

**BUDGET**

The Governing Board recognizes its critical 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 and Purchases)*

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

*(cf. 9000 - Role of the Board)*

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

**Budget Development and Adoption Process**

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

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

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

The Board encourages public input in the budget development process and shall hold public hearings and meetings in accordance with Education Code 42103 and 42127.

*(cf. 9320 - Meetings and Notices)*

*(cf. 9322 - Agenda/Meeting Materials)*

*(cf. 9323 - Meeting Conduct)*

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

**BUDGET** (continued)**Budget Criteria and Standards**

In developing the district budget, the Superintendent or designee shall analyze criteria and standards adopted by the State Board of Education which address estimation of funded average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected revenue limit, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, fund balance, and reserves. The budget review shall also identify supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, use of ongoing revenues for one-time expenditures, contingent revenues, contributions, long-term commitments, unfunded liabilities, and the status of labor agreements. (Education Code 33127, 33128, 33129; 5 CCR 15440-15451)

Note: 5 CCR 15450 establishes a minimum percentage or amount, based on the district's average daily attendance, which the district must maintain as a general fund reserve for economic uncertainty. However, ABX4 2 (Ch. 2, Fourth Extraordinary Session, Statutes of 2009) amended Education Code 33128.3 to reduce the required reserve to one-third of that amount for the 2009-10 fiscal year. In fiscal year 2010-11 the district is required to make progress toward restoring the full reserve, and by fiscal year 2011-12 the district must again comply with the reserve threshold specified in 5 CCR 15450. The following paragraph may be revised to reflect the specific percentage or amount applicable to the district.

The Board shall establish and maintain a general fund reserve for economic uncertainty that meets or exceeds the requirements of law. (Education Code 33128.3; 5 CCR 15450)

Note: The following **optional** paragraph may be revised to reflect district practice. As added and amended by SBX3 4 (Ch. 12, Third Extraordinary Session, Statutes of 2009) and ABX4 2 (Ch. 2, Fourth Extraordinary Session, Statutes of 2009), Education Code 42605 grants districts flexibility to transfer funds received for 39 "Tier 3" categorical programs to be used for any "educational purpose" for the 2008-09 through the 2012-13 fiscal years; see BP 3110 - Transfer of Funds and BP 2210 - Administrative Discretion Regarding Board Policy.

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

*(cf. 2210 - Administrative Discretion Regarding Board Policy)*

*(cf. 3110 - Transfer of Funds)*

**BUDGET** (continued)**Fund Balance**

Note: The following section reflects the provisions of Governmental Accounting Standards Board (GASB) Statement 54, which makes changes in the way fund balances in the general fund must be reported in external financial reports, beginning in the fiscal year starting July 1, 2010. Fund balances must be classified as nonspendable, restricted, committed, assigned, and unassigned in accordance with GASB 54 definitions; see AR 3460 - Financial Reports and Accountability. Pursuant to GASB 54, the Board has sole authority to specify purposes of funds classified as "committed" and also must express, or delegate the authority to express, intended purposes of resources that result in the "assigned" fund balance. The Board may adopt a formal resolution containing the required components, as provided below, or may modify the following section to reflect its fund balance policy.

The Board shall adopt a formal resolution that provides for classification of fund balances in the general fund and is compliant with Governmental Accounting Standards Board (GASB) Statement 54. The resolution also shall:

1. Establish specific steps for committing funds that cannot be used for any other purpose unless the Board takes action to remove or change the constraint
2. Express the authority of the Board and/or delegate authority to other person(s) to identify intended uses of assigned funds
3. Establish the order in which fund balances will be spent when multiple fund balance types are available for an expenditure

Note: Item #4 below is **optional**. Although not required by GASB 54, the Government Finance Officers Association (GFOA) recommends that public agencies adopt a minimum fund balance policy as described below. The GFOA's Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund describes a variety of factors that should be considered when developing a minimum fund balance policy, such as the predictability of its revenue and volatility of its expenditures, perceived exposure to significant one-time outlays, potential drain upon the general fund from other funds as well as the availability of resources in other funds, liquidity of resources, and portion of unrestricted fund balance already committed or assigned for a specific purpose. According to the GFOA, a public agency may deem it appropriate to exclude committed and assigned resources and focus on unassigned fund balance rather than unrestricted fund balance. The Board may adopt a formal resolution addressing the minimum fund balance, as provided below, or may modify the following paragraph to reflect its minimum fund balance policy.

