

1 **R277. Education, Administration.**

2 **R277-113. LEA Fiscal and Auditing Policies.**

3 **R277-113-1. Authority and Purpose.**

4 (1) This rule is authorized by:

5 (a) Utah Constitution [Article X, Section 3](#), which vests general control and  
6 supervision over public education in the Board;

7 (b) Subsection [53E-3-401](#)(4), which allows the Board to make rules to execute the  
8 Board's duties and responsibilities under the Utah Constitution and state law;

9 (c) Subsection [53E-3-501](#)(1)(e)(i), which directs the Board to establish rules and  
10 minimum standards for school productivity and cost effectiveness measures;

11 (d) Subsection [53E-3-501](#)(1)(e)(iv), which allows the Board to adopt rules  
12 regarding financial, statistical, and student accounting requirements;

13 (e) Section [53E-3-602](#), which allows the Board to approve auditing standards for  
14 LEA governing boards;

15 (f) Section [53E-3-603](#), which requires the Board to verify accounting procedures  
16 of LEA governing boards for the purpose of determining the allocation of Uniform School  
17 Funds;

18 (g) Section [53E-5-202](#), which directs the Board to adopt rules to implement a  
19 statewide accountability system;

20 (h) Subsection [53G-5-404](#)(4), which requires charter schools to make the same  
21 annual reports required of other public schools, including an annual financial audit report;

22 [~~and~~]

23 (i) Subsection [53F-2-209](#)(2), which requires the Board to make rules for flexible  
24 use of restricted funds; and

25 ([i]) ESSA, which requires states to revise and redesign school accountability  
26 systems.

27 (2) The purpose of this rule is to:

28 (a) require LEAs to formally adopt and implement policies regarding the  
29 management and use of public funds;

- 30 (b) provide minimum standards, procedures and definitions for LEA policies;
- 31 (c) direct that LEAs make policies, procedures and training materials available to  
32 the public and readily accessible on LEA or public school websites, to the extent of  
33 resources available;
- 34 (d) require LEAs to train employees in:
- 35 (i) appropriate financial practices;
- 36 (ii) necessary accounting procedures; and
- 37 (iii) ethical financial practices;
- 38 (e) specify uniform budgeting, accounting, and auditing procedures for LEAs  
39 consistent with GAAP, GAAS, and GAGAS; and
- 40 (f) establish reporting and accounting requirements for LEAs to enable the Board  
41 to comply with ESSA.

42

43 **R277-113-2. Definitions.**

- 44 (1) "Accrual basis of accounting" means a basis of accounting that records:
- 45 (a) revenue when earned and expenses when incurred; and
- 46 (b) transactions irrespective of the dates on which any associated cash flows  
47 occur.
- 48 (2) "Administration" means:
- 49 (a) an LEA superintendent or director;
- 50 (b) a deputy or associate superintendent or director;
- 51 (c) a business administrator or manager; or
- 52 (d) another LEA educational administrator, designated staff, or a designated  
53 educational service provider.
- 54 (3) "Arm's length transaction" means a transaction between two unrelated,  
55 independent, and unaffiliated parties or a transaction between two parties acting in their  
56 own self interest that is conducted as if the parties were strangers so that no conflict of  
57 interest exists.

58 (4) "Exclusive contract or arrangement" means an agreement requiring a buyer to  
59 purchase or exchange all needed goods or services from one seller.

60 ~~[(5) "FASB" means the Financial Accounting Standards Board whose purpose is~~  
61 ~~to establish GAAP for nongovernmental entities within the United States.]~~

62 ~~[(6)5] "GAAP" means Generally Accepted Accounting Principles or a common~~  
63 ~~framework of accounting rules and standards for financial reporting promulgated by~~  
64 ~~[either FASB or] GASB[, as applicable to the reporting entity].~~

65 ~~[(7)6] "GAAS" means Generally Accepted Auditing Standards or a set of auditing~~  
66 ~~standards and guidelines promulgated by the Auditing Standards Board of the American~~  
67 ~~Institute of Certified Public Accountants.~~

