

NUAMES Policy and Procedures
Cash Disbursement Policy
Approved: 23 October 2013

1. PURPOSE AND PHILOSOPHY

To establish NUAMES policy and procedure governing the initiation, authorization, and review of all expenditures of the school.

2. SCOPE

These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by NUAMES. All expenditures of NUAMES are to be consistent with applicable state and federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of NUAMES, and are to be documented in a way which clearly substantiates such reasonableness and necessity. This policy applies to all NUAMES administration, licensed educators, staff, students, organizations, and individuals that initiate, authorize, or process cash disbursements on behalf of NUAMES. The scope includes all activities at NUAMES and in all locations where NUAMES activities and public funds are expended.

It is expected that in all dealings, NUAMES employees will act in an ethical manner that is consistent with the NUAMES code of ethics, the Utah Educators' Standards, the Public Officers' and Employees' Ethics Act, and State procurement law.

3. SEGREGATION OF DUTIES

NUAMES uses the Davis School District as its fiscal agent, and as such, makes no expenditures using NUAMES checks. Purchasing cards are issued to administrators, head secretary and teachers with special approval. Receipts for purchases are given to the head secretary who reconciles them with the purchases as they are listed on Encore. Oversight of this function is done by the Business Administrator.

4. DEFINITIONS

1. "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 NUAMES or other public bodies [Utah Code 51-7-3(26)].
2. "Small purchase" is the procurement of goods or services for which the total cost is less than \$50,000 and the total individual procurement items cost less than \$1,000, professional services (including architectural or engineering) costing less than \$100,001, and small construction projects costing less than \$80,001 (Utah Code 63G-6a-408, 53A-20-101, Administrative Code R33-3).

5. GENERAL POLICIES

1. All disbursing of funds at NUAMES is done through the Davis School District.
2. Expenditure transactions must be approved by an individual having sufficient knowledge and authority to evaluate the transaction for reasonableness and appropriateness. NUAMES principal or administration are authorized to approve various dollar amount levels of disbursements. (see the Decision Chart for Purchasing Thresholds).
3. All expenditures made using credit/purchase cards, electronic fund transfers, etc. shall be recorded in NUAMES accounting records in the Davis Encore System.

4. Passwords should be established on user access to the accounting system and changed periodically as required by the Davis Encore System.
5. NUAMES does not have access to directly writing checks. All checks are issued by the Davis School District Accounting Office. Checks should be made payable to specified payees and never to "cash" or "bearer."
6. All disbursement activity should be substantiated by supporting documents. Documents should be available, and should demonstrate that proper disbursement controls are in place (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.).
 - a. Quotes shall contain the following information:
 - (1) Date received or dates that the quoted price is valid, delivery date
 - (2) Company name, address, salesperson
 - (3) Each item, description or specifications, unit, total price, and quantity listed
 - (4) Shipping and freight charges
 - (5) Salesperson and contact information
 - (6) Vendor, NUAMES employee name and position
 - b. Quotes may be obtained and documented by printing pages from a website; however, all of the quote elements must be documented. Better prices may be obtained by contacting vendors directly. Telephone quotes must be documented and include all quote elements. Written quotes should be requested on vendor's letterhead.
7. Bank and credit card statements should be reviewed and accounts reconciled in a timely manner. Activity accounts should be reviewed quarterly by the Business Administrator.
8. NUAMES personnel must comply with applicable NUAMES and state purchasing laws.
9. Expenditures will follow the guidelines outlined in the State Procurement Code (Utah Code 63G-6a) and federal purchasing laws (see Decision Chart for Purchasing Thresholds).
10. Contracts must follow guidelines outlined in the State Procurement Code, specifically regarding the length of multi-year contracts [Utah Code 63G-6a-1204(7)].
11. Construction and improvements must comply with the provisions of the State Procurement Code (Utah Code 63G-6a), Utah Code concerning school construction (Utah Code 53A-20), the Utah State School Board Administrative Rules, and Title IX.
12. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code 63G-6a), the NUAMES procurement policy, and the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16).
13. Purchases of goods or services with NUAMES funds for personal use or personal gain are strictly prohibited; see the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16).
14. Multi-year contracts must comply with Utah Code 63G-6a-1204.

