

SCHOLAR ACADEMY

ACHIEVING EXCELLENCE TOGETHER

Scholar Academy

Policy: Purchasing and Disbursement Policy

Approval Date: March 26, 2019

Amended: January 25, 2024

Purpose:

The purpose of this policy is to provide Scholar Academy's administration and Board of Directors (the "Board") with a uniform and systematic method of purchasing goods and services required by the School, to define responsibilities and authority of the School Principal, and to advise of the purchasing requirements and limitations imposed by state law. In addition to this policy, Scholar Academy (the "School") has approved a Procurement Policy to ensure compliance with the provisions contained in the State of Utah Purchasing Policies and Procedures.

Purchasing

The responsibility for approving purchases is delegated to the Principal of the School by the Board as set forth below.

- All purchases up to \$7,500 must be approved by the Principal;
- All purchases between \$7,500 and \$15,000 must be approved by either the Board President or Board Financial Coordinator;
- All purchases between \$15,000 and \$20,000 must be approved by the Board President and the Board Financial Coordinator; and
- All purchases above \$20,000 must be approved by a majority vote of the Board.

All expenditures made using checks, credit cards, or any other form of payment shall be recorded in the School's accounting records.

Employee purchases that require reimbursement are discouraged.

Credit Card Purchases

Purchases that require the use of a credit card should follow the process established by this policy and utilize a purchase order when feasible.

1. The total credit limit for each credit card issued to a School employee will be up to \$5,000. However, in the event a purchase needs to be made that would exceed this credit limit amount, the credit limit may be temporarily increased with the approval of the Board President and Board Financial Coordinator in order to make the purchase and then decreased back to the normal limit as soon as practicable.
2. The Principal will be issued a credit card and may authorize additional School employees to receive credit cards as set forth below. The Principal will ensure that all employees to whom cards are issued are aware of and receive appropriate training regarding the policies and procedures applicable to their use of the card.
3. All credit cards shall be kept secured by the administration or front office.
4. Card users shall follow LEA and state purchasing policies and comply with the Utah State Tax Commission rules.

Board Approved: 1.25.2024

5. Purchases using credit cards are subject to the standard approval process except as set forth herein.
6. The Principal will have oversight over the additional card users.
 - a. Additional cards will be issued to School employees at the discretion of the School Principal with notification being given to the Board Finance Committee before such issuance occurs.
 - b. These users may make purchases of less than \$200 without prior approval. All other card purchases by these employees must be approved through the standard process.
 - c. All users deemed "additional card users" shall adhere to the security provisions outlined in this policy, and shall not maintain possession of a card outside of School operating hours unless approved by the School Principal.
7. Those employees using a credit card shall retain and submit all receipts for purchases to the office manager within five days of purchase. The office manager will record purchases and reconcile the bill to that record. The employee using the card will sign a statement of reconciliation. The office manager will forward those receipts and records to the School's Management Company. The Management Company will reconcile all card purchases and make the card payment.
8. If a card is lost or stolen, the card holder should immediately contact the Principal and the Principal shall immediately notify the Management Company to have the card cancelled.
9. Credit cards issued to School employees may only be used for legitimate business purposes. Cards may not be used for cash advances or ATM transactions for any reason. Any transactions for personal use are strictly prohibited.
10. An employee to whom a credit card is issued and whose name is on the card (the card holder) is solely responsible for all purchases on the card and for ensuring that the credit card number is not used by unauthorized personnel. As such, the card holder shall not share their card number with anyone. In addition, the credit card should not be stored in an online account that anyone other than the card holder has access to.
11. If an employee misuses the card, the employee should contact the Principal immediately.
12. If a user is deemed to have made personal use purchases, the School reserves the right to recover funds for those purchases through any legal means available to do so.
13. An employee's violation of policies and procedures regarding use of a School credit card, including but not limited to not retaining documentation of purchases or making personal purchases, may result in card cancellation, disciplinary action, or criminal prosecution.
14. Upon the termination of a card holder's employment for any reason, the employee's credit card must be cancelled immediately and returned to the Principal.

Disbursements

The responsibility for disbursement is delegated to the School's Management Company and Principal as set forth below.

Disbursements will be charged to one of two School accounts: (i) the General Operating Account; or (ii) the Petty Cash Account. The School's Management Company is responsible for disbursements charged to the General Operating Account, and the School's Principal is responsible for disbursements charged to the Petty Cash Account

Disbursements are handled in such a manner as to ensure that the proper funds and accounts charged; that the disbursement is used only for authorized purposes; and that laws, rules and regulations governing the disbursements and handling of public funds are followed.

General Operating Account

Board Approved: 1.25.2024

The following controls are established to ensure that all payments charged to the General Operating Account are made on a timely basis and in accordance with all purchase orders and contracts:

- A purchase order shall be completed prior to disbursing funds for a purchase unless the disbursement is made in accordance with the terms of an ongoing contract that has been previously approved by the Board.
- A purchase order shall be authorized by the individual(s) listed above based on the purchase amount. Following proper authorization, purchase orders are reviewed by the School's Management Company.
- The School's Management Company must be given a valid invoice and properly completed purchase order prior to making payment.
- Disbursements are to be made primarily by check with counter signatures to provide additional control.

Petty Cash Account

In addition to the General Operating Account, the Board may approve a Petty Cash Account with corresponding checks and a debit card to be utilized at the discretion of the Principal. The purpose of the Petty Cash Account is to provide a convenient way to pay for small expenses while minimizing exposure of School funds to the risk of misuse or theft. Blank warrants/checks and/or a debit card for the Petty Cash Account may be kept in a locked storage under the control of the Principal or their designated alternate. Disbursements charged to the Petty Cash Account shall be made in accordance with the following provisions to ensure payments are properly authorized and recorded;

- In general, the Petty Cash Account should maintain a balance between \$500 and \$5,000.
- Access to the Petty Cash debit card is limited to the School's Principal or a designated alternate.
- Access to blank checks is limited to the School's Principal or their designated alternate. When blank checks are received, the date, quantity, and inclusive serial numbers are recorded and added to the total balance on hand. When a blank check is used, the stub along with a copy of the receipt is to be signed by the Principal and forwarded to the Management Company. The use of these blank checks should be kept to an absolute minimum. Checks shall be made to specific payees and never to "cash" or "Bearer".
- The School's Principal or their designated alternate is responsible for: (i) maintaining records and receipts for each transaction charged to this account; and (ii) entering the information into the School's account software on a regular basis. Information should be uploaded in a timely manner to allow the School's Management Company adequate time to provide accurate monthly financial reports to the Board.
- The School's Principal or their designated alternate is responsible for replenishment of the account when petty cash is low. To replenish petty cash, the Director must request the School's Management Company to transfer funds.

Recording Transactions

Purchase orders and requisition requests must identify the fund, function, location, program, and object or revenue code to which the purchase is to be booked. Accounting staff will periodically review this information to ensure that expenditures are booked accurately.