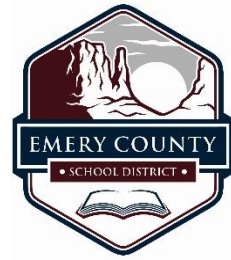


Emery County School District



Policy: DJB—Cash Disbursement

Date Adopted: 20 April 1988
Current Review / Revision: 3 Mar 2021

This policy governs the initiation, authorization, and review of all District expenditures.

Definitions

1. “Public funds” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the School District.
2. “District” refers to the entirety of the school district, including the district office, schools, and other locations.

Scope

These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by the District. All expenditures of the District are to be consistent with applicable State and Federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of the District, and are to be documented in a way which clearly substantiates such reasonableness and necessity.

This policy applies to all District administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements, either directly or indirectly, on behalf of the District. The scope includes all activities in all locations where public funds are expended. It is expected that in all dealings, District employees will act in an ethical manner that is consistent with the District’s code of ethics, the Utah Educators’ Standards, the Public Officers’ and Employees’ Ethics Act, and State procurement law.

Segregation of Duties

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

General Policies

1. The District follows the current Utah Procurement Code as its general purchasing policy. Utah State Office of Education and Federal guidelines shall be followed when applicable.
2. All checks or check stock, credit/purchase cards, access to bank accounts and statements, etc. shall be secured and controlled by the school office or business office with appropriate and limited access.

3. All disbursing of funds shall be done through the school office or business office. No disbursing of funds is to be done in other locations or at off-site functions, without the approval of the Business Administrator.
4. All expenditures made using cash, checks, credit cards, purchasing cards, electronic fund transfers, or other approved means, shall be recorded in the appropriate accounting records.
5. Passwords shall restrict user access to District accounting systems and be changed regularly.
6. Expenditure transactions must be approved by an individual having sufficient knowledge and authority to evaluate the transaction for reasonableness and appropriateness. Authorized approvers are designated in sections F4 and F5 of this policy.
7. All expenditures shall be substantiated by supporting documentation. Documents should demonstrate proper disbursement controls (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.).
8. Quotes shall contain the following information:
 - Date received or dates that the quoted price is valid, delivery date
 - Company name and address, salesperson and contact information
 - Each item, description or specifications, unit, total price, and quantity listed
 - Shipping and freight charges
 - Quotes may be obtained by printing pages from a website or via telephone communication; however, all of the quote elements must be documented.
9. Bank, credit card, and purchasing card statements are to be reviewed and reconciled in a timely manner each month. Activity accounts should be reviewed quarterly by the custodian of the activity.
10. Contracts shall follow guidelines outlined in the State Procurement Code. Multi-year contracts must comply with Utah Code 63G-6a-1204. Exclusive contracts must comply with the State Procurement Code, District policy, and the Utah Public Officers' and Employees' Ethics Act.
11. Construction and improvements shall comply with the provisions of the State Procurement Code, Utah Code concerning school construction, the Utah State School Board Administrative Rules, and Title IX.
12. The District's tax exempt status number shall only be used in conformity with State guidelines.
13. Purchases should be equitable for both male and female students and comply with Title IX.
14. It is the Board's intention to purchase locally, whenever goods and services of equal quality and at competitive prices are available. Goods and services will not be purchased locally if they can be secured elsewhere at a savings to the District, or if a non-local source can provide a better quality of product or service or more efficient delivery.

Procurement Policy

1. Inasmuch as a purchase is available through a cooperative purchasing arrangement or state cooperative contract, District employees are encouraged to purchase the items accordingly.