6. NUAMES PROCUREMENT THRESHOLDS

The NUAMES procurement policy shall be followed for all qualifying purchases of goods or services. The procurement policy should include the basic items:

1. Small Purchases
 - a. The "individual procurement threshold" for NUAMES is \$1,000. This is the maximum amount that NUAMES can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing (Utah Code 63G-6a-408, Administrative Code R33-3).
 - b. The "single procurement aggregate threshold" for NUAMES is \$5,000. This is the maximum amount that NUAMES can expend to obtain any combination of individual

procurement items/services costing less than \$1,001 from one vendor at one time up to \$5,000. (Utah Code 63G-6a-408, Administrative Code R33-3).

- c. The “annual cumulative threshold” for NUAMES is \$50,000. This is the maximum total annual amount that NUAMES can expend to obtain individual procurement item(s) costing less than \$1,001 purchased from the same vendor during the fiscal year (July 1 – June 30) not to exceed \$50,000. 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 Administrative Code R33-3).
 - d. Professional services, such as architectural, engineering, accounting, legal, or consulting services less than \$100,001 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP under provisions in Utah Code 63G-6a-403 and 404 (Administrative Code R33-3).
 - e. Small construction projects:
 - (1) Costing less than \$25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met.
 - (2) Costing between \$25,001 and \$80,000 may be procured by obtaining a minimum of two (2) competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1).
 - (3) Costing more than \$80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20.
2. Reoccurring Purchase Over Annual Cumulative Threshold
- a. 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, a contract shall be utilized if feasible [Utah Code 63G-6a-408(6)].
3. Artificially dividing a purchase:
- a. Utah Code 63G-6a-408 makes it 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.
 - (1) This means that 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.). 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 purchase card. Employees should not split invoices to stay under daily purchase limits on purchase cards or the established purchasing thresholds.
 - (2) 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 that 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.

(3) Penalties for violating this statute are outlined in Utah Code 63G-6a-2305 and 2306. Penalties range from a class B misdemeanor to a second degree felony, depending on the total value of the divided procurements.

4. Hospitality Gifts, Gratuities, Kickbacks, or Position and Influence:

a. "Contract administrator" means a person who administers a current contract, on behalf of NUAMES, 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 NUAMES (Utah Code 63G-6a-2304.5).

c. "**Procurement participant**" means a person involved in:

(1) Administering, conducting, or making decisions regarding a standard procurement process.

(2) Making a recommendation regarding award of a contract or regarding a decision to obtain a procurement item for a particular person.

(3) Evaluating a quote, bid, or response.

(4) Awarding a contract or otherwise making a decision to obtain a procurement item from a particular person (Utah Code 63G-6a-2304.5).

d. *Hospitality Gift*

"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).

(1) Utah Code 63G-6a-2304.5 states that the total value of all hospitality gifts given, offered or promised to, or received or accepted by, the "procurement participant" or "contract administrator" in relation to a particular procurement or contract must be less than \$10; the total value of all hospitality gifts given, offered or promised to, or received or accepted by, the "procurement participant" or "contract administrator" from any one person, vendor, bidder, responder, or contractor in a fiscal year must be than \$50.

(2) Any hospitality gift exceeding the \$10 and \$50 threshold is considered a gratuity, and the provisions below apply.

e. *Gratuities*

"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).

(1) Utah Code 63G-6a-2304.5 makes it unlawful:

(a) For 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.

(b) For a "procurement participant" to ask, receive, offer to receive, accept, or ask for a promise to receive a gratuity from an "interested person."

- (c) For 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.
- (d) For 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.
- (2) Penalties for violating this statute are established in *Utah Code* 63G-6a-2304.5 and 2306. The NUAMES will adhere to these penalties and report violations to the attorney general’s office, as required by statute.
 - (a) *Interested person and contractors*: penalties range from a class B misdemeanor to a second degree felony.
 - (b) *Procurement participant and contract administrator*: penalties 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.

f. *Kickback*

“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).

