

CONCEPTS AND ROLES

The Board of Trustees recognizes that prudent financial decisions are crucial to the district's ability to provide a high-quality education for students. It is therefore essential that the Board establish reliable budget development processes and adopt a responsible budget with spending priorities which reflect the district's vision and goals. When needed, the Board shall advocate and seek community, state or federal support for additional financing.

(cf. 0100 - Philosophy)
(cf. 0200 - Goals for the School District)

The Board expects sound fiscal management from the administration. The Superintendent or designee shall prepare the detailed annual budget and present it to the Board for review and adoption. He/she shall administer the adopted budget in accordance with Board policies and accepted business procedures.

(cf. 3100 - Budget)
(cf. 3400 - Management of District Assets/Accounts)

The Board shall monitor financial operations so as to ensure the district's fiscal integrity. The Superintendent or designee shall make all required financial reports, recommend auditor(s) to the Board, recommend financial plans for meeting program needs, and keep the Board fully informed about the district's fiscal and noninstructional operations.

(cf. 3460 - Financial Reports and Accountability)

The Board shall make every effort to ensure that the district provides healthy school environments and maintains high standards of safety in the operation of facilities, equipment and services. The Superintendent or designee shall establish a risk management program that promotes safety and protects district resources.

(cf. 3514 - Environmental Safety)
(cf. 3515 - Campus Security)
(cf. 3530 - Risk Management/Insurance)
(cf. 9000 - Role of the Board)

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

BUDGET

The Board of Trustees accepts responsibility for adopting a sound budget for each fiscal year which is aligned with the district's vision, goals, and priorities. 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. 3000 - Concepts and Roles)

(cf. 3300 - Expenditures/Expending Authority)

(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. (Education Code 42122)

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.

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

The Board encourages public input in the budget development process and shall hold public hearings and meetings in accordance with law.

The Board may appoint a budget advisory committee composed of members of the community and staff. The committee shall provide recommendations to the Board during the budget development process. Duties of the committee shall be clearly defined and communicated to all members.

(cf. 1220 - Citizen Advisory Committees)

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 Board also shall establish budget assumptions or parameters which may take into consideration the stability of funding sources, enrollment trends, legal requirements and constraints, anticipated increases and/or decreases in the cost of services and supplies, use of one-time resources, categorical program requirements, scheduled salary increases, and any other factors necessary to ensure that the budget is a realistic plan for district revenues and expenditures.

The Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of 5 CCR 15443.

BUDGET (continued)

Prior to adopting the budget, the Board shall conduct a first-tier review, and if necessary a second-tier review, to ensure that the budget meets standards and criteria adopted by the State Board of Education. (Education Code 33127, 33128, 33129; 5 CCR 15440-15452)

The Superintendent or designee shall ensure that the district budget is clearly presented and effectively communicated to the Board, staff, and public. He/she may adapt or supplement the state-required budget format as necessary for these purposes.

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 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, and/or other significant changes occur that impact budget projections.

(cf. 3110 - Transfer of Funds)

Legal Reference: (see next page)

BUDGET (continued)

Legal Reference:

EDUCATION CODE

33127 *Development of standards and criteria for local budgets and expenditures*

33128 *Standards and criteria*

33129 *Standards and criteria; use by local agencies*

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; publication of notice of hearing*

42103.3 *Public budget information; CDE sampling and suggested improvements*

42120-42129 *Budget requirements*

42132 *Resolutions identifying estimated appropriations limit*

42602 *Use of unbudgeted funds*

42610 *Appropriation of excess funds and limitation thereon*

45253 *Annual budget of personnel commission*

45254 *First year budget of personnel commission*

GOVERNMENT CODE

7900-7914 *Expenditure limitations*

CODE OF REGULATIONS, TITLE 5

15060 *Standardized account code structure*

15440-15452 *Criteria and standards for school district budgets*

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Budget Planning and Adoption, 2005

Maximizing School Board Governance: Understanding District Budgets, 2005

CDE PUBLICATIONS

California School Accounting Manual

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999

Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004

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>

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 Adoption and Submission Process

Before adopting the district budget for the subsequent fiscal year, the Board of Trustees shall hold a public hearing. An 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. (Education Code 42103, 42127)

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 before the hearing.

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

(cf. 9320 - Meetings and Notices)

(cf. 9323 - Meeting Conduct)

The district's budget shall be presented in the format prescribed by the Superintendent of Public Instruction. (Education Code 42126)

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)

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. (Education Code 42127)

TRANSFER OF FUNDS

Transfers may be made from the designated fund balance or the unappropriated fund balance to any expenditure classification or between expenditure classifications by the Board of Trustees on adoption of a resolution by a majority vote.

The resolution must be filed with the County Superintendent of Schools and the county auditor. (Education Code 42600)

End-of-the-Year Procedures

At the close of the school year, the Superintendent or designee may, with Board approval, identify and request the County Superintendent of Schools to make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s) or balance any budget expenditure classifications as necessary to permit the payment of obligations incurred by the district during that school year. (Education Code 42601)

Temporary Transfers Between Classifications

The Board may direct that monies held in any fund or account may be temporarily transferred from one or more of these accounts to another fund or account to be used for the payment of obligations of the district, with limitations as set by Education Code 42603. The transfer shall be accounted for as temporary borrowing and shall not be available for appropriation or be considered income to the borrowing fund or account. (Education Code 42603)

Special Reserve Funds

Upon resolution of the Board, a special reserve fund may be established for such purpose(s) as specified in the resolution. A copy of the resolution shall be filed with the County Superintendent of Schools, as well as the county auditor and treasurer. As necessary, the Board may amend the resolution to specify additional purposes or to withdraw any previously designated purpose. (Education Code 42841)

The Board may expend the money in the special reserve fund for capital outlay for the purpose specified in the resolution. In addition, unless encumbered for ongoing expenses, the Board may expend money in the fund for the general operating purposes of the district. Any money in a special reserve fund that is maintained for purposes other than capital outlay must be transferred into the district's general fund before it is expended. (Education Code 42842)

Adult Education Funds

Adult education funds expended for the operational costs of the adult education program shall be transferred to the general fund in accordance with Education Code 52616.4.

TRANSFER OF FUNDS (continued)

Deferred Maintenance Funds

Funds deposited in the district's deferred maintenance fund may be received from any source and shall only be expended for maintenance purposes as provided for in Education Code 17582. (Education Code 17582)

Upon resolution of the Board, excess local funds deposited in the deferred maintenance fund may be transferred to other expenditure classifications when state funds provided pursuant to Education Code 17584 and 17585 are insufficient to fully match the local funds. The resolution shall be approved by a two-thirds vote of the Board and filed with the County Superintendent of Schools and the county auditor. (Education Code 17583)

State School Building Funds

The Board shall transfer to the district state school building fund all funds which are required to be expended for the project for which the apportionment was made. (Education Code 16095)

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

17582 Deferred maintenance fund; establishment; purpose

17583 Deferred maintenance fund; transfer

17584 Budgeting certification deferred maintenance fund; apportionment

17585 Applications for deferred maintenance funding

41301 Section A state school fund allocation schedule

42125 Designated and unappropriated fund balances

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

DEFERRED MAINTENANCE FUNDS

In order to help meet the district's facility maintenance needs, the Board of Trustees shall discuss proposals and plans for expenditures of deferred maintenance facility funds at a regularly scheduled public hearing.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

(cf. 7000 - Concepts and Roles)

(cf. 7210 - Facilities Financing)

In any year that the district does not set aside one-half of one percent of its current-year revenue limit average daily attendance for deferred maintenance, the Board shall submit a report, by March 1, to the Legislature, with copies to the Superintendent of Public Instruction, the State Board of Education, the Department of Finance, and the State Allocation Board. (Education Code 17584.1)

