

UCA FISCAL POLICIES & PROCEDURES

Utah Administrative Code R277-113 requires each school district to formally adopt and implement policies regarding the management and use of public funds. American Preparatory Academy complies with this requirement and trains its employees on the policies each year.

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1. General Definitions, Responsibilities, and Duties

A. Policy

The UCA Governing Board (the “Board”) recognizes the importance of maintaining accurate financial records to support its decision-making responsibilities and those of the district. Accordingly, the district shall comply with all applicable federal and state accounting laws and regulations including, but not limited to, Generally Accepted Accounting Principles, Governmental Accounting Standards Board, Utah Code, and the State of Utah Legal Compliance Audit Guide. Employees must also follow the accounting procedures outlined in the district’s School Accounting Manual.

The purpose of these policies is to safeguard district assets by requiring accurate, clear, and complete records of all financial transactions. UCA fiscal policies and procedures establish fiduciary responsibilities and duties that apply to all employees and students with financial responsibilities involving public funds. It is the responsibility of school and department directors to ensure their employees have received proper training, are familiar with any changes, and are in compliance with UCA policies and procedures.

B. Definitions Applicable to All Fiscal Policies

1. **Account**: An account within the school accounting system established to account for funds that budgeted for a specific purpose. These funds are what make up the money in the district’s central bank accounts.
2. **Arms-length transaction**: 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. **Cash disbursement**: 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.
4. **Cash receipt**: 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.
5. **Cashier**: A person who has been specifically authorized by the Director of Accounting to accept cash receipts on behalf of the district.
6. **Petty cash fund**: An account into which a fixed amount of money is placed for the purpose of making change or making minor disbursements.
7. **Compensating control**: 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.
8. **District purchasing instrument**: Any of the following specific authorized means of making a purchase: Cash from a District authorized petty cash fund; · Check from a District authorized bank account; · Electronic funds transfer from a District authorized bank account; district-issued credit card; or Purchase Order, which is a District generated document

authorizing a purchase transaction when accepted by the seller which becomes a binding contract on both parties.

9. **External Audit:** 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.
10. **Independent internal review:** The critical review of documents and transactions by a third-party contractor or District employee who is independent of the duties performed to produce the documents and transactions.
11. **Fiscal administrator:** The top administrator at the district, a given school, or department. At the District, it is the Finance Director. In a school, it is the director. In a department, it is the department director, or manager if there is no assigned director.
12. **Internal controls:** Procedures designed to safeguard assets, detect errors and misappropriations, produce timely and accurate financial reports, and ensure compliance with laws and rules.
13. **Public funds:** 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)).
14. **School-sponsored event or activity:** 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.
15. **Capital expenditures:** Expenditures coded to balance sheet fixed asset accounts used to purchase fixed assets.
16. **Fixed assets:** Real or personal property acquired for use in operations not for resale or investment purposes. Fixed assets can include land, buildings, land improvements, infrastructure, furniture and equipment, intangible assets, works of art, and construction in progress.
17. **Acquisition cost:** Fixed assets are recorded at historical cost or estimated historical cost, if constructed. Acquisition cost includes the vendor's invoice less any trade-in or educational allowance, freight and installation, modifications, accessories, professional fees, and any software (including licenses) necessary to make the asset usable and placed in service.
18. **Land:** Real property owned by APA, valued at acquisition cost plus expenses incurred to prepare for use.
19. **Land improvements:** Items such as sidewalks, parking lots, retaining walls, fences and landscaping.
20. **Buildings:** Physical structures housing persons or property of APA. Buildings include equipment that is permanently attached.
21. **Building improvements:** Improvements that meet one of the following criteria:
 - a) Betterment: Fixes a material condition or defect; material enlargement, expansion, or extension; material increase in capacity, productivity, efficiency, or quality
 - b) Adaptation of building to a new or different use

- c) Restoration: Replaces a major component or structural part of building; restores building to normal operating condition; restores building to like-new condition after the end of its useful life
- 22. **Leasehold improvements**: Improvements made to existing structures by the lessee, which will revert to the lessor at the expiration of the lease. Moveable furniture and equipment that is not attached to the property are not considered leasehold improvements.
- 23. **Infrastructure**: A set of interconnected structural elements that provide the framework supporting an entire structure and includes items such as roads, tunnels, bridges, network systems, and utilities.
- 24. **Furniture and equipment**: Items owned by APA with a life expectancy greater than one year. Acquisition cost includes total acquisition cost. Equipment items are not permanently attached to a building.
- 25. **Intangible assets**: Assets that a) lack physical (tangible) substance, b) are nonfinancial in nature, and c) have an initial useful life that is greater than one year (see GASB 51). Intangible capital assets include:
 - i. Trademarked software that is purchased, donated, or internally developed,
 - ii. Multi-year paid trademarked software subscription,
 - iii. Intellectual property
- 26. **Construction work in progress**: Uncompleted building, improvement, or equipment projects in the process of completion.
- 27. **Surplus property**: Property no longer useful to a location or APA.

C. Responsibilities and Authority

- 1) The District Governing Board 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 Governing Board shall appoint an audit committee comprised of two (2) members of the Board, assisted by the Business Manager, to provide financial direction and oversight through review of periodic financial statements, reports, budgets, legal matters, and significant transactions in accordance with various Utah and USBE reporting requirements and provisions within these policies and procedures.
- 3) The Executive Director is the budget officer of the district (Utah Code 53A-19-101).
- 4) Subject to the direction of the Executive Director, the Finance Director (or Business Administrator) shall among other things (a) be custodian of all district funds; (b) be responsible and accountable for all money received and disbursed; (c) keep accurate records of all revenues and their sources; (d) use uniform procedures which shall be in accordance with generally accepted accounting principles or auditing standards; (e) ensure that adequate internal controls are in place to safeguard the district's funds (Utah Code 53A-3-303); and (f) be authorized to assign portions of fund balance intended to be used for specific purposes.

- 5) Subject to the direction of the Executive Director or Finance Director, 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.
- 6) 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.

D. General Procedures

1. Segregation of Duties

To ensure that no single individual is placed in a circumstance where they 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 their 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.

When, due to limited staffing and related constraints, a single employee performs all three key duty types, the fiscal administrator shall ensure the compensating control of a monthly independent internal review of documents and transactions related to the duties performed is conducted and documented.

2. Internal Control System

UCA fiscal policies and procedures are based on a principle of internal controls, designed to limit the risk of misstatement due to errors, theft, and misappropriation of district assets. The control environment reflects the overall attitude, awareness, and action of the Board, Administration, and others concerning the importance of control and its emphasis in the

district. The accounting system establishes a method to identify, assemble, analyze, classify, record, and report the district's transactions and to maintain accountability for the related assets and liabilities. Netsuite (GL), Skyward (Fees), and Paycom (HR), all SaaS products, comprise the district's official accounting system. No other systems should be used to track or record financial transactions or data. Every effort has been made to establish policies and procedures that balance the effectiveness of controls with the costs associated with implementing them. Commitment to internal controls is necessary at all levels of the district in order for the controls to be effective.

3. Program Accounting

A program is a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. APA uses the program classification framework to classify revenue and direct program costs (instructional and support) to the benefiting program. Additionally, this allows concurrent classification of support services to both programs and functions. APA makes every effort to code transactions at the minimum level of reporting, as defined by the USBE, and utilizes additional codes to track information for internal purposes, as necessary, to support internal reporting and program compliance.

4. Account Coding

It is important to identify the proper account to which an item will be expensed prior to making any purchase. Doing so will ensure that proper approvals have been obtained and transactions are accounted for appropriately. This is applicable to both school paid and district paid transactions. It is extremely important that correct codes are used. If the correct account is not available, or a new account needs to be added, please contact the accounting department for assistance.

APA uses the following account codes in our financial system:

- Program – 4 digit code (may have an extension “.xx”)
- Revenue – 4 digit code (generally matches the program code)
 - 1xxx – Local Source
 - 30xx – State Unrestricted (ex. 3005, 3010, 3020, 5390)
 - 31xx – State Restricted Basic Programs (ex. 1205, 1210, 1278, 5201)
 - 32xx – State Related to Basic (ex. 3210, 5344, 5619)
 - 33xx – State Focused Populations (ex. 5331, 5332, 5333, 5805)
 - 34xx – State Educator Supports (ex. 5807, 5868, 5876, 5911)
 - 35xx – Statewide Initiatives (ex. 5368, 5420, 5655, 5678)
 - 38xx – State Non-MSP via USBE (ex. 5672, 5674, 5676, 8070)
 - 45xx – Restricted Federal via USBE (ex. 7524, 8075, 8079)
 - 47xx – Federal Rcv'd via other Agencies (ex. 5601)
 - 48xx – Federal Education Act of 1965 (ex. 7801, 7860, 7880)
- Expense “Function” – 4 digit code
 - 10xx – Instruction
 - 21xx – Supporting Students

