	Salt Lake Arts Academy	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Salt Lake Arts Academy (SLArts) follows the guidelines set forth in R277-113.

FISCAL & AUDITING POLICIES

Salt Lake Arts Academy recognizes the responsibility to uphold the public trust in the management of public funds. "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 LEAs or other public bodies [Utah Code 51-7-3(26)]. All monies received through donations, gifts, or sponsorships are considered public funds.

SLArts will follow all relevant laws and regulations that govern charter schools within the state of Utah, as well as U.S. Government laws and regulations that apply to grant funding that may be provided at SLArts. These fiscal policies - R277-113 - address the role of the Board and administration in maintaining adequate accounting records and internal control procedures.

The Governing Board designates board members to serve on the Finance Committee. The Board Finance Committee shall serve as the Audit Committee to monitor the implementation of the policies as outlined in R277-113-4 LEA Audit Responsibilities. It is the responsibility of the Board Chair to ensure that the members of the Governing Board and Audit Committee are provided with training on the requirements of Title 53G, Chapter 7, Part 4, Internal Audits, and Section R277-113-4 as part of the Board Member on-boarding process.

The Governing Board is responsible for ensuring the following information is posted on the SLArts public website:

1) Names of the Board Members who serve on the Audit Committee

SALT LAKE ARTS ACADEMY	**Salt Lake Arts Academy**	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Audit Committee

The Finance/Audit Committee meets monthly to oversee details in budgeting, purchasing, procurement and reporting.

It is the responsibility of the Audit Committee to:

a) Ensure SLArts obtains all audits, agreed-upon procedures, engagements, and financial reports required by Section 51-2a-201 and Subsection 53G-5-404(4);
b) Provide an independent forum for internal auditors, internal audit contractors, and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance, or control weaknesses, particularly if SLArts administration is involved;
c) Ensure that corrective action on findings, concerns, issues and exceptions reported by independent external auditors, internal auditors, or other regulatory bodies are resolved in a timely manner by SLArts administration;
d) Present, as appropriate, information and reports from the Audit Committee's meetings to the Governing Board; and
e) Receive, as appropriate, reports of reviews, monitoring, or investigations conducted by SLArts administration and ensure appropriate corrective action is taken in a timely manner.
f) Conduct or advise the Governing Board in an annual evaluation of the contractors providing internal audit services;
g) Prioritize the internal audit plan based on risk;
h) Receive regular updates on the internal audit plan and internal audit project progress; and
i) Receive final internal audit reports from contractors providing internal audit services.

Financial Audit

An independent auditing company will complete all required financial reporting and may include the AFR, APR, Fall Enrollment Count, Year End Enrollment Report, and IRS form 990. The Business Administrator will work

closely with the independent auditor to ensure all information required is provided. The auditor will present the audit results to the Board annually.

With regards to engaging an independent external auditor, it is the responsibility of the SLArts Audit Committee to:

a) Manage the audit procurement and quality process in compliance with Title 63G, Chapter 6a, State Procurement Code and Rule R123-5;
b) Ensure that the independent external auditor has access to directly communicate with the Audit Committee;
c) Review disagreements between independent external auditors and SLArts administration;
d) Consider SLArts responses to audits or agreed-upon procedures; and
e) Determine the scope and objectives of other non-audit services, as necessary.

Further details to be included are found in Section 51-2a-201 and Subsection 53G-5-404(4) as they relate to timely response in case corrective action is required based on audit findings.

Segregation Of Duties

Wherever possible, duties such as custody of purchase cards and blank checks, initiating expenditures, approving expenditures, maintaining documentation, issuing checks, and reconciling records should be segregated among different individuals.

SLArts has designated individuals as Fiduciary Members to implement responsibility for segregation of duties. “Fiduciary Members” means individuals who have the authority to make financial transactions on behalf of the school (such as signatures on checks). Fiduciary Members can include the Board Chair, the Chief Administrative Officer (CAO), and the Board Treasurer (BT).

SALT LAKE ARTS ACADEMY	**Salt Lake Arts Academy**	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Financial Safeguards

Daily, As needed -- Cash/Checks/Credit Cards - Accounts Receivable

1. Receptionist registrar (RR) opens all mail, date stamps it. All payments received are logged on a daily cash sheet.
2. RR brings pertinent information to the Business Manager (BM).BM enters all bills when paid and checks whether incoming money has to be applied against an existing invoice or whether it can be entered as a sales receipt. BM then counts the money, verifies it matches RR cash sheets, and prepares deposit slips. BM verifies deposits with CAO and enters them in the accounting system.
3. CAO or BM takes money to the bank, brings back deposit slips and BM attaches the deposit slips to the appropriate deposits.
4. CAO and the BT have access to online banking and periodically go online to review.
5. All checks received for school fees are applied against student SIS accounts.

