

GENERAL ACCOUNTING PROCEDURES

AUDITING

Each year the district office and several schools / departments, are audited by an outside auditing firm. At the conclusion of the audit the auditors make a report to the district known as "Auditor's Comments." In this report they include areas of weakness within the schools that they feel need to be corrected or changed to meet state and district policies.

The district has to respond to all of the auditor's comments as to what the district has done, or will do, to help the schools to correct these areas. The schools are also required to respond to these comments as to what they will do to correct these infractions. Answers from the schools, or departments, are due back to the district within two weeks after receiving the information in the school.

1. During an audit:
 - a. Be honest and truthful
 - b. Provide information requested
 - c. Don't be defensive – be careful not to overstate your position
 - d. Request a review of the audit findings before they are published

2. Response to audit:
 - a. Make response to audit items short, stating action taken to resolve the problem
 - b. If exposure or problem is minor, state so with facts and statement of a commitment to improve. Show or demonstrate you are in control.

Funds Spent for the Purpose they were collected.

The school has a fiduciary responsibility to the public to spend funds for the purpose for which they were collected. The school upon request must be able to demonstrate this fiscal responsibility during an audit. Consequently, all purchases relating to that fund or fee must be charged to that account. Excess funds must not be transferred to a general administration account and be absorbed with all other activity. Textbook fees, locker fees, library fees, class gifts, restricted donations, and class fees (fees that are dependent upon the classes taken by the individual student) must be spent in the area for which they were collected. Transfers to the general administration account need to be reviewed to ensure the integrity of the fund or fee accounts.

Teacher legislative funds must be spent according to state guidelines. Any teacher legislative funds left over at year end may be spent for supplies that benefit all teachers, or carried over to be reallocated to teachers the next school year.

Student fees will, insofar as possible, be expended in such a way as to benefit those pupils who have contributed to the accumulation of such money. For example it is inappropriate for a teacher to accumulate lab fees to buy equipment that the student who provided the fees will not personally benefit. However, it is appropriate to use lab fees to cover depreciation for equipment for which students currently benefit, that will allow for the orderly

replacement of equipment. For example, a reasonable amount of art lab fees may be used to fund depreciation for a student using a kiln in an art class to allow for the replacement of the kiln.

We understand that there is discretion used in spending of school accounts. Locker rental fees may be used for anything related to lockers, or in the surrounding area in the halls. Library late fees may be used for anything related to the library program.

Money required of the student body as a whole, such as activity fees, should be expended so as to benefit the student body as a whole, and not for the benefit of a special group.

Vending proceeds, interest income, gate receipts and fund raisers may all be used at the discretion of the principal for any student purpose.

It is appropriate to use faculty vending funds for faculty recognitions, faculty socials or other purposes.

SCHOOL FINANCIAL INSTRUCTIONS

The school has a fiduciary responsibility to the public to spend funds for the purpose for which they were collected. The school must be able to demonstrate this fiscal responsibility upon request. All revenues and expenditures within the school need to be recorded in the schools' financial books. Student fees, insofar as possible, must be expended to benefit those pupils who have contributed to the accumulation of such money. These funds should be expended on students during the same school year that the funds were given. Money required of the student body as a whole must benefit the student body as whole. The school is responsible to ensure adequate financial safeguards are in place to protect employees, students and the district.

CASH HANDLING GUIDELINES

Hundreds of thousands of dollars are received by all of our schools for various activities each year. Administration has a stewardship for the proper accounting of all cash received in the school. Cash controls need to be constantly monitored to ensure that adequate procedures are maintained. The cost of any control should not exceed its benefit. School staff needs to constantly monitor all cash activity.

The purpose of cash controls are to:

- ▶ Safeguard cash which is entrusted to the school
- ▶ Protect those that handle cash
- ▶ Discourage theft
- ▶ Teach participants' responsibility and accountability

The following principles should be reviewed periodically to ensure good cash operation procedures are in place:

- Accountability - involves reporting back to someone. The responsibility of handling cash should never be given without the accountability being outlined. Written procedures and training should be made available to those who handle cash.
- Verification and Comparisons - Checks and balances should be put into place for all cash activity. These can include tickets, receipts, deposit slips, cash tally sheets, receipt registers, lists, cash reconciliations, reports etc. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
- Documentation - All cash activity, receipts and disbursements, should be substantiated by supporting backup documents. Documents should be available and demonstrate that proper cash controls are in place (signatures, reconciliations, tally sheets, invoices, etc.).
- Prompt and Systematic Recording of Activity - Cash should be deposited daily. Written procedures should be in place for all cash activity. They should be consistently followed.

Generally cash should be handled as little as possible. The exposure to risk increases as the number of people handling the same funds multiplies and the deposit time expands.

- Security and Safety - Not only should the cash be secure but it is necessary that the safety of the people handling the cash be maintained. A secure and safe environment should always exist for all activity that involves money. Special care should be exercised when transporting cash between school and bank, school activity and accounting office. Large sums of money should not be kept in the school overnight. Money should not be left in the school over a weekend or a holiday.
- Password Protection for Financial Programs
Security precautions should be in place for the school's financial programs. Passwords should be established for the financial secretary's computer and changed periodically. In case of an emergency the principal should have knowledge of what the password is for the financial program. When a new financial secretary comes to the school the password should be changed.
- Separation of Duties
Where possible no one person should be responsible for all aspects of a cash transaction. The authorization, custodianship, recording and the responsibility for the use of funds should be different individuals. Where this is not possible different people should be rotated through the operation as much as possible and additional care should be given to the checks and balances that are in place.
- Internal Audits and Supervision
Periodic and unscheduled audits should be performed for all cash activity. These audits can be very formal or casual visits. All activities involving cash must be supervised by an adult. Part of the supervisor's responsibilities is to ensure adequate controls are in place. Periodic training should be given to those involved in handling cash.

BASIC RULES AND REQUIREMENTS

- Three Day Banking Rule - Utah State law requires that all money received in the schools, or the district be deposited at least every three school days. The independent auditors review school records to see that the schools are in compliance with this law. In our district, schools are **required** to make deposits daily.
- Students & Cash - On occasion it may become necessary to have a student responsible for cash (booster clubs, fund raisers, etc). Consequently, these students should be supervised by a teacher or administrator when they are working with cash. Students should not be asked to take cash to the office. In the educational environment where students are learning about marketing, business or dealing with money, checks and balances should be in place to help students learn proper methods of handling money. Two **closely supervised** students, should count money and fill out a reconciliation report, which is then signed by both of the students and the teacher or administrator. Goals and objectives should be in place to teach students correct principles on how to receipt and record cash. Students should **not** be asked to empty vending machines.

- Cash Controls within the School – Each year the principal needs to discuss the various cash controls within the school with their faculty. Detailed information is given in the form of a sample letter which may be distributed to the faculty. A separate sample letter is provided for elementary schools and secondary schools. (See Cash Controls Within the School Memorandum)
- Employees Depositing Money into a Personal Account - School or district personnel should never deposit money collected for school/district purposes into their own personal account. It is considered a criminal offense and will be prosecuted.
- Teachers Making Purchases with Money Received in the Classroom or from Legislative Account- When donations are given directly to a teacher that money needs to be turned into the office within the first hour of school. The teacher should never take cash money received from donations to purchase materials for the project. Purchases should be made by following district procedures. Purchase orders need prior approval. It is not necessary to have prior approval if a budget has been established for a particular account, such as class funds or teachers Legislative money, it is considered to have a budget and prior approval for expenditures is not required as long as school records indicate funds are available.
- Faculty Fund - Most schools have a faculty fund that generates money through annual donations paid by each faculty member. This account is generally used for flowers, gifts, or cards in the case of a birth, death, etc. Faculty members may designate a teacher to be responsible for this account. That teacher may choose to open a separate checking account to manage the various expenditures. If a separate account is opened nothing should be processed through the school. The teacher representative should reconcile the bank statement monthly and provide the full staff a report yearly. If the Faculty Fund is run through the school books it is necessary that all district procedures be followed for receipting and expending funds. This fund should never be in a deficit position. When items are purchased from the Faculty Fund sales tax should be paid. Faculty funds should not be used to pay for general school functions.
- “For Deposit Only” Stamp - Checks that are given to the school need to be stamped with the “For Deposit Only” stamp as soon as the checks are received, even if the bank deposit is not going to be made right away. Having this information on the back of the checks provides security that the checks will still be deposited into the school account if it should become lost or stolen.
- Checks Made out to Individuals Instead of the School
From time to time, a check may be made out in the name of a teacher or other individual instead of the school. In those instances the person needs to endorse the back of the check and write below their name, “Pay to the Order Of” and print the name of the school. Once this is done, the school secretary should immediately add the “For Deposit Only” stamp to the back of the check.
- Cashing Faculty Checks - The financial office is discouraged from cashing checks for faculty members. It requires that additional petty cash be kept on hand which ultimately

leaves money in the school, which is also discouraged. Non-sufficient funds checks may also become a problem for the school when they cash a check for a faculty member. **The financial office should never cash two-party checks.** (An example of this would be a check written to a teacher from a vendor or a parent.)