- 22xx – Supporting Teachers
 - 23xx – District Administration
 - 24xx – School Administration
 - 25xx – Business Department
 - 26xx – Facilities Operation Departments
 - 27xx – Transportation Department
 - 28xx – Human Resources, Info Systems, Communications and Insurance Departments
 - 31xx – Nutrition Services
 - 33xx – Preschool, Adult Ed, Foundation Office
 - 4xxx – Capital
- Expense “Object” – 3 digit code indicating what is being purchased.
 - 1xx – Salaries
 - 2xx – Employee Benefits
 - 3xx – Professional & Technical Services
 - 4xx – Property Services
 - 5xx – Other Services
 - 6xx – Supplies & Materials
 - 7xx – Property & Equipment
 - 8xx – Debt Service & Misc.
- Balance Sheet – 4 digit code
 - 811x-8129 – Cash & Investments
 - 813x – Accounts Receivable
 - 82xx – Fixed Assets (ex. Land, buildings, equipment, accum. Depr.)
 - 84xx – Other Assets (ex. Security deposits)
 - 95xx – Current Liabilities (ex. A/P, accrued liab., Def. revenue)
 - 96xx – Long Term Liabilities (ex. Bonds, notes payable)
 - 98xx - Equity
- Location – 3 digit code for each school campus
 - 100 – Draper 1 (Includes Draper 1 Kindergarten 101)
 - 110 – West Valley 2 (K-12)
 - 120 – West Valley 1 (K-6)
 - 130 – Draper 2 (K-6)
 - 140 – Salem (K-9)
 - 700 – Draper 3 (7-12)

5. Budget

During the spring of each year, the fiscal administrator of each location and district department shall establish a proposed budget for the coming year and review their proposed budget with the Executive Director and Finance Director. The Finance Director will prepare a proposed annual budget to present to the Governing Board no later than the regularly scheduled May Board meeting. Final revisions will be made in order to make the draft annual budget available for public inspection 15 days before the date of formal adoption by the

Governing Board, which shall occur prior to June 30th. (Utah Rule 277-113, UCA 53G-7-302)

6. Safeguard Assets

Fiscal administrators shall take every reasonable precaution to safeguard the district's financial assets and resources from theft, robbery, vandalism, and unauthorized use. This specifically includes the following:

- a. Fiscal administrators shall not authorize the use of public funds for personal use expenditures.
- b. Fiscal administrators shall not sign or allow to be signed, blank or incomplete financial related documents.
- c. Fiscal administrators shall not use or allow to be used, signature stamps on financial related documents, unless approved by the Executive Director for a specific situation.
- d. When a signature or initials are required to indicate authorization of district financial matters, prior to doing so fiscal administrators shall give timely and adequate review of supporting documents to establish: allowability, correct program/account, and sufficient documentation to establish amount, date, purpose, and itemized list of purchases.
- e. Fiscal administrators shall avoid advance payments or prepayments whenever possible. Prepayments increase the risk of loss due to potential for non-fulfillment or non-performance under contract.
- f. Annual training and reinforcement that every employee has similar fiduciary duties within his/her job responsibilities.

7. Financial Reporting

APA financial and executive management is responsible for the preparation and presentation of periodic and annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP), established by the Governmental Accounting Standards Board (GASB). APA utilizes accounting systems (e.g. Netsuite, Paycom, Expensify, etc.) and methods capable of producing financial reports that conform with GAAP and state legal requirements and are free from material misstatement. As of fiscal year 2021, the state of Utah required charter schools to change their basis of accounting to follow accounting standards for local governments established by the Government Accounting Standards Board.

APA financial accounting systems use a chart of accounts approved by the Utah State Board of Education (USBE) and National Center for Education Statistics (NCES) to report on its financial activities and allow comparison to other charter schools and school districts within the state.

Summary of primary financial reports provided by APA on a periodic basis:

A. Financial Audit Reporting Package and Financial Certification.

Annual financial reporting package reviewed and certified by a CPA, consisting of:

- 1) Management discussion and analysis.

- 2) Government-wide financial statements – A financial overview similar to a private-sector or nonprofit, organization, using accrual basis accounting.
 - 3) Fund financial statements – Near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year, using modified accrual basis accounting. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. APA maintains one governmental fund, the general fund.
 - 4) Notes to the basic financial statements – additional information to fully understand financial statement data.
- B. Annual Financial Report (AFR) - Reports district financial data by fund.
 - C. Annual Program Report (APR) - Reports all district financial data by major program. (i.e. Direct Instruction, Special Education, Career Technology Education, Capital Projects, etc.)
 - D. Quarterly Transparency Report – All revenue and expense transactions.
 - E. Annual Employee Compensation
 - F. Annual Fraud Risk Assessment
 - G. Semi-annual Deposit and Investment Report
 - H. Annual Budget
 - I. Monthly financial reporting package for Board
 - J. The data source for all APA financial and ad-hoc reporting shall be, in descending order:
 - 1) Data recorded in the district’s central accounting system, if available.
 - 2) Data recorded in the district’s school accounting system, if available.
 - 3) Data maintained outside the two accounting systems above.

8. Conflict of Interest

Any district administrator, licensed educator, or other staff who handle public funds are prohibited from activities that might present a conflict of interest. Any such individual who might have a conflict of interest must fully disclose the interest to their supervising fiscal administrator and remove themselves from any exercise of influence or decision making regarding the interest.

E. 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.

2. Banking and Other Institutional Accounts

A. Policy

To establish procedures regarding opening, using, and reconciliation of 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 where public funds are collected.

B. Authorization of Accounts

- 1) All bank accounts shall be centrally authorized by the Business Administrator or her/his designee and monitored by the accounting department. Schools and 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 comply with the Utah Money Management Act and be made under the direction of the Business Administrator and administered by the Finance Director.
- 4) The Governing Board, CE), and Finance Director shall be authorized to sign on all bank accounts.

C. Deposits, Disbursements, and Reconciliations

- 1) All cash receipts of public funds controlled by the district shall only be deposited into authorized district bank accounts using bank-issued deposit slips.
- 2) 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. student non-curricular clubs), may be deposited temporarily into the authorized district accounts, and the district assumes a fiduciary relationship with the closely aligned group or organization. Funds will be maintained 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 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 director of finance or her/his designee on all district-approved bank accounts. Reconciliations performed by designees shall be reviewed by the director of finance.

3. Cash Receipts

A. Policy

To ensure all monies received are properly receipted, transferred to the district cashier, deposited, and recorded in UCA's financial system.

B. Authorized Cashiers

Whenever possible, receipt of all monies (cash and check) shall be restricted to school campus office staff, lunch coordinators, apparel manager, and the district office cashier. When it is not possible or reasonable for authorized cashiers to receive cash, substitute cashiers may be authorized by the school fiscal administrator or the Finance Director, provided they are trained in their responsibilities as a cashier. No other campus or district personnel are authorized to accept cash receipts.

UCA has authorized Zions Bank trust department to receive monthly allotment funds from the State of Utah and the USBE, via electronic funds transfer.

C. General Procedures

- 1) All checks should be made payable to APA (or American Preparatory Academy, UCA, or Utah Charter Academies) and, upon receipt, be immediately restrictively endorsed (stamped "for deposit only").
- 2) Cash receipts are to be issued for all monies received, in person.
- 3) Cash receipts for student fees shall correspond with the approved fee schedule (UC 53A-12-102 and Utah Rule 277-407-5).
- 4) Cash receipts from sales, admissions, user fees, and rentals shall include a charge for sales tax unless specifically exempted (Utah Code 59-12)
- 5) Whenever possible, monies received, together with accompanying receipt copy, revenue account coding, and supporting documentation, should be stored in the campus petty cash box and transferred to secure pouches for delivery to the district office. If monies are received outside school hours, they shall be secured and turned in to an authorized cashier the next business day.
- 6) The district office will pick up deposit funds into the UCA operating account at least twice a week (Utah Code 51-4-2(2)(a)), follow up on any discrepancies with the authorized cashiers, and reconcile campus petty cash boxes periodically.
- 7) All monies received, together with accompanying receipt copy, revenue account coding, and supporting documentation, should be stored in the campus petty cash box and delivered to the district office in secure pouches every weekday.
- 8) Fiscal administrators shall use reasonable means to pursue unpaid amounts due the District. As a last resort, fiscal administrators may turn collection efforts to a contract collection agency.

4. Purchasing

A. Policy

Purpose: *To establish procedures governing the initiation, authorization, and review of all expenditures of APA.*

Schools and departments are to foster a competitive procurement environment by seeking multiple quotes or bids prior to making a purchase. Not all purchases (photography services, building rentals, banquets, etc.) lend themselves to a formal bidding process. However, care should be taken to select vendors who make an effort to serve public entities by competitively pricing their goods and services.

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

B. General Procedures

1) Segregation of duties

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

2) Scope of purchasing policy

All purchasing activities of APA are to be consistent with; applicable state and federal laws, including the Utah Procurement Code and the Utah Public Employees' Ethics Act, APA's code of ethics, and purchasing policies and procedures, any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies, and prudent management practices.

In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of the school, and are to be documented in a way that clearly substantiates such reasonableness and necessity.

3) Dividing a procurement to avoid using standard procurement process.