2. Failure to comply with the procedures in the policy may result in the individual or school being held responsible for payment of the invoice.
3. The District defines large purchases as:
 - a) Any regular purchase of more than \$50,000
 - b) Any construction projects of more than \$80,000
 - c) The purchase of any professional services such as accounting, legal, consulting, architectural, or engineering goods or services, of more than \$100,000
4. Large Purchases
 - a) For regular large purchases above \$50,000, the District shall use competitive bidding or an RFP (Request for Proposals). The bid or RFP shall be managed by District purchasing. A bid shall be awarded to the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. An RFP shall be awarded to the responsive and responsible party with the highest total score. Supporting documents shall be maintained as part of the District's records. The signatures of the Business Administrator and Superintendent are required for final approval. If the purchase is for \$100,000 or more, the signature of the Board President is also required.
 - b) Construction projects costing more than \$80,000 shall follow the requirements outlined in Utah Code 53E-3. The District shall advertise for bids at least 10 days before the bid due date. The signatures of the Business Administrator, Superintendent, and Board President are required for final approval.
 - c) When acquiring professional services of more than \$100,000, the District shall enter into a competitive bid process or RFP. The bid or RFP shall be managed by District purchasing. A bid shall be awarded to the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. An RFP shall be awarded to the responsive and responsible party with the highest total score. Supporting documents shall be maintained as part of the District's records. The signatures of the Business Administrator, Superintendent, and Board President are required.
5. The District defines small purchases as:
 - a) Any purchase of \$50,000 or less
 - b) Any construction projects of \$80,000 or less
 - c) The purchase of any professional services such as accounting, legal, consulting, architectural, or engineering goods or services, of \$100,000 or less
6. Small Purchases
 - a) The "individual procurement threshold" for the District is \$1,000. This is the maximum amount that the District can expend to obtain a single item or service from one vendor at one time without requiring competitive purchasing.

- b) The “single procurement aggregate threshold” for the District is \$5,000. This is the maximum amount that the District can expend to obtain a combination of individual procurement items or services, each costing less than \$1,001, from one vendor at one time.
- c) The “annual cumulative threshold” for the District is \$50,000. This is the maximum total annual amount that the District can expend to obtain individual procurement items costing less than \$1,001 purchased from the same vendor during a fiscal year.
- d) For small purchases, if the total purchase is:

\$0-\$500

The purchaser may select the best source without going through a competitive purchasing process. Reasonable effort should be made by the purchaser to evaluate multiple sources.

1. If a purchase order is required by the vendor, the purchase must be entered and approved as a requisition in the District accounting system, which maintains an appropriate approval chain. The purchase will then be initiated by District purchasing. If a purchase order is not required by a vendor, a requisition may still be used.
2. If a purchase order is not required by the vendor, the purchase may be initiated by direct communication with the vendor, or made with an authorized credit or purchasing card, when appropriate. The employee initiating the expenditure shall complete an expense authorization form and submit it, along with receipts, invoices, and any other documentation, to the appropriate approver (Principal’s Designee, Principal, District Supervisor, or Business Administrator). For expenditures up to \$500, a Principal may designate a school employee with departmental or supervisory responsibilities as an authorized approver. If the purchase is made using a credit or purchasing card, the purchaser shall follow the credit card /purchasing card policy below.

\$501-\$1,000

The purchaser may select the best source without going through a competitive purchasing process. Reasonable effort should be made by the purchaser to evaluate multiple sources.

1. For all purchases made using District accounts, the purchase must be entered and approved as a requisition in the District accounting system, prior to initiation of purchase. Any exception requires the prior approval of the Business Administrator. The District accounting system maintains an appropriate approval chain. The purchase will then be initiated by District purchasing.
2. For all purchases made using school accounts, an expense authorization form must be pre-approved by the Principal. The employee initiating the expenditure shall complete the authorization form and submit it, along with any other documentation, to the Principal for approval. After approval has been documented, the school may initiate the purchase.

Purchases above \$500 may not be made with a credit card or purchasing card unless authorized by the Business Administrator.

\$1,001-\$5,000

The purchaser shall obtain at least two (2) competitive quotes. The purchase shall be awarded to the supplier offering the lowest quote meeting specifications.

1. For purchases made using District accounts, after quotes have been received, a requisition must be entered into the District accounting program, which maintains an appropriate approval chain. Quote documentation must be received by the business office before the requisition will be processed and a purchase order sent to the vendor.
2. For purchases made using school accounts, an expense authorization form must be pre-approved by the Principal. The employee initiating the expenditure shall complete the authorization form and submit it, along with the quote documentation, to the Principal for approval. After approval has been documented, the school may initiate the purchase.

Purchases above \$1,000 may not be made with a credit card or purchasing card unless authorized by the Business Administrator.

