

## DaVinci Academy of Science and the Arts

**Policy Number: 503**

**Policy Section: 500 - Business and Operations**

**POLICY TITLE: Financial Policy and**

**Procedures Revision History**

<b>Effective Date</b>	<b>Action Date</b>	<b>Revised</b>
<b>18 Oct 2006</b>		<b>August 22, 2024</b>

Financial Policy and Procedures Effective Date:

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## **1. GENERAL**

- 1.1 The DaVinci Academy of Science and the Arts (DASA) Board of Directors formulates financial policies, delegates administration of the financial policies to the Executive Administrator and reviews operations and activities.
- 1.2 The Executive Administrator has management responsibility including financial management.
- 1.3 Financial duties will be detailed in current job descriptions for all employees and Executive Committee board members who have fiscal responsibilities.
- 1.4 Financial duties and responsibilities will be separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts; etc. These duties will be separated among the Executive Administrator, Program Directors, Information Technology (IT) Manager, Business Manager or designee, Office Manager, assigned Bookkeepers, and the Board Treasurer with other members of the Executive Committee as designated alternates.
- 1.5 Professional financial service providers will be established annually. For the current school year 2024-25 Red Apple Finance will be acting as DaVinci Academy's business manager. These include QuickBooks (accounting software), Intuit Payroll (payroll services), Select Health (health insurance), Lincoln (life insurance), National Benefits Services (retirement services), Wells Fargo and Bank of Utah (banking), and Eide Bailey (auditors).
- 1.6 The Business Manager will maintain a current and accurate log of the chart of accounts and accounting classes.
- 1.7 These policies and procedures will be reviewed annually by the Board of Directors.

## **2. CASH RECEIPTS & CASH DISBURSEMENTS (See Cash Disbursement Policy)**

### **A. CHECK AUTHORIZATION**

- 2.1 All invoices will be immediately forwarded to the Program Directors who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other Board authorization) and compliance with bid requirements.
- 2.2 Prior to payment, invoices will be attached to the appropriate requisition and approved by the Program Director and/or Executive Administrator (indicated by the initialing of the invoice). The Program Director will code the invoice with an appropriate chart of

accounts line item number and the invoices will be given to Business Manager for input into the Quick Books system.

2.3 Monthly the Executive Administrator and Business Manager will review a testing of the correct coding in relation to the chart of accounts.

- a. By inputting an invoice, the Program Directors, Executive Administrator, and Business Manager has reviewed the invoice and authorizes its payment.
- b. The Executive Administrator will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. The Executive Administrator is responsible for a timely follow-up on discrepancies and payment.

2.4 Authorized signers on DASA accounts include the Board Treasurer, President, Vice President, and Secretary (Executive Committee) as well as the Executive Administrator and Program Directors.

## B. CHECKS

2.1b The Business Manager will be responsible for all blank checks. 3.2b

All checks will be signed by those authorized to sign checks.

2.1 b The Business Manager will prepare checks that have approved check requests.

2.2 b Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.

2.3 b In no event will:

- invoices be paid unless approved by an authorized signer
- blank checks (checks without a date or payee designated) be signed in advance
- checks be made out to "cash", "bearer", "petty cash", etc.
- checks be prepared on verbal authorization
- checks be prepared without sufficient supporting documentation

2.4b In the event that it is necessary to issue a duplicate check, a stop payment will be ordered at the bank on the original check. The stop payment fee will be deducted when appropriate for lost checks.

2.5b Checks made to replenish the petty cash fund will be made out to the Office Manager, cashed and then placed in the petty cash box.

## C. BANK RECONCILIATIONS

2.1c Bank statements will be reviewed by the Treasurer of the DASA Board.

2.2c The Business Manager will reconcile the bank statement monthly. The Treasurer of the DASA Board or other board member in finance committee meeting will then review and noted on finance committee notes and finance notes will be on monthly board meeting notes.

2.3c The Board of Directors will receive and vote to accept monthly financial statements.

**3. PURCHASING (See Cash Disbursement Policy)**

**4. PAYROLL, BENEFITS, TRAVEL & EXPENSES (See Employee Handbook)**

**5. PROPERTY (Capitalization & Expenses)**

**A. EQUIPMENT**

5.1a Equipment shall be defined as all items (purchased or donated) with a unit cost of \$10,000 or more and a useful life of more than one year.

5.2a The Executive Administrator or delegatee will maintain an inventory log, which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.

5.3a A depreciation schedule shall be prepared at least annually for the audited financial statements.

5.4a The Business Manager will record the market value or depreciation of equipment in the accounting system. An entry must be made whenever property is disposed of or acquired.