It is unlawful for a person knowingly to divide a single procurement into multiple smaller procurements if dividing the single procurement is done with the intent to avoid the use of a standard procurement process that would have otherwise been required if the procurement had not been divided. (Utah Code 63G)

4) Gratuities/kickbacks

It is unlawful 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 or kickback from a person who has or is seeking

a contract with or a grant from a public entity. An employee of a tax-supported entity may accept gifts from vendors without it being against the law, so long as the gift is valued at less than \$10 amount, and total gifts for the year do not exceed \$50. (Utah Code 63G-6a-2304-4a)

C. Standard Purchasing Process

Please see “Exhibit 1 – Purchasing Guide”

1) Classroom Budget Purchases

Teachers, Instructors, and other staff may receive an annual classroom budget to be spent on classroom supplies. Employees are reimbursed directly based on an Expense Report with original invoices and approved by a campus administrator. Employees should request a tax exemption and present APA’s Section 501(c)(3) exemption number (12026361-003-STC) or form TC721 at the time of purchase. APA is not allowed to reimburse sales tax paid with personal funds.

2) Small Purchases (see “Professional Services,” below)

a. Purchases less than \$5,000

- i. Direct purchase from the best source.
- ii. Competitive quotes not required but encouraged for transparency, value, and competition.
- iii. Minimum documentation: receipt/invoice
- iv. Approval: Purchasing or Director
- v. Use State cooperative contract if available and competitive

b. Purchases - \$5,000 to \$9,999.99

- i. Two or more documented quotes
- ii. Select the lowest quote that meets product/service requirements.
- iii. Minimum documentation: quote record, PO, receipt/invoice
- iv. Approval: Purchasing or Director, and Finance Director
- v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

c. Purchases - \$10,000 to \$49,999.99

- i. Two or more written quotes
- ii. Select the lowest quote that meets product/service requirements.
- iii. Minimum documentation: quotes, PO, receipt/invoice
- iv. Approval: Purchasing or Director, and Finance Director
- v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

d. Professional services up to \$99,999.99

- i. Three or more written quotes
- ii. Select best value meeting qualifications and service requirements
- iii. Minimum documentation: quotes, PO, receipt/invoice
- iv. Approval: Purchasing or Director, and Finance Director
- v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

3) Large Purchases (see “Professional Services”, below)

a. Purchases – Individual purchase or fiscal year aggregate of \$50,000 or more

- i. Request for proposal (RFP).
 - ii. Public notice, RFP, RFP committee review, and recommendation based on qualifications, price, and other key criteria
 - iii. Minimum documentation: RFP, PO, receipt/invoice/contract
 - iv. Approval: Purchasing or Director, Finance Director, and Governing Board (disbursement only)
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency
- b. Professional services – individual contract or fiscal year aggregate of \$100,000 or more**
- i. Request for proposal (RFP).
 - ii. Public notice, RFP, RFP committee review, and recommendation based on qualifications, price, and other key criteria
 - iii. Minimum documentation: receipt/invoice/contract
 - iv. Approval: Purchasing or Director, Finance Director, and Governing Board (disbursement only)
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

D. Exceptions to Standard Purchase Process

1) State Cooperative Contracts

APA may purchase goods and/or services from state cooperative contracts. If the vendor and item/service are on state contract, the solicitation has already been completed and the purchase is deemed compliant with purchasing codes and regulations. (Utah Code 63G-6a-2105)

2) Waiving minimum bid, quote, or statement of qualifications requirement

The requirement that a procurement unit obtains a minimum of two bids, quotes, or statements of qualifications is waived when only one vendor submits a bid, provides a quote, or submits a statement of qualifications after purchasing makes a reasonable effort to solicit known vendors, considers the reasonableness of the single response, and documents the circumstances and reasons for the lack of additional responses. (Utah Code R33-4-109)

3) Sole Source purchase/contract

Purchasing may award a contract for a procurement item without engaging in a standard procurement process if the procurement official determines in writing that: (a) there is only one source for the procurement item; and (b) transitional costs are a significant consideration in selecting a procurement item, and (i) the results of a cost-benefit analysis demonstrate that transitional costs are unreasonable or cost-prohibitive, and (ii) that the award of a contract is in the best interest of the procurement unit. (Utah Code 63G)

4) Emergency

A Director or designee may authorize an emergency procurement without using a standard procurement process when an emergency condition exists. The authorizing Director shall 1) ensure the procurement is made with as much competition as reasonably practicable while avoiding harm, or a risk of harm, to the public health, safety, welfare, or property; or

protecting the legal interests of AP, and 2) prepare a written document explaining the emergency condition that necessitated the emergency procurement. (UPC 63G-6a-804)

5) Extension of a contract

Purchasing may extend an existing contract without engaging in a standard procurement process for a period of time not to exceed 120 days, if:

- (a) an extension of the contract is necessary to
 - (i) avoid a lapse in critical government service; or
 - (ii) to mitigate a circumstance that is likely to have a negative impact on public health, safety, welfare, or property. (Utah Code 63G)

6) Reciprocal preference for resident contractors and providers of state products

APA shall, for all procurements, give a reciprocal preference to those bidders who have a principal place of business in Utah, employ workers who are Utah residents, or offer items/services that are produced, manufactured, mined, grown, or performed in Utah.

E. Contracts

1) Permitted contract types

A firm fixed price contract is the only type of contract a procurement official may use, unless the procurement official makes a written determination that the use of a specified type of contract, other than a firm fixed price contract, is in the best interest of APA, taking into consideration the type and complexity of the procurement item.

2) Contract provisions for incentives, damages, and penalties

LEA's are allowed to include contract terms that provide for: (a) incentives, including bonuses; (b) payment of damages, including liquidated damages; or (c) penalties.

3) Multi-year contracts

a. Purchase agreements may be made for multiyear contracts if (a) it is determined to be in the best interest of APA, (b) the invitation for bids or request for proposal states the terms of the term of the contract, including all possible renewals of the contract, and (c) is in compliance with the terms of Utah Code 63G-6a-1204.

b. A multi-year contract, including any renewal periods, may not exceed a period of five (5) years.

E. Construction and Related Services

Please see "Exhibit 1 – Purchasing Guide"

Purchases of goods and services under Sections B through E of this policy shall apply to the purchase of construction services, except as outlined below.

1) Purchases/Contract (see "Architects and Engineers", below)

a. Purchases less than \$25,000

- i. Direct purchase from the best source.
- ii. Competitive bids are not required but encouraged for transparency, value, and competition.

- iii. Minimum documentation: receipt/invoice/contract
- iv. Approval: Purchasing or Director, and Finance Director
- b. Purchases - \$25,000 to \$99,999.99**
 - i. Two or more written quotes
 - ii. Select the lowest quote meeting service requirements.
 - iii. Minimum documentation: quotes, PO, receipt/invoice/contract
 - iv. Approval: Purchasing or Director, Finance Director
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency
- c. Purchases – \$100,000 or more**
 - i. Request for proposal (RFP).
 - ii. Public notice, RFP, RFP committee review, and recommendation based on qualifications, price, and other key criteria
 - iii. Minimum documentation: RFP, PO, receipt/invoice/contract
 - iv. Approval: Purchasing or Director, Finance Director, and Governing Board (disbursement only)
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

2) Architects and Engineers

- a. Licensed architect or engineer shall prepare the plans and specifications for the construction or alteration of school buildings.
- b. The selection of an architect or engineer shall follow the most recent adoption of the Utah Procurement Code and Utah Office of Education rules and requirements.
- c. Architect and Engineering Services up to \$99,999.99**
 - i. Three or more written quotes
 - ii. Select best value meeting qualifications and service requirements
 - iii. Minimum documentation: quotes, PO, receipt/invoice
 - iv. Approval: Purchasing or Director, and Finance Director
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency
- d. Architect and Engineering Services \$100,000 and up**
 - i. Request for proposal (RFP).
 - ii. Public notice, RFP, RFP committee review, and recommendation based on qualifications, price, and other key criteria
 - iii. Minimum documentation: RFP, PO, receipt/invoice/contract
 - iv. Approval: Purchasing or Director, Finance Director, and Governing Board (disbursement only)
 - v. Exceptions: State cooperative contract, quote waiver, sole source, emergency

4) Limited Compliance with Local Zoning Ordinances – *Same as current policy*

- a. APA shall comply with local zoning and land use ordinances except as follows:
 - i. APA is not required to comply with a local municipality or county regarding its land use or zoning ordinances with respect to:
 - 1. Landscaping;

2. Fencing;
 3. Aesthetic considerations;
 4. Construction methods or materials;
 5. Building codes;
 6. Building use for educational services; or
 7. Use or construction of temporary classrooms on school property (per UCA 10-9a-305).
- b. APA, at its discretion, is not required to participate in the cost of any study or construction of any sidewalk unless:
 - i. The sidewalk is necessary for the safety of school children; or;
 - ii. The sidewalk is on or contiguous to school property.
 - c. APA is not required to participate in the cost of any study or construction of any roadway unless the roadway is necessary to connect an otherwise isolated school site to an existing roadway.
 - d. APA shall not pay fees to either the county or a local municipality unless:
 - i. APA has elected not to provide its own inspectors to inspect school construction or otherwise fails to provide for inspections; in such case, APA must pay local municipal inspection fees;
 - ii. The fee relates to an impact fee for an improvement project that is reasonably related to the impact of APA's project upon the need that the improvement is to address; or
 - iii. The cost imposed is necessary to avoid unreasonable risks to health or safety.
 - iv. APA shall select an inspector in compliance with procurement and school construction rules at the time of procurement.