\$5,001-\$50,000

All purchases above \$5,000 require Business Administrator approval. The requestor shall obtain at least two (2) competitive quotes and forward them, along with a filled-out expense authorization form, to the Business Administrator for review and approval. The purchase shall be awarded to the supplier offering the lowest quote meeting specifications. For purchases made using District accounts, a requisition will be entered into the District accounting program, which maintains an appropriate approval chain, and processed as a purchase order. For purchases made using school accounts, quote documentation and the signed expense authorization form will be returned to the Principal and the school will initiate the purchase.

Purchases above \$5,000 may not be made with a credit card or purchasing card.

\$25,000 or less for Construction Projects

All construction projects shall be procured through District purchasing. For construction projects of \$25,000 or less, the District may award projects directly without seeking competitive bids or quotes. Prior to awarding a project, the requestor shall verify that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met. The signatures of the Maintenance Supervisor, Business Administrator, and Superintendent are required for final approval.

Between \$25,001 and \$80,000 for Construction Projects

All construction projects shall be procured through District purchasing. For construction projects between \$25,001 and \$80,000, the District shall obtain a minimum of two (2) competitive bids or quotes that include minimum specifications. The project shall be awarded to the contractor with the lowest bid or quote that meets the specifications after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met. The signatures of the Maintenance Supervisor, Business Administrator and Superintendent are required for final approval.

\$100,000 or less for Professional Services

The District shall enter into a competitive bid process or RFP. The bid or RFP shall be managed by District purchasing. A bid shall be awarded to the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. An RFP shall be awarded to the responsive and responsible party with the highest total score. Supporting documents shall be maintained as part of the District's records. The signatures of the Business Administrator, Superintendent, and Board President are required.

Shipping, Invoices and Packing Slips

1. Shipment of goods should be addressed and delivered to the school or District, not to a personal address.
2. Invoices and packing slips should be initialed by the receiver of the goods, indicating that all goods were received and that payment should be processed. The initialed invoices and packing slips should be sent to the school office or business office and kept as documentation.
3. The school office or business office shall compare invoices and packing slips to the purchase order or expenditure authorization form prior to processing payment.

Sole Source Procurement

1. Sole source procurement shall only be used if a product or service is unique and can be proven as one of a kind, offered by only one vendor. If there is more than one potential vendor for a particular item, sole source shall not apply. All sole source determinations must be made by the Business Administrator.
2. All sole source requests estimated to be \$50,000 and above must be posted for public comment, in accordance with Utah Code 63G-6a-802.
3. Sole source justification should be documented and approved by administration.
4. The District reserves the right to use either a general contractor or a construction manager on major construction projects. General contractors (when used) will be required to submit a listing of subcontractors for District approval.

Artificially Dividing a Purchase

It is unlawful in Utah (Code 63G-6a-2404) to intentionally divide a procurement or purchase into one or more smaller purchases, to divide an invoice or purchase order into two or more invoices or purchase orders, or to make smaller purchases over a period of time. District policy is to comply with State law. Employees are prohibited from intentionally dividing a procurement or purchase for any reason, including the avoidance of stricter requirements associated with a higher procurement value.

Credit / Purchase Cards

1. All credit/purchasing cards, whether attached to school or District accounts, are to be approved by the Business Administrator. Employees shall not apply for any school or District credit/purchasing card without prior approval by the Business Administrator. Debit cards are strictly prohibited.
2. All credit/purchasing cards shall be kept secured and controlled by the school office or business office with limited access. PIN numbers should be kept secured.
3. Card users shall follow District and State purchasing policies and comply with the Utah State Tax Commission's guidelines regarding the District's tax exempt status number.
4. If a card is issued to a school or the District as a whole, a log should be kept documenting which employee checked out the card and the period of time the card was checked out. Receipts shall be retained for all purchases and turned into the school or business office. Card reconciliations shall be performed monthly to ensure all receipts are present and purchases have been made in accordance with policy.
5. If cards are assigned to specific employees, the card user shall retain all receipts for purchases made. The card user shall review and reconcile the card statement activity each month and attach all receipts to the card statement. The card user shall sign their card statement certifying that all purchases have been made in accordance with policy. In the case of a missing receipt, the card user shall attempt to contact the vendor for a new receipt. If a new receipt cannot be issued, the card user shall document the expense and include the documentation with the card statement.
6. The school office or business office shall review each card holder's statement, along with all receipts, for approval. Approval should be documented.
7. Individual expenditures made on purchase or credit cards shall be recorded in the school or District's accounting records. The payment of the monthly card statement balance shall be documented and approved by administration prior to issuance.
8. ATM transactions, cash advances, or personal use are strictly prohibited.
9. Violation of credit/purchasing card policy, including not retaining documentation of purchases or making personal purchases, may result in card cancellation, disciplinary action, or criminal prosecution.
10. Transaction, daily, or monthly limits will be established based on purchasing authority.
11. The business office shall periodically select credit/purchase card statements to verify that policies and procedures are being followed, and that purchases are appropriate, documented, and coded to the proper funding sources.
12. If a card is lost or stolen, employees shall immediately contact the Business Administrator.

