CONCEPTS AND ROLES

The Board of Trustees recognizes that the business and other noninstructional operations of the district support the educational program by maximizing and prioritizing resources and providing a safe and healthy environment for students and staff. The Superintendent or designee shall ensure that the district's business and noninstructional operations are efficient and responsive to the needs of students, parents/guardians, staff, and the community.

(cf. 3511 - Energy and Water Management)
(cf. 3511.1 - Integrated Waste Management)
(cf. 3512 - Equipment)
(cf. 3517 - Facilities Inspection)
(cf. 3540 - Transportation)
(cf. 3550 - Food Service/Child Nutrition Program)
(cf. 5030 - Student Wellness)

The district shall maintain high standards of safety in the operation of facilities, equipment, and services. The Superintendent or designee may establish a risk management program that promotes safety and protects district resources.

(cf. 3514 - Environmental Safety)
(cf. 3514.2 - Integrated Pest Management)
(cf. 3515 - Campus Security)
(cf. 3515.6 - Criminal Background Checks for Contractors)
(cf. 3516 - Emergencies and Disaster Preparedness Plan)
(cf. 3530 - Risk Management/Insurance)
(cf. 3543 - Transportation Safety and Emergencies)

In the development of a district budget, the Board and the Superintendent or designee shall establish a calendar that reflects the full budget cycle and a process that satisfies the requirements of law, including opportunities for public input. The Superintendent or designee shall provide fiscal data and prepare a proposed budget document within the budget priorities and parameters set by the Board. The Board shall adopt a budget that is aligned with the district's vision and goals and enables the district to meet its fiscal obligations.

(cf. 0000 - Vision)
(cf. 0100 - Philosophy)
(cf. 0200 - Goals for the School District)
(cf. 3100 - Budget)
(cf. 9000 - Role of the Board)

The Board expects sound fiscal management from the administration. The Superintendent or designee shall administer the adopted budget in accordance with Board policies and accepted business practices.

(cf. 3110 - Transfer of Funds)
(cf. 3300 - Expenditures and Purchases)
(cf. 3311 - Bids)
(cf. 3312 - Contracts)
(cf. 3400 - Management of District Assets/Accounts)

CONCEPTS AND ROLES (continued)

(cf. 3430 - Investing)
(cf. 3440 - Inventories)

The Board shall monitor financial operations so as to ensure the district's fiscal integrity and accountability to the community. The Superintendent or designee shall complete all required financial reports, facilitate the independent audit process, recommend financial plans for meeting program needs, and keep the Board informed about the district's fiscal and noninstructional operations.

(cf. 0500 - Accountability)
(cf. 3460 - Financial Reports and Accountability)

Legal Reference:

EDUCATION CODE
35035 Powers and duties of superintendent
35160 Authority of governing boards
35160.1 Broad authority of school district
35161 Powers and duties of governing boards

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Understanding California's Public School Finance System, 2006
Maximizing School Board Governance: Budget Planning and Adoption, 2006
Maximizing School Board Governance: Understanding District Budgets, 2006
Maximizing School Board Governance: Fiscal Accountability, 2006
School Finance CD-ROM, 2005
WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org
California Department of Education: http://www.cde.ca.gov
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org
School Services of California: http://www.sscal.com

BUDGET

The Board of Trustees recognizes its critical responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, priorities, and comprehensive plans. The district budget shall guide administrative decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

(cf. 0000 - Vision)
(cf. 0200 - Goals for the School District)
(cf. 0400 - Comprehensive Plans)
(cf. 3000 - Concepts and Roles)
(cf. 3300 - Expenditures and Purchases)
(cf. 3460 - Financial Reports and Accountability)
(cf. 9000 - Role of the Board)

The district budget shall show a complete plan and itemized statement of all proposed expenditures and all estimated revenues for the following fiscal year, together with a comparison of revenues and expenditures for the current fiscal year. The budget shall also include the appropriations limit and the total annual appropriations subject to limitation as determined pursuant to Government Code 7900-7914. (Education Code 42122)

The Board shall adopt the budget only after a local control and accountability plan (LCAP) developed pursuant to Education Code 52060-52077 or an annual update to the LCAP is in place for the budget year. Expenditures necessary to implement the LCAP or the annual update during the subsequent fiscal year shall be included in the budget. (Education Code 42127)

(cf. 0460 - Local Control and Accountability Plan)

Budget Development and Adoption Process

The Superintendent or designee shall establish an annual budget development process and calendar in accordance with the single budget adoption process described in Education Code 42127(i). He/she shall annually notify the County Superintendent of Schools of the district's decision to use the single budget adoption process in the subsequent year. (Education Code 42127)

In order to provide guidance in the development of the budget, the Board shall annually establish budget priorities based on identified district needs and goals and on realistic projections of available funds.

The Superintendent or designee shall oversee the preparation of a proposed district budget for approval by the Board and shall involve appropriate staff in the development of budget projections.

The Board encourages public input in the budget development process and shall hold a public hearing on the proposed budget in accordance with Education Code 42103 and 42127.

BUDGET (continued)

(cf. 9320 - Meetings and Notices)
(cf. 9322 - Agenda/Meeting Materials)
(cf. 9323 - Meeting Conduct)

The budget that is formally adopted by the Board shall be in the format prescribed by the Superintendent of Public Instruction. The Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the Board, staff, and public.

Budget Advisory Committee

The Superintendent or designee may appoint a budget advisory committee composed of staff and/or members of the community.

The committee shall develop recommendations during the budget development process and its duties shall be assigned each year based on district needs. All recommendations of the committee shall be advisory only and shall not be binding on the Board or the Superintendent or designee.

(cf. 1220 - Citizen Advisory Committees)
(cf. 2230 - Representative and Deliberative Groups)
(cf. 3350 - Travel Expenses)
(cf. 9130 - Board Committees)
(cf. 9140 - Board Representatives)

Budget Criteria and Standards

The Superintendent or designee shall develop a district budget in accordance with criteria and standards adopted by the State Board of Education (SBE). (Education Code 33127, 33128, 33128.3, 33129; 5 CCR 15440-15451)

The budget shall provide that funding received through state supplemental and concentration grants pursuant to Education Code 42238.02 and 42238.03 shall be used in accordance with regulations adopted by the SBE for schoolwide or districtwide purposes to increase or improve services for students who are English learners, eligible for free or reduced-price meals, and/or foster youth at least in proportion to the increase to the district's revenue generated from such funds. (Education Code 42238.07)

(cf. 3553 - Free and Reduced Price Meals)
(cf. 6173.1 - Education for Foster Youth)
(cf. 6174 - Education for English Language Learners)

BUDGET (continued)

The Board may establish other budget assumptions or parameters which may take into consideration the stability of funding sources, legal requirements and constraints on the use of funds, anticipated increases and/or decreases in the cost of services and supplies, categorical program requirements, and any other factors necessary to ensure that the budget is a realistic plan for district revenues and expenditures.

(cf. 2210 - Administrative Discretion Regarding Board Policy)
(cf. 3110 - Transfer of Funds)

Fund Balance

The district shall classify fund balances in compliance with Governmental Accounting Standards Board (GASB) Statement 54, as follows:

1. *Nonspendable fund balance* includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g., inventories and prepaids) or that are legally or contractually required to be maintained intact.

2. *Restricted fund balance* includes amounts constrained to specific purposes by their providers or by law.

3. *Committed fund balance* includes amounts constrained to specific purposes by the Board.

   For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

4. *Assigned fund balance* includes amounts which the Board or its designee intends to use for a specific purpose.

   The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements.

5. *Unassigned fund balance* includes amounts that are available for any purpose.

When multiple types of funds are available for an expenditure, the district shall first utilize funds from the restricted fund balance as appropriate, then from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

To protect the district against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures, the Board intends to maintain a minimum unassigned fund

BUDGET (continued)

balance which includes a reserve for economic uncertainties equal to three percent general fund operating expenditures. The Board may decide to set aside a higher percentage for economic uncertainties.

If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

Long-Term Financial Obligations

The district's current-year budget and multi-year projections shall include adequate provisions for addressing the district's long-term financial obligations, including, but not limited to, long-term obligations resulting from collective bargaining agreements, financing of facilities projects, unfunded or future liability for retiree benefits, and accrued workers' compensation claims.

(cf. 4141/4241 - Collective Bargaining Agreement)
(cf. 4143/4243 - Negotiations/Consultation)
(cf. 4154/4254/4354 - Health and Welfare Benefits)
(cf. 7210 - Facilities Financing)
(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The Board shall approve a plan for meeting the district's long-term obligations to fund nonpension, other postemployment benefits (OPEBs). The Board reserves the authority to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the district and maintains flexibility to adjust for changing budgetary considerations.

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of OPEBs, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve a sufficient amount of money in its budget to fund the present value of the benefits of existing retirees and/or the future cost of employees who are eligible for benefits in the current fiscal year. (Education Code 42140)

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of workers' compensation claims, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve in the budget sufficient amounts to fund the present value of accrued but unfunded workers' compensation claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund. The Board shall annually certify to the County Superintendent the amount, if any, that it has decided to reserve in the budget for these costs. The Board shall submit to the County Superintendent any budget revisions that may be necessary to account for this budget reserve. (Education Code 42141)

BUDGET (continued)

Budget Amendments

Whenever revenues and expenditures change significantly throughout the year, the Superintendent or designee shall recommend budget amendments to ensure accurate projections of the district's net ending balance. When final figures for the prior-year budget are available, this information shall be used as soon as possible to update the current-year budget's beginning balance and projected revenues and expenditures.

In addition, budget amendments shall be submitted for Board approval as necessary when the state budget is adopted, collective bargaining agreements are accepted, district income declines, increased revenues or unanticipated savings are made available to the district, program proposals are significantly different from those approved during budget adoption, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

Legal Reference:

EDUCATION CODE
1240 Duties of county superintendent of schools
33127-33131 Standards and criteria for local budgets and expenditures
35035 Powers and duties of superintendent
35161 Powers and duties, generally, of governing boards
42103 Public hearing on proposed budget; requirements for content of proposed budget
42122-42129 Budget requirements
42130-42134 Financial certifications
42140-42141 Disclosure of fiscal obligations
42238-42251 Apportionments to districts, especially:
42238.01-42238.07 Local control funding formula
42602 Use of unbudgeted funds
42605 Tier 3 categorical flexibility
42610 Appropriation of excess funds and limitation thereon
45253 Annual budget of personnel commission
45254 First year budget of personnel commission
52060-52077 Local control and accountability plan
GOVERNMENT CODE
7900-7914 Appropriations limit
CODE OF REGULATIONS, TITLE 5
15060 Standardized account code structure
15440-15451 Criteria and standards for school district budgets

Management Resources: (see next page)

BUDGET (continued)

Management Resources:

CSBA PUBLICATIONS
Local Control Funding Formula 2013, Governance Brief, August 2013
State Priorities for Funding: The Need for Local Control and Accountability Plans, Fact Sheet, August 2013
School Finance CD-ROM, 2005
CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
California School Accounting Manual
New Requirements for Reporting Fund Balance in Governmental Funds, January 7, 2011
FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS
Fiscal Oversight Guide for AB 1200, AB 2756 and Subsequent Related Legislation, September 2006
GOVERNMENT FINANCE OFFICERS ASSOCIATION
Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009
GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS
Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, March 2009
Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004
Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999
WEB SITES
CSBA: http://www.csba.org
Association of California School Administrators: http://www.acsa.org
California Department of Education, Finance and Grants: http://www.cde.ca.gov/fg
California Department of Finance: http://www.dof.ca.gov
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org
Government Finance Officers Association: http://www.gfoa.org
Governmental Accounting Standards Board: http://www.gasb.org
Legislative Analyst's Office: http://www.lao.ca.gov
School Services of California, Inc.: http://www.sscal.com

BUDGET

Budget Advisory Committee

Membership of the district's budget advisory committee may include representatives of each of the following groups:

1. Board of Trustees members, provided that less than a majority of the Board serves on the committee

(cf. 9140 - Board Representatives)

2. District and school site administrators

3. Representatives of bargaining units

4. Certificated and/or classified staff

5. Parents/guardians

6. Representatives of the business community and/or other community members

7. Students

(cf. 1220 - Citizen Advisory Committees)
(cf. 2230 - Representative and Deliberative Groups)
(cf. 9130 - Board Committees)

The committee's duties may include, but not necessarily be limited to:

1. Making recommendations regarding budget priorities

2. Recommending cost reduction strategies, such as identifying services that may be reduced, made more efficient, or discontinued

3. Reviewing the clarity and effectiveness of budget documents and communications

4. Presenting progress reports on the committee's work and a final report of recommendations to the Superintendent or designee and to the Board

The specific duties of the committee shall be clearly defined and presented to each member in writing, along with any background information necessary for the successful completion of the committee's charges, the timelines for reporting the committee's progress, and timelines for completion of each task.

(cf. 3350 - Travel Expenses)

BUDGET (continued)

Initial Budget Adoption

On or before July 1 of each year, the Board shall adopt a budget which adheres to the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42126, 42127)

Before adopting the district budget for the subsequent fiscal year, the Board shall hold a public hearing. The agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. The proposed budget shall be available for public inspection at least three working days before this hearing. This hearing shall be held at the same meeting as the public hearing to solicit public input on the local control and accountability plan (LCAP) or the annual update to the LCAP. (Education Code 42103, 42127, 52062)

(cf. 0460 - Local Control and Accountability Plan)
(cf. 9320 - Meetings and Notices)
(cf. 9322 - Agenda/Meeting Materials)

The Superintendent or designee shall notify the County Superintendent of Schools of the location, dates, and times at which the proposed budget may be inspected, as well as the location, date, and time of the public hearing, in sufficient time for the County Superintendent to publish such information in a newspaper of general circulation at least 10 days but not more than 45 days before the hearing as required by Education Code 42103.