The report shall include all of the following: (Education Code 17584.1)

1. A schedule of the complete school facilities deferred maintenance needs of the district for the current year, including a schedule of costs per school site and total costs
2. A detailed description of the district's spending priorities for the current year, and an explanation of why those priorities, or any other considerations, have prevented the district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to participate in the state deferred maintenance funding program as set forth in Education Code 17584
3. An explanation of how the Board plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Education Code 17584

Copies of the report shall be made available at each school site and shall be provided to the public upon request. (Education Code 17584.1)

(cf. 3580 - District Records)

Legal Reference:

EDUCATION CODE

17565-17591 Property maintenance and control, especially:

17584 Deferred maintenance

17584.1 Deferred maintenance reports

Management Resources:

WEB SITES

Department of General Services, Office of Public School Construction: <http://www.dgs.ca.gov/opsc/>

LOTTERY FUNDS

The Board of Trustees intends to use lottery funds for supplemental and nonrecurring expenditures which support educational programs and activities. In recognition of the fact that amounts received from the California State Lottery fluctuate from year to year, the Board shall not commit lottery funds for any purpose until they have been received.

The Board shall establish funding priorities and approve all allocations within the parameters of law. Lottery funds allocated for the purchase of instructional materials pursuant to Government Code 8880.4 (Proposition 20, March 2001 ballot initiative) shall be expended on instructional materials as defined in Education Code 60010.

"Instructional materials" means all materials that are designed for use by students and their teachers as a learning resource to help students to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted, and may include textbooks, technology-based materials, other educational materials and tests. (Education Code 60010)

(cf. 6161 - Equipment, Books and Materials)
(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

Lottery funds shall not be used to acquire real estate, build school facilities, finance research, or serve any other noninstructional purpose, such as those related to school maintenance, business and administrative operations.

The Board encourages staff and community members to participate in determining how lottery funds will be used. The Superintendent or designee may solicit input through district advisory groups, school site councils, and/or individual students, staff, parents/guardians and community members.

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

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

(cf. 3100 - Budget)

Legal Reference: (see next page)

LOTTERY FUNDS (continued)

Legal Reference:

EDUCATION CODE

14600 *Legislative findings and declarations: state control of lottery funds*

14700-14701 *Use of lottery funds*

60010 *Definitions*

60119 *Hearings, steps to ensure availability of textbooks and instructional materials*

GOVERNMENT CODE

8880-8880.5 *California state lottery: general provisions*

Management Resources:

CDE COMMUNICATIONS

2001.05.10 *Proposition 20 - Allocation of Lottery Funds for Instructional Materials*

WEB SITES

CDE: <http://www.cde.ca.gov>

TRANSPORTATION FEES

Because the cost of providing student transportation exceeds funding provided by the state, the Board of Trustees finds it necessary to charge fees for home-to-school student transportation.

The Superintendent or designee shall annually submit proposed transportation fee schedules for Board approval. Fees shall be determined on the basis of operating costs in accordance with law.

No charge shall be made for any transportation of students whose individualized education program requires transportation or whose parents/guardians are determined indigent pursuant to administrative regulations.

(cf. 3540 - Transportation)

(cf. 3541.2 - Transportation for Students with Disabilities)

Legal Reference:

EDUCATION CODE

10913 Fees for uses of school buses for community recreation purposes

35330 Excursions or field trips

39800-39860 Transportation, especially:

39801.5 Transportation fees for adults

39807.5 Payment of transportation cost; amount of payment

39809.5 Excess fees; adjustments

39837 Fees for summer employment transportation

41850 Home-to-school and special education transportation

49557 Applications for free and reduced price meals

49558 Confidentiality of applications and records

56026 Individuals with exceptional needs

CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

CODE OF FEDERAL REGULATIONS, TITLE 7

245.8(a) Nondiscrimination practices for children eligible to receive free and reduced price meals and free milk

COURT DECISIONS

Arcadia Unified School District et al v. State Department of Education, 2 Cal. 4th 251 (1992)

Hartzell v. Connell, 35 Cal.3d 899 (1984)

Management Resources:

CDE MANAGEMENT ADVISORIES

0619.92 Fees for Pupil Transportation (#92-05)

CDE PROGRAM ADVISORIES

0609.95 School transportation fee exemption for handicapped children and pupils whose parents or guardians are indigent (LO: 2-95)

TRANSPORTATION FEES

Fee Schedule and Collection

Transportation fees charged by the district shall not exceed the statewide average nonsubsidized cost of providing such transportation to a student on a publicly owned or operated transit system, as determined by the Superintendent of Public Instruction. (Education Code 39807.5)

The total amount received by the district from the state and parent/guardian fees shall not exceed the actual operating cost of home-to-school transportation during the fiscal year. If excess fees are collected due to errors in estimated costs, fees shall be reduced in succeeding years. (Education Code 39809.5)

The Board of Trustees shall certify to the County Superintendent of Schools that the district has levied fees in accordance with law and that, in the event that excess fees have been charged, the fees have been reduced and excess fee revenue eliminated. (Education Code 39809.5)

Bus passes and tickets shall be sold at all district schools and at the district office. No money shall be collected on school buses.

Fees for Additional Services

In addition to charging fees for home-to-school transportation provided in accordance with Education Code 39800, the district shall charge fees for students traveling to and from their places of employment during the summer in connection with a summer employment program for youth. (Education Code 39837)

The district may also charge fees for:

1. Students traveling to full-time occupational classes provided by a Regional Occupational Program or Center (Education Code 39807.5)
2. Matriculated or enrolled adults traveling to and from school, or adults pursuing other educational purposes (Education Code 39801.5)
3. Community recreation as provided in Education Code 39835 (Education Code 10913)

(cf. 3541 - Transportation Routes and Services)

TRANSPORTATION FEES (continued)

Exemption from Fees

Eligibility for free transportation based on indigency shall be based on the income eligibility scales used for the free and reduced-price lunch program and/or proof of receipt of Temporary Assistance to Needy Families (TANF).

(cf. 3553 - Free and Reduced Price Meals)

At the beginning of the school year and whenever a new student is enrolled, parents/guardians shall receive information about free transportation eligibility standards, application procedures and appeal procedures.

(cf. 5145.6 - Parental Notifications)

All applications and records related to eligibility for free transportation shall be confidential and used only for purposes directly connected with the free transportation program.

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

(cf. 5125 - Student Records)

Students receiving free transportation shall not be identified by the use of special bus passes, tickets, lines, seats or any other means. They shall in no way be treated differently from other students, nor shall their names be published, posted or announced in any manner or used for any purpose other than the transportation program.

FEES AND CHARGES

The Board of Trustees desires to furnish books, materials and instructional equipment as needed for the educational program. Because the needs of the district must be met with limited available funds, the Board may charge fees when specifically authorized by law.

The district shall consider the student and parent/guardian's ability to pay when establishing fee schedules and granting exceptions.