4. Address the minimum fund balance in the general fund by establishing an appropriate level of unrestricted fund balance that will be maintained in the general fund, the circumstances under which the unrestricted fund balance can be spent down, and the procedure for replenishing deficiencies

The Board reserves the authority to review and amend this resolution as needed to reflect changing circumstances and district needs.

**BUDGET** (continued)**Long-Term Financial Obligations**

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

*(cf. 4141/4241 - Collective Bargaining Agreement)*

*(cf. 4143/4243 - Negotiations/Consultation)*

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

*(cf. 7210 - Facilities Financing)*

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

The Board shall approve a plan for meeting the district's long-term obligations to fund nonpension, other postemployment benefits (OPEBs). This plan shall include a specific funding strategy and the method that will be used to finance the district's annual fiscal obligations for such benefits in a manner that continually reduces the deficit to the district to the extent possible. The Board reserves the authority to review and amend the funding strategy as necessary to ensure that it continues to serve the best interests of the district and maintains flexibility to adjust for changing budgetary considerations.

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

**Budget Amendments**

Note: The following section is **optional** and should be revised to reflect district practice. CSBA's publication Maximizing School Board Governance: Fiscal Accountability recommends that the Board require continual review and amendment of the budget and that the Board view budget amendment as an important policy discussion that should not be considered routine or delegated to management.

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.

**BUDGET** (continued)

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, interfund transfers are needed to meet actual program expenditures, and/or other significant changes occur that impact budget projections.

*Legal Reference:*

EDUCATION CODE

1240 Duties of county superintendent of schools

33127-33131 Standards and criteria for local budgets and expenditures

35035 Powers and duties of superintendent

35161 Powers and duties, generally, of governing boards

42103 Public hearing on proposed budget; requirements for content of proposed budget

42122-42129 Budget requirements

42130-42134 Financial certifications

42140-42141 Disclosure of fiscal obligations

42602 Use of unbudgeted funds

42605 Tier 3 categorical flexibility

42610 Appropriation of excess funds and limitation thereon

44518-44519.2 Chief business officer training program

45253 Annual budget of personnel commission

45254 First year budget of personnel commission

GOVERNMENT CODE

7900-7914 Appropriations limit

CODE OF REGULATIONS, TITLE 5

15060 Standardized account code structure

15440-15451 Criteria and standards for school district budgets

*Management Resources: (see next page)*

**BUDGET** (continued)

*Management Resources:*

CSBA PUBLICATIONS

*Maximizing School Board Governance: Budget Planning and Adoption, 2006*

*Maximizing School Board Governance: Understanding District Budgets, 2006*

*School Finance CD-ROM, 2005*

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

*California School Accounting Manual*

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

*Fiscal Oversight Guide for AB 1200, AB 2756 and Subsequent Related Legislation, September 2006*

GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Best Practice: Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009*

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

*Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, March 2009*

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

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

WEB SITES

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

Association of California School Administrators: <http://www.acsa.org>

California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>

California Department of Finance: <http://www.dof.ca.gov>

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

Government Finance Officers Association: <http://www.gfoa.org>

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

Legislative Analyst's Office: <http://www.lao.ca.gov>

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

**BUDGET**

**Budget 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 but not more than 45 days before the hearing.

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

*(cf. 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)*

**OPTION 1: (Single Budget Adoption Process)**

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

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

**BUDGET** (continued)

**OPTION 2: (Dual Budget Adoption Process)**

On or before September 8, the Board shall adopt and file a revised budget with the County Superintendent which reflects: (Education Code 42127)