During the hearing, any district resident may speak to the proposed budget or to any item in the budget. The hearing may conclude when all residents who have requested to be heard have had the opportunity to speak. (Education Code 42103)

(cf. 9323 - Meeting Conduct)

After the public hearing, at a public meeting held on a different date, the Board shall adopt the district budget following adoption of the LCAP at the same meeting. The budget shall not be adopted if an approved LCAP or annual update to the LCAP is not in effect for the budget year. (Education Code 52062)

The Superintendent or designee shall file the adopted budget with the County Superintendent no later than five days after adoption or by July 1, whichever occurs first. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

(cf. 1340 - Access to District Records)

BUDGET (continued)

Revised Budget

Single Budget Adoption Process

No later than 45 days after the Governor signs the annual Budget Act, the Superintendent or designee shall make available for public review any revisions in budgeted revenues and expenditures which are consequently necessary. (Education Code 42127)

If the County Superintendent disapproves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before September 8. The response shall include any revisions to the adopted budget and any other proposed actions to be taken as a result of those recommendations. (Education Code 42127)

Budget Review Committee for Disapproved Budgets

If the district's revised budget is disapproved by the County Superintendent for any reason other than his/her disapproval of the district's LCAP or annual update to the LCAP, the budget shall be reviewed by a budget review committee, unless the Board and County Superintendent agree to waive the requirement and the California Department of Education accepts the waiver. (Education Code 42127)

This committee shall consist of either: (Education Code 42127.1, 42127.2)

1. Three persons selected by the Board from a list of candidates provided by the SPI, who shall be selected within five working days after receiving the list of candidates

2. A regional review committee convened by the County Superintendent with the approval of the Board

If the budget review committee recommends disapproval of the district budget, the Board may submit a response no later than five working days after receipt of the committee's report. The response may include any revisions to the adopted final budget and any other proposed actions to be taken as a result of the committee's recommendations. (Education Code 42127.3)

If the SPI disapproves the district budget after reviewing the committee's report and the district's response, the Board shall consult with the County Superintendent as he/she develops and adopts, by November 30, a fiscal plan and budget that will allow the district to meet its financial obligations. For the current fiscal year, the district shall operate in accordance with the budget adopted by the County Superintendent. (Education Code 42127.3)

BUDGET (continued)

Until the district receives approval of its budget, it shall continue to operate either on the basis of the prior year's budget or on the basis of the current year's unapproved budget as adopted and revised by the Board, whichever budget contains a lower total spending authority. (Education Code 42127.4)

TRANSFER OF FUNDS

The Board of Trustees recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

(cf. 0460 - Local Control and Accountability Plan)
(cf. 3100 - Budget)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3460 - Financial Reports and Accountability)

The total amount budgeted by the district for each major classification of expenditures, as listed in the California Department of Education's budget forms, shall be the maximum amount which the district may expend for that classification for the school year. (Education Code 42600)

However, when it is in the best interest of the district, the Board may:

1. At any time, adopt a written resolution providing for transfers from the designated fund balance or the unappropriated fund balance to any expenditure classification or between classifications. The resolution shall be filed with the County Superintendent of Schools and the county auditor. (Education Code 42600)

2. Direct the temporary transfer of monies held in any district fund or account to another fund or account as necessary for the payment of obligations. Such borrowing shall occur only when the fund or account receiving the money will earn sufficient income during the current fiscal year to repay the amount transferred. No more than 75 percent of the maximum amount held in any fund or account during the current fiscal year may be transferred. Amounts transferred shall be repaid in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. (Education Code 42603)

3. At the close of a school year, request that the County Superintendent make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s), or balance any expenditure classifications of the district budget as necessary for the payment of obligations incurred during that school year. (Education Code 42601)

4. Specify amounts to be transferred by the county auditor and treasurer from the district's general fund to the special reserve fund during the fiscal year. If any special reserve funds are maintained for purposes other than capital outlay or if monies in the special reserve fund are not actually encumbered for ongoing expenses, the Board may transfer those monies into the general fund for the general operating purposes of the district. If any monies remain in the special reserve fund at the conclusion of a project, the Board may, by written request to the County Superintendent, auditor, and treasurer, transfer those monies to the district's general fund. (Education Code 42841-42843)

TRANSFER OF FUNDS (continued)

5. Transfer monies between other funds or accounts when authorized by law.

Legal Reference:

EDUCATION CODE
78 Definition, governing board
5200 Districts governed by boards of education
16095 Transfer of district funds to district state school building fund
41301 Section A state school fund allocation schedule
42125 Designated and unappropriated fund balances
42238-42251 Apportionments to districts, especially:
42238.01-42238.07 Local control funding formula
42600 District budget limitation on expenditure
42601 Transfers between funds to permit payment of obligations at close of year
42603 Transfer of monies held in any fund or account to another fund; repayment
42840-42843 Special reserve fund
52616.4 Expenditures from adult education fund

Management Resources:

WEB SITES
CSBA: http://www.csba.org
California Department of Education: http://www.cde.ca.gov
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org

LOTTERY FUNDS

The Board of Trustees intends to use California State Lottery funds to support of educational programs and activities.

(cf. 3000 - Concepts and Roles)
(cf. 3100 - Budget)

The Board shall establish funding priorities and approve all allocations in accordance with law.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

Lottery funds allocated by the state for the purchase of instructional materials shall be expended on instructional materials as defined in Education Code 60010. Lottery funds shall not be used for the acquisition of real property, construction of school facilities, financing of research, or any other noninstructional purpose. (Government Code 8880.4, 8880.5)

(cf. 3460 - Financial Reports and Accountability)

For the receipt and expenditure of lottery funds, the Superintendent or designee shall establish a separate account that shall be clearly identified as a lottery education account. (Government Code 8880.5)

(cf. 0420 - School Plans/Site Councils)
(cf. 1220 - Citizen Advisory Committees)

Legal Reference:

EDUCATION CODE
14600 Legislative findings and declarations: state control of lottery funds
14700-14701 Use of lottery funds
60010 Definitions
60119 Sufficiency of instructional materials
GOVERNMENT CODE
8880-8880.5 California State Lottery: general provisions
CODE OF REGULATIONS, TITLE 5
19834 Audits, Proposition 20 lottery funds
19835 Audits, state lottery funds

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION CORRESPONDENCE
2001.05.10 Proposition 20 - Allocation of Lottery Funds for Instructional Materials
WEB SITES
California Department of Education, Finance and Grants: http://www.cde.ca.gov/fg
Education Audit Appeals Panel: http://www.eaap.ca.gov

Policy adopted: **SAN LEANDRO UNIFIED SCHOOL DISTRICT**
San Leandro, California

FEES AND CHARGES

The Board of Trustees recognizes its responsibility to ensure that books, materials, equipment, supplies, and other resources necessary for students' participation in the educational program are made available to them. No student shall be required to pay any fees, deposits, or other charges for his/her participation in an educational activity which constitutes an integral fundamental part of the district's educational program, including curricular and extracurricular activities.

(cf. 1321 - Solicitation of Funds from and by Students)
(cf. 3100 - Budget)
(cf. 3290 - Gifts, Grants and Bequests)
(cf. 6145 - Extracurricular and Cocurricular Activities)

As necessary, the Board may approve fees, deposits, and other charges which are specifically authorized by law. For such authorized fees, deposits, and charges, the district shall consider students' and parents/guardians' ability to pay when establishing fee schedules and granting waivers or exceptions.

(cf. 3250 - Transportation Fees)
(cf. 3515.4 - Recovery for Property Loss or Damage)
(cf. 3553 - Free and Reduced Price Meals)
(cf. 5143 - Insurance)
(cf. 9323.2 - Actions by the Board)

Whenever a student or parent/guardian believes that an impermissible fee, deposit, or other charge is being required of the student for his/her participation in an educational activity, the student or his/her parent/guardian may file a complaint with the principal or designee using the district's procedures in BP/AR 1312.3 - Uniform Complaint Procedures. (Education Code 49013)

(cf. 1312.3 - Uniform Complaint Procedures)

The Superintendent or designee shall include information in the annual notification required by 5 CCR 4622 to be provided to all district students, parents/guardians, employees, and other interested parties about the requirements relating to the prohibition against districts requiring students to pay fees, deposits or other charges in order to participate in an educational activity, unless authorized by law, and the filing of complaints for alleged violations using the uniform complaint procedures. (Education Code 49013)

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)
(cf. 5145.6 - Parental Notifications)

The Superintendent or designee shall provide professional development opportunities or District correspondence to administrators, teachers, and other personnel to learn about permissible fees.

FEES AND CHARGES (continued)

(cf. 4131 - Staff Development)
(cf. 4231 - Staff Development)
(cf. 4331 - Staff Development)

Legal Reference:

EDUCATION CODE
8239 Preschool and wraparound child care services
8263 Child care eligibility
8760-8773 Outdoor science and conservation programs
17551 Property fabricated by students
19910-19911 Offenses against libraries
32033 Eye protective devices
32221 Insurance for athletic team member
32390 Fingerprinting program
35330-35332 Excursions and field trips
35335 School camp programs
38080-38086 Cafeteria establishment and use
38120 Use of school band equipment on excursions to foreign countries
39807.5 Payment of transportation costs
39837 Transportation of students to places of summer employment
48050 Residents of adjoining states
48052 Tuition for foreign residents
48904 Liability of parent or guardian
49010-49013 Student fees
49065 Charge for copies
49066 Grades, effect of physical education class apparel
49091.14 Prospectus of school curriculum
51810-51815 Community service classes
52612 Tuition for adult classes
52613 Nonimmigrant aliens
60410 Students in classes for adults
GOVERNMENT CODE
6253 Request for copy; fee
CALIFORNIA CONSTITUTION
Article 9, Section 5 Common school system
CODE OF REGULATIONS, TITLE 5
350 Fees not permitted
4622 Notice
UNITED STATES CODE, TITLE 8
1184 Foreign students
COURT DECISIONS
Driving School Assn of CA v. San Mateo Union HSD (1993) 11 Cal. App. 4th 1513
Arcadia Unified School District v. State Department of Education (1992) 2 Cal 4th 251
Steffes v. California Interscholastic Federation (1986) 176 Cal. App. 3d 739
Hartzell v. Connell (1984) 35 Cal. 3d 899
CTA v. Glendale School District Board of Education (1980) 109 Cal. App. 3d 738

Management Resources: (see next page)

FEES AND CHARGES (continued)

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION MANAGEMENT ADVISORIES
1030.97 Fiscal Management Advisory 97-02: Fees, Deposits and Other Charges
WEB SITES
CSBA: http://www.csba.org
California Department of Education: http://www.cde.ca.gov

FEES AND CHARGES

The district shall not require any district student to pay any fees, deposits, or charges except as specifically authorized by law. (Education Code 49011; 5 CCR 350)

When approved by the Board of Trustees, the Superintendent or designee may impose a fee for the following:

1. Insurance for athletic team members, with an exemption for financial hardship (Education Code 32221)

(cf. 5143 - Insurance)

2. Insurance for medical or hospital service for students participating in field trips and excursions (Education Code 35331)

3. Expenses of students' participation in a field trip or excursion to another state, the District of Columbia, or a foreign country, as long as no student is prohibited from making the field trip due to lack of funds (Education Code 35330)

(cf. 6153 - School-Sponsored Trips)

4. Student fingerprinting program (Education Code 32390)

(cf. 5142.1 - Identification and Reporting of Missing Children)

5. School camp programs operated pursuant to Education Code 8760-8773 provided that the fee is not mandatory (Education Code 35335)

(cf. 6142.5 - Environmental Education)

6. Personal property of the district fabricated by students, as long as the cost of the property does not exceed the cost of the materials provided by the district (Education Code 17551)

7. Home-to-school transportation and transportation between regular, full-time day schools and regional occupational centers, programs, or classes, as long as the fee does not exceed the statewide average nonsubsidized cost per student and as long as exemptions are made for indigent and disabled students (Education Code 39807.5)

(cf. 3250 - Transportation Fees)

8. Transportation to and from summer employment programs for youth (Education Code 39837)

9. Deposit for band instruments, music, uniforms, and other regalia which school band members take on excursions to foreign countries (Education Code 38120)

FEES AND CHARGES (continued)

10. Fees for community service classes (Education Code 51815)

(cf. 6142.4 - Service Learning/Community Service Classes)

11. Eye safety devices, at a price not to exceed the district's actual costs (Education Code 32033)

(cf. 5142 - Safety)

12. Actual cost of furnishing copies of any student's records except, if he/she is a former student, up to two transcripts or two verifications of his/her various records (Education Code 49065)

(cf. 5125 - Student Records)

13. Actual costs of duplication for copies of public records (Government Code 6253)

(cf. 1340 - Access to District Records)

14. Actual costs of duplication for reproduction of the prospectus of school curriculum (Education Code 49091.14)

(cf. 5020 - Parent Rights and Responsibilities)

15. Food sold at school subject to free and reduced-price meal program eligibility and other restrictions specified in law (Education Code 38084)

(cf. 3550 - Food Service/Child Nutrition Program)
(cf. 3551 - Food Service Operations/Cafeteria Funds)
(cf. 3553 - Free and Reduced Price Meals)
(cf. 3554 - Other Food Sales)

16. Fines or reimbursements for lost or damaged district property or damage to library property (Education Code 19910-19911, 48904)

(cf. 3515.4 - Recovery for Property Loss or Damage)

17. Tuition for district school attendance by an out-of-state and out-of-country resident (Education Code 48050, 48052, 52613; 8 USC 1184)

(cf. 5111.2 - Nonresident Foreign Students)

18. Adult education books, materials, and classes as specified in law (Education Code 52612, 60410)

FEES AND CHARGES (continued)

(cf. 6200 - Adult Education)

19. Preschool and child care and development services (Education Code 8239, 8263)

(cf. 5148 - Child Care and Development)
(cf. 5148.3 - Preschool/Early Childhood Education)

20. Physical education uniforms

(cf. 6142.7 - Physical Education and Activity)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

When any district-owned instructional materials, equipment, supplies, or other personal property becomes unusable, obsolete, or no longer needed, the Superintendent or designee shall notify the Board of Trustees, provide an estimated value, and recommend whether the items be sold or disposed of by one of the methods prescribed in law and administrative regulation. Upon approval by the Board, the Superintendent or designee shall arrange for the sale or disposal of these items.

(cf. 0440 - District Technology Plan)
(cf. 6161.11 - Supplementary Instructional Materials)
(cf. 6163.1 - Library Media Centers)

Instructional materials may be considered obsolete or unusable when they:

1. Have been replaced by more recent editions or new materials selected by the Board and have no foreseeable value in other instructional areas

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

2. Are not aligned with the district's academic standards or course of study

(cf. 6011 - Academic Standards)
(cf. 6143 - Courses of Study)

3. Contain information rendered inaccurate or incomplete by new research or technologies

4. Contain demeaning, stereotyping, or patronizing references to any group of persons protected against discrimination by law or Board policy

(cf. 0410 - Nondiscrimination in District Programs and Activities)

5. Are damaged beyond use or repair

6. Not economical to repair.

(cf. 1312.4 - Williams Uniform Complaint Procedures)

The Superintendent or designee shall establish procedures to be used when selling equipment for which the federal government has a right to receive all or part of the proceeds. These procedures shall ensure a reasonable amount of competition so as to result in the highest possible revenue.