(cf. 1321 - Solicitation of Funds from and by Students)

(cf. 3250 - Transportation Fees)

(cf. 3290 - Gifts, Grants and Bequests)

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

(cf. 3553 - Free and Reduced Price Meals)

(cf. 5143 - Insurance)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 9323.2 - Actions by the Board)

Legal Reference: (see next page)

FEES AND CHARGES (continued)

Legal Reference:

EDUCATION CODE

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
38080-38085 Cafeteria establishment and use
38119 Lease of personal property; caps and gowns
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
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

VEHICLE CODE

21113 Public grounds (parking)

CALIFORNIA CONSTITUTION

Article 9, Section 5 Common school system

CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

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:

CDE MANAGEMENT ADVISORIES

1030.97 Fiscal Management Advisory 97-02: Fees Deposits and Other Charges

WEB SITES

CDE: <http://www.cde.ca.gov>

FEES AND CHARGES

The district shall charge only those fees specifically authorized by law. (5 CCR 350)

The following fees and charges are permissible if approved by the Board of Trustees:

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 school and regional occupational centers, programs or classes, as long as the fee does not exceed the statewide average nonsubsidized cost per student and so 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. Physical education uniforms

(cf. 6142.7 - Physical Education)

10. Rental or lease of personal property needed for district purposes, such as caps and gowns used by seniors in graduation ceremonies (Education Code 38119)

FEES AND CHARGES (continued)

(cf. 5127 - Graduation Ceremonies and Activities)

11. Deposit for band instruments, music, uniforms and other regalia which school band members take on excursions to foreign countries (Education Code 38120)
12. Fees for community service classes (Education Code 51815)
13. Eye safety devices, at a price not to exceed the district's actual costs (Education Code 32033)

(cf. 5142 - Safety)

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

(cf. 1340 - Access to District Records)

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

(cf. 5020 - Parent Rights and Responsibilities)

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

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

(cf. 3553 - Free and Reduced Price Meals)

(cf. 3554 - Other Food Sales)

17. 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)

18. Tuition for out-of-state and out-of-country residents (Education Code 48050, 48052, 52613; 8 USC 1184)

(cf. 5111.1 - District Residency)

(cf. 5111.2 - Nonresident Foreign Students)

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

(cf. 6200 - Adult Education)

FEES AND CHARGES (continued)

20. Child care and development services (Education Code 8263)

(cf. 5148 - Child Care and Development)

21. Parking on school grounds (Vehicle Code 21113)

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

When district-owned books, equipment and supplies become unusable, obsolete, or no longer needed, the Superintendent or designee shall identify these items to the Board of Trustees, together with their estimated value and a recommendation that they be sold or disposed of by one of the methods prescribed in law and administrative regulations. With Board approval, the Superintendent or designee shall arrange for the sale or disposal of these items.

Instructional materials may be considered obsolete or unusable when they:

1. Contain information rendered inaccurate or incomplete by new discoveries or technologies
2. Have been replaced by more recent versions or editions of the same material and are of no foreseeable value in other instructional areas
3. Contain demeaning, stereotyping or patronizing references to either sex, members of racial, ethnic, religious, vocational or cultural groups, or persons with physical or mental disabilities
4. Have been inspected and discovered to be damaged beyond use or repair

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:

EDUCATION CODE

17540-17542 Sale or lease of personal property by one district to another

17545-17555 Sale of personal property

42291.5 Temporary school bus designation

42303 School bus sale to another district

60500 Determination of obsolescence

60510-60511 Donation or sale

60520-60521 Disposition of sale proceeds

60530 Methods of destruction

GOVERNMENT CODE

25505 District property; disposition; proceeds

UNITED STATES CODE, TITLE 40

484 Surplus property

CODE OF FEDERAL REGULATIONS, TITLE 34

80.32 Equipment acquired under a grant or subgrant

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

The Board of Trustees may dispose of personal property belonging to the district by any of the following methods:

1. If the Board members attending a meeting unanimously agree that the property is worth no more than \$2,500, the Board may designate any district employee to sell the property without advertising. (Education Code 17546)
2. The Board may advertise for bids and either sell the property to the highest responsible bidder or reject all bids. (Education Code 17545)

Notice for bids shall be posted in at least three public places in the district for at least two weeks or published at least once a week for at least two weeks in a newspaper having a general circulation in the district and, if possible, published within the district. (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)

3. The Board may authorize the sale of the property 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 #2 above. (Education Code 17545)
4. Without advertising for bids, the Board may sell 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(j)(3)). In such cases, the sale price shall equal the cost of the property plus estimated cost of purchasing, storing and handling. (Education Code 17540)
5. Without advertising for bids, the Board may sell or lease the property to agencies of federal, state or local government or to any other schooldistrict. In such cases, the price and terms of the sale or lease shall be fixed by the Board and approved by the County Superintendent of Schools. (Education Code 17542)
6. 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)

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

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 donated to any governing board, county free library or other state institution; any United States public agency or institution; any nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing literacy. They also may be sold to any organization that agrees to use the materials for educational purposes. (Education Code 60510)

Any organization, agency or institution receiving obsolete instructional materials from the district shall certify to the Board that it agrees to use the materials for educational purposes and make no charge to any persons to whom the materials are given or lent. (Education Code 60511)

At least 60 days before disposing of these instructional materials, the Board shall notify the public of its intention to do so through a public service announcement on a local television station, in a local newspaper, or by another means the Board believes will most effectively reach the entities described above. The Board shall also permit representatives of these entities and members of the public to address the Board regarding the distribution of these materials.

(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. By being mutilated so as not to be salable and sold for scrap at the highest obtainable price
2. By being destroyed by any economical means at least 30 days after the Board has given notice to all persons who have requested such notice

(cf. 9323.2 - Actions by the Board)

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

School Buses

Upon receiving a state apportionment for the replacement of a school bus, the Board may sell the bus that is being replaced to another California school district if the following conditions are met: (Education Code 42303)

1. The other district is replacing a bus that is in service and has not been designated a temporary school bus pursuant to Education Code 42291.5.
2. The bus being replaced by the other district is older than the bus that is being sold by this district.
3. The bus being replaced by the other district is not sold to a third school district.
4. The other district, by Board resolution, holds the state and this district harmless for any liability that may result from the bus that this district is selling.
5. The proceeds from the sale of the bus shall be used by this district for home-to-school transportation purposes.
6. Before the sale is finalized, the bus being sold is in compliance with all relevant provisions of the Vehicle Code and 13 CCR.

SALE, LEASE, RENTAL OF DISTRICT-OWNED REAL PROPERTY

The Board of Trustees shall dispose of district property whenever it is apparent the district will have no further use for it. If property currently unused will be needed at some future time, the Board may lease it to a governmental or private agency or individual. (Education Code 17453, 17455-17484)

When required by law, the Board shall appoint a district advisory committee to advise the Board in the development of policies and procedures governing the use or disposition of schools or school building space which is not needed for school purposes. (Education Code 17388)

Before offering to sell or lease surplus real property to any other parties, the district may offer it to designated child care providers for child care and development purposes.

The sale, lease or rental of district property for child care purposes shall be especially encouraged for programs that are properly licensed, provide adequate insurance coverage, are financially self-supporting and maintain a safe environment through good management and supervision.

(cf. 5148 - Child Care and Development)

When surplus property is not sold or leased to child care providers, the Board shall offer to sell or lease it, with an option to buy, in accordance with the priorities set forth in Education Code 17464 and 17230 and in Government Code 54222.

Any lease or sale made by the Board will conform in all particulars to the provisions of law.

