The business administrator shall approve all electronic wire payments before being processed.
- All signature cards and authorized signers for each account should be reviewed for accuracy at least once each year. The authorized signers on each account shall be approved by the Board of Education.
 - For the district's main checking account, the Board President and Business Administrator are considered authorized signers (State law).
 - Schools are required to meet the following standards for authorized signers:
 - School Principal
 - One School Secretary
 - A third staff members based upon the Principal's discretion
 - Board President
 - Business Administrator

Cash Receipts & Deposits - General Procedures

All monies received must be receipted and recorded in the district or school's records. All checks or payments intended for the District or school must be deposited into one of the approved District or school accounts. Monies collected should be turned into the on-site safe on the day they are received. Employees should never hold funds for any reason. Most schools are within minutes of their local bank and daily deposits should be made with the bank when it is practical to do so. *Deposits should be taken to the bank preferably on a daily basis and no later than 3 days (state law).*

RECEIPTS & DEPOSITS PROCEDURES

Receipts - Secretaries provide patrons with a receipt and retain a duplicate copy of each receipt for future reference.

Frequency of Deposits - State 3-Day Deposit Law - All cash receipts are recorded in the district or school accounting system no later than 3 days *from the date of receipt*. *All cash receipts must be deposited with the bank no later than 3 days from the date of receipt*. When possible, deposits are taken to the bank on a daily basis. When cash (checks, currency, and coins) on site reaches \$500 or more, a deposit with the bank is highly encouraged. When cash (checks, currency, and coins) on site reaches \$1,000 or more, a deposit with the bank shall be made that same day--no exception.

Administrators: School administrators should encourage daily deposits with the bank with school personnel. Funds are always more secure being deposited and stored at the bank. Most schools are within minutes of their local bank, and daily deposits should be a routine and convenient element to school operations.

Deposits - A report for each deposit is printed from the accounting system to match the amount of the deposit. The report is filed with a copy of the deposit slip for future reference.

Deposits - The amount counted for each deposit matches the amount on the deposit slip and accounting system report. Cash is always counted and verified by two individuals before making a deposit with the bank.

Deposits - The administrator or designee verifies that the amount counted equals the amount on the deposit slip and accounting system report before the deposit is taken to the bank.

Restrictive Endorsement Stamp - All checks should be stamped "For Deposit Only" on the back in the endorsement area.

Deposits - The cash/checks/coins are placed in a bank security deposit bag with one copy of the

deposit slip *at the time of the count* (not at a later time/date) and 1) stored in the safe until the deposit is taken to the bank, or 2) taken directly to the bank on the same day. A copy of the deposit slip should be stapled to the accounting system deposit report and kept on file for future reporting and reference.

Collections at Office - Collections are never stored in classrooms, desks, or closets or other areas in the school/office and are secured and recorded at the office daily. Coaches and other personnel are instructed that all cash collections should occur at the office. Staff members and coaches should not take money home for personal storage. Each school is required to store money and checks in the school safe until the funds can be deposited at the bank. When the school financial secretary is not available, the principal should ensure all funds (money and checks in any form) should be stored in the school safe. Any checks received from outside sources for school or district sponsored functions, clubs, or sports must be written to the corresponding school or Iron County School District.

Safeguarding Cash - School personnel should minimize the amount of cash stored on site each day and make daily deposits with the bank as much as reasonably possible. All cash/checks/coins are stored in the safe when deposits cannot be made with the bank. The school principal should minimize the number of people who have access to the safe.

Counting Cash - Cash is always counted and verified by two individuals at any time custody of the cash changes or at the close of business. This should be done before leaving for the night and both persons involved with counting sign a form to verify the amounts.

Cash Counts in Appropriate Locations - When counting cash, workers should do so in a semi-public but safe location. Locations that provide for safe distances from potential theft and away from public view should be used where possible. This is for both personal safety and cash security purposes.

School Activities - Safeguarding Cash - All cash/checks/coins are stored in the safe when deposits cannot be made with the bank. Under no circumstances is cash to be taken home by personnel. Two individuals should carry cash to the safe from the event together.

After Hours & Night Bank Deposits - If after hours or night bank deposits are made, the deposits should be made with two individuals traveling to the bank together for safety purposes.

Account Code System & Chart of Accounts

Iron County School District - Revenue Account Codes

Revenues. The District’s revenue account code structure is designed to meet national and state reporting standards. All revenues (income) must conform and be accounted for using this account code structure.

XX - XXX - X - XXXX - XXXX - XXX
 (# of digits) (2) (3) (1) (4) (4) (3)

Fund: This two-digit code is usually programmed into the accounting system, so most administrators and directors don't need to worry about this code.

- Location:**
- 013 – District
 - 104 – East Elementary School
 - 108 – North Elementary School
 - 112 – South Elementary School
 - 116 – Escalante Valley Elementary School
 - 120 – Enoch Elementary School
 - 124 – Fiddlers Elementary School
 - 128 – Parowan Elementary School
 - 132 – Iron Springs Elementary School
 - 136 – Three Peaks Elementary School
 - 150 – South Preschool
 - 160 – Three Peaks Preschool
 - 304 – Cedar Middle School
 - 308 – Canyon View Middle School
 - 555 – Transportation Department
 - 704 – Cedar High School
 - 708 – Parowan High School
 - 712 – Canyon View High School
 - 740 – Southwest Education Academy

Function: *All revenues must be coded accurately to reflect the function, which is associated with each revenue source.* Function codes are designed to describe the source of funding for each revenue stream. This is critical as each function is specifically defined by state and federal agencies for compliance and is also a key reporting element for the district's audited annual financial reports. The following are common revenue codes used throughout the district:

Local Revenue Sources:

- 11xx Property tax revenues
- 1310 Tuitions
- 1420 Transportation Fees
- 1500 Interest earnings
- 1610 Student Sales – School Lunch
- 1620 Adult Sales – School Lunch
- 1710 Gates & Admissions
- 1740 Student Fees

1750 Vending Sales
1920 Fundraisers & Donations
1950 E-Rate
1900 Other miscellaneous local revenue sources

State Revenue Sources:

3010 Regular School Programs K-12 WPU
3015 Necessarily Existent Small Schools
3020 Professional Staff
3105 Special Education Add-On
3110 Special Education Self-Contained
3115 Special Education Pre-School
3120 Extended Year Program – Severely Disabled
3125 Special Education – State Programs
3155 CTE Add-On
3209 Adult Education
3211 Gifted & Talented
3212 Advanced Placement
3213 Concurrent Enrollment
3221 At-Risk Youth-In-Custody
3230 Class-Size Reduction
3336 Enhancement for Students at Risk
3410 Flexible Allocation
3415 Pupil Transportation
3468 School Nurses
3520 School Land Trust Program
3555 Voted Local Guarantee
3560 Board Local Guarantee
3635 Critical Languages
3641 Early Interventions
3710 Driver Education – Behind-The-Wheel
3770 School Lunch Program (Liquor Control Tax)
3799 Evaluation and Assessment – UPASS Administration
3805 Reading Achievement
3810 Library Books and Supplies
3851 Classroom Supplies and Materials
3876 Educator Salary Adjustments
3882 BTS Arts
3900 Other State Revenue Source

Federal Revenue Sources:

- 4330 Indian Education Programs
- 4380 ETI E-rate
- 4522 IDEA – B – Pre-School Disabled
- 4524 IDEA – B – Disabled
- 4538 Formula Allocation
- 4546 Leadership & Development
- 4571 National School Lunch Program
- 4572 National School Lunch Program – Free & Reduced
- 4574 Federal School Breakfast Reimbursement
- 4584 English Language/Civics Education
- 4700 Federal Revenue Received Through Other State Agencies
- 4801 Federal NCLB Title I A
- 4810 Federal Forest Revenue (In Lieu of Tax)
- 4860 Federal NCLB Title II A – Teacher Quality
- 4880 Federal NCLB Title III A – English Language Acquisition
- 4970 USDA Commodities

Iron County School District - Expenditure Account Codes

Expenditures. The District’s expenditure account code structure is designed to meet national and state reporting standards. All expenditures must conform and be accounted for using this account code structure.

XX - XXX - X - XXXX - XXXX - XXX
 (# of digits) (2) (3) (1) (4) (4) (3)

Fund: This two-digit code is usually programmed into the accounting system, so most administrators and directors don’t need to worry about this code.

Location: All expenditures must be coded to accurately reflect the location for which each expenditure is assigned. This is critical, as the district is required to report to outside entities regarding expenditures, which benefited each location in the district.

- 013 – District
- 104 – East Elementary School
- 108 – North Elementary School
- 112 – South Elementary School
- 116 – Escalante Valley Elementary School
- 120 – Enoch Elementary School
- 124 – Fiddlers Elementary School
- 128 – Parowan Elementary School
- 132 – Iron Springs Elementary School
- 136 – Three Peaks Elementary School

150 – South Preschool
160 – Three Peaks Preschool
304 – Cedar Middle School
308 – Canyon View Middle School
555 – Transportation Department
704 – Cedar High School
708 – Parowan High School
712 – Canyon View High School
740 – Southwest Education Academy

Program: *All expenditures must be coded accurately to reflect the program, which funded each expenditure.* This is critical as each program is subject to specific accountability and compliance requirements. The federal government, Utah State Office of Education, and our independent auditors look at this very closely for compliance. Most administrators and secretaries can find the four-digit code by looking at their budget reports within their assigned responsibility centers.

Function: *All expenditures must be coded accurately to reflect the function, which is associated with each expenditure.* Function codes are designed to describe the general activity of the expenditure. This is critical as each function is specifically defined by state and federal agencies for compliance and is also a key reporting element for the district's audited annual financial reports. The following are common function codes used throughout the district:

1000 Instruction. Includes activities dealing directly with the interaction between teachers and students. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other medium such as television, radio, telephone, and correspondence. Included here are the activities of aides or assistants of any type, which assist in the instructional process.

