

GRANITE SCHOOL DISTRICT

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# Fiscal Policies Manual

PREPARED BY THE BUSINESS SERVICES DIVISION

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September, 2013

This manual was developed in accordance with Board Policy, Article II.F:

1. Divisions and departments may develop policy handbooks and manuals. These shall be presented to the Board for formal adoption or amendment.
2. After formal adoption by the Board, schools and divisions of the District shall comply with the provisions of [policy] handbooks and manuals.
3. Schools and divisions of the District shall be promptly notified of such handbooks and manuals.
4. Handbooks and manuals shall be subject to the review provisions of this policy.

It was formally adopted by the Granite Board of Education on \_\_\_\_\_.

Supplemental and more detailed information can be found:

- In the Accounting Procedures Manual
- On the websites of the various Departments that comprise the Business Division

Forms referred to in these policies are available on the relevant Business Division websites:

- Accounting
- Budget Development
- Payroll
- Purchasing & Warehouse
- Risk & Property Management and Student Accounting
- School Foods

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# 1. General Fiscal Definitions, Responsibilities, and Duties

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## A. Purpose

The purpose of this article is to establish policy for the fiduciary responsibilities and duties involving public funds. This policy applies to all District administrators, licensed educators, staff, students, organizations, and individuals that handle public funds.

## B. Definitions Applicable to All Fiscal Policies

1. “Activity account” means an account within the school accounting system established to account for funds that support a specific activity at the school level. These funds are what make up the money in the school bank account.
2. “Arms-length transaction” means a transaction between two unrelated, independent and unaffiliated parties or a transaction between two parties acting in their own self-interest that is conducted as if the parties were strangers so that no conflict of interest exists.
3. “Budget account” means an account within the District accounting system established to account for funds that are budgeted for a specific purpose. These funds are what make up the money in the District’s central bank accounts.
4. “Cash disbursement” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.

5. “Cash receipt” means anything that represents resources flowing into the District to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
6. “Cashier” means a person who has been specifically authorized by the Director of Accounting to accept cash receipts on behalf of the District.
7. “Change fund” means a type of imprest account used exclusively for the purpose of making change for cash transactions.
8. “Compensating control” means an alternate procedure or set of procedures that must be used when it is not possible to segregate duties so that no one employee performs more than two of the key duty types. (See section E.)
9. “District purchasing instrument” means any of the following specific authorized means of making a purchase:
  - Cash from a District authorized petty cash fund;
  - Check from a school or District authorized bank account;
  - Electronic funds transfer from a school or District authorized bank account;
  - Interdepartmental Billing form;
  - Pay Voucher, which is a short-form Purchase Order;
  - Purchasing Card (also referred to as a Pcard); and
  - Purchase Order, which is a District or school generated document that authorizes a purchase transaction when accepted by the seller, becomes a contract binding on both parties.
10. “External Audit” means an official examination and verification of accounts and records performed by an external party to the District, usually an independent CPA firm, for the purpose of expressing an opinion on the accuracy of financial information reported by the District as well as compliance with laws and rules.
11. “Independent internal review” means the critical review of documents and transactions by a District employee who is independent of the duties performed to produce the documents and transactions.

12. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
13. “Imprest account” means an account into which a fixed amount of money is placed for the purpose of making change, known as a “change fund” or making minor disbursements, known as a “petty cash fund.”
14. “Internal controls” are procedures designed to safeguard assets, detect errors and misappropriations, produce timely and accurate financial reports, and ensure compliance with laws and rules.
15. “Internal audit” means a review of transactions and records performed by a District employee, typically a member of the Accounting Department staff, for the primary purpose of determining compliance with law, rules, and District policies, procedures, and internal controls.
16. “Petty cash fund” means a type of imprest account used exclusively for the purpose of making minor disbursements.
17. “Public funds” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).
18. “School-sponsored event or activity” means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or District funds, including the District activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## C. Responsibilities and Authority

1. The District Board of Education directs and controls all school assets in the district. (Utah Code 53A-2-108 (2).) They are also authorized and directed to (1) adopt bylaws and rules for its own procedures; (2) enforce rules necessary for the control and management of the District; and (3) do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education. (See Utah Code 53A-3-14, 15, and 20.)
2. The Superintendent is the budget officer of the District. (Utah Code 53A-19-101.)
3. Subject to the direction of the Superintendent, the Business Administrator shall among other things (1) be custodian of all District funds; (2) be responsible and accountable for all money received and disbursed; (3) keep accurate records of all revenues and their sources; (4) use uniform procedures which shall be in accordance with generally accepted accounting principles or auditing standards; and (5) ensure that adequate internal controls are in place to safeguard the District's funds. (Utah Code 53A-3-303.)
4. Subject to the direction of the Business Administrator, the fiscal administrator at each school and department is charged with primary responsibility of ensuring that all financial matters of their school or department are transparent, well managed, and conducted in accordance with laws, rules, and District policies and procedures. Such responsibility is non-delegable. Because it is not possible for the fiscal administrator to be personally involved in every financial matter at their school or department, they may designate specific individuals to perform specific tasks or functions on their behalf. Nonetheless, the fiscal administrator retains ultimate responsibility and should therefore ensure their designees are properly trained.
5. In all activities, District employees shall comply with the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16) and other District policies. Educators shall also comply with Utah Educator Standards (Utah Admin. Code R277-515) In particular, employees shall refrain from using their position of influence to profit commercially or benefit personally from parties interested in conducting business with the District. Employees should not sell

products or services offered by a family owned business unless the transaction is arms-length and the employee receives express permission from the fiscal administrator after disclosing the potential conflict of interest. This provision is not intended to prevent employees from communicating opportunities for extracurricular involvement or other enrichment activities.

6. Fiscal administrators do not have authority to instruct or permit either by action or omission violation of District policy and procedure.