- (1) Utah Code 63G-6a-2304.5 makes it unlawful:
 - (a) For 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.”
 - (b) For 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.
 - (c) For person to give a kickback to a “contract administrator,” or to another person for the benefit of a “contract administrator.”
 - (d) For 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.
- (2) Penalties for violating this statute are established in *Utah Code* 63G-6a-2304.5 and 2306. NUAMES will adhere to these penalties and report violations to the attorney general’s office, as required by statute.
 - (a) *Person and contractors*: penalties range from a class B misdemeanor to a second degree felony.
 - (b) *Procurement participant and contract administrator*: penalties 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.

g. *Position or Influence*

Utah Code 63G-6a-2304.5 makes it 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.”

- (1) Penalties for violating this statute are established in *Utah Code* 63G-6a-2304.5 and 2306. The NUAMES will adhere to these penalties and report violations to the attorney general’s office, as required by statute.

- (a) *Interested person*: penalties range from a class B misdemeanor to a second degree felony.
- (b) *Procurement participant*: penalties range from a class B misdemeanor to a second degree felony and subject to disciplinary action up to and including dismissal from employment.

Cash Disbursements Procedures

7. GENERAL PROCEDURES

- a. NUAMES tax exempt status number should only be used in conformity with the Utah State Tax Commission's guidelines.
- b. NUAMES has designated State Procurement Code as its purchasing policy.
- c. If an outside entity reimburses employee expenses (meals, travel, etc.), these expenses should not be submitted to NUAMES for reimbursement.
- d. No disbursing of funds is to be done in other offices or at unapproved off-site activities or functions.
- e. Purchases of goods or services for personal use or personal benefit of any amount are strictly prohibited.
- f. Any purchases should be equitable for both male and female students and comply with Title IX.

8. PROCUREMENT DECISION TREE

How does an employee initiate a purchase?

- a. Is the purchase available from a state agency or a state cooperative contract? If so, you are encouraged to purchase the item from the agency or state contract. If not, follow the decision chart below.
- b. *If the total purchase is between:*
 - i. \$0-\$1,000
The purchaser may select the best source without seeking competitive quotes. The signature of the requestor and immediate supervisor (or authorized business officer for department or administration) are required on the purchase order or check request form. If the purchase is made using a NUAMES credit/purchase card, the employee should follow the credit/purchase card policy below.
 - ii. \$1,001-\$5,000
The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote. Quotes must be attached to the purchase documentation and maintained as part of NUAMES's records. The signature of requestor, principal or assistant principal and business administrator are required on the purchase order or check request form.
 - iii. \$5,001-\$10,000
The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications. Quotes must be attached to the purchase documentation and maintained as part of NUAMES's records. The signature of requestor, principal or assistant principal, and business administrator are required on the purchase order or check request form.
 - iv. \$10,001-\$50,000
The purchaser shall obtain at least two (2) competitive quotes and purchase item/service from supplier offering the lowest quote meeting specifications. Quotes must be attached to the purchase documentation and maintained as part of NUAMES's

records. Completed bids and an approved purchase order shall be sent to NUAMES purchasing for initiation and purchase. The signature of requestor, principal or assistant principal, and business administrator for NUAMES are required on the purchase order or check request form.