68 ~~[(8)7] "GAGAS" means Generally Accepted Government Auditing Standards or a~~  
69 ~~set of auditing standards and guidelines promulgated by the Government Accountability~~  
70 ~~Office.~~

71 ~~[(9)8] "GASB" means the Governmental Accounting Standards Board whose~~  
72 ~~purpose is to establish GAAP for state and local governments within the United States.~~

73 ~~[(10)9] "Internal controls" means a process, implemented by an entity's governing~~  
74 ~~body, administration, or other personnel, designed to:~~

75 (a) provide reasonable assurance regarding the achievement of objectives in the  
76 following categories:

77 (i) effectiveness and efficiency of operations;

78 (ii) reliability of reporting for internal and external use; and

79 (iii) compliance with applicable laws and regulations;

80 (b) provide reasonable assurance regarding the achievement of the following  
81 objectives over state and federal awards:

82 (i) proper recording and accounting for transactions, in order to:

83 (A) permit the preparation of reliable financial statements and state and federal  
84 reports;

85 (B) maintain accountability over assets; and

86 (C) demonstrate compliance with state and federal statutes, regulations, and the  
87 terms and conditions of state and federal awards; and

88 (ii) execution of transactions in compliance with:

89 (A) all state and federal statutes and regulations; and

90 (B) the terms and conditions of state or federal awards; and

91 (c) safeguard funds, property, and other against loss from unauthorized use or  
92 disposition.

93 ([41]10) "Modified accrual basis of accounting" means a basis of accounting,  
94 commonly used by government agencies, that recognizes revenues when they become  
95 available and measurable and recognizes expenditures when liabilities are incurred.

96 ([42]11) "Non-operating LEA" means an LEA that has not received minimum  
97 school program funds or federal funds and is not providing educational services during a  
98 fiscal year, such as an LEA in a start-up period.

99 ([43]12) "N-size" means the minimum size necessary to disclose or display data  
100 to ensure maximum student group visibility while protecting student privacy.

101 ([44]13) "Operating LEA" means an LEA that has received state minimum school  
102 program funds or federal funds and is providing educational services during a fiscal year.

103 ([45]14)(a) "Provided, sponsored, or supported by a school" has the same  
104 meaning as defined in Section [R277-407-2](#).

105 (b) "Provided, sponsored, or supported by a school" does not apply to non-  
106 curricular clubs specifically authorized and meeting all criteria of Sections [53G-7-704](#)  
107 through [53G-7-707](#).

108 ([46]15) "Public funds" has the same meaning as that terms is defined in  
109 Subsection [51-7-3\(26\)](#).

110 ([47]16) "[Title IX](#)" refers to that portion of the United States Education  
111 Amendments of 1972 codified as 20 U.S.C. 1681 through 20 U.S.C. 1688.

112 ([48]17) "Utah Public Officers' and Employees' Ethics Act," means [Title 67,](#)  
113 [Chapter 16](#), which provides standards of conduct for officers and employees of the state

114 of Utah and its political subdivisions in areas where there are actual or potential conflicts  
115 of interest between public duties and private interests.

116

117 **R277-113-3. Superintendent Responsibilities.**

118 (1) The Superintendent shall provide training, informational materials, and model  
119 policies for use by LEAs in developing LEA and public school-specific financial policies.

120 (2) The Superintendent shall provide online training and resources for LEAs  
121 regarding the use and management of public funds and ethical practices for licensed Utah  
122 educators who manage, control, participate in fundraising, or expend public funds.

123 (3) The Superintendent shall provide training and informational materials for use  
124 by LEA governing boards in establishing their audit committees and internal audit  
125 programs in compliance with Section [53G-7-402](#).

126 (4) The Superintendent shall provide and establish a cycle for state review of LEA  
127 fiscal policies and standards.

128 (5) The Superintendent shall work with and provide information upon request to  
129 the Utah State Auditor's Office, the Legislative Fiscal Auditors, and other state agencies  
130 with the right to information from the Board.

