

CACHE COUNTY SCHOOL DISTRICT

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# Fiscal Policy Manual

DEVELOPED BY THE BUSINESS OFFICE

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# Section 1. General Fiscal Definitions, Responsibilities, and Duties

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## A. Purpose

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

## B. Definitions Applicable to All Fiscal Policies

1. “**Activity account**” means an account within the school accounting system established to account for funds that support a specific activity at the school level. These funds are held in the school bank account.
2. “**Arms-length transaction**” means a transaction between two unrelated, independent and unaffiliated parties or a transaction between two parties acting in their own self-interest that is conducted as if the parties were strangers so that no conflict of interest exists.
3. “**Budget account**” means an account within the district accounting system established to account for funds that are budgeted for a specific purpose. These funds are held in the district’s central bank accounts.
4. “**Cash disbursement**” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.

5. “**Cash receipt**” means anything that represents resources flowing into the district to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
6. “**Cashier**” means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of the district.
7. “**Change fund**” means a type of imprest account used exclusively for the purpose of making change for cash transactions.
8. “**Compensating control**” means an alternate procedure or set of procedures that must be used when it is not possible to segregate duties so that no one employee performs more than two of the key duty types (see section E).
9. “**District purchasing instrument**” means any of the following specific authorized means of making a purchase:
  - Cash from a district authorized petty cash fund;
  - Check from a school or district authorized bank account;
  - Electronic funds transfer from a school or district authorized bank account;
  - Interdepartmental Billing form;
  - Pay Voucher, which is a short-form Purchase Order;
  - Purchasing Card (also referred to as a P-card); and
  - Purchase Order, which is a district or school generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
10. “**External Audit**” means an official examination and verification of accounts and records performed by an external party to the district, usually an independent CPA firm, for the purpose of expressing an opinion on the accuracy of financial information reported by the district as well as compliance with laws and rules.
11. “**Independent internal review**” means the critical review of documents and transactions by a district employee who is

independent of the duties performed to produce the documents and transactions.

12. “**Fiscal administrator**” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
13. “**Imprest account**” means an account into which a fixed amount of money is placed for the purpose of making change, known as a “change fund” or making minor disbursements, known as a “petty cash fund.”
14. “**Internal controls**” are procedures designed to safeguard assets, detect errors and misappropriations, produce timely and accurate financial reports, and ensure compliance with laws and rules.
15. “**Internal audit**” means a review of transactions and records performed by a district employee (typically a member of the accounting department staff), or a contracted individual for the primary purpose of determining compliance with law, rules, and district policies, procedures, and internal controls.
16. “**Petty cash fund**” means a type of imprest account used exclusively for the purpose of making minor disbursements.
17. “**Public funds**” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).
18. “**School-sponsored event or activity**” means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or district funds, including the district activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## **C. Responsibilities and Authority**

1. The District Board of Education directs and controls all school assets in the district (Utah Code 53A-2-108 (2)). They are also authorized and directed to (1) adopt bylaws and rules for its own procedures; (2) enforce rules necessary for the control and management of the district; and (3) do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education (Utah Code 53A-3-14, 15, and 20).
2. The Superintendent is the budget officer of the district (Utah Code 53A-19-101).
3. Subject to the direction of the Superintendent, the Business Administrator shall among other things (1) be custodian of all district funds; (2) be responsible and accountable for all money received and disbursed; (3) keep accurate records of all revenues and their sources; (4) use uniform procedures which shall be in accordance with generally accepted accounting principles or auditing standards; and (5) ensure that adequate internal controls are in place to safeguard the district's funds (Utah Code 53A-3-303).
4. Subject to the direction of the Business Administrator, the fiscal administrator in each school and department is charged with primary responsibility of ensuring that all financial matters of his/her school or department are transparent, well managed, and conducted in accordance with laws, rules, and district policies and procedures. Such responsibility is non-delegable. Because it is not possible for the fiscal administrator to be personally involved in every financial matter at his/her school or department, he/she may designate specific individuals to perform specific tasks or functions on his/her behalf. **Nonetheless, the fiscal administrator retains ultimate responsibility and should ensure designees are properly trained.**
5. In all activities, district employees shall comply with the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16) and other district policies. Educators shall also comply with Utah Educator Standards (Utah Admin. Code R277-515). In particular, employees shall refrain from using his/her position of influence to profit commercially or benefit personally from parties interested in conducting business with the district. Employees should not sell

products or services offered by a family owned business unless the transaction is arms-length and the employee receives express permission from the fiscal administrator after disclosing the potential conflict of interest. This provision is not intended to prevent employees from communicating opportunities for extracurricular involvement or other enrichment activities.

6. Fiscal administrators do not have authority to instruct or permit either by action or omission violation of district policy and procedure.

## **D. Segregation of Duties**

1. To ensure that no single individual is placed in a circumstance where he/she can cause or conceal accounting irregularities (or be vulnerable to others doing so), the fiscal administrator, whenever possible, shall separate the following three key duty types at his/her sites among available staff so that no one employee performs more than two of the following key duty types:
  - a. Custody – having access to or control over any physical asset such as cash, checks, equipment, supplies, or materials;
  - b. Authorization – the process of reviewing and approving transactions or operations; and
  - c. Record keeping – the process of creating and maintaining records of revenues, expenditures, inventories, and personnel transactions to include reconciliations.
2. When, due to limited staffing and related constraints, a single employee performs all three key duty types, the fiscal administrator shall ensure that monthly independent internal reviews of the documents and transactions related to the duties performed are conducted and documented.

## **E. General Policies**

1. Fiscal administrators shall take every reasonable precaution to safeguard the district's financial assets and resources from theft,

robbery, vandalism, and unauthorized use. Every employee has a similar fiduciary duty within his/her job duties and responsibilities.