2100 Support Services - Students. Those activities that are designed to assess and improve the well being of students and to supplement the teaching process.

Guidance Services. Those activities of counseling pupils and parents, providing consultation with other staff members on learning problems, assisting pupils in personal and social development, assessing the abilities of pupils, assisting pupils as they make their own educational and career plans and choices, providing referral assistance, and working with other staff members in planning and conducting guidance programs for pupils.

Health Services. Physical and mental health services that are not direct instruction. Included are activities that provide pupils with appropriate medical, dental, and nurse services.

Psychological Services. Activities concerned with administering psychological tests and interpreting the results; gathering and interpreting information about student behavior, working with other staff members in planning school programs to meet the special needs of students.

Other Support Services - Pupils. Pupil support services other than those classified above.

2101 – High School Extra-Curricular Athletics.

2102 – High School Student Clubs – School Activity Funds

2103 – High School General Programs – School Activity Funds

2104 – Elementary school General Programs – School Activity Funds

2200 Support Services - Instructional. Activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

Improvement of Instruction. Those activities that are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for pupils. These activities include curriculum development, techniques of instruction, child development and understanding, staff training, etc.

Instruction and Curriculum Development. Activities designed to aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate pupils.

Instructional Staff Training. Activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service to the LEA or school. Among these activities are workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves.

Other Improvement of Instruction Services. Activities for improving instruction other than those classified above.

Library/Media Services. Activities concerned with directing, managing, and supervising educational media services (e.g., supervisory personnel) as well as such activities as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning for the use of the library by students, teachers, and other members of the instructional staff; and guiding individuals in their use of library books, reference guides and materials, catalog materials, special collections, and other materials, whether

maintained separately or as a part of an instructional materials center.

Instruction-Related Technology. This function category encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs that relate to the support of instructional activities.

Academic Student Assessment. This function is inclusive of those services rendered for the academic assessment of the student.

Other Support Services - Instructional Staff. Services supporting the instructional staff not properly classified elsewhere in the 2200.

2300 Support Services - General District Administration. Activities concerned with establishing and administering policy in connection with operating the LEA.

Board of Education Services. The activities of the elected body, which has been created according to state, law and vested with responsibilities for educational activities in a given administrative unit.

Executive Administration. Activities associated with the overall general administration of or executive responsibility for the entire school district. (Office of the Superintendent, Community Relations, State and Federal Relations, and Other Executive Administration.)

2400 Support Services - School Administration. Activities concerned with overall administrative responsibility for single school or a group of schools.

Office of the Principal. Activities concerned with directing and managing the operation of a particular school or schools. Included are the activities performed by the principal, assistant principals, and other assistants in general supervision of all operations of the school; evaluation of the staff members of the school; assignment of duties to staff members; supervision and maintenance of the school records; and coordination of school instructional activities with instructional activities of the LEA. It includes clerical staff for those activities.

Other Support Services - School Administration. Other school administration services which cannot be recorded under the preceding areas of responsibility.

2500 Business & Central Services. Activities that support other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

Fiscal Services. Activities concerned with the fiscal operations of the school district. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing, and funds managing.

Purchasing, Warehousing, and Distributing Services. Activities concerned with purchasing, receiving, storing, and distributing supplies and materials used in schools or school system operations.

Printing, Publishing, and Duplicating Services. The activities of printing and publishing administrative publications such as annual reports, school directories, and manuals. Also included are centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.

Planning, Research, Development, and Evaluation Services. Activities associated with conducting and managing system-wide programs of planning, research, development, and evaluation for a school system.

Public Information Systems. Activities concerned with writing, editing, and other preparation necessary to disseminate educational and administrative information to students, staff, managers, and the general public.

Personnel Services. Activities concerned with maintaining efficient personnel for the school system. (Supervision of Personnel Services, Recruitment and Placement, Personnel Information, Non-Instructional Personnel Training, Health Services for district employees, and Other Personnel Services.)

Administrative Technology Services. Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes.

Other Support Services - Central Services. Other support services to business not classified elsewhere in the 2500 series.

2600 Operation and Maintenance of Plant Services. Activities concerned with keeping the physical plant open, comfortable, and safe for use, and

keeping the grounds, buildings, and equipment in an effective working condition and state of repair. Activities that maintain safety in buildings, on the grounds, and in the vicinity of schools are included.

Operation of Buildings. Those activities concerned with keeping the physical plant clean and ready for daily use. It includes operating the heating, lighting, and ventilating systems, and repair and replacement of facilities and equipment. Also included are the costs of building rental and property insurance.

Maintenance of Buildings. Activities associated with keeping buildings at an acceptable level of efficiency through repairs and preventative maintenance.

Care and Upkeep of Grounds. The activities of maintaining the land and its improvements other than buildings. It includes snow removal, landscaping, grounds maintenance and the like.

Care and Upkeep of Equipment. Activities concerned with maintaining, in good condition, equipment owned or used by the LEA. Activities such as servicing and repairing furniture, machines, and movable equipment are included.

Vehicle Operation and Maintenance. (Other than Student Transportation Vehicles.) Activities concerned with maintaining general-purpose vehicles such as trucks, tractors, graders, and staff vehicles in good condition. Included are such activities as repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, and inspecting vehicles for safety; i.e., preventive maintenance.

Security. Activities concerned with maintaining a secure environment for students and staff, whether they are in transit to or from school, on a campus or administrative facility, or participating in school-sponsored events.

Safety. Activities concerned with maintaining a safe environment for students and staff, whether they are in transit to or from school, on a campus or administrative facility, or participating in school-sponsored events. (Firm alarms, crossing guards, as well as other costs incurred in an effort to ensure the basic safety of students and staff.)

Other Operation and Maintenance of School Plant Services. Operation and maintenance of plant activities that cannot be classified under the preceding areas of responsibility.

2700 Student Transportation. Activities concerned with the conveyance of students to and from school, as provided by state law. Included are trips between home and school and trips to school activities. (To separate trips for school activities, a cost per mile could be charged in memorandum accounting.)

Vehicle Operation. Activities concerned with operating vehicles for pupil transportation from the time the vehicles leave the point of storage until they return to that point. Driving buses or other pupil transportation vehicles is included.

Monitoring Services. Activities concerned with supervising pupils in the process of being transported between home and school and while being transported for school activities. These activities include supervision while in transit and while being loaded and unloaded, and directing traffic at the loading and unloading stations.

Vehicle Servicing and Maintenance. Activities concerned with maintaining pupil transportation vehicles in good condition, including repairing vehicles; replacing vehicle parts; and cleaning, painting, greasing, fueling, and inspecting vehicles for safety. Replacing a vehicle chassis or body individually is considered to be equipment and is charged to property.

Other Student Transportation Services. Pupil transportation services which cannot be classified under the preceding areas of responsibility.

3100 Food Services. Those activities concerned with providing food to students and staff in a school or LEA. This service area includes the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities and the delivery of food.

3300 Community Services Operations. Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a childcare center for working mothers.

4000 Facilities Acquisition and Construction. (Capital Outlay.) Activities concerned with the acquisition of land and buildings; the remodeling and construction of buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.

5000 Debt Service. Activities related to servicing the long-term debt of the school district, including payments of both principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt (including current and advance refunds), capital lease payments, and other long-term notes. Interest on short-term notes or loans (repayable within one year of receiving the obligation) is charged to function 2510.

Object: *All expenditures must be coded accurately to reflect the object that accurately describes each expenditure.* Object codes are defined to describe the “type” of expenditure

being made. This is critical as each object code is specifically defined by state and federal agencies for compliance and is also a key reporting element for the District's annual financial and program reports to the state. Sometimes it is a matter of judgment as to which object code to use. Where there is no clear definition of an object code that fits your expenditure, it is critical that you at least get the first digit of the object code correctly identified to match your expenditure.

PAYROLL vs. NON-PAYROLL EXPENDITURE *OBJECT CODES*: Great care must be given to ensure payroll and non-payroll object codes are differentiated. Administrators and secretaries should NEVER use 1xx (salaries) and 2xx (benefits) object codes outside of expenditures being processed through district payroll. *All district accounts payable payments and school-level checking account payments* should be coded with a 3xx, 4xx, 5xx, 6xx, 7xx, or 8xx object code.

OBJECT CODES FOR PAYROLL EXPENDITURES

Salary & Wage Object Codes:

- 111 Compensation – School Board
- 112 Salaries – Superintendent
- 113 Salaries – Associate, Deputy, or Assistant Superintendent
- 114 Salaries – School Business Administrator
- 115 Salaries – Supervisors and Directors
- 121 Salaries – Principals and Assistants
- 131 Salaries – Teachers
- 132 Salaries – Substitute Teachers
- 142 Salaries – Guidance Personnel
- 143 Salaries – health Services Personnel
- 144 Salaries – Psychological Personnel
- 145 Salaries – Media Personnel – Licensed
- 151 Salaries – Accounting Personnel
- 152 Salaries – Secretarial and Clerical Personnel
- 161 Salaries – Teacher Aides and Para-Professionals
- 162 Salaries – Media Personnel – Non-Licensed
- 171 Salaries – Student Transportation Supervisor
- 172 Salaries – Bus Drivers
- 173 Salaries – Mechanics and Other Garage Employees
- 174 Salaries – Other
- 181 Salaries – Operation & Maintenance Supervisors
- 182 Salaries – Custodial & Maintenance Personnel
- 191 Salaries – Food Service Personnel
- 198 Salaries – Other Classified Personnel
- 199 Salaries – All Other

Benefit Object Codes:

- 210 State Retirement
- 220 Social Security
- 230 Local Retirement
- 240 Health, Dental, Life, LTD Insurance

