

CITY ACADEMY FISCAL POLICY
Last updated, Board Approved 5/20/20

The Business Manager of the City Academy will insure that accurate budget reports are kept and that they will be presented to the CA Board of Trustees at monthly Board Meetings. Budget reports should include all revenue and expenditures. These monthly budget reports are to be approved in an open Board Meeting.

The CA Board of Trustees will review all expenditures and approve them in an open Board Meeting.

RESTRICTED FUNDS POLICY

The Business Manager and the Executive Director of City Academy will monitor all transactions for acceptable use of state, federal, and any other restricted funds. All staff will receive annual training on use and accounting of restricted funds by the Business Manager & Executive Director.

Yearly external audits will also be completed to insure the accuracy of accounting procedures.

An employee or board member who suspects fraud may report this to the Utah State Board's fraud hotline, 801-538-9777 or email at audit@schools.utah.gov.

INVENTORY OF ITEMS

The Business Manager shall insure that there is an accurate inventory of materials and equipment in the school.

PURCHASING POLICY

1. The City Academy Administration has authority to oversee and:
 - a. Initiate, conduct, and/or conclude negotiations concerning the purchase of materials, equipment, supplies, and services for the school.
 - b. Obligate CA for goods and services:
 - i. Orders or commitments by the faculty or staff are not binding on the Administration or Board of Trustees.
 - ii. Individuals who place orders, which violate policy, are responsible for their own order(s).
 - c. Question the quality, quantity and kind of material requisitioned and suggest alternate items.
 - d. Select vendors. Every effort shall be made to include local vendors in the purchasing process.
 - e. Issue requisitions.
 - f. Purchase items from state contracts. Copies of these contracts are available for review on the Internet (<http://purchasing.utah.gov/>).

2. Purchasing Requirements

- a. CA Board Policy as well as Utah State Law imposes particular requirements for the different dollar amounts of purchases that require bidding. The following limits are determined to be the best to allow flexibility and yet still provide the control required by law and policy.

Orders must not be split to allow purchaser to meet a lower category. This is considered to be “artificially dividing,” which is prohibited in the Utah Procurement Code.

Any purchase over the total amount of \$25 must receive prior approval. The only exception to this policy is for administration or school managers dealing with emergencies concerning the routine function of the school. Following an emergency purchase the expenditure will be ratified by the director at the nearest possible time

b. Purchasing limits

Equipment items will only be purchased with approval from the Executive Director. An inventory number will then be assigned. Equipment items are classified as, but not limited to:

- A. Items with a cost of \$500, or more
 - B. All audiovisual equipment in excess of \$500
 - C. Furniture
 - D. Computers including peripherals
 - E. Power tools
- c. For purchases of item up to \$500, the school may select the best source without seeking competitive quotes, however, phone bids will be obtained whenever practical. For purchases of items over \$501 and up to \$5,000, the school shall obtain price competition,

and shall purchase the item(s) from the responsible, qualified vendor offering the lowest quote. All purchases over \$20,000 shall be submitted to the entire Board of Trustees prior to purchasing whenever possible. When this is not possible, the Board President or Vice President may grant approval for these purchases. All of these purchases shall be ratified and approved at a later time in a regular Board meeting.

Cash Receipts—City Academy understands the importance of proper handling and accounting for all cash receipts, including currency, coin, checks, ACH transactions, and credit card transactions. Any school administration, licensed educators, staff, students, organizations, or individuals that handle cash receipts or accept payment in any form on behalf of the school will do in compliance with applicable state and federal laws. All receipting of funds at the school will be done at the front office through the designated Office Manager. Teachers and staff should not accept funds in their classrooms or in unapproved off-site locations. Only the business manager and director may open bank accounts for the receipting or expending of public funds associated with school-sponsored activities. All funds will be kept in a secure location controlled by the front office until the funds are deposited in a school-approved fiduciary institution. Funds will be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a school-approved account. Employees should never hold funds in any location for any reason. Cash receipts must not be taken home by employees or volunteers, or left in classrooms. All checks are to be made payable to City Academy and restrictively endorsed upon receipt. Checks are not to be made payable to an employee, a specific department, or a program. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).