## E. Segregation of Duties

1. To ensure that no single individual is placed in such a circumstance that (s)he can cause or conceal accounting irregularities (or be vulnerable to others doing so), the fiscal administrator, whenever possible, shall separate the following three key duty types at their sites among available staff so that no one employee performs more than two of the key duty types:
  - a. Authorization – the process of reviewing and approving transactions or operations;
  - b. Custody – having access to or control over any physical asset such as cash, checks, equipment, supplies, or materials; and
  - c. Record keeping – the process of creating and maintaining records of revenues, expenditures, inventories, and personnel transactions to include reconciliations.
2. When, due to limited staffing and related constraints, a single employee performs all three key duty types, the fiscal administrator shall ensure that monthly independent internal reviews of the documents and transactions related to the duties performed are conducted and documented.

## F. General Policies

1. Fiscal administrators shall take every reasonable precaution to safeguard the District's financial assets and resources from

employee theft, robbery, vandalism, and unauthorized use. Every employee has a similar fiduciary duty within their job duties and responsibilities.

2. Fiscal administrators shall ensure proper inventory verifications are made and the inventory records are kept accurate and up to date for their site.
3. As fiscal administrators are requested and authorized to provide ad hoc financial reports, the source data shall be, in descending order:
  - a. Data recorded in the District's central accounting system, if available.
  - b. Data recorded in the District's school accounting system, if available.
  - c. Data maintained outside the two accounting systems above.

As fiscal administrators compile ad hoc financial reports, they are encouraged to consult with the appropriate Business Division directors to ensure the accuracy of the information being compiled.

4. Fiscal administrators at secondary schools shall prepare a monthly financial report containing all financial activity in the school checking account. This report shall be submitted to the Accounting Department by the due date determined by the Director of Accounting.
5. The fiscal administrator at each site shall ensure that records are maintained and destroyed in accordance with the Utah School District General Retention Schedule. (Utah Code 63G-2-604.)

## H. Internal and External Audits

All fiscal related transactions and records are subject to and shall be made available for internal and external audits by appropriate Federal, State, or District personnel, or by personnel employed by Contractors engaged by the District to perform fiscal related services.

## 2. Cash Receipts

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### A. Purpose

The purpose of this article is to establish policy for the handling of all monetary transactions involving cash receipts. This policy applies to all individual schools and departments as well as all District administrators, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of the District or individual schools.

### B. Definitions

1. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
2. “Cash disbursement” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
3. “Cash receipt” means anything that represents resources flowing into the District to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.

4. “Cashier” means a person who has been specifically authorized by the Director of Accounting to accept cash receipts on behalf of the District.
5. “Public funds” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).
6. “School-sponsored event or activity” means any event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or District funds, including the District activity funds or Minimum School Program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

## C. Authorized Cashiers

1. Whenever possible, receipt of public funds shall be restricted to one of the following pre-authorized cashiers:
  - a. At the school level:
    - i. the School Lunch Secretary or Lunch Manager (for lunch related cash receipts only); or
    - ii. the Financial Secretary or Bookkeeper (for all other receipts).
  - b. At the district level, staff within the Accounting Department designated by the Director of Accounting.
2. For specific functions where it is not possible or reasonable for a pre-authorized cashier to be present to receive all incoming cash receipts, substitute cashiers may be authorized as follows:
  - a. At the school level, the fiscal administrator may authorize responsible individuals to act as substitute cashiers. In this case, the fiscal administrator shall ensure that each

substitute cashier is trained in their duties by the Financial Secretary or Bookkeeper.

- b. At the district level, the fiscal administrator may request authorization from the Director of Accounting to have one or more substitute cashiers. In this case, the Director of Accounting shall ensure that each substitute cashier is trained in their duties by the Accounting staff.
3. District employees who are not authorized cashiers shall instruct payers to make payments directly to an authorized cashier or to make payments in a central lock box. Under no circumstances shall a District employee who is not a pre-authorized cashier or substitute cashier accept a cash receipt.

## D. General Policies

1. All checks payable to the District or individual school shall, immediately upon receipt, be restrictively endorsed (stamped “For Deposit Only – Granite School District [or the school name]”). Checks that are post-dated shall not be accepted.
2. Cash receipts in the form of student fees shall correspond with the approved fee schedule, as required by Utah Code 53A-12-102 and USOE Board Administrative Rule 277-407-5.
3. Cash receipts from sales, rentals, admissions, and user fees shall include a charge for sales tax unless specifically exempted, as required by Utah Code 59-12. (See also Utah State Tax Commission Publication 35.) Sales tax shall be remitted as directed by the Director of Accounting.
4. Cash receipts shall be accompanied by adequate supporting documentation as established by the Director of Accounting. Supporting documents shall be reconciled with actual cash taken in. Any discrepancy shall be clearly identified and brought to the attention of the fiscal administrator for resolution.
5. Whenever possible, incoming cash will be counted by two individuals. When dual counting is not possible, a compensating control must be used.

6. Whenever possible, cash receipts shall be turned in to the appropriate cashier, along with associated supporting documentation by the end of each day. If funds are received outside school or business hours and the cashier is not available, the fiscal administrator or her/his designee shall lock cash receipts in a secure location until the next business day when the cash receipts and associated supporting documentation shall be turned in to the appropriate cashier.
7. Under no circumstances may disbursements be made (i.e., for purchases, reimbursements, refunds, to cash personal checks, etc.) directly from cash receipts. Neither shall cash receipts be used to establish petty cash or change funds.
8. All cash receipts shall be kept in a secure controlled location at the District or school until they are deposited in a District-approved bank account. Under no circumstances are funds to be kept in an unsecure location.
9. Pursuant to Utah Code 51-4-2(2)(a), all public funds shall be deposited within three business days after receipt. When the dollar amount of cash receipts for any given day exceeds the cap established by the Director of Accounting, the funds shall be deposited into a District-approved bank account within one business day. At a minimum, funds shall be deposited on Wednesday and Friday of each week. The fiscal administrator shall consider and make reasonable arrangements for the physical safety of employees assigned to take the deposit to the bank.
10. All cash receipts must be recorded in the District's accounting records using an account code that accurately reflects the type of cash receipt being received.
11. Fiscal administrators shall use reasonable means to pursue unpaid amounts due the District. As a last resort, fiscal administrators may turn collection efforts over to the District's contracted collection agency.
12. Cash receipts associated with a specific student shall be recorded in the school's accounting records by the student's name.
13. Access to the school and District accounting systems shall be secured and safeguarded by restricted passwords.