2. Fiscal administrators shall ensure proper inventory verifications are made and the inventory records are kept accurate and up to date for his/her site.
3. As fiscal administrators are requested and authorized to provide ad-hoc financial reports, the source data shall be, in descending order:
  - a. Data recorded in the district's central accounting system, if available.
  - b. Data recorded in the district's school accounting system, if available.
  - c. Data maintained outside the two accounting systems above.

As fiscal administrators compile ad-hoc financial reports, he/she is encouraged to consult with the appropriate Business Division directors to ensure the accuracy of the information being compiled.

4. Fiscal administrators at all schools shall prepare a monthly financial report containing all financial activity in the school checking account. This report shall be submitted to the accounting department by the due date determined by the Business Administrator.
5. The fiscal administrator at each site shall ensure that records are maintained and destroyed in accordance with the Utah School District General Retention Schedule (Utah Code 63G-2-604).

## **F. Internal and External Audits**

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

## Section 2. Cash Receipts

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### A. Purpose

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

### B. Definitions

1. “**Fiscal administrator**” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
2. “**Cash disbursement**” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
3. “**Cash receipt**” means anything that represents resources flowing into the district to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
4. “**Cashier**” means a person who has been specifically authorized by the Business Administrator to accept cash receipts on behalf of the district.

5. “**Public funds**” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).
6. “**School-sponsored event or activity**” means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or district funds, including the district activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## **C. Authorized Cashiers**

1. Whenever possible, receipt of public funds shall be restricted to one of the following pre-authorized cashiers:
  - a. At the school level:
    - i. the School Lunch Secretary or Lunch Manager (for lunch related cash receipts only); or
    - ii. the Financial Secretary or Bookkeeper (for all other receipts).
  - b. At the district level, staff within the accounting department designated by the Business Administrator.
2. For specific functions where it is not possible or reasonable for a pre-authorized cashier to be present to receive all incoming cash receipts, substitute cashiers may be authorized as follows:
  - a. At the school level, the fiscal administrator may authorize responsible individuals to act as substitute cashiers. **In this case, the fiscal administrator shall ensure that each substitute cashier is trained in his/her duties by the Financial Secretary or Bookkeeper.**
  - b. At the district level, the fiscal administrator may request authorization from the Business Administrator to have one

or more substitute cashiers. **In this case, the Business Administrator shall ensure that each substitute cashier is trained in his/her duties by the accounting staff.**

3. District employees who are not authorized cashiers shall instruct payers to make payments directly to an authorized cashier or to make payments in a central lock box. **Under no circumstances shall a district employee who is not a pre-authorized cashier or substitute cashier accept a cash receipt.**

## **D. General Policies**

1. All checks payable to the district or individual school shall, immediately upon receipt, be restrictively endorsed (stamped "For Deposit Only – Cache County School District [or the school name]"). Checks that are post-dated shall not be accepted.
2. Cash receipts in the form of student fees shall correspond with the approved fee schedule, as required by Utah Code 53A-12-102 and USOE Board Administrative Rule 277-407-5.
3. Cash receipts from sales, rentals, admissions, and user fees shall include a charge for sales tax unless specifically exempted, as required by Utah Code 59-12-101 et.seq. (*see also* Utah State Tax Commission Publication 35). Sales tax shall be remitted as directed by the Business Administrator.
4. Cash receipts shall be accompanied by adequate supporting documentation as established by the Business Administrator. Supporting documents shall be reconciled with actual cash received. Any discrepancy shall be clearly identified and brought to the attention of the fiscal administrator for resolution.
5. Whenever possible, incoming cash will be counted by two individuals. When dual counting is not possible, a compensating control must be used.
6. Whenever possible, cash receipts shall be turned in to the appropriate cashier, along with associated supporting documentation by the end of each day. If funds are received outside school or business hours and the cashier is not available, the fiscal administrator or his/her designee shall lock cash receipts in a secure location until the next business day when the cash

receipts and associated supporting documentation can be remitted to the appropriate cashier.

7. Under no circumstances may disbursements be made (i.e., for purchases, reimbursements, refunds, to cash personal checks, etc.) directly from cash receipts. Neither shall cash receipts be used to establish petty cash or change funds.
8. All cash receipts shall be kept in a secure controlled location at the district or school until they are deposited in a district-approved bank account. Under no circumstances are funds to be kept in an unsecure location.
9. Pursuant to Utah Code 51-4-2(2) (a), all public funds shall be deposited within three business days after receipt. When the dollar amount of cash receipts for any given day exceeds \$500, the funds shall be deposited into a district-approved bank account within one business day. At a minimum, funds shall be deposited on Wednesday and Friday of each week. The fiscal administrator shall consider and make reasonable arrangements for the physical safety of employees assigned to take the deposit to the bank.
10. All cash receipts must be recorded in the district's accounting records using an account code that accurately reflects the type of cash receipt being received.
11. Fiscal administrators shall use reasonable means to pursue unpaid amounts due the district. As a last resort, fiscal administrators may turn collection efforts over to the district's contracted collection agency.
12. Cash receipts associated with a specific student shall be recorded in the school's accounting records by the student's name.
13. Access to the school and district accounting systems shall be secured and safeguarded by restricted passwords.

## Section 3. Fundraising

*See Board Policy – Article V.C.11*

### A. Statement of Purpose

The Board of Education recognizes that fundraisers help make school activities accessible to students in Cache County School District. The Board intends this policy to govern fundraising activities, to comply with state rules, to limit undue distractions or time commitments, and to ensure educator standards and accounting practices are maintained.