5) Change Orders – Same as current policy

- a. Under a construction contract, any change order which increases the contract amount shall be subject to prior written certification that the change order is within the determined project or contract budget. The certification shall be made by the Director. The change order shall be signed by the Finance Director.
- b. If the certification discloses a resulting increase in the total project or contract budget, the Finance Director shall not execute or make the change order unless sufficient funds are available for the scope of the project or the contract is adjusted to permit the degree of completion feasible within the total project or contract budget as it existed prior to the change order under consideration (63G-6a-1207).
- c. In order to assure that construction work proceeds without interruption, the Finance Director is authorized to approve change orders up to \$20,000 without prior approval, if the change order is within the budget

6) Protests and Remedies – Same as current policy

- a. The following provisions apply to all competitive bids or competitive requests for proposals, including construction procurement.
 - i. Protest Officer
 1. The Finance Director is designated as the protest officer for APA, and, as such, will follow requirements outlined in 63G-6a-1603 and the rules defined in the Utah Administrative Code section R33-16.
 - ii. Submitted in Writing

1. Any actual or prospective bidder, offer, or contractor who is aggrieved in connection with the solicitation or award of the contract may protest to the Director of Purchasing.
2. A protest with respect to a standard procurement shall be submitted in writing prior to the opening of bids or the closing date for proposals unless the aggrieved person did not know or should not have known of the facts giving rise to the protest prior to bidding opening or the closing date for proposals.
3. The protest shall be submitted in writing within seven (7) calendar days after the aggrieved person knows or should have known of the facts giving rise to the protest.
4. The Director has the authority, prior to the commencement of an action in court concerning the controversy, to settle and resolve the protest.
5. Failure to submit a timely protest shall constitute a waiver of such right (Utah Code 63G-6a-1602).

b. Stay of Proceedings

- i. In the event of a timely protest, the Department shall not proceed further with the solicitation or with the award of the contract until all administrative and judicial remedies have been exhausted or until the Director makes a written determination that the award of the contract without delay is necessary to protect substantial interests of APA.

c. Appeal of Decision

- i. Under provisions outlined in 63G-6a-1702, any person that has successfully submitted a protest under the above requirements may appeal to the Utah State Procurement Policy Board if a decision made by the protest officer is not in their favor.

5. Disbursements

A. Policy

To ensure that funds are disbursed only for valid business purposes after approvals by authorized persons and in compliance with applicable sponsor requirements and state and federal regulations.

B. General Procedures

- 1) All disbursement of public funds under district control shall be made using a district purchasing instrument and accompanied by documentation that establishes: compliance with all applicable state and federal laws and regulations; other district policies, any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; prudent management practices; and reasonableness and necessity for carrying out the programs and activities of the district.
- 2) The use of gift cards or similar non-cash instruments in lieu of an approved district purchasing instrument to transact district business is not allowed.

- 3) Fiscal administrators shall avoid advance payments or prepayments whenever possible. However, fiscal administrators may request a prepayment if all of the following conditions are met:
 - a. The advance payment is among the following allowable types:
 - i. Annual membership dues for professional organizations.
 - ii. Subscription costs. Includes initial and annual renewal costs. Multiple-year subscriptions must be approved and demonstrate cost savings for the District.
 - iii. Travel and conference costs. Limited to lodging, airfare, per diem, and registration fees.
 - iv. Payments for contracted services by individuals or other vendors not employed by the District that will not be performed without a deposit or full payment upfront. Due to IRS requirements, these types of payments must be made via Purchase Order.
 - v. Advertising costs.
 - vi. Payments required under term contracts and leases. Examples include insurance premiums, service contracts, software licensing & maintenance agreements, equipment rentals, real estate contracts, etc. Multiple-year prepayments are permitted if documentation clearly shows it is a term of the contract (e.g. lease deposit).
 - b. In the event a vendor fails to deliver the goods or perform the requested service, the fiscal administrator shall pursue a full refund.
 - c. In the event of contract cancellation by APA, the fiscal administrator shall pursue any refunds allowed under the vendor contract.
- 4) All disbursements shall be signed by the fiscal administrator signifying approval of the purchase after review of supporting documentation for accuracy, compliance, reasonableness, and necessity. If the fiscal administrator is also a payee, the disbursement must be reviewed and signed by the direct line supervisor or another authorized signatory.
- 5) 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 the program, expense, or asset, and location coding that accurately reflects the expenditure being made.
- 6) Access to district purchasing instruments as well as bank accounts and statements shall be secured and controlled by the district accounting office.
- 7) Purchase (credit) cards are used to support a more convenient, efficient, and cost-effective method of purchasing and payment for small-dollar transactions, subject to the following guidelines and procedures:
 - a. Purchase (credit) cards are issued by the purchase (credit) card administrator at the request of campus and district directors and are limited in number due to the risks associated with their access to public funds.
 - b. Your signature on the Cardholder Agreement indicates that you understand the intent of the card and agree to adhere to all guidelines established for its use. Although the card is issued in your name, it is the property of the district and is only to be used for authorized purchases.
 - c. You are responsible for the security of your card and the transactions made on it. The card is issued in your name, and any purchase made with the card is assumed to have been made by you. Failure to comply with guidelines established for APA purchase

(credit) cards may result in consequences ranging from suspension of your purchasing card privilege to termination of employment.

- d. If your card is lost or stolen, notify the purchasing card administrator and contact the issuing bank immediately.
 - e. Purchase (credit) cards are subject to all Purchasing policy approval and documentation guidelines and may NOT be used for:
 - i. Purchases for personal use
 - ii. Air travel, hotel reservations, and entertainment
 - iii. Items available through district purchasing or warehousing
 - f. You must obtain a sales tax-free, itemized receipt for every purchase made on your card, including phone and internet purchases. The cardholder is responsible for contacting the vendor for missing or lost receipts.
 - g. Purchases must be reconciled to the monthly credit card statement, and a signed copy of the statement provided to the district purchasing director by the 20th of the month following the statement close cycle, along with:
 - i. sales tax-free, original receipt
 - ii. detailed description
 - iii. complete program and account coding
 - h. Card usage may be audited and/or rescinded at any time.
 - i. Increasing a card limit requires authorization by the director of purchasing, or the Finance Director if the requested limit is over \$5,000.
- 8) APA is exempt from paying sales tax on purchases it makes to support APA's educational mission. To qualify for the exemption, the purchase must be made using a district purchasing instrument. A district check, purchase order, or completed TC-721 Exemption Certificate is evidence of our exemption (Utah Code 59-12-104).
- 9) Access to APA accounting systems shall be secured and safeguarded by restricted passwords.
- 10) 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.
- 11) No employee shall knowingly either use public funds or incur indebtedness or liability on behalf of, or payable by, the district for personal use expenditures. (See the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16-1 et. seq.), and Utah Code 11-55-103(1).)
- a. If a fiscal administrator or other district officer determines that an employee either knowingly used public funds or incurred indebtedness on behalf of the district for personal use expenditures, the fiscal administrator shall:
 - i. Consult with their supervisor to determine the appropriate level of corrective discipline and then administer such discipline accordingly.
 - ii. Require the employee to reimburse the district the full amount of the personal use expenditure. Such reimbursed funds are to be credited back to the account from which they were originally paid. (Utah Code 11-55-103(2)(a).)
 - iii. Require the employee to pay an administrative penalty equal to 50% of the personal use expenditure. Fiscal administrators are to ensure such fees are collected at their site and then properly remitted to Accounting for deposit into the District's general fund. (Utah Code 11-55- 103(2)(b).)

- b. An employee who has been found to be in violation of this policy may seek relief from 1(a)(ii) and/or (iii) by appealing the finding. Such appeal must 1) be made in writing, 2) include an explanation detailing why the expenditure(s) in question do not meet the definition of “personal use expenditure,” and 3) be submitted to their fiscal administrator along with a copy to the Finance Director. The fiscal administrator shall consult with the Finance Director and make a joint determination of the nature of the expenditure(s). The fiscal administrator may grant relief only if both they and the Finance Director agree that the expenditure(s) in question do not meet the definition of “personal use expenditure”.
- 12) Fiscal administrators in secondary schools shall ensure that unclaimed refunds and uncashed checks written by the school that are older than twelve (12) months from the date of issuance are canceled and the funds remitted to accounting with an accompanying report every June. District finance will review unclaimed property annually and escheat necessary accounts/amounts to the State of Utah (Utah Code 67- 4a).

6. Reimbursements

A. Policy

Purpose: To ensure that funds are disbursed only for valid business purposes after approvals by authorized persons and in compliance with applicable sponsor requirements and state and federal regulations.

