



Fiscal Accountability and Procurement Policy

Budgeting - designate a particular amount of money in a category.

The budget for the fiscal year is proposed to the Board by June 1 of each year. The budget is to be approved by the Board before July 1 of that year.

The MCS Budget will contain enough detail to enable reasonably accurate projections of revenues and expenses, separation of capital and operational items, cash flow, and subsequent audit trails. Expenditures must be planned in a way so that they equal or are less than anticipated revenues. Additionally, the budget will be in line with board-stated priorities.

Fiscal Accountability - a fiscal year is a period of time that is used for financial reporting and accounting purposes.

The director and board treasurer will meet no less than monthly with the business manager to review expenditures and the budget. The Director will submit amendments to the approved budget, if needed, at regularly scheduled board meetings.

An annual independent financial audit of the school's records will be conducted in accordance with State law.

Procurement - the action of obtaining something.

MCS will follow all state procurement regulations as outlined in Title R33:Administrative Services, Purchasing, and General Services. When available and reasonably priced, MCS will use state contracts for purchasing through approved vendors.

- Purchases of \$1,000 - \$5,000: Three verbal quotes (written down in a Summary of Decision - a description of which provider or provision was chosen and why)
- Procurement requests of \$1,000 or larger require Business Manager approval.
- Procurement requests of \$2,500 or larger require pre-approval of Business Manager and two Board Members.
- Purchases of \$5,000 - \$50,000: Written quotes, formal quotes (written down in a Summary of Decision - a description of which provider or provision was chosen and why)
- Purchases of \$50,000 or more: RFP required (along with Summary of Decision) in accordance with Utah State law and require Business Manager approval and full Board approval.

For all procurement quotes, bids, and invoices receipts are to be kept.

Purchasing - to acquire something by paying for it.

All purchases and reimbursements must have a pre-approval requisition form signed by the appropriate signatory. The director will purchase according to the approved budget. Due to the nature of price fluctuations, up to 5% of the cost of any program can be shifted from related programs, to meet costs. Purchase orders for local business accounts can be signed by the Director or designee. Staff may use business accounts with a purchase request signed by



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the Director. The school Administrative Assistant or Director will notify the business by phone or in writing that the specified employee is authorized for that specific purchase. All purchase receipts with school accounts will be turned into the business manager within the week of the purchase with the purchase order.

A debit card for Moab Charter School, in the Director's name, will be used for purchases where school accounts are not available. This card will only be used by the Director or other approved staff. Debit card purchase receipts will be turned into the business manager within the week of the purchase with the purchase order or receipt, and purchase requisition noting approval. Both the Administrative Assistant and Director will have a state purchasing card in their name for online and other purchases where a purchase order or account is not used.

Purchases made by the Director will be reviewed and approved by the business manager and board at the monthly board meetings. Purchases will be within the MCS operating budget for items necessary for MCS operations. Purchasing amounts will follow the thresholds noted above. Checks are issued by the business manager, but may be issued by the Director at times when the business manager is not available. Checks may only be signed by the Board Chair, the Board Treasurer, the Board Secretary, or the Director. No employee will sign any check made out to oneself.

Reimbursement to employees is not the preferred method of payment. Reimbursed items must be pre-authorized by the Director, or if the Director is unavailable, the Board Treasurer or Board Chair. Failure to obtain appropriate pre-authorization will result in non-payment, unless the Director or Board chooses to authorize the reimbursement. MCS will not reimburse for sales tax.

MCS will not maintain a petty cash account. Lunch money, checks, or other incidental income will be deposited in the MCS bank account within three business days or less of receipt.

Records - a piece of evidence kept in permanent form.

All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.

Reporting - to give an account of something

MCS will issue financial reports in accordance with Generally Accepted Accounting Principles ("GAAP") and the State Office of Education guidelines for Budgeting, Accounting, and Auditing for Utah School Districts. An independent accounting firm, which is retained by the board, will conduct the annual audit after the fiscal year ends and the results will be reported to the Board of Trustees. At its discretion the Board will appoint an audit committee or contract with a third party firm.

If the Board chooses to appoint an audit committee it should include:

1. Board Member appointed by the Chair



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2. Parent or other volunteer with accounting or auditing experience appointed by the board
3. Parent or other volunteer with accounting or business operation experience appointed by the board
4. A member of the retained independent accounting firm may be appointed as an advisor to the committee at the discretion of the board.

Employees of Moab Charter School are not eligible to serve on the audit committee.

The Audit committee stands as the specially-qualified group who can better understand, monitor, coordinate, and interpret all the financial activities for the entire board. On a monthly basis the committee will conduct a spot audit or review of the following:

1. Cash processes
2. Receivable processes
3. Payable processes
4. Payrolls
5. General procedures
6. Internal operations
7. Handling of deviations

The audit committee will create a summary report and a corrective action report. The committee will submit the summary report for the monthly board meeting.