- Cashing Student Checks – The financial office is prohibited from cashing checks for students. Cashing student checks requires excess cash to be on hand to replenish depleted startup monies. Non-sufficient funds checks may also become a problem for the schools.
- Parent/Vendor Checks Should Be Made Out to the School - When teachers are expecting money from parents or vendors, they should request that the checks be made out to the school. The financial office will receipt the money into the teacher's account. A receipt will be issued to the teacher showing that funds have been put into their account.
- Post Dated Checks - The schools nor the district offices should accept post dated checks. Many problems are encountered when this type of financial commitment is made. Invariably the check is not able to be deposited within the State of Utah's three day banking rule. Often the check is deposited too early or put in a drawer and not found and deposited in a timely manner. Frequently this type of check ends up as a non-sufficient funds check, or in the case of not being turned in on a timely basis a stop payment is placed on the check or the account that the check was written on is closed. It is in the best interest of the school, or district to NOT ACCEPT POST DATED CHECKS. If patrons want to pay at a later time they should come back at a later date.
- Safes and Petty Cash Boxes - Keeping school funds secured is a major concern for school personnel. Safes and petty cash boxes should have limited access by school personnel. The principal and secretary should be the only employees with access to the safe or the petty cash box. The principal and secretary should be the only people with a key to the petty cash box. Locks on the school safe should be changed with new personnel. (More detailed information is found on safes and petty cash boxes later in this document.)
- Patrons Contributing Funds to School - When asking patrons to pay money for a class project or trip they need to be aware that they are "donating" the money to the school, thus unused funds do not need to be reimbursed. Teachers and principals should be encouraged to use remaining funds from patron donations for the students in the current school year. The principal should be aware of and approve the amounts of money that parents are asked to contribute. Trips and class projects should not be used as fund raisers for other organizational needs.
- Patron Donations for \$50 or More - Donations such as grants, monetary gifts, etc. to the school should be sent to the Wasatch Community Foundation at the District Office. Detailed information is found under the topic "Procedure for Major Donations to the Schools.

- School Accounts with a Deficit Balance - As a general rule, no school account should end the year (June 30th) with a deficit balance. Deficit balances may only be carried over into the next fiscal year with administrator approval. A deficit fund balance should be reviewed and an appropriate action taken to resolve the problem.
- Miscellaneous Cash Control - (Other groups receiving money in behalf of the school) There are times when other groups such as booster clubs or the PTA will do a fund raiser for the school. These groups need to be made aware that if they are taking care of the financial aspects of these events that they will be required to follow procedures outlined by the District. (For more information read section on Booster Clubs.)
- Three Signature Signers for School Checks - All school checks must have two authorized signers. The principal or designee should be the primary signer on the check, with the school secretary or the assistant principal being the second and third signer of checks. In the event that the principal is out of town or away from the school for an extended period the assistant principal or designee will become the primary signer on the checks. The principal, his/her designee or the financial secretary should never sign a check made out to themselves. Signature stamps are against policy and should never be used to sign a check.
- School Purchases - All school purchase orders must have prior approval by the principal or their designee. All purchase orders MUST give an amount or approximate amount of the requested purchase. If a budget has been established for a particular account and school accounts indicate funds are available, it is considered to have prior approval. Teachers can only be reimbursed for purchases without prior approval when funds are available from a previously established budget for a particular account.
- School Checks - School checks should be kept in a safe and secure location. They should not be left out in a central location or in a printer. Checks should be pre-numbered and used in sequence. Voided checks should not be destroyed, but rather have the word "voided" or "skipped" written across them and then filed numerically with canceled checks. Principal, designee or financial secretary should never sign a blank check. Checks should be made payable to a specified payee and not to "cash" or "bearer."
- Bank Statement - Bank statements must be opened, reviewed, dated and initialed by an administrator or their designee before being given to the financial secretary. An administrator must also review and sign the bank reconciliation report.
- Journal Entries - An administrator must review and sign all journal entries. If the school prefers, a journal entry report for the month may be run and the administrator would just sign one time for all journal entries done during the month.

- Vendor Invoices - All invoices paid must be stamped "paid" and the date paid written on the invoice. If there is a variance in amount of the invoice compared to the purchase order that is greater than 10% or \$50, the purchase order must be re-approved manually by the administrator. The invoice and purchase order must be initialed by the secretary indicating that the goods or services have been received and the invoice is within the variance tolerance.
- Student Fees, etc. - Student fees, dues, contributions, fines, class projects and all other activities where money is received from a student must be paid directly to the school financial secretary or designee. The only exception is elementary teachers. All money received in the classroom by an elementary teacher must be turned into the school financial secretary daily. Money should never be kept in the classroom overnight. Teachers need administration approval before requesting money from students, patrons, or community over and above money collected during registration. Examples - field trips, class projects, fund raisers, etc. Teachers can never use money received from students, patrons, and vendors to purchase materials and supplies. The normal purchase procedures (purchase order) must be followed.
- Receipting money - All money received by the financial secretary, except for fees collected from students, must be accompanied by a signed cash tally sheet or receipt. In cases where money cannot be receipted and deposited immediately, for example fund raisers, the sponsor must be given an overnight bank bag to deposit the money in the school drop safe or at the bank night depository. Due to the number of transactions, individual receipts will not be given for lunch money. Lunch money will be immediately entered into the SIS system and reconciled at the end of the school day.
- Reconciling daily receipts - Secretaries may not mix personal and school funds. The financial secretaries handle a great deal of money for their school. A conscience effort should be made to keep school and personal money separate. Money or loose change should not be left in a drawer.
- School funds kept secured - All school funds needed to make change, or school receipts, must be kept in a desk drawer or cash box. The desk drawer or cash box should be locked when the secretary is not present in the room.
- Overages and shortages of school funds - All overages and shortages from school receipting activity must be recorded on a daily basis. Overages and shortages must be charged to an appropriate overage/shortage account. Slush funds cannot be used to balance daily receipts. Integrity of our records assumes that during the normal course of business there will be overages and shortages. If there is a lack of cash variances may indicate a problem. Because of time constraints, we suggest excessive amounts of time should not be spent on variances of less than \$1.

- How to handle variances between the cash count and the receipt register:
 - 1- Recount cash
 - 2- Match checks to receipts
 - 3- Review all voids
 - 4- Ensure all voids have been processed
 - 5- Review receipts/register listing to ensure the correct fee amounts have been recorded
 - 6- Look for missing receipt numbers in register listing
 - 7- If the variance is divisible by 9, chances are that a number has been transposed
 - 8- When the deposit record is created, record the overage / shortage
 - 9- The Cash Tally slip used to count money and showing the over/short should be kept and filed with the receipts

- Centralized accounting system - All financial activity must be recorded in the school's accounting system.

- Bank Statement and Reconciliation - The monthly bank statement and reconciliation must be signed by an administrator and sent to the District Office.

- Cash Boxes – Cash boxes used for change at school events must not contain more than \$500.00. Those handling the money should sign a cash tally sheet indicating they have received the money that will be used to make change. After the event, the deposit must be transported to the bank by an administrator (preferably by two individuals). In cases where money cannot be receipted and deposited immediately after the event, the sponsor must be given an overnight bank bag to deposit the money at the bank or put in the school's drop safe. The financial secretary can then pick up the bag the following business day.

- Summertime Deposits – Anytime money is received during the summer break it needs to be counted and a reconciliation worksheet completed. The funds should then be dropped into the school's drop safe along with the reconciliation worksheet so that the next time the financial secretary works, the funds can be retrieved and deposited. If the financial secretary is aware of any cash coming into the school (fund raisers, etc.), it is their responsibility to make arrangements to be in the office so the cash can be received and deposited.

See Reconciliation Worksheet Form

BASIC FINANCIAL ACTIVITIES PERFORMED BY SCHOOLS

- Monies Received in the School for Grants - Most schools receive money for various grants. Grants have been written with definite criteria and goals in mind. Budgets should be established with goals as outlined in the grant. When funds are approved and received for the grant the school must follow the guidelines, criteria and goals as stated. A specific account number is to be established to track the financial activity of said grant. Grants are considered to be “activity” accounts with revenue and expenditures. This means that the money is for a specific purpose and cannot be added to other school funds. A file folder should be kept in the office that gives pertinent information regarding the grant such as, where the grant comes from, what the criteria for receiving the grant is, and who will administer the grant in the school. It is important that the name and address of the individual/organization who gave the money to the school be on file so that should there be money left in the account communication with the grant giver may be made to receive additional directions on how they want the remainder of the grant to be spent. Sometimes a teacher/administrator will leave the school before the grant is finished and it will be helpful to have this information in an easily assessable place for someone to step in and take over the responsibility of the grant.
- Teacher’s Legislative Money - In the Fall of the year the District receives the Legislative money for the teachers. The teachers should not be allowed to spend their Legislative money until definite information has been received from the District stating the amount of the allocation and an estimated date when the money will be available.

Teachers’ should be educated on a regular basis regarding the criteria for spending and using the money.

- ▶ Legislative funds are “*liability*” accounts and should be kept separate from other school funds. These funds may not be put into other accounts.
- ▶ Teachers’ purchases made with this money becomes the property of the District but are used by the teacher in their room.
- ▶ Items purchased may be transferred with a teacher, but should the teacher leave the District those items will be retained by the school/district.
- ▶ If a teacher has not spent or committed to spend the individual allocation by April 1, the school or district may make the excess funds available to other teachers or may reserve the money for use by teachers the following years.
- ▶ Money that is left in a teacher’s legislative account may be carried over to the next year. However, the teachers need to have an objective or goal on file with the principal as to how they intend to use the money in the next year.
- ▶ Teachers may pool their funds to be used for the general school student body or the faculty. (An example of this would be teachers pooling their money to buy basketball standards for the students or perhaps a microwave for the faculty lunch room.)
- ▶ Registration for a conference or workshop is not an approved expenditure for Legislative money.

