



Document Name:	Financial Policy
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## 1.0 Purpose

The school Business Office is authorized by the Board to execute all routine and ordinary financial transactions for the school and to make all purchases necessary to operate the school including rental, equipment, furniture and fixtures, travel (including meals/stipends), consulting services, supplies, freight, independent contractors, insurance, dues, accounting & legal, petty cash reimbursement, service contracts, subscriptions, utilities and other expenses, asset acquisitions and contracting as necessary. The Business Manager reports to the Governing Board monthly in a public board meeting. All transactions and contracts are subject to Board oversight and review.

The Executive Director is authorized to sign Letters of Understandings for instructional and other personnel.

As of April 2018, this policy incorporates the content of the Petty Cash policy, which has been archived.

## 2.0 Definitions

## 3.0 Policy Content

### **Budgeting**

The Governing Board shall adopt an annual budget prior to the beginning of each fiscal year, which runs from July 1 to June 30. Therefore, the budget for the next fiscal year will be adopted by June 30 of each year. Adjustments to the budget may be made over the course of the fiscal year with Governing Board approval. All exceptions to the budget will be reported to the Governing Board at the next public meeting.



### **Petty Cash**

The school will maintain a petty cash account with a balance of \$100 - \$400 beginning on the first day of school. Reconciliation will occur as needed by obtaining replacement cash. All petty cash receipts will be maintained and recorded in the appropriate accounts.

### **Invoicing**

All vendors will submit an original invoice by mail, fax or e-mail. Payments will be made in accordance with P.O. or invoice terms (typically Net 30) and shall not exceed the total amount, unless approved by the Director.

### **Incoming Payments**

All incoming payments to the school must be made payable to the school, including but not limited to "Wasatch Charter School" or "Wasatch Waldorf Charter School."

### **Payment**

The Director or designee shall review the invoice for accuracy and compare it to the P.O. When a discrepancy occurs, the Director will be contacted immediately to resolve the discrepancy. All invoices \$5,000 or greater require the approval of the Board Treasurer or Board President prior to payment unless otherwise approved by the Governing Board. The Business Manager will present the printed checks to the Executive Director for review and signature.

Down payment or pre-payment requests made by vendors must be approved by the Director and are evaluated to ensure the credibility and reliability of the vendor before payment is made. As cash flow allows, payments will be made within terms to ensure the school maintains a good credit rating.

Debit and credit card purchases follow the same procedures outlined for check disbursements as indicated above for all items being purchased by the Director or other School Personnel.

### **Assets**

A fixed asset inventory list will be maintained by the Business Manager to ensure compliance with 34 CFR 80.32.



### **Depreciation**

All purchases of assets with an expected life of 3 years or more with an individual cost of \$5000 or more will be depreciated. A list of depreciable assets with an original purchase price net accumulated depreciation will be kept by the Business Manager. Assets will be depreciated according to the following schedule:

- Office/Computer Equipment 3 to 5 years
- Furniture and Fixtures 5 years
- Leasehold Improvements 5 to 10 years
- Buildings 37 to 40 Years

### **Payroll**

Salaried educational staff and administration will be paid based on a signed and approved Letter of Understanding. Directors will ensure personnel files contain accurate letters of understanding for all employees. Educators who are salaried will typically be paid over 12 months.

Hourly employees are paid from electronic time cards which are approved by each individual employee and the Administrative Director.

Payroll transactions are reviewed by the Finance Committee in the form of aggregate payroll spending to date.

The Business Office maintains all supporting documentation, including time-cards that support expenditures for Federal and State funds.

The Business Office should be notified, by the Administrative Director, within 24 hours after an employee has been terminated or quit. If an employee leaves voluntarily, the employee should provide a signed notice of voluntary separation and Wasatch Waldorf Charter School will make every effort for this document to be collected by the supervisor. The signed notice of voluntary separation should be placed in the employee's file. A final check will be issued immediately upon receipt of all required paperwork from school administration.

The Business Office will determine the amount of the final check of a salaried educator based on the formula set forth in the annual Benefits Guide.



### **Embezzlement Prevention**

The Executive Director, Administrative Director, Governing Board Treasurer, and the President of the Governing Board will be signers on all school financial accounts. The Governing Board Treasurer will review all bank statements, copies of the school's current financial statements and corresponding bank reconciliation on a monthly basis.

The school will hire an independent Certified Public Accountant to perform an audit of the schools financials on an annual basis.

### **Segregation of Duties**

The front desk receives all cash and checks and a log is created. A receipt will be created for all cash that is received. Checks or cash received via mail will be opened by the front desk personnel who will prepare a record of the checks to be forwarded to the Business Office.

For school performances and special events, two individuals will be assigned to be responsible for the accounting of pre-numbered tickets and cash received. A reconciliation form will be completed by those assigned to collect tickets and cash for special events. The assigned individuals will reconcile the number of tickets sold with the cash received and turn the money into the front office as soon as possible after the event. If it is necessary to hold the money over the weekend the two individuals will certify the amount and keep the cash in a sealed envelope in a secured location.

Deposits will be prepared by administrative staff. A Director will take the deposit to the bank within 3 business days as required by State Law. The Director making the deposit will receive the deposit receipt from the bank and verify that the record of deposits, the record of checks and the deposit receipt all match and forward the record of deposits to the Business Office who will enter them into the accounting system. Files will be maintained with copies of the physical receipts for cash, record of checks, deposit receipts and record of deposits.

Reconciliation of credit card and debit card statements will be the responsibility of the Administrative Director and will be reviewed by the Business Manager and by the Governing Board Treasurer.



#### 4.0 Relevant Procedures, Guidelines & Restrictions

#### 5.0 Appendices