

The Center for Creativity, Innovation and Discovery

Finance Policy

PART I – POLICIES

100 INTERNAL CONTROL POLICIES

CCID School under the direction of the Governing Board, is required to establish and maintain adequate accounting records and internal control procedures. Internal control consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring. The objectives of internal control relate to financial reporting, operations, and compliance.

CCID School and all levels of administration are responsible for preventing and detecting instances of fraud and related misconduct and for establishing and maintaining proper internal controls that provide security and accountability of the resources of the school. Administration is also responsible for recognizing risks and exposures inherent to these areas of responsibility and for being aware of indications of fraud or related misconduct.

Any employee with reasonable basis for believing fraudulent or related misconduct has occurred should report such incidents to the designated authorities within the school or the State Office of Education. Complainants may call the Fraud hotline at 1-800-622-1243 for more information.

Internal control policies provide charter schools with the foundation to properly safeguard its assets, implement management’s internal policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information.

101 Compliance with Laws

CCID will follow all the relevant laws and regulations that govern Charter Schools within the State of Utah. Additionally, U.S. Government laws and regulations that relate to grant funding will be adopted as the grant funding is received.

A. Political Contributions

No funds or assets of CCID may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office.

Following are examples of prohibited activities:

1. Contributions by an employee that are reimbursed through expense accounts or in other ways.
2. Purchase by the organization of tickets for political fundraising events.

3. Contributions in-kind, such as lending employees to political parties or using the school's assets in political campaigns.
- B. Record Keeping

To provide an accurate and auditable record of all financial transactions, the school's books, records, and accounts are maintained in conformity with generally accepted accounting principles as required by state law applicable to Charter Schools.

Further, the school specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the school.
2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. No false or fictitious vendors may be established or false or fictitious invoices may be paid.
5. Records of individual donations shall be kept that include the donor's name, description of gift (for donations of \$1,000 or more) and approximate value. For donors who request anonymity, access to such records shall be limited to the Business Manager and Board Members.

102 Governing Board Authorities

The Governing Board is responsible for the operation of CCID School in accordance with state and federal laws. The Governing Board is also responsible for operating the school in accordance with the representations made in its charter.

Specifically, the Governing Board shall have the sole authority to approve and will incorporate into its own minutes such matters as (i) change of the School's name, with the its authorizer approval (ii) adoption of the annual budget(s), (iii) selection or termination of the executive director (iv) the executive director's salary and salary changes, (v) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter (vi) investment policies, (vii) depository and investment banks, (viii) purchase or sale of real property, and (ix) selection of CCID School's certified public accountants.

103 Signature Authorities

All cash disbursements shall be approved and signed by two individuals. Disbursements over \$2,000 require a signature from a board-level signatory, unless a disbursement of that amount is part of an already board-approved service agreement or contract. If a board-level signatory is not available and a time-critical disbursement greater than \$2,000 is required, non-board signatories may approve and sign the disbursement after receiving email or verbal permission from a board-level signatory.

Non-payroll disbursements made to any individual with signatory authority or who prepares any such payment, or any relative of such individual, shall only be approved and signed by others, including at least one member of the Board, with such authority consistent with this policy.

104 Government Records Access Management Act (GRAMA)

CCID School will provide access to CCID School's records if requested to the State Office of Education, State Charter Governing Board, or any group or individual formally requesting such information consistent with applicable statutes or rules.

105 Security of Financial Data

- A. The school's accounting software will be reviewed to ensure that general and application controls to unauthorized access to data is precluded (i.e., proper password protection and authorizations for inquiry or browse only functions.)
- B. The system's accounting data shall be backed up regularly by the Business Manager to ensure the recoverability of financial information in case of hardware failure. The backup should be stored in a fire safe area and properly secured.

106 Security of School Documents

Originals of the following corporate documents are maintained and their presence shall be verified on a periodic basis:

- A. Charter and all related amendments
- B. CCID Board By-laws
- C. Minutes of the Governing Board and subcommittees
- D. Banking agreements
- E. Leases
- F. Insurance policies
- G. Vendor invoices
- H. Grant and contract agreements
- I. Fixed asset inventory list

107 Use of School Assets

School employees should not use any of the school's assets for personal use without prior approval of the School Administration and with proper justification.