B. General Procedures

Whenever possible, items should be paid for directly using a purchase order or purchasing card. Employees seeking reimbursement for APA expenditures (except cell phone reimbursements) made with personal funds shall submit the following:

- Completed expense reimbursement form signed by the requestor and approved by the employee’s immediate supervisor.
- Original receipts (sales tax will not be reimbursed except for out-of-state lodging)
- Description of expense and compelling reason why the purchase was made without a purchase order or purchase (credit) card.
- Proper program, function, and object account coding.
- Expense is in compliance with all other Purchasing policies, including approval thresholds and document requirements.
- Reimbursement request is received by accounting no later than 45 days after the date of the purchase and no later than July 31 for purchases prior to July 1.

C. Mileage

In addition to the general reimbursement requirements above, mileage reimbursement requests must include specific information regarding the purpose, origination, and destination of each individual trip. APA reimburses approved mileage using the prevailing IRS mileage reimbursement rate (<https://www.irs.gov/tax-professionals/standard-mileage-rates>).

Requirements specific to mileage reimbursement requests include:

- 1) Eligible employees include professional central office staff, principals, assistant principals, and staff whose primary full-time work assignment is conducted at multiple school or district locations (e.g. nurses, special education services, student services, early intervention, etc.), and school secretaries to travel in order to conduct district/school business.
- 2) Mileage is only reimbursed for specifically identified mileage trips in excess of the employee's normal commute miles to and/or from their assigned workplace.
- 3) If the day's activities do not include a commute to the normal workplace, the day's total mileage should be reduced by the employee's normal (round-trip) commute miles when calculating reimbursable miles
- 4) Mileage for lunch and/or dinner breaks is not reimbursable.
- 5) Mileage reimbursement is not paid for student overnight travel.

D. General Travel

General travel reimbursements are intended to cover only ordinary and reasonable travel-related expenses for business travel pre-approved by the employee's immediate supervisor and director. In addition to the general reimbursement requirements above, general travel reimbursement requests must include specific information regarding the purpose, origination, and destination of each travel trip.

- 1) For long-distance travel (over 100 miles), travel-related expenses include:
 - a. Airfare and lodging - The purchasing department will work with the employee to determine and purchase the best airfare and lodging arrangements based on cost and requirements of the business activity.
 - i. Alternative Travel Arrangements – Employees may elect alternative travel and lodging to accommodate personal preferences if the alternatives provide documented cost savings to APA or if the employee pays the increased costs.
 - b. Transportation costs - A rental car should only be used in cases of documented need and with prior approval from the employee's immediate supervisor. Groups of employees at the same location shall share rental vehicles where practical. When a rental car is used, rental agency liability and collision/loss damage coverage are required, at APA expense.
 - c. Meals and incidental travel expenses (incl. parking and tolls) – Will be reimbursed up to a maximum of \$50 per day. Employees who have been issued an APA credit/purchase card may use it to pay for approved travel-related meals. Employees must retain all receipts related to such purchases.
- 2) Travel-related expenses do not include:
 - a. Entertainment, alcohol, or other personal expenses not required to conduct APA business (see Utah Code R25-7-4 and R25-7-9)

E. Cell Phone

No employee is allowed a District-paid cell phone without express written permission by the Business Administrator. At the school's discretion, and as approved by the Finance Director or Business Manager, certain administrative employees may receive a cell phone stipend as part of their annual compensation as outlined in their LOU.

7. Fixed Assets

A. Policy

The purpose of this policy is to ensure:

- 1) Fixed asset acquisitions, recording, tracking, and inventories are performed consistently, in accordance with established procurement policies and internal controls, and with adequate segregation of duties.
- 2) Fixed assets are depreciated over their useful lives, properly disposed of, and accounted for and reported on in accordance with State and Federal regulations and generally accepted accounting principles.

This policy applies to all APA schools, departments, district offices, and employees involved in fixed asset purchasing, receiving, recording, tracking, inventorying, and disposals, related to all purchased, constructed, donated, leased, or subscription fixed assets.

B. General Procedures

1) **RECORDING AND TRACKING**

According to APA's procurement policy and review and approval process, purchase orders, vendor invoices, and cash disbursements are reviewed by District Purchasing and District Finance to identify qualifying fixed assets. Identified fixed asset information will be provided to our fixed asset accountant, no later than the 15th of each month, for system input.

Fixed assets are capitalized based on acquisition cost, using the straight-line method of depreciation, and based on useful lives as indicated in the State of Utah Useful Life Table. Donated assets are valued at fair market value at the time of donation. APA uses the Netsuite fixed asset accounting module to 1) maintain detailed fixed asset information, including asset identification, location, and program, and 2) calculate and post monthly depreciation to our Netsuite general ledger system.

2) **DEPRECIATION METHODS**

Fixed assets are depreciated using the straight-line depreciation method over their useful lives according to the State of Utah Useful Life Table. Depreciation expense and accumulated depreciation are maintained and posted monthly in our Netsuite general ledger system, utilizing a supplementary Netsuite fixed asset module.

Land and works of art are deemed inexhaustible and are not depreciated. Construction Work in Progress assets are not depreciated until the project is complete and the asset placed in service. Leasehold improvements are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. If the lease contains a renewal option and the

likelihood of renewal is uncertain, the leasehold improvement is amortized over the life of the initial lease term or useful life of the improvement, whichever is shorter.

3) LEASED ASSETS

Per GASB Statement No. 62, assets are capitalized if the lease agreement meets any one of the following criteria:

- a. The lease transfers ownership of the property to the lessee by the end of the lease term.
- b. The lease contains a bargain purchase option
- c. The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- d. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair market value of the leased property.

Leases that do not meet any of the above requirements are recorded as operating leases.

4) ASSET CLASSIFICATIONS, THRESHOLDS, AND USEFUL LIVES

Assets purchased, constructed or donated that meet or exceed the established capitalization thresholds or minimum reporting requirements must be uniformly classified. All fixed assets will be capitalized according to the classifications, thresholds, and useful lives published in the Utah Standard Useful Life Table. Capitalization thresholds and useful lives for primary asset classes are as follows:

Asset Classification	Threshold	Useful Life
Land	Capitalize All	N/A
Land improvements	\$5,000	5-20 years
Buildings	Capitalize All	40 years
Building improvements	\$5,000	Remaining bldg. useful life
Leasehold improvements	\$5,000	Remaining term of lease
Personal property (including Equipment)	\$5,000	3-10 years
Works of art	\$5,000	N/A
Intangible assets:		
Software, purchased new	\$5,000	3
Software lic. subscription	\$5,000	Paid term beyond year 1
Construction in progress	All projects >\$5,000	N/A

5) INVENTORY

Fixed asset equipment is assigned by campus/location. Personal computer hardware which is not capitalized is tagged and tracked by location/employee by District IT. Campus directors are APA’s property custodians and are responsible for the care and maintenance of assigned equipment and to assist District Finance and operations to perform an annual fixed asset inventory, no later than the end of the fiscal year (June 30). District IT is responsible for asset tagging, physical inventory, and related reporting for all IT-related fixed assets.

Upon completion of the annual inventory, a list of any lost, damaged, scrapped, transferred, sold, or otherwise disposed of assets shall be reported to District finance.

APA assets are not for personal use and with certain exceptions such as employee-issued items such as computers and texts and materials, should not leave school property without written approval of the immediate supervisor or location director. Each campus shall maintain records of all asset transfers in/out as well as all assets located off-site and related supporting documentation. Special precautions must be taken to safeguard equipment containing electronic data or at high risk for theft. Loss or theft of APA property must be reported to Operations and the Business Administrator within 24 hours of discovery.

6) IMPAIRMENT

Per Statement No. 42 of the Governmental Accounting Standards Board, “governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.”

The general ledger and fixed asset subledger book value of impaired assets will be reduced to reflect the impairment amount. Impaired assets will not be retired from the general ledger and fixed asset subledger until disposal.

7) DISPOSAL AND RETIREMENT

Disposal of capital assets purchased with program funds must be coordinated with the appropriate program analyst/manager. Disposal of capital assets purchased with bond funds must be coordinated with District finance.

Upon disposal, capital assets and their related accumulated depreciation are removed from the general ledger and fixed asset subledger. The use of proceeds from the sale of capital assets may be restricted, depending on the funding source used to purchase the assets. The District fixed asset accountant is responsible for recording all fixed asset disposals in our fixed asset program.

8) SURPLUS PROPERTY

Campus directors should notify District Operations of surplus property. District Operations will look into possible redistribution of surplus property within APA. Property that cannot be redistributed to other campus users will be stored, sold or disposed of by District Operations to serve the best interest of APA in accordance with Utah State law. Surplus property restricted by federal or State statute or regulation must be disposed of in accordance with applicable legal requirements.

Disposal of APA's surplus property must be through sealed bidding, public auction or at a fixed price determined by Operations (sold on a first come-first served basis). A minimum acceptable sale price may be established for surplus property. All surplus property sold on the Utah surplus property website, through sealed bidding, or to the general public will be on an "AS IS" basis, with no warranties. Proceeds from any surplus asset sales will be delivered to the District fixed asset accountant, along with supporting documentation, for proper recording in our fixed asset program.