(cf. 3440 - Inventories)

Legal Reference: (see next page)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES (continued)

Legal Reference:

EDUCATION CODE
17540-17542 Sale or lease of personal property by one district to another
17545-17555 Sale of personal property
35168 Inventory, including record of time and mode of disposal
42291.5 Temporary school bus designation
42303 School bus sale to another district
60500-60530 Sale, donation, or disposal of instructional materials
GOVERNMENT CODE
25505 District property; disposition; proceeds
CODE OF REGULATIONS, TITLE 5
3944 Consolidated categorical programs, district title to equipment
3946 Disposal of equipment purchased with state and federal consolidated application funds
UNITED STATES CODE, TITLE 40
549 Surplus property
CODE OF FEDERAL REGULATIONS, TITLE 34
80.32 Equipment acquired under a grant or subgrant

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
California School Accounting Manual
Standards for Evaluating Instructional Materials for Social Content, 2000
WEB SITES
California Department of Education: http://www.cde.ca.gov
School Services of California, Inc.: http://www.sscal.com

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

Personal Property

The district may sell surplus or obsolete district-owned personal property through any of the following methods:

1. The Superintendent or designee may advertise for bids by posting a notice in at least three public places in the district for at least two weeks, or by publishing a notice at least once a week for at least two weeks in a newspaper having a general circulation in the district and, if possible, publishing within the district. The district shall sell the property to the highest responsible bidder or shall reject all bids. (Education Code 17545)

   Property for which no qualified bid has been received may be sold, without further advertising, by the Superintendent or designee. (Education Code 17546)

(cf. 3311 - Bids)

2. The property may be sold by means of a public auction conducted by district employees, employees of other public agencies, or by contract with a private auction firm. Notice related to the auction shall be posted or published as described in item #1 above. (Education Code 17545)

3. The district may sell the property without advertising for bids under any of the following conditions:

   a. The Board of Trustees members attending a meeting unanimously agree that the property, whether one or more items, does not exceed $2,500 in value. (Education Code 17546)

(cf. 9323.2 - Actions by the Board)

   b. The district sells the property to agencies of federal, state, or local government, to any other school district, or to any agency eligible under the federal surplus property law (40 USC 484 renumbered 40 USC 549) and the sale price equals the cost of the property plus the estimated cost of purchasing, storing, and handling. (Education Code 17540)

   c. The district sells or leases the property to agencies of the federal, state, or local government or to any other school district and the price and terms of the sale or lease are fixed by the Board and approved by the County Superintendent of Schools. (Education Code 17542)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES (continued)

If the Board members attending a meeting unanimously find that the value of the property is insufficient to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the Board or may be disposed of by dumping. (Education Code 17546)

Money received from the sale of surplus property shall be either deposited in the district reserve or general fund or credited to the fund from which the original purchase was made. (Education Code 17547)

Instructional Materials

Surplus or undistributed obsolete instructional materials that are usable for educational purposes may be sold by the district, in which case all of the proceeds of the sale shall be available to acquire basic instructional materials, supplemental instructional materials, or technology-based materials. (Education Code 60510, 60510.1, 60521)

(cf. 0440 - District Technology Plan)
(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 6161.11 - Supplementary Instructional Materials)
(cf. 6163.1 - Library Media Centers)

Such materials also may be donated to another district, county free library, or other state institution; a United States public agency or institution; a nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing the general literacy of the people. Any organization, agency, or institution receiving obsolete instructional materials donated by the district shall certify to the Board that it agrees to make no charge to any persons to whom it gives or lends these materials. (Education Code 60510, 60511)

(cf. 9323 - Meeting Conduct)

Surplus or undistributed obsolete instructional materials which are unusable or which cannot be distributed as specified above may be disposed of by either of the following: (Education Code 60530)

1. Mutilated so as not to be salable and sold for scrap at the highest obtainable price

2. Destroyed by any economical means, provided that the materials are not destroyed until at least 30 days after the district has given notice to all persons who have filed a request for such notice

(cf. 3510 - Green School Operations)
(cf. 3511.1 - Integrated Waste Management)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

The Board of Trustees believes that the district should utilize its facilities and resources in the most economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all district facilities to ensure the efficient utilization of space and the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)
(cf. 7110 - Facilities Master Plan)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7160 - Charter School Facilities)

Upon determination that district property is no longer needed or may not be needed until some future time, the Board shall offer to sell or lease district-owned real property in accordance with priorities and procedures specified in law, including, but not limited to, Education Code 17230, 17464, 17485-17500, and Government Code 54222.

(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 5148.3 - Preschool/Early Childhood Education)

Prior to the sale or lease of any surplus real property, the Board shall appoint a district advisory committee to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. (Education Code 17388)

(cf. 1220 - Citizen Advisory Committees)

Resolution of Intention to Sell or Lease

Before ordering the sale or lease of any real property, the Board shall adopt a resolution by a two-thirds vote of all of its members at a regular, open meeting. The resolution shall describe the property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any, which the Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution shall fix a time, not less than three weeks thereafter, for a public meeting, held at the Board's regular meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education Code 17466)

(cf. 9323.2 - Actions by the Board)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice shall be published at least once a week for three successive weeks before the meeting, in a newspaper of general circulation published in the county in which the district is located, if such a newspaper exists. (Education Code 17469)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

The Superintendent or designee shall take reasonable steps to provide notification to the former owners of the property of the district's intent to sell it in accordance with Education Code 17470.

Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the Board shall open, examine, and declare all sealed bids. Before accepting any written proposal, the Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the Board determines that rejection is in the best public interest. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in the resolution of intention to sell or lease, the Board shall finally accept the highest bid after deducting the commission, if any, to be paid to a licensed real estate broker, unless the Board accepts a higher oral bid or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt a resolution of acceptance that directs the Board president, or any other Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)
(cf. 9320 - Meetings and Notices)

Use of Proceeds

The Superintendent or designee shall ensure that proceeds from the sale or lease with an option to purchase of district surplus property are used in accordance with law. (Education Code 17462; 2 CCR 1700)

(cf. 3100 - Budget)
(cf. 3460 - Financial Reports and Accountability)

Pursuant to the authorization in Education Code 17463.7, the district may expend proceeds from the sale of surplus real property, along with the proceeds from any personal property

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

located on that real property, for any one-time general fund purpose(s). Prior to exercising this authority, the Board shall certify to the State Allocation Board that: (Education Code 17463.7)

1. The district has no major deferred maintenance requirements not covered by existing capital outlay resources.

2. The sale of real property pursuant to Education Code 17463.7 does not violate the provisions of a local bond act.

(cf. 7214 - General Obligation Bonds)

3. The real property is not suitable to meet projected school construction needs for the next 10 years.

Prior to exercising this authority, the Superintendent or designee shall present to the Board, at a regularly scheduled meeting, a plan for expending these one-time resources. The plan shall identify the source and use of the funds and shall describe the reasons that the expenditure shall not result in ongoing fiscal obligations for the district. (Education Code 17463.7)

Legal Reference: (see next page)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY (continued)

Legal Reference:

EDUCATION CODE
17219-17224 Acquisition of property not utilized as school site; nonuse payments; exemptions
17230-17234 Surplus property
17385 Conveyances to and from school districts
17387-17391 Advisory committees for use of excess school facilities
17400-17429 Leasing property
17430-17447 Leasing facilities
17453 Lease of surplus district property
17455-17484 Sale or lease of real property, especially:
17463.7 Proceeds for general fund purposes
17485-17500 Surplus school playground (Naylor Act)
17515-17526 Joint occupancy
17527-17535 Joint use of district facilities
33050 Request for waiver
38130-38139 Civic Center Act
GOVERNMENT CODE
54220-54232 Surplus land, especially:
54222 Offer to sell or lease property
54950-54963 Brown Act, especially:
54952 Legislative body, definition
PUBLIC RESOURCES CODE
21000-21177 California Environmental Quality Act
CODE OF REGULATIONS, TITLE 2
1700 Definitions related to surplus property
COURT DECISIONS
San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App. 4th 1356

Management Resources:

CSBA PUBLICATIONS
Maximizing Opportunities for Physical Activity Through Joint Use of Facilities, Policy Brief, September 2009
CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
Closing a School Best Practices Guide
OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS
Unused Site Program Handbook, May 2008
WEB SITES
CSBA: http://www.csba.org
California Department of Education, School Facilities Planning Division: http://www.cde.ca.gov/ls/fa
Coalition for Adequate School Housing: http://www.cashnet.org
Office of Public School Construction: http://www.opsc.dgs.ca.gov

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

District Advisory Committee

The district advisory committee on use or disposition of surplus school buildings or space shall consist of 7-11 members representative of each of the following: (Education Code 17389)

1. The district's ethnic, age group, and socioeconomic composition
2. The business community, such as store owners, managers, or s7yupervisors
3. Landowners or renters, with preference to representatives of neighborhood associations
4. Teachers
5. Administrators
6. Parents/guardians of students
7. Persons with expertise in environmental impact, legal contracts, building codes, and land use planning, including, but not limited to, knowledge of the zoning and other land use restrictions of the cities and counties in which the surplus property is located

This committee shall: (Education Code 17390)

1. Review projected school enrollment and other data to determine the amount of surplus space and real property
2. Establish and circulate throughout the attendance area a priority list for use of surplus space and real property that will be acceptable to the community
3. Hold hearings, with community input, on acceptable uses of space and real property, including the sale or lease of surplus real property for child care development purposes
4. Make a final determination of limits of tolerance of use of space and real property
5. Send the Board of Trustees a report recommending uses of surplus space and real property

The district advisory committee shall comply with open meeting requirements of the Brown Act. (Government Code 54952)

(cf. 1220 - Citizen Advisory Committees)
(cf. 9130 - Board Committees)

GIFTS, GRANTS AND BEQUESTS

The Board of Trustees may accept any gift, grant, or bequest of money, property, or service to the district from any individual, private agency or organization, or other public agency that desires to support the district's educational program. While greatly appreciating suitable donations, the Board shall reject any gift which may directly or indirectly impair its authority to make decisions in the best interest of district students or its ability or commitment to provide equitable educational opportunities.

(cf. 0100 - Philosophy)
(cf. 0200 - Goals for the School District)
(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 1260 - Educational Foundation)

Before accepting any gift, grant, or bequest, the Board shall carefully consider any conditions or restrictions imposed by the donor to ensure their consistency with the district's vision, philosophy, and operations. If the Board believes the district will be unable to fully satisfy the donor's conditions, the gift shall not be accepted.

(cf. 0000 - Vision)

In addition, the Board shall ensure that acceptance of the gift, grant, or bequest does not:

1. Involve creation of a program which the Board would be unable to sustain when the donation is exhausted

2. Entail undesirable or excessive costs

3. Promote the use of violence, drugs, tobacco, or alcohol or the violation of any law or district policy

(cf. 5131.6 - Alcohol and Other Drugs)
(cf. 5131.62 - Tobacco)

4. Imply endorsement of any business or product or unduly commercialize or politicize the school environment

(cf. 1325 - Advertising and Promotion)

Any gift of books and instructional materials shall be accepted only if they meet regular district criteria for selection of instructional materials.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

All gifts, grants, and bequests shall become district property. Donors are encouraged to donate all gifts to the district rather than to a particular school. At the Superintendent or designee's discretion, a gift may be used at a particular school.

GIFTS, GRANTS AND BEQUESTS (continued)

When any gift of money received by the district is not immediately used, it shall be placed in the county treasury in accordance with law. (Education Code 41030-41031)

(cf. 3440 - Inventories)
(cf. 3460 - Financial Reports and Accountability)

Appreciation

The Board may show appreciation for any donation to the district in any manner it deems appropriate. Such appreciation may take the form of letters of recognition or Board resolutions; plaques, commendations, or awards; planting of commemorative trees or gardens; or naming or renaming of buildings, grounds, or facilities. Conferment of any such honor shall be in accordance with applicable Board policy.

(cf. 1150 - Commendations and Awards)
(cf. 7310 - Naming of Facility)

Corporate Sponsorship

The Board may enter into an agreement or arrangement with an outside entity for the sponsorship of an educational, athletic, or other program or activity.

(cf. 1113 - District and School Web Sites)
(cf. 1700 - Relations Between Private Industry and the Schools)
(cf. 3312 - Contracts)

Every sponsorship agreement shall be in writing and may be approved by the Board. The Board shall ensure that the district's relationship and arrangement with the sponsor are consistent with the district's mission, values, and goals. Any advertising or promotional message, image, or other depiction to be used by the sponsor shall meet the standards set for commercial advertising on district property and in district-sponsored publications. No message, image, or other depiction that promotes the use of obscene language, pornography, alcohol, tobacco, or prohibited drugs or that advocates unlawful discrimination, use of violence, or the violation of law or district policy shall be allowed.

Each sponsorship agreement shall contain statements including, but not limited to:

1. The purpose of the relationship with the sponsor, details of the benefits to the district, and how the benefits will be distributed.

2. The duration of the agreement and the roles, expectations, rights, and responsibilities of the district and the sponsor, including whether and to what extent the sponsor is allowed to advertise or promote its products and/or services.

GIFTS, GRANTS AND BEQUESTS (continued)

3. The authority of the Board to retain exclusive right over the use of the district's name, logo, and other proprietary information. The sponsor's use of such information shall require prior approval of the Board.

4. The authority of the Board to terminate the agreement without any penalty or sanction to the district if the sponsor's message, business, or product becomes inconsistent with district vision, mission, or goals or the sponsor engages in any prohibited activity.

5. The prohibition against the collection of students' personal information except as allowed by law.

(cf. 5022 - Student and Family Privacy Rights)
(cf. 5125 - Student Records)

Legal Reference:

EDUCATION CODE
1834 Acquisition of materials and apparatus
35160 Powers and duties
35162 Power to sue, be sued, hold and convey property
41030 School district may invest surplus monies from bequest or gifts
41031 Special fund or account in county treasury
41032 Authority of school board to accept gift or bequest; investments; gift of land requirements
41035 Advisory committee
41036 Function of advisory committee
41037 Rules and regulations
41038 Applicability of other provisions of chapter

Management Resources:

WEB SITES
California Consortium of Education Foundations: http://www.cceflink.org

EXPENDITURES AND PURCHASES

The Board of Trustees recognizes its fiduciary responsibility to oversee the prudent expenditure of district funds. In order to best serve district interests, the Superintendent or designee shall develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure the district receives maximum value for items purchased. He/she shall ensure that records of expenditures and purchases are maintained in accordance with law.