# 3. Fundraising

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## A. Statement of Purpose

The Board of Education recognizes that fundraisers help make school activities accessible to students in Granite School District. The Board intends this policy to govern fundraising activities, to comply with state rules, to limit undue distractions or time commitments, and to ensure educator standards and accounting practices are maintained.

## B. Definitions

1. “Active fundraiser” means a fundraiser that involves active promotion by the school and active involvement of students.
2. “Group fundraiser” means a fundraiser where all team or organization members participate and all funds raised are used for the mutual benefit of the team or organization members.
3. “Individual fundraiser” means a fundraiser wherein participation is optional for individual students and funds raised by individual students are used to pay that individual student’s costs.
4. “Passive fundraiser” means a fundraiser initiated by outside entities that involve minimal supervision or participation (i.e. collecting box tops or proofs of purchase, book fairs, recycling, student pictures, and business patronage partnerships).
5. “School-sponsored fundraiser” means a fundraising event or activity that (a) is initiated, managed, or supervised by schools, teachers, staff, or administrators; (b) uses school facilities, equipment, or other school resources (not part of a rental or other contractual arrangement); or (c) is supported or subsidized by school or District funds, including the public school’s activity

funds or minimum school program dollars. Events or activities initiated by third parties or intended for the primary benefit of a third party are not school-sponsored.

6. “School-wide fundraiser” means a fundraising event or activity in which all students attending a school may participate.

## C. Approval

All fundraisers must be approved by the school principal and documented using the School-Sponsored Fundraising Approval Form. Principals, therefore, shall use discretion regarding the nature, number, and duration of fundraisers consistent with this policy and related policies.

## D. Administration of Fundraising Activities

1. All funds raised in school-sponsored fundraising activities are public funds and are to be used for the benefit of students and school programs or activities. Administration, staff, and other District employees responsible for the supervision of school-sponsored fundraising activities shall ensure that District policies and guidelines for handling and depositing funds are strictly followed.
2. Fundraising activities shall not count as instructional time and are not allowed to interfere with classroom instruction.
3. Only fundraising activities that offer at least forty-percent return of proceeds to the school may be considered.
4. In all fundraising activities, educators shall comply with Utah Educator Standards (Utah Admin. Code R277-515) and other District policies. In particular, educators shall refrain from using their position of influence to profit commercially or benefit personally from fundraising (i.e. teachers should not sell products or services offered by a family owned business unless the transaction is arms-length and the educator receives express permission from the school principal after disclosing the potential conflict of interest). This provision is not intended to prevent

educators from communicating opportunities for extracurricular involvement or other enrichment activities.

5. With express approval from the principal, District employees may receive reimbursement out of fundraising funds for expenses incurred while supervising school-sponsored student activities (i.e. travel, accommodations, and standard, approved per-diems).

## E. Student Participation

1. Teams, clubs, classes, or programs may sponsor individual or team fundraisers for appropriate purposes such as travel, equipment, professional services, or other specific purposes consistent with other District policies and State law.
2. Student participation in school-sponsored fundraising activities shall not impact grades, academic credit, or eligibility for teams, clubs, classes, or programs.
3. Students shall not be required to solicit door-to-door for school-sponsored fundraisers.
4. Unused funds from group or individual school-sponsored fundraising activities will revert to the designated school account for the team, club, class, or program at the end of the school year and not to students or parents.

## F. School-Wide Fundraisers

The following school-wide fundraisers are allowed annually:

1. One school-wide fundraiser intended to benefit the school may be sponsored by the school each year.
2. One school-wide fundraiser intended to benefit a charitable cause may be sponsored by the school each year.
3. One school-wide fundraiser intended to benefit the school's parent/teacher organization may be sponsored by the school each year.

4. Schools may participate in one annually-designated fundraiser sponsored by the Granite Education Foundation.
5. Passive fundraisers are allowed under the direction and at the discretion of the principal. Marketing information regarding passive fundraisers may not be distributed by schools as stand-alone flyers with the exception of information packets for student pictures and forms for school book programs. (Note: for other limitations on access to students and patrons, please refer to Board Policy, Article V.C.10. Access to Students by Non-School and Non-District Entities.)

## G. Utah Sales Tax

1. Utah law provides for a sales tax exemption on school fundraising sales if all of the following conditions are met:
  - a. Funds are used by the school for the purpose of purchasing equipment or materials or to provide transportation.
  - b. Fundraising activities are part of an officially school-sanctioned activity conducted in accordance with this policy.
  - c. Funds are not used to directly or indirectly compensate a teacher or other school or District employee.
  - d. Revenues from the fundraiser are deposited in a dedicated school account controlled by the school or District.
2. For all sales made during school-sponsored fundraising activities that do not qualify for the sales tax exemption, schools shall charge, collect, and appropriately remit sales tax. May 7, 2013

## H. Limitations and Prohibitions

1. Individual District employees are not permitted to accept personal payments, bonuses, or gratuities from commercial fundraising organizations or individuals. (See Utah Code 63-56-72 and Utah Administrative Code R277-515.) Fundraising incentives, bonuses,

etc., however, may be accepted if used to directly benefit students and/or programs.