OBJECT CODES FOR ACCOUNTS PAYABLE EXPENDITURES

Purchased Professional and Technical Services Object Codes:

- 300 Purchased & Professional Services

Purchased Property Services Object Codes:

- 400 Purchased Property Services

Other Purchased Services Object Codes:

- 500 Other Purchased Services
- 514 Student Transportation Services – Student Allowances
- 521 Property Insurance
- 522 Liability Insurance
- 530 Communication (Telephone & Other)
- 580 Travel/Per Diem
- 590 Inter-Educational, Interagency Purchased Services
- 591 Services Purchased from another LEA Within the State
- 592 Services Purchased from another LEA Outside the State
- 594 Admission Charges

Supplies and Materials Object Codes:

- 610 General Supplies
- 611 Maintenance Supplies
- 621 Natural Gas
- 622 Electricity
- 624 Fuel Oil
- 625 Coal
- 626 Motor Fuel (Gasoline & Diesel)
- 629 Other
- 630 Food
- 641 Textbooks
- 644 Library Books
- 645 Periodicals
- 646 Audiovisual Materials
- 670 Software
- 681 Lubricants
- 682 Tires and Tubes

683 Repair Parts for Buses & Other Vehicles

684 Repair Parts for Garage Equipment

689 Miscellaneous

Property Object Codes:

710 Land and Site Improvements

720 Buildings

731 Machinery

732 School Buses

733 Furniture and Fixtures

734 Technology Related Hardware

735 Non-Bus Vehicles

739 Other Equipment

740 Infrastructure

790 Depreciation

Debt Service and Miscellaneous Object Codes:

810 Dues and Fees

820 Judgments Against the LEA

830 Interest

833 Amortization of Bond Issuance & Other Related Costs

840 Redemption of Principal

845 Debt Issuance Costs on Refunding

850 Contingency (For Budgeting Purposes Only)

860 Indirect Costs – Non-Restricted

870 Indirect Costs – Restricted

890 Miscellaneous Expenditures

891 Driver Training

School Food Services – Cash Receipts & Deposits

School Procedures Performed on a Daily Basis:

1. Where feasible, the school secretary should give the student a receipt for cash receipts and make sure a duplicate copy of the receipt is retained for future reference. If this is not possible, it is recommended schools keep a log of all cash/check receipts by date, student name, and amount.
2. All money received in a single day should be correctly entered in Nutrikids by days end.

3. At the end of the day, a report should be printed out from Nutrikids totaling all receipts for the day.
4. Count the cash and checks. The total amount \$\$\$ counted MUST equal the amount on the daily report from Nutrikids.
5. The principal should verify that the total amount \$\$\$ counted equals the daily report from Nutrikids. This shouldn't take more than a few minutes to do. Both the secretary and principal must sign the daily report verifying the count and accuracy of the Nutrikids report. This daily Nutrikids report should be retained for future reference.
6. A deposit slip is completed. The cash and deposit slip should be put in a security deposit plastic bag and 1) stored in the safe until the deposit is taken to the bank, or 2) take the deposit to the bank. A copy of the deposit slip should be stapled to the Nutrikids daily report from #5 for future reporting and reference. The Nutrikids report and copy of deposit slip should be filed for reporting at the end of the month.

*If you do not know how to print out the daily Nutrikids report, please talk with Paula immediately.

*Please note there should be a separate deposit/deposit bag for every day of the week. Do not put multiple days' receipts into a single deposit/deposit bag.

Deposits with Bank:

By law deposits must be taken to the bank at least once every three business days. This is not optional and is audited by our auditors for compliance.

1. It is highly recommended where possible deposits be taken to the bank on a daily basis. Where this is not possible, the secretary or person making the deposit should be taking multiple deposit bags for multiple days' receipts to the bank. Remember, there should be a separate deposit bag, for a separate deposit, for each individual day of operation. This helps to keep records clean, and money going to the bank organized for accounting purposes, and easier to compare to Nutrikids records.

District-Level Procedures Performed Monthly:

1. Each school secretary should retrieve all Nutrikids daily reports (with stapled copy of deposit slip) for each day of operation. S/he should submit these to the District Office. If the District Office does not receive these by the 5th of each month, the principal will be contacted for follow-up if needed.
2. The District Office will compare deposit slips, Nutrikids reports, and the actual amount that went to the bank for each school for each deposit. Discrepancies will be immediately reported to the Business Administrator for follow-up.

IMPORTANT: Under no circumstances should students be 1) entering information into

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 24
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Nutrikids for receipts, 2) counting cash, 3) making the actual deposits at the bank.

District Purchasing Policy

On May 1, 2013, Iron County School District became subject to the Utah State Procurement Code. State legislative mandates require the district to comply with the ethics, laws, rules, and provisions associated with state procurement code.

The purpose of this mandate is to 1) strengthen ethical government purchasing in our district, 2) provide for open, fair, and competitive government purchasing in our district, and 3) strengthen transparency regarding purchasing decisions, processes, and procedures.

All schools, programs, and employees fall under this compliance requirement. Annual audits and many other federal and state laws and grant provisions are directly connected to purchasing compliance. To help schools, programs, and employees manage their responsibilities and better understand purchasing options available, the district has developed its website resources to assist in this effort. Employees should refer to this website often as it provides tools, training, forms, explanations, and other purchasing resources.

Purchasing Ethics

Employee Ethics: The Utah Public Officers' and Employees' Ethics Act prohibits district employees from using their positions to acquire private economic interests using their position in the district.

Employees may not use district or government contracts to make personal purchases.

Employees may not use school or district accounts with vendors to make personal purchases.

Employees may not use the school or district tax exempt status to make personal purchases.

The purpose of Iron County School District's purchasing policy is to acquire goods and services in an efficient, cost effective manner which:

- Assists the district in achieving its mission and goals
- Promotes competition among vendors to an acceptable level in order to obtain the best possible cost efficiency to the district
- Protects the integrity of district employees
- Protects the integrity of Iron County School District
- Promotes internal communication in purchasing matters
- Protects the assets of the district and provides for both reasonable internal controls and segregation of duties.

- Provides a basis for balancing the cost and benefits of internal controls in relation to internal efficiency and effectiveness.

This policy is intended to outline general purchasing guidelines to direct district employees in acquiring goods and services. These guidelines are:

1. Iron County School district will comply with applicable state and federal purchasing laws.
2. All Contracts and purchases of goods and services require appropriate authorization signature(s).
 - All payments must include appropriate authorization signature(s) independent of those employees responsible for issuing purchase orders, accounts payable warrants, and payroll changes.
 - Two Authorization Signatures: \$0 - \$9,999:
 1. All purchases
 2. Both the requestor and the authorized immediate supervisor, or the acting supervisor in the authorized immediate supervisor's absence, must sign the request.
 - Three Authorization Signatures: \$10,000 - \$19,999:
 1. Requestor, immediate supervisor, & Superintendent or Business Administrator.
 - Four Authorization Signatures: \$20,000 +:
 1. Requestor, immediate supervisor, & Superintendent or Business Administrator.
 - Someone other than the employee must authorize all reimbursements to any employee. Administrators should obtain an authorization signature from the Superintendent or Business Administrator.
 1. The Business Administrator signs the Superintendent's requests, and the Superintendent signs the Business Administrator's requests.
3. The Superintendent and Business Administrator are delegated authority and responsibility for ensuring uniform internal procedures are developed and implemented; and internal procedures should be designed to ensure compliance to this policy.
4. Situations that threaten life, health, safety, or property are considered emergency situations. Emergency situations require prompt resolution. If proper authorization is not possible, district employees are authorized to remove the immediate threat to life, health, safety, or property in the most cost effective manner possible. Proper authorization is to be obtained no later than the next business day.
5. Purchases of goods and services with district funds for personal use or personal gain are strictly prohibited.
6. All employee compensation, whether in kind or cash, of \$50 or more at one time or \$600 or more per calendar year must be processed through the payroll system.

7. Cost-plus-a-percentage-of-cost contracts are prohibited unless otherwise approved by the Board of Education.
8. Small purchases are defined as being purchases less than \$1000.00. Small purchases do not require bids/quotes but are encouraged.
9. Employee purchasing policy and procedure training is required annually for all personnel directly involved in purchasing functions.

10. Required Bids/Quotes:

• **Non-Construction/Facility Purchases:**

- 1 \$0 - \$1,000: The "Individual Procurement Item" threshold is a maximum of \$1,000. A department may direct purchase multiple items from one source at one time without bids/quotes, up to a maximum of \$5,000 so long as ALL items are less than \$1,000 each. If any one item exceeds \$1,000 a minimum of two bids or quotes is required.
- 2 \$1000 - \$50,000: Minimum of two written bids or quotes.
- 3 >\$50,000 - Sealed bid/RFP process with advertisement, unless otherwise specified in policy
- 4 Exceptions
 - a. Expenditures specifically identified by project in the budget formally adopted by the Iron County School District Board of Education.
 - b. Ongoing utility payments
 - c. Ongoing food purchases for the food service program
 - d. Ongoing transportation department fuel purchases
 - e. On going annual supply orders
- 5 Use of a State Contract can bypass bid/quote requirements.

• **Construction/Facility Purchases:**

1. \$0 - \$25,000: Direct award w/o competitive bid
2. >\$25,000 - \$100,000: Minimum of two written bids or quotes.
3. >\$100,000+ - Up to 2.5 Million, a two-staged procurement process or Sealed bid/RFP process with advertisement unless otherwise specified in policy
4. Use of a State Contract can bypass bid/quote requirements.
 - *The Board of Education reserves the right to approve any purchases and bypass authorization and bid/quote requirements.*

11. **Sole Source Purchases:** Unless otherwise specified, sole source purchases are prohibited unless authorized by the Superintendent or Business Administrator

• Exceptions:

1. Payments for approved fundraisers
2. Payments for state or federal required purchases to a specific vendor such as for state sponsored activities at a specific location.