### B. Definitions

1. “**Active fundraiser**” means a fundraiser that involves active promotion by the school and active involvement of students.
2. “**Group fundraiser**” means a fundraiser where all team or organization members participate and all funds raised are used for the mutual benefit of the team or organization members.
3. “**Individual fundraiser**” means a fundraiser wherein participation is optional for individual students and funds raised by individual students are used to pay that individual student’s costs.
4. “**Passive fundraiser**” means a fundraiser initiated by outside entities that involve minimal supervision or participation (i.e. collecting box tops or proofs of purchase, book fairs, recycling, student pictures, and business patronage partnerships).
5. “**School-sponsored fundraiser**” means a fundraising event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or district funds, including the public school’s activity funds or minimum school program dollars. Events or activities initiated

by third parties or intended for the primary benefit of a third party are not school-sponsored.

6. “**School-wide fundraiser**” means a fundraising event or activity in which all students attending a school may participate.

## **C. Approval**

All fundraisers must be approved by the school principal and documented using the School-Sponsored Fundraising Approval Form. Principals, therefore, shall use discretion regarding the nature, number, and duration of fundraisers consistent with this policy and related policies.

## **D. Administration of Fundraising Activities**

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

incurred while supervising school-sponsored student activities (i.e. travel, accommodations, and standard, approved per-diems).

## **E. Student Participation**

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

## **F. School-Wide Fundraisers**

1. In elementary schools:
  - a. One joint PTA school sponsored fundraising activity at the school site may be held each school year.
    - b. Additional fundraising within the school itself could include school pictures, book fairs, school t-shirts, etc.
  - c. Students will not sell merchandise of any kind, nor will they solicit funds door-to-door.
2. In middle schools:
  - a. A maximum of three sponsored fundraising events per school year, which may involve door-to-door solicitations, may be held. Each student participant will carry a “Cash Fund Raising Form” for identification. Suitable procedures must be used by the

schools, administrators and supervising faculty to safeguard students and funds collected. Procedures must be clearly communicated to parents.

b. Additional fundraising within the school itself could include school pictures, book fairs, school t-shirts, etc.

3. In grades nine 9-12:

a. A maximum of three sponsored fundraising events per school year, which may involve door-to-door solicitations, may be held. Each student participant will carry a “Cash Fund Raising Form” for identification. Suitable procedures must be used by the schools, administrators and supervising faculty to safeguard students and funds collected. Procedures must be clearly communicated to parents.

b. In addition, booster clubs and organizations may undertake fund raising in the name of the school provided that using school facilities or students for support of school programs must (1) comply with board policy concerning fundraising, and (2) must have prior approval from the principal.

## **G. Utah Sales Tax**

1. Utah law provides for a sales tax exemption on school fundraising sales if all of the following conditions are met:

- a. Funds are used by the school for the purpose of purchasing equipment or materials or to provide transportation.
- b. Fundraising activities are part of an officially school-sanctioned activity conducted in accordance with this policy.
- c. Funds are not used to directly or indirectly compensate a teacher or other school or district employee.
- d. Revenues from the fundraiser are deposited in a dedicated school account controlled by the school or district.

2. For all sales made during school-sponsored fundraising activities that do not qualify for the sales tax exemption, schools shall charge, collect, and appropriately remit sales tax.

## **H. Limitations and Prohibitions**

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

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<sup>1</sup> As the sole exception to this provision, allowed for by the Utah State Office of Education rules, schools may collect funds on behalf of parent/teacher organizations.

familiar with the distinctions between fundraisers and donations and account for both separately.

5. School-sponsored fundraisers cannot require students to submit the personal information of other people, and students shall not be used to develop mailing or contact lists for any commercial or fundraising organization.

## Section 4. Donations and Gifts

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*See Board Policy – Article V.C.8*

### A. Statement of Purpose

Donations to schools and district are welcomed and community partnerships are encouraged subject to the following guidelines.

### B. Administrative Guidelines and Standards

Under the direction of the superintendent, district divisions and departments shall develop necessary guidelines and standards regarding the acceptance of donations to ensure compliance with state and federal law and other district policies.

### C. Products

Schools may accept donated products which carry the donor company's name, trademark, logo, or limited advertising on the product (e.g. cups, T-shirts, hats, instructional materials, furniture, office equipment, scoreboards).

### D. Cash Donations

Cash donations are welcomed and may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities.

1. Cash donations may be used to fund or enhance programs, facilities, equipment, supplies, services, etc. Donors may condition a gift upon a particular use. While funds become public at the time

of the donation, the school shall make all reasonable efforts to ensure the gift is used for its intended purpose.

2. Cash donations may not be used to hire regular classroom teachers, thereby altering the staffing ratios. However, classroom assistants, coaching assistants, or specialists of any kind, including individuals who may hold educator licenses, may be hired using the funds received. Donations to fund such positions, however, shall be made to a program, school, division, or department—not directly to individuals—and employment will be processed through the Cache County School District’s human resources department and payroll department.
3. Cash donations shall not be used to augment an employee’s remuneration beyond the remuneration associated with the salary schedule of the employee’s position.

## **E. Donor and Business Partner Recognition**

1. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts. Recognitions may be placed on district buildings or structures with the approval of the superintendent. The Board reserves to itself approval for the naming of buildings, structures, rooms, or other district facilities.
2. Principals may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner. Such materials shall feature the school-business partnership and not be advertisement for or endorsement of the business involved.

