

**Scholar Academy**  
**Policy: Purchasing and Disbursement Policy**  
**Approval Date: March 15, 2016**  
**Revised:**

**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 \$5,000 must be approved by the Principal;
- All purchases between \$5,000 and \$7,500 must be approved by either the Board President *or* Board Treasurer;
- All purchases between \$7,500 and \$10,000 must be approved by the Board President *and* the Board Treasurer; and
- All purchases above \$10,000 must be approved by a majority vote of the Board.

Employee purchases that require reimbursement are discouraged.

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

**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 are 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.

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.

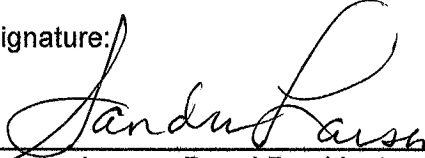
#### Petty Cash Account

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 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 \$2,000.
- Access to the Petty Cash Account debit card is limited to the School's Principal or their 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;
- 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 accounting 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.

Signature:

  
Sandra Larsen, Board President

3-15-16  
Date