Weekly

1. CAO and BM meet weekly to review the current status of finances.
2. CAO reviews bank accounts randomly to monitor activity.
3. BM creates and prints checks to pay bills and invoices, paying most checks via billpay on Zions Bank website.
4. CAO signs all checks and reviews supporting documentation for the checks and verifies billpay expenditures. Amounts over $2,500 require two signatures.

Monthly

1. Bank Statements: BM reconciles accounts. At the monthly Finance meeting, all statements along with the accounting system generated reconciliation are made available to the Finance Committee. The Board

Treasurer has viewing access to accounts. CAO and Finance Committee approves reconciliation by initialing.

2. BM reviews all payroll liabilities for the month with CAO, including Health Insurance, Retirement, AXA, Federal and State Taxes. Make sure reports for Utah Retirement, IRS and USTC have been prepared and sent. (URS payment is due within 30 days after the end of the month. Health Insurance premiums are due the same month. All payments made above $1,000 are made available to the finance committee for them to verify.
3. BT checks accounts and randomly compares account system with bank - spot check
4. Review large purchases to be made.
5. Credit Card Statements (American Express and Zions Visa), Bond Statements, and PTIF Statements are reconciled monthly and submitted with detail to the Finance Committee.

Quarterly

1. BT and BM present the financial condition of the school to the Board.
2. Verify that quarterly tax liabilities have been paid and properly reported to IRS and USTC - this happens automatically via ADP.
3. End of 3Q, adjust budget to accurately reflect actual situation (if necessary) - has to be below 5% discrepancy.
4. End of 4Q, build next year's budget and End of fiscal tax year: Prepare required report to Utah Workforce Service. ADP prepares W2s and Annual 941 to IRS. BM reviews ADP prepared Annual TC941R to Utah State Tax Commission. Submit W2s and W3 to Social Security Administration as well as USTC.
5. Transparency report submitted to State Auditors. Due the last day of the month following the quarter.
6. Bond Covenants require the following reports to be filed with Zions Bond Department and Bond Holder Hamlin - Appendix A.

SALT LAKE ARTS ACADEMY	**Salt Lake Arts Academy**	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Annually

1. In June of each year, the finance committee will review changes in federal and state mandates and confirm that the policies and procedures are in compliance.
2. Transparency report for Payroll is due the 30th of September for the previous school year.
3. Bond Covenant requirements: Appendix A
4. Audited Financial Statements have to be submitted and certified to the State Treasurer as soon as they are received from Auditors.
5. AFR and APR are due September 30th for the previous school year. Have to be submitted to UPEFS.

Purchasing Policy

Purchases over $5,000 are required to have two bids and approval from the Board before ordering. Smaller purchases do not require Board approval, however anything over $1,000 requires the purchaser to look at two different bids. This is usually done over the phone or online. With approved vendors, this process is shorter as the purchaser doesn't have to search for other bids. BM does all ordering.
Purchases Greater than $50,000: Enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711, or use an approved vendor list with an invitation for bids or an RFP in compliance with Utah Code 63G-6a-403 and 404. The bid or RFP process shall be managed by an ad-hoc subcommittee of the Board consisting of at least three Board members. If a bid process is utilized, select the lowest responsive and responsible bidder that meets the objective criteria described in the invitation to bid. If an RFP process is utilized, select the responsive and responsible offer or with the highest total score. Supporting documents must be retained and maintained as part of the purchasing records. Prior approval from the Board as recorded in a public meeting vote is required. The signatures of three fiduciary members are required for payment.

If teachers want something ordered they fill out an order form in google sheets, share with the CAO and the BM. Once the CAO approves, BM will order. Teachers have a small budget they can use for small supplies that they can get reimbursed for. To get reimbursed they must give BM a reimbursement form with the receipt attached. CAO reviews and approves the form and receipt prior to reimbursement.

Dividing A Purchase

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 as described above is unlawful (UCA 63G-6a-408). This includes dividing the purchases or invoices over a short period of time, or making separate purchases over a period of time. Purchase splitting often occurs when making purchases on a credit card. Employees should not split invoices to stay under daily purchase limits on purchase cards or the established purchasing thresholds.