Legal Reference:

EDUCATION CODE

8469.5 Use of school facilities or grounds for school age child care

17022 Approval of new facilities

17219 Acquisition of property not utilized as school site; nonuse payments; exemptions

17230 Surplus property

17385 Conveyances to and from school districts

17387-17391 Advisory committees for use of excess school facilities

17406 Right of district to lease property under lease providing for construction of building

17453 Lease of surplus district property

17455-17484 Sale or lease of real property

17515-17526 Joint occupancy

17527-17535 Joint use of district facilities

38134 Groups which may use school facilities without charge; charges for use by other groups

GOVERNMENT CODE

54222 Offer to sell or lease property

SALE, LEASE, RENTAL OF DISTRICT-OWNED REAL PROPERTY

The district advisory committee on use or disposition of surplus school buildings or space shall consist of seven to 11 members representative 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 supervisors
3. Landowners or renters, with preference to representatives of neighborhood associations
4. Teachers
5. Administrators
6. Parents of students
7. Persons with expertise in environmental impact, legal contracts, building codes, land use planning, local zoning, and other local land use restrictions

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 its recommendations regarding uses of surplus space and real property

Sale, Lease or Rental for Child Care Purposes

Any surplus real property sold or leased to designated child care providers for child care and development purposes shall comply with legally specified outdoor activity space requirements for child care facilities. The provisions of Education Code 17458 shall apply to any such sale or lease.

SALE, LEASE, RENTAL OF DISTRICT-OWNED REAL PROPERTY (continued)

The use of district facilities or grounds for extended day care services shall be granted only in accordance with the provisions of Education Code 38134. (Education Code 8469.5)

(cf. 1330 - Use of School Facilities)

GIFTS, GRANTS AND BEQUESTS

The Board of Trustees may accept any bequest or gift of money or property on behalf of the district. While greatly appreciating suitable donations, the Board discourages any gifts which may directly or indirectly impair its commitment to providing equal educational opportunities for all district students.

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

Before accepting a gift, the Board shall consider whether the gift:

1. Has a purpose consistent with the district's vision and philosophy
2. Begins a program which the Board would be unable to continue when the donated funds are exhausted
3. Entails undesirable or excessive costs
4. Implies endorsement of any business or product

(cf. 1325 - Advertising and Promotion)

The Board shall carefully evaluate any conditions or restrictions imposed by the donor in light of district philosophy and operations. If the Board feels the district will be unable to fully satisfy the donor's conditions, the gift shall not be accepted.

Gift books and instructional materials shall be accepted only if they meet regular district criteria.

(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.

Legal Reference:

EDUCATION CODE

1834 Acquisition of materials and apparatus

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

EXPENDITURES/EXPENDING AUTHORITY

The Superintendent or designee may purchase supplies, materials, equipment and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required.

(cf. 3310 - Purchasing Procedures)

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

The Superintendent or designee may authorize an expenditure which exceeds the budget classification allowance against which the expenditure is the proper charge only if an amount sufficient to cover the purchase is available in the budget for transfer by the Board of Trustees.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

All transactions entered into by the Superintendent or designee on behalf of the Board shall be reviewed by the Board every 60 days. (Education Code 17605)

No district funds shall be expended for the purchase of alcoholic beverages. (Education Code 32435)

The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

Legal Reference:

EDUCATION CODE

17604 Delegation of powers to agents; liability of agents

17605 Delegation of authority to purchase supplies and equipment

32435 Prohibited use of public funds

35010 Control of district; prescription and enforcement of rules

35035 Powers and duties of superintendent

35272 Educational and athletic materials

38083 Purchase of perishable foodstuffs and seasonal commodities

41010 Accounting system

41014 Requirement of budgetary accounting

PUBLIC CONTRACT CODE

20111 Contracts over \$50,000; contracts for construction; award to lowest responsible bidder

PURCHASING PROCEDURES

The Superintendent or designee shall maintain effective purchasing procedures in order to ensure that maximum value is received for money spent by the district and that records are kept in accordance with law.

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)

All purchases shall be made by formal contract or purchase orders, or shall be accompanied by a receipt.

(cf. 3300 - Expenditures/Expending Authority)
(cf. 3312 - Contracts)

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

35250 Duty to keep certain records and reports

GOVERNMENT CODE

4331 Preference to supplies manufactured or produced in state

PUBLIC CONTRACT CODE

3410 U.S. produce and processed foods

12168 Preference for recycled paper products

12210 Purchase of recycled products

PURCHASING PROCEDURES

Preferred Products

Whenever recycled products of equal fitness and quality are available at no more than the cost of nonrecycled products, the district should give preference to recycled products. The district also may give preference to the suppliers of recycled products. (Public Contract Code 12168, 12210)

Price, fitness and quality being equal, the district shall give preference to supplies manufactured, grown or produced in California, and shall next prefer supplies partially manufactured, grown or produced in California. (Government Code 4331)

When purchasing food, the district shall give preference to produce grown in the United States and/or processed in the United States insofar as this is economically feasible considering the total cost, quantity and quality of the food. (Public Contract Code 3410)

BIDS

The district shall purchase equipment, supplies and services using competitive bidding when required by law and in accordance with statutory requirements for bidding and bidding procedures. In those circumstances where the law does not require competitive bidding, the Board of Trustees may request that a contract be competitively bid if the Board determines that it is in the best interest of the district to do so.

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

To ensure that good value is received for funds expended, specifications shall be carefully designed and shall describe in detail the quality, delivery and service required.

To assist the district in determining whether bidders are responsible, the Board may require prequalification procedures as allowed by law and specified in administrative regulation.

(cf. 9270 - Conflict of Interest)

Legal Reference: (see next page)

BIDS (continued)

Legal Reference:

EDUCATION CODE

17595 Purchases through Department of General Services
38083 Purchase of perishable foodstuffs and seasonable commodities
38110 Purchase of supplies through county superintendent
38111 Purchases by district governing board
38112 Purchases of necessary supplies
39802 Transportation bids and contracts for services

GOVERNMENT CODE

4330-4334 Preference of 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

2001-2001 Responsive bidders
3400 Bids, specifications by brand or trade name not permitted
3410 United States produce and processed foods
6610 Bid visits
12161 Definitions, recycled paper products
12168 Preference for purchase of recycled paper products
12169 Bidders to specify percentage of recycled paper product
12200 Definitions, recycled goods, materials and supplies
12210 Purchase of recycled products preferred
12213 Specification by bidder of recycled content
20103.8 Award of contracts
20107 Bidder's security
20111-20118.4 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

COURT DECISIONS
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

Management Resources:

WEB SITES

CSBA: www.csba.org
California Association of School Business Officials: www.casbo.org

BIDS

Advertised Bids

The district shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. (Public Contract Code 20111)

"Public project" includes construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition and repair work involving a district owned, leased or operated facility. (Public Contract Code 22002)

The amount by which contracts shall be competitively bid shall escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction.

Competitive bids shall be sought through advertisement for contracts exceeding \$62,400 for the following: (Public Contract Code 20111; Government Code 53060)

1. The purchase of equipment, material or supplies to be furnished, sold or leased to the district
2. Services, not including construction services, or special services and advice such as accounting, financial, legal or administrative matters
3. Repairs, including maintenance that is not a public project

"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. This definition does not include, among other types of work, janitorial or custodial services and protection provided by security forces, nor does it include painting, repainting or decorating other than touchup. (Public Contract Code 20115)

Unless otherwise authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Board of Trustees requires, or else all bids shall be rejected. (Public Contract Code 20111)

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

BIDS (continued)

The Board shall secure bids pursuant to Public Contract Code 20111 and 20112 for any transportation service expenditure of more than \$10,000 when contemplating that such a contract 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. The Board may let this contract to other than the lowest bidder. (Education Code 39802)

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 for contracting after competitive bidding. (Public Contract Code 20116)

Instructions and Procedures for Advertised Bids

The Superintendent or designee shall call for bids by advertising in a local newspaper or general circulation published in the district, or if no such paper exists then in some newspaper of general circulation, circulated in the county at least once a week for two weeks. The notice shall state the work to be done or materials or supplies to be furnished and the time and place where bids will be opened. (Public Contract Code 20112)

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 final plan and specifications, are available. Any such mandatory visit or meeting shall not occur within a minimum of five calendar days of the publication of the initial notice. (Public Contract Code 6610)

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

1. All bidders, including bidders for printing contracts, shall specify the minimum, if not exact, percentage of recycled product in the paper products offered, and both the postconsumer and secondary waste content. (Public Contract Code 12169, 12213)
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

BIDS (continued)

- The security of unsuccessful bidders shall be returned in a reasonable period of time, in no event any later than 60 days after the bid is awarded. (Public Contract Code 20111)
3. 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)
 4. When two or more identical lowest or highest bids are received, the Board may determine by lot which bid shall be accepted. (Public Contract Code 20117)
 5. 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, depending on the availability of funds, 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, will be used: (Public Contract Code 20103.8)
 - a. The lowest bid shall be the lowest bid price 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 taken in order from a specifically identified list of those items, depending on available funds as identified in the solicitation.
 - d. The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders from being revealed to the public entity before the ranking of all bidders from lowest to highest has been determined.
 6. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.
 7. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for review pursuant to law, Board policy, and administrative regulation.