Small Purchases

- a. The “single procurement aggregate threshold” for the School is \$5,000. This is the maximum amount that the School can expend to obtain any combination of individual procurement items/services costing less than \$1,001 from one vendor at one time up to \$5,000.
- b. The “annual cumulative threshold” for the School is \$50,000. This is the maximum total annual amount that the School can expend to obtain individual procurement item(s) costing less than \$1,001 purchased from the same vendor during the fiscal year (July 1 – June 30) not to exceed \$50,000. If a purchase exceeds \$50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process.
- c. Professional services, such as architectural, engineering, accounting, legal, or consulting services costing \$50,001 and greater and less than \$100,001 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP under provisions in Utah Code 63G-6a-403 and 404 (Administrative Code R33-3).

Reoccurring Purchase Over Annual Cumulative Threshold

a. If purchases from the same vendor are ongoing, continuous, and regularly scheduled, and exceed the annual cumulative threshold of \$50,000 during the fiscal year, a contract shall be utilized if feasible.

Sole source -- Award of contract without competition -- Notice.

(1) The School may award a contract for a procurement item without competition if the purchasing officer determines in writing that:

(a) there is only one source for the procurement item; or
(b) the award to a specific supplier, service provider, or contractor is a condition of a donation that will fund the full cost of the supply, service, or construction item.

(2) Circumstances under which there is only one source for a procurement item may include:

(a) where the most important consideration in obtaining a procurement item is the compatibility of equipment, technology, software, accessories, replacement parts, or service;
(b) where a procurement item is needed for trial use or testing;
(c) where transitional costs are unreasonable or cost prohibitive; or
(d) procurement of public utility services.

(3) The School will publicize notice for a sole source procurement that, at a minimum, require publication of notice of a sole source procurement, in accordance with Section 63G-6a-406, if the cost of the procurement exceeds \$50,000.

3. Bidding

a. Informal Bidding.

Bids will be solicited from the widest practical selection of vendors with proven performance from who it has been established the best price could be obtained commensurate with quality, required delivery and the general requirements of the purchase. Bid tabulations are referred back to the school for recommendations when bids require further review.

All vendors will be given equal consideration. Vendors will be selected based on the following criteria: cost, service, availability of stock, financial responsibility, technical competence and proximity.

When it appears impractical to obtain a competitive bid, or when substitute items are not acceptable, a full explanation covering the reasons for such restrictions should be included with the requisition. Such explanations may include:

- i. repair or replacement parts
- ii. supplementary components of the same manufacturer
- iii. physical design or quality requirements
- iv. delivery requirements
- v. single source of supplies requested
- vi. special equipment no longer manufactured or available from other sources

b. Formal bidding.

i. Consistent with the state law, all contracts or purchases that exceed \$20,000 must be negotiated through a formal bid. All contracts will be awarded to the lowest, responsible, qualified bidder.

When formal bidding procedures are used, bids shall be advertised appropriately.

Vendors shall be invited to have their names placed on mailing lists to receive invitations to bid.

When bid specifications are prepared, bids will be mailed to all vendors who have indicated and interest in bidding.

All bids must be submitted in sealed envelopes, addressed to City Academy, 555 E 200 S, Salt Lake City, UT 84102, and attention to Executive Director and plainly marked with the name of the bid.

Bids will be opened at the time and place specified and all bidders and other interested persons will be invited to be present.

ii. The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the School. The Board reserves the right to waive any informality, or reject, any and all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and dates specified will not be considered.

The bidder to whom the award is made may be required to enter into a written contract with the Board of Trustees.

All contracts and major purchases of supplies, materials, equipment, and contractual services shall be based, when possible, on at least three (3) competitive bids.