2. School-sponsored fundraising may not involve communication, advertising, and/or depictions of tobacco or alcoholic products or any other material or product that may not legally be used by school age children or is otherwise not in compliance with the state, District, or school rules; that may be harmful to the health and welfare of students; that may exploit or create undue intrusion into the classroom or home; that would detract from or interfere with student learning; that would conflict with the educational mission of the District; or that would commercialize or damage the image of the District or the school(s).
3. Schools may not sponsor or co-sponsor fundraising events with the intended or unintended effect of offering an undue advantage to any outside entity or otherwise circumventing District policies or state laws regarding facility rentals, donations, boosters clubs, access to students, etc. For example, an individual or entity shall not be allowed to profit commercially by promising a donation or a portion of event proceeds to a team, club, class, or program in exchange for free or reduced-rate use of facilities, work performed by students or District personnel, or some other advantage gained by using a public facility. (See Board Policies, Article VIII.A.28. School Building and Grounds as Civic Centers; Article V.C.8. Donations; Article V.C.10. Access to Students by Non-School and Non-District Entities; and Administrative Memorandum No. 42, Use and Rental of School Facilities.)
4. Schools shall ensure against co-mingling of any school/District funds or funds generated through school-sponsored fundraising activities with the funds of any other individual or entity (i.e. booster organizations, commercial organizations, athletic programs, etc.)<sup>1</sup>. It is imperative, therefore, that principals become familiar with the distinctions between fundraisers and donations and account for both separately. (See Board Policy, Article V.C.8. Donations.)
5. School-sponsored fundraisers cannot require students to submit the personal information of other people, and students shall not be

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<sup>1</sup> As the sole exception to this provision, allowed for by the Utah State Office of Education rules, schools may collect funds on behalf of parent/teacher organizations.

used to develop mailing or contact lists for any commercial or fundraising organization.

# 4. Donations and Gifts

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## A. Statement of Purpose

Donations to schools and district are welcomed, and community partnerships are encouraged, subject to the following guidelines.

## B. Administrative Guidelines and Standards

Under the direction of the superintendent, district divisions and departments shall develop necessary guidelines and standards regarding the acceptance of donations to ensure compliance with state and federal law and other district policies.

## C. Products

Schools may accept donated products which carry the donor company's name, trademark, logo, or limited advertising on the product (e.g. cups, T-shirts, hats, instructional materials, furniture, office equipment, scoreboards).

## D. Cash Donations

Cash donations are welcomed and may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities.

1. Cash donations may be used to fund or enhance programs, facilities, equipment, supplies, services, etc. Donors may condition

a gift upon a particular use. While funds become public at the time of the donation, the school shall make all reasonable efforts to ensure the gift is used for its intended purpose.

2. Cash donations may not be used to hire regular classroom teachers, thereby altering the staffing ratios. However, classroom assistants, coaching assistants, or specialists of any kind, including individuals who may hold educator licenses, may be hired using the funds received. Donations to fund such positions, however, shall be made to a program, school, division, or department—not directly to individuals—and employment will be processed through the Granite District’s Human Resources Department and Payroll Department.
3. Cash donations shall not be used to augment an employee’s remuneration beyond the remuneration associated with the salary schedule of the employee’s position.

## E. Donor and Business Partner Recognition

1. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts. Recognitions may be placed on district buildings or structures with the approval of the superintendent. The Board reserves to itself approval for the naming of buildings, structures, rooms, or other district facilities.
2. Principals may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner. Such materials shall feature the school-business partnership and not be advertisement for or endorsement of the business involved.

## F. Large Donations

All gifts or donations, or campaigns to solicit gifts or donations, in excess of \$10,000, whether in-kind, cash, or otherwise, including financing for building projects, acquisition of equipment, or other capital improvements, shall be approved by the Superintendent prior to acceptance of the gift or donation and/or prior to solicitation. Donations or gifts, or campaigns to solicit gifts or donations, in excess of \$50,000, whether in-kind, cash, or

otherwise, including financing for building projects, acquisition of valuable equipment, or other capital improvements, shall be approved by the Board of Education. The District encourages large gifts and donations to be made through the Granite Education Foundation.

## G. Conditions of Donations

As required by state laws and administrative rules, donations will only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. As such, donations will only be received under certain conditions:

1. No donations with a value of \$100 or more, whether in-kind, cash, or otherwise, shall be accepted by Granite School District or any of its schools, divisions, or departments without a fully completed Donation/Contribution/Sponsorship/Volunteer form.
2. Donations, whether in-kind, cash, or otherwise, shall be complete transfers of ownership, rights, privileges, and/or title in or to the donated goods or services and become the exclusive property of Granite School District upon delivery.
3. Donations of more than \$499 during the course of one year from the time the threshold is met, preclude the donor (whether an individual or representative of a foundation, organization, club, or other entity) from serving in any capacity with decision making authority over personnel or staffing; student participation or discipline; program funds; or overall direction of a program or activity. Otherwise, participation and event attendance is welcomed.

## H. Prohibitions

Donations shall not be accepted that advertise or depict tobacco and alcoholic products or any other materials or products that may not legally be used by school age children or are otherwise not in compliance with the state, district, or school rules; that are harmful to the health and welfare of students; that are exploitive or unduly intrusive into the classroom or

home; that would detract from or interfere with student learning; that would conflict with the educational mission of the schools; or that would commercialize or damage the image of the district or the schools.

# 5. Banking and Other Institutional Accounts

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## A. Purpose

The purpose of this article is to establish policy for opening, using, and reconciling all bank and other institutional accounts including checking, savings, certificates of deposit, merchant processing, and all other accounts into which public funds may be deposited and/or maintained. The scope of this policy includes all District and individual school activities in all locations where they occur and public funds are collected.

## B. Definitions

1. “Cash receipt” means anything that represents resources flowing into the District to include: currency, coin, checks, money orders, credit card transactions, transfers in, ACH transactions, and redeemed account credits.
2. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
3. “Public funds” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).

## C. Authorization of Accounts

1. All bank accounts shall be centrally authorized by the Business Administrator or her/his designee and monitored by the Accounting Department. Secondary schools are pre-authorized to have a single checking account. Elementary schools and District departments are not authorized to open or operate bank accounts. District employees shall not open or operate unauthorized bank accounts for receiving, holding, or expending public funds.
2. Outside organizations or entities are not permitted to use the District's tax ID or sales tax exemption numbers for banking or any other purpose.
3. Temporarily idle funds in District-approved bank accounts (typically determined to be balances in excess of two to three months of operations) shall be invested. Such investments shall be under the direction of the Business Administrator and administered by the Director of Accounting.
4. The Board President and Business Administrator shall be authorized to sign on all District and school bank accounts. Others who are authorized to sign on secondary school accounts may include the Principal, Assistant Principal(s), and the Bookkeeper. If additional signers are desired on a specific account, application must be made to the Director of Accounting and approval granted by the Business Administrator.