12. Audit and Documentation Requirements:

All transactions, at a minimum, must document the following information and be filed at the District Office (for district related funds) or the school (for school related funds).

This information may be documented on accounts payable invoice payment request

forms, purchase orders, travel claim request forms, or other form that document the information:

- The purpose of the expenditure
- Required quotes, bids, requests for proposals, etc. must be attached
- Invoices, receipts, contracts, and other third party related documents must be included
- Justification for award of contract/purchase
 - All purchases that require bids, quotes, or RFP's shall document the following:
 - All vendors, contracts, proposals, received
 - All prices
 - Rejections of offers and the reasons why rejected
 - Justification for award of contract/purchase (must be specific):
 - Lowest cost
 - Greatest value
 - Etc.
- Records that must be filed with the District or School Accounts Payable Manager for audit and review purposes:
 - Invoices, receipts, etc.
 - Bids, quotes, proposals, or other offer documents
 - Shipping documents
 - Verification of receiving goods by school personnel
 - Authorization signatures
 - Justification for contract/purchase award
 - Budget accounts to be charged
 - Copies of purchase orders, request for proposals, bid documents, or other documents used to obtain pricing bids, quotes, or proposals
 - Required district travel reimbursement form (if applicable):
 - Mileage
 - Conference/meeting agendas
 - Hotel and travel receipts
 - Other travel related documentation supporting the reimbursement request
- Failure to maintain these records may result in revocation of purchasing procedures, corrective action, and/or disciplinary action.
- Purchase orders by themselves do not satisfy the documentation and record keeping requirements. Invoices, receipts, travel reimbursement forms, and other third party documentation must be filed. Employee reimbursements must be supported with third party receipts.

13. Sealed Bids and Sealed Requests for Proposals

A. Sealed Bid Procedures:

- (1) Sealed bidding is defined as a bidding process used for purchases with known outcomes to high levels of exactness.
- (2) (a) An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding as dictated by policy and/or procedures.
(b) The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement.
- (3) (a) Public notice of the invitation for bids shall be given a reasonable time before the date set forth in the invitation for the opening of bids, in accordance with rules.
(b) The notice shall include the following: publication in a newspaper of general circulation; or posting to bidsync.com and available to the public on the District's Internet website. The notice period shall be for a minimum of seven days before the bidding deadline.
- (4) (a) Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids if specified.
(b) The amount of each bid and any other relevant information specified by rules, together with the name of each bidder, shall be recorded.
(c) The record and each bid shall be open to public inspection.
- (5) (a) Bids shall be unconditionally accepted without alteration or correction, except as authorized in this chapter.
(b) Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable. The criteria may include discounts, transportation costs, and total or life cycle costs.
(c) No criteria may be used in bid evaluations that are not set forth in the invitation for bids.
- (6) (a) Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on the bid mistakes, shall be permitted in accordance with rules.
(b) After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the state or fair competition may be permitted.
(c) Except as otherwise provided by rule, all decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the chief procurement officer or the head of a purchasing agency.
- (7) (a) The contract shall be awarded with reasonable promptness by written notice to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.
(b) If all bids for a construction project exceed available funds as certified by the appropriate fiscal officer, and the low responsive and responsible bid does

not exceed those funds by more than 5%, the chief procurement officer or the head of a purchasing agency may, in situations where time or economic considerations preclude re-solicitation of work of a reduced scope, negotiate an adjustment of the bid price, including changes in the bid requirements, with the low responsive and responsible bidder in order to bring the bid within the amount of available funds.

(8) A selection committee compliant with the Utah State Procurement Code shall be used to determine contract award:

(9) **(a) The committee shall consist of at least two administrators.**

(b) The committee shall meet in closed meetings in order to openly discuss all issues that may affect the contract award.

(c) The committee shall make available to the public all bid documents, justification for award, and any record pertaining to the contract awarded and decision. The committee shall complete a tabulation and awards document validating their decision and the criteria used to make the final decision.

(d) The committee shall recommend to the Board of Education contract awards.

(10) The Board of Education shall approve all purchases requiring sealed bids/RFP's

B. Sealed Request for Proposal Procedures:

(1) Competitive sealed proposals may be used for the procurement of services of consultants, professionals, and providers for potential purchases where the exact outcome is not known to high degree of exactness.

(2) (a) Proposals shall be solicited through a request for proposals.

(b) The notice shall include the following: publication in a newspaper of general circulation; or posting to bidsync.com, and available to the public on the District's Internet website. The notice period shall be for a minimum of seven days before the bidding deadline.

(3) (a) Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation.

(b) A register of proposals shall be prepared in accordance with rules and the contract awarded shall be open for public inspection after the contract is awarded.

(4) The request for proposals shall state the relative importance of price and other evaluating factors.

(5) (a) As provided in the request for proposals, discussions may be conducted with responsible offerors who submit proposals for the purpose of assuring full understanding of, and responsiveness to, solicitation requirements.

(b) Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and before the contract is awarded for the purpose of obtaining best and final offers.

- (c) In conducting discussion, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- (6) (a) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the state, taking into consideration price and the evaluation factors set forth in the request for proposals.
- (b) No other factors or criteria shall be used in the evaluation.
- (c) The contract file shall contain the basis on which the award is made.
- (7) A selection committee compliant with the Utah State Procurement Code shall be used to determine contract award:
- (a) The committee shall consist of at least two administrators/supervisors.
- (b) The committee shall meet in closed meetings in order to openly discuss all issues that may affect the contract award.
- (c) The committee shall make available to the public all RFP documents, justification for award, and any record pertaining to the contract awarded and decision. The committee shall complete a tabulation and awards document validating their decision and the criteria used to make the final decision.
- (d) The committee shall recommend to the Board of Education contract awards.
- (8) The Board of Education shall approve all purchases requiring sealed bids/RFPs.

14. Appeals Procedures

- Vendors who are not awarded a contract under a sealed bid or request proposal process may appeal a decision based upon the following rules:
 - The appeal must occur no more that 15 calendar days after being notified by the District the contract has been awarded to another vendor.
 - The appeal must be in writing stating the basis for the appeal.
 - The appeal should be addressed to the Superintendent or designee of the District, and the Superintendent (or designee) is charged in making the final decision of the appeal.
 - If the vendor is not satisfied with the decision of the Superintendent (or designee), the vendor must file an appeal at the next available Board of Education meeting.

15. Accounts Payable

- Accounts payable is used to pay all purchase order items and invoiced amounts – either school or District accounts payable.
- Accounts payable is the preferred payment method for all purchases.
- Non-purchase order purchases may only be used for amounts under \$2,500.
- The requestor should:

- Complete an invoice payment request form, including the following information: vendor, brief explanation, account code(s), amounts, purpose, and program.
- Attach the invoice to the invoice payment form.
- Obtain the required approval(s).
- The department or school secretary should:
 - Forward the approved invoice payment form and the invoice to accounts payable at the district office.
- The district office makes periodic check runs. Invoices and payment requests must be received at least three days before the check run to be processed and included in the check run.

16. School Account Payments

- All funds received from school fundraisers, student fees, etc. are to be deposited in the authorized school checking account. Administrators shall direct all school personnel to have students and patrons deposit funds with the school office directly.
- Accounts payable is the preferred payment method for all purchases.
- Non-purchase order purchases may only be used for amounts under \$2,500.
- The requestor should:
 - Complete an invoice payment request form, including the following information: vendor, brief explanation, account code(s), amounts, purpose, and program.
 - Attach the invoice to the invoice payment form.
 - Obtain the required approval(s).
- The department or school secretary should:
 - Forward the approved invoice payment form and the invoice to accounts payable at the district office.
- The district office makes periodic check runs. Invoices and payment requests must be received at least three days before the check run to be processed and included in the check run.

17. Employment Payments for Services Performed (Not Reimbursements)

- All employee compensation, whether in kind or cash, must be processed through the district payroll system (Internal Revenue Service Regulations). This includes all stipends and payments for coaching, training, ticket taking, and other compensation arrangements. Payments to non-employees should be processed through district accounts payable

18. Artificially Dividing Purchases

- Employees are not permitted to artificially divide purchases so as to bypass the bid/quote requirements contained in this policy. A violation of this requirement may result in disciplinary action.

19. Related Party Transactions

- Related party transactions are defined as being transactions performed and overseen by individuals who have a direct family or close relationship with the vendor/contract being used for the purchase. In these cases, the following steps are required:
 - Conflict of Interest Disclosure: The relationship must be reported in writing to the district business office immediately.
 - Conflict of Interest Review: Before a vendor/contractor is selected for a related party purchase, the next level administrator must review the bids/quotes and vendor selection process before a transaction can be initiated. For example, if a school principal has a direct relationship with the vendor of choice, the principal must receive permission from the Superintendent or Business Administrator before initiating the transaction. This approval must be documented before the transaction is initiated.