131

132 **R277-113-4. LEA Audit Responsibilities.**

133 (1) The presiding officer of an LEA governing board shall ensure that the members  
134 of the governing board and audit committee are provided with training on the  
135 requirements of [Title 53G, Chapter 7, Part 4](#), Internal Audits, and this Section [R277-113-](#)  
136 4 as part of the member on-boarding process.

137 (2) The training described in Subsection (1) shall:

138 (a) comply with [Title 63G, Chapter 22](#), State Training and Certification  
139 Requirements; and

140 (b) use the online training and informational materials provided by the  
141 Superintendent in accordance with Subsection [R277-113-3\(3\)](#).

142 (3) An LEA governing board shall:

- 143 (a) designate board members to serve on an audit committee, consistent with  
144 Subsection [53G-7-401](#)(1); and
- 145 (b) maintain the following information on the LEA's website:
- 146 (i) names of the governing board members who serve on the audit committee; and  
147 (ii) if required by Subsection [53G-7-402](#)(2);
- 148 (A) the name and contact information of the internal audit director; and  
149 (B) a copy of the LEA's annual audit plan.
- 150 (4) An LEA audit committee shall:
- 151 (a) ensure the LEA obtains all audits, agreed-upon procedures, engagements,  
152 and financial reports required by Section [51-2a-201](#) and Subsection [53G-5-404](#)(4);
- 153 (b) provide an independent forum for internal auditors, internal audit contractors,  
154 and other regulatory bodies to report findings of fraud, waste, abuse, non-compliance, or  
155 control weaknesses, particularly if LEA administration is involved;
- 156 (c) ensure that corrective action on findings, concerns, issues and exceptions  
157 reported by independent external auditors, internal auditors, or other regulatory bodies  
158 are resolved in a timely manner by LEA administration;
- 159 (d) present, as appropriate, information and reports from the audit committee's  
160 meetings to the LEA board; and
- 161 (e) receive, as appropriate, reports of reviews, monitoring, or investigations  
162 conducted by LEA administration and ensure appropriate corrective action is taken in a  
163 timely manner.
- 164 (5) With regards to engagements completed by an independent external auditor,  
165 an LEA audit committee shall:
- 166 (a) manage the audit procurement and quality process in compliance with [Title](#)  
167 [63G, Chapter 6a](#), State Procurement Code and [Rule R123-5](#);
- 168 (b) ensure that the independent external auditor has access to directly  
169 communicate with the audit committee;
- 170 (c) review disagreements between independent external auditors and LEA  
171 administration;

- 172 (d) consider LEA responses to audits or agreed-upon procedures; and  
173 (e) determine the scope and objectives of other non-audit services, as necessary.  
174 (6) An LEA audit committee shall if required by Section [53G-7-402](#):  
175 (a) establish an internal audit program that provides internal audit services for the  
176 programs administered by the LEA;  
177 (b) advise the LEA board in the appointment of an audit director or in contracting  
178 for internal audit services in accordance with Subsection [53G-7-402](#)(3);  
179 (c) conduct or advise the LEA board in an annual evaluation of the internal audit  
180 director or contractors providing internal audit services;  
181 (d) prioritize the internal audit plan based on risk;  
182 (e) receive regular updates on the internal audit plan and internal audit project  
183 progress; and  
184 (f) receive final internal audit reports from internal auditors or contractors providing  
185 internal audit services.

186

187 **R277-113-5. LEA Fiscal Responsibilities and Required Fiscal Policies.**

- 188 (1) An LEA shall review the LEA's fiscal policies and procedures regularly.  
189 (2) An LEA shall develop a plan for annual training of LEA and public school  
190 employees on policies and procedures enacted by the LEA specific to job function.  
191 (3) LEA fiscal policies and procedures shall be available at each LEA main office,  
192 at individual public schools, and be publicly available on the LEA's website.  
193 (4) LEA fiscal policies, procedures, and training may have different components,  
194 specificity, and levels of complexity for public elementary and secondary schools.  
195 (5) An LEA may have one or more policies to satisfy the minimum requirements  
196 of this [R277-113](#).  
197 (6) An LEA fiscal policy may reference specific training manuals or other resources  
198 that provide detailed descriptions of business practices which are too lengthy or detailed  
199 to include in the LEA policy.