- Procedure for Major Donations to Schools (Donations in the amount of \$50 or more) - Donations such as grants, monetary gifts, etc. to the school are encouraged. It is important that adequate controls are put into place to safeguard these funds, encouraging further donations. For tax reasons, donations from profit making organizations and individuals must be sent to the Wasatch Community Foundation at the District Office. Donations made to a school in the amount of \$50 or more need to be sent to the Foundation, the school may then request that the funds be sent back to the school. Donations need to be sent to the Wasatch Community Foundation as soon as they are received. When funds are requested from the Foundation the money should be receipted into the appropriate account. If the donated money is for a specific reason an account should be created that identifies the specific account. A letter should be written by the school or the teacher thanking them for their generosity.
- Donations to the School - All school donations must be receipted by the financial secretary. The receipt must be in the organization's name. For example –Wasatch Mountain Junior High School

PTA. A receipt must be given to the donor as well as a copy given to the school benefactor. The receipt can be mailed if necessary.

- Donations from students/faculty to be given to other charitable organizations - When students/staff collect money for a charitable cause such as a cancer drive, or perhaps to help a person with a medical need, etc. the money should be collected and given to the authorized person in charge of the activity. Checks should be made out to the individual/organization for the fund raiser and not the school.

In the past the donated money was run through the school books and one check for the total amount of the fund raiser given to the organization. However, when this was the procedure a lot of the financial secretary's time was spent receipting and banking the money. Also when this procedure was used the school assumed the responsibility if the check did not clear the bank. Using the new guidelines will save personnel time and reduce the schools financial liability.

- Teacher Donations to and Reimbursements from Wasatch Community Foundation - Teachers may donate a portion of their salary to the Wasatch Community Foundation to be used by the teacher in their class. Each teacher donating to the Foundation needs to have a separate Foundation account. When the teacher wants to transfer funds from the Foundation account into their school account they need to fill out the form provided by the Foundation. Both teacher and principal need to sign the request to have the money transferred to the school. When the money is received in the school, the financial secretary will receipt the money into the teachers foundation account and provide the teacher with a receipt showing that the funds are in the account. Unused balances in a teachers Foundation account may be carried over from year to year.
- Teachers making purchases from the Foundation funds - All faculty and staff must use a purchase order for all individual purchases. Employees may submit personal receipts up to

their allotment as long as records indicate that funds are available. Reimbursement for personal receipts is generally for small purchases that are needed on short notice. The principle can set the time frame as to how often an individual may be reimbursed for personal receipts.

Any item being purchased that exceeds \$5,000 needs to have three telephone bids and district purchasing procedures need to be followed. Any item being purchased that exceeds \$10,000 needs a formal bid and district purchasing procedures need to be followed. All schools/departments are encouraged to purchase items from vendors that have been awarded a contract by the Utah State Division of Purchasing. These contracts are awarded to vendors after a competitive bidding process so the prices would be hard to beat.

The district or school will not reimburse sales tax to individuals in situations where the sales tax could have been avoided through proper use of purchasing procedures. Sales Tax Exemption Forms (TC-721G) are available in the financial offices.

See Request for Foundation Funds Form

On the next two pages are sample letters regarding the handling of cash in the elementary and secondary schools. This information should be reviewed annually by the principal and given in hard copy to new teachers.

Sample Letter - Cash in the Elementary School

(SCHOOL LETTERHEAD) M E M O R A N D U M

TO: Elementary Teachers and Staff
FROM: Elementary Principal
SUBJECT: **Cash Controls Within the School**
DATE:

The following cash controls were established for our school and are used throughout the District. Cash controls will protect not only our school but our teachers and staff as well.

Teachers need principal approval before asking patrons to send money donations to school to pay for field trips, class projects, etc.

Written requests for money being sent to school needs to be worded so that these monies are **"donations."**

Monies received in the classroom need to be recorded, by the teacher, and turned into the school financial secretary on a daily basis. A cash tally sheet should be filled out by the teacher stating what the money was received for, the account the money is to be receipted into and the composition of funds (how much in checks, currency and coin.) This makes it possible for the secretary to receipt the money into the proper account and prepare a bank deposit daily. Teachers should never keep money in their classroom or on their person. This practice presents opportunity for theft. The district does not reimburse lost or stolen money. Teachers keeping money on their person, wallet or purse, or depositing class or school money into a personal account is considered to be a criminal offense and will be prosecuted.

Teachers should never take actual money received in the classroom to purchase items for a class project, or anything for their room. The money should be receipted and proper purchasing procedures followed in obtaining items for a project or the teacher's class.

Actual costs for projects, trips, etc. should be charged. However, when all expenses have been paid, it is acceptable for the teacher to use the remaining funds, if any, for waivers, for children unable to pay, or other items that will benefit the children in that class for that year.

(School Chooses an option below and places one of the options in this letter)

Option 1: Direct Payment Ordering of Student Books - Schools have the option of using a direct payment for student book orders, such as Troll and Scholastic. Under this system the teacher will have parents make checks out directly to the book vendor rather than the school. The teacher will prepare, mail and receive the book order. Parents/students are encouraged not to send cash to school to pay for book orders. Paying for book orders in this manner avoids issues with the school

having to pay sales tax. It is important that teachers tell patrons who to make the check payable to for a book order. A problem arises when some checks are made out to the vendor and some checks are made out to the school. Banks do not want to accept two-party checks. The District suggests that when this happens patrons be asked to replace the check by making it out to the correct entity.

*Option 2: **Centralized Payment for Student Books*** - Principals have the option of having the financial secretary receipt monies received for book orders through school books and issue one check to vendor to pay for student book orders. If this is the principals choice all checks should be made out to the school and NOT to the VENDOR. Our attorney, as well as the auditors, feel we need to reduce the amount of cash in the schools to protect our students and employees.

Your help with the procedures will accomplish three things: (1) provide accurate accountability, (2) educate our parents regarding money being donated to school and (3) reduce the liability to the people within our schools.

Your support in these guidelines will be appreciated.

SAMPLE LETTER
SCHOOL LETTERHEAD

(Date)

MEMORANDUM

TO: Secondary Teachers and Staff
FROM: Secondary Principal
SUBJECT: **CASH CONTROLS WITHIN THE SCHOOLS**

The following cash controls were established for our school and are used throughout the district. Cash controls will protect not only our school but our teachers and staff as well.

1. A centralized method of receiving monies is used within our school. Teachers are required to have students pay all fees directly to the school financial secretary, or designee. This will free up the teacher and provide full accountability for monies received. A receipt for monies paid will be issued at the time the student pays, also unique items such as sales tax can be put in the appropriate account at the same time. For parent's convenience, they may send one check to school (except for school lunch) and have it credited several different places.
2. Teachers should never keep money in their classroom or on their person. This practice presents opportunity for theft. The district does not reimburse lost or stolen money. Teachers keeping money on their person, wallet or purse, or depositing class or school money into a personal account is considered to be a criminal offense and will be prosecuted.
3. Actual costs for projects, trips, etc. should be charged. However, if said items are fund raisers they need to be identified as such so that patrons realize they are making a donation to the school.
4. Over the years the problems with "Out of Area Travel" have increased. It is required that teachers obtain and follow the printed "Out of Area Travel" guidelines.
5. Teachers must have prior approval before a purchase order is created.
6. A purchase order must be obtained before any purchases are made. No invoice will be paid without obtaining a purchase order first. (Teacher Legislative money is the only exception).
7. No prior approval is necessary for purchases when the account to be charged has a defined budget.
8. Teachers may only submit and be personally reimbursed for sales receipts from their Budget, Teachers Legislative Fund, or teacher donated Wasatch Community Foundation account money.

9. Teachers may submit personal receipts up to their allotment of their Budget, State Legislative Fund, or Foundation money. Sales tax will only be reimbursed in situations where it was unavoidable.
10. Manual checks are for emergencies only and should not be abused. It is suggested that manual checks also be scheduled with the normal check run.

Our attorney as well as the auditors feel that we need to reduce the amount of cash in the schools to protect our students and employees. Your help with the procedures will accomplish three things:

- 1) Provide accurate accountability
- 2) Educate our parents regarding money being donated to the school
- 3) Reduce the liability to the people within our schools.

Your support in these guidelines will be appreciated.

CENTRALIZED CASHIERING ACTIVITY

A centralized method of receipting money is used within our schools. Daily the financial secretary should count the cash and receipt into the schools books. After the money has been reconciled, a deposit must be prepared. All money received should be deposited at the bank daily. The deposit must be recorded in the accounting program. Each deposit recorded in the accounting system must be matched against the monthly bank statement when the cash in bank account is reconciled.

The financial secretary must keep the check voucher and are encouraged to make copies of all checks from businesses or private donors which will be deposited into the school checking account. They should be filed with the daily receipts. The purpose of making copies is to be able to verify that the checks are being deposited in total to the school checking account.

- Elementary Procedures - All money needs to be turned into the office and receipted through the accounting system. It is suggested that schools, especially elementary schools where the number of checks being deposited will be fewer, photocopy the actual checks being deposited that day. If there are questions regarding the deposit or the money received, it is easy to review what actually was sent to the bank. A duplicate copy of the deposit slip should be kept with deposit information for the day. All money received in the classroom by an elementary teacher must be turned into the school financial secretary daily. Money should never be kept in the classroom overnight. Schools must deposit money received daily, money should never be left in the school over the weekend or holiday.
- Secondary Procedures - All student fees, dues, contributions, fines, class projects and all other activities where money is received from a student must be paid directly to school financial secretary or designee. If necessary, the teacher can request the student show their receipt indicating fees have been paid. The total on the cash tally sheet should agree with the receipt register. Any variance should be noted and explained in the system. Teachers can never use money received directly from students, patrons, and vendors to purchase materials and supplies. The normal purchase procedures (purchase order) must be followed.

In cases where money cannot be receipted and deposited immediately, for example fund raisers, the sponsor must be given an overnight bank bag and instructions that they are required to place the money in the school's drop safe or take it to the bank's night depository. The money must be accompanied by a signed cash tally sheet and supporting documentation. The financial secretary can then pick up the bag the following business day.