20. Gratuities – Kickbacks – Unlawful Use of Position or Influence

- Kickbacks to Employees for Personal Use are Strictly Prohibited: Employees may not receive any kickbacks from vendors/contractors through purchasing functions for personal use. A violation of this requirement may result in disciplinary action. All kickbacks must be reported immediately to the employee's supervisor and ensure the school/program is the beneficiary of any kickbacks involved.
- "Gratuity" means anything of value, including:
 - Money;
 - A loan at an interest rate below the market rate 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.
- "Hospitality gift" means a promotional or hospitality item, including, a pen, pencil, stationery, toy, pin, trinket, snack, nonalcoholic beverage, or appetizer. "Hospitality gift" does not include money, a meal, a ticket, admittance to an event, entertainment for which a charge is normally made, travel or lodging.
- "Kickback" means a gratuity given in exchange for favorable treatment in a pending procurement or the administration of a contract.
- "Procurement participant" means a person involved in;

- Administering, conducting, or making decisions regarding a standard procurement process;
- Making a recommendation regarding award of a contract or regarding a decision to obtain a procurement item for a particular person;
- Evaluating a quote, a bid, or a response; or
- Awarding a contract or otherwise making a decision to obtain a procurement item from a particular person.
- All district employees must comply with the Utah Public Officers' and Employees Ethics Act. (Utah Code 67-16)
- It is unlawful for an interested person to give, offer, or promise to give a gratuity to:
 - A school district procurement participant; or
 - An individual who the person knows is a family member of a school district procurement participant.
- It is unlawful for a school district procurement participant to ask, receive, offer to receive, accept, or ask for a promise to receive a gratuity from an interested person
- It is unlawful for a contractor to give a gratuity to:
 - A contract administrator of the contractor's contract; or
 - An individual who the contractor knows is a family member of a contract administrator of the contractor's contract.
- It is unlawful for a person who is 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 the contract administrator, a gratuity from the contractor for that contract.
- It is unlawful for a person to give, offer, or promise to give a kickback to a school district procurement participant or to another person for the benefit of a procurement participant.
- It is unlawful for a school district 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.
- It is unlawful for a person to give a kickback to a contract administrator, or to another person for the benefit of a contract administrator.
- It is unlawful for a contract administrator to ask, receive, offer to receive, accept, or ask for a promise to receive a kickback for the procurement participant or for another person.
- It is unlawful for a school district 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.

- A person is not guilty of a violation for giving, offering, promising to give, receiving, or accepting a hospitality gift if, as it relates to a school district procurement participant or a contract administrator:
 - The total value of all hospitality gifts given, offered, or promised to, or received or accepted by, the school district procurement participant or contract administrator in relation to a particular procurement or contract is less than \$10; and
 - The total value of all hospitality gifts given, offered, or promised to, or received or accepted by, the school district procurement participant or contract administrator from any one person, vendor, bidder, responder, or contractor in a calendar year is less than \$50.
- A person is not guilty of a violation for giving, offering, or promising a contribution to a public entity, unless the contribution is given, offered, or promised with the intent to induce a person to make a procurement decision, or to take action in relation to the administration of a contract, in reciprocation for the contribution.
- A person is not guilty for receiving or accepting a contribution of behalf of a public entity, unless the person accepts or receives the contribution in exchange for making a procurement decision, or for taking action in relation to the administration of a contract, in reciprocation for the contribution.
- A person is not guilty if the person gives, offers, or makes a pledge, in the form of a contribution to an organization to which a procurement participant or contract administrator belongs, unless the contribution is given, offered, or pledged with the intent to induce a person to make a procurement decision, or to take action in relation to the administration of a contract, in reciprocation for the contribution.
- A person who violates any of the above regulations is guilty of:
 - A felony of the second degree if the total value of the gratuity or kickback is \$1,000 or more;
 - A felony of the third degree if the total value of the gratuity or kickback is \$250 or more, but less than \$1,000;
 - A class A misdemeanor if the total value of the gratuity or kickback is \$100 or more, but less than \$250; or
 - A class B misdemeanor if the total value of the gratuity or kickback is less than \$100.

Using Local Vendors/Contractors & State Contracts

By law and district policy, schools and programs are required to use a competitive purchasing method for each purchase. This means schools and programs are required to shop out their purchases to receive the best possible value for each purchase. “Best Value” is defined as having a combination that provides for 1) the goods that meet minimum specifications and

requirements, 2) at the right time, 3) at the right place, 4) at the lowest cost. *Taxpayers expect school employees to use public funds wisely.*

Using Local Vendors/Contractors. When opportunities allow for purchases that produce the “best value” using local vendors/contractors, schools and programs are encouraged to use local contractors and vendors.

State Contracts. Schools and programs should also be mindful of competitively bid state contracts available at <http://purchasing.utah.gov>

District Accounts Payable Procedures

ACCOUNTS PAYABLE:

1. Mail is received at the front desk and distributed to the proper person or department.
2. The accounts payable manager stamps the invoice with a date stamp noting the day the invoice was received.
3. The accounts payable manager matches the Payment Authorization and packing slip forms to the vendor invoice.
4. All price quotes/bids are attached to the payment documentation verifying compliance to purchasing procedures.
5. The “Payment Approval Form” is matched to the documentation. This form is required for all disbursements, and the accounts payable manager will not pay the vendor if the form is not filled out and signed with the appropriate authorization signatures per the district's purchasing procedures. This form contains the following information:
 - a. Invoice #
 - b. Vendor
 - c. Budget Account Code
 - d. Amount
 - e. Reason for Purchase
 - f. Required signatures as dictated by the district's purchasing procedures
6. All payments are entered into the district's accounting system for processing as a "batch".
7. The accounts payable manager uses an adding machine to add up all the invoices/payments included in the batch. This is done outside of the accounting system and is used as a cross check against the accounting system total. She compares this tape total to the total in the accounting system to ensure complete accuracy before processing the check run.
8. Dual-Person Review: The A/P manager meets with another person in the office to review all payment requests together BEFORE the check run is processed. This review includes the following:
 - a. Verifies adherence to district accounts payable procedures
 - b. Verifies accuracy of budget account codes on each payment request
 - c. Verifies purchasing policy and procedures compliance
 - d. Verifies invoice amounts equal the amount being paid

- e. Verifies all goods have been received first before payment is made, and the person who received the goods for each payment request has signed the payment approval form.
- e. Follows up on any concerns and issues
9. The accounts payable manager processes and prints the checks:
- Check stock is kept in a secure place. No bank account, routing number, or other identifying information is pre-printed on the check stock.
 - The accounts payable manager and her backup specialist are the only ones who can process checks.
 - Checks are printed in numerical sequence.
10. The accounts payable manager attaches a copy of the check stub to the documentation for each vendor for future reference and audit.
11. All documentation is filed in check sequence order for future reference and audit. A check detail report is generated from the system to be filed with the documentation backup to verify the amount paid equals the documentation.
12. The accounts payable manager and other person in the office reviewing the batch signs and dates the check details report from accounting system and attaches it to the check batch. These signatures verify compliance to accounts payable and purchasing procedures.
13. The accounts payable manager makes a request to the appropriate administrator for electronic transfer of funds to the district's checking account following the [Electronic Transfer of Funds](#) procedures.
14. Checks are mailed to the vendors to provide for security of the payment. Checks should not be mailed until the date funds are available in the district's checking account.
15. The payment packet and backup documentation is filed in the safe by check number order for future review and audit.
- Bank Reconciliations:** Bank reconciliations are performed monthly to review the accuracy of cash flows and records. District accounts payable manager(s) should not perform district-level bank reconciliations. Normally, the Business Administrator or his/her designee performs the bank reconciliation as the Business Administrator is not authorized to issue accounts payable and payroll payments.
- **Batch Checklist:** The accounts payable manager is encouraged to develop a check run batch checklist that helps to ensure accounts payable and purchasing procedure compliance.

Cash Disbursements:

Checking Account Expenditures. All expenditures should be paid by check unless otherwise authorized by the Accounting Department.

Proper Authorization. The administrator that oversees the budget(s) being charged must properly authorize all expenditures/disbursements. No exceptions. An administrator may not reimburse him or herself and must have proper authorization from her/his supervisor. It is unlawful to spend public monies without proper authorization.

Inappropriate Bank Accounts. Only authorized bank accounts may be used. Examples of *inappropriate* bank accounts include the following:

- District departmental accounts
- Joint school accounts with PTA/FFE
- Booster accounts
- School club accounts
- Sports team accounts

Signature Stamps Are NOT Authorized. No signature stamps should be used to sign checks or other financial documents/records.

Blank Checks. Authorized check signers should **never** sign a blank check.

Always Specify the Payee. Checks should be made payable to a specific payee, not to “cash” or “bearer”.

Checks:

- Checks should be issued in a pre-numbered sequence.
- All payments *must be pre-authorized* by the appropriate administrator. *No exceptions.*
- Checks are to be recorded and printed in the school/district accounting system immediately.
- Voided checks should be properly mutilated and retained in files.
- All supporting documentation must accompany each check when presented for signature.
- Never sign a blank check!
- All checks must have two signatures.

Board of Education Review:

- The Board receives a report at each Board meeting of all checks issued by the district and all schools for review.

Separation of Duties:

- **Record Keeping & Custody of Assets:** Authorized secretaries and financial clerks are the only individuals authorized to process checks in the accounting system.
- **Authorization.** Administrators must pre-authorize all charges being made to the budgets for which they oversee. Administrators are never authorized to issue checks in the accounting system.
- **Business Administrator.** The Business Administrator or his/her designee oversees

all bank reconciliations, financial reporting, accounting system and budget monitoring, and internal controls in the District. Thus, the Business Administrator should never issue payments from the accounting system unless authorized by the Board of Education.

Voiding Checks:

- 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.

School Sponsored & Non-School Sponsored Activities

Policy: The District follows USOE Rule 277-113 in defining and managing “School Sponsored” and “Non-School Sponsored” activities.

School Activities – 100% of Activity is Overseen by School: For school activities that are properly authorized by the school principal, these activities will automatically be designated as “school sponsored” activities.

School Activities—Third Party Involvement: For school activities which include the involvement of a third party to administer the activity, the school principal is given authority to determine whether or not the activity is designated as a “school sponsored” or “non-school sponsored” activity.

The Board of Education directs the district’s administration to develop procedures that meet the following intentions of the Board:

- 1) School activities that are designated as “School Sponsored ” will adhere to procedures that automatically provide the school with maximum allowable management control, responsibility for all legal and liability commitments, responsibility for accounting commitments, and responsibility for education commitments.
- 2) School activities that are designated as “Non-School Sponsored” will adhere to procedures that minimize and relieve the school from overall management control, legal and liability responsibilities, accounting responsibilities, and education responsibilities.

