



North Davis
Preparatory Academy

Name of Policy: Revenue Recognition Policy and Procedure
Date of Approval: March 5, 2008

Purpose:

To specify the approach taken in recognizing revenues received by the school, and to specify the priority under which revenues will be allocated to associated expenses.

Background information:

The principal source of operating funds the School receives is derived from federal, state, and local funds. The School receives state funding based on the number of students enrolled in the School. The School also receives federal grants on a reimbursement basis; accordingly, grant revenues are recognized when qualifying expenses have been incurred and all other grant requirements have been met.

Proposed Policy:

North Davis Preparatory Academy will recognize grant revenues when qualifying expenses have been incurred and all other grant requirements have been met.

Proposed Procedure:

It is the intent of North Davis Preparatory Academy to expend funds in such a manner that restricted funds are used prior to unrestricted funds and that Federal funds are used prior to State funds. If a grant requires a local revenue match, those funds will receive priority and will be expensed first to satisfy the local revenue match requirement.

Monte Poll

3/19/08

Monte Poll, NDPA Board President March 5, 2008