200 (7) A public education foundation established by an LEA shall follow the  
201 requirements set forth in Section [53E-3-403](#).

202 (8)(a) An LEA shall ensure that the LEA's written fiscal policies and procedures  
203 address all applicable state and federal statutes and regulations.

204 (b) The requirements set forth in this Section [R277-113-5](#) are minimum  
205 requirements.

206 (c) An LEA may include other related items, provide LEA specific policy and  
207 guidance, and set polices that are more restrictive and inclusive than the minimum  
208 provisions established by Board rule.

209 (9) LEA fiscal policies shall include the following:

210 (a) a program accounting policy that establishes internal controls and procedures  
211 to record program revenues and expenditures in accordance with:

212 (i) GAAP; and

213 (ii) the school fee provisions in Section [R277-407-13](#);

214 (b) a program accounting policy that:

215 (i) accurately reflects the use of funds for allowable costs and activities;

216 (ii) requires that transactions be recorded when they occur;

217 (iii) allows adjusting journal entries during the year and at the end of the year, in  
218 accordance with GAAP; and

219 (iv) requires that initial transactions, and adjusting entries if applicable, be  
220 recorded in the proper program, utilizing the following codes as established by the Board  
221 approved chart of accounts:

222 (A) fund;

223 (B) function;

224 (C) program;

225 (D) location; and

226 (E) object or revenue code, as applicable;



227 (c) a cash handling policy, which shall address cash receipts, including cash,  
228 checks, credit cards, and other items, collected at the LEA and individual public schools  
229 and shall include:

230 (i) establishment of internal controls and procedures over the collection, deposit,  
231 and reconciliation of cash receipts received; and

232 (ii) compliance with Subsection [51-4-2\(2\)](#) regarding deposits.

233 (d) an expenditure policy, which shall address all expenditures made by the LEA  
234 and individual public schools and shall include:

235 (i) establishment of internal controls and procedures over the initiation, approval  
236 and monitoring of expenditures, including:

237 (A) credit, debit, or purchase card transactions;

238 (B) employee reimbursements;

239 (C) travel; and

240 (D) payroll;

241 (ii) directives regarding the appropriate use of the LEA's tax exempt status  
242 number;

243 (iii) compliance with Section [63G-6a-1204](#) regarding length of multi-year contracts;

244 (iv) compliance with:

245 (A) [Title 63G, Chapter 6a](#), Utah Procurement Code.

246 (B) Board rule regarding construction and improvements; and

247 (C) federal [Title IX](#) requirements, found in 20 U.S.C. 1681, et seq.

248 (v) requirements for LEA contracts, including:

249 (A) inclusion of specific scope of work language;

250 (B) inclusion of federal requirements;

251 (C) inclusion of language regarding data privacy and use, where appropriate; and

252 (D) legal review prior to LEA approval; and

253 (vi) procedures and documentation maintained by the LEA if the LEA chooses to  
254 enter into exclusive contracts or arrangements consistent with state procurement law and  
255 the LEA procurement policy; and

- 256 (vii) procedures for determining allowability of costs in accordance with relevant  
257 regulations and terms and conditions of awards;
- 258 (e) a fundraising policy that:
- 259 (i) establishes procedures for LEA and public school fundraising in general;
- 260 (ii) establishes an approval process for fundraising activities for school sponsored  
261 activities;
- 262 (iii) provides for compliance with school fee and fee waiver provisions outlined in  
263 Rule [R277-407](#); and
- 264 (iv) includes:
- 265 (A) specific designation of employees by title or job description who are authorized  
266 to approve fundraising, school sponsored activities, and grant fee waivers with  
267 appropriate attention to student and family confidentiality;
- 268 (B) establishment of internal controls and procedures over the approval of  
269 fundraising and school sponsored activities and compliance with associated cash  
270 handling and expenditure policies;
- 271 (C) directives regarding the appropriate use of the LEA's tax exempt status  
272 number and issuance of charitable donation written disclosure in accordance with IRS  
273 regulations;
- 274 (D) procedures governing LEA or public school employee interaction with parents,  
275 donors, and organizations doing fundraisers not provided, supported or sponsored, by a  
276 school or LEA;
- 277 (E) disclosure requirements for LEA and public school employees approving,  
278 managing, or overseeing fundraising activities, who also have a financial or controlling  
279 interest or access to bank accounts in the fundraising organization or company;
- 280 (F) Provisions establishing compliance with:
- 281 (I) Utah Constitution, [Article X, Section 2](#), establishing a free public education  
282 system;
- 283 (II) [R277-407](#); and
- 284 (III) federal [Title IX](#) requirements, found in 20 U.S.C. 1681, et seq.