- v. Greater than \$50,001
NUAMES shall 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 NUAMES purchasing. 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 offeror with the highest total score. Supporting documents must be retained and maintained as part of NUAMES records. The signature of requestor,) business administrator, and principal of NUAMES are required for final approval. If the purchase is greater than \$99,999, the signature of the NUAMES board is also required for final approval.
- vi. Less than \$100,001 for professional services
When acquiring professional services such as accounting, legal, consulting, architectural, or engineering goods or services valued less than \$100,001, NUAMES shall follow the policy in section e. above.
- vii. Small construction projects
 - a. Costing less than \$25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met. The signature of the requestor, immediate supervisor (or authorized business officer for the department), business administrator, and superintendent of NUAMES are required for final approval.
 - b. Costing between \$25,001 and \$80,000 may be procured by obtaining a minimum of two (2) competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1). The signature of the business administrator and superintendent of NUAMES are required for final approval.
 - c. Costing more than \$80,000 are not considered small construction projects and must follow the requirements outlined in Utah Code 53A-20, and the board shall advertise for bids at NUAMES 10 days before the bid due date. The signature of the business administrator, superintendent of NUAMES, and the NUAMES board are required for final approval.
- viii. Greater than \$100,000 for professional services
NUAMES shall enter into a competitive bid process or RFP in compliance with Utah Code 63G-6a sections 601-612 and 701-711. The bid or RFP process shall be managed by NUAMES purchasing. 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 offeror with the highest total score. Supporting documents must be retained and maintained as part of

NUAMES records. The signature of the business administrator, principal, and NUAMES Board are required for the invitation to bid or RFP.

(Please see the Decision Chart for Purchasing Thresholds)

9. SOLE SOURCE

- a. Sole source procurement shall only be used if a product or service is unique and can be easily proven as one of a kind, offered by only one vendor. If there is more than one potential bidder or offeror for a particular item, sole source does not apply. All sole source determinations must be completed through the NUAMES purchasing department.
- b. All sole source requests estimated to be \$50,000 and above must be posted for public comment, in accordance with Utah Code 63G-6a-802 and 406.
- c. Sole source justification should be documented according to Utah Code 63G-6a-802 and be approved by administration.

10. CREDIT/PURCHASE CARDS

- a. Card users shall follow NUAMES and state purchasing policies and comply with the Utah State Tax Commission's guidelines regarding the NUAMES's tax exempt status number.
- b. Purchases exceeding \$1,000 made using the credit or purchase card should be pre-approved, using an expenditure authorization form, prior to making the purchase.
- c. Receipts shall be retained for all purchases and turned into the front office. Card reconciliations should be performed monthly to ensure all receipts are present and all purchases have been made in accordance with NUAMES and state policy.
- d. If cards are assigned to specific employees, the card user shall turn in all receipts for purchases made with public funds. The business administrator and secretary shall review and reconcile the card statement activity each month. The secretary will keep these receipts on file. The card user should sign their card statement certifying that all purchases have been made in accordance with NUAMES and state policy.
- e. The business administrator will review each card holder's statement, along with all receipts, for approval. Approval should be documented. This will be done on the Davis Encore System.
- f. An employee with oversight over the card user(s) should be responsible for providing authorization.
- g. Individual expenditures made on purchase or credit cards shall be recorded in NUAMES accounting records according to approved NCEC chart of accounts. The issuance of a check or an electronic funds transfer to pay the monthly card statement balance shall be documented and approved by administration prior to issuance.
- h. ATM transactions, cash advances, or personal use are strictly prohibited.
- i. Violation of purchase card policy, including not retaining documentation of purchases or making personal purchases, may result in card cancellation, disciplinary action, or criminal prosecution.
- j. Transaction, daily, or monthly limits will be established based on purchasing authority.
- k. Administration or employees designated by NUAMES will develop an internal review plan to periodically select credit/purchase card statements to verify that NUAMES policies and procedures are being followed, and that purchases are appropriate, documented, and coded to the proper funding sources.
- l. If the card is lost or stolen, immediately contact the appropriate authority.

11. TRAVEL

a. Mileage

- i. Mileage reimbursement forms must be completed by employees within 90 days of return from travel.
- ii. A travel authorization form must be completed prior to registration for conferences and events, and approved by the NUAMES principal. The form must include the dates and purpose of travel, destination, estimate of travel cost, lodging and per diem costs. Supporting documentation is required for each traveler. Each traveler must complete an authorization form. Authorizations must be approved prior to purchase or booking of any travel arrangements. In-state travel must be approved by the NUAMES principal.
- iii. Out-of-state travel must be approved by the NUAMES principal. An administrator or board employee's immediate supervisor may be the principal or board chair.