## D. Deposits, Disbursements, and Reconciliations

1. All cash receipts of public funds controlled by the District shall only be deposited into authorized school or District bank accounts using a bank-issued deposit slip.
2. School and District bank accounts shall not be used for non-District purposes.
3. Funds associated with and collected by or on behalf of certain groups or organizations closely aligned with a school or the District (e.g. faculty funds, PTA/PTO funds, and student non-curricular clubs), may be deposited temporarily into the authorized

school or District accounts, and the school or District assumes a fiduciary relationship with the closely aligned group or organization. Funds will be maintained in a designated account on behalf of the aligned group or organization and disbursed upon request by the group or organization.

4. Funds shall only be disbursed from a school or District bank account via an appropriately authorized check or electronic transfer, and disbursements shall be restricted to authorized District business and/or fiduciary activity as described above. Under no circumstances is cash to be withdrawn from a school or District bank account.
5. Monthly reconciliations shall be performed by the fiscal administrator or her/his designee on all District-approved bank accounts. Reconciliations performed by designees shall be reviewed by the fiscal administrator.

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# 6. Petty Cash and Change Funds

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## A. Purpose

The purpose of this article is to establish a policy for keeping and using petty cash and change funds consisting of public funds. The scope of this policy includes all activities at the District, in individual schools, and in all locations where District or school activities occur and public funds are handled.

## B. Definitions

1. “Cash disbursement” means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
2. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
3. “Imprest account” means an account into which a fixed amount of money is placed for the purpose of making change, known as a “change fund” or making minor disbursements, known as a “petty cash fund.”

## C. Issuance of Petty Cash and Change Funds

1. All petty cash funds must be applied for and approved and issued by the Director of Accounting under the direction of the Business Administrator.
2. Change funds may be issued from one of two sources:
  - a. Change funds using money from the District's central bank accounts must be applied for and approved and issued by the Director of Accounting under the direction of the Business Administrator.
  - b. Change funds using money from a District secondary school may be issued by the site fiscal administrator.

District or school checks may not be made payable to "cash" or "bearer" and cashed by District or school employees to create change funds or petty cash funds outside of the application and approval process. Funds may not be withheld from cash receipts to create change funds or petty cash funds.

## D. Securing and Use of Petty Cash and Change Funds

1. All petty cash and change funds shall be operated consistent with standard accounting practice and as determined by the Director of Accounting to include:
  - a. Be issued and maintained at specific imprest amounts.
    - i. The total amount of cash and substantiating vouchers/receipts in a petty cash fund shall always equal the fixed amount. As cash is depleted and vouchers/receipts accumulate, the vouchers and receipts may be turned in to the Accounting Department for replenishment. Replenishment requests for petty cash accounts are to be submitted on a Pay Voucher and made only when supported by receipts and approved by the fiscal administrator

- ii. The total amount of cash in a change fund should always equal the fixed amount. Cash disbursements shall not be made from change funds. Change funds issued for specific activities or events shall be accounted for with each use and shall be turned in at the end of the associated activity or event. A cash receipt tally sheet for each activity or event shall account for the change fund separately from the revenue generated.
  - b. Every cash disbursements from a petty cash fund shall be supported by a petty cash voucher and associated purchase receipt(s).
- 2. All petty cash funds and change funds should be kept locked in a secure location.
- 3. All petty cash and change funds shall be reflected on the District's and school's accounting records and reconciled monthly.

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# 7. Procurement

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## A. Purpose

The purpose of this article is to establish policy to govern the initiation, authorization, and review of purchases in the District. This policy is applicable to all purchases using public funds. The scope includes all qualifying purchases of goods or services at the District and in all locations where District activities are held and public funds are expended. It is expected that in all dealings, District employees will act in an ethical manner that is consistent with the Public Officers' Employees' Ethics Act, the Utah Educators' Standards, and State procurement law.

## B. Definitions

1. “District purchasing instrument” refers to any of the following specific authorized means of making a purchase:
  - cash from a District authorized petty cash fund;
  - check from a school or District authorized bank account;
  - electronic funds transfer from a school or District authorized bank account;
  - Purchasing Card (also referred to as a Pcard);
  - Purchase Order, which is a District or school generated document that authorizes a purchase transaction when accepted by the seller, becomes a contract binding on both parties; and
  - Pay Voucher, which is a short-form Purchase Order.

2. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
3. “Public funds” means money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs (Utah Code 51-7-3(25)).

## C. State Law Requirements

This policy is established pursuant to Utah Code 63G-6a-101 *et. seq.* and Utah Administrative Rules, Title R33, and requires all District employees to comply with the same. The Board of Education has authority to establish procurement policies that are more restrictive than State laws or rules. Certain components of the law particularly relevant to District Employees are included below.

1. Contracts must follow the guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts (Utah Code 63G-6a-1204(7)).
2. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a-1302 the Utah State Board of Administrative Rules, and Title IX).
3. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a-101 *et. seq.*), the District’s procurement policy, and the Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16-1 *et. seq.*).

## D. Restricted Authority

1. No purchase shall be made and no indebtedness shall be incurred by any officer or employee of the District that exceeds the authority given in this policy except those authorized by the Board of Education (Utah Code 53A-3-405).

2. The Business Administrator/Treasurer and the Director of Purchasing or designated agents are the only persons authorized to engage in the following procurement-related activities:
  - a. obligate the District for the purchase of goods and services, which includes any type of leasing agreement (the only exception to this the event of an emergency wherein loss or harm will result without immediate action);
  - b. establish and manage an inventory of supplies and certain equipment, and as the need develops, the replenishment of that inventory through means of competitive bidding or inquiry with established sources of supply;
  - c. manage the transfer of surplus equipment for purposes of use in other District schools and departments; and
  - d. determine the value of equipment within the schools and warehouses that is deemed obsolete or not repairable and direct the disposal of such items by means of a sale or salvage through the Central Warehouse on a cash-only basis.
3. Fiscal administrators are authorized by the Board of Education to enter into contracts or agreements that obligate the District to the end of the current school/fiscal year only, with the exception of concession contracts, which may have a term up to, but not in excess of (3) years.