- 285 (v) may include procedures governing:
- 286 (A) student participation and incentives offered to students;
- 287 (B) allowable types of individual or group fundraising activities; and
- 288 (C) participation in school sponsored activities by volunteer or outside  
289 organizations;
- 290 (f) an LEA donation and gift policy that includes:
- 291 (i) an acceptance and approval process for:
- 292 (A) monetary donations;
- 293 (B) donations and gifts with donor restrictions;
- 294 (C) donations of gifts, goods, materials, or equipment; and
- 295 (D) donation of funds or items designated for construction or improvements of  
296 facilities;
- 297 (ii) establishment of internal controls and procedures over the acceptance and  
298 approval of donations and gifts and compliance with associated cash handling and  
299 expenditure policies;
- 300 (iii) directives regarding the appropriate use of the LEA's tax exempt status  
301 number, and issuance of charitable donation written disclosure in accordance with IRS  
302 regulations;
- 303 (iv) procedures regarding the objective valuation of donations or gifts if advertising  
304 or other services are offered to the donor in exchange for a donation or gift;
- 305 (v) procedures governing LEA or public school employee conduct with parents,  
306 donors, and nonschool sponsored organizations;
- 307 (vi) procedures establishing provisions for direct donations or gifts to the LEA or  
308 LEA programs, individual public school or public school programs;
- 309 (vii) provisions restricting donations from being directed at specific LEA  
310 employees, individual students, vendors, or brand name goods or services;
- 311 (viii) compliance with:
- 312 (A) [Title 63G, Chapter 6a](#), Utah Procurement Code.
- 313 (B) state law and Board rule regarding construction and improvements;

- 314 (C) IRS regulations and tax deductible directives; and  
315 (D) Title IX;  
316 (ix) procedures for:  
317 (A) accepting donations and gifts through an LEA's legally organized foundation,  
318 if applicable;  
319 (B) recognition of donors; or  
320 (C) granting naming rights; and  
321 (g) an LEA Financial Reporting policy, which shall include the following:  
322 (i) a requirement that the LEA shall ensure external audits of LEA financial  
323 reporting, compliance, and performance, in accordance with GAAS and GAGAS;  
324 (ii)(A) a requirement that the LEA shall provide financial reporting in a manner  
325 consistent with the basis of accounting as required by GAAP, as applicable to the entity;  
326 and  
327 (B) ~~[for state fiscal year 2020, if an LEA follows FASB standards, a requirement~~  
328 ~~that the LEA shall provide reconciliation between the accrual basis of accounting and~~  
329 ~~modified accrual basis of accounting; and~~  
330 ~~— (C) beginning with state fiscal year 2021,]~~ a requirement that the basis of  
331 accounting will be GASB; and  
332 (iii) a requirement that the LEA shall provide data and information consistent with  
333 budgeting, accounting, including the uniform chart of accounts for LEAs, and auditing  
334 standards for Utah LEAs provided online annually by the Superintendent.  
335 (10) The Superintendent shall maintain a School Finance website with applicable  
336 Utah statutes, Board rules, and uniform rules for:  
337 (a) budgeting;  
338 (b) financial accounting, including a chart of accounts required for an LEA;  
339 (c) student membership and attendance accounting;  
340 (d) indirect costs and proration;  
341 (e) financial audits;  
342 (f) statistical audits; and

343 (g) compliance and performance audits.