Multiyear Contracts

(1) The School may enter into a multiyear contract resulting from an invitation for bids or a request for proposals, if:

(a) the purchasing officer determines, that entering into a multiyear contract is in the best interest of the School;

and

(b) the invitation for bids or request for proposals:

(i) states the term of the contract, including all possible renewals of the contract;

(ii) states the conditions for renewal of the contract;

(2) In making the determination, the purchasing officer shall consider whether entering into a multiyear contract will:

(a) result in significant savings to the School, including:

(i) reduction of the administrative burden in procuring, negotiating, or administering contracts;

(ii) continuity in operations of the School; or

(iii) the ability to obtain a volume or term discount;

(b) encourage participation by a person who might not otherwise be willing or able to compete for a shorter term contract; or

(c) provide an incentive for a bidder or offeror to improve productivity through capital investment or better technology.

(3) Notwithstanding any provision of an invitation for bids, a request for proposals, or a contract to the contrary, a multiyear contract, including a contract that was awarded outside of an invitation for bids or request for proposals process, may not continue or be renewed for any year after the first year of the multiyear contract if adequate funds are not appropriated or otherwise available to continue or renew the contract.

(4) A multiyear contract that is funded solely by federal funds may be continued or renewed for any year after the first year of the multiyear contract if:

- (a) adequate funds to continue or renew the contract have not been, but are expected to be appropriated by, and received from, the federal government;
- (b) continuation or renewal of the contract before the money is appropriated or received is permitted by the federal government; and
- (c) the contract states that it may be cancelled, without penalty, if the anticipated federal funds are not appropriated or received.

(5) A multiyear contract that is funded in part by federal funds may be continued or renewed for any year after the first year of the multiyear contract if:

- (a) the portion of the contract that is to be funded by funds of a public entity are appropriated;
- (b) adequate federal funds to continue or renew the contract have not been, but are expected to be, appropriated by, and received from, the federal government;
- (c) continuation or renewal of the contract before the federal money is appropriated or received is permitted by the federal government; and
- (d) the contract states that it may be cancelled, without penalty, if the anticipated federal funds are not appropriated or received.

(6) The School may not continue or renew a multiyear contract after the end of the multiyear contract term or the renewal periods described in the contract, unless School engages in a new standard procurement process or complies with an exception, described in this chapter, to using a standard procurement process.

(7) A multiyear contract, including any renewal periods, may not exceed a period of five years, unless:

- (a) the purchasing officer determines, in writing, that:
 - (i) a longer period is necessary in order to obtain the procurement item;
 - (ii) a longer period is customary for industry standards; or
 - (iii) a longer period is in the best interest of the School;

Gratuities -- Kickbacks -- Unlawful use of position or influence:

An employee found to be accepting gratuities/kickbacks or using unlawful influence using their position will be referred for disciplinary action.

Conflict of Interest:

No School Board member or employee of the School shall use his/her position to derive any profit or gain, directly or indirectly, by reason of his/her position with the School. No School Board member or employee of the School shall become involved in any business transaction without disclosing such interest, and shall refrain from participation where a conflict of interest is found to exist.

4. Emergency Purchases

a. General

- i. The School should anticipate requirements as far in advance as possible to ensure enough lead-time to receive material(s) on schedule.
- ii. The School will make every attempt to obtain material(s) as soon as possible.

iii. In case of emergency, the Executive Director is authorized to purchase supplies that exceed the \$5,000 limit, but do not exceed \$10,000.

Receipt and Acceptance of Materials:

a. The School must inspect all items it receives for obvious damage, irregularities, or discrepancies and is responsible for notifying the supplier of damage, irregularities or discrepancies. This notification should be made the same day and should include the following information:

- i. Vendor's name
- ii. Purchase order number
- iii. Date and time received
- iv. Item or items damaged and condition
- v. Condition of shipping container upon receipt
- vi. Carrier

b. All damaged materials shall be preserved in their original state, with the shipping container until instructions for disposal are issued or until the items are returned for credit.

