



Financial Reporting Policy

Adopted: 11/18/20

Revised:

Version: 1

A. Purpose

The purpose of this policy is to ensure that the School practices sound financial reporting in accordance with state and federal law and applicable accounting standards.

B. Scope

This Policy applies to all School administrators, licensed educators, staff members, students, organizations, volunteers, and individuals who handle funds for the school.

It is expected that in all dealings, school employees will act ethically, consistent with the LEA's ethics training, the Utah Educators' Standards (R277-515) and the Public Officers' and Employees' Ethics Act (Utah Code 67-16).

C. Definitions

1. **Accrual Accounting:** Method of accounting that records revenues and expenses when they are incurred, regardless of when cash is exchanged. The term "accrual" refers to any individual entry recording revenue or expense in the absence of a cash transaction.
2. **Modified Accrual Basis of Accounting:** Method of accounting that combines elements of cash method accounting with accrual method of accounting.
3. **Generally Accepted Accounting Principles "GAAP":** Standardized rules and procedures for accounting. Standards are established by the Governmental Accounting Standards Board (GASB).
4. **Generally Accepted Auditing Standards "GAAS":** A set of systematic guidelines used by auditors when conducting audits on financial records. GAAS helps ensure the accuracy, consistency, and verifiability of auditors' actions and reports. These standards are created by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA).

D. General Policies

1. The School shall ensure that financial reporting for the School is performed in accordance with GAAP and that audits of the School's financial reporting are performed in accordance with GAAS.
2. The School shall provide financial reporting in a manner consistent with the basis of accounting (i.e. accrual basis of accounting or modified accrual basis of accounting) as required by GAAP, as applicable to the School.

3. The School shall provide a reconciliation between the accrual basis of accounting and modified accrual basis of accounting, if applicable.
4. The School shall provide data and information consistent with budgeting, accounting (including the uniform chart of accounts for LEAs), and auditing standards for Utah LEAs provided online annually by the State Superintendent.

E. Training

School employees who handle cash shall receive training as established by USBE Administrative Rule 277-113-4.

F. Review of Policy

This Policy is to be reviewed annually as set forth by USBE Administrative Rule 277-113-4.