Reimbursement Requests

1. Employees seeking reimbursement for school or District expenditures made with personal funds must complete a reimbursement request form, which is signed by the requestor and approved by the employee's immediate

supervisor. An administrator's or board employee's immediate supervisor may be the Superintendent or Board Chair.

2. Supporting documentation, including detailed receipts and justification for departure from the standard purchasing process, is required. Authorization must be documented by the immediate supervisor.

Issuance of Checks

1. All checks, check stock, access to bank accounts, and bank statements shall be kept secured and controlled by the school office or business office with limited access. Password should be kept secured and changed periodically.
2. An employee who does not have the ability to issue checks shall review issued checks and supporting documentation to ensure all policies and procedures are followed prior to signing the check.
3. Each disbursement shall be substantiated with supporting documentation, such as a purchase order, invoice, receipts, quotes, reimbursement forms, shipping documents, contracts, travel forms, etc. All expenditures shall be recorded in the District's records using the appropriate chart of accounts.
4. Checks processed through the school or District accounting system will be signed electronically. Otherwise, signature stamps shall not be utilized.
5. Blank checks or checks made payable to "cash" or "bearer" should never be signed.
6. It may be necessary to void a check. If this occurs, the word "VOID" shall be written on the check, and the actual check shall be retained for one year.

Journal Entries / Electronic Fund Transfers

1. All electronic fund transfers and journal entries shall be kept secured and controlled by the business office or with limited access.
2. Each journal entry or electronic fund transfer should be substantiated by supporting documentation.
3. Each journal entry or electronic fund transfer should be recorded in District accounting records.
4. Administration or an individual without cash disbursement duties shall document approval of journal entries or electronic fund transfers.
5. Monthly, the District's audit committee or designee shall review and approve the journal entries and electronic fund transfers.

Review Process

1. Monthly bank reconciliations shall be performed on all school and District accounts, including credit card and purchasing card transactions. If the bank reconciliation is completed by someone who has access to the accounting system and the bank accounts, it should be reviewed and approved by another person, such as the Principal, Business Administrator, or a member of the audit committee.

2. On a monthly basis, administration shall review bank statements and reconciliations, credit card statements, and purchasing card statements, and shall document their review and approval.
3. A check register should be reviewed when signing checks to ensure all disbursements are documented.
4. Periodically, administration or the audit committee shall review cash disbursements and accompanying documentation to verify that policies and procedures are being followed.

Supplement not Supplant

1. Emery School District shall use Federal funds received under Title I, Part A only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under Title I, Part A, and not to supplant such funds. (ESEA section 1118(b)(1))

2. Compliance

To demonstrate compliance with the supplement not supplant requirement, Emery School District shall demonstrate that the methodology used to allocate State and local funds to each school receiving Title I, Part A funds is “Title I neutral” in that it allocates State and local funds to schools without regard for Title I status. Emery School District ensures that each school receives all of the State and local funds it would otherwise receive if it were not receiving Title I, Part A funds. This is consistent with the purpose of the supplement not supplant requirement. (ESEA section 1118(b)(2))

3. Emery School District shall not be required to—
 - Identify that an individual cost or service supported under Title I, Part A is supplemental; or
 - Provide services under Title I, Part A through a particular instructional method or in a particular instructional setting in order to demonstrate such agency’s compliance with the supplement not supplant requirement. (ESEA section 1118(b)(3))