(cf. 3000 - Concepts and Roles)
(cf. 3100 - Budget)
(cf. 3350 - Travel Expenses)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3460 - Financial Reports and Accountability)
(cf. 9270 - Conflict of Interest)

Expending Authority

The Superintendent or designee may purchase supplies, materials, apparatus, equipment, and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required or other allowable legal means. The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

(cf. 3311 - Bids)
(cf. 3312 - Contracts)

The Board shall review all transactions entered into by the Superintendent or designee on behalf of the Board every 60 days. (Education Code 17605)

(cf. 3110 - Transfer of Funds)

District funds shall not be expended for the purchase of alcoholic beverages. (Education Code 32435)

Purchasing Procedures

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs, and trade-in values shall be considered when determining the most economical purchase price

(cf. 3314.2 - Revolving Funds)
(cf. 3440 - Inventories)
(cf. 3511.1 - Integrated Waste Management)

EXPENDITURES AND PURCHASES (continued)

All purchases shall be made by formal contract or purchase order or shall be accompanied by a receipt. In order to eliminate the processing of numerous small purchase orders, the Superintendent or designee may create a "blanket" or "open" purchase order system for the purchase of minor items as needed from a vendor.

Legal Reference:

EDUCATION CODE
17604 Delegation of powers to agents; approval or ratification of contracts by governing board
17605 Delegation of authority to purchase supplies and equipment
32370-32376 Recycling paper
32435 Prohibited use of public funds, alcoholic beverages
35010 Control of district; prescription and enforcement of rules
35035 Powers and duties of superintendent
35160 Authority of governing boards
35250 Duty to keep certain records and reports
38083 Purchase of perishable foodstuffs and seasonal commodities
41010 Accounting system
41014 Requirement of budgetary accounting
GOVERNMENT CODE
4330-4334 California made materials
PUBLIC CONTRACT CODE
3410 U.S. produce and processed foods
20111 Contracts over $50,000; contracts for construction; award to lowest responsible bidder

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Fiscal Accountability, 2006
WEB SITES
CSBA, Financial Services: http://www.csba.org/fs
California Association of School Business Officials: http://www.casbo.org
California Department of Education: http://www.cde.ca.gov

BIDS

The Board of Trustees is committed to promoting public accountability and ensuring prudent use of public funds. In leasing or purchasing equipment, materials, supplies, or services for the district and when contracting for public projects involving district facilities, the Board shall explore lawful opportunities to obtain the greatest possible value for its expenditure of public funds. When required by law, or if the Board determines that it is in the best interest of the district, such leases and purchases shall be made using competitive bidding.

(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 3000 - Concepts and Roles)
(cf. 3300 - Expenditures and Purchases)

The Superintendent or designee shall establish comprehensive bidding procedures for the district in accordance with law. The procedures shall include a process for advertising bids, instructions and timelines for submitting and opening bids, and other relevant requirements.

No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-20118.4. (Public Contract Code 20116)

When calling for bids, the Superintendent or designee shall ensure that the bid specification clearly describes in appropriate detail the quality, delivery, and service required and includes all information which the district knows, or has in its possession, that is relevant to the work to be performed or that may impact the cost of performing the work.

(cf. 9270 - Conflict of Interest)

Except as authorized by law and specified in the administrative regulation, contracts shall be let to the lowest responsible bidder who shall give such security as the Board requires, or else all bids shall be rejected. (Public Contract Code 20111)

When the Board has determined that it is in the best interest of the district, the district may piggyback onto the contract of another public agency or corporation to lease or purchase equipment or supplies to the extent authorized by law. (Public Contract Code 20118)

Legal Reference: (see next page)

BIDS (continued)

Legal Reference:

EDUCATION CODE
17070.10-17079.30 Leroy F. Greene School Facilities Act
17406 Lease-leaseback contract
17595 Purchase of supplies through Department of General Services
17602 Purchase of surplus property from federal agencies
38083 Purchase of perishable foodstuffs and seasonable commodities
38110-38120 Apparatus and supplies
39802 Transportation services
GOVERNMENT CODE
4217.10-4217.18 Energy conservation contracts
4330-4334 Preference for California-made materials
6252 Definition of public record
53060 Special services and advice
54201-54205 Purchase of supplies and equipment by local agencies
PUBLIC CONTRACT CODE
1102 Emergencies
2000-2002 Responsive bidders
3000-3010 Roofing projects
3400 Bids, specifications by brand or trade name not permitted
3410 United States produce and processed foods
6610 Bid visits
12200 Definitions, recycled goods, materials and supplies
20101-20103.7 Public construction projects, requirements for bidding
20103.8 Award of contracts
20107 Bidder's security
20111-20118.4 Contracting by school districts
20189 Bidder's security, earthquake relief
22002 Definition of public project
22030-22045 Alternative procedures for public projects (UPCCAA)
22050 Alternative emergency procedures
22152 Recycled product procurement
COURT DECISIONS
Los Angeles Unified School District v. Great American Insurance Co., (2010) 49 Cal.4th 739
Great West Contractors Inc. v. Irvine Unified School District, (2010) 187 Cal.App.4th 1425
Marshall v. Pasadena Unified School District, (2004) 119 Cal.App.4th 1241
Konica Business Machines v. Regents of the University of California, (1988) 206 Cal.App.3d 449
City of Inglewood-Los Angeles County Civic Center Authority v. Superior Court, (1972) 7 Cal.3d 861
ATTORNEY GENERAL OPINIONS
89 Ops.Cal.Atty.Gen. 1 (2006)

Management Resources:

WEB SITES
CSBA: http:// www.csba.org
California Association of School Business Officials: http://www.casbo.org

Policy adopted:

SAN LEANDRO UNIFIED SCHOOL DISTRICT
San Leandro, California

BIDS

Advertised/Competitive Bids

The district shall advertise for competitive bids to let any public project contract involving an expenditure of $15,000 or more. *Public project* means construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition, and repair work involving a district owned, leased, or operated facility. (Public Contract Code 20111, 22002)

The district shall also seek competitive bids through advertisement for contracts exceeding the amount specified in law, as annually adjusted by the Superintendent of Public Instruction, for any of the following: (Public Contract Code 20111)

1. The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district

2. Services, not including construction services or special services and advice in accounting, financial, legal, or administrative matters

3. Repairs that are not a public project, including maintenance

   Maintenance means routine, recurring, and usual work for preserving, protecting, and keeping a district facility operating in a safe, efficient, and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered, or repaired. *Maintenance* includes, but is not limited to, carpentry, electrical, plumbing, glazing, and other craft work designed to preserve the facility, as well as repairs, cleaning, and other operations on machinery and other permanently attached equipment, but does not include painting, repainting, or decorating other than touchup, or among other types of work, janitorial or custodial services and protection provided by security forces. (Public Contract Code 20115)

Instructions and Procedures for Advertised Bids

The Superintendent or designee shall call for bids by placing a notice at least once a week for two weeks in a local newspaper of general circulation published in the district, or if no such newspaper exists, then in some newspaper of general circulation circulated in the county. The Superintendent or designee also may post the notice on the district's web site or through an electronic portal. The notice shall state the work to be done or materials or supplies to be furnished and the time and place and web site where bids will be opened. The district may accept a bid that has been submitted electronically or on paper. (Public Contract Code 20112)

(cf. 1113 - District and School Web Sites)

BIDS (continued)

The notice shall contain the time, date, and location of any mandatory prebid conference, site visit, or meeting. The notice shall also detail when and where project documents, including the final plan and specifications, are available. Any such mandatory visit or meeting shall occur not less than five calendar days after the publication of the initial notice. (Public Contract Code 6610)

Bid instructions and specifications shall include the following requirements and information:

1. All bidders shall certify the minimum, if not exact, percentage of post-consumer materials in products, materials, goods, or supplies offered or sold. (Public Contract Code 22152)

(cf. 3510 - Green School Operations)

2. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (Public Contract Code 20107, 20111)

   a. Cash

   b. A cashier's check made payable to the district

   c. A certified check made payable to the district

   d. A bidder's bond executed by an admitted surety insurer and made payable to the district

   The security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event later than 60 days after the bid is awarded. (Public Contract Code 20111)

3. When a standardized proposal form is provided by the district, bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)

4. Bids shall not be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time. (Public Contract Code 20112)

5. When two or more identical lowest or highest bids are received, the Board of Trustees may determine by lot which bid shall be accepted. (Public Contract Code 20117)

BIDS (continued)

6. If the district requires that the bid include prices for items that may be added to or deducted from the scope of work in the contract, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of such a specification, only the method provided in item #a below shall be used. (Public Contract Code 20103.8)

   a. The lowest bid shall be the lowest total of the bid prices on the base contract without consideration of the prices on the additive or deductive items.

   b. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.

   c. The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that, when taken in order from a specifically identified list of those items in the solicitation, and added to or subtracted from the base contract, are less than or equal to a funding amount publicly disclosed by the district before the first bid is opened.

   The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the district before the ranking of all bidders from lowest to highest has been determined. (Public Contract Code 20103.8)

7. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.

8. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for public review pursuant to law, Board policy, and administrative regulation.

(cf. 1340 - Access to District Records)

9. When a bid is disqualified as nonresponsive based on district investigation or other information not obtained from the submitted bid, the Superintendent or designee shall notify the bidder and give him/her an opportunity to respond to the information.

Prequalification Procedure

When required by law or the Board, each prospective bidder shall complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or

BIDS (continued)

designee shall provide a standardized proposal form which requires a complete statement of the bidder's financial ability and experience in performing public works. The bidder's information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Public Contract Code 20111.5, 20111.6)

Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. (Public Contract Code 20111.5)

The Superintendent or designee shall establish a uniform system for rating bidders on the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. Bidders must be prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

The district may establish a procedure for prequalifying bidders on a quarterly basis and may authorize that prequalification be considered valid for up to one calendar year following the date of the initial prequalification. (Public Contract Code 20111.5)

Award of Contract

The district shall award each contract to the lowest responsible bidder except in the following circumstances:

1. When the contract is for the procurement and/or maintenance of electronic data processing systems and supporting software, in which case the Board may contract with any one of the three lowest responsible bidders (Public Contract Code 20118.1)

2. For any transportation service contract involving an expenditure of more than $10,000, which the Board contemplates may be made with a person or corporation other than a common carrier, municipally owned transit system, or a parent/guardian of students who are to be transported, in which case the Board may contract with other than the lowest bidder (Education Code 39802)

3. When the contract is one for which the Board has established goals and requirements relating to participation of minority, women, disabled veteran, or small business enterprises in accordance with Public Contract Code 2000-2002, in which case the Board may contract with the lowest responsible bidder who complies or makes a good faith effort to comply with the goals and requirements (Public Contract Code 2000-2002)

BIDS (continued)

Protests by Bidders

A bidder may protest a bid award if he/she believes that the award is not in compliance with law, Board policy, or the bid specification. A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award and shall include all documents supporting or justifying the protest. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of his/her right to protest the award of the contract.

The Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 working days. The Superintendent or designee may also convene a meeting with the bidder in order to attempt to resolve the problem.

The bidder may appeal the Superintendent or designee's decision to the Board. The Superintendent or designee shall provide reasonable notice to the bidder of the date and time for Board consideration of the protest. The Board's decision shall be final.

Alternative Bid Procedures for Technological Supplies and Equipment

Rather than seek competitive bids, the Board may use competitive negotiation when it makes a finding that a district procurement is for computers, software, telecommunications equipment, microwave equipment, or other related electronic equipment and apparatus. Competitive negotiation shall not be used to contract for construction or for the procurement of any product that is available in substantial quantities to the general public. (Public Contract Code 20118.2)

The competitive negotiation process shall include, but not be limited to, the following requirements: (Public Contract Code 20118.2)

1. The Superintendent or designee shall prepare a request for proposals (RFP) that shall be submitted to an adequate number of qualified sources, as determined by the district, to permit reasonable competition consistent with the nature and requirement of the procurement.

2. Notice of the RFP shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

3. The Superintendent or designee shall make every effort to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the RFP is received.

BIDS (continued)

4. The RFP shall identify all significant evaluation factors, including price, and their relative importance.

5. The Superintendent or designee shall provide reasonable procedures for the technical evaluation of the RFPs received, the identification of qualified sources, and the selection for the award of the contract.

6. The Board shall award the contract to the qualified bidder whose proposal meets the evaluation standards and will be most advantageous to the district with price and all other factors considered.

7. If the Board does not award the contract to the bidder whose proposal contains the lowest price, then the Board shall make a finding setting forth the basis for the award.

8. The Board, at its discretion, may reject all proposals and request new RFPs.

9. Provisions in any contract concerning utilization of small business enterprises that are in accordance with the RFP shall not be subject to negotiation with the successful proposer.

Sole Sourcing

In any contract for the construction, alteration, or repair of school facilities, the Superintendent or designee shall not draft the bid specification in a manner that: (Public Contract Code 3400)

1. Directly or indirectly limits bidding to any one specific concern

2. Calls for a designated material, product, thing, or service by a specific brand or trade name, unless the specification is followed by the words "or equal," so that bidders may furnish any equal material, product, thing, or service

   In any such case, the bid specification shall provide a time period, before and/or after the award of the contract, for the contractor to submit data substantiating the request for substituting the designated material, product, thing, or service. If no such time period is specified, the contractor may submit the data within 35 days after the award of the contract.