## **F. Large Donations**

All gifts or donations, or campaigns to solicit gifts or donations, in excess of \$10,000, whether in-kind, cash, or otherwise, including financing for building projects, acquisition of equipment, or other capital improvements, shall be approved by the Superintendent prior to acceptance of the gift or donation and/or prior to solicitation. Donations or gifts, or campaigns to solicit gifts or donations, in excess of \$50,000, whether in-kind, cash, or otherwise, including financing for building projects, acquisition of valuable equipment, or other capital improvements, shall be approved by

the Board of Education. The district encourages large gifts and donations to be made through the Cache Education Foundation.

## **G. Conditions of Donations**

As required by state laws and administrative rules, donations will only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. As such, donations will only be received under certain conditions:

1. No donations with a value of \$100 or more, whether in-kind, cash, or otherwise, shall be accepted by Cache County School District or any of its schools, divisions, or departments without a fully completed Donation/Contribution/Sponsorship/Volunteer form.
2. Donations, whether in-kind, cash, or otherwise, shall be complete transfers of ownership, rights, privileges, and/or title in or to the donated goods or services and become the exclusive property of Cache County School District upon delivery.
3. Donations of more than \$499.99 during the course of one year from the time the threshold is met preclude the donor (whether an individual or representative of a foundation, organization, club, or other entity) from serving in any capacity with decision making authority over personnel or staffing, student participation or discipline, program funds, or overall direction of a program or activity. Otherwise, participation and event attendance is welcomed.

## **H. Prohibitions**

Donations shall not be accepted that advertise or depict tobacco and alcoholic products or any other materials or products that may not legally be used by school age children or are otherwise not in compliance with the state, district, or school rules, that are harmful to the health and welfare of students, that are exploitive or unduly intrusive into the classroom or home, that would detract from or interfere with student learning, that would conflict with the educational mission of the schools, or that would commercialize or damage the image of the district or the schools.



## Section 5. Banking and Other Institutional Accounts

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### A. Purpose

The purpose of this section is to establish policy for opening, using, and reconciling all bank and other institutional accounts including checking, savings, certificates of deposit, merchant processing, and all other accounts into which public funds may be deposited and/or maintained. The scope of this policy includes all district and individual school activities in all locations where they occur and public funds are collected.

### B. Definitions

1. “**Cash receipt**” means anything that represents resources flowing into the district to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
2. “**Fiscal administrator**” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
3. “**Public funds**” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).

## **C. Authorization of Accounts**

1. All bank accounts shall be centrally authorized by the Business Administrator or his/her designee and monitored by the accounting department. All schools are pre-authorized to have a single checking account. District departments are not authorized to open or operate bank accounts. District employees shall not open or operate unauthorized bank accounts for receiving, holding, or expending public funds.
2. Outside organizations or entities are not permitted to use the district's tax ID or sales tax exemption numbers for banking or any other purpose.
3. Temporarily idle funds in district-approved bank accounts (typically determined to be balances in excess of two to three months of operations) shall be invested. Such investments shall be made under the direction of the Business Administrator.
4. The Board President and Business Administrator shall be authorized to sign on all general district accounts. The Business Administrator shall be authorized to sign on all school bank accounts. Others who are authorized to sign on school accounts may include the Principal, Assistant Principal(s), and the Bookkeeper. If additional signers are desired on a specific account, application must be made to the Business Administrator for approval.

## **D. Deposits, Disbursements, and Reconciliations**

1. All cash receipts of public funds controlled by the district shall only be deposited into authorized school or district bank accounts using a bank-issued deposit slip.
2. School and district bank accounts shall not be used for non-district purposes.
3. Funds associated with and collected by or on behalf of certain groups or organizations closely aligned with a school or the district (e.g. faculty funds, PTA/PTO funds, and student non-curricular clubs), may be deposited temporarily into the authorized school or district accounts, and the school or district assumes a fiduciary

relationship with the closely aligned group or organization. Funds will be maintained in a designated account on behalf of the aligned group or organization and disbursed upon request by the group or organization.

4. Funds shall only be disbursed from a school or district bank account via an appropriately authorized check or electronic transfer, and disbursements shall be restricted to authorized district business and/or fiduciary activity as described above. Under no circumstances is cash to be withdrawn from a school or district bank account.
5. Monthly reconciliations shall be performed by the fiscal administrator or his/her designee on all district-approved bank accounts. Reconciliations performed by designees shall be reviewed by the fiscal administrator.

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## Section 6. Petty Cash and Change Funds

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### A. Purpose

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

### B. Definitions

1. “**Cash disbursement**” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
2. “**Fiscal administrator**” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
3. “**Imprest account**” means an account into which a fixed amount of money is placed for the purpose of making change, known as a “change fund” or making minor disbursements, known as a “petty cash fund.”

## **C. Issuance of Petty Cash and Change Funds**

1. All petty cash funds must be requested from, approved by, and issued by the Business Administrator.
2. Change funds may be issued from one of two sources:
  - a. Change funds using money from the district's central bank accounts must be requested from, approved by, and issued by the Business Administrator.
  - b. Change funds using money from a school may be issued by the site fiscal administrator.

District or school checks may not be made payable to "cash" or "bearer" and cashed by district or school employees to create change funds or petty cash funds outside of the application and approval process. Funds may not be withheld from cash receipts to create change funds or petty cash funds.

## **D. Securing and Use of Petty Cash and Change Funds**

1. All petty cash and change funds shall be operated consistent with standard accounting practice and as determined by the Business Administrator.
  - a. Petty cash and change funds shall be issued and maintained with a specific imprest amount.
    - i. The total amount of cash and substantiating vouchers/receipts in a petty cash fund shall always equal the fixed amount. As cash is depleted and vouchers/receipts accumulate, the vouchers and receipts may be turned in to the accounting department or to the fiscal administrator for replenishment. Replenishment requests for petty cash accounts are to be submitted on a Pay Voucher and made only when supported by receipts and approved by the fiscal administrator.