108 Use Of School Credit Cards

Charter School credit cards and purchase cards shall only be issued with the formal approval of the Governing Board and with proper justification. The cost/benefit to Charter School should be fully reviewed to ensure that no other method is appropriate. If credit cards are issued they should be assigned to certain CCID School employees and should be used only for school-related expenditures. All charges must be supported by invoices or travel reports to be eligible for payment by CCID School.

Monthly credit card statements are reconciled to invoices and travel reports and are approved by CCID School Director and Business Manager.

200 FINANCIAL MANAGEMENT POLICIES

CCID School accounting policies and financial reporting adopted by the school should be consistent with a special purpose governmental entity that engages in business type activities. The Governing Board has oversight of the management of CCID School inclusive of establishing the governance structure and the financial management policies as set forth in the school's charter.

201 Basis of Accounting

CCID School will maintain its accounting records and related financial reports on the modified accrual basis of accounting, with accrual taking place annually.

Audited financial statements prepared by an independent auditor will be prepared annually using the accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when earned, consistent with generally accepted accounting principles applicable to special purpose governmental units.

Under the modified accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

202 Budgets

- A. CCID School prepares an annual operating budget of revenues and expenses and a cash flow projection. These budgets and projections are reviewed and approved by the Governing Board at an open and public meeting held not later than June 30th and modified, as necessary.
- B. Financial statements displaying budget vs. actual results are prepared by the Business Manager and reviewed by the Treasurer and presented to the Governing Board at each board meeting.

203 Cash Receipts

- A. Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits 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 school, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.
- B. The school will comply with all applicable state and federal laws.

- C. All receipting of funds at the school should be done at the front office through the school's office. No receipting should take place in the classroom or in unapproved off-site locations. Employees shall instruct payers to take all cash, checks, and credit card transactions to the front office for receipt. Provisions should be made for cash receipting/ collection at approved activities or functions. Refer to the Fundraising Policy.
- D. All funds shall be kept in a secure location controlled by the front office until they are deposited in a school-approved fiduciary institution. Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a school-approved account. Employees should never hold funds in any location for any reason.
- E. If a cashier has left for the day or funds are receipted on the weekends, employees should seek the assistance of administrators to lock cash receipts or cash boxes in a secure school location until the next business day. Cash receipts should not be taken home by employees or volunteers, or left in offices.
- F. All checks are to be made payable to the school and restrictively endorsed upon receipt. Checks are not to be made payable to an employee, a specific department, or a program.
- G. Appropriate internal controls and segregation of duties should be implemented for all cash activity. These may include tickets, pre-numbered receipts, deposit slips, cash tally sheets, receipt registers, lists, cash reconciliations, reports, etc. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
- H. All funds (cash, checks, credit card payments, school lunch funds, etc.) received must be receipted by student name, if possible, and recorded in the school's accounting records. A pre-numbered receipt will be issued for each transaction. Passwords should be established on the accounting system computers and changed periodically.
- I. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).
- J. Periodic and unscheduled audits or reviews should be performed for all cash activity.
- K. All activities involving cash must be supervised by a school employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.

- L. All payments of fees shall correspond with the approved fee schedule, as required by Board Administrative Rule 277-407.

204 Fundraising

- A. Fundraising is permitted within the LEA to allow the LEA and schools to raise additional funds to supplement school-sponsored academic and co-curricular programs.
- B. "School-sponsored" means activities, fundraising events, clubs, camps, clinics, programs, sports, etc., or events, or activities that are authorized by the school, Governing Board, administration, or board committees, including the parent organization or authorized curricular school clubs, activities, sports, classes or programs that also satisfy one or more of the following criteria. The activity:
 - a. Is managed or supervised by school administration, staff, or authorized volunteers
 - b. Uses the school's facilities, equipment, or other school resources.
 - c. Is supported or subsidized, more than inconsequently, by public funds, including the public school's activity funds or minimum school program dollars.
- C. All monies raised through fundraisers for school-sponsored activities are considered public funds. All funds raised shall follow the Cash Receipts section of this policy and other applicable school policies and state laws and rules. This includes all donations to the school, regardless of whether or not such donations are part of any fundraising activity or event.
- D. Properly approved school-sponsored activities may:
 - a. Use the school's name, facilities, and equipment.
 - b. Utilize school employees and other resources to supervise, promote, and otherwise staff the activity or fundraiser.
 - c. Be insured under the school's liability insurance policy.
 - d. Provide additional compensation or stipends for school employees with the approval of the director or immediate supervisor and under school payroll policies and consistent with the school's budget
- E. School-sponsored activities must comply with all fee approval and fee waiver provisions established in Utah Code and Utah State Board of Education rules and school policies.
- F. Restricted Giving:
 - a. The Governing Board must pre-approve any request coming from the Administration or its designees for donations for a specific or restricted purpose. The Governing Board allows the Administration or its designees to accept unsolicited donations for a restricted purpose, but the spending or return of these restricted monies is subject to approval from the Board.

