

Accounting Manual

Accounting Procedures

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Accounting Procedures

The intent of this manual is to lay out the accounting processes in a clear easy to understand manner. Situations or complexities may arise that are not accounted for in this manual, the school expects that the personnel handling the matters will act in a professional and responsible manner when such situations arise.

All accounting and financial reporting will be the responsibility of the Business Manager, under the direction of the board of trustees and the director. A complete general ledger will be kept, and Year-To-Date financial reports submitted to the Board of Trustees each month. All support documents and accounting records shall be available for review at reasonable times by the board of trustees, school administration or others as approved by the Board or Administration.

Deposits

- As the school staff receives payments or donations from the public, the receiving staff members will record the purpose of the funds, total and date on an envelope and submit the envelope to the business manager for recording and depositing of the funds.
 - Copies of all checks will be made and attached to the accounting system deposit slip and bank receipt.
 - Deposits will be made in a timely manner.
- The school shall maintain a chart of accounts that meets the needs of the organization's expenditures and reporting requirements of the Utah State Office of Education and Federal Education Department. Each funding program revenue item and expenditure item shall be recorded using the class function in the accounting system.

Accounts Payable & Purchasing

It is the policy of the school to follow a practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment.

- The school will follow purchasing policies and procurement laws laid out by the State of Utah and by the Utah State Office of Education.
 - Any purchase up to \$5,000 will require the approval of the director of the school.
 - Any purchase \$5,000 or more up to \$50,000; at least two bids will be obtained and reviewed by the finance committee and due diligence and prudence will be used in making the decision of which vendor is chosen.
 - Any purchase of \$50,000 or more; will require a sealed bid process at an open board meeting or an RFP (Request for Proposal), with a vote of the board deciding the vendor.
- The school director shall have the authority to initiate purchases needed to operate necessary school programs, within the guidelines described in this policy manual. The director shall be responsible for staying within the major categories of the approved budget.

- All checks require two signatures by an authorized signer. All signers are required to furnish a signature card to the schools chosen financial institution. The business manager may not be a check signer.
- The director may, as needed, purchase allowable supplies, materials and equipment that fall within the approved budget.
- The purchasing requirements laid out apply to discretionary or one-time purchases or new commitments and do not apply to on-going, existing monthly or periodic commitments that have been previously agreed upon.

Ethical Conduct in Purchasing

- Ethical conduct in managing the organization’s purchasing activities is required.
- Staff shall discourage the offer of and decline individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts.

Payroll

- The school prepares its payroll using the QuickBooks system. The business manager shall be responsible for all payroll tax deposits, State and Federal filings, and any other payroll related record keeping items.
- The school does not advance salary or make payroll loans without the director’s approval (In the case of advance salary requests or payroll loans for the director, the board of trustee’s approval is required).
- For all employees, the pay periods run from the 1st – 15th and from the 16th to the end of the month. Paychecks will be dated and distributed on the 20th and the 5th. If the pay date lands on a weekend or bank holiday paychecks will be dispersed the preceding workday.
- Personal and/or sick time will be displayed and updated with each paycheck (for more details on personal time please see the employee benefits handbook).

Budget

- The finance committee (consisting of members of the board of trustees, the director, the business manager, and others as authorized by the board) will prepare an annual budget.

- The finance committee will meet at least monthly to go over expenditures and approve minor budget changes. The full board of trustees will review the budget, make changes as deemed appropriate, and approve the annual budget.
- From time-to-time, the board of trustees and the administration can elect to amend the budget as needed. Amendments shall be approved in a public board meeting.

Audit and State Reports

- An annual audit will be budgeted for and performed by an outside certified public accountant. The school's business manager will work with the auditor and assist in completing the audit in a timely manner. The business manager will file the audit with the appropriate authorities by the due date.
- The business manager will perform all state and federal reporting in a timely manner.
- The business manager's responsibilities include, but are not limited to the following:
 - Approved budget submission (in AFR format)
 - AFR (Annual Financial Report)
 - APR (Annual Program Report)
 - 990 (IRS annual information return)
 - Negotiation report
 - Year-end web survey
 - Monthly or quarterly financial and enrollment reports

Bank Reconciliation

A board of trustee's member or the director will review all bank statements and initial or sign each statement. The business manager will reconcile all bank statements each month.

Cash Management

- The business manager shall monitor and analyze cash balances for each year and update future projections as each month passes and alert the director if it appears that reserves will be low enough to jeopardize the school's capability to meet payroll or outstanding obligations.
- Before making a major purchase, the director will obtain necessary approvals and coordinate with the business manager to ensure that payment arrangements can be accommodated with the school's current cash position.
- Also, the business manager will be responsible to keep up on banking requirements (FDIC insured amounts, Utah Money Management Council rules, and any other applicable standards).

Assets & Capitalization

- The school will use modified accrual accounting to record all transactions. As such, all purchases of assets shall be expensed and run through the regular operating budget.
- At fiscal year-end, all assets over \$1,000 (could set threshold to \$1,000 to \$5,000) shall be capitalized and depreciated for the schools audited financial statements.

Records

- All canceled checks, voided checks, bank statements, and disbursement invoices are filed and maintained in order and are available for review by the board of trustees and the administration.
- The director or board must first approve any other entity or individual requesting a review of these documents.
- Deposits shall be filed by bank account and from oldest to newest and expenditures by the appropriate vendor.