1. Changes in projected income or expenditures subsequent to July 1
2. Any response to the County Superintendent's recommendations on the initial budget

Before revising the budget, the Board shall hold a second public hearing regarding the proposed revisions in accordance with Education Code 42103. In addition, if the initial budget was disapproved by the County Superintendent, the public hearing shall include a review by the Board and the County Superintendent of the disapproval and the County Superintendent's recommendations. (Education Code 42127)

The revised budget and supporting data shall be maintained and made available for public review. (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 approved by the County Superintendent of Schools and filed with the county auditor. (Education Code 42600)

**End-of-the-Year Procedures**

At the close of the school year, the County Superintendent of Schools may, with the consent of the Board, identify and 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 41301 and 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)

**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: (see next page)*

**DEFERRED MAINTENANCE FUNDS** (continued)

*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 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:*

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>*

# Board Policy

## Business and Noninstructional Operations

BP 3260(a)

### FEES AND CHARGES

Note: Education Code 49010-49013, as added by AB 1575 (Ch. 776, Statutes of 2012), prohibit districts from requiring students to pay fees, deposits, or other charges in order to participate in an educational activity, unless authorized by law, and **mandate** governing boards to adopt policies and procedures implementing this prohibition. However, the prohibition does not restrict districts from soliciting for voluntary donations, participating in fundraising activities, or providing prizes or other recognition for participants in such fundraising activities.

In addition, pursuant to 5 CCR 350, only fees specifically authorized by law may be charged by districts. See the accompanying administrative regulation for a list of such fees.

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

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

*(cf. 3100 - Budget)*

*(cf. 3290 - Gifts, Grants and Bequests)*

*(cf. 6145 - Extracurricular and Cocurricular Activities)*

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

*(cf. 3250 - Transportation Fees)*

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

*(cf. 3553 - Free and Reduced Price Meals)*

*(cf. 5143 - Insurance)*

*(cf. 9323.2 - Actions by the Board)*

Note: Pursuant to Education Code 49013, as added by AB 1575 (Ch. 776, Statutes of 2012), a district is mandated to adopt a policy which (1) allows students and/or parents/guardians to file complaints, using the uniform complaint procedures, when the district is alleged to have violated the prohibition against requiring students to pay unauthorized student fees and (2) requires the district to include information about the prohibition against requiring students to pay fees in the annual notification to students, parents/guardians, employees, and other interested parties. See BP/AR 1312.3 - Uniform Complaint Procedures for additional language implementing this mandate.