CONCESSIONS

Most concession activities in a school environment are held during athletic events. They are staffed by volunteer parents and students. Usually the merchandise sold is candy and pop. It is bought and then resold with the intention of making a profit. This activity must be periodically reviewed.

Concessions can be exempt from sales tax if the conditions for non-taxable are met. See the fund raisers section for details. Every effort should be made to not pay sales tax at the time supplies are bought for resale.

The concession stand must be in a secure well lit area which is visible by many people, never off in a corner by itself. The area to count and prepare the deposit must be safe and secure. It is recommended that the deposit for concessions be placed in a bank bag and transported to the bank or placed in the school's drop safe.

The following guidelines should be followed for concession sales:

- A separate account should be set up to record and track concession activity. Periodically the account should be reviewed by individuals responsible for the activity. At the end of the sport season, the balance can be transferred to the appropriate account (football, basketball, baseball, etc.).
- All proceeds from concession activity must be deposited immediately. It is recommended that if the sale of concessions occurs for an evening event a night deposit bag be prepared and taken to the school's drop safe or bank night depository. This procedure protects the funds as well as the volunteers working the concession.
- A cash tally sheet for all concession sales must be completed and signed by two individuals.
- Cash purchases from the proceeds are discouraged except when circumstances make it absolutely necessary. When a cash purchase is deemed necessary, a receipt must be placed in the till showing the amount spent, who it was paid to, and why it was necessary. The purchases for concession products for resale should be run through the appropriate accounting system. Recording the proceeds and costs separately will provide a better audit trail and a greater ability to analyze the activity.
- Sales tax must be remitted to the state where applicable. This can be done through the school; contact the school financial secretary.

GATE RECEIPTS

Gate receipts include fees for sporting events, dances and plays. It is important that the gate personnel and school administration have a good understanding of the environment surrounding the event so that appropriate cash controls can be instituted.

- a. The facilities for gate receipts must be safe, secure and have a physical layout that will ensure good money collection. The physical layout will require limited access to the event. Fences, gates, and entrances need to be reviewed for security. The fewer entrances the better. The objective is to make the monitoring of events simple and easy.
- b. Workstations must be well lit and very visible.
- c. A locked room which is well lit and visible to the administrative staff assigned to monitor the event is essential. A room with enough space and office equipment should be made available to provide a good working environment to reconcile the gate proceeds. The money

- can be counted before the end of the event if the ticket operation is not needed for crowd control.
- d. The cash boxes in all ticket workstations or booths must be placed so that they are inaccessible to patrons in case of crowding, disruption, etc. Cash boxes must not be more than \$500. Those handling the money should sign a cash tally sheet indicating they have received the money that will be used to make change.
 - e. Concession stands must be well lit and visible to those responsible for monitoring the activity. The concession stands should also be located in areas that will not interrupt the flow of traffic.
 - f. Prior to the event, the financial secretary and the gate personnel need to determine the method to be used to verify the money collected. Tickets, count, machine tape, hand stamping and sign up sheets are all available. Care should be taken in choosing the best method.
 - g. For major events (basketball, football, plays, dances, etc.) where the proceeds will be over \$500 or more than 100 people will attend, the ticket or machine tape procedure must be used. At these events the person at the entrance collecting the ticket or machine tape must not be involved in selling the ticket or machine tape. Whenever possible, it is a good idea to pre-sell tickets before the event. If this is done, the tickets must be a different color than the ones used at the event gate. The gate personnel should be notified of pre-sold tickets. It may be necessary to hand stamp patrons if they must leave the event area.
 - h. For events under \$500 or less than 100 people attend the event, other verification methods can be used. For example hand stamping, head count or sign up sheets.
 - i. The gate personnel must sign the cash tally sheet and reconciliation form.
 - j. The administrator responsible for the activity must also sign the cash tally sheet and reconciliation form.
 - k. After the event, the deposit must be put in a bank bag and transported to the bank by an administrator, and if possible, a policeman or security officer (preferably by two individuals). The financial secretary can then pick up the bag the following business day and receipt the money and prepare the actual bank deposit.
 - l. The financial secretary should audit gate activity/procedures periodically. Students from business clubs or classes may be used in the gate receipt process if there is adequate adult supervision. The gate receipt procedures must be strictly followed.

See Cash & Ticket Reconciliation form

See Cash Tally Sheet form

See Event Cash Reconciliation form

PETTY CASH FUND

Some schools find it necessary to pay for small items such as freight, parcel post, etc. Because the school is at risk for multiple petty cash funds, schools are limited to one petty cash fund, managed by the financial secretary, who acts as the custodian of the fund. The suggested amount for all schools if they choose to have a petty cash fund is \$50. The petty cash fund should not be confused with the secondary school's change box. The following procedures will help establish, manage and reconcile the petty cash account:

1. When it is determined that a petty cash fund is needed a check will be written out to the Petty Cash Fund and cashed at the bank. That amount will be put in a locked cash box.
2. In order to avoid the appearance of impropriety, administrators should not access the petty cash fund when the financial secretary is not present.
3. Prior to making the purchase, a Petty Cash Voucher must be prepared and approved by the financial secretary. After receiving approval, the individual is given the cash and signs the payment received line. The voucher is filed or kept in a separate compartment of the fund box.
4. A record of each payment from petty cash should be kept, showing the person to whom it was paid, the reason, the date, the amount and the signature of the person to whom it was given.
5. All purchases by schools are tax exempt so if an individual is purchasing something away from the school they need to take a "Government Exemption Certificate" with them in case the vendor requires it.
6. After the purchase is made, the receipts must be returned to the financial secretary and attached to the petty cash voucher.
7. If cash is returned, the amount is noted and the financial secretary signs the Petty Cash Voucher.
8. When the supply of cash runs low, the financial secretary presents the principal/administrator with an itemized list of the disbursements with all receipts attached and then writes another check made out to Petty Cash to replenish the fund. The receipts plus the amount of cash still left on hand will equal the amount determined to be in the petty cash account, i.e., \$50.
9. Reconciliation of the petty cash fund is as follows:
 - a) The Petty Cash Vouchers are totaled and compared to the actual remaining cash.
 - b) The total of both sums will be the established amount of the petty cash fund (\$50).
 - c) A replacement check is made for the total amount of the Petty Cash Vouchers.
 - d) A reconciliation record should be kept each time the account is reconciled. The District recommends that the account should be reconciled monthly, but quarterly will be acceptable.
10. The petty cash fund will be audited periodically by the principal, district internal auditors and the external auditors.

An example of the Petty Cash Voucher follows:

WASATCH COUNTY SCHOOL DISTRICT		No. <u>1</u>
Petty Cash Voucher		
Date <u>August 3, 200-</u>		
Vendor <u>K-Mart</u>	Charge to: <u>10-2000-000</u>	
For <u>Office Supplies</u>		
Estimated Amount: <u>10.00</u>		Amount Spent: <u>8.10</u>
Received by: <u>S. Miller</u>		Amount Returned:
<u>1.90</u>		
Approved by: <u>C. Jones</u>		Funds Returned
to: <u>K. Smith</u>		

WASATCH HIGH SCHOOL	No. <u>387</u>
	<i>August 31 2007</i>
Pay to the order of <u>Petty Cash</u>	\$ <u>33.05</u>
<u>Thirty-three and 05/100</u>	Dollars
First Security Bank	
:9860"0830 :1243"671"	

The replenishing check stub:

See Petty Cash Reimbursement Request Form

See Petty Cash Voucher Form

STUDENT REGISTRATION PROCEDURE

Prior to registration, the financial secretary will need to issue a check from the general account to get the required startup cash for each registration work station. At the time the registration personnel obtains the cash box they must count the money and initial the Remote Receipt Registration Worksheet Reconciliation form acknowledging receiving the money.

After registration is complete, the Remote Receipt Registration Worksheet Reconciliation form needs to be completed, reviewed, and signed by the registration personnel and financial secretary. After the reconciliation has been completed, the startup cash should be removed from the total receipts and put back into the cash box. The cash box should then be put into the school safe. The remaining funds should be recounted and a deposit should be prepared. The money, deposit slip, the registration register, Remote Receipt Registration Worksheet Reconciliation form, and receipts should be put into an envelope and given to the financial secretary.

The financial secretary will review the documentation and record the work station's activity in the school's financial books. The financial secretary must ensure the work stations deposit matches the activity recorded in the school financial books. If it is too late for a deposit to be made, the deposit envelopes should be placed in an overnight bank bag and taken to the bank's night drop by two people or dropped in the school's drop safe.

After registration, the financial secretary will deposit the startup cash used for registration. It should be credited to the general account bringing it back to zero.

See Remote Registration Worksheet Reconciliation form

SAFES IN SCHOOLS

Adequate precaution should be taken to secure cash and provide for the safety of personnel handling cash within the school.

School Safe Procedures:

1. Safe combinations and keys should be changed as personnel changes.
2. Principals are responsible to limit the number of people that have access to the combinations and safeguard written combinations.
3. Cash should not be stored in areas where general staff or students have access.
4. Principals need to evaluate the safety of money and the protection of students and employees on a regular basis.
5. Principals should review their situation and request in their capital outlay budget what they feel is required to safeguard cash. Adequate sized safes should be at each of the schools. If the safe is a portable one it should be bolted to the floor.
6. It is important that bank deposits be made on a daily basis and that cash in schools be kept to a minimum.