b. "Restricted-giving requests" shall not include on-going classroom requests for gifts in kind, requested donations from parents for the direct benefit of their own child, or requests for payment for optional services, including but not limited to the following:

- Donations for field trips, transportation
- Payments for damage to CCID property
- Payments for optional services such as the after-school Extended Day Program, Kindergarten Enrichment, etc.
- The offer of insurance to cover damage to CCID's musical instruments or other CCID property issued to students
- School fees

H. Refer to CCID Fundraising Policy for additional guidelines.

205 Insurance and Bonding

A. The school maintains minimum levels of coverage, as deemed appropriate by the Governing Board,, for the follow policies:

1. General liability (earthquake coverage not included without express inclusion)
2. Business & personal property (including auto/bus if applicable)
3. Workers' compensation
4. Unemployment
5. Directors and Officers (Board Insurance)
6. Treasurer's' Bond
7. Employment Practices Liability Insurance

B. The school requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Governing Board.

206 Employee Retirement Program

CCID School shall participate in a retirement program as determined by the Governing Board and administered by the Trustee and business office.

207 Record Retention and Disposal

A. Records are maintained for the following minimum periods:

1. Books, records, documents, and other supporting evidence including paid, cancelled, or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employee timesheets and other public documents are retained according to state law.
- B. The following records supporting federal contracts, as required by U.S. Office of Management and Budget, are retained for the indicated minimum periods or consistent with state law:
 1. For three years after submission of the final report of expenditures: general ledger, trial balance, accounts payable and accounts receivable ledger, payroll register, and petty cash book, check register and checks, invoices. Except for:
 - a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
 - b) Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.
 2. Permanently: Audit reports, annual corporate reports, charter, board minutes, tax and legal correspondence, labor contracts, insurance claims and policies, and retirement and pension records.
- C. The disposal date determined under this policy is the end of the fiscal year, or the date of final payment of government grants.
- D. All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.
- E. In connection with the disposal of any records, a memorandum of record disposal is prepared by the Business Manager listing the record or the class of records disposed of. The Governing Board certifies this memorandum of records disposal.

208 Financial Reporting

The Business Manager maintains supporting records in sufficient detail to prepare the School's financial reports, including:

- A. Annually:
 1. Financial statements for audit
 2. Annual budget

- B. Monthly:
1. Trial balance
 2. Internally generated budget vs. actual financial statements with explanations for significant variances
 3. Balance Sheet
- C. Quarterly:
1. IRS Form 941 and payroll tax returns and comparable state taxing authority returns
 2. Other reports upon request

209 Audit

The Governing Board contracts annually with a qualified independent certified public accounting firm to conduct an audit of CCID School's financial statements in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, 2003 Revision (GAS) and, if applicable, the U.S Office of Management and Budget's Circular A-87 and A-122. The selected audit firm must be familiar with these standards and related State of Utah regulations in order to properly conduct the audit engagement.

210 Audit Committee

The Governing Board shall establish an audit committee. The Audit Committee will have the same members as the Finance Committee which shall:

- be responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services;
- periodically review this policy, no less than once every five years, to assess its continued adequacy;
- be made up entirely of members of the Board and possess, as much as possible, knowledge of and experience in finance, auditing, or accounting;
- Review the annual audit, and any other work performed by a contracted auditor, prior to its submission to any outside party or authority, and report to the Board that it has discussed the financial statements with management, with the independent auditors in private, and privately among committee members, and believes that they are fairly presented, to the extent such a determination can be made solely on the basis of such conversations.

300 POLICIES RELATED TO ASSETS, LIABILITIES, AND NET ASSETS

301 Assets

Economic resources that are recognized and measured in conformity with generally accepted accounting principles. Assets also include certain deferred charges that are not resources, but are recognized and measured in conformity with generally accepted accounting principles. The following sections describe policies related to the recognition of assets.