**FEES AND CHARGES** (continued)

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

*(cf. 1312.3 - Uniform Complaint Procedures)*

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

*(cf. 4112.9/4212.9/4312.9 - Employee Notifications)*

*(cf. 5145.6 - Parental Notifications)*

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

*(cf. 4131 - Staff Development)*

*(cf. 4231 - Staff Development)*

*(cf. 4331 - Staff Development)*

*Legal Reference:*

EDUCATION CODE

8239 *Preschool and wraparound child care services*

8263 *Child care eligibility*

8760-8773 *Outdoor science and conservation programs*

17551 *Property fabricated by students*

19910-19911 *Offenses against libraries*

32033 *Eye protective devices*

32221 *Insurance for athletic team member*

32390 *Fingerprinting program*

35330-35332 *Excursions and field trips*

35335 *School camp programs*

38080-38085 *Cafeteria establishment and use*

*Legal Reference continued: (see next page)*

## **FEES AND CHARGES (continued)**

### *Legal Reference: (continued)*

#### EDUCATION CODE (continued)

38120 *Use of school band equipment on excursions to foreign countries*

39807.5 *Payment of transportation costs*

39837 *Transportation of students to places of summer employment*

48050 *Residents of adjoining states*

48052 *Tuition for foreign residents*

48904 *Liability of parent or guardian*

49010-49013 *Student fees*

49065 *Charge for copies*

49066 *Grades, effect of physical education class apparel*

49091.14 *Prospectus of school curriculum*

51810-51815 *Community service classes*

52612 *Tuition for adult classes*

52613 *Nonimmigrant aliens*

60410 *Students in classes for adults*

#### GOVERNMENT CODE

6253 *Request for copy; fee*

#### CALIFORNIA CONSTITUTION

*Article 9, Section 5 Common school system*

#### CODE OF REGULATIONS, TITLE 5

350 *Fees not permitted*

4622 *Notice*

#### UNITED STATES CODE, TITLE 8

1184 *Foreign students*

#### COURT DECISIONS

*Driving School Assn of CA v. San Mateo Union HSD (1993) 11 Cal. App. 4th 1513*

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

*Steffes v. California Interscholastic Federation (1986) 176 Cal. App. 3d 739*

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

*CTA v. Glendale School District Board of Education (1980) 109 Cal. App. 3d 738*

### *Management Resources:*

#### CALIFORNIA DEPARTMENT OF EDUCATION MANAGEMENT ADVISORIES

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

#### WEB SITES

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

California Department of Education: <http://www.cde.ca.gov>

# Administrative Regulation

## Business and Noninstructional Operations

AR 3260(a)

### FEES AND CHARGES

Note: Pursuant to 5 CCR 350, constitutionally permissible fees can be charged only when specifically authorized by law. The following list specifies fees currently authorized by law. Other such fees may exist and be identified in the future. Pursuant to Education Code 49011, as added by AB 1575 (Ch. 776, Statutes of 2012), a district is prohibited from requiring a student to pay fees or charges in order to participate in an educational activity. A complaint against the charging of impermissible student fees may be filed in accordance with the uniform complaint procedures; see the accompanying Board policy and BP/AR 1312.3 - Uniform Complaint Procedures. Districts with questions as to whether a fee may be charged should consult with legal counsel.

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

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

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

3. Student fingerprinting program (Education Code 32390)

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

4. 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)*

5. 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)

**FEES AND CHARGES** (continued)

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

*(cf. 3250 - Transportation Fees)*

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

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

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

*(cf. 5142 - Safety)*

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

*(cf. 5125 - Student Records)*

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

*(cf. 1340 - Access to District Records)*

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

*(cf. 5020 - Parent Rights and Responsibilities)*

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

*(cf. 3550 - Food Service/Child Nutrition Program)*

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

*(cf. 3553 - Free and Reduced Price Meals)*

*(cf. 3554 - Other Food Sales)*

13. 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)*

**FEES AND CHARGES** (continued)

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

*(cf. 5111.2 - Nonresident Foreign Students)*

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

*(cf. 6200 - Adult Education)*

Note: Pursuant to Education Code 8239 and 8263, as amended by SB 1016 (Ch. 38, Statutes of 2012), districts are required to charge a fee to families enrolled in part-day preschool programs operated under the California State Preschool Program and/or wraparound child care and development services in accordance with the fee schedule established by the Superintendent of Public Instruction; see AR 5148.3 - Preschool/Early Childhood Education.

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

*(cf. 5148 - Child Care and Development)*

*(cf. 5148.3 - Preschool/Early Childhood Education)*

Note: In Fiscal Management Advisory 97-02, the California Department of Education (CDE) opines that it is permissible for a district to require students to purchase their own gym clothes of a district-specified design and color, as long as the design and color are of a type sold for general wear outside of the school. According to the CDE, once the gym uniforms become specialized (e.g., logos, school name), they then become "school supplies" and the district must provide the items free of charge. It is important to note that Education Code 49066 provides that a student's grade may not be adversely affected due to the fact that he/she does not wear standardized physical education apparel due to circumstances beyond his/her control, such as lack of funds.