“SCHOOL SPONSORED” ACTIVITY PROCEDURES CHECKLIST

Management & Control – The school administration and staff retains full control and

supervision responsibility of the activity.

Collection of Funds – Funds for the activity are collected under the direction of the school and managed through school accounts. All school activity fund policies and procedures must be followed.

Liabilities – the school and district assume all liabilities and risks.

Compliance – The school is responsible for all state, federal, and local compliance, laws, rules, and regulations.

Employee Compensation – All compensation to employees must be processed through the district payroll department to ensure payroll policies, IRS laws, and compliance requirements are met.

Required Parent Communication – Parents must be notified “The activity is an optional activity and not required for participation in other school requirements or activities and is in no way connected to an education course grade or credit.” Otherwise, fee waiver requirements may come into play.

“NON-SCHOOL SPONSORED” ACTIVITY PROCEDURES CHECKLIST

Management & Control – The school administration and staff relinquishes all management and supervision control to the 3rd party.

Collection of Funds – Funds for the activity do not flow through the school’s checking and bank accounts and cannot be co-mingled with school accounts.

Liabilities – the 3rd party assumes all liabilities and risks.

- The district’s facility use policy and agreement must be followed.
- The third party must provide an indemnity agreement to conduct the activity.
- The third party must provide liability insurance coverage and certificate for the activity.

Compliance – The third party is responsible for all state, federal, and local compliance, laws, rules, and regulations.

Employee Compensation – All compensation to district/school employees must be processed through the third party’s payroll department to ensure payroll policies, IRS laws, and compliance requirements are met.

Required Parent Communication – Parents must be notified “The activity is an optional

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 40
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activity and not required for participation in other school requirements or activities and is in no way connected to an education course grade or credit.” Otherwise, fee waiver requirements may come into play.

Required Documentation – The following must be submitted to the district office for “Non-School Sponsored” activities:

- Indemnity agreement and liability insurance coverage/certificate.
- Documentation of all compensation being paid to district/school employees for participation in the activity.
- Documentation of donations and other compensation being given to the school for participating in the activity.
- Copies of all contracts and agreements with third parties for the activity. Contracts/agreement language should parallel the procedures outlined herein.

Advertising Restrictions (R277-107)

- A. An employee may purchase advertising space to advertise an activity or service in a publication, whether or not sponsored by the public schools, that accepts paid or community advertising.
- B. The advertisement may identify the activity participants and leaders or service providers by name, provide non-school contact information, and provide details of the employee's employment experience and qualification.
- C. Posters or brochures may be posted or distributed in the same manner as could be done by a member of the general public, advertising an employee's services, consistent with LEA policy.
- D. Unless an activity is sponsored by the LEA, the advertisement shall state clearly and distinctly that the LEA does NOT sponsor the activity.
- E. The name of an LEA shall not be used in the advertisement except as the LEA's name may relate to the employee's employment history or if school facilities have been rented for the activity.
- F. If the name of the employee offering the service or participating in the activity is stated in any advertisement sent to the employee's students, or is posted, distributed, or otherwise made available in the employee's school, the advertisement shall state that the activity is not school sponsored.

School Activity Accounting Checklist

Authorized Bank Accounts - The school uses only bank accounts authorized by the District Office. The principal ensures the school and staff members do not use unauthorized bank accounts.

Principal Responsibilities - The principal oversees and authorizes all financial transactions and activities in the school. The principal ensures all policies and procedures are followed. The principal does not collect cash nor issue payments or checks. The primary responsibility of the principal is to authorize, oversee, monitor, manage & train staff, ensure accountability with staff and program funds, and control.

Secretary Responsibilities - The secretary oversees all TES records, cash collections and cash payments. The secretary never authorizes transactions. The secretary is responsible for making deposits with banks. Only one secretary is assigned responsibility for TES records and files. The secretary provides TES reports to staff members when requested. The primary responsibility of the secretary is to maintain accountability for custody of cash and accuracy and timeliness of TES records.

District Office Responsibilities – The district office shall perform monthly review of all school activity bank and investment accounts. Oversight may include sample review testing of disbursements for compliance to policy and procedures as well as a review of timeliness of deposits with banks and record keeping.

Fundraiser Policy - The principal is responsible for ensuring staff members and all school programs follow the district fundraising policy.

Staff Meetings & Training - The principal oversees all staff trainings and meetings regarding financial procedures at the school level. *All financial transactions and activities occur under the direction of the principal.* The principal routinely meets with and trains staff members--including secretaries, coaches, and regular staff members regarding financial related policies and procedures.

Bank Signature Cards - The principal is responsible for ensuring a current copy of the signature card for the authorized bank account is on file with the District Office no later than January 31st of each year. A minimum of three check signers need to be on the bank signature card for each school.

Fee Waivers - The principal is responsible for ensuring all fee waiver laws are fulfilled and met within the school. Fee waiver laws and requirements are reviewed before school registration materials are mailed each year. The principal is responsible for ensuring the school keeps adequate records per legal and reporting requirements. Fee waiver laws and requirements can be found at <http://www.schools.utah.gov/law/>.

Insolvent Programs - The school secretary is responsible for immediately reporting

programs that have expended more than has been collected in their programs to the principal. The principal responds right away by notifying staff members and develops a corrective action plan with staff members. All programs shall be solvent and have positive balances. The principal understands that programs should not be authorized to make expenditures without adequate funds on hand first.

Approved High School Fees - The principal and secretary ensure that all fees assessed and collected are pre-approved by the district Board of Education. All fees for the next school year are approved by the Board of Education no later than May prior to the next school year.

Monthly Review Meeting - The principal and school secretary conducts a formal financial review meeting at least once each month--preferably no later than the 15th. All of the following should be reviewed in this meeting:

- Program balances within the school, specific attention given to programs with negative balances.
- Prior month's checks issued
- Negative student account balances
- Open fundraisers in the school
- Fee waiver situations that may require specific attention
- Open purchases requiring bids/quotes and purchasing policy compliance
- Specific financial issues with programs and staff members
- Upcoming financial deadlines
- Other pending financial matters

Receipts from Students/Parents - Secretaries provide students with a receipt and retains a duplicate copy of each receipt for future reference.

State 3-Day Deposit Law - All cash receipts are entered into the school TES system no later than three days from the date of receipt. All cash receipts must be deposited with the bank no later than three days from the date of receipt. When possible, deposits are taken to the bank on a daily basis.

Deposits - A report for each deposit is printed from TES to match the amount of the deposit. The report is filed with a copy of the deposit slip for future reference.

Deposits - The amount counted for each deposit matches the amount on the deposit slip and TES report.

Deposits - The school principal verifies that the amount counted equals the amount on the deposit slip and TES report before the deposit is taken to the bank.

Deposits - The cash/checks/coins are placed in a security deposit plastic bag and 1) stored in the safe until the deposit is taken to the bank, or 2) taken to the bank on the same day. A copy of the deposit slip is always stapled to the TES report for future reporting and reference.

Collections at Office - Collections are never stored in classrooms or other areas in the school and are recorded at the office daily. Coaches and other personnel are instructed that all cash collections should occur at the office. Any checks received from outside sources for school or district sponsored functions, clubs, or sports must be written to the corresponding school or Iron County School District.

Collections by Teachers – When teachers accept cash from students (i.e. fundraiser, book drive, etc.), teachers should write the names of students and amounts on a list and turn the list into the school financial secretary with the funds collected. Teachers should never keep money in their desks, rooms, or on their persons, and should never take money home. Any checks received from outside sources for school or district sponsored functions, clubs, or sports must be written to the corresponding school or Iron County School District.

Safeguarding Cash - All cash/checks/coins are stored in the school safe when deposits cannot be made with the bank.

School Collections are not Co-Mingled with Food Service Collections – Food service collections are deposited in the district food service bank account and are not co-mingled with school checking account deposits.

School Activities - Cash Receipts - Dual Collection System - The school uses procedures that require at least two persons to verify accuracy of cash collections at each activity. This can be done through various methods such as using stamps, tickets, and other two-person systems.

School Activities - Counting Cash - Cash is always counted and verified by two individuals before leaving for the night and both persons involved with counting and verifying the amounts sign a form.

School Activities - Safeguarding Cash - All cash/checks/coins are stored in the school safe when deposits cannot be made with the bank. Under no circumstances is cash taken home by school personnel.

School Activities - Night Bank Deposits - If night bank deposits are made, the deposits are made with two individuals traveling to the bank together for safety purposes.

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 44 of 56
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Available Funds, Budget Compliance - No purchasing and payment procedures are done until program funds are verified and are available. Program expenditures only occur when funds are available to pay for each purchase.

Authorized Signatures on all Checks - There are always two authorized signatures on all checks. Authorized signers must be on signature card with bank.

Handwritten Checks - Handwritten checks are strongly discouraged. However, in rare exceptions, the principal may authorize a handwritten check for unique and functional purposes. The principal understands the check must have two authorized signatures and at least one of the signers must be present when presenting the check to the vendor. The school secretary shall work with the vendor and staff members to obtain an invoice/receipt to support the payment and record the payment in TES no later than one day after the transaction date. All purchasing/payment policy/procedures must be complied with before using a handwritten check, including principal authorizations.

Sales Tax Exemption - Principals ensure purchases in Utah, where law permits, do not include payment for Utah Sales Tax. The principal is responsible for ensuring staff members are routinely trained on this matter, and the school's tax exemption form is made available to staff members to help avoid paying unnecessary Utah Sales Tax.

W9s & 1099s - All vendors that payments are made to (except students) should have an IRS W9 form on file. All W9 information should be recorded in vendor records in TES for potential IRS reporting

Payments to Employees for Services – Under no circumstances shall principals authorize payments to employees for services performed - i.e. stipends for extra duties. All payments to employees for services performed must be processed through the district payroll department to ensure compliance with IRS regulations.