- ii. The total amount of cash in a change fund should always equal the fixed amount. Cash disbursements shall not be made from change funds. Change funds issued for specific activities or events shall be accounted for with each use and shall be turned in at the end of the associated activity or event. A cash receipt tally sheet for each activity or event shall account for the change fund separately from the revenue generated.
  - b. Every cash disbursement from a petty cash fund shall be supported by a petty cash voucher and associated purchase receipt(s).
- 2. All petty cash funds and change funds should be kept locked in a secure location.
- 3. All petty cash and change funds shall be reflected on the district and school accounting records and reconciled monthly.

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## Section 7. Procurement

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### A. Purpose

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

### B. Definitions

1. **“District purchasing instrument”** means any of the following specific authorized means of making a purchase:
  - Cash from a district authorized petty cash fund;
  - Check from a school or district authorized bank account;
  - Electronic funds transfer from a school or district authorized bank account;
  - Interdepartmental Billing form;
  - Pay Voucher, which is a short-form Purchase Order;
  - Purchasing Card (also referred to as a P-card); and
  - Purchase Order, which is a district or school generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
2. **“Fiscal administrator”** means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a

department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.

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

## **C. State Law Requirements**

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

1. Contracts must follow the guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts (Utah Code 63G-6a-1204(7)).
2. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a-1302 the Utah State Board of Administrative Rules, and Title IX).
3. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a-101 *et. seq.*), the district’s procurement policy, and the Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16-1 *et. seq.*).

## **D. Restricted Authority**

1. No purchase shall be made and no indebtedness shall be incurred by any officer or employee of the district that exceeds the authority given in this policy except those authorized by the Board of Education (Utah Code 53A-3-405).

2. The Business Administrator/Treasurer and the Director of Purchasing or designated agents are the only persons authorized to engage in the following procurement-related activities:
  - a. obligate the district for the purchase of goods and services, which includes any type of leasing agreement (the only exception to this is the event of an emergency wherein loss or harm will result without immediate action);
  - b. establish and manage an inventory of supplies and certain equipment, and as the need develops, replenish that inventory through means of competitive bidding or inquiry with established sources of supply;
  - c. manage the transfer of surplus equipment for purposes of use in other district schools and departments; and
  - d. determine the value of equipment within the schools and warehouses that is deemed obsolete or not repairable and direct the disposal of such items by means of a sale or salvage through the districts approved surplus auction website.
3. Fiscal administrators are authorized by the Board of Education to enter into contracts or agreements that obligate the district **to the end of the current school/fiscal year only**, with the exception of concession contracts, which may have a term up to, but not in excess of (3) years.

## **E. General Policies**

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

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

## **F. Purchases and Procurement Thresholds**

Please see the “Purchasing guideline for small purchases” publication located in the appendix at the end of this document.

1. Schools and departments are authorized to make necessary purchases within stated procurement thresholds. The dollar thresholds for purchases are to be applied to the whole purchase, not individual items.
  - a. A “small purchase” is the procurement of goods or services for which the total cost is less than \$50,000 (Utah Code 63G-6a-506). Under that amount, there are additional dollar thresholds that must be applied to specific types of purchases.

- b. The “individual item procurement threshold” for the district is \$5,000.00. This is the maximum amount that the district can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing. The single procurement aggregate threshold is a maximum amount of \$10,000 for multiple procurement item(s) purchased from one source at a time. (Utah Code 63G-6a-506.
  - 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 item(s) costing less than \$5,000.00 from the same vendor during the fiscal year (July 1—June 30).
  - d. If a purchase exceeds \$50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process (Utah Code 63G-6a-506 and R33-6 & 7).
  - e. If purchases from the same vendor are ongoing, continuous, and regularly scheduled, and exceed the annual cumulative threshold of \$50,000 during the fiscal year (July 1—June 30), a contract shall be utilized if feasible (Utah Code 63G-6a-506(6)).
2. Without regard to amount:
- a. If desired goods are available from the district warehouse, it is recommended that schools or departments make the purchase from the district warehouse using a District Pick Ticket.
  - b. If desired goods or services are available on a district or State contract, it is recommended that schools or departments make purchases from a source identified in the contract using either a Pay Voucher, a school check, a P-card if the total purchase is under the transaction limit of the card, or a District Requisition.
3. For purchases that total less than \$5,000:
- a. If the items being purchased are not available from the warehouse or on a State or district contract, the school or

department's fiscal administrator may make a best source selection and proceed with the purchase utilizing a P-card, school check, or District Pay Voucher.

4. For purchases that total \$5,000 to less than \$10,000:
  - a. If desired goods are available from the district warehouse, it is recommended that schools or departments make the purchase from the district warehouse using a District Pick Ticket.
  - b. If desired goods or services are available on a district or State contract, it is recommended that schools or departments make purchases from a source identified in the contract using either a Pay Voucher, a school check, a P-card.
  - c. When each item in the procurement costs \$5,000 or less, AND the total procurement is a maximum amount of \$10,000, the small purchase-quotes not required-rule, allows the agency to select the best source without seeking competitive quotes. An agency may not spend a maximum of \$50,000 in a fiscal year with an individual vendor using the small purchase-quotes not required-rule.
  - d. When the individual procurement item cost is more than \$5,000 but less than \$10,000 AND the total procurement is less than \$10,000, the agency must obtain a minimum of two competitive quotes. The agency must purchase the item/service from the supplier offering the lowest quote meeting specifications.
  - e. Sole source vendor purchases in this dollar range must be pre-approved by the purchasing department using the district Sole Source Form. No purchase may occur until the approved form is returned to the requesting school or department.
5. For purchases that total \$10,000 to less than 50,000:
  - a. If desired goods are available from the district warehouse, it is recommended that schools or departments make the purchase from the district warehouse using a District Pick Ticket.