Leasing and Renting:

a. Lease agreements may be negotiated by the School. Lease agreements will be competitively bid as with any purchase. Leases in excess of \$5000 per year will be approved by the Board of Trustees.

b. Equipment which is furnished for School use by outside agencies on a rental or lease basis, whether for a definite or indefinite period, will be covered by a purchase order. In case of leased equipment, the school will clearly mark the requisition "lease agreement" and specify whether it is a new or renewal lease. The same dollar limits apply as for all other purchases.

Vendor Relations:

a. Sales representatives are not permitted to solicit school staff members without authorization from the Executive Director. The Executive Director may give permission to sales representatives to contact members of the school staff at times that will not interfere with educational programs.

b. Students shall be protected from solicitation by sales representatives or school staff, with the exception of those individuals and entities specifically authorized by the school Executive Director to provide certain goods and services, such as the purchase of class rings, graduation announcements, school pictures, school clothing, etc.

c. No employee of the School shall have any personal investments in any business entity which will create a substantial conflict between his/her private interests and his/her duties to the School. School employees are expected to comply with the "Utah Public Officers and Employees' Ethics Act" (Utah Code, Section 67-16-1, et seq.).

Prohibited Conduct:

a. Any person acting as a procurement officer for the School, or who in any official capacity participates in the procurement of any supplies, services, construction, real property, or insurance for the School, shall not ask, receive, or offer to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization, from any person interested in the sale of such supplies,

services, construction, real property, or insurance.

b. A person who is interested in any way in the sale of any supplies, services, construction, real property, or insurance to the School shall not give or offer to give an emolument, gratuity, contribution, loan, or reward, or any promise thereof, to any person active in the procurement of such supplies, services, construction, real property, or insurance, whether it is given for his own use or for the use or benefit of any other person or organization.

c. Any person acting as a procurement officer for the may not make purchases for individuals.

Petty cash/change funds -- Petty cash and change funds must be authorized by the City Academy Director and Business Manager. All petty cash and change funds will be reflected on the school's accounting records and reconciled monthly. Checks may not be made payable to "cash" or "bearer" and cashed by City Academy employees to create change funds or petty cash funds outside of the approved fund accounts. Reimbursements to petty cash accounts will be made only when supported by receipts and approved by the principal. Expenditures should not be paid out of change funds. Change funds will be included in all tally forms or on deposit count sheets, and accounted for with each use.

Fundraising and Donations – The Director must approve all fundraising activities and ensure City Academy compliance with fee waiver, confidentiality, ethical and other applicable state and federal laws.

Sales Tax Exemption—Sales and rentals to schools are tax exempt. To qualify as a sale to a public school, the purchase must be made with the school's funds. Tax exempt purchases must be supported by a signed and completed Tax Commission form TC-721, Exemption Certificate. The Director may issue the form as needed for school purchases made by employees. The school's tax exempt number must be entered by the cashier at the time of purchase so employees should ensure they understand the process before making purchases using school funds. The school's sales tax number may not be used for non-school or personal use. Before offering an item for sale or rental in the school (not including items needed for classroom activities), employees should verify sales tax requirements with the Director.

REFERENCES

Utah Code. Section 63-56-1, et seq. Utah Procurement Code

Utah Administrative Code, R3 3.-i to R3 3-9 Purchasing and General Services

Utah Code, Section 67-16-1, et seq. Utah Public Officers' and Employees' Ethics Act

ANTI-DISCRIMINATION ACT:

The bidder agrees to abide by the provisions of the Utah Anti-discrimination Act, Title 35 Chapter 25, U.C.A. 1953, as amended and Title VI and Title VII of the Civil Rights Act of 1964 (US 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of Rehabilitation Act of 1973, which prohibits discrimination on the basis of handicap. This purchase may be canceled if the bidder fails to comply with the provisions of these laws and regulations. **Bidder must include this provision in every subcontract or purchase order relating to purchases by the City Academy to insure that subcontractors and vendors are bound by this provision.**

Use of City Academy Equipment and Supplies Policy

City Academy provides supplies, equipment and materials necessary for employees to perform their jobs. These items are to be used solely for the City Academy's purposes.