17. Physical education uniforms

*(cf. 6142.7 - Physical Education and Activity)*

**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: (see next page)*

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

*Legal Reference:*

EDUCATION CODE

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

*17545-17555 Sale of personal property*

*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*

*62001.4 Instructional materials program, sunset date*

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)

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)

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

### **Instructional Materials**

Surplus or undistributed obsolete instructional materials that are usable for educational purposes may be donated to any Board of Trustees, 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)*

### **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.

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

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 OR LEASE OF DISTRICT-OWNED REAL PROPERTY**

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

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

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

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

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)

*(cf. 1220 - Citizen Advisory Committees)*

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

*(cf. 9323.2 - Actions by the Board)*

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

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

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

At the public meeting specified in the resolution, the Board shall open, examine, and declare all sealed bids. Before accepting any written proposal, the Board shall call for oral bids in accordance with law. The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when the Board determines that rejection is in the best public interest. (Education Code 17472, 17473)

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

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt a resolution of acceptance that directs the Board president, or any other Board member, to execute the deed or lease and to deliver the document upon performance and compliance by the successful bidder of all of the terms and conditions of the contract. (Education Code 17472-17478)

*(cf. 1431 - Waivers)*

*(cf. 9320 - Meetings and Notices)*

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

*Legal Reference: (see next page)*

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

*Legal Reference:*

EDUCATION CODE

8469.5 *Use of school facilities or grounds for school age child care*  
17219-17224 *Acquisition of property not utilized as school site; nonuse payments; exemptions*  
17230-17234 *Surplus property*  
17385 *Conveyances to and from school districts*  
17387-17391 *Advisory committees for use of excess school facilities*  
17400-17429 *Leasing property*  
17430-17447 *Leasing facilities*  
17453 *Lease of surplus district property*  
17455-17484 *Sale or lease of real property*  
17485-17500 *Surplus school playground (Naylor Act)*  
17515-17526 *Joint occupancy*  
17527-17535 *Joint use of district facilities*  
33050 *Request for waiver*  
38130-38139 *Civic Center Act*

GOVERNMENT CODE

54220-54232 *Surplus land*  
54222 *Offer to sell or lease property*  
54950-54963 *Brown Act, especially:*  
54952 *Legislative body, definition*

PUBLIC RESOURCES CODE

21000-21177 *California Environmental Quality Act*

CODE OF REGULATIONS, TITLE 2

1700 *Definitions related to surplus property*

COURT DECISIONS

*San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App. 4th 1356*

*Management Resources:*

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

*Closing a School Best Practices Guide*

OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS

*Unused Site Program Handbook, May 2008*

WEB SITES

*California Department of Education, School Facilities Planning Division: <http://www.cde.ca.gov/ls/fa>*

*Coalition for Adequate School Housing: <http://www.cashnet.org>*

*Office of Public School Construction: <http://www.opsc.dgs.ca.gov>*

**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)*

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 shall purchase 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)

**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](http://www.csba.org)  
California Association of School Business Officials: [www.casbo.org](http://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 \$59,600 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)

**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)

**BIDS** (continued)

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)

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.

**BIDS** (continued)

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**

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

*(cf. 3554 - Other Food Sales)*

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

**CONTRACTS** (continued)

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 the contract benefit public education. (Education Code 35182.5)

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

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

*(cf. 3100 - Budget)*

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

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

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 involve 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.