Credit / Debit Card Use

It is the policy of the Salt Lake Arts Academy that the school shall NOT have a debit card that is attached to any of its accounts. The school will have no more than 2 credit cards, one of which is attached to the primary bank account. These cards are held in a locked drawer.

Teachers may be granted permission to use one of the credit cards for certain pre-approved purchases. The teacher must sign the credit card check-out roster and have it initialed by either CAO or BM. The teacher must submit an itemized receipt for the purchase and return the card within 24 hours.

If either the CAO or the BMr uses the card, both must sign the credit card check-out roster and submit a receipt for the other person’s signature. Credit card purchases may not exceed the prior approved amount. Transactions may not be split in order to avoid the purchase limit

	Salt Lake Arts Academy	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Payroll

Salaries are determined by CAO on an annual basis, and then given to BM to record. Payroll is processed from these figures. BM reviews employee's attendance and records PTO in ADP. BM verifies monthly payroll and submits to ADP. CAO reviews ADP's payroll summary report and initial approval. BM receives payroll reports from ADP and enters payroll into the accounting system. BM also processes five extra payrolls a year for after school, summer school, stipends and other extra pay.

Teachers and administrators do not accrue PTO. Refer to the employee handbook for PTO policy.

Fixed Assets

Client's capitalization limit is $5,000 for all assets with an estimated useful life greater than one year. An inventory of fixed assets is done on a yearly basis at the end of the year.

Security

Financial records are kept locked in filing cabinets, inside BM's office. Electronic financial information is backed up on a regular basis.

Budgeting

The finance/audit committee members in conjunction with the CAO and BM prepare an original budget which the entire board votes on in June for the upcoming fiscal year. At the same time the final budget for the current fiscal year is also presented and voted on by the board.

The current budget for any FY is reviewed on a monthly basis by the finance/audit committee.

SALT LAKE ARTS ACADEMY	**Salt Lake Arts Academy**	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

We will update the current budget as needed throughout the year. Suggested budget changes will be presented at a Board Meeting at which time the Board would vote on budget updates.

Program Accounting

The USBE deposits funds into the school's accounts every month for their allotment of state and federal funding. USBE also provides the school with an allotment memo that details which programs the deposit was for. BM records these deposits in the accounting system and codes the revenue to the proper accounts and classes. For each federal and state program BM has created a separate class to track program revenues and expenses. Payroll expenses are coded automatically when they are entered into the accounting program. BM sets up wage financing for each salaried employee at the beginning of the school year. As payroll is calculated and entered on a monthly basis, an expenditure is automatically made out of that program that it was set for. On non-payroll expenditures, BM will analyze the expenditure and apply it to the correct fund, object, and function.

1. Program Accounting and Accounting Requirements
    a. Salt Lake Arts Academy shall record transactions when they occur in accounting system using the following codes as established by the Utah State Board of Education approved chart of accounts:
    b. Fund
    c. Function
    d. Object
    e. Program
    f. Revenue code as applicable

2. Salt Lake Arts Academy shall follow state accounting standards and requirements consistent with R277-113(6)

3. Any goods or services booked to a restricted program shall be approved by the Business Manager and reviewed bi-annually by the finance/audit committee. Only goods and services legally appropriate to each program shall be approved and allocated in a restricted program. Detailed instructions are found in the accounting procedure manual.

School Fees

Similar to daily financial safeguards described above, when school fees are paid in cash/check, the RR receives the money. RR will log fees into the school SIS system . The BM verifies the amount applied and prepares a deposit slip to take to the bank. The BM also enters fee into accounting system breaking the fees down by their various components
For credit card payments, the BM receives a daily summary of credit card deposits from Instant payments. BM compares the summary to the bank statement and enters the details into the accounting system
Additional detail on School Fee policy can be found on our website: https://www.slarts.org/apps/pages/index.jsp?uREC_ID=374968&type=d&pREC_ID=849036

Insurance

The School maintains a Public Official Treasurer Bond for Board Treasurer as well as Employee Theft Insurance, Property, and Liability insurance through Risk Management.

USBE Requirements

Comply with all reporting requirements as outlined in USBE website.