302 Bank Accounts

- A. The Board may authorize Bank accounts for general or specific purposes. No school assets shall be kept at any bank or financial institution that is not on the approved list of the Utah Money Management Council.
- B. All Bank accounts shall be reconciled as often as statements are available.
- C. The school shall keep and fund restricted cash accounts with balances sufficient to meet the covenants that are required under the terms of any loan agreement. The business manager shall, under direction of board treasurer, be responsible for fulfilling these obligations.

303 Petty Cash Payments

- A. Petty cash payments are made from a fund not to exceed \$500, and should be for cash advances, local expense reimbursement, and small-dollar vendor purchases, provided proper documentation is furnished with each request. No individual payment shall be greater than \$100.
- B. The petty cash account is balanced periodically by administration and business manager.

304 Criteria for Capitalizing and Depreciating for Property and Equipment

All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$5,000 or more is capitalized and recorded in the statement of net assets. Depreciation associated with the fixed asset will be calculated based on its useful life and straight-line depreciation method. The depreciation expense will be recorded in the statement of revenues, expenses, and changes in net assets.

305 Impairment of Assets

A recognized impairment of an asset is reflected when circumstances warrant. The appropriate adjustment is made for any impaired assets, accompanied by a description of the impaired asset and the measurement assumptions used in

determining the impairment. All impairments should be reported to the Governing Board for approval of the adjustment to the fixed asset subsidiary ledger.

306 Betterments

Expenditures for significant betterments of existing leased/owned properties are recorded in fixed assets at cost. Maintenance and repairs are expensed as incurred. Depreciation associated with the betterment will be calculated based on its useful life and straight-line depreciation method. The depreciation expense will be recorded in the statement of revenues, expenses, and changes in net assets.

307 Liabilities

Economic obligations that are recognized and measured in conformity with generally accepted accounting principles. Liabilities also include certain deferred amounts that are not obligated, but are recognized and measured in conformity with generally accepted accounting principles. The following sections describe policies related to the recognition of liabilities.

308 Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable.

309 Accounts Payable Payment Policy

Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis.

310 Accrued Liabilities

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs. Liabilities are accrued annually.

311 Accrued Teachers' Salary

The portion of any teachers' (or other employees whose salaries are paid over a period different than during which work was performed) salaries paid for a school year that extends into the next fiscal year (e.g., a twelve-month salary schedule from September 1 to August 31 of the following year) shall be accrued at the end of the fiscal year for which services were rendered.

312 Debt

- A. When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year.
- B. All short-term and long-term debt is approved by the Governing Board.
- C. Loan agreements approved by the Governing Board shall be in writing and specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

313 Net Assets

Net assets are recorded in accordance with generally accepted accounting principles applicable to special purpose governmental units. Net assets include the following:

- Unrestricted
- Restricted
- Investment in Capital Assets, net of related debt

400 COST ACCOUNTING POLICIES

401 Consistency in Cost Accounting

Practices used by CCID School in estimating costs in grant/contract proposals are consistent with its accounting practices used in accumulating and reporting costs. Accounting practices used by CCID School in accumulating and reporting actual costs are consistent with its practices used in estimating costs in its grant and contract proposals.

402 Cost Accounting Period

The fiscal year of CCID School is July 1st through June 30th. The same accounting period is used for all adjusting entries and accruals.

403 Gain or Loss on Disposition of Assets

Gains and losses from the sale or other disposition of property are recorded as revenue in the year in which they occur, and are reflected as such on applicable financial statements.

500 PROPERTY MANAGEMENT POLICIES

501 Property and Equipment

CCID School maintains records of all government-furnished property and equipment, with an identification and segregation of property and equipment acquired through government contracts.

502 Identification of Property

Upon receipt, CCID School tags all property that has an acquisition cost of more than \$10,000 per item or has reasonable possibility of theft, and assigns an identification number to the property and all applicable documents.

503 Recording and Reporting of Property

A. CCID School maintains a log identifying all property in its possession, as follows:

1. Name and description
2. Serial number, model number, or other identification
3. Whether title vests with CCID School or another entity
5. Location and condition of the equipment
6. Ultimate disposition data, including date of disposal and sales price or method of disposal

504 Physical Inventories

- A. CCID School performs a physical inventory of all property in its possession or control on an annual basis.
- B. The physical inventory records include each asset, the related control number, location, and a brief description of its condition.
- C. The physical inventory is reconciled to the detailed fixed asset subsidiary ledger, and differences, if any, are investigated and reconciled.