**CONTRACTS** (continued)

*(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)*

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

*(cf. 3311 - Bids)*

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

*(cf. 9322 - Agendas/Meeting Materials)*

*(cf. 9323 - Meeting Conduct)*

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

*(cf. 5030 - Student Wellness)*

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

*(cf. 1340 - Access to District Records)*

**CONTRACTS** (continued)

**Contracts for Electronic Products or Services**

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

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

*(cf. 9320 - Meetings and Notices)*

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

*(cf. 0440 - District Technology Plan)*

*(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*

49431-49431.5 *Nutritional standards*

#### CODE OF CIVIL PROCEDURE

685.010 *Rate of interest*

#### GOVERNMENT CODE

12990 *Nondiscrimination and compliance employment programs*

53260 *Contract provision re maximum cash settlement*

53262 *Ratification of contracts with administrative officers*

#### LABOR CODE

1775 *Penalties for violations*

1810-1813 *Working hours*

#### PUBLIC CONTRACT CODE

4100-4114 *Subletting and subcontracting fair practices*

7104 *Contracts for excavations; discovery of hazardous waste*

7106 *Noncollusion affidavit*

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

20104.50 *Construction Progress Payments*

22300 *Performance retentions*

#### UNITED STATES CODE, TITLE 20

1681-1688 *Title IX, discrimination*

### *Management Resources:*

#### CSBA PUBLICATIONS

*Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide*, rev. 2005

#### WEB SITES

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

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

**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**

The Governing Board intends that the district's operations minimize risk, protect district resources, and promote the safety of students, staff, and the public. Any and all claims for money or damages against the district shall be presented to and acted upon in accordance with Board policy and administrative regulation.

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

Claims for money or damages not governed by the Government Claims Act (Government Code 810-996.6) or excepted by Government Code 905 shall be presented consistent with the manner and time limitations in the Government Claims Act, unless a procedure for processing such claims is otherwise provided by state or federal law. Such compliance is a prerequisite to any court action consistent with the provisions of Government Code 945.4.

The Board delegates to the Superintendent the authority to allow, compromise, or settle claims of \$5,000 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 has occurred. (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: (next page)*

**CLAIMS AND ACTIONS AGAINST THE DISTRICT** (continued)

*Legal Reference:*

EDUCATION CODE

35200 *Liability for debts and contracts*

35202 *Claims against districts; applicability of Government Code*

CODE OF CIVIL PROCEDURE

340.1 *Damages suffered as result of childhood sexual abuse*

GOVERNMENT CODE

800 *Cost in civil actions*

810-996.6 *Claims and actions against public entities*

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

PENAL CODE

72 *Fraudulent claims*

COURT DECISIONS

*City of Stockton v. Superior Court*, (2007) 42 Cal. 4th 730

*Connelly v. County of Fresno*, (2006) 146 Cal.App. 4th 29

*CSEA v. South Orange Community College District*, (2004) 123 Cal.App.4th 574

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

*Management Resources:*

WEB SITES

*California Secretary of State's Office: <http://www.sos.ca.gov>*

**CLAIMS AND ACTIONS AGAINST THE DISTRICT**

**Time Limitations**

The following time limitations apply to claims against the district:

1. Claims for money or damages relating to a cause of action for death or for injury to person, personal property, or growing crops shall be presented to the Governing Board not later than six months after the accrual of the cause of action. (Government Code 905, 911.2)
2. Claims for money or damages as authorized in Government Code 905 and not included in item #1 above, including claims for damages to real property, shall be 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 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 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 911.8. (Government Code 911.8)

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 the time period has been extended, in which case it shall be denied on the last day of the period specified in the extension agreement. (Government Code 911.6)

**Delivery of Claims**

A claim, any amendment thereto, or an application to present a late claim shall be deemed presented and received when delivered to the 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 or when otherwise actually received in the district office or by the Board secretary or clerk. (Government Code 915, 915.2)

**Claim Form**

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)

**CLAIMS AND ACTIONS AGAINST THE DISTRICT** (continued)

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

**Amendment to Claims**

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 Claims**

Within 45 days after the presentation or amendment of a claim, the Board shall take action on the claim. This time limit may be extended by written agreement 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 of inaction which is deemed rejection. The notice shall be in the form set forth in Government Code 913 and shall either be personally delivered or mailed to the address stated in the claim or application. (Government Code 913, 915.4)

**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

\_\_\_\_\_  
Printed Name and 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.

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

**TRAVEL EXPENSES**

Travel request to attend meetings, workshops, conferences, and other education-related activities, other than those authorized within a 150-mile radius of Los Angeles County, must first be approved by the Board of Trustees after the following has been done:

1. Conference Attendance Request forms must be completed and then signed by the department head or building principal. (Items to be included are an estimate of expenses, registration form, and if needed a completed Advance of Funds form.)
2. Conference Attendance Request forms are then sent to the Assistant Superintendent of Instruction.
3. Conference Attendance Request forms that are approved by the Assistant Superintendent of Instruction are sent to the Fiscal Service department for budget approval.
4. Conference Attendance Request forms that are budget approved are sent to the Superintendent's Office to be put on the Board agenda for approval by the Board.