## E. General Policies

1. Whenever possible, local markets and vendors shall be favored in the purchase of goods and services, where price and quality are equal to other sources.
2. Competitive prices shall be sought from all available sources whenever possible before negotiations for purchase are entered into, and preference shall not be given in such a way that one vendor has an advantage over any other vendor.
3. The Director of Purchasing, or designated agents, reserves the right negotiate any quotation received by a department or school.

4. Where only one source of supply exists, the Director of Purchasing or designated agent shall negotiate the price and quality and conditions of delivery.
5. The Director of Purchasing, or designated agents, may substitute equivalent product provided the Director of Purchasing notifies the originator of the purchase requisition prior to the substitution.
6. The Purchasing Department may cancel all, or any part of a Purchase Order that fails to meet the specifications regarding quality, price, delivery, or service specified thereon.
7. The fiscal administrator is charged with primary responsibility for all financial matters of their school or department. Such responsibility is non-delegable. Because it is not possible for the fiscal administrator to be personally involved in every financial matter at their school or department, they may designate specific individuals to perform specific tasks or functions on their behalf. Nonetheless, the fiscal administrator retains ultimate responsibility and should therefore ensure their designees are properly trained. Fiscal administrators do not have authority to instruct or permit violation of District policy and procedure.
8. All transactions will be subject to audit for compliance by appropriate District Personnel at any time.

## F. Purchases and Procurement Thresholds

1. Schools and departments are authorized to make necessary purchases within stated procurement thresholds. The dollar thresholds for purchases are to be applied to the whole purchase, not individual items.
  - a. A “small purchase” is the procurement of goods or services for which the total cost is less than \$50,000 (Utah Code 63G-6a-408). Under that amount, there are additional dollar thresholds that must be applied to specific types of purchases.
  - b. The “individual procurement threshold” for the District is \$499.99. This is the maximum amount that the District can expend to obtain a single item/service from one vendor at

one time without requiring competitive purchasing procedures (Utah Code 63G-6a-408).

- c. The “annual cumulative threshold” for the District is \$50,000. This is the maximum total annual amount that the District can expend to obtain procurement item(s) from the same vendor during the fiscal year (July 1—June 30).
  - d. 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 (Utah Code 63G-6a-408 and R33-3).
  - e. 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 (July 1—June 30), a contract shall be utilized if feasible (Utah Code 63G-6a-408(6)).
2. Without regard to amount:
- a. If a service is to be purchased from an individual or sole proprietor, the purchase must be made on a Pay Voucher or District Requisition and processed through the Accounting Department to facilitate compliance with IRS regulations concerning issuance of 1099 forms from the District.
  - b. If desired goods are available from the District Warehouse, it is recommended that schools or departments make the purchase from the District Warehouse using a District Stores Issue.
  - c. If desired goods or services are available on a District or State contract (available on the Purchasing Department website), it is recommended that schools or departments make purchases from a source identified in the contract using either a Pay Voucher, a school check (secondary schools), a Pcard if the total purchase is under the transaction limit of the card, or a District Requisition.
3. For purchases that total up to \$499.99:
- a. If the items being purchased are not available from the warehouse or on a State or District contract, the school or

department's fiscal administrator may make a best source selection and proceed with the purchase utilizing a Pcard, school check, or District Pay Voucher.

4. For purchases that total between \$500 and \$999.99:
  - a. If the items being purchased are not available from the warehouse or on a State or District contract, documented quotes are required, either written, via telephone, or in email received directly from the vendor, and shall contain the following information:
    - i. vendor, District employee name and position;
    - ii. date received or dates that the quoted price is valid, and anticipated delivery date;
    - iii. company name, address, and salesperson;
    - iv. each item, description or specifications, unit, quantity, and total price;
    - v. shipping and freight charges; and
    - vi. salesperson and contact information.
  - b. The school or department shall document quotes on the District Quote Form and make the purchase using a Pcard if the total purchase is under the transaction limit on the card, a school check (secondary schools), a Pay Voucher, or a District Requisition.
  - c. A requisition is defined as a "statement of needs" and shall be approved by the fiscal administrator prior to submission.
5. For purchases that total between \$1,000 and \$4,999.99:
  - a. If the items being purchased are not available from the warehouse or on a State or District contract, the school/department shall obtain a minimum of three quotes and document them on the District Quote Form.
  - b. The school/department shall then select the best source (defined as the lowest cost vendor able to provide the item(s) considering factors such as timeliness, quality, etc.)

- and make the purchase from that vendor on a School Purchase Order (secondary schools) if using school funds. Or alternatively, the school/department may make the purchase by submitting the District Quote Form and a District Requisition to the Purchasing Department. If using a District Requisition, the Purchase Order will be issued by the Purchasing Department.
- c. Purchases over \$1,000 from a sole source vendor must be pre-approved by the Purchasing Department using the Sole Source Justification Form.
6. For purchases that total over \$5,000:
- a. The school/department initiates the purchase using a District Requisition. All such purchases are required to be approved by an Assistant Superintendent. Once the Requisition is received by the Purchasing Department, it will be processed as follows:
    - i. Purchases up to \$49,999.99 – Purchasing will obtain and document quotes, select the best vendor based on criteria such as price, availability, quality, etc., then issue a District Purchase Order.
    - ii. Purchases of \$50,000 and over – Purchasing will obtain formal bids, select the best vendor based on price, availability, quality, etc., submit a recommendation to the Board of Education, then upon Board approval, and issue a District Purchase Order.

## G. Exceptions to Thresholds

- 1. Instructional materials (including textbooks, workbooks, computer software, online or internet courses, CD's or DVD's, and multiple forms of communication media) listed on the State's Recommended Instructional Materials Systems (RIMS List) and available from a book depository within Utah are exempt from the thresholds up to \$50,000 and can be purchased directly by a school/ department utilizing a Pay Voucher, School Purchase Order (secondary schools) or a District Requisition as appropriate.

Orders in excess of \$50,000 must be submitted utilizing a District Requisition. The expenditure of any sum in excess of \$50,000 for supplies, equipment, or services requires prior approval of the School Board.