VENDING MACHINES

- Faculty - Vending machines for faculty members are generally not considered profit making. The profits from faculty vending machines are generally used by the principal for staff meetings, Sunshine funds and other staff related functions. Principals want and need funds that can be used for public relations with their staff. Faculty funds are not material in nature and do not have the exposure associated with school vending. However, there are certain guidelines that should be followed regarding faculty vending machines. Use the following procedures:
 - Faculty vending machines need to be self supporting and reviewed periodically to see that product is not being taken without being paid for.
 - Monies received from faculty machines need to be recorded through the books. Monies in machines should not be used to make cash purchases, or pay for product.
 - Sales tax should be paid on product purchased.
 - Students should not stock or empty vending machines.
 - **No money should be left in a vending machine over the weekend.**

PURCHASED SERVICES FROM PATRONS

Sometimes schools purchase merchandise or services from the patrons within our district. Consideration of some basic guidelines will protect the school from problems that may arise.

1. A written agreement (contract) should be entered into before any services are performed or merchandise is delivered to the school. A definite date for completion of services or merchandise being delivered should be included within the contract.
2. No monies should be paid up front. Payment for services or merchandise is only made after items have been received in the school in the proper way.
3. Any outside individual providing merchandise or services to the school in the amount of \$600 or more needs to receive a 1099 from the district for tax purposes.

CONTRIBUTIONS

Contributions involve many contributors united in a common purpose. There are two kinds of contributions in our schools. The first kind involves contributions for class or school activities or projects. Example of these contributions are bus fares, senior class project, special class supplies, class program activities, etc. Charitable solicitations represent the second kind of contribution, i.e., cancer drives, deaths, etc. Reminder notices for donations not received **may not be sent** by the schools.

Contributions to the school can involve many small and varying amounts and be given anonymously. Contributions less than \$25 and not deposited daily must be put in an overnight bank bag and dropped

off at the banks night depository. The sponsor of the activity must be given the key to the overnight bank bag. It is recommended that the money be given to the financial secretary on a daily basis where they will be receipted and deposited in the bank. The contributions must be deposited as soon as possible.

- Accounting for class or school activities or projects - Contributions over \$2 must be individually receipted by the financial secretary as is the normal practice. For contributions of less than \$2, the money can be collected and then submitted to the financial secretary in a lump sum one receipt will be issued for the money received. A contribution log must be kept and accompany the money given to the financial secretary to receipt. A cash tally sheet must also be included with the money. The cash tally sheet must be signed by those handling the money and the school personnel responsible for the activity. It is recommended where possible, the financial secretary collect the money and maintain the contribution log. A copy of the lump sum receipt and the contribution log would be given to the school personnel responsible for the activity.
- Accounting for charitable solicitations - Charitable solicitations are normally small and vary in amount. The collection process should be reviewed carefully. The funds should be collected and deposited daily. A cash tally sheet signed by those handling the money and a school administrator must accompany the money given the financial secretary. As monies are receipted, a receipt will be given to the school administrator responsible for monitoring the activity.

The following procedure is used when contributions come into the Foundation earmarked for a given school:

- The money is received, a receipt is issued, and the money is deposited into the Foundation account earmarked to a school for a specific purpose.
- The receipt is sent to the school for which the donation is made. The principal then has the responsibility of writing a letter of thanks to the donor in which the receipt is included.
- Funds are held by the Foundation in an account specifically earmarked for school and purpose.
- A financial statement is sent to school principals monthly.
- To withdraw funds from the school Foundation account, the teacher fills out and signs a request form (sample attached), indicating the specific amount to be withdrawn and the specific account funds are to come from. If requested funds are coming from a teacher's account it is necessary to have the teacher sign the form as well. It is necessary to have the principal sign the request form as well.
- Teacher Foundation reimbursements (donations to a teacher's own class)- To facilitate the use of donated funds through the Foundation, teachers may take a signed blank purchase order to a vendor with the notation "not to exceed . . ." written on it. The amount will not exceed the balance of the teacher's Foundation account. After making the purchase, the teacher would then return the purchase order, along with the receipt, to the secretary, to be filled out as appropriate.

- When the Foundation check is sent to the school, it then becomes the principal's responsibility to see that the funds are expended exclusively as they are designated by the donor. It is extremely important that this guideline be followed. Schools could be audited at any time relative to the expenditure of the funds as per the request of the donor.
- Class Funds Donated with Year End Balances - Teachers should not build up large balances in their class accounts. Donations received by patrons should be used for the purpose collected, and during the current school year to benefit those paying the fee. Any balance in the activity accounts should first be put toward student waivers, or students unable to pay.

See District Forms for Foundation Funds Request form

BOOKSTORES

The bookstore sells a variety of supplies and products. The bookstores are staffed by students with the teacher overseeing the operation. In most cases it is a profit making operation.

The bookstore must be well lit and behind locked doors. A school administrator and the teacher should be the only key holders. The proceeds from the bookstore must be given to the financial secretary before the end of the day. The proceeds must be accompanied by a cash tally sheet signed by those handling the money and the teacher responsible for the activity. Cash cannot be held in the bookstore overnight. The cash change box must be locked and put into the school safe at the end of the bookstore business hours. As much as possible different students must be rotated through the operation and additional care should be given to the cash handling procedures.

To set up the cash change box for the bookstore, a check should be issued to the school and charged to an account labeled bookstore petty cash. A bookstore account should be setup for all the purchases and sales activity. The financial secretary will apply sales tax to all appropriate bookstore activity at the time the proceeds are receipted in the accounting system.

SALES TAX IN THE SCHOOLS

Sales tax is a tax on the rental or retail sale of all tangible personal property, admissions and users fees, and certain services performed within Utah. The sales tax is collected from the purchaser and it is remitted by the vendor (or seller) to the Utah State Tax Commission ("Tax Commission") on monthly, quarterly or annual tax returns.

Utah law provides for a sales tax exemption on sales or rental to a public school. However, many sales or rentals from a public school and admissions or user fees are taxable. The school must collect tax on its taxable sales or rentals of tangible personal property to students or to the public.

To qualify as a sale made to a public school the purchase must be made with the school's funds. A purchase does not qualify for exemption as a purchase by a school if a school employee pays for the purchase with personal funds, even if the school employee is reimbursed for the purchase by the school.

1. Exemption Certificate

All eligible tax exempt purchases made by public and private schools must be supported by a signed and completed Tax Commission form TC-721, Exemption Certificate. The school's

assigned sales tax number must be indicated in the space provided on the form. (Call accounts payable for your number) The school's sales tax number cannot be used for non-school purchases or for personal use.

See District Forms for Sales Tax Exemption Certificate

2. PTA

Charitable organizations may purchase and sell items tax free when the transactions are made in the conduct of the organization's regular functions. The Parent Teacher Association is a charitable organization whose purchases and sales are exempt from sales tax when made in the conduct of their charitable functions and activities serving Utah's public schools.

The PTA's sales tax exemption does not extend to a third party business which sells items through the PTA, even if the PTA receives some financial benefit from the sales. In order for the PTA to sell items tax-free, the item would have to be purchased by the PTA and checks from patrons to pay for the item would have to be written out to the PTA.

3. Tax Rate

The sales tax rate is based on the place of business in Utah where the merchandise or service is sold (point of sale). The current statewide sales tax rate is combined with any additional local sales taxes imposed by cities and counties. The current rates for Wasatch County School District are 6.25% for the Heber City area and 7.00% for the Midway area.

4. Sales Tax License

The district currently only has one sales tax license number, E32803. Because all of our schools share the same number, any taxable sales need to be reported to the accounts payable department at the District Office along with a check for the amount due. The accounts payable department will summarize the total taxable sales for all schools and remit one check to the State Tax Commission.

5. Taxable Transactions

These types of transactions are subject to sales tax:

Sales student directories, atlases, day planners, spirit packs, are examples of taxable sales. Generally, all sales made from the school bookstore or office are taxable except sales of textbooks, laboratory supplies or other supplies for required school projects, safety equipment, and items of clothing that a student is required to wear as a condition of participation in a school event. If clothing is required as a condition of participation in a school event, and it is specifically detailed (like a uniform) and it cannot readily take the place of ordinary clothing, it is not subject to sales tax. Generally, if the charge for clothing or equipment is waived under state fee waiver rules, it is exempt.

6. What's Taxable and What's Not

The following is an explanation of the typical taxable transactions carried on between the school and students or the public. The list does not include all transactions. It is illustrative

only. If you have questions about a transaction not described here, contact the District Office for clarification

- a. Sales from concession stands.
- b. Admissions to swimming pools and charges to the public for towel or locker rentals and equipment rentals. However, charges for swimming or diving lessons are not subject to tax.
- c. Vending machine sales by private vendors. If the vending machine is operated by an outside vendor who pays the school a commission or fee for the privilege of placing the machine in the school, that vendor is responsible for reporting and remitting the tax on the vending machine sales. If vending machine proceeds funds go to school lunch the sale is exempt from tax.
- d. Charges for school pictures. Generally, an outside photographer sells the pictures and collects payment. The photographer is responsible for collecting and remitting the sales tax on these transactions.
- e. Sales of items prepared, produced or manufactured by the students for sale to other students or the public. For instance, items manufactured for sale by students in a Junior Achievement program or a special class are taxable. The raw materials used as component parts or ingredients of the final taxable product may be purchased by the student or student sponsor tax free. However, use of the exemption requires the purchaser to obtain a sales tax license and to file sales tax returns.
- f. Community Education classes. Although charges for classes or lessons are not taxable, sales of supplies or rental of school equipment are taxable transactions.

