

§8 - Cash Disbursements

A. Purpose

This section establishes policy governing the authorization and review of all expenditures made by the district. The scope of this policy includes all activities at the district and in all locations where district activities are held and public funds are expended. This policy applies to all district administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements on behalf of the district. It is expected that in all dealings, district employees will act in an ethical manner that is consistent with the Utah Public Officers' Employees' Ethics Act, the Utah Educators' Standards, and State procurement law.

B. General Policies

1. All disbursement of public funds under district control shall be made using a district purchasing instrument and accompanied by documentation that establishes:
 - a. 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; and prudent management practices; and
 - b. 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. This restriction does not apply to the use of faculty funds.
3. Fiscal administrators shall avoid advance payments or prepayments whenever possible. It is prudent business practice not to pay for goods or services until they have been received in good order or rendered satisfactorily. Prepayments increase the risk to the District of loss due to potential for non-fulfillment or non-performance under contract. However, fiscal administrators may request a prepayment only if all of the following conditions are met:
 - a. The advance payment is within 180 days of expected delivery.
 - b. The advance payment is among the following allowable types:
 - i. Annual membership dues for professional organizations. Limited to those deemed essential by the fiscal administrator.
 - ii. Subscription costs. Includes initial and annual renewal costs. Multiple-year subscriptions are permitted as long as documentation clearly shows it is a cost savings for the District.
 - iii. Travel and conference costs. Limited to lodging, airfare, per diem, and registration fees.
 - iv. Mail order purchases. Limited to mail order purchases where payment must be included with the order.

- v. 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 up front. Note that due to IRS reporting requirements, these types of payments must be made via Pay Voucher or District Purchase Order. Specific examples might include consultants, performers, referees/officials/judges, etc.
- vi. Advertising costs. Limited to prepayments for newspaper, magazine, journal, and periodical advertisements or employment advertisements by Human Resources.
- vii. Payments for written contracts, leases, or agreements with terms that require it. Specific examples might include insurance premiums, professional service agreements (legal, financial, educational), maintenance/repair contracts (excluding material and equipment purchases), software licensing, software maintenance agreements, equipment rentals, real estate contracts, etc. Multiple-year prepayments are permitted as long as documentation clearly shows it is a term of the contract, lease, or agreement.
- viii. Foreign orders.
- ix. Vendors who offer a substantial discount, at least 30%, for prepayment.

c. In the event a vendor fails to deliver the goods or perform the requested service, the fiscal administrator shall ensure the District receives a full refund.

d. Between when an advance payment is made and when goods are delivered, or services are performed, if the District decides to cancel, the fiscal administrator shall pursue as much refund as the vendor's cancellation terms allow.

4. All disbursements shall be signed by the fiscal administrator signifying her/his explicit approval of the purchase. Each individual receipt and/or invoice must be initialed by the fiscal administrator or his/her designee signifying her/his detailed review for compliance, reasonableness, and necessity. In cases where the fiscal administrator is also the payee, the disbursement must be reviewed and approved by the fiscal administrator's direct line supervisor prior to being made.

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 an account code 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 and purchasing departments or a school's administrative office. (P-cards shall be secured by the named cardholder.)

7. Any fiscal administrator who authorizes an employee under his/her direction to receive a P-card understands that (s)he is pre-approving all subsequent purchases that will be made by the employee using her/his P-card. To maintain accountability, all P-card statements are to be reconciled by the cardholder on a monthly basis, have original receipts attached, and be reviewed and signed. If there is a discrepancy or problem with any specific purchase on the statement, it must be resolved immediately by contacting the purchasing department.

8. The district is exempted from paying sales tax on purchases it makes in the course or performing its mission. To qualify for the exemption, the purchase must be made using a district purchasing instrument.

A completed TC-721 Exemption Certificate, purchase order, or district check may be used to evidence the exemption (Utah Code 59-12-104).

9. Access to the school and district 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 9(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 District’s internal auditor. The fiscal administrator shall consult with the internal auditor and make a joint determination of the nature of the expenditure(s). The fiscal administrator may grant relief only if both they and the internal auditor 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 six (6) months from the date of issuance are canceled and the funds remitted to Accounting with an accompanying report every December and June. The Director of Accounting shall ensure that district unclaimed property is escheated to the State of Utah (Utah Code 67-4a).
13. Fiscal administrators in secondary schools shall review and approve all transfers from one activity account to another.

C. Reimbursements

1. Employees will be reimbursed for District purchases made using personal funds under the following conditions:
 - a. The employee obtained prior approval from their fiscal administrator to make the purchase. Because District purchases should be made with a District purchasing instrument whenever possible, fiscal administrators should exercise caution and require a compelling reason before granting approval to an employee to use personal funds and then seek reimbursement.
 - b. Proof of payment must be either cash, check, credit card, or printed receipt from an online personal account (e.g. PayPal).
 - c. The items or services purchased using personal funds are verified by the fiscal administrator to have been put into use for District purposes and are in compliance with all other District policies.
 - d. Each transaction is evidenced by original itemized receipts.
 - e. Sales tax will not be reimbursed except for when imposed for out-of-state lodging related to District business.
 - f. The request for reimbursement must be received in Accounting no later than 60 days after the date of the purchase.
2. District purchases made using personal funds must adhere to the requirements of the District's procurement policies including but not limited to dollar thresholds, documented quote requirements, etc.

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Fiscal Policies -> Online Fiscal Policy Manual (Current Edition) -> §8 - Cash Disbursements

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