Reimbursements to Employees – Where employees pay for supplies and costs up front from their personal funds, principals may authorize reimbursements to employees for these costs.

Purchasing - Principal Oversight - Principal understands all financial transactions and purchasing policy/procedures compliance occurs under her/his direction.

Purchasing – Sole Source Approvals: the Superintendent or Business Administrator must approve all sole source purchases. This can easily be done by e-mail. However, these requests are rarely approved given competitive purchasing options available in most circumstances.

Purchasing - Purchasing procedures are the same for all district and school purchases.

Please refer to the purchasing policies and procedures.

Bank & Investment Reconciliations

Bank and investment account reconciliations are considered to be one of the most critical procedures for proper internal control. Bank and investment account reconciliations help monitor and safeguard cash assets and can be an important process that reveals both positive and negative aspects of accounting operations. Because of the importance of this procedure, segregation of duties is critical.

District Bank & Investment Account Reconciliations. The Business Administrator or his designee shall do All District bank reconciliations. Because of this, all accounts payable, payroll, and cash receipts daily processing should be performed by someone other than the Business Administrator.

School Activity Fund Bank Reconciliations. School bank reconciliations should be performed by the Business Administrator or district office designee that is not involved with daily cash receipts and cash disbursement assignments at the school level. This should be done under the direction of the Business Administrator but can be delegated to someone else in the district office.

Electronic Transfer of Funds

The district uses [authorized bank and investment accounts](#) to pay its obligations (accounts payable and payroll), while at the same time, provide for investment earnings on idle cash. Electronic transfer of funds between these accounts should use the following procedures:

1. A record of all electronic funds shall be kept and periodic reports made available as needed.
2. The report shall include the following:
 - Date
 - Amount
 - Purpose of transfer
 - Name of requester and individual authorizing the transfer
3. **Authorization & Notification--Transfers from PTIF Account(s) to Main Checking Account.** These transfers are done to ensure sufficient cash balances are in place to cover payments from the district's main checking account - i.e. payroll and accounts payable. There must be two individuals who authorize the transfer of funds--1) the person who is making the request and processing the transactions in the accounting system, and 2) an authorizing administrator. At least one of the following administrators shall authorize each transfer, and the authorizations (signatures) must be documented. The authorization may be verified by an actual signature or e-mail from the administrator. The authorization must include a comparison of the

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 46
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amount being requested in conjunction with a report being generated from the accounting system that validates the amount--i.e. accounts payable check run report, payroll check run report, cash receipts/deposits report, etc. Any one of the following individuals may serve as an authorizing administrator:

- Business Administrator
- Superintendent
- Board President

4. Authorization & Notification--Transfers from Main Checking Account to PTIF Accounts. These transfers are done to move deposits made in the checking account to PTIF investment accounts where interest earnings can occur. The Business Administrator or his/her designee may do these transfers.

5. Electronic Transfer Processing. The Business Administrator or one other district office designee (separate from primary accounts payable and payroll function personnel) is authorized to process electronic cash transfers with financial institutions *after* proper authorization has been obtained. The person processing the transfer with the financial institution(s) shall obtain documentation of the transfer request with the financial institution(s), and the documentation shall be obtained with the appropriate accounting records. The person who is processing the transfer with financial institution(s) shall also communicate the planned date of the transfer with internal personnel to ensure account balances are not overdrawn.

Journal Entries

1. Each journal entry should be substantiated by supporting documentation.
2. Each journal entry should be recorded in the accounting records.
3. The Business Administrator should review and approve all journal entries.
4. The school principal can authorize journal entries in the individual schools.

**These procedures are applicable to school activity (school checking) and district accounting records and systems.

Grants & Reimbursable Claims

The Superintendent and/or Business Administrator or authorized designee should examine all grant applications. He/she will review the grant to ensure all grants that are applied for are in the best interest of the district. Some grants, for example, require the school or district to match dollar for dollar the amount granted. Unless the school or district knows about this and agrees

to it, the grant will likely become moot. Purchases made with grant money are the property of the district, and will be assigned to the location/program that the grant was given.

Fiscal agent agreement grants should not be agreed to unless both the Superintendent and Business Administrator agree to the fiscal agent relationship. Fiscal agent arrangements typically occur when other entities ask the District to handle all aspects of a grant that is not the District’s grant. For example, the Utah State Office of Education (USOE) has some funds with which they either do not want to administer or cannot administer. So they “grant” the money to the District and have the District oversee its use. The real grantor is USOE. The real recipient is the same as if USOE had performed the grant. The District is simply a middle manager. Such arrangements cost the District large amounts of hours to oversee, generally without much benefit.

It is the responsibility of the budget director over the grant to ensure proper compliance with grant requirements. This includes, but is not limited to, State and Federal regulations and requirements as well as Federal Office of Management and Budget Circular A-87.

Reimbursable grants are often subject to specific Generally Accepted Accounting Principles (GAAP) and financial accounting and reporting requirements. Grants managed through the State of Utah or the Federal Government *must have the Business Administrator or his/her designee review the grant reimbursement request/claim prior to submission* in order to ensure all accounting and compliance requirements have been met. The appropriate indirect costs will be added when allowed.

Capital Assets & Inventory

Capital Asset Inventory – Overview. In order to ensure that equipment records are properly maintained and updated in conformance with District policy and federal regulations, the following outlines the district’s policy and responsibilities for keeping accurate capital asset inventory records, tagging, and conducting inventories of capital assets.

District Requirements:

1. Records & Custody - The District's accounting department shall create reasonable internal control procedures to provide for a detailed capital asset inventory record keeping system. This system shall contain records for each capital asset purchased or acquired in the district. Capital assets are defined as all capital assets with a useful life of one or more years, with an individual value of \$250 or more. Exception--programs and administrators may request the accounting department keep records at a more detailed level if needed. Capital assets including buildings, land, land improvements, furniture and fixtures, electronic technology assets, vehicles, and other assets with useful lives of one year or more shall be included in the capital asset inventory. All capital asset records must be compliant with generally accepted accounting principles (GAAP) and provide for an appropriate level of detail for determining the custody of each asset. Custody

is defined as having two critical components to each asset's record: 1) the name of staff member or room assigned to each asset, and 2) the program assigned to each asset; both information items are required for establishing the custody of each asset. Records shall be kept in an electronic format with reference to accounts payable and other purchasing records--i.e. the check number related to each purchase.

2. Annual Inventory - The district accounting department shall oversee an annual inventory conducted by each school/department. Inventories may be conducted more often if needed. In cases of identified missing assets, the applicable supervising administrator shall conduct an investigation and provide the accounting department with a summary of the investigation and any corrective action that is taken; and the accounting department shall respond accordingly to the risks and information surrounding missing capital assets. **Video Inventory:** The district shall ensure a video inventory is taken of all buildings annually for insurance recovery and other needs.

3. Disposal of Capital Assets - Capital assets which have been identified as lost, stolen, sold, or inoperable must be reported immediately to the district accounting department along with all related information. Capital asset records should not be removed/deleted; rather, when capital assets are disposed, records should be maintained indicating the reasons for disposal along with all relevant information. Before capital assets are disposed of, the district surplus property policy should be followed where applicable. **4. Financial Reporting** - Capital assets with an individual or basket purchase value of \$1,000 or more, and with a useful life of more than one year, will be included in annual financial reports. The cost of normal maintenance and repairs that do not add value to an asset or materially extend an asset's useful life will not be capitalized and reported.

Tagging. A numbered bar code tag identifies items recorded in the equipment inventory. The primary purposes of tagging are to provide an accurate method of identifying assets as school district property, to control the location of physical assets, and to provide a link to asset records for physical inventories. It may not be possible to tag some items because of their size, location or use; these items shall be identified in asset records by other identifying criteria such as location, description, serial number or other identification criteria.

Where possible, technology related assets *should* be tagged with a school district capital asset inventory tag.

School district capital asset inventory tags shall be used when it is reasonable to do so.

Asset Records. Asset records shall be created for all newly acquired capital asset items. The Accounting Department will create and maintain asset records to include the following information:

Required record information for each asset:

- Description of item
- Building
- Name of staff member and/or room location
- Program
- Check number that paid for the item
- Vendor the asset was purchased from
- Date of purchase
- Amount paid for the item

Other record information for each asset if possible:

- Make, Model, Brand
- Serial Number
- Other descriptive information

For compliance, assets purchased from the following programs should clearly identify the program from which they were purchased:

- Special Education
- Career Technology Education
- Food Service
- Title I
- Title II
- Migrant Education
- Adult Education

Asset Record Changes. The Accounting Department will be responsible for updating asset records.

Sampling of Physical Inventories. Random audits of completed inventories will be conducted to test the accuracy of the database and to ensure that departments are completing accurate physical inventories.

School & Program Responsibilities. Each administrator is responsible for:

- All equipment purchased for and assigned to the school/program;
- Verifying inventory records;
- Reporting changes to inventoried property or equipment to the Accounting Department;
- The physical inventory and certification of inventory of capital assets is completed at annually.
- The administrator may delegate inventory tasks to staff members but is ultimately

responsible for the custody, accuracy, completeness, and reliability of the inventory.

Reporting Changes For Previously Inventoried Capital Assets. The supervising administrator must report in writing to the Accounting Department all details related to any of the following changes with inventoried capital assets:

- Lost
- Stolen
- Destroyed
- Relocated to another building/room
- Transferred to another program or school
- Sold
- Declared as surplus property

Federally Owned Capital Asset. Assets purchased with federal grant or program funds must be tracked and tagged in accordance with federal requirements. The program associated with the capital asset purchased with federal funds must be identified in the capital asset records (i.e. Special Education, Food Service, etc.) These federal government assets are controlled assets that the district is required to track. These assets are permanent in nature and must remain with the program in which federal funds were used to purchase the asset.