344

345 **R277-113-6. LEA Governing Board Fiscal Responsibilities.**

346 (1) An LEA governing board shall have the following responsibilities:

347 (a) approve written fiscal policies and procedures required by Section [R277-113-](#)

348 5;

349 (b) ensure, considering guidance in "Standards for Internal Control in the Federal  
350 Government," issued by the Comptroller General of the United States or the "Internal  
351 Control Integrated Framework," issued by the Committee of Sponsoring Organizations of  
352 the Treadway Commission, that LEA administration establish, document, and maintain  
353 an effective internal control system for the LEA;

354 (c) develop a process to regularly discuss and review LEA:

355 (i) budget and financial reporting practices;

356 (ii) financial statements and annual financial and program reports;

357 (iii) financial position;

358 (iv) expenditure of restricted funds to ensure administration is complying with  
359 applicable laws, regulations, and award terms and conditions; and

360 (v) systems and software applications for compliance with financial and student  
361 privacy laws;

362 (d) receive the results of required annual audits from the external auditor in  
363 accordance with Section [R123-5-5](#);

364 (e) oversee procurement processes in compliance with [Title 63G, Chapter 6a](#),  
365 Utah Procurement Code, and Rule [R277-115](#), including:

366 (i) reviewing the scope and objectives of LEA contracts or subawards with entities  
367 that provide business or educational services; and

368 (ii) receiving reports regarding the compliance and performance of entities with  
369 contracts or subawards;

370 (f) ensure the procurement process for an external auditor is in compliance with  
371 Section [R123-5-4](#);

- 372 (g) ensure LEA administration implements sufficient internal controls over the  
373 functions of entities with contracts or subawards to perform services on behalf of the LEA;  
374 (2) An LEA governing board shall:  
375 (a)(i) provide a hotline independent from administration for stakeholders to report  
376 concerns of fraud, waste, abuse, or non-compliance; and  
377 (ii) post on the school's website in a readily accessible location:  
378 (A) a hotline phone number;  
379 (B) a hotline email; or  
380 (C) an online complaint form; or  
381 (b) post a link on the school's website in a readily accessible location with contact  
382 information for the Board's hotline.

383

384 **R277-113-7. Reporting of School Level Expenditures.**

- 385 (1) In accordance with ESSA, the Superintendent shall make public the per pupil  
386 expenditures of federal, state, and local funds, for each LEA and each school in the state.  
387 (a) The Superintendent shall exclude expenditures that:  
388 (i) are non-current;  
389 (ii) do not reflect the day-to-day operations of an LEA or school;  
390 (iii) do not contribute to k-12 education; or  
391 (iv) are significant, unique expenditures that may skew data in certain years and  
392 thwart year-to-year comparison.  
393 (b) The Superintendent shall publish and make available a comprehensive list of  
394 expenditures that are excluded from per pupil expenditure information.  
395 (2) The Superintendent's school level report for each school shall include:  
396 (a) average daily membership for the fiscal year covered by the report;  
397 (b) an indicator if the school is:  
398 (i) a Title I School; or  
399 (ii) a Necessarily Existent Small School;  
400 (c) grade levels served by each school;

- 401 (d) student demographics;
- 402 (e) expenditures recorded at the school level and central expenditures allocated
- 403 to each school by:
- 404 (i) federal program expenditures; and
- 405 (ii) state and local combined expenditures;
- 406 (f) calculated per pupil expenditures; and
- 407 (g) average teacher salary.
- 408 (3) The Superintendent may not report expenditure data for a school with an n-
- 409 size of less than 10.