- b. If desired goods or services are available on a district or State contract, it is recommended that schools or departments make purchases from a source identified in the contract using either a Pay Voucher, a school check, a P-card if the total purchase is under the transaction limit of the card, a school purchase order or a district requisition.  
**Two Competitive bids are required.**
  - c. Sole source vendor purchases in this dollar range must be pre-approved by the purchasing department using the district Sole Source Form. No purchase may occur until the approved form is returned to the requesting school or department.
  - d. If the items being purchased are not available from the warehouse or on a State or district contract, a minimum of TWO documented quotes are required, either written, via telephone, or in email received directly from the vendor, and shall contain the following information:
    - i. name of District employee requesting quote;
    - ii. vendor name, address, and salesperson
    - iii. each item, description or specifications, unit quantity, unit price, total unit price, shipping and freight charges, and grand total price.
6. For purchases of \$50,000 or more:
- a. Purchasing will obtain formal bids, select the best vendor based on price, availability, quality, etc., must be approved by the Business Administrator.
  - b. Purchases of construction services of \$250,000 or more, shall require approval of the Board of Education.
7. Artificially Dividing a Purchase

- a. It is unlawful to intentionally divide a procurement purchase into two or more smaller purchases, to divide an invoice or Purchase Order into two or more invoices or Purchase Orders, or to make smaller purchases over a period of time (Utah Code 63G-6a-506).
- b. Dividing a purchase, or intentionally splitting a purchase of similar items that would typically be purchased at the same time from the same vendor to avoid requiring competitive quotes is unlawful (e.g., uniforms, club or athletic equipment, textbook orders, etc.).
- c. Purchase splitting often occurs when making purchases on a purchase card. Employees should not split invoices to stay under single transaction purchase limits on P-cards or the established purchasing thresholds.
- d. It may be determined after an order is placed or received that a large enough quantity was not ordered, or the correct sizes were not obtained, and additional items must be ordered. If this occurs, the employee initiating the purchase must include a written explanation of the purpose of the purchase and justification as to why it is not considered splitting a purchase. This should be retained with the vendor invoice.
- e. Penalties for dividing purchases range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements.

## **G. Exceptions to Thresholds**

- 1. Emergency procurements shall be conducted in accordance with the requirements set forth in Section 63G-6a-803, and this rule.
  - a. An emergency procurement is a procurement procedure where the procurement unit is authorized to obtain a procurement Item without using a standard competitive procurement process.
  - b. An emergency procurement may only be used when circumstances create harm or risk of harm to public health, welfare, safety, or property

- c. Circumstances that may create harm or risk to health, welfare, safety, or property include:
  - (i) damage to a facility or infrastructure resulting from flood, fire, earthquake, storm, or explosion;
  - (ii) failure or eminent failure of a public building, equipment, road, bridge or utility;
  - (iii) terrorist activity;
  - (iv) epidemics;
  - (v) civil unrest;
  - (vi) events that impair the ability of a public entity to function or perform required services;
  - (vii) situations that may cause harm or injury to life or property; or
  - (viii) other conditions as determined in writing by the chief procurement officer or head of a procurement unit with independent procurement authority.
- d. Emergency procurements are limited to those procurement items necessary to mitigate the emergency
- e. While a standard procurement process is not required under an emergency procurement, when practicable, procurement units should seek to obtain as much competition as possible through use of phone quotes, internet quotes, limited invitations to bid, or other selection methods while avoiding harm, or risk of harm, to the public health, safety, welfare, property, or impairing the ability of a public entity to function or perform required services.
- f. The procurement unit shall make a written determination documenting the basis for the emergency and the selection of the procurement item. A record of the determination and selection shall be kept in the contract file. The documentation may be made after the emergency condition has been alleviated.

- 2. Items not requiring a purchase order include:

- a. Utilities: such as natural gas, telephone, electricity, water, etc.
- b. Travel claims.
- c. Legal services such as attorney, bond council, financial advisor, etc.
- d. Insurance premiums: Medical, liability, workers compensation, etc.
- e. Vehicle fuel purchases.
- f. Other exceptions to be approved by the Business Administrator or Purchasing Manager.

## **H. Surplus Property / Transfer of Equipment / Salvage**

- 1. When equipment becomes surplus in a given school or department and good judgment would dictate a need for this equipment in another school or department, the right to transfer such equipment for purposes of use shall rest with the Director of Purchasing, or designated agent, and District administration.
- 2. The school or department that transfers equipment or property to another school or department shall document and record the transaction in the fixed asset database. The school or department who receives the transfer is required to record the asset on their fixed asset database.
- 3. Equipment within the schools and warehouses that is determined obsolete or not repairable shall be disposed of by means of a district approved surplus auction website.

## I. Ethical/Legal Standards in the Utah Procurement Code

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

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

1. Except as provided in Subsection (3), it is an offense for a public officer, public employee, or legislator to:
  - a. accept employment or engage in any business or professional activity that he might reasonably expect would require or induce him to improperly disclose controlled information that he has gained by reason of his official position;
  - b. disclose or improperly use controlled, private, or protected information acquired by reason of his official position or in the course of official duties in order to further substantially the officer's or employee's personal economic interest or to secure special privileges or exemptions for himself or others;
  - c. use or attempt to use his official position to:
    - i. further substantially the officer's or employee's personal economic interest; or
    - ii. secure special privileges or exemptions for himself or others;
  - d. accept other employment that he might expect would impair his independence of judgment in the performance of his public duties; or