505 Disposal of Property and Equipment

- A. CCID School shall adopt and use standard disposition procedures for the school staff to follow, which include an *Asset Disposal Form*, which identifies the asset, the reason for disposition, and signature of the requester. The form also allows for an identification of the asset's book value, condition of the asset, and supervisory approval or denial.

- B. When property is retired, the appropriate asset in the fixed asset subsidiary will be adjusted and properly reflected in the general ledger.
- C. All Assets shall be disposed consistent with applicable regulations of any restricted funds with which they were purchased, according to Education Department General Administrative Regulations.

600 PROCUREMENT POLICIES

601 Procurement – Goods and Services

- A. CCID School shall follow provisions of the state’s procurement code (UCA 63G-6a). CCID School procures only those items and services that are required to perform the mission and/or fill a bona fide need. Procurements are made using best value contracting which includes assessing the best value considering quality, performance, timing, and price. Written records will be kept for all purchases, including competitive bids when applicable. Competitive bids will be filed in the winning bidder’s vendor file.
- B. All checks or check stock, credit/purchase cards, access to bank accounts and statements, etc. shall be secured and controlled by the school administration with limited access. All expenditures made using cash, checks, credit/purchase cards, electronic fund transfers, etc. shall be recorded in the school’s accounting records. Checks should be made payable to specified payees and never to “cash” or “bearer.”
- C. The school shall use a competitive procurement process, which requires sound business practices for a non-recurring purchase less than \$1,000, which is defined as a “Small Purchase” under UCA 63G-6a-408. The school will select the best value by obtaining three written, telephone, or electronic quotes for items greater than \$1,000 and less than \$50,000. Records shall be kept of vendors contacted for goods and an explanation justifying the selection shall be provided in all cases where a vendor other than the lowest priced vendor is selected.
- D. The “single procurement aggregate threshold” is \$5,000. This is the maximum amount that the school can expend to obtain multiple procurement items/services from one vendor at one time. This includes any combination of individual procurement items costing less than \$1,001 purchased from one vendor at one time, not to exceed in total \$5,000.
- 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, a contract shall be utilized if feasible [Utah Code 63G-6a-408(6)].
- F. For single items, projects, or annual services greater than \$50,000, or when a school officer or the board determines that it will provide the best value for the school, an RFP, RFQ, or other solicitation method as determined by the state’s procurement code, a formal bid process will be used in which multiple bids will be received and evaluated using a formal evaluation process. The School adheres to the following objectives and rules according to the Utah Procurement Code:

1. Requests for Proposals will be public as required in UCA 63G-6a-703.
 2. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, experience, past performance, etc.
 3. An evaluation committee will review each proposal. The evaluation committee shall:
 - a. include at least three individuals, at least two of which are from the Governing Board;
 - b. contain no members that have any conflict of interest;
 - c. develop criteria and a rubric by which to judge the proposals, including scoring values for each criterion, in advance of viewing any proposal, and score each proposal using only said criteria;
 - d. not know the costs of a proposal until they have submitted their report on all other criteria, unless the board chair signs a public written statement waiving this requirement with an explanation about why this requirement was waived; and
 - e. Meet all other applicable requirements under UCA 63G-6a-707.
 4. Make all purchases in the best interests of the school and its funding sources.
 5. Obtain quality supplies/services needed for delivery at the time and place required.
 6. Buy from responsible and dependable sources of supply.
 7. Obtain maximum value for all expenditures.
 8. Select the proposal that provides the greatest overall value and that is from a responsive and responsible bidder, unless that bidder is disqualified or otherwise ineligible, or if the Board Chair provides a written statement that describes the advantages to the school from accepting the proposal of the bidder other than the greatest-overall-value bidder, as described in UCA 63G-6a-708.
 9. Prepare a cost/benefit analysis of the selected proposal explaining the reasons it was selected that is kept with the winning proposal and other proposals.
- G. All lease agreements will be evidenced by a lease or sublease agreement approved by the Governing Board and signed by the Board Chair. The agreement will identify all the terms and conditions of the lease.

- H. CCID School will execute a Purchase Order for all purchases over \$10,000. Purchases greater than \$2,500 shall be approved by the Business Director and two Board members.
- I. Bank and credit card statements shall be reviewed and accounts reconciled in a timely manner. Activity accounts should be reviewed quarterly by the custodian of the activity.

