

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. The Superintendent or designee shall ensure that the district's accounting system provides ongoing internal controls and meets generally accepted accounting standards as specified by the California Department of Education and, as appropriate, the Governmental Accounting Standards Board (GASB). When required by law or as directed by the Board, and in accordance with Board Policy and Administrative Regulation 3460 - Financial Reports and Accountability, the Superintendent or designee shall submit to the Board reports of the district's financial status.

### **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.

Board members and district employees involved in the making of contracts on behalf of the district shall comply with the district's conflict of interest policy as specified in Board Bylaw 9270 - Conflict of Interest.

The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the district, assist with effective and efficient operation of the district, produce reliable financial information, and ensure compliance with all applicable laws and regulations. These internal controls may include, but are not limited to, segregating and monitoring 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; developing timely reconciliations of budgets, ledgers, and accounts; conducting background checks on business office employees; and requiring continuous in-service training for business office staff and board members on the importance of fraud prevention, financial management, budget, and governance.

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 the employee's 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.

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, the Fiscal Crisis and Management Assistance Team (FCMAT), law enforcement agencies, or other governmental entities, as appropriate.

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	Description
Ed. Code 1241.5	<u>Audit by county superintendent</u>
Ed. Code 14500-14508	<u>Financial and compliance audits</u>
Ed. Code 35035	<u>Powers and duties of the superintendent; transfer authority</u>
Ed. Code 35250	<u>Duty to keep certain records and reports</u>
Ed. Code 41010-41023	<u>Accounting regulations; budget controls and audits</u>
Ed. Code 42600-42603	<u>Control of expenditures</u>
Ed. Code 42647	<u>Drawing of warrants by district on county treasurer; form; reports, statements, and other data</u>
Elec. Code 1090-1099	Prohibitions applicable to specified officers
Gov. Code 53995-53997	<u>Obligation of contract</u>
Gov. Code 84308	<u>Campaign Disclosure</u>
Gov. Code 87100-87500	<u>Political Reform Act</u>

Management Resources	Description
Governmental Accounting Standards Board Pub.	<u>Implementation Guide No. 2019-3, Leases, August 2019</u>
Governmental Accounting Standards Board Pub.	<u>Implementation Guide No. 2023-1, Implementation Guidance Update –2023, June 2023</u>
Governmental Accounting Standards Board Statement	<u>Statement 96, Subscription-Based Information Technology Arrangements, May 2020</u>
Governmental Accounting Standards Board Statement	<u>Statement 87, Leases, June 2017</u>
Governmental Accounting Standards Board Statement	<u>Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999</u>
Website	<u>CSBA District and County Office of Education Legal Services</u>

Website	<a href="#"><u>Governmental Accounting Standards Board</u></a>
Website	<a href="#"><u>California Department of Education, Finance and Grants</u></a>
Website	<a href="#"><u>California State Controller</u></a>
Website	<a href="#"><u>CSBA</u></a>
Website	<a href="#"><u>Fiscal Crisis and Management Assistance Team</u></a>
Website	<a href="#"><u>California Association of School Business Officials</u></a>
Website	<a href="#"><u>School Services of California, Inc.</u></a>

Cross References

Code	Description
3000	<a href="#"><u>Concepts And Roles</u></a>
3100	<a href="#"><u>Budget</u></a>
3100	<a href="#"><u>Budget</u></a>
3110	<a href="#"><u>Transfer Of Funds</u></a>
3230	<a href="#"><u>Federal Grant Funds</u></a>
3230	<a href="#"><u>Federal Grant Funds</u></a>
3300	<a href="#"><u>Expenditures And Purchases</u></a>
3312	<a href="#"><u>Contracts</u></a>
3314	<a href="#"><u>Payment For Goods And Services</u></a>
3314	<a href="#"><u>Payment For Goods And Services</u></a>
3314.2	<a href="#"><u>Revolving Funds</u></a>
3430	<a href="#"><u>Investing</u></a>
3430	<a href="#"><u>Investing</u></a>
3440	<a href="#"><u>Inventories</u></a>
3451	<a href="#"><u>Petty Cash Funds</u></a>
3452	<a href="#"><u>Student Activity Funds</u></a>
3460	<a href="#"><u>Financial Reports And Accountability</u></a>
3460	<a href="#"><u>Financial Reports And Accountability</u></a>
3470	<a href="#"><u>Debt Issuance And Management</u></a>
3511	<a href="#"><u>Energy And Water Management</u></a>
3511	<a href="#"><u>Energy And Water Management</u></a>
3530	<a href="#"><u>Risk Management/Insurance</u></a>
3530	<a href="#"><u>Risk Management/Insurance</u></a>

3551	<u>Food Service Operations/Cafeteria Fund</u>
3551	<u>Food Service Operations/Cafeteria Fund</u>
4112.6	<u>Personnel Files</u>
4119.1	<u>Civil And Legal Rights</u>
4119.23	<u>Unauthorized Release Of Confidential/Privileged Information</u>
4151	<u>Employee Compensation</u>
4212.6	<u>Personnel Files</u>
4219.1	<u>Civil And Legal Rights</u>
4219.23	<u>Unauthorized Release Of Confidential/Privileged Information</u>
4251	<u>Employee Compensation</u>
4312.6	<u>Personnel Files</u>
4319.1	<u>Civil And Legal Rights</u>
4319.23	<u>Unauthorized Release Of Confidential/Privileged Information</u>
4351	<u>Employee Compensation</u>
5126	<u>Awards For Achievement</u>
5126	<u>Awards For Achievement</u>
9124	<u>Attorney</u>
9270	<u>Conflict Of Interest</u>
9270-E(1)	<u>Conflict Of Interest</u>