- e. accept other employment that he might expect would interfere with the ethical performance of his public duties.
- 2.
  - a. Subsection (1) does not apply to the provision of education-related services to public school students by public education employees acting outside their regular employment.
  - b. The conduct referred to in Subsection (2) (a) is subject to Section 53A-1-402.5.
- 3. This section does not apply to a public officer, public employee, or legislator who engages in conduct that constitutes a violation of this section to the extent that the public officer, public employee, or legislator is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

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

- 1. As used in this section, "economic benefit tantamount to a gift" includes:
  - a. a loan at an interest rate that is substantially lower than the commercial rate then currently prevalent for similar loans; and
  - b. compensation received for private services rendered at a rate substantially exceeding the fair market value of the services.
- 2. Except as provided in Subsection (4), it is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:
  - a. that would tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties;
  - b. that the public officer or public employee knows or that a reasonable person in that position should know under the

circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken;  
or

- c. if the public officer or public employee recently has been, is now, or in the near future may be involved in any governmental action directly affecting the donor or lender, unless a disclosure of the gift, compensation, or loan and other relevant information has been made in the manner provided in Section 67-16-6.

3. Subsection (2) does not apply to:

- a. an occasional nonpecuniary gift, having a value of not in excess of \$50;
- b. an award publicly presented in recognition of public services;
- c. any bona fide loan made in the ordinary course of business;  
or
- d. a political campaign contribution.

(4) This section does not apply to a public officer or public employee who engages in conduct that constitutes a violation of this section to the extent that the public officer or public employee is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.

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

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

- a. **“Contract administration professional”** means an individual who is directly under contract with the district or employed by a person under contract with the district and has responsibility in developing a solicitation or grant, or conducting the procurement process; or supervising or overseeing the administration or management of a contract

or grant. This does not include an employee of the district. (Utah Code 63G-6a-2402).

b. **“Procurement professional”** means an individual who is an employee, and not an independent contractor, of the district, and who, by title or primary responsibility has procurement decision making authority and is assigned to be engaged in or is engaged in the procurement process or the process of administering a contract or grant, including enforcing contract or grant compliance, approving contract or grant payments, or approving contract or grant change orders or amendments. Procurement professional excludes:

i. Any individual who, by title or primary responsibility, does not have procurement decision making authority;

ii. The superintendent, business administrator, principal, or vice principal of the district, or the chief assistant or deputy of the superintendent, business administrator, principal, or vice principal (Utah Code 63G-6a-2402).

c. **“Hospitality gift”** means a token gift of minimal value, including, a pen, pencil, stationery, toy, pin, trinket, snack, beverage, or appetizer, given for promotional or hospitality purposes. This does not include money, a meal, admission to an event for which a charge is normally made, entertainment for which a charge is normally made, travel, or lodging (Utah Code 63G-6a-2402).

i. Utah Code 63G-6a-2404 states that it is unlawful for a person to give or receive, offer to give or receive, or promise or pledge to give or ask for a promise or pledge of, a hospitality gift if the total value of the hospitality gift is less than \$10; and the aggregate value of all hospitality gifts from the person to the recipient in a calendar year is less than \$50.

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

- d. “**Gratuity**” means anything of value given without anything provided in exchange or in excess of the market value of that which is provided in exchange, including a gift or favor, money, a loan at an interest rate below the market value or with terms that are more advantageous to the borrower than terms offered generally on the market, anything of value provided with an award (other than a certificate, plaque, or trophy), employment, admission to an event, a meal, lodging, travel, entertainment for which a charge is normally made, and a raffle, drawing for a prize, or lottery.
- i. Gratuity does not include:
  - a. An item, including a meal in association with a training seminar, that is:
  - b. Included in a contract or grant; or
  - c. Provided in the proper performance of a requirement of a contract or grant;
  - d. An item requested to evaluate properly the award of a contract or grant;
  - e. A rebate, coupon, discount, airline travel award, dividend, or other offering included in the price of a procurement item;
  - f. A meal provided by an organization or association, including a professional or educational association, an association of vendors, or an association composed of public agencies or public entities, that does not, as an organization or association, respond to solicitations;
  - g. A product sample submitted to a public entity to assist the public entity to evaluate a solicitation;
  - h. A political campaign contribution;
  - i. An item generally available to the public; or

j. Anything of value that one public agency provides to another public agency (Utah Code 63G-6a-2402).

e. **“Kickback”** means a negotiated bribe in connection with a procurement or the administration of a contract or grant; and does not include items in subsection 4.e. (1) (Utah Code 63G-6a-2402).

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

a. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a gratuity to the district, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.

b. For a “procurement professional” or “contract administration professional,” or a family member of either, knowingly to receive or accept, offer or agree to receive or accept, or ask for a promise or pledge of, a gratuity from a person who has or is seeking a contract with or a grant from a public entity.

c. For a person who has or is seeking a contract with or a grant from a public entity knowingly to give, or offer, promise, or pledge to give, a kickback to the district, a procurement professional or contract administration professional, or an individual who the person knows is a family member of an individual.

d. For a “procurement professional” or “contract administration professional,” or a family member of either, knowingly to receive or accept, offer or agree to receive or accept, or ask for a promise or pledge of, a kickback from a person who has or is seeking a contract with or a grant from a public entity.

3. Penalties for violating this statute are established in *Utah Code* 63G-6a-2404 & 2407. Individuals will adhere to these penalties and report violations to the attorney general’s office, as required by statute. Penalties range from a class B misdemeanor to a second degree felony and individuals are subject to disciplinary action up

to and including dismissal from public employment or return the value of the unlawful gratuity.