(cf. 1340 - Access to District Records)

BIDS (continued)

Bids Not Required

Upon a determination that it is in the best interest of the district, the Board may authorize the purchase, lease or contract for data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property through a public corporation or agency ("piggyback") without advertising for bids. (Public Contract Code 20118)

(cf. 3310 - Purchasing Procedures)

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)

Perishable commodities such as foodstuffs may be purchased through bid or on the open market, depending on district preference. (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, by unanimous vote and with the approval of the County Superintendent of Schools, may contract for labor and materials or supplies without advertising for or inviting bids. (Public Contract Code 20113)

(cf. 9323.2 - Actions by the Board)

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

Whenever the total number of hours on the job does not exceed 350 hours, day labor may be used to erect new buildings and for the following purposes: (Public Contract Code 20114)

1. School building repairs, alterations, additions
2. Painting, repainting or decorating of school buildings
3. Repair or building of apparatus or equipment
4. Improvements on school grounds
5. Maintenance work as defined above

BIDS (continued)

Sole Sourcing

Specifications for contracts for construction, alteration or repair of school facilities may not limit bidding to any one product or supplier. Specifications designating a particular brand name shall list at least two brands of comparable quality or utility and follow the description with the words "or equal." (Public Contract Code 3400)

Specifications for contracts may designate a product by brand or trade name (sole sourcing) when one or more of the following conditions apply: (Public Contract Code 3400)

1. The product is designated to match others in use on a particular public improvement that has been completed or is in the course of completion.
2. One product has a unique application required to be used in the public interest.
3. Only one brand or trade name is known.
4. Upon resolution of the Board, the Board makes a finding that the item sought is the subject of a field test to determine its suitability for future use.

Prequalification Procedure

For any contract for which bids are legally required, the Board may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or designee shall supply a form which requires a complete statement of the bidder's financial ability and experience in performing public works. Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. The 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)

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 deemed prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

The Superintendent or designee shall furnish each qualified bidder with a standardized proposal form. Bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)

BIDS (continued)

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)

Protests by Bidders

A bidder may protest a bid award if he/she believes that the award was inconsistent with Board policy or the bid's specifications or was not in compliance with law.

A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to timely file a protest 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 days. The Superintendent or designee also may 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 time for Board consideration of the contract award. The Board's decision shall be final.

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/Expending Authority)
(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

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-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 this 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.

CONTRACTS (continued)

(cf. 3100 - Budget)

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

(cf. 3460 - Financial Reports and Accountability)

2. Procedures to ensure that district personnel do not handle cash or product at the school site. The contract shall specify that the vendor stock the machines and shall provide cash accounting, along with a check, for district proceeds directly to the control office.

In addition, the contract may specify whether contractor logos are permitted on district facilities, including but not limited to scoreboards and other equipment. If such logos are permitted, the contractor shall present the equipment to the Board as a gift. The gift may be accepted by the Board in accordance with Board policy and administrative regulation.

(cf. 3290 - Gifts, Grants and Bequest)

To ensure that funds raised by the contract benefit district schools and students:

1. The Superintendent or designee may form a committee consisting of parents/guardians, students, staff and interested community members to make recommendations regarding the contract, including recommendations as to how the funds will be spent in a manner that benefits public education.

(cf. 1220 - Citizen Advisory Committees)

2. Prior to ratifying the contract, the Board shall designate the specific programs and activities that will be funded by the proceeds of the contract and consider how the contract reflects the district's vision and goals.

(cf. 0000 - Vision)

(cf. 0100 - Philosophy)

(cf. 0200 - Goals for the School District)

3. The contract shall specify that the contractor report, on a quarterly basis, to the Superintendent or designee the number of food items or beverages sold within the district and the amount of money raised by the sales. The Superintendent or designee shall report these amounts to the Board on a regular basis.
4. The Superintendent or designee shall ensure that the contract does not limit the ability of student and parent organizations to plan and operate fund-raising activities.

(cf. 1230 - School-Connected Organizations)

(cf. 1321 - Solicitation of Funds from and by Students)

(cf. 3554 - Other Food Sales)

CONTRACTS (continued)

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. 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 Board may satisfy the public hearing requirement by either: (Education Code 35182.5)

1. Reviewing the contract at a public hearing of the Child Nutrition and Physical Activity Advisory Committee established pursuant to Education Code 49433
2. Holding an annual public hearing to review and discuss existing and potential contracts for food and beverage sales on campuses, including food and beverages sold as a full meal, through competitive sales and through vending machines

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 35182.5)

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)

(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)

CONTRACTS (continued)

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)
(cf. 6162.7 - Use of Technology in Instruction)

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*

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

Healthy Food Policy Resource Guide, 2003

WEB SITES

CSBA: <http://www.csba.org>

CASBO: <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 desires to have invoices paid on time in order that the district may take advantage of available discounts and avoid finance charges. The district shall not be responsible for unauthorized purchases.

(cf. 3300 - Expenditures/Expending Authority)
(cf. 3312 - Contracts)
(cf. 3314.2 - Revolving Funds)
(cf. 3400 - Management of District Assets/Accounts)

The Superintendent or designee may pay invoices in excess of previously approved purchase order amounts without further Board approval when the excess amount represents sales tax, transportation charges or charges made for the detention of a shipment during loading or unloading.

Legal Reference:

EDUCATION CODE

42630-42651 General provisions - 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

5500 Definitions (facsimile signatures)

5501 Filing and certification of manual signature

5503 Unlawful use of facsimile signatures or seals

PUBLIC CONTRACT CODE

7107 Retention proceeds; withholding; disbursement

20104.50 Construction progress payments

PAYMENT FOR GOODS AND SERVICES

Payments Related to Construction

The Superintendent or designee shall ensure that requests for progress payments related to construction contracts are processed and paid within 30 days. Any improper request shall be returned to the contractor within seven days, together with a written statement of why the request is not proper. (Public Contract Code 20104.50)

Retention proceeds withheld by the district from payments to contractors for construction 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% of the disputed amount. (Public Contract Code 7107)

Authorized Signatures

The Superintendent or designee may file his/her manual signature with the Secretary of State and may subsequently have a facsimile signature used when executing any instrument of payment. The facsimile signature also may be used to execute any public security, provided that at least one signature required or permitted to be placed on it shall be manually subscribed. (Government Code 5501)

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

41020 Audits of all district funds

42238 Local taxation by school districts

42800-42806 Revolving cash fund

42810 Revolving cash funds; use; administrators

45167 Error in salary

RELATIONS WITH VENDORS

No district employee or Board of Trustees member shall accept personal gifts, commissions or expense-paid trips from individuals or companies selling equipment, materials or services required in the operation of district programs. Gifts include any gift purchased specifically for an employee which is not generally offered to other buyers.