2. Items purchased for resale from a company whose primary business is facilitating school fundraisers shall be documented on the School-Sponsored Fundraising Request and Approval Form and purchased on a School Purchase Order (secondary schools) or submitted on a District Pay Voucher (elementary schools) with a copy of the fundraising form attached to the Pay Voucher. Purchasing will review the Fundraising Form and provide feedback if deemed necessary.

## H. Ethical/Legal Standards in the Utah Procurement Code

State law mandates public employees comply with ethical/legal standards when administrating using public funds. Utah Code 63G-6a-2301 *et. seq.* outlines conduct considered unlawful and proscribes penalties for violating procurement laws.

1. For purposes of this section, the following definitions apply:
  - a. “Contract administrator” means a person who administers a current contract, on behalf of a District, including making payments relating to the contract, ensuring compliance with the contract, auditing a contractor in relation to the contract, or enforcing the contract (Utah Code 63G-6a-2304.5).
  - b. “Interested person” is a person interested in any way in the sale of a procurement item or insurance to a District (Utah Code 63G-6a-2304.5).
  - c. “Procurement participant” means a person involved in:
    - i. administering, conducting, or making decisions regarding a standard procurement process;

- ii. making a recommendation regarding award of a contract or regarding a decision to obtain a procurement item for a particular person;
    - iii. evaluating a quote, bid, or response; or
    - iv. awarding a contract or otherwise making a decision to obtain a procurement item from a particular person (Utah Code 63G-6a-2304.5).
  - d. “Gratuity” means anything of value, including money, a loan at an interest rate below the market value or with terms that are more advantageous to the person receiving the loan than terms offered generally on the market, an award, employment, admission to an event, a meal, lodging, travel, or entertainment for which a charge is normally made (Utah Code 63G-6a-2304.5).
  - e. “Hospitality gift” means a promotional or hospitality item, including, a pen, pencil, stationery, toy, pin, trinket, snack, nonalcoholic beverage, or appetizer. This does not include money, a meal, a ticket, admittance to an event, entertainment for which a charge is normally made, travel, or lodging (Utah Code 63G-6a-2304.5).
  - f. “Kickback” means a gratuity given in exchange for favorable treatment in a pending procurement or the administration of a contract (Utah Code 63G-6a-2304.5).
2. Artificially Dividing a Purchase
- a. It is unlawful to intentionally divide a procurement purchase into one or more smaller purchases to divide an invoice or Purchase Order into two or more invoices or Purchase Orders, or to make smaller purchases over a period of time (Utah Code 63G-6a-408).
  - b. Dividing a purchase includes means intentionally splitting a purchase of similar items that would typically be purchased at the same time from the same vendor to avoid requiring competitive quotes is unlawful (e.g., uniforms, club or athletic equipment, textbook orders, etc.). Dividing a purchase also includes dividing the purchases or invoices

over a period of time, or making separate purchases over a period of time.

- c. Purchase splitting often occurs when making purchases on a purchase card. Employees should not split invoices to stay under daily purchase limits on Pcards or the established purchasing thresholds.
- d. It may be determined after an order is placed or received that a large enough quantity was not ordered, or the correct sizes were not obtained, and additional items must be ordered. If this occurs, the employee initiating the purchase must include a written explanation of the purpose of the purchase and justification as to why it is not considered splitting a purchase. This should be retained with the vendor invoice.
- e. Penalties for dividing purchases range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements.

### 3. Gratuities

- a. It is unlawful for:
  - i. an “interested person” to give, offer, or promise to give a gratuity to a “procurement participant” or an individual the person knows is a family member of the procurement participant;
  - ii. a “procurement participant” to ask, receive, offer to receive, accept, or ask for a promise to receive a gratuity from an “interested person”;
  - iii. a contractor to give a gratuity to a “contract administrator” of the contractor’s contract or an individual the contractor knows is a family member of a “contract administrator” of the contractor’s contract; or
  - iv. a “contract administrator” of a contract to ask, receive, offer to receive, accept, or ask for a promise to receive, for the “contract administrator” or a family member of a “contract administrator,” a

gratuity from a contractor for that contract (Utah Code 63G-6a-2304.5).

- b. The District will adhere to the penalties prescribed by law and report violations to the Attorney General's office as required by statute.
- c. Penalties for an interested person and contractors range from a class B misdemeanor to a second degree felony. Penalties for a procurement participant and contract administrator range from a class B misdemeanor to a second degree felony and make employees subject to disciplinary action up to and including dismissal from employment (Utah Code 63G-6a-2304.5 and 2306).

#### 4. Hospitality Gifts

- a. District employees may legally accept hospitality gifts subject to two thresholds:
  - i. the total value of all hospitality gifts given, offered, or promised to, or received or accepted by a "procurement participant" or "contract administrator" in relation to a particular procurement or contract must be less than \$10; and
  - ii. the total value of all hospitality gifts given, offered or promised to, or received or accepted by, a "procurement participant" or "contract administrator" from any one person, vendor, bidder, responder, or contractor in a fiscal year must be less than \$50.
- b. Any hospitality gift exceeding the \$10 and \$50 threshold is considered a gratuity, and the provisions above apply (Utah Code 63G-6a-2304.5).

#### 5. Kickback

- a. It is unlawful for:
  - i. a person to give, offer, or promise to give a "kickback" to a "procurement participant" or to another person for the benefit of a "procurement participant";

- ii. a “procurement participant” to ask, receive, offer to receive, accept or ask for a promise to receive a kickback for the “procurement participant” or for another person;
    - iii. a person to give a kickback to a “contract administrator,” or to another person for the benefit of a “contract administrator”; or
    - iv. a “contract administrator” to ask, receive, offer to receive, accept, or ask for a promise to receive a kickback for the “contract administrator” or for another person (Utah Code 63G-6a-2304.5).
  - b. The District will adhere to the penalties prescribed by law and report violations to the Attorney General’s office as required by statute.
  - c. Penalties for a person or contractor range from a class B misdemeanor to a second degree felony. Penalties for a procurement participant and contract administrator range from a class B misdemeanor to a second degree felony and individuals are subject to disciplinary action up to and including dismissal from employment (Utah Code 63G-6a-2304.5 and 2306).
- 6. Use of Position or Influence to Obtain a Personal Benefit
  - a. It is unlawful for a “procurement participant” to use the “procurement participant’s” position or influence to obtain a personal benefit for the “procurement participant,” or for a family member of the “procurement participant,” from an “interested person” (Utah Code 63G-6a-2304.5).
  - b. The District will adhere to the penalties prescribed by law and report violations to the Attorney General’s office as required by statute.
  - c. Penalties for an interested person range from a class B misdemeanor to a second degree felony. Penalties for a procurement participant range from a class B misdemeanor to a second degree felony and individuals are subject to disciplinary action up to and including dismissal from employment (Utah Code 63G-6a-2304.5 and 2306).