Physical Inventory. Conducting physical inventories is vital in monitoring and updating the status of the school district’s capital assets for federal, state, and financial audits. Capital assets shall be inventoried at least once annually.

To initiate this process, the Accounting Department will produce and distribute to each school/program its capital asset listing (Excel spreadsheet or other report format) of inventory. The school/program is to verify the existence of all items, ensure the listing is complete, and update related information for all items as appropriate. Any additions, deletion, or corrections are to be noted on the listing.

The school/program shall make appropriate changes to the asset listing and return it to the Accounting Department by the required date.

Certification of Inventory. A signed and dated inventory spreadsheet/report is a certification that the inventory has been completed. Returning this inventory list to the Accounting Department certifies that list has been reviewed, and that all required deletions and corrections have been reported. In addition, it certifies that at least one individual representing the school/program has physically inspected each of the items listed.

Instructions for Performing an Accurate Physical Inventory:

1. **Locate all capital assets** on the listing.

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 51
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2. **Update the information on the paper copy of the listing** – These changes will be entered into the system to update the official school district record.

3. **For all assets reported as disposed, transferred, lost, stolen, destroyed, or declared as surplus**, please indicate and note all relevant information on the paper copy of the listing.
4. **Sign and date the asset listing.**

GENERAL PROCESSING PROCEDURES:

- After an accounts payable batch check run is completed, the accounts payable batch is reviewed and capital asset purchases identified that meet the capital asset inventory records requirements. Capital asset payments/purchases in the batch are identified by flagging or highlighting transactions on system reports, etc.

- This information is forwarded to the capital asset inventory specialist for review and to create the inventory records. The capital asset inventory specialist should also review the accounts payable batch for possible purchases that meet capital asset inventory requirements.

Resources & Checklist for Coaches

In Spring 2013, the Utah State Office of Education adopted [R277-113](#), which requires all school districts to establish policies and procedures related to accounting and other operations. "The purpose of this rule is to (1) require LEAs to formally adopt and implement policies regarding the management and use of public funds; (2) provide minimum standards, procedures and definitions for LEA policies; (3) direct that LEAs make policies, procedures and training materials available to the public and readily accessible on LEA or public school websites, to the extent of resources available; (4) require LEAs to train employees in appropriate financial practices, necessary accounting procedures and ethical financial practices; and (5) provide for consistency among LEAs regarding fiscal policies, procedures and accountability practices."

In addition, recent Utah legislation requires all school districts to follow the Utah procurement code, including the ethical provisions of the Utah procurement code and Utah Public Employee's Ethics Act.

[R277-113](#) was a direct result of problems found throughout the state in high school activities, particularly athletics. Many of these problems are noted in a recent USOE internal audit report, which can be found at the [Utah State Office of Education Internal Audit Report - High School Activities](#) link. High school athletics programs have some unique qualities the present many challenges for principals, athletic directors, and coaches. This website is not only meant to

fulfill [R277-113](#) compliance requirements, but more importantly, it's purpose is to serve as a key resource for principals, athletic directors, and coaches to provide for a safe and orderly operational environment. *High school athletics programs are an important part to high school educational activities, and schools should use these resources and procedures for training, operations, and compliance purposes.*

Sale/Disposal of Surplus Property

District Policy:

Authority of Business Administrator. No district employee shall transfer, sell, or trade in any property owned by the district without written authorization of the Business Administrator.

Report and Inventory of Surplus Property. Schools and central office units shall notify the Business Administrator of all surplus property. An inventory of the property shall be submitted as part of the report and shall include quantities, brand names, descriptions, approximate age of the property (original purchase date) and originating location of the property.

Transfer of Surplus Property. Insofar as feasible and practical, the Business Administrator will transfer surplus property between schools. Transfer may also be made directly to other units of government, provided the property will be exclusively owned and used by the one or more such units. The price of the property transferred shall be the fair market price based, where possible, on previous sales of similar products in the open market and shall be one mutually agreed upon between the owning agency and the recipient, and approved by the board of education.

Sale of Surplus Property. The Board of Education must pre-approve all items to be sold as surplus property. Surplus property shall be offered to the general public through competitive sealed bids or public auction. An internet/online auction method is an acceptable method to conduct a public auction/sale. It is recognized, however, that some types and classes of items can be sold more readily and advantageously by other means. In such cases, and also where the nature of the property or unusual circumstances call for its sale to be restricted or controlled, the Business Administrator may employ such other means, provided such offer makes a written determination that such procedure is advantageous to the district.

Advertisement of Sale. At a minimum, surplus property sales and/or auctions shall be advertised at least once in a local newspaper of general circulation and notice shall be posted at all schools in the District.

Disposal Without Bids/Sale. When no bids are received on an item offered for sale, the Business Administrator may determine the method of disposal of the item, provided it is in the best interest of the District. Trade In. Surplus property may be traded in only when the Business

Administrator determines the trade in value is expected to exceed the value estimated to be obtained through the sale of such property.

Gifts & Donations to Schools/Programs from Patrons

IRS Tax Credit - Donors who desire to obtain a receipt for tax purposes should prepare and submit with the gift an Internal Revenue Service form no. 8283. Donors must obtain advice from their own advisers as to whether gifts to the District are tax deductible. The District will sign and return a properly prepared form 8283 to give the donor a record that the District received the gift. The District will not otherwise certify as to the value of property that is donated in kind.

[IRS Publication 526](#)

Approval of District—Prior to donating a gift, approval must be obtained from the District for conditions that may be attached to the gift. Gifts of property given in kind must be reviewed prior to acceptance to make sure that the property:

1. Will be useful to the District
2. Is in acceptable condition and
3. Is not subject to liens and claims that would cause expense to the District.

Gifts to specific school programs of equipment, such as computers and audio visual equipment, must be approved in advance to assure that the District is not compelled by a gift to undertake expenses in support of the donated equipment or make other management decisions in order to use the gift, such as allocating space to donated equipment, that the District deems to be unwise. As a general rule the District will not commit to name classrooms in a building or a building itself with the name of a donor as a quid pro quo for a gift. The action to name buildings or parts of buildings is within the power of the Board of Education. However, in a particular case the Board may by resolution agree to name a facility for someone designated by a donor. The Board does not delegate this authority.

School Start-Up Cash/Change Boxes

1. Each location is authorized to keep a maximum of \$200 for start up cash/change box needs. The purpose of the cash/change box is to provide cash and change for student fees, school events, and food service collections. The cash/change box amount kept on hand for cash is not considered to be part of the \$500/\$1,000 amounts outlined in the *frequency of deposits* [Cash Receipts & Deposits - General Procedures](#).
2. The cash/change box shall be secured in the safe when not in use.

3. The cash/change box shall be accounted for and counted by at least two individuals each day.
4. Each school administrator shall inspect and verify the count at least one time each week.
5. All daily counts must be recorded and logged daily--including the name of each person involved with the count, date, and time of count. The log shall be available at any time for audit and inspection.
6. Schools must deposit with the bank all amounts received above the \$200 being retained for the cash/change box. Schools shall follow [Cash Receipts & Deposits - General Procedures](#).
7. The amount being maintained in the daily cash box must be accounted for on the school's balance sheet.
8. When schools need more than \$200 for start up cash/change box needs, the school should write a check to a specific individual who will then go to the bank and cash the check. An annotation or memo should be made on the check indicating the purpose of the check--i.e. "Cash box for CHS Basketball". Under no circumstances should a cash box check be written to "Cash" or "Bearer". The check is usually issued to a responsible employee who then delivers the check to the bank to be cashed and then returns the cash back to the school.

Financial Records Retention

Financial and school records should never be taken home.

Financial records must be maintained at a minimum as indicated below:

<i>Records</i>	<i>Years</i>
1099s & W-9s	7
Balance Sheet Reports	10
Bank Reconciliations	4
Bank Statements	4
Cancelled Checks	4
Check Documentation & Support	4

Check Registers & Check Detail Reports	7
Deposit Slips	3
Drivers Education Records	5
Fee Waiver Applications	4
Free/Reduced lunch applications	3
General Journal Ledgers	10
Capital Asset Inventory Records	3
Journal Entries	4
Payroll Records	80
Employee Leave Records	7
Purchase Orders	7
Receipt Books	4
Student Lunch Account Balance Records	4

Parent Notice - Collections Agency

Schools are encouraged annually to include information to parents with school registration materials notifying them that the school and district may use collections agency. The following notice may be copied and pasted onto school letterhead.

NOTICE – COLLECTIONS AGENCY

IRON COUNTY SCHOOL DISTRICT Policy Handbook	ICSD Code: DA Fiscal Policies & Accountability of 56	Page 56
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Dear Parents & Students:

It is our desire to provide the best possible services we are able to offer to our students. To do this, our school operations are structured to be self-sufficient and legally compliant school programs.

Schools routinely collect money for food service programs, high school programs, and other school programs and services. Unfortunately, patrons sometimes provide our schools with NSF (not sufficient funds) checks and/or students accumulate significant unpaid balances owed to their schools.

Please be aware our Iron County Schools may use a collections agency to mediate these situations with patrons. Once the situation has been referred by the school to the collections agency, patrons will need to work directly with the collections agency, not the school, to resolve the matters at hand. Patrons are encouraged to take a preventative approach to help avoid these situations completely with their school.

We appreciate any help you can give to ensure all amounts owed to your school(s) are paid in a timely manner.

Student Insurance

School principals and schools should be aware the school district ***does not*** provide health insurance coverage for students. Principals should ensure this is clearly communicated to parents at the beginning of school and sports seasons. Students/parents may purchase insurance coverage through a private carrier by contacting the school office for more information or by locating an insurance carrier on their own.

The responsibility for ensuring students have insurance coverage rests with the student's parents/guardians.

Adopted: August 23, 2016