FUNDRAISING, DONATIONS, AND GIFTS

Salt Lake Arts Academy encourages and supports community and business partnerships that enhance and supplement the public education system. Salt

	Salt Lake Arts Academy	Version 1
	Policy Title: Fiscal, Auditing, & Fundraising Policy	Effective Date: 5.19.2025

Lake Arts Academy is committed to work effectively with donors and sponsors to provide donation receipts, as required by law, and to facilitate the donors' charitable intent to the extent that the intent of the donation is in harmony with school goals and the law.

This policy applies to all LEA administrators, licensed educators, staff members, students, organizations, volunteers, and individuals who receive, authorize, accept, value, or record donations, gifts, or sponsorships for the Salt Lake Arts Academy.

General Policies

1. All funds, property, or goods donated become public funds and the property of the school, and should be used for the purpose for which they were donated, and in accordance with State and school policies.
2. Donors may donate directly to the Salt Lake Arts Academy for tax purposes. The donation or gift shall follow the school's policies and procedures.
3. The collection of funds or assets associated with donations, gifts, or sponsorships will comply with the cash receipting policies described above. The expenditure of any public funds associated with donations, gifts, or sponsorships will comply with the cash disbursement policies described above.
4. 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 exclusive property of the Salt Lake Arts Academy upon delivery.
5. Donations and gifts should be accounted for at an individual contribution level.
6. Donations, gifts, and sponsorships shall not be directed at specific LEA employees, individual students, vendors, or brand name goods or services.
7. Donated funds shall not compensate public employees, directly or indirectly.

8. If donations or gifts are offered in exchange for advertising or other services, an objective valuation will be performed and a charitable receipt will be issued by the Business Administrator.
9. Donations or gifts shall not be accepted that advertise or depict products that are prohibited by law for sale or use by minors, such as alcohol, tobacco, or other substances that are known to endanger the health and well-being of students.
10. Donations, gifts, and sponsorships given by vendors to specific programs or individual employees shall be evaluated for compliance with Utah Code 63G-6a- 2304.5, "Gratuities, Kickbacks, Unlawful use of position or influence." As required by state law, donations will only be accepted where there is no expectation or promise, expressed or implied, of remuneration or any undue influence or special consideration. Employees are not permitted to accept personal payment or gratuities in any form from a vendor or potential vendor as a precondition for purchase of any product or service.
11. Donations and gifts over $250 will be provided with an acknowledgment of the contribution from the LEA for IRS purposes. The acknowledgment will be in the form of a receipt issued by the Business Administrator.
12. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts that are not considered capital or fixed assets. The Board may grant approval for the naming of buildings, structures, rooms, or other school facilities.
13. The CAO may authorize banners, flyers, posters, signs, or other notices recognizing a donor or school business partner.

<u>Equipment</u>

Any school equipment provided to a student or student's parents for their use remains the property of the school. The school does not gift students nor their parents any equipment as an incentive for enrolling or participating in

school programs. The Administration shall ensure that any school equipment loaned to students or their parents is returned to the school.

Travel

Mileage

Mileage reimbursement must be requested within 45 days of return from travel. The request must include the dates and purpose of travel, destination(s), time of departure and return, and mileage. Mileage will be verified by the Business Administrator using Mapquest (or similar mapping documentation).

In-State Travel

Each traveler must receive written authorization from the CAO prior to registration for conferences and events, and prior to purchase or booking of any travel arrangements. The authorization must include the dates and purpose of travel, destination, estimate of travel cost, lodging and per diem costs. Travel by the CAO may be approved by the Board Chair.

Out Of State Travel

Each traveler must receive written authorization from the CAO prior to registration for conferences and events, and prior to purchase or booking of any travel arrangements. The authorization must include the dates and purpose of travel, destination, estimate of travel cost, lodging and per diem costs. Travel by the CAO may be approved by the Board Chair.

Travel Reimbursement

Travel reimbursement must be requested in writing within 30 days of return from travel. Lodging, airfare, taxi, parking, or other transportation and baggage fees paid by the traveler require receipts to be reimbursed. Expenditures not supported by receipts will not be reimbursed, unless

expressly approved by the CAO in extraordinary circumstances. Per diem reimbursement requests must be included with the travel reimbursement request. Conference agendas, completed mileage logs, or other documentation supporting times of departure and return are required for per diem meal reimbursements (see GSA per diem schedule for rates by destination https://www.gsa.gov/travel/plan-book/per-diem-rates). Salt Lake Arts Academy will reimburse food on a per diem rate rather than by actual costs. Receipts for meals and other per diem incidentals are not required, unless the travel is to a premium city and the traveler has received prior approval for reimbursement of actual costs.