**6. LEASES**

**A. REAL ESTATE**

6.1a The Executive Administrator and Business Manager will review leases prior to submission to the Board of Directors for approval.

6.2a All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by the Board President.

**B. EQUIPMENT**

6.1b The Executive Administrator and Business Manager will review all leases.

6.2b All leases, clearly delineating terms and conditions, will be approved and signed by the Board President or designated Executive Committee member.

6.3b The Business Manager will keep a copy of each lease on file.

**7. INSURANCE**

- a. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, and other insurance deemed necessary.
- b. The Executive Administrator and Business Manager will carefully review insurance policies before renewal.
- c. The Business Manager will maintain insurance policies in insurance files.

## **8. BOOKS OF ORIGINAL ENTRY**

- 8.1 DASA will utilize a QuickBook system for accounting of all funds.
- 8.2 Adequate documentation will be maintained to support all general entries.
- 8.3 Once each month, the executive finance committee will review reports on expenditures.

## **9. GRANTS & CONTRACTS**

- 9.1 The Executive Administrator will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Business Manager will maintain an original of all grants and contracts in a file.
- 9.2 It will be the responsibility of the Business Manager to ensure that all financial reports are submitted on a timely basis.

## **10 FUNDRAISING AND DONATIONS**

- 10.1 A "Fundraising Notification Form" for each fundraising activity, donor solicitation, or grant application must be submitted to and approved by the Executive Administrator or Program Director. The approved "Fundraising Notification Form" will then be forwarded to the Finance Committee six weeks prior to the event. The Finance Committee will keep a log of all fundraising activities. A "Post Fundraising Notification Form" will be completed after the activity and turned into the Finance Committee.
- 10.2 There must be a definite objective or use of the funds that is understood by those raising the funds, and explained to the public. A letter of intent must be presented to, or be available for presentation to potential donors.
- 10.3 Funds raised must be consistent with the mission, goals and philosophy of the School. Funds are not to be raised in the name of a particular individual. Funds may be raised for individuals participating in an event or competition if funds are raised in the name of the event, not the individual.
- 10.4 Funds and properties raised in the name of the school become the property of the school and not the property of the individuals who may have helped raise the funds.

- 10.5 The name and address of any individual, business or entity that donates gifts or funds must be supply to the Executive Administrator or Program Director within ten (10) business days of receipt of the gifts. The Executive Administrator or Program Director will send an official letter of gratitude to any donor exceeding \$250, unless the donor wishes to remain anonymous. For donations under \$250 thank you card will be sent. All monetary donations or fundraising events will be recorded through the front office receipt book. Receipts will be given to individual donors and not one generic event receipt. The Finance Committee will also record all names or prospective donors that individuals and groups are planning to solicit, or have solicited, within the last year. Prior to the development of solicitation plans, student or employee groups engaged in fundraising or solicitation activities should review the list of entities recently contacted.
- 10.6 All fundraising done by the Parent Teacher Student Organization shall be free and separate from any school sponsored fundraising event.
- 10.7 Student Store revenue will be turned in on the last school day of the week and the last school day of the month. The revenue received will be restricted and decided on by the club running the store.

## **11 BUDGETS**

- 11.1 The Executive Administrator and the Business Manager will prepare the financial budget in partnership with the Finance Committee. After approval from the Finance Committee the financial budget will receive approval from the Board of Directors.
- 11.2 The Business Manager will ensure that budgets are on file.
- 11.3 The Board of Directors must approve proposed changes within the budget line items if they exceed 10% of the original line item. The board must always approve budget transfers between budget categories.

## **12 LOANS**

- 12.1 The Board of Directors will approve loans.
- 12.2 A promissory note will be signed by the Board President or board member designee and approved by the board of directors if the amount exceeds \$50,000 or commits the school to multi-year obligations. All other promissory notes can be executed by the Board President or board member designee.

## **13 FINANCIAL PROCEDURES**

### **A. AUDITS**

- 13.1a Financial procedures will be reviewed annually by the Board. The Board must approve changes to the Financial Policies and Procedures prior to implementation
- 13.2a The Board of Directors shall annually contract with an independent auditing firm for a

full audit of the books to be completed prior to November 1.

**B. PERSONNEL FILES**

13.1b The Business Manager will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.

**C. TUITION REIMBURSEMENT**

13.1c Tuition Reimbursement must follow the requisition process. Tuition Reimbursement must be outlined in the employee's contract or in the professional development plan/budget. Payment will not be processed until employee can show that they passed the class with a "C" or equivalent passing grade.