410

411 **R277-113-8. LEA Accounting Requirements.**

- 412 (1) Each LEA shall:
- 413 (a) record revenues and expenditures in compliance with the Board approved
- 414 chart of accounts;
- 415 (b) record expenditures using school location codes that can be mapped to official
- 416 school location codes used in the Board system of record;
- 417 (c) record expenditures using approved district and school codes in the Board
- 418 system of record;
- 419 (d) submit expenditures using location codes in the Utah Public Education
- 420 Financial System;
- 421 (e) perform program accounting in accordance with GAAP and this rule; and
- 422 (f) beginning with the fiscal year that begins on July 1, 2021, accrue school fees,
- 423 and fee waivers and use contra-revenue accounts to record fee waivers in the LEA's
- 424 accounting system.
- 425 (2) Each LEA shall record and report the following expenditures for each school
- 426 annually:
- 427 (a) salaries;
- 428 (b) benefits;
- 429 (c) supplies;

430 (d) contracted services; and

431 (e) equipment.

432 (3) If an LEA pays for contracted services that occur at the school level, the LEA  
433 shall record the payments to the contractors in the appropriate function and object codes  
434 established under Subsection (2) at the school level.

435 (4)(a) An LEA shall record centralized administrative costs to the administrative  
436 location code.

437 (b) The Superintendent shall allocate such costs to each school based on school  
438 enrollment.

439 (5) The Superintendent shall present one expenditure report for a school receiving  
440 more than one report card under Subsection [R277-497-4\(8\)](#).

441 (6) If an LEA reports expenditures in programs, the LEA shall report the  
442 expenditures to one or more schools.

443

444 **R277-113-9. LEA Recordkeeping for Flexible Use of Restricted Funds.**

445 (1) An LEA may reallocate funds for flexible uses as described in Section [53F-2-](#)  
446 [209](#).

447 (2) An LEA that makes flexible adjustments as described in Subsection (1) shall:

448 (a) report accounting transactions and adjust entries utilizing the Board approved  
449 chart of accounts, including:

450 (i) a dedicated program code;

451 (ii) a dedicated other financing uses code for fund or program transfers from state  
452 restricted funds; and

453 (iii) expenditure details accurately describing transactions in response to changing  
454 circumstances and student needs; and

455 (b) refund to the state restricted program from which the original transfer originated  
456 any remaining funds transferred under Subsection (1) not completely and or materially  
457 expended at the end of each fiscal year.



458 (3) An LEA that makes flexible adjustments under this section shall ensure that the  
459 LEA continues to meet:  
460 (a) federal maintenance of effort requirements; and  
461 ~~[(b) program-specific effort;~~  
462 ~~(c) matching;~~  
463 ~~(d) equity; or]~~  
464 (e) other state or federal requirements on restricted funding, [including](#)  
465 [requirements for program-specific effort, matching, and equity.](#)

466 (4) The Superintendent shall publish online a list of eligible state restricted  
467 programs meeting requirements of Section [53F-2-209](#) no later than May 30 of each year.

468

469 **R277-113-~~9~~10. Activities Provided, Sponsored, or Supported by a School.**

470 (1) An LEA or school shall comply with this Section [R277-113-9](#) for all activities  
471 provided, sponsored, or supported by a school.

472 (2) An LEA shall ensure that revenues raised from or during activities provided,  
473 sponsored, or supported by a school are classified, recorded, and deposited as public  
474 funds in compliance with LEA cash handling, program accounting, and expenditure of  
475 funds policies as required by Section [R277-113-5](#).

476 (3) An LEA shall:

477 (a) maintain records in sufficient detail to:

478 (i) track individual contributions and expenditures;

479 (ii) track overall financial outcomes; and

480 (iii) verify compliance with relevant regulations; and

481 (b) make records of activities available to parents, students, and donors, except  
482 as restricted by state or federal law;

483 (4) An LEA may establish LEA-specific rules or policies:

484 (a) designating categories of activities or groups as provided, sponsored, or  
485 supported by the school; and

486 (b) regarding use of facilities or LEA resources.

487 (5) An LEA shall document their annual review of fundraising activities that support  
488 or subsidize LEA or public school-authorized clubs, activities, sports, classes, or  
489 programs to determine if the activities are provided, sponsored, or supported by a school.

490 (6)(a) An LEA may enter into contractual agreements to allow for fundraising and  
491 use of LEA facilities.