b. Travel Reimbursement

- i. A travel reimbursement form must be completed within 30 days of return from travel. Lodging, airfare, taxi, parking, or other transportation and baggage fees paid by the employee require receipts to be reimbursed. Expenditures not supported by receipts will not be reimbursed, unless expressly approved by the supervisor in extraordinary circumstances. Per diem reimbursement requests must be included on the travel reimbursement form or on a completed mileage log. Conference agendas, completed mileage logs, or other documentation supporting times of departure and return are required for per diem meal reimbursements (see state travel per diem schedule). It is the policy of NUAMES to reimburse food on a per diem rate rather than by actual costs.

12. REIMBURSEMENT REQUESTS

- a. Employees seeking reimbursement for NUAMES expenditures made with employee funds must complete a reimbursement request form, which is signed by the requestor and approved by the NUAMES principal. An administrator's or board employee's immediate supervisor may be the principal or board chair.
- b. Supporting documentation, including detailed receipts and justification for departure from the standard purchase order process, is required. Authorization must be documented by the immediate supervisor.

13. PURCHASE ORDERS

- a. An expenditure authorization form (purchase order or requisition) is required for all purchases. Employees initiating an expenditure shall complete the authorization form, including documentation of any required quotes, **before** a purchase is initiated. The completed form and documentation shall be submitted to the immediate supervisor or designated business officer for the department.
- b. A NUAMES administrator will review completed expenditure authorization forms and any supporting quotes and approve the purchase. This approval signature is required prior to the initiation of a purchase.
- c. Shipment of goods should be addressed and delivered to NUAMES.
- d. Invoices and complete packing slips should be initiated by the receiver of the goods, indicating that all goods were received and that payment should be processed.
- e. The front office shall compare invoices and packing slips to the expenditure authorization form prior to processing payment (see NUAMES Issuance of checks).

14. NUAMES ISSUANCE OF CHECKS

- a. All checks, check stock, access to bank accounts, and bank statements are in the possession of the Davis School District, our fiscal agent.
- b. An employee who does not have the ability to issue checks shall approve the issuance of the check and accompanying supporting documentation to ensure all policies and procedures are followed prior to signing the online approval through Encore.
- c. Each disbursement shall be substantiated with supporting documentation, such as a purchase order, invoice, receipts, quotes (according to the procurement policy above), reimbursement forms, shipping documents, contracts, travel forms, etc. All expenditures shall be recorded in the NUAMES accounting records using the NCES chart of accounts.
- d. Signature stamps should not be utilized, and blank checks or checks made payable to "cash" or "bearer" should never be signed.
- e. Endorsed checks should be mailed by an employee outside of the cash disbursement process, if possible.

15. JOURNAL ENTRIES/ELECTRONIC FUNDS TRANSFERS

- a. All electronic fund transfers and journal entries shall be kept secured and controlled by the front office with limited access. Password should be kept secured and changed periodically.
- b. Each journal entry or electronic fund transfer should be substantiated by supporting documentation.
- c. Each journal entry or electronic fund transfer should be recorded in NUAMES accounting records.
- d. Administration or an individual without cash disbursement duties shall document approval of journal entries or electronic fund transfers.
- e. Quarterly, the NUAMES audit committee and Business Administrator should review and approve the journal entries and electronic fund transfers.

16. REVIEW PROCESS

- a. Monthly, bank reconciliation(s) should be performed on all NUAMES accounts, including credit card transactions. If the bank reconciliation is completed by someone who has access to the accounting system and the bank accounts, it should be reviewed and approved by another person, such as the principal, business administrator, or a member of the audit committee or board.
- b. Monthly, the Davis School District should review bank statements and bank reconciliations, as well as credit card statements, and document the review and approval. The NUAMES audit committee or NUAMES administration should ensure that monthly bank reconciliations and credit/purchase card statement reconciliations are occurring. The NUAMES business administrator will review the General Ledger for accuracy monthly.
- c. Periodically, administration shall review cash disbursements to verify that all NUAMES and State policies and procedures are being followed.