   When the bid is for a roof project, a material, product, thing, or service is considered "equal" to that designated if it is equal in quality, durability, design, and appearance; will perform the intended function equally well; and conforms substantially to the detailed requirements in the bid specification. (Public Contract Code 3002)

BIDS (continued)

However, the Superintendent or designee may designate a specific material, product, thing, or service by brand or trade name (sole sourcing), if the Board has made a finding, described in the invitation for bids or RFP, that a particular material, product, thing, or service is designated for any of the following purposes: (Public Contract Code 3400)

1. To conduct a field test or experiment to determine its suitability for future use

2. To match others in use on a particular public improvement that has been completed or is in the course of completion

3. To obtain a necessary item that is only available from one source

4. To respond to the Board's declaration of an emergency, as long as the declaration has been approved by four-fifths of the Board when issuing the invitation for bid or RFP

(cf. 9323.2 - Actions by the Board)

Bids Not Required

Without advertising for bids and upon a determination that it is in the best interest of the district, the Board may authorize another public corporation or agency, by contract, lease, requisition, or purchase order, to lease data-processing equipment or to purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner that the other public corporation or agency is authorized to make the leases or purchases from a vendor ("piggyback"). Alternatively, if the public corporation or agency has an existing contract with a vendor for the lease or purchase of personal property, the district may authorize the lease or purchase of personal property directly from the vendor and make payments under the same terms that are available to the public corporation or agency under the contract. (Public Contract Code 20118)

(cf. 3300 - Expenditures and Purchases)

In addition, upon a determination that it is in the best interest of the district and without advertising for bids, the Board may lease currently owned district property to any person, firm, or corporation for a minimum of $1 per year, as long the lease requires the person, firm, or corporation to construct a building or buildings on the property for the district's use during the lease and the property and building(s) will vest in the district at the expiration of the lease ("lease-leaseback"). (Education Code 17406)

(cf. 3280 - Sale or Lease of District-Owned Real Property)

Without advertising for bids, the Board may enter into an energy service contract and any related facility ground lease, when it determines that the terms of the contract and lease are in

BIDS (continued)

the best interest of the district. The Board's determination shall be made at a regularly scheduled public hearing of which notice is given to the public at least two weeks in advance and shall be based on cost comparison findings specified in Government Code 4217.12. (Government Code 4217.12)

(cf. 3510 - Green School Operations)
(cf. 3511 - Energy and Water Management)
(cf. 9320 - Meetings and Notices)

Supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals may be purchased in any amount without taking estimates or advertising for bids. (Public Contract Code 20118.3)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 6161.11 - Supplementary Instructional Materials)
(cf. 6163.1 - Library Media Centers)

Perishable foodstuffs and seasonal commodities needed in the operations of cafeterias may be purchased through bid or on the open market. (Education Code 38083)

(cf. 3551 - Food Service Operations/Cafeteria Fund)

In an emergency when any repairs, alterations, work, or improvement to any school facility is necessary to permit the continuance of existing school classes or to avoid danger to life or property, the Board may, by unanimous vote and with the approval of the County Superintendent of Schools, contract for labor and materials or supplies without advertising for or inviting bids or may authorize the use of day labor or force account for the emergency purpose. (Public Contract Code 20113)

(cf. 3517 - Facilities Inspection)

Bids shall not be required for day labor under circumstances specified in Public Contract Code 20114. Day labor shall include the use of maintenance personnel employed on a permanent or temporary basis. (Public Contract Code 20114)

The district may purchase any surplus property from the federal government or any of its agencies in any quantity needed for the operation of its schools without taking estimates or advertising for bids. (Education Code 17602)

CONTRACTS

Whenever state law invests the Board of Trustees with the power to enter into contracts on behalf of the district, the Board may, by a majority vote, delegate this power to the Superintendent or designee. To be valid or to constitute an enforceable obligation against the district, all contracts must be approved and/or ratified by the Board. (Education Code 17604)

(cf. 3300 - Expenditures and Purchases)
(cf. 3314 - Payment for Goods and Services)
(cf. 3400 - Management of District Assets/Accounts)

All contracts between the district and outside agencies shall conform to standards required by law and shall be prepared under the direction of the Superintendent or designee.

(cf. 2121- Superintendent's Contract)
(cf. 4312.1 - Contracts)
(cf. 9124 - Attorney)

When required by law, contracts and subcontracts made by the district for public works or for goods or services shall contain a nondiscrimination clause prohibiting discrimination by contractors or subcontractors. The nondiscrimination clause shall contain a provision requiring contractors and subcontractors to give written notice of their obligations to labor organizations with which they have a collective bargaining or other agreement. (Government Code 12990)

(cf. 0410 - Nondiscrimination in District Programs and Activities)

The district shall not enter into a contract that prohibits a school employee from disparaging the goods or services of the contracting party. (Education Code 35182.5)

Contracts for Non-Nutritious Foods or Beverages

Effective July 1, 2007, the district or a district school shall not enter into or renew a contract for the sale of foods that do not meet the nutritional standards specified in Education Code 49431 or 49431.2 unless the contract specifies that such sales will occur later than one-half hour after the end of the school day and/or off school premises. (Education Code 49431, 49431.2)

(cf. 3554 - Other Food Sales)

In accordance with the dates specified in law, the district or a district school shall not enter into or renew a contract for the sale of beverages that do not meet the nutritional standards in Education Code 49431.5 unless the contract specifies that such sales will occur later than one-half hour after the end of the school day and/or off school premises.

Before the district or a district school enters into or renews a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-

CONTRACTS (continued)

nutritious food as defined in law, the Board shall ensure that the district has sufficient internal controls in place to protect the integrity of public funds and to ensure that funds raised as a result of the contract benefit public education. (Education Code 35182.5)

The Superintendent or designee shall develop the district's internal control procedures to protect the integrity of public funds. Such internal controls may include but not be limited to the following:

1. Control procedures that produce accurate and reliable financial statements and, at the same time, safeguard the assets, financial resources, and integrity of every employee responsible for handling money or property. Control systems shall be systematically evaluated and revised to keep pace with the changing responsibilities of management.

(cf. 3100 - Budget)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3460 - Financial Reports and Accountability)

The contract shall be entered into on a competitive bid basis pursuant to Public Contract Code 20111 or through the issuance of a Request for Proposal. (Education Code 35182.5)

(cf. 3311 - Bids)

The Board shall not enter into or renew a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious food until parents/guardians, students, and members of the public have had an opportunity to comment on the contract at a public hearing held during a regularly scheduled Board meeting or as otherwise authorized by Education Code 35182.5. The Board shall clearly, and in a manner recognizable to the general public, identify in the agenda the contract to be discussed at the meeting. (Education Code 35182.5)

(cf. 9322 - Agendas/Meeting Materials)
(cf. 9323 - Meeting Conduct)

The public hearing shall include but not be limited to a discussion of the nutritional value of food and beverages sold within the district; the availability of fresh fruit, vegetables, and grains in school meals and snacks, including locally grown and organic produce; the amount of fat, sugar, and additives in the food and beverages discussed; and barriers to student participation in school breakfast and lunch programs. (Education Code 35182.5)

(cf. 5030 - Student Wellness)

The contract shall be accessible to the public and may not include a confidentiality clause that would prevent the district or a district school from making any part of the contract public. (Education Code 35182.5)

CONTRACTS (continued)

(cf. 1340 - Access to District Records)

Contracts for Electronic Products or Services

The Board shall not enter into a contract for electronic products or services that requires the dissemination of advertising to students, unless the Board: (Education Code 35182.5)

1. Enters into the contract at a noticed, public hearing of the Board.

(cf. 9320 - Meetings and Notices)

2. Makes a finding that the electronic product or service is or would be an integral component of the education of students.

(cf. 0440 - District Technology Plan)

3. Makes a finding that the district cannot afford to provide the electronic product or service unless it contracts to permit dissemination of advertising to students.

(cf. 1325 - Advertising and Promotion)

4. As part of the district's normal, ongoing communication to parents/guardians, provides written notice that the advertising will be used in the classroom or other learning center.

5. Offers parents/guardians the opportunity to request in writing that their child not be exposed to the program that contains the advertising. Any request shall be honored for the school year in which it is submitted, or longer if specified, but may be withdrawn by the parents/guardians at any time.

Legal Reference: (see next page)

CONTRACTS (continued)

Legal Reference:

EDUCATION CODE
200-262.4 Prohibition of discrimination on the basis of sex
14505 Provisions required in contracts for audits
17595-17606 Contracts
35182.5 Contract prohibitions
45103.5 Contracts for management consulting service related to food service
49431-49431.5 Nutritional standards
CODE OF CIVIL PROCEDURE
685.010 Rate of interest
GOVERNMENT CODE
12990 Nondiscrimination and compliance employment programs
53260 Contract provision re maximum cash settlement
53262 Ratification of contracts with administrative officers
LABOR CODE
1775 Penalties for violations
1810-1813 Working hours
PUBLIC CONTRACT CODE
4100-4114 Subletting and subcontracting fair practices
7104 Contracts for excavations; discovery of hazardous waste
7106 Noncollusion affidavit
20111 Contracts over $50,000; contracts for construction; award to lowest responsible bidder
20104.50 Construction Progress Payments
22300 Performance retentions
UNITED STATES CODE, TITLE 20
1681-1688 Title IX, discrimination

Management Resources:

CSBA PUBLICATIONS
Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. 2005
WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

The Board of Trustees believes that field trips and other travel opportunities for students are a valuable tool in supporting classroom instruction and promoting students' awareness of places and events. In contracting with organizations to provide educational travel services, the Board desires to ensure a quality educational experience and the health, safety and welfare of each student traveler.

The Superintendent or designee shall contract only with educational travel organizations which adhere to state law and exhibit safe and reputable business practices.

(cf. 3312 - Contracts)
(cf. 3541.1 - Transportation for School-Related Trips)
(cf. 6153 - School-Sponsored Trips)

The Superintendent or designee shall establish procedures for selecting the highest quality vendor, taking into account student safety, quality of the program and fiscal integrity.

Legal Reference:
EDUCATION CODE
35160 Authority of boards
35160.1 Broad authority of school districts
BUSINESS AND PROFESSIONS CODE
17540 Travel promoters
17550-17550.9 Sellers of travel
17552-17556.5 Educational travel organizations

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

Definitions

Educational travel organization or organization means a person, partnership, corporation, or other entity which offers educational travel programs for students residing in California. (Business and Professions Code 17552)

Student traveler or student means a person who is enrolled in elementary or secondary school, grades kindergarten through grade 12, at the time an educational travel program is arranged with an educational travel organization. (Business and Professions Code 17552)

Educational travel program means travel services that are arranged through or offered to an elementary or secondary school in the state, and where the services are represented to include an educational program as a component. (Business and Professions Code 17552)

Owner means a person or organization which owns or controls 10 percent or more of the equity of, or otherwise has claim to 10 percent or more of the net income of, the educational travel organization. (Business and Professions Code 17554)

Principal means an owner, an officer of a corporation, a general partner of a partnership, or a sole proprietor of a sole proprietorship. (Business and Professions Code 17554)

Contract Requirements

The Superintendent or designee shall ensure that each written contract with an educational travel organization includes all of the following: (Business and Professions Code 17554)

1. The travel organization's name, trade or business name, business address, business telephone number and a 24-hour emergency contact number

2. An itemized statement which shall include but not be limited to:

    a. Services to be provided as part of the program

    b. Agreed cost for the services

    c. A statement as to whether or not the educational travel organization maintains insurance that supplies coverage in the event of injury to any student traveler, including the type and amount of coverage, the policy number and issuer, and the name and telephone number of the person or organization which is able to verify coverage

    d. Any additional costs to students

EDUCATIONAL TRAVEL PROGRAM CONTRACTS (continued)

e. The qualifications, if any, for experience and training that are required to be met by the educational travel organization's staff who shall accompany students on the educational travel program

3. A written description of the educational program being contracted for, including a copy of all materials to be provided to students

4. The number of times the educational travel program or a substantially similar educational travel program proposed by the contract has been conducted by the organization and the number of students who completed the program

5. The length of time the organization has either been arranging or conducting educational travel programs and, at the option of the organization, other travel services with substantially similar components

6. The name of each owner and principal of the organization

7. A statement as to whether any owner or principal of the organization has had entered against him or her any judgment, including a stipulated judgment, order, made a plea of nolo contendere or been convicted of any criminal violation in connection with the sale of any travel services for a period of 10 years predating the contract

District staff shall inform all vendors representing educational travel organizations that they may not arrange a travel program before the district has first entered into a written contract with the organization.

PAYMENT FOR GOODS AND SERVICES

The Board of Trustees recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard district resources. To facilitate warrant processing, the Superintendent or designee shall ensure that purchasing, receiving, and payment functions are kept separate. He/she shall also ensure that invoices are paid expeditiously so that the district may, to the extent possible, take advantage of available discounts and avoid finance charges.

(cf. 3300 - Expenditures and Purchases)
(cf. 3312 - Contracts)
(cf. 3314.2 - Revolving Funds)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 9320 - Meetings and Notices)

The Superintendent or designee shall sign all warrants and shall ensure that warrants have appropriate documentary support verifying that all goods and services to be paid for have been delivered or rendered in accordance with the purchase agreement.

The Board shall approve all warrants at a regularly scheduled Board meeting.

(cf. 9320 - Meetings and Notices)

The district shall not be responsible for unauthorized purchases.

Legal Reference: (see next page)

PAYMENT FOR GOODS AND SERVICES (continued)

Legal Reference:

EDUCATION CODE
17605 Delegation of authority for purchases
42630-42651 Orders, requisitions and warrants
42800-42806 Revolving cash fund
42810 Alternative revolving fund
42820 Prepayment funds
CODE OF CIVIL PROCEDURE
685.010 Rate of interest
GOVERNMENT CODE
16.5 Digital signatures
5500-5506 Uniform Facsimile Signatures of Public Officials Act
8111.2 Definition of public entity
PUBLIC CONTRACT CODE
7107 Retention proceeds; withholding; disbursement
7210 Retention proceeds; limits and exceptions
9203 Payment for projects costing over $5000
20104.50 Timely progress payments
CODE OF REGULATIONS, TITLE 2
22000-22005 Digital signatures

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Understanding California's Public School Finance System, 2006
Maximizing School Board Governance: Budget Planning and Adoption, 2006
Maximizing School Board Governance: Understanding District Budgets, 2006
Maximizing School Board Governance: Fiscal Accountability, 2006
School Finance CD-ROM, 2005
WEB SITES
CSBA: http://www.csba.org
California Secretary of State, digital signatures: http://www.sos.ca.gov/digsig/digsig.htm
Fiscal Crisis Management & Assistance Team: http://www.fcmat.org

PAYMENT FOR GOODS AND SERVICES

Payment for Construction Contracts

Payment on any contract for the creation, construction, alteration, repair, or improvement of any district property or facility or other public works project shall be made in accordance with the estimates, process, and/or schedule approved by the Board of Trustees.