7. Non-Taxable Transactions

These types of transactions are not taxable except as noted:

- a. Sales of textbooks, textbook rental fees, laboratory fees, laboratory supplies, and other educational supplies sold to students by the school for use in classes or class projects.
- b. Charges for use of the school's copy machine by students where the copies are for use in classes or class projects. For example, required shop projects, sewing projects etc. If the shop class requires a certain number of optional projects, the materials are considered exempt.
- c. Participation or sign up fees for drill team, cheerleading, band, athletics and other student activities. However, if the fee covers the student's purchase or rental of nonexempt clothing or equipment, those sales and rentals are subject to sales tax. Sales or rentals of safety equipment, fees to recondition safety equipment, or sales of clothing that a student is specifically required to wear as a condition of participation in a school-related event or activity and that is not readily adaptable to general or continued use to replace ordinary clothing are exempt. As a rule of thumb, if the fee for clothing and equipment is waived under state fee waiver rules, it is exempt. In cases where the fee covers both non-taxable participation fees and taxable (nonwaivable) sales or rentals, the taxable portions of the fees must be separately stated and taxed or the entire amount is subject to tax.
- d. Transportation charges for official school activities.
- e. Fees charged to students to participate in athletic clinic or cheerleading clinics.
- f. Fines charged for overdue library books.
- g. Charges for advertisements in school publications.
- h. Charges to parents for use of the school-operated nursery school. (These nursery school

programs are taught by high school students under the supervision of a faculty member.)

- i. Charges for parking permits and class change fees.
- j. Fund Raiser - the district policy clearly outlines the district's position on public fund raising. It does not address the internal or nonpublic fund raising issues. All fund raisers that meet the Utah State Tax Commission's guidelines and those approved by district and/or school policies are considered nontaxable. Public fund raisers are those activities that involve mass solicitations of funds from the community. Where as internal and nonpublic fund raising activities are those where the collection and point of sale are on school premises (bake sales, merchandise sales, etc.). Fund raisers that involve providing labor is not subject to sales tax (car washes, walk-a-thons, providing manpower for dinners, etc.). The sale of coupon books is also not subject to sales tax because the tax is collected and charged at the time the coupon is redeemed. To ensure the nontaxable status of internal or nonpublic fund raisers, they must be approved in writing by school administration. The request must state the purpose and description of the activity dates involved, supervision provided, time involved, participants, proceeds expected and any other pertinent information. The request should be signed, if approved and kept on file.

Activities specifically designated as taxable by the Utah State Tax Commission cannot be reclassified as non-taxable fund raiser, i.e., concessions. All exceptions must be approved by the Utah State Tax Commission. An example of an exception is yearbook sales.

The funds must be used to purchase equipment, material, or provide transportation. Fund raisers that meet the following conditions are nontaxable:

- ▶ The activity must be in accordance with school and/or district board policy.
 - ▶ Funds from the fund raiser cannot be used to compensate an individual teacher or other personnel.
 - ▶ All funds received from the fund raiser must be deposited in an account that is controlled by the school.
 - ▶ Activities specifically designated as taxable by the Utah State Tax Commission cannot be classified as a nontaxable fund raiser.
- k. The sale of coupon books or Happenings Books by students or school organizations. (Sales tax is collected when the coupon is redeemed)
 - l. Sales of food served by elementary and secondary schools are exempt from sales tax if the net or gross revenues generated by the food sales are deposited into a school district fund or school fund that is dedicated to the district school lunch fund or a school fund that is dedicated to school meals.
 - m. Food sales by the school from vending machines owned or leased and operated by the school are exempt if the net or gross proceeds from the sales are deposited into the district school lunch fund or a dedicated school meal fund.
 - n. Gate receipts and special event admission fees. (Athletic events, school dances, school plays or other activities.)
 - o. Purchase of Construction Materials by Public Schools on behalf of public schools systems are exempt from sales tax so long as the construction materials are clearly identified and installed or converted to real property which is owned by the institution.

8. General sales to the entire student body should be considered direct sales and the school merely acts as a collection agent to collect the money. Sales tax would then be paid by the merchant, not by the school, i.e., yearbooks and covers, photos, rings, caps and gowns.
9. All materials purchased by lab fees, activity fees, etc. which are used generally by the students and not specifically for individual use are exempt. (Lab card purchases would be taxable if card is used to purchase supplies for personal use.)
10. If a school or district check or purchase order is used to purchase items, the purchase is exempt from sales tax. As per State Tax Bulletin 32-94 schools making purchases in excess of \$100 must produce a purchase order, or check from the school as evidence that the purchase is made by a sales tax-exempt government agency. For purchases not exceeding \$100, the standard Tax Commission exemption certificate (form TC-721, copy attached), completed by an individual authorized to sign a purchase order for the school or department, may be used to evidence exemption in lieu of a purchase order or check.

The following example comes directly from Tax Bulletin 32-94.

- a. A teacher at a public elementary school obtains money from the school's petty cash fund and uses this money to purchase a few sheets of construction paper for a class project. The sale (under \$100) is exempt if the teacher provides a properly completed form TC-721 to the vendor. Form TC-721 is properly completed when signed by an individual authorized to sign a purchase order for that entity.
- b. A public high school band teacher purchases sheet music for a special performance of the band using his own cash or credit card. The sale is not exempt since the payment is not made directly with schools funds. This is true even though the teacher may be reimbursed later for the expenditure.

The tax commission director said that in order to get around this problem, have the vendor issue an invoice in the name of the school or school district. The purchase may then be paid by a personal check and later reimbursed by the school if the supporting invoice for reimbursement was made out in the name of the school.

The district's independent auditors will question your school if they find that the school has paid sales tax. As a result, we recommend that schools not reimburse sales tax paid for purchases made without using state form TC-721. We also suggest that each school keep an ample supply of state form TC-721. Form TC-721 may be copied. It may also be pre-signed for convenience if the form is safeguarded. Employees should not have access to the form for personal use

11. Employees should not use the government exemption status to avoid paying sales tax on personal gifts for employees from the "Sunshine" fund, faculty fund, or for items purchased for school employee parties or functions.

12. Vendors do not automatically exclude sales tax from District purchases. Employees must point out to the cashier that the purchase is exempt and refer to the tax exempt certificate. The cashier must enter a code to make the transaction exempt from sales tax. If the district employee fails to make sure the sale is exempt, they must personally pay the sales tax to the school or return to the store and get a credit issued and a corrected receipt.
13. Uninformed vendors: Certain vendors may be uninformed about sales tax laws as they relate to school districts and other state government entities. If the vendor questions the above sales tax exemptions procedures, State Tax Bulletin 32-94 (attached) gives the vendor a good summary of sales tax exemption for sales made to state government entities.
14. Sales tax on travel and meals: State of Utah regulations explains that all state and local public employees traveling on government business are exempt from paying sales tax on lodging and meals, when using a purchase order, government check, or district credit card to pay for the meals and lodging.

If an employee uses their own credit card to make these purchases and then looks to the district for reimbursement, the district cannot reimburse sales tax or room tax, if tax would have been waived by using a district check, credit card, or purchase order.

15. Bookstore inventory: Please use the following method in keeping track of your inventory. Each Monday all inventories are to be counted and numbers recorded.
 - c. During the week as additional purchases are received, these should be added to the inventory list.
 - d. On Friday the remaining inventory is to be counted and recorded..
 - e. Make a weekly reconciliation between inventory and receipts by using the following example:

Beginning balance	3 pens
Added to inventory	2 pens
Available for sale	5 pens
Ending Balance	<u>1 pen</u> Sold

Cash received	<u>\$1.00</u>
---------------	---------------

	4 pens
	<u>x.25</u>
	\$1.00

Utah State Tax Commission 210
North 1950 West Salt Lake City,
Utah 84134

Phone: (801)297-2200, or 1-800-662-4335 WWW:

<http://www.tax.ex.state.ut.us>

Tax Bulletin 18-96

Effective Date: Retrospective to July 1, 1996

Re: Sales of Books or Other Items of Tangible Personal Property by a Private Vendor Through a Public School or PTA

The Tax Commission has received inquiries about the tax implications of sales by a private vendor to or through public schools or PTAs. The tax implications vary depending upon how the transactions are structured. This bulletin is issued to provide public schools and PTAs tax guidelines that apply to book fairs, book sales and other sales by private vendors.

From information received from schools and PTAs that sell or solicit sales on behalf of a private vendor, these transactions fall into one of the following examples. Although the following examples focus on sales of books, the same rules apply to any items of tangible personal property sold in this manner.

Sales Made by or Through Public Schools

1. A book publisher provides a public school with order forms. The order forms are distributed by teachers to students. Students who wish to purchase books complete the order forms and return their forms, together with a check made out to the publisher, to their classroom teachers. The school, in turn, passes the order forms and the checks directly to the publisher. In this case, the sale is considered a sale by the publisher and the publisher is responsible for collecting and remitting sales tax on each purchase.
2. A book publisher provides a public school with order forms. The order forms are distributed by teachers to students. Students who wish to purchase books complete their order forms and return the forms, together with a check made out to the school, to their classroom teachers. The school, in turn, places these revenues in the appropriate school fund and writes a check to the publisher for the books. In this case, the transaction is deemed to be a sale of books by the school, not the vendor. The school may purchase the books tax free, but it must collect and remit sales tax on its sales to students.

Sales Made by or Through PTAs

Religious and charitable organizations have a broader sales tax exemption than public schools because they can both buy and sell tax free so long as the transactions are within their normal religious or charitable purposes. Therefore, when sales are made by or through the PTA, the following examples apply.

3. A book publisher provides the PTA with order forms. The PTA distributes the forms to the students, collects the orders and checks from students, and passes the orders and checks directly to the vendor. As in example 1, these sales are considered sales by the publisher and the publisher is responsible for collecting and remitting sales tax on each purchase.
- d. A book publisher provides the PTA with order forms. The PTA distributes the forms to the students, and collects the orders and money from students. In this example, the checks are payable to the PTA and the PTA places the revenues in its account, then writes a check to the publisher to purchase the books. This is considered a sale of books by the PTA. The PTA may purchase the books tax free, and, because the sale of books is within the PTA's charitable activities, the PTA may also sell the books to students tax free.

