

Wasatch Peak Academy
Policy: PURCHASING/DISBURSEMENT POLICY
Approval Date: March 21, 2019

The purpose of this policy is to enable administration to make minor purchases that are necessary for the day-to-day operation of the school, without Board approval.

Purchasing:

The responsibility for approving purchases is designated to the Administrator of the School by the Board of Directors as set forth below:

- All purchases up to \$2,500.00 must be approved by the Administrator of the School.
- All purchases between \$2,500.00 and \$5,000.00 must be approved by either the Board President or Board Treasurer.
- All purchases between \$5,000.00 and \$20,000.00 must be approved by the Board President and Board Treasurer.
- All purchases over \$20,000.00 must be approved by the full Board.

Invoices, purchase orders, and authorized facsimiles must be authorized by the School Administrator, Board Treasurer and/or Board President, or full Board based on the purchase amounts listed in the paragraphs above.

Purchases of miscellaneous items (office supplies) shall be coordinated through the front office. Personal purchases which result in reimbursement shall be kept to an absolute minimum.

Purchases that require the use of a credit card are to follow the purchasing / disbursement process established by this policy utilizing a purchase order when feasible.

Disbursements:

The responsibility for disbursement is designated to the School's management company and Administrator as set forth below:

Disbursements will be charged to one of two School accounts: (1) the General Operating Account; or (2) the Petty Cash Account. The School's management company is responsible for disbursements charged to the General Operating Account and the School's Administrator is responsible for disbursements charged to the Petty Cash Account.

Disbursements are handled in such a manner as to ensure that the proper funds and accounts are charged; that the disbursement is used only for authorized purposes; and that laws, rules and regulations governing the disbursements and handling of public funds are followed.

General Operating Account

The following controls are established to assure that all payments charged to the General Operating Account are made on a timely basis and in accordance with all purchase orders and contracts:

- A purchase order shall be completed prior to disbursing funds for a purchase unless the disbursement is made in accordance with the terms of an ongoing contract that has been previously approved by the Board.
- A purchase order shall be authorized by the individual(s) listed above based on the purchase amount.
- Following proper authorization, purchase orders are to be sent to and reviewed by the School's management company.
- All invoices received by the School's management company without a purchase order will be sent to the School for proper approval, or proper authorizations, prior to disbursement.
- The School's management company must be given a valid invoice and properly completed purchase order prior to making payment.
- Disbursements are to be made primarily by check with counter signatures to provide additional control.

Petty Cash Account

In addition to the General Operating Account, the Board may approve a Petty Cash Account with corresponding checks and a debit card to be utilized at the discretion of the Administrator. The purpose of the Petty Cash Account is to provide a convenient way to pay for small expenses while minimizing exposure of School funds to the risk of misuse or theft.

Blank warrants/checks and/or a debit card for the Petty Cash Account may be kept in locked storage under the control of the Administrator or his/her designated alternate. Disbursements charged to the Petty Cash Account shall be made in accordance with the following provisions to ensure payments are properly authorized and recorded:

- In general, the Petty Cash Account should maintain a balance between \$500 and \$2,000.
- Access to the Petty Cash Account debit card is limited to the Administrator or his/her designated alternate.
- Access to blank checks is limited to the Administrator or his/her designated alternate. When blank checks are received, the date, quantity, and inclusive serial numbers are recorded and added to the total balance on hand. When a blank check

is used, the stub along with a copy of the receipt is to be signed by the Administrator and forwarded to the School's management company. The use of blank checks should be kept to an absolute minimum.

- The Administrator or his/her designated alternate is responsible for: (1) maintaining records and receipts for each transaction charged to this account; and (2) entering the information into the School's accounting software on a regular basis. Information should be uploaded in a timely manner to allow the School's management company adequate time to provide accurate monthly financial reports to the Board.
- The Administrator or his/her designated alternate is responsible for replenishment of the account when petty cash is low. To replenish petty cash, the Administrator must request the School's management company to transfer funds.

Recording Transactions

Purchase orders and requisition requests must identify the fund, function, location, program, and object or revenue code to which the purchase is to be booked. Accounting staff will periodically review this information to ensure that expenditures are booked accurately.