Employees are expected to exercise care in the use of City Academy equipment and property and use such property only for authorized purposes. Loss, damages or theft of City Academy property should be reported at once. Negligence in the care and use of City Academy property may be considered grounds for discipline, up to and including termination.

Employees must not deliberately or negligently perform acts that waste school resources or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to, sending mass mailings or chain letters, spending excessive amounts of time on the Internet, playing games, engaging in online chat groups, printing multiple copies of documents, or otherwise creating unnecessary network traffic. Because audio, video and picture files require significant storage space, files of this or any other sort may not be downloaded unless they are school-related.

City Academy's equipment, such as telephone, postage, facsimile and copier machine, is intended to be used for business purposes. An employee may only use this equipment for non-business purposes in an emergency and only with the permission of his or her supervisor and with appropriate reimbursement of the school by the employee.

Upon termination of employment, the employee must return all City Academy's property, uniforms, equipment, work product and documents in his or her possession or control.

TRAVEL POLICY

In order for the authorized personnel of the City Academy to carry out their assignments in fulfilling the school's mission, the policy of the Board of trustees is to support and to provide reimbursement for essential travel expenses. Every effort should be made to arrange schedules in such a way so as to minimize the amount of travel.

School personnel who incur expenses in carrying out their authorized duties will be reimbursed upon submission of a properly filled out and approved travel log and voucher with such supporting receipts as required. Such expenses may be approved and incurred in line budgetary allocations for the specific type of expense.

When official travel by personally owned vehicles has been authorized, mileage payment will be made at the current standard mileage rate established by the Internal Revenue Service for business use, as the same is periodically adjusted from time to time by the Internal Revenue Service.

A traveler on official school business will be expected to exercise the same care in incurring expenses that a prudent person would exercise in traveling on personal business.

1. State/ District Travel

The Personnel Travel Request and Authorization Form will be completed including the "Objectives for the requested travel" section, and turned in for prior approval when traveling outside Utah or whenever the travel involves an overnight stay.

2. Meals

Every effort should be made to arrange schedules in such a way so as to minimize the charging of meals to the school. Each authorized meal will be reimbursed for the actual expense not to exceed the school per diem. The basic meal reimbursement for a 24-hour period of travel is up to \$25 (Breakfast \$5, Lunch \$8, Dinner \$12).

3. Mileage

Mileage for reimbursement is to start from the assigned job location. Occasionally, in emergency situations or when mileage can be conserved, travel may start from an individual, home. Travel should be organized so as to conserve travel expenditures.

4. School Administrator and Teacher Travel

The School Executive Director will have a budgeted amount annually for conference/convention registration, travel, lodging, and meals, depending on funding by grants, etc. Registration, travel, meals, and lodging are to be paid from this amount.

5. Reimbursement

All requests for travel reimbursement must be made monthly on vouchers or reimbursement forms. This mileage should be supported by the individuals travel log. This log should include each destination and purpose. The distance is to be recorded daily to ensure accuracy.

Incomplete travel reimbursement vouchers and travel logs will not be approved.

6. Conference/Convention

Attendance at all conferences and conventions is to serve the education goals of the school. It is not the intent of the Board of Trustees to authorize travel to conferences and conventions as a matter of routine attendance. Prior approval for attendance must be obtained from the Principal and Board of Trustees President for all out of state or overnight travel.

- Travel requests should be received well in advance so best fare rates may be obtained. Requests for travel arrangements with necessary information should be sent to purchasing as soon as possible (30-60 days prior to departure). All airline tickets will be purchased on the best fare basis. Tax exempt certificates should be used to save sales tax being charged to school accounts. (A person who elects to drive his/her personal vehicle will be paid the lesser amount of the air fare mileage.)

Upon return, the person attending a conference/convention will give a written/oral report to the supervisor.