The transaction described in example 4 is the only transaction of this type on which sales tax is not due. In the other three transactions, sales tax must be calculated on the total sales price and separately stated on the order form or invoice. Whether the liability for collecting and remitting the tax rests on the school or the vendor depends on how the transaction is handled.

To ask questions about this Tax Bulletin, call the Customer Service Division at (801) 297-2200 or call tollfree 1-800-662-4335. To submit questions in writing, mail to Customer Service Division, 210 North 1950 West, Salt Lake City, UT 84134. Those who have impaired hearing may call the Telecommunication Device for the Deaf (TDD) at (801) 207-2020.

Tax Bulletin

STATE OF UTAH
UTAH STATE TAX COMMISSION
210 North 1950 West Salt Lake City, Utah 84134-

Michael O. Leavitt
Governor
Olene S. Walker
Lieutenant Governor

W. Val Oveson, Chairman
Pam Hendrickson, Commissioner
Richard B. McKeown, Commissioner
Joe B. Pacheco, Commissioner

Rodney G. Marrelli, Executive Director

February 23, 1998

Dear Principal:

The following information applies to all temporary events in which your facilities has been rented out to an organization other than one that is directly related to the school for the purpose of raising funds for your school and/or is an officially sanctioned school activity.

All admissions and/or merchandise sold must include sales tax. This sales tax is remitted on a Temporary Sales Tax License even if the Company has a Utah Sales Tax number. This license is independent of any other license and is issued for a single event, for a specific location and for a specific event date.

The license is issued by the Utah State Tax Commission Special Event unit. There is no cost for this license. The only requirement is that it must be filled out and returned by the date indicated on the form.

Please call and let us know when an event of this type is being held at your school and we will contact the individual in charge of the event. Our number is 297-6303 or 1800-662-4335 ext. 6303.

Sincerely yours,

Gaylin Ford
Special Events Unit Coordinator

FINANCIAL ACCOUNTING FOR MEDIA CENTERS

It is recommended that media centers throughout the District put the following procedures into place. These procedures will do two things for the District. First, it will establish a written procedure for dealing with cash in our media centers; and secondly, it will create a standard to be used by all schools.

- All media centers need to eliminate any petty cash funds they may have. Cash remaining in petty cash should be turned into the school financial secretary and deposited into your school media account.
- A \$25 change box may be kept in the media center. The box needs to have a lock and should be stored in a locked cabinet when not needed. The number of people who are allowed to make change should be limited.
- Non Alexandria activity (product sales, copying services) should be accounted for separately from Alexandria activity (lost books, fines).
- At a minimum all media activity funds collected must be deposited with the financial secretary every Friday morning or the morning of the last work day of the week. Any time funds collected exceed \$50, they must be taken that day to the school financial secretary to be deposited into the school's media fine account.
- Using the Alexandria program, print the Cash Drawer report which must accompany the weekly deposits to the financial secretary.
- The Cash Drawer report must be reconciled to the funds turned in. This report is easy to use and should help in reconciling Media deposits.
- Money collected (lost books, fines, product sales, etc.) From students can not be used to make purchases. All purchases must conform to District procedures.

Best Practices

We are always looking for ways and procedures to provide efficiency and reduce the time spent by our personnel. Listed below are several recommendations that will accomplish this objective for elementary financial secretaries.

1. Receipt and deposit cash daily.
2. File the following with the daily receipt register
 - a) Vendor's check voucher (copy of the check)
 - b) Cash tally sheets or other substantiation received
 - c) A copy of the bank deposit slip
 - d) Bank bag tear off log
3. Issue checks two to four times a month.
4. Process purchase orders weekly, have a deadline for receiving information.
5. Process time cards monthly.
6. Enter time & attendance information monthly.
7. Edit time cards monthly.
8. Perform bank reconciliation the week the bank statement is received.
9. Reconcile NSF (Non sufficient funds checks) activity.
10. Staple school's voucher copy of check to front of purchase order, staple vendors invoice on back of purchase order and file check vouchers by number.
11. Follow the District's purchasing procedures and use PO's.
12. Print financial reports for teachers quarterly.
13. Secretary's printer should be a stand-alone printer and not shared with anyone else in the school.
14. Have specific duties for the school's hourly secretaries that are done each day without requiring special instructions.
15. A regular meeting should be scheduled with the principal to review financial information.

GENERAL RETENTION SCHEDULE FOR ACCOUNTING RECORDS

Accounts Payable - Destroy after four years

Records used to pay District's bills. Files consist of copies of checks, invoices, purchase orders, receiving reports and requisitions. May also include correspondence with vendors and computer printouts.

Accounts Receivable - Destroy after four years

Files consist of copies prepared by District to collect amounts owed by vendors, organizations, and citizens having accounts with the District. The files are usually arranged by fiscal year and then alphabetical by payee.

Audit Report Files - Permanent

Reports prepared by external auditors examining and verifying the District's financial activities for the year. Reports include statements of receipts and disbursements for each school and department in District. Usually filed chronologically by fiscal year.

Bank Statements - Destroy usually one year after audit or three years.

A monthly statement from banks of amount of money on deposit to the credit of the District showing date, name of bank, total deposits, and withdrawals, cash balance with interest on daily bank balances. Usually arranged chronologically.

Canceled Checks - Destroy after three years

Checks drawn upon a bank ordering the payment of stated sums from amounts previously deposited upon which satisfaction has been had and so indicated on the instrument as having been paid to payee.

Check Copy File - Destroy after one year

Consists of carbon copy or photocopy of checks issued and maintained solely as a quick reference source. Filing arrangement varies.

Check Register - Destroy after three years

A multi-column record with chronologically-arranged entries of checks. Usually includes check number and deposits per each account.

Deposit Slips - Destroy after three years

Bank cashiers slips showing amount and date of deposit. Usually arranged chronologically by year.

General Ledgers - Destroy after ten years

A summary of receipts and disbursements by account and fund.

School Financial Reports - Destroy after three years

Receipt Books - Destroy after three years

Timecards/Time and Attendance Sheets - Destroy after five years

RECONCILIATION WORKSHEET

Event / Project: _____

Date: _____

Brief Description: _____

Beginning Cash: \$ _____

Ending Cash:

Currency	
\$100	
\$50	
\$20	
\$10	
\$5	
\$2	
\$1	

Coin	
Dollars	
½ Dollars	
Quarters	
Dimes	
Nickels	
Pennies	

Total Currency: \$ _____

Total Coin: + _____

Checks: + _____

Sub-total: = _____

Beginning Cash: - _____

Net Proceeds: = \$ _____

Reconciliation:

Register Total: \$ _____

Net Proceeds: _____

Variance: \$ _____

Explanation of Variance: _____

 Teacher's Signature

 Teacher's Name

 Student Signature

 Student Name

 Student Signature

 Student Name

Request for Wasatch Community Foundation Funds
from an
INDIVIDUAL CLASSROOM ACCOUNT

Wasatch Community Foundation Office
101 East 200 North
Heber City, UT 84032
(435) 654-0280

NOTE: Principals and Secretaries should
not initiate withdrawals from these accounts.
Please Maintain Confidentiality

*I certify that monies which have been contributed to this account
will be spent in accordance with the donor's request.
Item purchased with the donated funds are property of Wasatch County School District.*

Account Name	School	Amount of Withdrawal
--------------	--------	----------------------

Account Holder's Signature	Date	Principal's Signature
----------------------------	------	-----------------------

Foundation Use Only	
Date Approved: _____	Check No: _____
Signature: _____	

*If you need to know how much is in your account, call the Wasatch Community Foundation.
Fill out this form, put it into an envelope addressed to Wasatch Community Foundation and
send it to the District Mail.*

Request for Wasatch Community Foundation Funds
from
SCHOOL PROGRAM ACCOUNTS

Wasatch Community Foundation Office
101 East 200 North
Heber City, UT 84032
(435) 654-0280

Date: _____ / _____ / _____

I hereby request the following funds on deposit with Wasatch Community Foundation. The monies have been donated to be spent as follows, and I certify that the expenditure will be made in accordance with the donor's instructions.

Title of Account	Amount	Coach's or Director's Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total:	\$ _____	

Foundation Use Only	
_____ / _____ / _____ Date	_____ Check No.
_____ Signature	

School

Principal's Signature

NOTE: For programs such as football, dance, band, etc., the account holder may be a coach, director, or sponsor. The principal may sign for more general school accounts.