602 Emergency Purchases

An “emergency purchase” is the purchase of goods or services that are so badly needed that the school will suffer financial or operational damage if they are not secured immediately. A decision to purchase may be declared in an emergency at the school’s discretion and “best value” procurement guidelines must be followed. In addition, the purchase must be authorized by the Treasurer or designee. Sound business practices shall be used and documented in all cases.

603 Sales Tax

CCID School is exempt from sales tax as both a governmental entity and as a charitable or religious organization. The school administration shall keep and monitor the use of the school’s tax exempt status and forms. Only school employees or volunteers may use the school’s tax exempt number and only for legitimate school purchases.

The school administration shall follow vendor policies regarding sales tax exemption.

If sales tax is paid by school employees or volunteers at the point of sale, the school shall seek reimbursement of sales tax consistent with applicable rules.

604 Prohibited Activities

- A. Administration shall not intentionally divide a procurement 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 in order to circumvent any aspect of this policy or of state law.
- B. Administration or any agent of the school may not accept hospitality gifts, gratuities, kickbacks, or any other unlawful consideration under 63G-6a-2304.5
 - a. A “Hospitality gift” means a promotional or hospitality item, including, a pen, pencil, stationery, toy, pin, trinket, snack, nonalcoholic beverage, or appetizer. This does not include money, a meal, a ticket, admittance to an event, entertainment for which a charge is normally made, travel, or lodging (Utah Code

63G-6a-2304.5). The total value of all hospitality gifts given, offered, or promised to, or received or accepted by the a school agent in relation to a particular procurement or contract must be less than \$10; the total value of all hospitality gifts given, offered or promised to, or received or accepted from any one person, vendor, bidder, responder, or contractor in a fiscal year must be less than \$50.

- b. "Gratuity" means anything of value, including money, a loan at an interest rate below the market value or with terms that are more advantageous to the person receiving the loan than terms offered generally on the market, an award, employment, admission to an event, a meal, lodging, travel, or entertainment for which a charge is normally made.
- c. "Kickback" means a gratuity given in exchange for favorable treatment in a pending procurement or the administration of a contract.

700 PAYROLL AND TRAVEL POLICIES

701 Payroll Policies

- A. Employees are paid on a 12-month schedule from August 1 to the following July 31.
- B. Employee's time is properly approved by both the individual and the supervisor and reported to the Business Office or designated representative.
- C. All employee payroll amounts are calculated based upon approved rates included in the individual's personnel file.
- D. Any changes to the pay rates or benefits are properly authorized.
- E. All payroll taxes and benefits are properly calculated and any deposits made in a timely manner.
- F. All payroll tax reports are prepared in a timely manner and reviewed by a designated individual for accuracy prior to filing.
- G. Employees paid with restricted program funds will have proper documentation according to the rules of applicable programs.

702 Employee Mileage Reimbursement

- A. Employees may be reimbursed at the federal standard mileage rate per mile, as determined by the School Administration, for use of their own vehicle for business related travel. In addition, parking fees and tolls paid are reimbursable if properly supported. The school shall not reimburse for moving violations or parking tickets.
- B. All employees requesting such mileage reimbursement are required to furnish a ~~Travel Report~~ Reimbursement Request containing the destination of each trip, its purpose and the miles driven, parking fees and tolls, within 30 days after the travel date. Each employee is responsible for detailing the travel and related expenses and including the required supporting documentation.
- C. The travel report must be signed by the employee and approved by Executive Director.

800 CONSULTANTS AND CONTRACTORS POLICIES

801 Consultant Utilization

The utilization of all consultants and contract personnel are sufficiently evidenced by:

- A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.
- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.
- C. The use of a management contract for educational and administrative services will clearly identify the contractor's performance requirements, including students' academic achievement (if applicable), contractor's compensation and CCID School's rights to educational curricula and intellectual property developed.

802 Independent Contractors

The use of consultants is closely monitored so as not to vary from the rules of the Fair Labor Standards Act and Utah law. In particular, consultants will:

- A. Be free from the employer's control and direction in performing the service, both under a contract and in fact.
- B. Provide a service that is outside the school's usual course of business or provide a service on a temporary basis.
- C. Must be engaged in an independent trade, occupation, profession, or business of the same type.
- D. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- E. Use his or her own stationery or time sheet in billing for services.

Initial Adoption 06/05/2017

Update to Policy March 19th, 2020

Update section statements

Replace "Board of Trustees" and "School Board" with Governing Board

Update 07-23-2020: Fraud Hotline contact information