Surplus property that is not sold may be contributed to other state, county, city or non-profit organizations or disposed of. Transfer of such property must be approved by District Operations and District Finance

8. Staff Appreciation, Incentives, and Gifts

A. Policy

School administrators are encouraged to recognize employees and volunteers for service and to provide incentives using means other than public funds or providing a monetary reward where possible. Public funds may be used infrequently to purchase food, express appreciation, or provide an incentive or a gift to an employee or volunteer, subject to this policy. In general cash payments and cash equivalents to employees are not allowed, with the exception of gift cards that comply with this policy and IRS guidelines (<https://www.irs.gov/government-entities/federal-state-local-governments/de-minimis-fringe-benefits>).

B. Budget

The district establishes an annual budget amount per full-time equivalent staff member for employee appreciation programs. Each campus will establish and maintain a spending plan for these funds, which will be presented to the district financial office. The funds for this budget must come from unrestricted local funds. Restricted local, state, or federal funds may not be used, except when such purchases are explicitly allowed, stated, approved, and budgeted for in a specific grant award document.

C. Exemptions

Expenditures exempted from this policy include any non-public funds, such as donations made by individuals or groups for non-official school purposes.

D. Appropriate Uses

Budgeted funds from Section B above are to be used for the following business purposes:

- 1) Food, snacks, and catered staff meals (parent-teacher conference, winter party, teacher appreciation, etc.)
- 2) Employment socials
- 3) Team-building activities
- 4) Individual recognition
- 5) Cards, thank you notes, certificates, or other written forms of thanks, celebration, or condolences.

- 6) Gift cards upon condition that inventory and issuance records are maintained as directed by the finance office

E. Inappropriate Uses

- 1) Cash payments
- 2) Meals consumed at a restaurant
- 3) Personal gifts for life events/holidays such as wedding, birthday, Christmas, secretary's day, etc. Such gifts, if given, should be paid for with personal funds from those who wish to contribute without expectation and would then fall under "C" (Exemptions) above.

9. Food and Beverage Purchases

A. Policy

In general, the use of public funds to purchase food and beverage is only permissible if:

- 1) Doing so clearly serves a public and/or educational purpose.
- 2) The food and beverage is suitable to the type and duration of the occasion.
- 3) The use of public funds to purchase food and beverage used to express appreciation or provide a gift or incentive to an employee or volunteer is also subject to the Staff Appreciation, Incentives, and Gifts policy.

B. General Procedures

1) Allowable Expenditures

Specific instances when it is allowable to use public funds to purchase food and beverage are as follows:

- a. At district or school sponsored gatherings where the primary attendees are parents, patrons, or volunteers.
- b. Community Meetings – When seeking to build community connections and/or increase parent/student engagement and involvement in the educational process, simple refreshments are appropriate.
- c. District/School Meetings and Functions – When faculty or staff are asked to attend District/School meetings or functions that necessarily occur before or after the official workday.
- d. District-Provided Professional Development – When faculty or staff are asked to attend District provided professional development that necessarily occurs before or after the official workday and that necessarily lasts longer than 90 minutes, simple refreshments are appropriate.
- e. Grant-Funded Meetings or Events – The grant must specifically allow for food and beverage in the grant agreement (such as parental involvement meetings) and the expenditure must also be directly connected to the grant objectives. Federal guidelines, if applicable, must be adhered to.

- f. Events funded by non-public funds and which comply with the Utah State Employees Ethics Act limitations.
 - g. Employee Retirement Open House - The cost of the refreshments (food and beverage) should not exceed \$3.00 per person, based on estimated attendance.
 - h. District Annual Retirement Dinner, District Anniversary Banquet, and School Award Banquets such as Graduation.
 - i. Emergency Sustenance – In emergency situations such as natural disasters or to provide for health and safety needs.
- 2) Expenditures Not Allowed
- Instances where public funds may NOT be used to purchase food and beverage include:
- a. Prohibited Substances – Public funds shall not be used to purchase alcoholic beverages or other substances not permitted on school property.
 - b. Food or Beverage Beyond Per Diem – Food and beverage shall not be purchased using public funds while on District-related travel except as covered by designated per diem schedules and procedures.
 - c. Regular Work Meetings – Public funds shall not be used to purchase food for standard District meetings or functions unless the meeting or function meets the criteria described above.
- 3) Outside Entities
- Outside entities that wish to provide meals or refreshments for District personnel or functions may do so provided they pay the vendor directly and such occurrences do not violate the Utah State Procurement Ethics Law, Utah State Employee Ethics Act, Utah Educator Standards, or District policy.
- 4) District Food Services
- For those specific instances when public funds may be used to purchase food and beverage, it is suggested that schools and departments consider arranging such events through the District’s food services.

10. Journal Entries

Extra care and attention should be given to providing a thorough and complete description of the reasons for and the desired outcome of any journal entries. Journal entries should be reviewed and approved by someone other than the initiator and a record of such approval maintained and given final review by the Director of Finance.

11. Donations, Gifts & Sponsorships

The purpose of this policy is to establish an American Preparatory Academy (APA) policy and procedure governing the acceptance, valuation, and recognition of all types of donations, gifts, and sponsorships for APA and individual schools within APA. This policy is intended to create practices that adequately safeguard public funds, provide for accountability, and ensure compliance with all state and federal laws. APA encourages and supports community and business partnerships that enhance and supplement the public education system. APA is committed to work effectively with donors and

sponsors to provide donation receipts, as required by law, and to facilitate the donor's charitable intent to the extent that the intent of the donation is in harmony with APA goals and the law, and is appropriately approved. APA is ultimately responsible for the accounting, custody, expenditure, and allocation of all monies, including those that are obtained through donations, gifts, and sponsorships. APA is accountable for and should comply with all federal and state laws and rules, regardless of the source of funds. APA also desires to protect students, parents, teachers, and school administrators from over-commercialization and restrictions or requirements that are coercive, distracting, or disruptive to the education processes, threatening to the health and welfare of students, or lacking in educational merit. APA reserves the right to decline or restrict donations, gifts, and sponsorships at both APA and individual school levels. This policy applies to all APA administrators, licensed educators, staff members, students, organizations, volunteers, and individuals who receive, authorize, accept, value, or record donations, gifts, or sponsorships for APA or individual schools. It is expected that in all dealings, APA and school employees should act ethically, consistent with APA's ethics training, the Utah Educators' Standards (R277-515), the Public Officers' and Employees' Ethics Act (Utah Code 67-16), and State procurement law (Utah Code 63G-6a).

1. "Public funds" are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs or other public bodies [Utah Code 51-7-3(26)]. All monies received through donations, gifts, or sponsorships are considered public funds.
2. All funds, property, or goods donated become public funds and the property of APA, and should be used for the purpose for which they were donated and in accordance with State and APA policies.
3. APA recognizes that fundraising efforts, donations, gifts, sponsorships, and public support vary among schools. APA is committed to appropriate distribution of unrestricted funds and the management of donations and gifts to ensure that the educational opportunities for all students are equal and fair.
4. APA is committed to principles of gender equity and compliance with Title IX guidance. APA commits to use all facilities, unrestricted donations and gifts, and other available funds in harmony with these principles. APA reserves the right to decline or restrict donations, gifts, and fundraising proceeds, including those that might result in gender inequity or a violation of Title IX. The benefits derived from donations and gifts should be equitable for all students, comply with Title IX, and be in harmony with Article X of the Utah Constitution.
5. Donors may donate directly to APA's foundation, American Preparatory Education Foundation (APEF) for tax purposes. The donation or gift should follow the foundation's policies and procedures.
6. APA and individual schools should comply with all applicable state and federal laws; the State procurement code (Utah Code 63G-6a); State Board of Education rules, including construction and improvements; IRS Publication 526 "Charitable Contributions"; and other applicable IRS regulations.
7. The collection of funds or assets associated with donations, gifts, or sponsorships should comply with APA cash receipting policies. The expenditure of any public funds associated with donations, gifts, or sponsorships should comply with APA cash disbursement policies.
8. Donations, whether in-kind, cash, or otherwise, should be complete transfers of ownership, rights, privileges, and/or title in or to the donated goods or services and become exclusive property of APA upon delivery.