# 8. Cash Disbursements

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## A. Purpose

The purpose of this article is to establish District 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 Public Officers' Employees' Ethics Act, the Utah Educators' Standards, and State procurement law.

## B. Definitions

1. "Cash disbursement" means a payment of money. Such disbursements are generally made by means of writing a check or using a credit card. Sometimes, they take the form of using petty cash. A cash disbursement does not include the giving of change in a cash transaction.
2. "District purchasing instrument" refers to any of the following specific authorized means of making a purchase:
  - cash from a District authorized petty cash fund;
  - check from a school or District authorized bank account;
  - electronic funds transfer from a school or District authorized bank account;

- Purchasing Card (also referred to as a Pcard);
  - Purchase Order, which is a District or school generated document that authorizes a purchase transaction when accepted by the seller, becomes a contract binding on both parties; and
  - Pay Voucher, which is a short-form Purchase Order.
3. “Fiscal administrator” means the top administrator at a given school or department. In a school, it is the principal. In a department, it is the department director. In the case of a department with no assigned director, it is the top administrator or middle manager who reports to the director who generally oversees the department.
4. “Public funds” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including Districts or other public bodies (Utah Code 51-7-3(26)).

## C. General Policies

1. All disbursement of public funds under District control shall be:
- a. Made using a District purchasing instrument.
  - b. Accompanied by documentation that establishes:
    - i. 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
    - ii. reasonableness and necessity for carrying out the programs and activities of the District.
  - c. Signed by the fiscal administrator signifying her/his explicit approval of the purchase. Signature stamps shall not be used in lieu of an actual signature. Each individual receipt and/or invoice must also be initialed by the fiscal

- administrator or their designee signifying her/his detailed review for compliance, reasonableness, and necessity.
- d. Executed through the District Accounting Office or the administrative office of a particular school.
  - e. Recorded in the school or District's accounting records using an account code that accurately reflects the type of expenditure being made.
2. Access to District purchasing instruments as well bank accounts and statements shall be secured and controlled by the District Accounting and Purchasing Departments or a school's administrative office. (Pcards shall be secured by the named card holder.)
  3. Any fiscal administrator who authorizes an employee under their direction to receive a Pcard understands that (s)he is pre-approving all subsequent purchases that will be made by the employee using her/his Pcard. To maintain accountability, all Pcard 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.
  4. 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 District's funds. A completed TC-721 Exemption Certificate, purchase order, or District check may be used to evidence the exemption. (Utah Code 59-12-104.)
  5. Access to the school and District accounting systems shall be secured and safeguarded by restricted passwords.
  6. 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.
  7. Purchases of goods or services with Public funds for personal use or personal gain are strictly prohibited (*see* the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16-1 *et. seq.*)).

8. Fiscal administrators in secondary schools shall ensure that uncashed checks written by the school and other unclaimed property are properly remitted to the District. The Director of Accounting shall ensure that District unclaimed property is escheated to the State of Utah. (Utah Code 67-4a.)
9. Fiscal administrators in secondary schools shall review and approve any and all transfers from one activity account to another.

# 9. School-Support Organizations

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## A. Statement of Purpose

The Granite School District Board of Education recognizes that parents, patrons, and other community partners want to contribute to schools, and the District wants to facilitate appropriate contributions.

## B. Statement of Policy

To enhance the level of cooperation with parents, patrons, and community partners, principals or District administrators with contracting authority may formally recognize individuals, groups, entities, or organizations that exist or that have created programs for the primary purpose of benefiting and supporting the District, its schools, and its sanctioned teams, clubs, classes, or student programs. Qualifying individuals, groups, entities, or organizations will be recognized as a School Support Organization (“SSO”). This recognition comes with the benefits and obligations outlined below.

## C. Benefits Offered to SSO’s

The benefits offered to SSO’s include the following:

1. Nominal rental rates for the use of school/District property.
2. Use of the school’s name (in conjunction with an entity or organization name where appropriate) to promote and execute events, fundraisers, and other activities.

## D. Obligations of SSO's

In exchange for the benefits described above, SSO's shall provide the following:

1. Execution of an SSO Agreement with the school to be reviewed annually that includes a statement identifying the purpose of the SSO, the projected scope of its activities, and the anticipated use of any funds generated by the SSO.
2. An agreement to follow the district accounting policies and procedures or to follow other formally adopted accounting procedures, which must include, at minimum, a process of recording receipts and expenditures and running all revenue through an account established with a reputable financial institution.
3. An agreement to provide annual financial statements upon request consisting of, at minimum, a balance sheet and a complete income statement.
4. An agreement not to receive, hold, or use public funds including student fees.
5. An agreement to comply with all federal and state laws including, but not limited to, filing appropriate sales and income tax returns, registering and maintaining proper business entity filings, and applying for necessary permits.
6. An agreement not to use the District's federal Employer Identification Number and/or tax exempt status for any purpose.
7. Execute a District Rental Agreement with proof of insurance where applicable.
8. An agreement to abide by all other District policies related to events or use of school facilities where applicable.

## E. Relation to Other Policies

Nothing in this policy is intended to limit volunteer opportunities, donations, school-sponsored fundraising, rentals of District facilities, community partnerships, access to students, or other interactions between third parties and schools that are governed by separate District policies.

GRANITE SCHOOL DISTRICT

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# Fiscal Policies Manual

PREPARED BY THE BUSINESS SERVICES DIVISION

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## CONTACT US

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