This policy does not prohibit employees from accepting promotional or advertising items such as calendars, desk pads, notebooks and other office gadgets which are offered by business concerns free to all as part of their public relations programs.

District employees who work for or serve as consultants for potential vendors shall not participate in evaluating any equipment, materials or services of that vendor or its competitors.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 9270 - Conflict of Interest)

This policy does not prohibit the acceptance of materials and/or services which are of use and benefit to the district.

(cf. 3290 - Gifts, Grants and Bequests)

Legal Reference:

EDUCATION CODE

60071 *Prohibited offers to influence adoption or purchase of instructional materials*

60072 *Acceptance of consideration or inducements by school official*

60073 *Penalties for violation of article*

60074 *Supplying sample copies*

60075 *Receiving sample copies*

60076 *Inapplicability of article; royalties or other compensation of school official for writing or preparing instructional materials; claim of district to royalty*

CLAIMS AND ACTIONS AGAINST THE DISTRICT

Any and all claims for money or damages against the district shall be presented to and acted upon in accordance with Board policy and administrative regulation.

Compliance with this policy and accompanying administrative regulation is a prerequisite to any court action, unless the claim is governed by statutes or regulations which expressly free the claimant from the obligation to comply with district policies and procedures and the claims procedures set forth in the Government Code.

The Board of Trustees delegates to the Superintendent the authority to allow, compromise or settle claims of \$50,000 or less. (Government Code 935.4)

This policy is intended to apply 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. Any changes to such information shall be filed within 10 days after the change in facts. (Government Code 53051)

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)

Legal Reference:

EDUCATION CODE

35200 *Liability for debts and contracts*

35202 *Claims against districts; applicability of Government Code*

GOVERNMENT CODE

800 *Cost in civil actions*

810-996.6 *Claims and actions against public entities*

53051 *Information filed with secretary of state and county clerk*

PENAL CODE

72 *Fraudulent claims*

COURT DECISIONS

CSEA v. Azusa Unified School District, (1984) 152 Cal.App.3d 580

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 specifically excepted from Government Code 905 shall be filed not later than six months after the accrual of the cause of action. (Government Code 905, 911.2, 935)
3. 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 filed not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)

Late Claims

Any person presenting a claim under item #1 or #2 above later than six months after the accrual of the cause of action shall present, along with the claim, an application to file a late claim. Such claim and application to file a late claim shall be filed not later than one year after the accrual of the cause of action. (Government Code 911.4)

If a claim under item #1 or #2 is filed late and is not accompanied by an application to file a late claim, the Board or Superintendent shall, within 45 days, give written notice that the claim was not filed timely and that it is being returned without further action.

The Board or Superintendent shall grant or deny the application to file 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 or Superintendent provided that such agreement is made before the expiration of the 45-day period. (Government Code 911.6)

The Board or Superintendent shall grant the application to file a late claim under any one of the following circumstances: (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 of the claim by the 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.

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

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 the form set forth in Government Code 911.3. (Government Code 911.3)

If the Board or Superintendent does not take action on the application to file a late claim within 45 days, the application shall be deemed to have been denied on the 45th day unless such 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)

Delivery and Form of Claim

A claim, any amendment thereto, or an application to present a late claim shall be deemed presented and received when delivered to the office of the Superintendent 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. (Government Code 915, 915.2)

Claims shall be submitted on the district claim form. The Board or Superintendent may return a claim not using the district's claim form and the claim may be resubmitted using the district's form. (Government Code 910.4)

Notice of Claim Insufficiency

The Superintendent shall review all claims for sufficiency of information.

If the claim is found insufficient or found not to satisfy the form requirements under Government Code 910.4, the Board or Superintendent may, within 20 days of receipt of the claim, either personally deliver or mail to the claimant, at the address stated in the claim or application, a notice stating with particularity the defects or omission in the claim. (Government Code 910.8, 915.4)

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

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

Amendments to Claim

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

Action on Claim

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 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 been commenced or barred by legal limitations. (Government Code 912.4)

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

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.

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 Superintendent or designee shall transmit to the claimant written notice of action taken or 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)

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**CLAIM FORM AGAINST ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT
Government Code Sections 910 and 910.2**

Name of Claimant: _____

Address: _____

Phone Number: _____ (day) _____ (evening) _____

Date the injury/damage occurred: _____

Place the injury/damage occurred: _____

Describe how and under what circumstances the injury/damage occurred: _____

What particular action by the district and/or its employees caused the alleged damage or injury: (List employee name(s), if known): _____

State the amount of the claim if it is less than \$10,000: \$ _____

Include the estimated amount of any prospective injury, damage or loss insofar as it may be known at the time this claim is presented and list the basis for the computation of the amount claimed: _____

If the dollar amount is more than \$10,000, no dollar amount shall be stated but please indicate whether the claim is a *limited civil claim* (total dollar amount less than \$25,000):

Limited Civil Case: Yes _____ No _____

Names, addresses and phone numbers of any witnesses, doctors, and hospitals: _____

Warning: It is unlawful to knowingly present or cause to be presented any false or fraudulent claim for payment of a loss or injury. Penal Code 72 provides that a person who files such a claim may be guilty of a felony punishable by imprisonment and by a fine not exceeding \$10,000.

Signature: _____

Date: _____

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**NOTICE OF FAILURE TO USE DISTRICT'S CLAIM FORM
Government Code Section 910.4**

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim you presented to the Superintendent or designee on [date] is being returned because it was not presented on the district's claim form as required by Government Code Section 910.4 and in accordance with Board policy and administrative regulation. Because the claim was not presented on the district's form, no action was taken on the claim. You may resubmit your claim using the district's claim form, which may be obtained at the district office. Note that your claim must still comply with the time limits in the Government Code specified for filing of such claims. For further information, call [phone number].

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**NOTICE OF INSUFFICIENCY
Government Code Section 910.8**

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim presented by you on [date] fails to comply substantially with the requirements of Government Code Sections 910 and 910.2 or with the requirements of the district's claim form provided under Government Code Section 910.4. Specifically, your claim is insufficient because of the following defects or omissions:

Therefore, the claim is being returned to you without further action or consideration. If you wish to pursue this further, you should consult the Government Code or legal counsel.

The Board of Trustees will not take any action on the claim for a period of fifteen (15) days from the date of this notice.

Dated: _____

Signature

Typed Title of Officer

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**NOTICE OF FAILURE TO FILE IN A TIMELY MANNER
Government Code Section 911.3**

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim you presented to the Superintendent or designee on [date] is being returned because it was not presented within six months after the event or occurrence as required by law. See Sections 901 and 911.2 of the Government Code. Because the claim was not presented within the time allowed by law, no action was taken on the claim.

Your only recourse at this time is to apply without delay to [district name] for leave to present a late claim. See Sections 911.4 to 912.2, inclusive, and Section 946.6 of the Government Code. Under some circumstances, leave to present a late claim will be granted. See Section 911.6 of the Government Code.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**DENIAL OF APPLICATION TO FILE A LATE CLAIM
Government Code Section 911.8**

TO: [Claimant]
[Address]

RE: Claim Filed [date]

Your application to file a late claim presented on [date] has been denied. The Board of Trustees has determined that your claim does not satisfy one of the four conditions listed in Government Code Section 911.6.

WARNING

If you wish to file a court action on this matter, you must first petition the appropriate court for an order relieving you from the provisions of Government Code Section 945.4 (claims presentation requirement). See Government Code Section 945.6. Such petition must be filed with the court within six (6) months from the date your application for leave to present a late claim was denied.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

CLAIMS AND ACTIONS AGAINST THE DISTRICT

**NOTICE OF ACTION TAKEN ON CLAIM
Government Code Section 913**

Dear _____:

Notice is hereby given that the claim you presented to the [district name] on [date] was [rejected, allowed, allowed in the amount of \$ _____ and rejected to the balance, rejected by operation of law or other appropriate language, whichever is applicable] on [date of action or rejection by operation of law].

WARNING

Subject to certain exceptions, you have only six (6) months from the date this letter was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Dated: _____

Signature

Typed Title of Officer

TRAVEL EXPENSES

The Board of Trustees shall authorize payment for actual and necessary expenses, including travel, incurred by any employee performing authorized services for the district.

The Superintendent or designee may approve employee requests to attend meetings in accordance with the adopted budget.

(cf. 4131 - Staff Development)

(cf. 4131.5 - Professional Growth)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

Expenses shall be reimbursed within limits approved by the Board. The Superintendent or designee shall establish procedures for the submission and verification of expense claims. He/she may authorize an advance of funds to cover necessary expenses.

The Board may establish an allowance on either a mileage or monthly basis to reimburse authorized employees for the use of their own vehicles in the performance of assigned duties.

All out-of-state travel for which reimbursement will be claimed shall have Board approval.

Authorized employees may use district credit cards while attending to district business. Under no circumstances may personal expenses be charged on district credit cards.

(cf. 9240 - Board Development)

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

Legal Reference:

EDUCATION CODE

44016 Travel expense

44032 Travel expense payment

44033 Automobile allowance

44802 Student teacher's travel expense

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

The Superintendent or designee shall establish and maintain accurate, efficient financial management systems to meet the district's fiscal obligations, produce useful information for financial reports, and safeguard the district's resources. He/she shall ensure that the district's accounting system provides ongoing internal controls and meets generally accepted accounting standards.

(cf. 3100 - Budget)

(cf. 3300 - Expenditures/Expending Authority)

(cf. 3312 - Contracts)

(cf. 3460 - Financial Reports and Accountability)

Capital Assets

The Board of Trustees recognizes the importance of accurately identifying and valuing 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)

Fraud Prevention and Investigation

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

The Superintendent or designee shall be responsible for developing internal controls which aid in the prevention and detection of fraud, financial impropriety or irregularity within the district. Each member of the management team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her area of responsibility.

An employee who suspects fraud, impropriety or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or designee. The Superintendent or designee shall have primary responsibility for any necessary investigations, in coordination with legal counsel and other internal or external departments and agencies as appropriate.

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

Legal Reference: (see next page)

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

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 Leadership: Finance, 1996

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, June 1999

WEB SITES

Governmental Accounting Standards Board: <http://www.gasb.org>

CDE, School Fiscal Services: <http://www.cde.ca.gov/fiscal>

State Controller's Office: <http://www.sco.ca.gov>

Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>

School Services of California: <http://www.sscal.com>

California Association of School Business Officials: <http://www.casbo.org>

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)

The Superintendent or designee shall ensure that funds are encumbered in the district accounting records immediately after an expenditure is committed for subsequent payment.

(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. 4119.26/4219.26/4319.26 - 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

The Superintendent or designee may invest as permitted by law all or part of the special reserve fund of the district or any surplus monies not required for immediate district operations. Such investments shall be limited to securities specified in Government Code 16430, 53601 and 53635.

The Board of Trustees recognizes that the Superintendent or designee has fiduciary responsibility and is subject to prudent investor standards for all investment decisions. As such, district investments must be made with skill, prudence and diligence, with the primary objective of safeguarding the principal of the funds and with the secondary objective of meeting the district's liquidity needs. In order to enhance investment return, the district's third investment objective 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 committees established for the purpose of overseeing county investments. In addition, the Superintendent or designee shall keep the Board informed about policies that guide the investment of these funds.

The Superintendent or designee shall annually provide to the Board and any district investment oversight committee a statement of the district's investment policy or, if all district surplus funds are invested with the county treasurer, the county's investment policy.

At a public meeting, the Board shall review this policy and discuss any changes to be made. If the Board decides not to invest surplus funds in the county treasury, the Superintendent or designee also shall provide the Board quarterly reports with specified components, including a statement of how the district portfolio compares with the district's investment policy. (Government Code 53646)

(cf. 3460 - Financial Reports and Accountability)

(cf. 9270 - Conflict of Interest)

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 moneys*
- 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*

INVENTORIES

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

1. All items currently valued in excess of \$500 (Education Code 35168)
2. All items purchased with federal funds that have a useful life of more than one year with an acquisition cost per unit of \$5,000 or more (34 CFR 80.3)

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

(cf. 3290 - Gifts, Grants and Bequests)

(cf. 3512 - Equipment)

The Superintendent or designee shall maintain an inventory of all property. The following information must be recorded: (Education Code 35168)

1. Name and description of the property
2. Name of titleholder
3. Serial number or other identification number
4. Cost of the property (a reasonable estimate may be used if original cost is unknown)
5. Acquisition date
6. Location of use
7. Any ultimate disposition data including the date and method of disposal and sale price

The following information must also be recorded for items acquired with federal funds: (34 CFR 80.32)

1. Source of the property (funding source)
2. Use and condition of property
3. Percentage of federal participation in the cost of the property

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

INVENTORIES (continued)

Each school shall maintain a copy of its inventory and provide a copy of this inventory to the district office. Copies of all district inventories shall be kept at the district office.

Legal Reference:

EDUCATION CODE

35168 *Inventory of equipment*

CODE OF REGULATIONS, TITLE 5

3946 *Control, safeguards, disposal of equipment purchased with state and federal consolidated application funds*

16023 *Class 1 - Permanent records*

16035 *Historical inventory of equipment*

UNITED STATES CODE, TITLE 20

2301-2471 *Carl D. Perkins Vocational Education Act*

CODE OF FEDERAL REGULATIONS, TITLE 34

80.1-80.52 *Uniform administration requirements for grants to state and local governments*

Management Resources:

OFFICE OF MANAGEMENT AND BUDGET

Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, May 17, 1995

PETTY CASH FUNDS

The purpose of a petty cash fund is to have cash available in the office of the principal or other administrative officer for express charges, postage due and other unforeseen small expenses which cannot conveniently be charged and handled in the usual manner.

1. The amount of cash funds at any school site shall not exceed \$50.
2. The principal or administrative official in whose name the fund is created will be responsible for all expenditures made from it.
3. Each disbursement will be supported by a cash register tape, a sales slip or other evidence of the expenditure. Such evidence will be summarized monthly, or earlier if the fund needs replenishment.
4. The documents and the summary will be forwarded to the business office where a check will be issued to replenish the fund.
5. The amount on deposit plus receipts of disbursement must always equal the original amount of the fund.
6. Funds will be regularly audited by the business office.
7. Funds are subject to audit by the district's auditor.
8. Money left overnight in schools shall be kept in a safe or secured place.

(cf. 3314.2 - Revolving Funds)

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

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35250 Duty to keep certain records

41020 Requirement for annual audit

42800-42810 Revolving funds

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 Board of Trustees approval, student funds shall be held or invested in one of the following ways:

1. Deposited or invested in a federally insured bank or savings and loan; or in a state or federally insured credit union. (Education Code 48933)
2. Invested in U.S. savings bonds or obligations. (Education Code 48933)
3. Loaned to other district student organizations or invested in district property improvements pursuant to Education Code 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)

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

Legal Reference:

EDUCATION CODE

41020 Requirement for annual audit

48930-48938 Student body organization

FINANCIAL REPORTS AND ACCOUNTABILITY

The Board of Trustees is committed to ensuring the fiscal health of the district and providing public accountability. The Board shall adopt sound fiscal policies, oversee the district's financial condition, and ensure that the financial systems support the district's goals for student achievement.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

(cf. 3300 - Expenditures/Expending Authority)

(cf. 3430 - Investing)

(cf. 9000 - Role of the Board)

The Superintendent or designee shall provide the Board with financial reports throughout the year in accordance with law and as otherwise requested by 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.

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

(cf. 3440 - Inventories)

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.

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.

Audit Committee

The Board may establish an audit committee composed of staff knowledgeable in fiscal matters, other staff, and representatives of the community. The committee shall serve in an advisory capacity to the Board and shall:

1. Make recommendations regarding the selection of the external independent auditor
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

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

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

(cf. 1220 - Citizen Advisory Committees)

Fiscal Policy Team

The Board may establish a fiscal policy team to periodically review the district's fiscal policies and procedures and advise the Board regarding long-range fiscal management plans. The fiscal policy team may be assigned to examine the fiscal and economic information needs of the district, the impact of budget allocations on district priorities, the financial health of the district, or other duties specified by the Board. The team shall work with the district's budget and audit committees and appropriate staff in carrying out its functions.

Legal Reference:

EDUCATION CODE

- 14500-14508 Financial and compliance audits*
- 17150 Public disclosure of non-voter-approved debt*
- 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*
- 42127.6 School district operations monitoring; financial obligation nonpayment*
- 42130-42134 Financial reports and certifications*
- 42140-42142 Public disclosure of fiscal obligations*

GOVERNMENT CODE

- 3540.2 School district; qualified or negative certification; proposed agreement review and comment*
- 16429.1 Local agency investment fund*
- 53646 Reports of investment policy and compliance*

CODE OF REGULATIONS, TITLE 5

- 15070 Submission of reports using standardized account code structure*
- 15453-15463 Criteria and standards for school district interim reports*

Management Resources: (see next page)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2005

CDE COMMUNICATIONS

1208.00 Audit Resolution Process: Repayment Plans

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999

Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004

U.S. GENERAL ACCOUNTING OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS

Financial Audit Manual, revised 2003

STATE CONTROLLER PUBLICATIONS

Standards and Procedures for Audits of California K-12 Local Educational Agencies (annual publication)

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 Accounting Office: <http://www.gao.gov>

FINANCIAL REPORTS AND ACCOUNTABILITY

Interim Reports

The Superintendent or designee shall submit two interim fiscal reports to the Board of Trustees, 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 also be made available by the district for public review. (Education Code 42130)

(cf. 1340 - Access to District Records)

Within 45 days after the close of the period reported, the Board shall assess the interim report on the basis of criteria adopted by the State Board of Education pursuant to Education Code 33127 and on current information regarding the adopted state budget, district property tax revenues if any, and ending balances for the preceding year. The Board shall approve the fiscal report and send it to the County Superintendent of Schools in a format or on forms prescribed by the Superintendent of Public Instruction. In addition, the Board shall submit its certification of the district's financial status based on current projections, in accordance with the following: (Education Code 42130, 42131; 5 CCR 15453-15463)

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.

If the Board files a qualified or negative certification for the second report of the fiscal year, or if its second report is classified as qualified or negative by the County Superintendent, the Superintendent or designee shall, no later than June 1, provide to the County Superintendent, the Controller, and the Superintendent of Public Instruction a financial statement that reports data for the period ending April 30 and projects the district's fund and cash balances as of June 30. (Education Code 42131)

Whenever the district has a qualified or negative certification, it shall allow the county office of education at least 10 working days to review and comment on any proposed agreement with exclusive representatives of employees. The district shall provide the County Superintendent with all information relevant to provide an understanding of the financial impact of any final collective bargaining agreement. (Government Code 3540.2)

(cf. 4141/4241 - Collective Bargaining Agreement)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)**Annual Financial Report**

On a form prescribed by the Superintendent of Public Instruction, the Superintendent or designee shall prepare a statement of all receipts and expenditures of the district for the preceding fiscal year. On or before September 15, the Board shall approve this statement and file it with the County Superintendent. (Education Code 42100)

The district's annual financial statements shall include:

1. Management's discussion and analysis, which shall introduce the basic financial statements and provide an analytical overview of the district's financial activities, including:
 - a. An objective and easily readable analysis of the district's financial activities based on currently known facts, decisions, and conditions
 - b. Comparisons of the current year to the prior year
 - c. An analysis of the district's overall financial position, enabling a determination as to whether that position has improved or deteriorated as a result of the year's activities
 - d. An analysis of significant changes that occur in funds and significant budget variances
 - e. A description of capital asset and long-term debt activity during the year
 - f. A description of currently known facts, decisions, and conditions that are expected to have a significant effect on the district's financial position
2. Basic financial statements, including:
 - a. Districtwide financial statements, consisting of a statement of net assets and a statement of activities which report all of the assets, liabilities, revenues, expenses, and gains and losses of the district
 - b. Fund financial statements, consisting of a series of statements that focus on information about the district's major governmental and enterprise funds, including its blended component units
 - c. Notes to the financial statements that are essential to a user's understanding of the basic financial statements

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

3. Supplementary information required by the Governmental Standards Accounting Board, including but not limited to budgetary comparison schedules

Appropriations Limit Report

The Board shall adopt a resolution by September 30 of each year to identify the estimated appropriations limit for the district for the current fiscal year and the actual appropriations limit of the district during the preceding year. Documentation used to identify these limits shall be made available to the public on the day of the Board meeting. (Education Code 42132)

Non-Voter-Approved Debt Report

Whenever the Board approves the issuance of certificates of participation bonds, revenue bonds, or any agreement for financing school construction, the Superintendent or designee shall notify the County Superintendent 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. Within 15 days, the County Superintendent and county auditor may comment publicly to the Board regarding the district's capability to repay the debt. (Education Code 17150)

Audit Report

By April 1 of each year, the Board shall either provide for an audit of the district's books and accounts, including an audit of income and expenditures by source of funds, or make arrangements with the County Superintendent to provide for that audit. (Education Code 41020)

The audit shall include 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. 3451 - Petty Cash Funds)

(cf. 3452 - Student Activity Funds)

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

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

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)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

The Board shall not select any public accounting firm to provide audit services if the lead audit partner 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)

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

No later than December 15, the Superintendent or designee shall file the report of the audit for the preceding fiscal year with the County Superintendent, the California Department of Education, and the State Controller. (Education Code 41020)

By January 31 of each year, 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)

(cf. 9322 - Agenda/Meeting Materials)

Accrued Benefits and Claims Report

The Superintendent or designee shall plan for the implementation of the Governmental Accounting Standards Board Statement 45, including the procurement of a qualified actuary to perform the required actuarial study. In addition, the Superintendent or designee shall recommend actions to the Board that mitigate the financial impact to the district as a result of this change in the method of accounting for post-employment health and welfare benefits.

(cf. 4154/4254/4354 - Health and Welfare Benefits)

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 Board shall disclose, as a separate agenda item, whether or not it will reserve in the budget sufficient amounts to fund the present value of these 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)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Investment Reports

Within 30 days of the end of each quarter, the Superintendent or designee shall provide the Board with quarterly reports of district investments that are more than \$25,000. This report: (Government Code 53646)

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

(cf. 3430 - Investing)

2. Shall 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. May include the most recent statement(s) received from 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
4. Shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments, and monies held by the district other than those specified in item #3 above
5. Shall describe any district funds, investments, or programs that are under the management of contracted parties, including lending programs
6. Shall include the current market value, 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

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