9. APA employees may not direct operating expenditures to outside funding sources to avoid APA procurement rules (operating expenditures include equipment, uniforms, salaries or stipends, improvements or maintenance for facilities, etc.).
10. APA employees must comply with APA procurement policies and procedures, including complying with obtaining competitive quotes; bid splitting; and not accepting gifts, gratuities, or kickbacks from vendors or other interested parties.
11. Donations and gifts should be accounted for at an individual contribution level.
12. Donations, gifts, and sponsorships should be directed to APA, APA program(s), school, or school program(s). Donations, gifts, and sponsorships should not be directed at specific APA employees, individual students, vendors, or brand name goods or services.
13. Donated funds should not compensate public employees, directly or indirectly.
14. If donations or gifts are offered in exchange for advertising or other services, an objective valuation should be performed and a charitable receipt should be issued by the foundation or the business administrator.
15. Donations or gifts should not be accepted that advertise or depict products that are prohibited by law for sale or use by minors, such as alcohol, tobacco, or other substances that are known to endanger the health and well-being of students.
16. Donations, gifts, and sponsorships given by vendors to specific programs (e.g., drama, sports teams) or APA employees should be evaluated for compliance with Utah Code 63G-6a-2304.5, "Gratuities, Kickbacks, Unlawful use of position or influence." As required by state law, donations should only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. APA employees are not permitted to accept personal payment or gratuities in any form from a vendor or potential vendor as a precondition for purchase of any product or service.
17. Donations and gifts over \$250 should be provided with an acknowledgment of the contribution from APA for IRS purposes. The acknowledgment should be in the form of a receipt issued by the foundation or business administrator.
18. Types of Donations, Gifts, and Sponsorships
 - a. Products
 - i. APA or individual 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, etc.). These items should be valued at fair market value at the time of the contribution. If advertising or other services are offered in exchange for the donation or gift, this may alter the contribution amount.
 - b. Cash Donations
 - i. Cash donations are welcomed and may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities. All cash donations should be received in compliance with APA's cash receipting policies.
 - ii. Cash donations may be used to fund or enhance programs, facilities, equipment, supplies, services, etc.
 - iii. 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 should be

made to a program, school, division, or department—not directly to individuals—and employment should be processed through APA's Human Resources Department and Payroll Department. APA or school administration reserves the right to decline or restrict these types of donations if they create inequitable environments in the school or inequities that violate Title IX or other laws, are not economically in the best interest of APA, interfere with educational goals, or for any other reason determined by APA or school.

- iv. Cash donations should not be used to augment an employee's remuneration beyond the remuneration associated with the salary schedule of the employee's position.
 - c. Donor and Business Partner Recognition
 - i. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts that are not considered capital or fixed assets. Non-permanent recognitions may be placed on APA buildings or structures.
 - ii. Principals may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner. Such materials should feature the school-business partnership and not promote or endorse the business named.
 - d. Equipment, Supplies, or Goods
 - i. APA or individual schools may accept donated equipment, supplies, or goods for use in APA or individual schools or school programs. These items should be valued at the fair market value at the time of the contribution. If advertising or other services are offered in exchange for the donation or gift, this may alter the valuation amount.
19. Approval and Acceptance of Donations, Gifts, and Sponsorships
- a. Donations, gifts, and sponsorships valued at more than \$250 should be documented on APA "Donation, Contribution, or Sponsorship" form. This form should be completed prior to the acceptance of money or goods, and should be retained in APA or school accounting records. A copy of the completed form should be sent to the foundation or business administrator, and a receipt for charitable contribution purposes should be issued to the donor.
 - b. Approval levels are as follows:
 - i. Money, goods, supplies, or in-kind donations, gifts, or sponsorships valued at \$250-\$10,000 should be documented on APA "Donation, Contribution, or Sponsorship" form and be approved by an individual school principal or applicable APA department or division supervisor prior to acceptance.
 - ii. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at \$10,000-\$50,000 should be documented on APA "Donation, Contribution, or Sponsorship" form and be approved by the business administrator and superintendent prior to acceptance.
 - iii. Money, goods, supplies or in-kind donations, gifts, or sponsorships valued at more than \$50,000 should be documented on APA "Donation, Contribution, or Sponsorship" form and be approved by APA board prior to acceptance.
20. All donations or gifts for construction, maintenance, facilities renovation or improvement, and other capital equipment purchases should be approved in writing by the business administrator, the superintendent, and the board. Prior to the initiation of a large capital drive or specific

fundraising drive, the following should be provided to the business administrator for evaluation and recommendation to the superintendent:

- a. Prospective construction, maintenance or renovation plans and estimated costs
 - b. Proposed naming opportunities
 - c. Proposed donation or gift timeline
 - d. Loans or financing agreements
 - e. Maintenance or upkeep requirements and costs
 - f. Assurances of compliance with Title IX
21. The superintendent should make a recommendation to the board. The board reserves the right to tentatively approve plans, pending donations, gifts, equity, or other conditions.
 22. APA should only grant naming opportunities that are consistent with the mission and educational objectives of APA. Decisions regarding naming opportunities are within the sole discretion of the board.
 23. To avoid disruption of students' instructional activities, schools should not be used for distribution of partisan, religious, or commercial advertisements, fliers, bulletins, newspapers, etc.; nor should such items be placed on vehicles parked on school grounds.
 24. Principals may permit the school distribution of fliers, bulletins, newspapers, etc. with information regarding nonprofit community youth programs such as Boy Scouts of America, Girl Scouts of America, county and municipal programs, and little league-type recreation programs.
 25. Students and employees of APA, including teachers and administrators, should not act as agents for commercial agents during school hours or contract time.
 26. An APA employee's participation in a private, but education-related, activity should be separate and distinguishable from the employee's public employment. APA employees may purchase advertising space to promote private or non-school-sponsored events in the same manner as the general public. APA employee's employment and experience can be used to demonstrate qualifications. The advertisement should clearly state that the activity is not school sponsored. See R277-107 for specific direction.

12. Fundraising

The purpose of this policy is to establish American Preparatory Academy (APA) policy and procedures governing the initiation, authorization, and review of all fundraising activities of APA and individual schools. This policy is intended to create practices that adequately safeguard public funds, provide for accountability, and ensure compliance with state and federal laws. APA encourages community and business partnerships that enhance and supplement the public education system. APA also desires to protect students, parents, teachers, and school administrators from over-commercialization and fundraising efforts that are coercive and disruptive to the education processes, threatening to the health and welfare of students, or lacking in educational merit. This policy applies to all APA administrators, licensed educators, staff members, students, organizations, volunteers and individuals who initiate, authorize, or participate in fundraising events or activities for school-sponsored events. It is expected that in all dealings, APA and school employees should act ethically and consistent with APA's ethics training, the Utah Educators Standards, the Public Officers' and Employees' Ethics Act, and State procurement law.

1. "Public funds" are 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 APA or other public bodies (Utah Code 51-7-3[26]).
2. Fundraising is permitted within APA to allow APA and schools to raise additional funds to supplement school-sponsored academic and co-curricular programs.
3. "School-sponsored" means activities, fundraising events, clubs, camps, clinics, programs, sports, etc., or events, or activities that are authorized by APA or individual school(s) that support APA 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 an APA or public school, or APA or public school employee.
 - b. Uses APA or public 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.
 - d. Does not include non-curricular clubs specifically authorized and meeting all criteria of Utah Code 53A-11-1205 through 1208.
4. APA recognizes that fundraising efforts, donations, and public support vary among schools. APA is committed to appropriate distribution of unrestricted funds and the management of fundraising to ensure that the educational opportunities of all students are equal and fair.
5. APA is committed to principles of gender equity and compliance with Title IX guidance. APA commits to use all facilities, unrestricted gifts and other available funds in harmony with these principles. APA reserves the right to decline or restrict donations, gifts, and fundraising proceeds, including those that might result in gender inequity or a violation of Title IX. Fundraising opportunities should be equitable for all students, comply with Title IX, and be in harmony with Article X of the Utah Constitution.
6. All fees for school-sponsored activities should be properly noticed and approved by the local board of education and are subject to fee waiver provisions in R277-407.
7. Principals, consistent with APA policy, have the responsibility to waive fees, if appropriate. Individual teachers, coaches, advisors, etc. do not have the authority to waive board-approved fees.
8. Annually, each APA division, department, or program and individual school should review all planned camps, clinics, activities, and fundraisers and determine those designated as school-sponsored.
9. All monies raised through fundraisers for school-sponsored activities are considered public funds. APA and individual schools are ultimately responsible for the expenditure and allocation of all monies collected and expended through student, school organized fundraising.
10. The collection of money associated with fundraisers for school-sponsored activities should comply with APA cash receipting policies.
11. The expenditure of any public funds associated with fundraisers for school-sponsored activities should comply with APA cash disbursement policies.
12. Properly approved school-sponsored activities may:
 - a. Use the school's name, facilities, and equipment.
 - b. Utilize APA employees and other resources to supervise, promote, and otherwise staff the activity or fundraiser.
 - c. Be insured under APA's risk management policy (pending approval by APA risk manager) or general liability insurance policy.

