

3A.04.200 Asset Protection Policies

201 Signature Authority

To properly segregate duties, the Board Chair (President), the Treasurer, the Director/Principal or others as expressly authorized are the only individuals with signatory authority and are responsible for authorizing all cash transactions. Each disbursement shall require two signatures to be authorized.

202 Security of Financial Data

The school's accounting software will be maintained to ensure that adequate internal controls and security measures are established to minimize unauthorized access to school data (i.e., proper password protection). The system's accounting data shall be backed up periodically to ensure the recoverability of financial information in case of failure. The backup file(s) must be stored separately in a fire safe area and properly secured. All other financial data, petty cash box(es), check stock, etc. will be secured from unauthorized access.

203 Security of School Documents

Originals of the following corporate documents are maintained and their presence shall be verified on a periodic basis:

- A. Charter and all related amendments;
- B. Articles of Incorporation and By-laws;
- C. Minutes of the Board of Trustees and subcommittees;
- D. Corporate and payroll tax registrations;
- E. Banking & financial agreements;
- F. Leases;
- G. Insurance policies;
- H. Grant and contract agreements;
- I. Fixed asset inventory list.

204 Use of School Assets

School employees should not use any of the school's assets for personal use without prior approval of the school administration and with proper justification.

205 Facilities Use by Outside Persons or Entities

In accordance with state law, the Board authorizes, on condition, the use of school facilities for other than school purposes. It is understood that the school shall by law assume no expense as a result of the leasing of school properties, facilities, including grounds, furnishings and equipment. It is further understood that restraint must be exercised in leasing facilities for purposes other than school functions, to the extent that such leasing shall not interfere with the school curriculum, program and standards. The Board may refuse the use of school facilities by outside entities if it determines the use is inadvisable.

The Board authorizes the Administration to establish rules, guidelines, procedures and fees for the rental and use of school facilities for other than school purposes. The Board will review and approve the procedures as needed. The School Director and Business Manager shall administer the rules and guidelines and see that all entities follow established procedures.

206 Audit

The Board contracts annually with a qualified independent certified public accounting firm to conduct a fiscal audit of the school's financial records and statements. The audit is performed in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, 2003 Revision (GAS) and, if applicable, the U.S Office of Management and Budget's Circular A-87 and A-122. The selected firm must be familiar with these standards and related state regulations in order to properly conduct the fiscal audit.

207 Audit Committee

The Board shall establish an audit committee per Administrative Rule R277-113, comprised exclusively of Board members, which shall:

- A. Seek to understand its role and duties as outlined in the GFOA Audit Committees guide;
- B. Review, audit and initial original bank statements and account reconciliations from the accounting system for each period reconciled;
- C. Review, in a public meeting, audit reports provided to the Committee directly by outside firms;
- D. Review the school's risk assessment processes and procedures to ensure adequate internal controls are maintained;
- E. Ensure timely resolution of matters reported by internal audits or by outside firms;
- F. Ensure that outside firms are selected through a competitive-bid process;
- G. Be responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services;

H. Periodically review this policy, no less than once every five years, to assess its continued adequacy;

I. Possess knowledge of and experience in finance, auditing, or accounting if possible;

J. Review the annual audit, and any other work performed by a contracted auditor, prior to its submission to any outside party or authority, and report to the Board that it has discussed the financial statements with management, with the independent auditors in private, and privately among committee members, and believes that they are fairly presented, to the extent such a determination can be made solely on the basis of such conversations.

208 Insurance and Bonding

The school maintains minimum levels of coverage, as deemed appropriate by the Board, for the following policies:

A. General liability (earthquake coverage not included without express inclusion)

B. Business & personal property

C. Automobile insurance (as necessary)

D. Workers' compensation

E. Unemployment (tax)

F. Directors and Officers

G. Errors & Omissions/Professional Liability

H. Employment Practices Liability Insurance

I. Treasurers' (fidelity) Bond

J. ERISA bond (as applicable for retirement plan)

K. Other insurance as requested

A Treasurer's Bond (fidelity bond or Public Official Bond) is required on the person who has investment control over the school's public funds, typically the business manager, per UCA 51-7-15. This insurance coverage is not included in the school's other insurance policies and must be purchased separately. The school requires proof of adequate insurance coverage from all prospective sub-contractors, as deemed applicable by the Board.

References:

Policy Review Schedule:

Policy Monitoring Schedule:

Document History:

Date Adopted:

Board Chair

School Policy: