

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

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

Capital Assets

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

Internal Controls/Fraud Prevention

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

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

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or designee. In addition, the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity via an anonymous tip line.

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

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

The Superintendent or designee shall provide regular reports to the Board on the status of the district's internal control procedures and recommend any necessary revisions to related Board policies or administrative regulations.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the Board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References

	Description
Ed. Code 14500-14508	Financial and compliance audits
Ed. Code 35035	Powers and duties of the superintendent; transfer authority
Ed. Code 35250	Duty to keep certain records and reports
Ed. Code 41010-41023	Accounting regulations, budget controls and audits
Ed. Code 42600-42603	Control of expenditures
Ed. Code 42647	Drawing of warrants by district on county treasurer; form; reports, statements and other data
Gov. Code 53995-53997	Obligation of contract

Management Resources References

	Description
Governmental Accounting Standards Board Statement	Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999
Website	Governmental Accounting Standards Board
Website	State Controller's Office
Website	California Department of Education, Finance and Grants
Website	California Association of School Business Officials
Website	Fiscal Crisis and Management Assistance Team
Website	School Services of California, Inc.
Website	CSBA

Cross References

	Description
3000	Concepts And Roles
3100	Budget
3110	Transfer of Funds
3230	Federal Grant Funds
3300	Expenditures And Purchases
3312	Contracts
3314	Payment For Goods And Services
3314.2	Revolving Funds
3430	Investing
3440	Inventories
3451	Petty Cash Funds
3452	Student Activity Funds
3460	Financial Reports And Accountability
3470	Debt Issuance And Management
3511	Energy And Water Management
3530	Risk Management/Insurance
3551	Food Service Operations/Cafeteria Fund
4112.6	Personnel Files
4119.1	Civil And Legal Rights
4119.23	Unauthorized Release Of Confidential/Privileged Information
4151	Employee Compensation

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

4212.6	Personnel Files
4219.1	Civil And Legal Rights
4219.23	Unauthorized release Of Confidential/Privileged Information
4251	Employee Compensation
4312.6	Personnel Files
4319.1	Civil And Legal Rights
4319.23	Unauthorized Release Of Confidential/Privileged Information
4351	Employee Compensation
9124-B	Attorney

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.

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 propriety information to outside parties
7. Disclosing investment activities engaged in or contemplated by the district
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

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

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

designee shall issue a report to appropriate personnel and to the Governing Board. 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.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References	Description
Ed. Code 14500-14508	Financial and compliance audits
Ed. Code 35035	Powers and duties of the superintendent; transfer authority
Ed. Code 35250	Duty to keep certain records and reports
Ed. Code 41010-41023	Accounting regulations, budget controls and audits
Ed. Code 42600-42603	Control of expenditures
Ed. Code 42647	Drawing of warrants by district on county treasurer; form; reports, statements and other data
Gov. Code 53995-53997	Obligation of contract

Management Resources References	Description
Governmental Accounting Standards Board Statement	Statement 34, Basic Financial Statements and Management's Discussion and Analysis – For State and local Governments, June 1999
Website	Governmental Accounting Standards Board
Website	State Controller's Office
Website	California Department of Education, Finance and Grants
Website	California Association of School Business Officials
Website	Fiscal Crisis and Management Assistance Team
Website	School Services of California, Inc.
Website	CSBA

Cross References	Description
3000	Concepts And Roles
3100	Budget
3110	Transfer of Funds
3230	Federal Grant Fund
3300	Expenditures And Purchases
3312	Contracts
3314	Payment For Goods And Services
3314.2	Revolving Funds
3430	Investing
3440	Inventories
3451	Petty Cash Funds
3452	Student Activity Funds
3460	Financial Reports And Accountability
3470	Debt Issuance And Management
3511	Energy And Water Management

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

3530	Risk Management/Insurance
3551	Food Service Operations/Cafeteria Fund
4112.6	Personnel Files
4119.1	Civil And Legal Rights
4119.23	Unauthorized Release Of Confidential/Privileged Information
4151	Employee Compensation
4212.6	Personnel Files
4219.1	Civil And Legal Rights
4219.23	Unauthorized release Of Confidential/Privileged Information
4251	Employee Compensation
4312.6	Personnel Files
4319.1	Civil And Legal Rights
4319.23	Unauthorized Release Of Confidential/Privileged Information
4351	Employee Compensation
9124-B	Attorney