As necessary, the Superintendent or designee may make progress payments as actual work is completed or materials are delivered. When a payment request is properly submitted by a contractor, any undisputed portion of the payment request shall be paid within 30 days. If the Superintendent or designee determines any payment request to be improper, he/she shall return the payment request to the contractor with a written statement of reasons why the request is not proper. (Public Contract Code 9203, 20104.50)

(cf. 3312 - Contracts)

The district may withhold up to five percent of the proceeds due to the contractor until completion and acceptance of the project. (Public Contract Code 7201)

The proceeds to be withheld by the district may exceed five percent when the Board has made a finding, prior to the bid and during a properly noticed and regularly scheduled meeting, that the project is substantially complex and requires a higher retention amount than five percent. In such cases, the Board's finding and the actual amount to be withheld shall be included in the bid documents. (Public Contract Code 7201)

(cf. 3311 - Bids)
(cf. 9320 - Meetings and Notices)
(cf. 9324 - Minutes and Recordings)

At any time after 50 percent of the work has been completed, the Board may release the withheld proceeds if it finds that satisfactory progress is being made. (Public Contract Code 9203)

Proceeds withheld by the district from payments to contractors for public works contracts shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between the district and the contractor, the district may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. (Public Contract Code 7107)

REVOLVING FUNDS

District Revolving Fund

The Board of Trustees has established by resolution a revolving cash fund for use by the Superintendent or designee in paying for goods, services and other charges determined by the Board, including supplemental payments required to correct any payroll errors. (Education Code 42800-42806, 45167)

At the request of the Board, County Auditor or County Superintendent of Schools, the Superintendent or designee shall give an account of the fund. (Education Code 42804)
The funds shall be deposited in a bank doing business locally, whose deposits are insured by FDIC. The Superintendent or designee shall be responsible for all payments into the account as well as expenditures from the account subject to the restrictions established by the Board.
The Board shall review and revise fund usage as appropriate.

(cf. 3400 - Management of District Assets/Accounts)

Additional Revolving Funds

The Board also may, by resolution, establish revolving cash funds for use by school principals and other administrative officials to pay for goods and services. The total amount of the funds shall not exceed three percent of the current year's instructional supply budget. (Education Code 42810)

No funds maintained in a revolving fund shall be used in an attempt to influence government decisions, for entertainment purposes, or for any other purpose not related to classroom instruction. (Education Code 42810)

The Board shall name the administrators who will have use and control of the funds. Officials so named shall be responsible for all payments into the accounts as well as expenditures from the accounts, subject to restrictions established by the Board.

The revolving cash fund for supplies shall be subject to the bonding provisions of Education Code 42801.

(cf. 3530 - Risk Management/Insurance)

The Board shall provide an audit of revolving funds on a regular basis. (Education Code 42810)

Legal Reference: (see next page)

REVOLVING FUNDS (continued)

Legal Reference:

EDUCATION CODE
35160 Authority of governing boards
35250 Duty to keep certain records
38091 Cafeteria revolving accounts
41020 Audits of all district funds
41021 Requirement for employee's indemnity bond
41365-41367 Charter school revolving loan fund
42238 Revenue limits
42238.01-42238.07 Local control funding formula
42630-42652 Orders, requisitions, and warrants
42800-42806 Revolving cash fund
42810 Revolving cash funds; use; administrators
42820-42821 Prepayment revolving cash fund
45167 Error in salary

Management Resources:

WEB SITES
California Department of Education, Finance and Grants: http://www.cde.ca.gov/fg
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org

CLAIMS AND ACTIONS AGAINST THE DISTRICT

The Board of Trustees desires to ensure that the district's operations are conducted in a manner that minimizes risk, protects district resources, and promotes the health and safety of students, staff, and the public. Any and all claims for money or damages against the district shall be presented to and acted upon in accordance with law, Board policy, and administrative regulation as well as the district's Joint Powers Authority (JPA) agreement or insurance coverage.

(cf. 3530 - Risk Management/Insurance)
(cf. 5143 - Insurance)

Any claim for money or damages not governed by the Government Claims Act (Government Code 810-996.6) or excepted by Government Code 905 shall be presented consistent with the manner and time limitations in the Government Claims Act, unless a procedure for processing such claims is otherwise provided by state or federal law.

Upon notice to the district of a claim, the Superintendent or designee shall take all necessary steps to protect the district's rights under any applicable contractual agreements, including the right to indemnification from its insurance or other coverage provider.

In accordance with Government Code 935.4, the Board delegates to the Superintendent the authority to allow, compromise, or settle claims of $50,000 or less pursuant to any conditions of coverage in the district's JPA agreement or insurance.

This policy applies retroactively to any existing causes of action and/or claims for money and/or damages.

Roster of Public Agencies

The Superintendent or designee shall file the information required for the Roster of Public Agencies with the Secretary of State and the County Clerk. This information shall include the name of the school district, the mailing address of the Board, and the names and addresses of the Board presiding officer, the Board clerk or secretary, and other members of the Board. (Government Code 53051)

Any changes to such information shall be filed within 10 days after the change has occurred. (Government Code 53051)

Legal Reference: (see next page)

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

Legal Reference:

EDUCATION CODE
35200 Liability for debts and contracts
35202 Claims against districts; applicability of Government Code
CODE OF CIVIL PROCEDURE
340.1 Damages suffered as result of childhood sexual abuse
GOVERNMENT CODE
800 Cost in civil actions
810-996.6 Claims and actions against public entities
6500-6536 Joint exercise of powers
53051 Information filed with secretary of state and county clerk
PENAL CODE
72 Fraudulent claims
COURT DECISIONS
City of Stockton v. Superior Court, (2007) 42 Cal. 4th 730
Connelly v. County of Fresno, (2006) 146 Cal.App.4th 29
CSEA v. South Orange Community College District, (2004) 123 Cal.App.4th 574
CSEA v. Azusa Unified School District, (1984) 152 Cal.App.3d 580

Management Resources:

WEB SITES
California Secretary of State's Office: http://www.sos.ca.gov

CLAIMS AND ACTIONS AGAINST THE DISTRICT

Time Limitations

The following time limitations apply to claims against the district:

1. Claims for money or damages relating to a cause of action for death or for injury to person, personal property, or growing crops shall be presented to the Board of Trustees not later than six months after the accrual of the cause of action. (Government Code 905, 911.2)

2. Claims for money or damages as authorized in Government Code 905 and not included in item #1 above, including claims for damages to real property, shall be presented not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)

Receipt of Claims

A claim, any amendment thereto, or an application to present a late claim shall be deemed presented and received when delivered to the district office or deposited in a post office, subpost office, substation, or mail chute or other like facility maintained by the U.S. Government, in a sealed envelope properly addressed to the district office with postage paid or when otherwise actually received in the district office or by the Board secretary or clerk. (Government Code 915, 915.2)

Upon receipt of a claim against the district pursuant to the Government Claims Act, the Superintendent or designee shall promptly provide written notice to the district's JPA or insurance carrier in accordance with the applicable conditions of coverage.

Review of Contents of the Claim

The Superintendent or designee shall review any claim received to ensure that the claim contains all of the following information as specified in Government Code 910 and 910.2:

1. The name and post office address of the claimant

2. The post office address to which the person presenting the claim desires notices to be sent

3. The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted

4. A general description of the indebtedness, obligation, injury, damage, or loss incurred insofar as it may be known at the time of presentation of the claim

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

5. The name(s) of the public employee(s) causing the injury, damage, or loss if known

6. The amount claimed if it totals less than $10,000 as of the date of the presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds $10,000, the dollar amount shall not be included in the claim and the claimant shall indicate whether the claim is a "limited civil case."

7. The signature of the claimant or the person acting on his/her behalf

Notice of Claim Insufficiency

If a claim is found insufficient or not to satisfy the form requirements under Government Code 910 and 910.2, the Board or its designee shall, within 20 days of receipt of the claim, personally deliver or mail to the claimant, at the address stated in the claim or application, a notice that states the particular defects or omission in the claim. (Government Code 910.8, 915.4)

The Board shall not act upon the claim until at least 15 days after such notice is given. (Government Code 910.8)

Amendment to Claims

Within the time limits provided under the section entitled "Time Limitations" above or prior to final action by the Board, whichever is later, a claim may be amended if, as amended, it relates to the same transaction or occurrence which gave rise to the original claim. (Government Code 910.6)

Late Claims

For claims under item #1 in the section entitled "Time Limitations" above, any person who presents a claim later than six months after the accrual of the cause of action shall present, along with the claim, an application to present a late claim. Such claim and the application to present a late claim shall be presented not later than one year after the accrual of the cause of action. (Government Code 911.4)

If the claim is presented late and is not accompanied by an application to present a late claim, the Board or its designee may, within 45 days, give written notice that the claim was not presented timely and that it is being returned without further action. (Government Code 911.3)

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

The Board shall grant or deny the application to present a late claim within 45 days after it is presented. This 45-day period may be extended by written agreement of the claimant and the Board provided that such agreement is made before the expiration of the 45-day period. (Government Code 911.6)

The Board shall grant the application to present a late claim where one or more of the following conditions are applicable: (Government Code 911.6)

1. The failure to present the claim was through mistake, inadvertence, surprise, or excusable neglect and the district was not prejudiced in its defense regarding the claim by the claimant's failure to present the claim within the time limit.

2. The person who sustained the alleged injury, damage, or loss was a minor during all of the time specified for presentation of the claim.

3. The person who sustained the alleged injury, damage, or loss was physically or mentally incapacitated during all of the time specified for presentation of the claim and the disability was the reason he/she failed to present the claim.

4. The person who sustained the alleged injury, damage, or loss died before the expiration of the time specified for the presentation of the claim.

If the application to present a late claim is denied, the claimant shall be given notice in substantially the same form as set forth in Government Code 911.8. (Government Code 911.8)

If the Board does not take action on the application to present a late claim within 45 days, the application shall be deemed to have been denied on the 45th day unless the time period has been extended, in which case it shall be denied on the last day of the period specified in the extension agreement. (Government Code 911.6)

Action on Claims

Within 45 days after the presentation or amendment of a claim, the Board shall take action on the claim. This time limit may be extended by written agreement between the district and the claimant before the expiration of the 45-day period. If the 45-day period has expired, the time limit may be extended if legal action has not commenced or been barred by legal limitations. (Government Code 912.4)

The Board may act on the claim in one of the following ways: (Government Code 912.4, 912.6)

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

1. If the Board finds that the claim is not a proper charge against the district, the claim shall be rejected.

2. If the Board finds that the claim is a proper charge against the district and is for an amount justly due, the claim shall be allowed.

3. If the Board finds that the claim is a proper charge against the district but is for an amount greater than is justly due, the Board shall either reject the claim or allow it in the amount justly due and reject it as to the balance.

4. If legal liability of the district or the amount justly due is disputed, the Board may reject or compromise the claim.

5. If the Board takes no action on the claim, the claim shall be deemed rejected.

If the Board allows the claim in whole or in part or compromises the claim and the claimant accepts the amount allowed or offered to settle the claim, the Board may require the claimant to accept it in settlement of the entire claim. (Government Code 912.6)

The Board or its designee shall transmit to the claimant written notice of action taken or of inaction which is deemed rejection. The notice shall be in the form set forth in Government Code 913 and shall either be personally delivered or mailed to the address stated in the claim or application. (Government Code 913, 915.4)

TRAVEL EXPENSES

The Board of Trustees recognizes that district employees may incur expenses in the course of performing their assigned duties and responsibilities. To ensure the prudent use of public funds, the Superintendent or designee shall establish rules to keep such expenses to a minimum while affording employees a reasonable level of safety and convenience.

(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The Board shall authorize payment for actual and necessary travel expenses incurred by any employee performing authorized services for the district, whether within or outside district boundaries. (Education Code 44032)

The Superintendent or designee shall establish procedures for the approval of travel requests and the submission and verification of expense claims. He/she also shall establish reimbursement rates in accordance with law and Board policy.

(cf. 3100 - Budget)
(cf. 3110 - Transfer of Funds)
(cf. 4131 - Staff Development)
(cf. 4231 - Staff Development)
(cf. 4331 - Staff Development)

All out-of-state travel for which reimbursement will be claimed shall be approved in advance by the Board.

Reimbursable travel expenses may include, but are not limited to, costs of transportation, parking fees, bridge or road tolls, lodging when district business reasonably requires an overnight stay, registration fees for seminars and conferences, telephone and other communication expenses incurred on district business, and other necessary incidental expenses.

The district shall not reimburse personal travel expenses including, but not limited to, tips or gratuities, alcohol, entertainment, laundry, expenses of any family member who is accompanying the employee on district-related business, personal use of an automobile, and personal losses or traffic violation fees incurred while on district business.

Except as otherwise provided, reimbursement of travel expenses shall be based on actual expenses as documented by receipts.

Authorized employees shall be reimbursed for the use of their own private vehicles in the performance of assigned duties, on either a mileage or monthly basis as determined by the Superintendent or designee. (Education Code 44033)

The mileage allowance provided by the district for employees' use of their private vehicles shall be equal to the rate established by the Internal Revenue Service.

TRAVEL EXPENSES (continued)

Vehicles should be shared whenever possible to minimize travel costs. No employee shall be entitled to reimbursement for automobile travel when he/she is transported free of charge or by another employee who is entitled to the expense reimbursement.

Legal Reference:

EDUCATION CODE
42634 Itemization of expenses
44016 Travel expense to employment interview
44032 Travel expenses
44033 Automobile allowance
44802 Student teacher's travel expense

Management Resources:

INTERNAL REVENUE SERVICE PUBLICATIONS
Per Diem Rates (For Travel Within the Continental United States), Publication 1542
WEB SITES
Internal Revenue Service: http://www.irs.gov
U.S. General Services Administration, Per Diem Rates: http://www.gsa.gov/perdiem

TRAVEL EXPENSES

Employees must follow these guidelines when considering travel:

1. All travel must be approved in advance by Department Head, Division Head or School Principal; Superintendent's approval is required for all out of state travel.

2. The number of personnel attending a given function requiring travel will be held to a minimum.

3. Transportation will be the most economical in terms of direct cost to SLUSD and the employee's time away from the office. All commercial air travel will be by the least expensive service available

    a. Employees, with approval of their administrative supervisor, may select the method of transportation that best meets the needs of the employee and SLUSD.

    b. For trips in excess of 200 one-way miles, travel by air is authorized as the most cost-efficient mode of travel.

    c. If trips over 200 one-way miles are taken by car, train, or bus the reimbursement is limited to the amount that would normally be reimbursed for air travel.

    d. In the event that an employee purchases an airfare ticket and it is not used, then the ticket will not be reimbursed.