Cash & Ticket Reconciliation Sheet

Event: _____

Date: ____ / ____ / ____

EVENT PROCEEDS	CASH BOX
Deposit	Beg. Cash \$ _____ Received Initials _____
	Overnight Bank Bag (Cash Box)
Checks _____	Checks _____
\$100 _____	\$100 _____
\$50 _____	\$50 _____
\$20 _____	\$20 _____
\$10 _____	\$10 _____
\$5 _____	\$5 _____
\$2 _____	\$2 _____
\$1 _____	\$1 _____
Dollars _____	Dollars _____
½ Dollars _____	½ Dollars _____
Quarters _____	Quarters _____
Dimes _____	Dimes _____
Nickels _____	Nickels _____
Pennies _____	Pennies _____
Total: _____	End. Bal. _____
Signature: _____	Signature: _____
Signature: _____	Signature: _____

Note: Use the same breakdown as the original cash box if possible

Tickets / Head Count		
Ticket Sales		
Groups	_____	_____
Last Number	_____	_____
Beg. Number	- _____	- _____
	+ 1 _____	+ 1 _____
Tickets Sold	_____	_____
Sales Price	X _____	X _____
Total Sales	\$ _____	\$ _____
Head Count		
Head Count	_____	_____
Admission Price	X _____	X _____
Count Sales	\$ _____	\$ _____
Total Ticket Sales: _____		
Total Head Count Sales: _____		
TOTAL SALES: _____		
Total Cash Sales: _____		
Variance: _____		
Reason for Variance: _____		

Administrator Signature _____	Date _____
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Gate Personnel Procedures

1. The ticket method is required for all major events with more than 100 attendees.
2. Hands may be stamped when people leave the activity and wish to return.
3. The sale and collection of tickets should be done by separate people.
4. The gate personnel should review the physical outlay to ensure proper crowd control and security.
5. The financial secretary should record the beginning ticket number on the cash tally sheet reconciliation form and have the gate personnel initial the form acknowledging receiving the cash box.
6. Two people should be present in a secure area to verify the counting of cash.
7. The cash and reconciliation can be done any time after the 3rd quarter if they are not needed for crowd control.
8. Gate personnel reconcile the event proceeds. The steps are:
 - a. Remove original cash box change from the total event proceeds.
 - b. Place the cash box change in an overnight bank bag.
 - c. Count the event proceed money.
 - d. Complete the ticket / head count reconciliation.
 - e. Match the cash sales from event to the calculated sales from tickets.
 - f. Compute the variance if any and explain it.
9. The gate personnel must sign the cash tally sheet reconciliation form.
10. The administrator responsible for the activity must also sign the form.
11. The gate personnel should prepare the deposit slip and place the event proceeds in a bank deposit envelope
12. Large amounts of cash should not be left in the school overnight.
13. Two people should go to the bank to make the night deposit (two bags, 1 overnight cash box change deposit and 1 event proceeds deposit).
14. The financial secretary should audit gate activity/procedures periodically.

Cash Tally Sheet	
\$100	_____
\$50	_____
\$20	_____
\$10	_____
\$5	_____
\$2	_____
\$1	_____
Total Currency	_____
Dollars	_____
½ Dollars	_____
Quarters	_____
Dimes	_____
Nickels	_____
Pennies	_____
Total Coin	_____
Checks	_____
Total	_____
Account / Activity	_____
Teacher's Signature	Date

Cash Tally Sheet	
\$100	_____
\$50	_____
\$20	_____
\$10	_____
\$5	_____
\$2	_____
\$1	_____
Total Currency	_____
Dollars	_____
½ Dollars	_____
Quarters	_____
Dimes	_____
Nickels	_____
Pennies	_____
Total Coin	_____
Checks	_____
Total	_____
Account / Activity	_____
Teacher's Signature	Date

Cash Tally Sheet	
\$100	_____
\$50	_____
\$20	_____
\$10	_____
\$5	_____
\$2	_____
\$1	_____
Total Currency	_____
Dollars	_____
½ Dollars	_____
Quarters	_____
Dimes	_____
Nickels	_____
Pennies	_____
Total Coin	_____
Checks	_____
Total	_____
Account / Activity	_____
Teacher's Signature	Date

Cash Tally Sheet	
\$100	_____
\$50	_____
\$20	_____
\$10	_____
\$5	_____
\$2	_____
\$1	_____
Total Currency	_____
Dollars	_____
½ Dollars	_____
Quarters	_____
Dimes	_____
Nickels	_____
Pennies	_____
Total Coin	_____
Checks	_____
Total	_____
Account / Activity	_____
Teacher's Signature	Date

EVENT CASH RECONCILIATION

Event: _____
 Workstation: _____
 Beg. Cash Box Amount: _____

Date: _____
 Workstation Personnel: _____
 Received By (Initials): _____

Cash Tally Sheet	
Checks _____	
\$100.00 _____	
\$50.00 _____	
\$20.00 _____	
\$10.00 _____	
\$5.00 _____	
\$2.00 _____	
\$1.00 _____	
Dollars _____	
½ Dollars _____	
Quarters _____	
Dimes _____	
Nickels _____	
Pennies _____	
Other _____	
Sub-Total _____	
Less Beginning Cash Box - _____	
Total Event Proceeds _____	
Signature: _____	
Signature: _____	

Proceeds Reconciliation	
Total Cash Register Tape _____	
Total Event Proceeds _____	
Variance _____	
Explanation of Variance: _____	
Administrator Signature _____	Date _____

Instructions

1. Event cash reconciliation form must be completed for each workstation.
2. Count the event proceeds.
3. Subtract the beginning cash box amount to obtain the total event proceeds.
4. Record the cash register total in the proceeds reconciliation section.
5. Record the total event proceeds in the proceeds reconciliation section and calculate the variance.
6. Those counting the cash must sign the Cash Tally Sheet section.
7. An administrator must review and sign the form.
8. Attach the cash register tape to the form.

Wasatch County School District
Petty Cash Voucher

Date:	_____	No.	_____
Vendor:	_____	Charge To:	_____
For:	_____		_____
Estimated Amount:	_____	Amount Spent:	_____
Received By:	_____	Amount Returned:	_____
Approved By:	_____	Funds Returned To:	_____

Wasatch County School District
Petty Cash Voucher

Date:	_____	No.	_____
Vendor:	_____	Charge To:	_____
For:	_____		_____
Estimated Amount:	_____	Amount Spent:	_____
Received By:	_____	Amount Returned:	_____
Approved By:	_____	Funds Returned To:	_____

Wasatch County School District
Petty Cash Voucher

Date:	_____	No.	_____
Vendor:	_____	Charge To:	_____
For:	_____		_____
Estimated Amount:	_____	Amount Spent:	_____
Received By:	_____	Amount Returned:	_____
Approved By:	_____	Funds Returned To:	_____

Wasatch County School District
Petty Cash Voucher

Date:	_____	No.	_____
Vendor:	_____	Charge To:	_____
For:	_____		_____
Estimated Amount:	_____	Amount Spent:	_____
Received By:	_____	Amount Returned:	_____
Approved By:	_____	Funds Returned To:	_____

Remote Receipt Registration Worksheet Reconciliation

Work Station: _____

Date: _____

Receipt From: _____ To: _____

<u>Beginning Cash</u>	<u>Total Register Ending Cash</u>
\$100.00 _____	\$100.00 _____
\$50.00 _____	\$50.00 _____
\$20.00 _____	\$20.00 _____
\$10.00 _____	\$10.00 _____
\$5.00 _____	\$5.00 _____
\$2.00 _____	\$2.00 _____
\$1.00 _____	\$1.00 _____
Coins _____	_____
Total Beginning Cash \$ _____	Coins _____
Received By: _____	Checks _____
Received By: _____	Sub-Total _____
	LESS Beginning Cash _____
	Total Registration Proceeds _____
	Cash Over / Short _____

Signature

Signature

Financial Secretary

Comments: _____

Reconciliation Checklist

1. Match checks to receipts.
2. Look for missing receipt numbers in register listing.
3. Check all voids.
4. Ensure all voids have been processed.
5. Check receipts/register listing to ensure the correct fee amounts have been recorded.
6. Verify deposit.



Utah State Tax Commission

Exemption Certificate for Governments & Schools

(Sales, Use, Tourism and Motor Vehicle Rental Tax)

TC-721G

Rev. 12/07

Name of institution claiming exemption (purchaser) WASATCH COUNTY SCHOOL DISTRICT		Telephone Number (435) 654-0280	
Street Address 101 EAST 200 NORTH	City HEBER CITY	State UT	ZIP Code 84032
Authorized Signature	Name (please print)	Title	
Name of Seller or Supplier:		Date	

The person signing this certificate **MUST** check the applicable box showing the basis for which the exemption is being claimed. Questions should be directed (preferably in writing) to Taxpayer Services, Utah State Tax Commission, 210 N 1950 W, Salt Lake City, UT 84134. Telephone (801) 297-2200, or toll free 1-800-662-4335.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION
Keep it with your records in case of an audit.

UNITED STATES GOVERNMENT OR NATIVE AMERICAN TRIBE
I certify the tangible personal property or services purchased are to be paid directly with funds from the entity noted on this form and will be used in the exercise of essential governmental or tribal functions. NOTE: Includes sales of tangible personal property to federally chartered credit unions. "Directly" does not include per diem, entity advances or similar indirect payments.

CONSTRUCTION MATERIALS PURCHASED FOR SCHOOLS OR PUBLIC TRANSIT DISTRICTS
I certify the construction materials purchased are on behalf of a public elementary or secondary school, or public transit district. I further certify the purchased construction materials will be installed or converted into real property owned by the school or public transit district.
Name of school or public transit district: _____
Name of project: _____

UTAH STATE AND LOCAL GOVERNMENTS AND PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
Sales Tax License No. 11944465-003-STC
I certify the tangible personal property or services purchased are to be paid directly with funds from the entity noted on this form and will be used in the exercise of that entity's essential functions. For construction materials, if the purchaser is a Utah state or local government, these construction materials will be installed or converted into real property by employees of this government entity. "Directly" does not include per diem, entity advances, or similar indirect payments. **CAUTION:** This exemption does not apply to government or educational entities of other states.

To be valid this certificate must be filled in completely, including a check mark in the proper box.

A sales tax license number is required only where indicated.

Please sign, date and, if applicable, include your license or exemption number.

NOTE TO SELLER: Keep this certificate on file since it must be available for audit review.

NOTE TO PURCHASER: Keep a copy of this certificate for your records. You must notify the seller of cancellation, modification, or limitation of the exemption you have claimed.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or TDD (801) 297-2020. Please allow three working days for a response.