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## Section 8. Cash Disbursements

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### A. Purpose

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

### B. Definitions

1. “**Cash disbursement**” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
2. “**District purchasing instrument**” means any of the following specific authorized means of making a purchase:
  - Cash from a district authorized petty cash fund;
  - Check from a school or district authorized bank account;
  - Electronic funds transfer from a school or district authorized bank account;
  - Interdepartmental Billing form;
  - Pay Voucher, which is a short-form Purchase Order;

- Purchasing Card (also referred to as a P-card); and
  - Purchase Order, which is a district or school generated document that authorizes a purchase transaction that when accepted by the seller, becomes a contract binding on both parties.
3. “**Fiscal administrator**” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
  4. “**Public funds**” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including districts or other public bodies (Utah Code 51-7-3(26)).

## **C. General Policies**

1. All disbursement of public funds under district control shall be made using a district purchasing instrument and shall be substantiated with supporting documentation, such as a purchase order, invoice, receipts, quotes, reimbursement forms, shipping documents, contracts, travel forms, etc.
2. All disbursements shall be signed by the fiscal administrator signifying his/her explicit approval of the purchase. Signature stamps shall not be used in lieu of an actual signature. Each individual receipt and/or invoice must also be initialed by the fiscal administrator or his/her designee signifying her/his detailed review for compliance, reasonableness, and necessity.
3. All disbursements shall be executed through the school administrative office or the district accounting office and recorded in the school or district’s accounting records using an account code that accurately reflects the expenditure being made.
4. Access to district purchasing instruments as well as bank accounts and statements shall be secured and controlled by the district accounting and purchasing departments or a school’s

administrative office. (P-cards shall be secured by the named card holder.)

5. Any fiscal administrator who authorizes an employee under his/her direction to receive a P-card understands that he/she is pre-approving all subsequent purchases that will be made by the employee using his/her P-card. To maintain accountability, all P-card statements are to be reconciled by the cardholder on a monthly basis, have original receipts attached, and be reviewed and signed. If there is a discrepancy or problem with any specific purchase on the statement, it must be resolved immediately by contacting the purchasing department.
6. The district is exempted from paying sales tax on purchases it makes in the course or performing its mission. To qualify for the exemption, the purchase must be made using district's funds. A completed TC-721 Exemption Certificate, purchase order, or district check may be used to evidence the exemption (Utah Code 59-12-104).
7. Access to the school and district accounting systems shall be secured and safeguarded by restricted passwords.
8. Checks shall be made payable to specified payees and never to "cash" or "bearer." Blank checks shall never be signed by both parties in advance of a disbursement.
9. Purchases of goods or services with Public funds for personal use or personal gain are strictly prohibited (*see* the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16-1 *et. seq.*)).
10. Fiscal administrators in all schools shall ensure that uncashed checks written by the school and other unclaimed property are properly remitted to the district. The Business Administrator shall ensure that district unclaimed property is escheated to the State of Utah (Utah Code 67-4a).
11. Fiscal administrators in all schools shall review and approve any and all transfers from one activity account to another.

**APPENDIX**

**CACHE COUNTY SCHOOL DISTRICT**

**PURCHASING GUIDELINES FOR SMALL PURCHASES**

Policy Updated – August 28, 2017

**DISTRICT FUNDS OR SCHOOL FUNDS**

**LEVEL I**

**\$5,000**

**\$0 to**

- Buy from the District Warehouse first.
- District Bids or State Contracts should be used.
- Competition not required, however recommended. Direct purchase with Purchasing Card, Small PO Book, or School Check.
- Purchase may not be divided in order to avoid the next level.

**LEVEL II**

**\$10,000**

**\$5,000 to**

- Buy from District Warehouse first.
  - District Bids or State Contracts should be used.
  - Departments either submit or enter a District Requisition or School PO, following instructions below:
- 
- The agency must purchase the items/service from the supplier offering the lowest quote meeting specifications.
  - Equipment \$500 and higher need to be recorded as Fixed Asset.
  - Purchase may not be divided in order to avoid the next level.

**LEVEL III**

**\$10,000 to \$50,000**

- District funds must be entered as a Munis requisition (digital or paper). School funds must use a School Purchase Order.
  - District bids or State Contracts should be used.
  - A) Departments either submit or enter a District Requisition or School PO, with quotes attached. Two (2) written competitive quotes required.
- B) If making purchase from school checking or school PO, MUST maintain their quote documentation. Two (2) written competitive quotes required.
- Equipment \$500 and higher must be recorded as a Fixed Asset.
  - Purchase may not be divided in order to avoid the next level.

**CACHE COUNTY SCHOOL DISTRICT**  
**PURCHASING GUIDELINES FOR SMALL PURCHASES**

**Policy Updated – August 28, 2017**

**DISTRICT FUNDS OR SCHOOL FUNDS**

**LEVEL IV**

**\$50,000 and Above**

- Formal Bid by Purchasing Department
- District Bids or State contracts should be used.
- Purchases greater than \$50,000 must be approved by the Business Administrator
- Purchases greater than \$100,000 must be approved by the Board of Education prior to purchase.

**WAREHOUSE/STATE CONTRACTS:** When purchasing from the warehouse or from a state contract, it is not necessary to use bidding and quotation guidelines. However, a person must still submit a requisition (paper or electronic) to the District Office.

**EMERGENCY PURCHASES:** Emergency Conditional purchases are defined under the District Procurement Policy section G-1.

**ITEMS NOT REQUIRING A PURCHASE ORDER**

- A. Utilities: Such as natural gas, telephone, electricity, water, etc.
- B. Travel claims
- C. Legal services such as attorney, bond council, financial advisor, etc.
- D. Insurance Premiums: medical, liability, workers compensation, etc.
- E. Vehicle fuel purchases.
- F. Other exceptions to be approved by the Business Administrator or the Director of Purchasing.