Travel Request

1. Travel Request Forms are used for conferences, workshops or other meetings that require Supervisor and/or Superintendent's approval.

2. All travel out of state requires prior approval from the Superintendent

3. Each employee attending the conference/meeting/workshop must complete a separate Travel Request Form

Conference Request Procedure

1. Complete the Travel Request Form

2. Submit the completed Travel Request Form and supporting document(s) e.g. conference flyer or agenda to your Supervisor for approval

3. Retain the approved Travel Request Form to submit with your reimbursement claim

TRAVEL EXPENSES (continued)

Reimbursable Expenses

Employees who incur travel expenses while conducting official SLUSD business may be reimbursed for all reasonable and necessary expenses in accordance with established policies and procedures.

Mileage Reimbursement

Reimbursement will be from the work location to the destination or from home to the destination whichever is closer and vice versa. The mileage reimbursement rate is periodically adjusted based on IRS guidelines. Please contact the Business Office for the current mileage reimbursement rate. Use the MapQuest website to determine the mileage and attach a coy to your claim.

Meals

The authorized allowance for meals will be paid provided the travel time meets the following requirements:

Breakfast:	Depart before 7:00 AM
Lunch:	Depart before 11:00 and return after 2:00 PM
Dinner:	Return after 5:00 PM

Per Diem

Meal reimbursement shall be limited the maximum daily rates allowed by the IRS (Publication 17). The following per diem rates are in effect:

Breakfast	$10.00
Lunch	$15.00
Dinner	$21.00
Total Meal Allowance	$46.00
Incidentals	$10.00 (For each 24 hour overnight stay)
Total Per Diem	$56.00

Actual and necessary expenses for meals shall be reimbursed if accompanied with an original itemized original receipt.

If the conference provides meals, the employee cannot be reimbursed for the meal because it was already paid for as part of the registration fee.

TRAVEL EXPENSES (continued)

Lodging

1. Reasonable and necessary amounts are allowed for lodging.

2. If requested by hotel, complete the Hotel/Motel Transient Occupancy Tax Waiver Exemption Claim Form and present it to the hotel at the time of registration or when preparing reservation.

3. Employee is required to obtain the itemized lodging receipt when checking out. The receipt is to be submitted with the Travel and Expense Reimbursement Claim.

Other Expenses

1. Employees are eligible for incidental allowance for trips of twenty-four (24) hours or more. Incidental expenses include fees and tips given to porters, baggage carriers, hotel maids, and taxi drivers.

2. No receipts are required for incidental expenses but are limited to the per diem rate of $10.00 per day.

3. The district shall reimburse for parking fees, bridge tolls, computer usage, faxes, copiers, etc. - original receipt must be provided.

Personal Expenses

1. The district will not pay personal expenses. In addition to those items identified as personal expenses through this document, personal expenses include in-room movies, spas, and gyms, optional quasi-social functions or events in connection with conference, laundry or dry cleaning, miscellaneous sundries, or other items of a personal nature.

2. Personal travel shall not be mixed with business travel if it will cost the district anything in dollars or lost time.

3. The district will not pay for any expenses of another person who accompanied an employee on business travel, unless that individual also is a district employee and authorized to participate.

Reimbursable Expenses

1. Employees who incur travel expenses while conducting official SLUSD business may be reimbursed for all reasonable and necessary expenses in accordance with established policies and procedures up to $50.00 per month

TRAVEL EXPENSES (continued)

2. Expense reimbursement in excess of $50.00 per month requires that staff member to be reimbursed on a purchase order. Receipts should be attached to the Requisition Form and forwarded to the Business Office.

3. Account codes should apply to purchased items.

Claim Processing Tips

1. Verify that each claim is signed by the employee and administrator, with a complete accounting string provided.

2. Conference, meeting, and workshop reimbursements require verification of attendance (agenda, completion of training, other evidence of attendance).

3. Verify all columns are totaled and amounts are carried over; Business Office verifies what was submitted and does not prepare the calculations.

4. Original itemized receipts are required. Missing receipts are the primary reason claims are returned to the approving department, which can result in significant delay in reimbursement.

5. Provide the employee number

6. Payment of claims - allow 30 days from the date the form is accepted for processing for the auditing, approval, and payment process.

7. When submitting multiple claims, attach the supporting documents to the corresponding claim.

8. Consultants who will be claiming mileage and hotel accommodation should incorporate these costs in their Independent Contract Agreement.

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

The Board of Trustees recognizes its fiduciary responsibility to effectively manage and safeguard the district's assets and resources in order to help achieve the district's goals for student learning. The Superintendent or designee shall establish and maintain an accurate, efficient financial management system that enhances the district's ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. He/she shall ensure that the district's accounting system provides ongoing internal controls and meets generally accepted accounting standards.

(cf. 3000 - Concepts and Roles)
(cf. 3100 - Budget)
(cf. 3300 - Expenditures and Purchases)
(cf. 3312 - Contracts)
(cf. 3314 - Payment for Goods and Services)
(cf. 3460 - Financial Reports and Accountability)

Capital Assets

The Superintendent or designee shall develop a system to accurately identify and value district assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. District assets with a useful life of more than one year and an initial acquisition cost of $5,000 or more shall be considered capital assets. The Superintendent or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets.

(cf. 3440 - Inventories)

Internal Controls/Fraud Prevention

The Board expects Board members, employees, consultants, vendors, contractors, and other parties maintaining a business relationship with the district to act with integrity and due diligence in dealings involving the district's assets and fiscal resources.

The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the district. These internal controls may include, but are not limited to, segregating employee duties relating to authorization, custody of assets, and recording or reporting of transactions; providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or designee. In addition, the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)

The Superintendent or designee shall have primary responsibility for any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, the district's auditors, law enforcement agencies, or other governmental entities, as appropriate.

Legal Reference:

EDUCATION CODE
14500-14508 Financial and compliance audits
35035 Powers and duties of superintendent
35250 Duty to keep certain records and reports
41010-41023 Accounting regulations, budget controls and audits
42600-42604 Control of expenditures
42647 Drawing of warrants by district on county treasurer; form; reports, statements and other data
GOVERNMENT CODE
53995-53997 Obligation of contract

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Budget Planning and Adoption, 2006
Maximizing School Board Governance: Fiscal Accountability, 2006
School Finance CD-ROM, 2005
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, June 1999
WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org
California Department of Education, School Finance: http://www.cde.ca.gov/fg
California State Controller's Office: http://www.sco.ca.gov
Fiscal Crisis & Management Assistance Team: http://www.fcmat.org
Governmental Accounting Standards Board: http://www.gasb.org
School Services of California: http://www.sscal.com

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

Accounts

The district's accounting system shall fully comply with the definitions, instructions and procedures set forth in the California Department of Education School Accounting Manual. (Education Code 41010)

(cf. 3110 - Transfer of Funds)

Fraud Prevention and Investigation

Fraud, financial improprieties or irregularities include but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the district

2. Forgery or unauthorized alteration of a check, bank draft or any other financial document

3. Misappropriation of funds, securities, supplies or other assets

4. Impropriety in the handling of money or reporting of financial transactions

5. Profiteering as a result of insider knowledge of district information or activities

6. Disclosing confidential and/or proprietary information to outside parties

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)

7. Disclosing investment activities engaged in or contemplated by the district

(cf. 3430 - Investing)

8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the district

9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment

10. Failing to provide financial records to authorized state or local entities

11. Any other dishonest or fraudulent act

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

The Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent or designee shall issue a report to appropriate personnel and to the Board of Trustees. The final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)
(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)

INVESTING

All or part of the special reserve fund of the district, or any surplus monies not required for the immediate necessities of the district, may be invested as allowed by law for public funds. (Education Code 41015; Government Code 16430, 53601-53609, 53635)

The Board recognizes that the district's chief fiscal officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. As such, he/she shall act with care, skill, prudence, and diligence under the prevailing circumstances, including but not limited to the general economic conditions and the anticipated needs of the district. The investment objectives shall be to first safeguard the principal of the funds, then to meet the district's liquidity needs and, third, to achieve a return on the funds. (Government Code 53600.3, 53600.5)

(cf. 9270 - Conflict of Interest)

In order to enhance investment return, the district's goal shall be to generate an investment yield that attains or exceeds a market-average rate of return through economic cycles.

The Board recognizes the importance of overseeing investments made with district funds, including investments by the county treasurer. The Superintendent or designee shall maintain ongoing communication with any county committee established for the purpose of overseeing county investments. In addition, the Superintendent or designee shall keep the Board informed about county policies that guide the investment of these funds.

(cf. 1220 - Citizen Advisory Committees)

Annual Statement of Investment Policy

At a public meeting, the Board shall review this policy and discuss any changes to be made. (Government Code 53646)

Legal Reference: (see next page)

INVESTING (continued)

Legal Reference:

EDUCATION CODE
41001 Deposit of money in county treasury
41002 General fund deposits and exceptions
41002.5 Deposit of certain funds in insured institutions
41003 Funds received from rental of real property
41015 Authorization of and limitation investment of district funds
41017 Deposit of miscellaneous receipts
41018 Disposition of money received
42840-42843 Special reserve fund
GOVERNMENT CODE
16430 Eligible securities for investment of surplus money
17581.5 Mandates contingent upon state funding
27000.3 Fiduciary for deposits in county treasury
27130-27137 County treasury oversight committees
53600-53609 Investment of surplus
53630-53686 Deposit of funds, especially:
53635 Local agency funds; deposit or investment
53646 Treasurer reports and statements of investment policy
53852.5 Investment term for funds designated for repayment of notes
53859.02 Borrowing by local agency

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Fiscal Accountability, 2005
School Finance CD-ROM, 2005
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION PUBLICATIONS
Local Agency Investment Guidelines, 2002, rev. 2004
WEB SITES
California State Treasurer's Office, California Debt and Investment Advisory Commission: http://www.treasurer.ca.gov/cdiac

INVESTING

Quarterly Investment Reports

The district's chief fiscal officer shall prepare quarterly investment reports in accordance with Board policy within 30 days following the end of the quarter covered by the report. These reports shall: (Government Code 53646)

1. State the manner in which the portfolio complies and/or does not comply with the district's investment policy

2. Denote the district's ability to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall not or may not be available

3. Include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments, and monies held by the district

4. Describe any district funds, investments, or programs that are under the management of contracted parties, including lending programs

5. Include the current market value as of the date of the report, and the source of this valuation, for all securities held by the district and under management of any outside party that is not another local agency or the state's local agency investment fund

Whenever district investments have been placed in the state's local agency investment fund, the National Credit Union Share Insurance Fund-insured accounts in a credit union, or from FDIC-insured accounts in a bank or savings and loan association, in a county investment pool, or in any combination of these, the report may include the most recent statement(s) received from these institutions in lieu of the information specified in items #3-5 above. (Government Code 53646)

In the above report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices. (Government Code 53646)

INVENTORIES

In order to provide for the proper tracking and control of district property, the Superintendent or designee shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of $500 (Education Code 35168)

2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of $500 or more per unit

(cf. 3290 - Gifts, Grants and Bequests)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3512 - Equipment)

In addition, the Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property

2. Identification number

3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown

4. Date of acquisition

5. Location of use

6. The date and method of disposal

(cf. 3270 - Sale and Disposal of Books, Equipment and Supplies)

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (34 CFR 80.32; 5 CCR 3946)

1. Source of the property (funding source)

2. Titleholder

3. Percentage of federal participation in the cost of the property

4. Use and condition of property

INVENTORIES (continued)

5. Sale price of the property upon disposition and method used to determine current fair market value

At the time of purchase, the Superintendent or designee shall affix a label to the equipment containing the identification number and the district name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (34 CFR 80.32)

The Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory.

The Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

Legal Reference: (see next page)
Legal Reference:
EDUCATION CODE
35168 Inventory of equipment
CODE OF REGULATIONS, TITLE 5
3946 Control, safeguards, disposal of equipment purchased with consolidated application funds
16022-16023 Classification of records
16035 Historical inventory of equipment
UNITED STATES CODE, TITLE 20
2301-2414 Carl D. Perkins Career and Technical Education Act
CODE OF FEDERAL REGULATIONS, TITLE 34
80.1-80.52 Uniform administrative requirements for grants to state and local governments

Management Resources: (see next page)

INVENTORIES (continued)

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
California School Accounting Manual, 2008
OFFICE OF MANAGEMENT AND BUDGET COMMUNICATIONS
Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, rev. May 10, 2004
WEB SITES
California Association of School Business Officials: http//www.casbo.org
School Services of California, Inc.: http://www.sscal.com
White House, Office of Management and Budget: http://www.omb.gov

STUDENT ACTIVITY FUNDS

Student organizations may raise and spend money in order to promote the general welfare, morale and educational experiences of the students. Student funds shall finance worthwhile activities which go beyond those provided by the district. Minutes shall be kept of student organization meetings and shall properly reflect all financial activities.

(cf. 1321 - Solicitation of Funds from and by Students)
(cf. 3554 - Other Food Sales)

Student funds shall be managed in accordance with sound business procedures designed to encourage the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or unnecessary routine.

With Governing Board approval, student funds shall be held or invested in one of the ways allowed by law. (Education Codes 48933, 48936)

Student funds shall be disbursed according to procedures established by the student organization. All disbursements must be approved by a Board-designated official, the certificated employee who is the student organization advisor, and a student organization representative. (Education Code 48933)

The principal or designee shall be responsible for the proper conduct of all student organization financial activities. The Superintendent or designee shall periodically review the organizations' general financial structures and accounting procedures.

