

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 good 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 \$100,000 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.
- The annual cumulative threshold for the LEA is \$50,000. If a purchase exceeds \$50,00 from the same vendor during a single fiscal year, then it is not considered a small purchase and must be processed through a bidding process.
- All expenditures made using checks, credit cards, or purchasing cards 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. **All credit and purchasing cards shall be kept secured by the administration or front office.**
2. **Card Users shall follow LEA and state purchasing policies and comply with the Utah State Tax commission rules.**
3. **Purchases using credit and purchasing cards are subject to the standard approval process except as set forth herein.**

4. **The principal will have oversight over the additional card users.**
 - a. **Additional cards will be issued 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 \$200.00 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.**
5. **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 business office. The business office will reconcile all card purchases and make the card payment.**
6. **If a card is lost or stolen, the card holder should immediately contact the administrator and the business office.**
7. **ATM purchasing or credit card, cash advances, transactions or personal use are strictly prohibited.**
8. **If an employee misuses the card, the employee should contact the principal immediately.**
9. **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.**

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.

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 board chair and/or board financial coordinator 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 blank checks is limited to the School’s Principal or their designated alternate. When blank check 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 o 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.

Signature:



May 31, 2017

Sandra Larsen, Board President

Date