492 (b) An agreement under Subsection (6)(a) shall take into consideration the LEA's  
493 fiduciary responsibility for the management and use of public funds, resources, and  
494 assets.

495 (c) An LEA shall review an agreement under Subsection (6)(a) with the LEA's  
496 insurer or legal counsel to consider risk to the LEA.

497 (7) An LEA shall comply with this Subsection (7) for any activity not provided,  
498 sponsored, or supported by a school:

499 (a) An LEA shall conduct all transactions at arm's length;

500 (b) An LEA may not co-mingle revenue and expenditures with public funds; and

501 (c) A public school employee may only manage or hold funds consistent with Rule  
502 [R277-107](#).

503

504 **R277-113-~~[40]~~11. LEA Policies and Compliance with State and Federal Law.**

505 (1) An LEA is responsible to ensure that its policies comply with the following:

506 (a) Utah Constitution [Article X, Section 3](#);

507 (b) [Title 63G, Chapter 6a](#), Utah Procurement Code;

508 (c) [Title 51, Chapter 4](#), Deposit of Funds Due State;

509 (d) [Title 67, Chapter 16](#), Utah Public Officers' and Employees' Ethics Act;

510 (e) Family Educational Rights and Privacy Act, 20 U.S.C. 1232g;

511 (f) [Title 63G, Chapter 2](#), Government Records Access and Management Act;

512 (g) Title 53G, Chapter 7, [Part 5](#), Student[

513 [514 \[7\\\_2018012420180124\]\(#\)\] Fees;](https://le.utah.gov/xcode/Title53G/Chapter7/53G-7.html?v=C53G-</a></p></div><div data-bbox=)

515 (h) Title 53G, Chapter ~~[6]~~[7, Part 6](#), Textbook Fees;

- 516 (i) Section [53E-3-403](#), Establishment of Public Education Foundations;
- 517 (j) [Title 53G, Chapter 7, Part 7](#), Student Clubs Act;
- 518 (k) [Title 51, Chapter 2a](#), Accounting Reports from Political Subdivisions, Interlocal  
519 Organizations, and Other Local Entities Act;
- 520 (l) Additional state legal compliance guides for operating LEAs and non-operating  
521 LEAs as published by the office of the state Auditor;
- 522 (m) Subsection [51-7-3](#)(26), Definition of Public Funds;
- 523 (n) [Title 53G, Chapter 7, Part 4](#), Internal Audits;
- 524 (o) Rule [R277-407](#), School Fees;
- 525 (p) Rule [R277-107](#), Educational Services Outside of Educator's Regular  
526 Employment;
- 527 (q) Rule [R277-217](#), Utah Educator Standards;
- 528 (r) Rule [R277-605](#), Coaching Standards and Athletic Clinics;
- 529 (s) Rule [R123-5](#), Audit Requirements for Audits of Political Subdivisions and  
530 Governmental Nonprofit Corporations; and
- 531 (t) 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit  
532 Requirements for Federal Awards.
- 533 (2) An LEA shall include the following requirements of Title IX in LEA policies:
- 534 (a) Fundraising shall equitably benefit males and females;
- 535 (b) Males and females shall have reasonably equal access to facilities, fields, and  
536 equipment;
- 537 (c) School sponsored activities shall be reasonably equal for males and females.

538

539 **R277-113-~~[44]~~12. Applicability to the Utah Schools for the Deaf and the Blind.**

540 The Utah Schools for the Deaf and the Blind shall comply with:

- 541 (1) Subsection [R277-113-5](#)(9)(f);
- 542 (2) Section [R277-113-~~\[9\]~~10](#); and
- 543 (3) Section [R277-113-~~\[40\]~~11](#).

544

545 **KEY: school sponsored activities, public funds, fiscal policies and procedures,**  
546 **audit committee**  
547 **Date of Last Change: November 8, 2021**  
548 **Notice of Continuation: September 9, 2021**  
549 **Authorizing, and Implemented or Interpreted Law: [Art X, Sec 3](#); [53E-3-401\(4\)](#); [53E-](#)  
550 [3-501\(1\)\(e\)](#)**