The Board shall provide an annual audit of student accounts by a certified public accountant or licensed public accountant. Auditing cost shall be paid from district funds. (Education Code 41020)

Legal Reference: (see next page)

STUDENT ACTIVITY FUNDS (Continued)

Legal Reference:

EDUCATION CODE
35182.5 Non-nutritious foods and beverages, vending machines
35564 Funds, obligation of the student body
41020 Requirement for annual audit
48930-48938 Student body organization
49431 Sale of food and beverages, elementary school
49431.5 Sale of food and beverages, middle and high schools
51520 School premise, prohibited solicitations
51521 Fund-raising projects
CODE OF REGULATIONS, TITLE 5
15500 Food sales, elementary schools
15501 Food sales, middle and junior high schools
COURT DECISIONS
Prince v. Jacoby, (2002) 303 F.3d 1074

Management Resources:

FISCAL CRISIS MANAGEMENT & ASSISTANCE TEAM PUBLICATIONS
Associated Student Body Accounting Manual & Desk Reference, 2005
WEB SITES
California Department of Education: http://www.cde.ca.gov
Fiscal Crisis Management & Assistance Team: http://www.fcmat.org

FINANCIAL REPORTS AND ACCOUNTABILITY

The Board of Trustees is committed to ensuring public accountability and the fiscal health of the district. The Board shall adopt sound fiscal policies, oversee the district's financial condition, and continually evaluate whether the district's budget and financial operations support the district's goals for student achievement.

(cf. 3100 - Budget)
(cf. 3110 - Transfer of Funds)
(cf. 3300 - Expenditures and Purchases)
(cf. 3430 - Investing)
(cf. 4143/4243 - Negotiations/Consultation)
(cf. 9000 - Role of the Board)

The Superintendent or designee shall ensure that all financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education (CDE). He/she shall establish a system of ongoing internal controls to ensure the reliability of financial reporting.

(cf. 3400 - Management of District Assets/Accounts)

When required by law or the Board, the Superintendent or designee shall submit to the Board reports of the district's financial status, including, but not limited to, any report specified in this Board policy or accompanying administrative regulation. When any such report must be approved by the Board prior to its submission to a local, state, and/or federal agency, the Superintendent or designee shall provide the report to the Board in sufficient time to enable the Board to carefully review the report and meet any applicable submission deadline.

The Board shall regularly communicate the district's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the district's financial stability.

(cf. 1340 - Access to District Records)

If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the district's fiscal health and may contract with an external individual or organization to advise the district on fiscal matters.

Unaudited Actual Receipts and Expenditures

On or before September 15, the Board shall approve and file with the County Superintendent a statement of the district's unaudited actual receipts and expenditures for the preceding fiscal year. The Superintendent or designee shall prepare this statement using the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42100)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Gann Appropriations Limit Resolution

On or before September 15, the Board shall adopt a resolution identifying, pursuant to Government Code 7900-7914, the district's estimated appropriations limit for the current fiscal year and the actual appropriations limit for the preceding fiscal year. Documentation used to identify these limits shall be made available to the public on the day of the Board meeting. (Education Code 42132; Government Code 7910)

(cf. 9322 - Agenda/Meeting Materials)

Interim Reports/Certification of Ability to Meet Fiscal Obligations

The Superintendent or designee shall submit two interim fiscal reports to the Board, the first report covering the district's financial and budgetary status for the period ending October 31 and the second report covering the period ending January 31. The reports and supporting data shall be made available by the district for public review. (Education Code 42130)

Within 45 days after the close of the period reported, the Board shall approve the interim report and certify, on the basis of the interim report and any additional financial information known by the Board, whether the district will be able to meet its fiscal obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. The certification shall be classified as one of the following: (Education Code 42130, 42131)

1. "Positive certification" indicating that the district will meet its financial obligations for the current fiscal year and two subsequent fiscal years

2. "Qualified certification" indicating that the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years

3. "Negative certification" indicating that the district will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year

The Superintendent or designee shall submit a copy of each interim report and certification to the County Superintendent using the state's SACS software, as prescribed by the SPI. (Education Code 42130, 42131)

If the district's certification is subsequently changed by the County Superintendent from a positive to a qualified or negative certification, or from a qualified to a negative certification, the Board may appeal the decision to the SPI within five days of receiving the notice of change. (Education Code 42131)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Whenever the district receives a qualified or negative certification from the Board or the County Superintendent, the Superintendent or designee shall cooperate in the implementation of any remedial actions taken or prescribed by the County Superintendent under the authority granted to him/her pursuant to Education Code 42131.

If the second interim report is accompanied by a qualified or negative certification, the Board shall, no later than June 1, provide to the County Superintendent, the State Controller, and the SPI a financial statement as of April 30 ("third interim report") that projects the district's fund and cash balances through June 30. (Education Code 42131)

At any time during the year when the County Superintendent conducts a comprehensive review of the district's financial and budgetary conditions after he/she has determined that the district's budget does not comply with state criteria and standards for fiscal stability, the Board shall review the County Superintendent's recommendations at a public Board meeting. Within 15 days of receiving the report, the district shall notify the County Superintendent and the SPI of its proposed actions on the recommendation. (Education Code 42637)

Audit Report

By April 1 of each year, the Board shall provide for an annual audit of the district's books and accounts. (Education Code 41020)

To conduct the audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy from among those deemed qualified by the State Controller. (Education Code 41020, 41020.5)

The Board shall not select any public accounting firm to provide audit services if the lead or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for the district in each of the six previous fiscal years. (Education Code 41020)

No later than December 15, the report of the audit for the preceding fiscal year shall be filed with the County Superintendent, the CDE, and the State Controller. (Education Code 41020)

Prior to December 15 whenever possible, but in no case later than January 31, the Board shall review, at an open meeting, the annual district audit for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or any issue raised in a management letter. (Education Code 41020.3)

The Board shall have an opportunity at the meeting to ask questions of the auditor and request further information about the audit findings.

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Audit Committee

The Board may appoint an audit committee composed of staff knowledgeable about fiscal matters, other staff, and representatives of the community.

(cf. 1220 - Citizen Advisory Committees)
(cf. 9130 - Board Committees)
(cf. 9140 - Board Representatives)

The committee shall serve in an advisory capacity and may:

1. Make recommendations regarding the selection of the external independent auditor in accordance with Education Code 41020 and 41020.5

2. Review the plan for the audit process with the independent auditor to determine the adequacy of the nature, scope, and timetable of the audit

3. Review the results of the audit and participate with the independent auditor and management in preparing final recommendations and responses

4. Participate with the independent auditor in presenting the audit report to the Board

5. Review Board policies and administrative regulations to recommend any revisions needed to ensure effective financial reporting

6. Provide input on the effectiveness of the independent auditor

7. Periodically report to the Board regarding the status of previous audit recommendations for improving the accounting and internal control systems

Legal Reference: (see next page)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Legal Reference:

EDUCATION CODE
1240 Duties of county superintendent of schools
14500-14508 Financial and compliance audits
17150-17150.1 Public disclosure of non-voter-approved debt
17170-17199.5 California School Finance Authority
33127 Standards and criteria for local budgets and expenditures
33128 Standards and criteria; inclusions
33129 Standards and criteria; use by local agencies
35035 Powers and duties of superintendent
41010-41023 Accounting system
41326 Emergency apportionment
41344 Repayment of apportionment significant audit exceptions
41344.1 Appeals of audit findings
41455 Examination of financial problems of local districts
42100-42105 Requirement to prepare and file annual statement
42120-42129 Budget requirements
42130-42134 Financial reports and certifications
42140-42142 Public disclosure of fiscal obligations
42637 County superintendent review of district's financial and budgetary conditions
42652 Revocation or suspension of warrant authority
48300-48316 Student attendance alternatives
GOVERNMENT CODE
3540.2 School district; qualified or negative certification; proposed agreement review and comment
7900-7914 Appropriations limit
16429.1 Local agency investment fund
53646 Reports of investment policy and compliance
CODE OF REGULATIONS, TITLE 5
15060 Standardized account code structure
15070 Submission of reports using standardized account code structure
15440-15451 Criteria and standards for school district budgets
15453-15464 Criteria and standards for school district interim reports
19810-19816.1 Audits
UNITED STATES CODE, TITLE 31
7501- 7507 Single audits of federal program funds

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Fiscal Accountability, 2006
CALIFORNIA DEPARTMENT OF EDUCATION COMMUNICATIONS
New Financial Reporting Requirements for Postemployment Benefits Other than Pensions, February 26, 2007
Audit Resolution Process: Repayment Plans, December 8, 2000
FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS
Fiscal Oversight Guide for AB 1200, AB 2756 and Subsequent Related Legislation, September 2006
GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS
Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, March 2009

Management Resources continued: (see next page)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Management Resources: (continued)

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (continued)
Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004
Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999
STATE CONTROLLER PUBLICATIONS
Standards and Procedures for Audits of California K-12 Local Educational Agencies (annual publication)
U.S. GOVERNMENT ACCOUNTABILITY OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS
Government Auditing Standards, 2011
Financial Audit Manual, revised 2008
U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULARS
A-133 Audits of States, Local Governments, and Non-Profit Organizations
WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org
California County Superintendents Educational Services Association: http://www.ccsesa.org
California Department of Education, Finance and Grants: http://www.cde.ca.gov/fg
Education Audit Appeals Panel: http://www.eaap.ca.gov
Fiscal Crisis and Management Assistance Team: http://www.fcmat.org
Governmental Accounting Standards Board: http://www.gasb.org
School Services of California: http://www.sscal.com
State Controller's Office: http://www.sco.ca.gov
U.S. Government Accountability Office: http://www.gao.gov
U.S. Office of Management and Budget: http://www.whitehouse.gov/omb

FINANCIAL REPORTS AND ACCOUNTABILITY

Interim Reports

Each interim fiscal report developed pursuant to Education Code 42130 shall include an assessment of the district budget as revised to reflect current information regarding the adopted state budget, district property tax revenues, if any, and ending balances for the preceding fiscal year. The report shall be based on State Board of Education (SBE) criteria and standards which address fund and cash balances, reserves, deficit spending, estimation of average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, and facilities maintenance. (Education Code 33128.3, 42130; 5 CCR 15453-15464)

The report shall also provide supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions (i.e., projected contributions from unrestricted general fund resources to restricted general fund resources, projected transfers to or from the general fund to cover operating deficits in the general fund or any other fund, and capital project cost overruns that may impact the general fund budget), long-term commitments, unfunded liabilities, temporary interfund borrowings, the status of labor agreements, and the status of other funds. (Education Code 42130; 5 CCR 15453, 15464)

(cf. 3100 - Budget)
(cf. 3220.1 - Lottery Funds)
(cf. 3300 - Expenditures and Purchases)
(cf. 3314 - Payment for Goods and Services)

Audit Report

The Superintendent or designee shall establish a timetable for the completion and review of the audit within the deadlines established by law.

The Superintendent or designee shall provide the necessary financial records and cooperate with the auditor selected by the Board of Trustees to ensure that the audit report contains all information required by law and the Governmental Accounting Standards Board (GASB).

The audit shall include an audit of income and expenditures by source of funds for all funds of the district, including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the district, as well as an audit of student attendance procedures. (Education Code 41020)

(cf. 3430 - Investing)
(cf. 3451 - Petty Cash Funds)
(cf. 3452 - Student Activity Funds)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

If the district participates in the school district of choice program to accept interdistrict transfers, the Superintendent or designee shall notify the auditor, prior to the commencement of the audit, that the audit must include a review of the district's compliance with specified program requirements. (Education Code 48301)

(cf. 5117 - Interdistrict Attendance)

When required by federal law, specified records pertaining to the audit of federal funds received and expended by the district shall be transmitted to the federal clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the fiscal year, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or a different period is specified in a program-specific audit guide. (31 USC 7502)

If an audit finding results in the district being required to repay an apportionment or pay a penalty, the district may appeal the finding to the Education Audit Appeals Panel by making an informal summary appeal within 30 days of receiving the final audit report or initiating a formal appeal within 60 days of receiving the report. (Education Code 41344, 41344.1)

While a public accounting firm is performing the audit of the district, it shall not provide any nonauditing, management, or other consulting services for the district except as provided in Government Auditing Standards, Amendment #3, published by the U.S. Government Accountability Office. (Education Code 41020)

Fund Balance

In accordance with GASB Statement 54, external financial reports shall report fund balances in the general fund within the following classifications based on the relative strength of constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact

2. Restricted fund balance, including amounts constrained to specific purposes by their providers or by law

3. Committed fund balance, including amounts constrained to specific purposes by the Board

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

4. Assigned fund balance, including amounts which the Board or its designee intends to use for a specific purpose

5. Unassigned fund balance, including amounts that are available for any purpose

Negative Balance Report

Whenever the district reports a negative unrestricted fund balance or a negative cash balance in its annual budget or annual audit report, it shall include in the budget a statement that identifies the reasons for the negative unrestricted fund balance or negative cash balance and the steps that have been taken to ensure that the negative balance will not occur at the end of the current fiscal year. (Education Code 42127.5)

Non-Voter-Approved Debt Report

Upon approval by the Board to proceed with the issuance of revenue bonds or any agreement for financing school construction pursuant to Education Code 17170-17199.5, the Superintendent or designee shall notify the County Superintendent of Schools and the county auditor. The Superintendent or designee shall provide the Board, the County Auditor, the County Superintendent, and the public with related repayment schedules and evidence of the district's ability to repay the obligation. (Education Code 17150)

(cf. 7214 - General Obligation Bonds)

When the Board is considering the issuance of certificates of participation and other debt instruments that are secured by real property and do not require the approval of the voters of the district, the Superintendent or designee shall provide notice to the County Superintendent and County Auditor no later than 30 days before the Board's approval to proceed with issuance. The Superintendent or designee shall provide the Board, the County Auditor, the County Superintendent, and the public with information necessary to assess the anticipated effect of the debt issuance, including related repayment schedules, evidence of the district's ability to repay the obligation, and the issuance costs. (Education Code 17150.1)

Other Postemployment Benefits Report (GASB 45)

In accordance with GASB Statement 45, the district's financial statements shall report the annual expense of nonpension other postemployment benefits (OPEBs) on an accrual basis over retirees' active working lifetime, as determined by a qualified actuary procured by the Superintendent or designee. To the extent that these OPEBs are not prefunded, the district shall report a liability on its financial statements.

(cf. 4154/4254/4354 - Health and Welfare Benefits)
(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

The Superintendent or designee shall annually present the estimated accrued but unfunded cost of OPEBs and the actuarial report upon which those costs are based at a public meeting of the Board. (Education Code 42140)

The amount of the district's financial obligation for OPEBs shall be reevaluated every two or three years in accordance with GASB 45 depending on the number of members in the OPEB plan.

Workers' Compensation Claims Report

The Superintendent or designee shall annually provide the Board, at a public meeting, information and related actuarial reports showing the estimated accrued but unfunded cost of workers' compensation claims. The estimate of costs shall be based on an actuarial report completed at least every three years by a qualified actuary. (Education Code 42141)