- d. Provide additional compensation or stipends for APA employees with the approval of the principal or immediate supervisor and under APA payroll policies.
13. School-sponsored activities should comply with all fee approval and fee waiver provisions established in Utah Code and Utah State Board of Education rules. APA may be responsible for providing student transportation for these activities.
14. Authorization and supervision of fundraising for school-sponsored activities:
 - a. Fundraising at APA level should be approved in writing, prior to the activity, by the superintendent or applicable assistant superintendent/director and supervised by APA employee(s) designated by the approver. The approver should ensure that the activity is appropriately classified as a school- or APA-sponsored activity.
 - b. Fundraising at individual schools should be approved in writing, prior to the activity, by the principal and supervised by a member of the faculty or other APA employee designated by the principal. The approver should ensure that the activity has been appropriately classified as a school-sponsored activity. Principals may approve fundraisers or activities where the expectation is to earn up to \$10,000. Fundraisers expected to earn more than \$10,000 and up to \$50,000 should be approved in writing by the director. Fundraisers expected to earn more than \$50,000 should be approved by APA's board.
 - c. Donations from individuals or organizations should follow APA's gift and donation policy.
 - d. The sale of banners, advertising, signs, or other promotional material that should be displayed on school property should be approved by the principal before the items are initiated or printed, and should meet community standards. Partisan or political advertising and advertising for products that are prohibited by law for sale or use by minors, such as alcohol, tobacco, or other substances that are known to endanger the health and well-being of students, are prohibited.
 - e. **All** fundraising projects for construction, maintenance, facilities renovation or improvement and other capital equipment purchases should be approved in writing by the business administrator, the superintendent, and APA board. (See capital fundraising section below.)
15. APA reserves the right to prohibit, restrict or limit any fundraising activities associated with APA or individual schools.
16. Faculty and student participation in fundraisers is typically voluntary. However, employees may be directed to supervise specific activities as an employment assignment. Students, including fee-waiver-eligible students, may be required to participate fully in school, team, or group-wide fundraisers in order to benefit from fundraisers.
17. Participation in fundraising should not affect a student's grade. Students should not be required to participate in fundraising activities as a condition of belonging to a team, club or group, nor should a student's fundraising effort affect his/her participation time or standing on any team, club or group, except as to fee waiver requirements.
18. Competitive enticements for participation in fundraisers are discouraged. If prizes or rewards are offered by a selected fundraising vendor, they should only be awarded to groups, classes or students, and should be disclosed and approved prior to the fundraiser. Rewards, prizes, commissions, or other direct or indirect compensation should not be received by any teacher, activity, club or group director, or any other APA employee or volunteer.

19. Schools may not impose a sales quota (or the like) as part of fundraising efforts, and students or parents should not be required to pay for any unsold items, or pay for goals not met.
20. Door-to-door sales are prohibited for all students in elementary and middle schools. High school students may participate in door-to-door campaign per sport, club, or group. Suitable procedures should be used by the schools, administrators and supervising faculty to safeguard students and funds collected. Procedures should be clearly communicated to parents.
21. Approval may be denied for fundraising activities that would expose the school or APA to risk of financial loss or liability if the activity is not successful.
22. Fundraising activities should be age appropriate, and should maintain the highest standards of ethical responsibility and integrity.
23. Fundraising revenues should be accounted for at an individual contribution level or participation level. Participation logs should be retained and turned into the accounting office to be included with the deposit detail.
24. Employees who approve, manage, or oversee fundraising activities are required to disclose if they have a financial or controlling interest or access to bank accounts in a fundraising organization or company.
25. Records of all fundraising efforts should be open to the parents, students and donors, including accurate reporting on participation levels and financial outcomes. This policy does not require the release of students' personally identifiable information protected by FERPA.
26. Activities, clubs, groups and their associated fundraisers or other activities that are not school-sponsored or groups, clubs, sports, and programs that are not managed by APA employees are deemed to be non-school-sponsored. Non-school-sponsored activities may:
 - a. NOT use the school's or APA's name without express APA permission.
 - b. NOT use APA's facilities, equipment, and other assets or staff unless a facilities use agreement is initiated and approved. These agreements should follow APA policy for other facilities use agreements.
 - c. NOT utilize APA employees (in their official capacity) and other resources to supervise, promote, and otherwise staff the activity or fundraiser.
 - d. NOT be insured under an APA's risk management or insurance policy. Non-school sponsored activities should provide their own insurance through a third-party insurer.
 - e. NOT provide additional compensation or stipends for APA employees, if the activity is not substantially different from an APA employee's regular job functions and duties and outside of employee's contract hours. (See APA employee disclosure agreement below.)
 - f. Not co-mingle public funds and private fundraising proceeds or expenditures.
 - g. Not use school records to contact parents or students.
27. Parental notification by an APA employee is required if APA employees are involved in the planning, administration, advertising, or serving as staff for a non-school-sponsored activity and if APA students are involved. This notification should occur using the "Non-School-Sponsored Parent Notification" form. A copy of this form should be submitted to the principal by APA employee prior to the event.
28. Funds, donations, or gifts generated through non-school-sponsored activities or events may be donated to APA or to an individual school to support specific programs, teams, groups, clubs, etc. All donations or gifts should follow the guidance established in APA's donations and gifts policy.
29. Non-school-sponsored activities may work in conjunction with APA or an individual school to raise funds. APA may allow these groups to use APA facilities at little or no charge in exchange

for contributions or percentages of proceeds. APA may choose to provide some level of support or pay for portions of these activities. These arrangements should be set forth in a written agreement or contract, and all transactions should be conducted as "arm's-length transactions." These agreements should take into consideration APA's fiduciary responsibility for the management and use of public funds and assets. The terms of these contracts should be approved by the principal, the facilities use agreement approver, and the business administrator. APA should consult with its insurer or legal counsel to ensure risks are adequately considered and managed.

30. Non-curricular clubs specifically authorized under Utah Code 53A-11-1205 through 1208 are not considered school-sponsored.
31. Participation in Private or Non-School-Sponsored Events
 - a. APA employees:
 1. May participate in a private but public education-related activity, such as LDS seminary graduation and firesides, extracurricular travel, etc.
 2. Should ensure that personal participation in activities is separate and distinguishable from the employee's public employment, official job title, or job duties.
 3. May not contact students in APA using education records or information obtained through public employment unless the records or information are available to the general public.
 4. May not use school time to discuss, promote, or prepare for a private or non-school-sponsored activity.
 5. May offer public education-related services, programs or activities to students, provided they are not advertised or promoted during school time or using any type or amount of school resources.
 6. May use school or student publications available to the general public to advertise and promote the private or non-school-sponsored activity.
 7. May not require private or non-school-sponsored activities for credit or participation in school programs.
 8. Should satisfy all requirements of Utah Code 53A-1-402.5, regarding ethical conduct standards, and R277-107, regarding educational services outside of the educator's regular employment.
32. APA employees may purchase advertising space to promote private or non-school-sponsored events in the same manner as the general public. APA employee's employment and experience can be used to demonstrate qualifications. The advertisement should specifically state that the activity is not school-sponsored. (See R277-107-5 through 6.)
33. APA employees may not set up bank accounts for activities or fundraisers associated with APA responsibilities or job functions.
34. APA employees may not direct fees or fundraiser proceeds from school-sponsored activities to outside entities.
35. APA employees may not direct operating expenditures to outside funding sources or groups to avoid APA procurement rules (such as equipment, uniforms, salaries or stipends, improvements, maintenance for facilities, etc.).
36. APA employees should comply with APA procurement policies and procedures, including complying with competitive quotes; bid splitting; and not accepting gifts, gratuities, or kickbacks from vendors or other interested parties.

37. All fundraising projects for construction, maintenance, facilities renovation or improvement, and other capital equipment purchases should be approved in writing by the business administrator, the superintendent, and APA's board. Prior to the initiation of a large capital drive or specific fundraising drive, the following should be provided to the business administrator for evaluation and recommendation to the superintendent:
- a. Prospective construction, maintenance or renovation plans and estimated costs
 - b. Proposed naming opportunities
 - c. Proposed fundraising timeline
 - d. Loans or financing agreements
 - e. Maintenance or upkeep requirements and costs
 - f. Assurances of compliance with Title IX (e.g., available for use by both male and female students and/or for several purposes or activities)

The superintendent should make a recommendation to APA's board. The board reserves the right to tentatively approve plans, pending fundraising, donations, equity, or other conditions.

Unauthorized Solicitation of Funds

No person shall solicit, receive or permit to be solicited or received from students enrolled at American Preparatory Academy any merchandise that is not school sanctioned. Only approved school fundraisers are authorized.

THIS MANUAL SUPERSEDES THE FOLLOWING POLICIES AFTER ADOPTION AND REVIEW PERIOD:

- B-1.2, B-1.4, B-1.5, B-1.6, B-1.9, B-1-10
- All B-2 policies (after finalization of pending policies and incorporation of NSL B-2.1.2)
- All B-3 policies
- All B-4 policies after consolidation under 'Fixed Assets'
- B-5.1 to be replaced with new draft after further review and edits.

REFERENCES

Financial Accounting Standards Board

Government Accounting Standards Board

State of Utah Legal Compliance Audit Guide

United States Generally Accepted Accounting Standards

Utah Admin. Code R277-113, LEA Fiscal and Auditing Policies

Utah Code Ann. §53E-3-702 et seq., School Construction

Utah Code Ann. §63G-2-101 et seq., Government Records and Access Management Act

Utah Code Ann. §63G-6a-101 et seq., Utah Procurement Code
Utah Code Ann. §67-16-1 et seq., Utah Public Officers' and Employees' Ethics Act
Utah Admin. Code R33, Administrative Services, Purchasing and General Services
Utah Admin. Code R277-113, LEA Fiscal and Auditing Policies
Utah Administrative Code, Title R25. Finance
State of Utah Accounting Policies FIACCT 09 (Fixed Assets)