Immediately following the meeting, workshop, conference or education-related activity, an Expense Reimbursement Form must be completed and signed by the department head or building principal, and sent to the Fiscal Services department.

Request for reimbursement of expenses shall be documented by receipts wherein possible. It is recognized, however, that there are situations where receipts are not available. In these cases, the employee may request reimbursement at per diem rates in accordance with rates established by the California State Department of Education. Rates for per diem rates must be itemized and verified by employee signature.

**PLEASES SEE DISTRICT MATERIAL IN DISTRICT OFFICE  
FOR  
EXHIBIT 3350  
ENTITLED  
“PURCHASE CARDS”**

**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 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. 3020 - Fiscal Policy Team)*

*(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 Director, Fiscal Services 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 Director, Fiscal Services 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*

**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 deposited in a federally insured bank or savings and loan; or in a state or federally insured credit union. (Education Code 48933)

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 regularly keep the Board informed about the district's finances and shall submit timely financial reports so that the Board can take appropriate action to ensure the district's financial stability.

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)*

*Legal Reference: (see next page)*

## FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

### 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
- 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

- 15453-15463 Criteria and standards for school district interim reports

### Management Resources:

#### GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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

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

Financial Audit Manual, 2001

#### STATE CONTROLLER PUBLICATIONS

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

#### CSBA PUBLICATIONS

Maximizing School Board Leadership: Finance, 1996

#### CDE COMMUNICATIONS

1208.00 Audit Resolution Process: Repayment Plans

#### 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>

Education Audit Appeals Panel: <http://www.eaap.ca.gov>

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

California County Superintendents Educational Services Association: <http://www.ccsesa.org>

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

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

**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 second interim report of the fiscal year is accompanied by a qualified or negative certification as determined by the Board or subsequently 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)*

*(cf. 4143.1/4243.1 - Public Notice - Personnel Negotiations)*

**FINANCIAL REPORTS AND ACCOUNTABILITY** (continued)

**Annual Statement of Receipts and Expenditures**

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)

**Appropriations Limit Resolution**

The Board shall adopt a resolution by September 15 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)

**Audit Report**

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

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)

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 Government Accounting Standards, Amendment #3, published by the U.S. Government Accounting Office. (Education Code 41020)

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

**FINANCIAL REPORTS AND ACCOUNTABILITY** (continued)

*(cf. 3430 - Investing)*

*(cf. 3451 - Petty Cash Funds)*

*(cf. 3452 - Student Activity Funds)*

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

The district's audited financial reports 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
3. Supplementary information required by the Governmental Standards Accounting Board, including but not limited to budgetary comparison schedules

**FINANCIAL REPORTS AND ACCOUNTABILITY** (continued)

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)*

**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)

**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 determine the district's annual expense and liability for post-employment health and welfare benefits. In addition, the Superintendent or designee shall recommend actions to the Board to mitigate the financial impact to the district of any unfunded liabilities.

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

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

# Administrative Regulation

## Business and Noninstructional Operations

AR 3515(a)

### CAMPUS SECURITY

Note: The following **optional** administrative regulation may be used as a component of a comprehensive safety plan (see BP/AR 0450 - Comprehensive Safety Plan) and should be modified to reflect district practice.

The Superintendent or designee shall ensure that the district's campus security plan includes strategies to:

1. Secure the campus perimeter and school facilities in order to prevent criminal activity

These strategies include a risk management analysis of each campus' security system, lighting system, and fencing. Procedures to ensure unobstructed views and eliminate blind spots caused by doorways and landscaping shall also be considered. In addition, parking lot design may be studied, including methods to discourage through traffic.

2. Secure buildings from outsiders and discourage trespassing

These strategies may include requiring visitor registration, staff and student identification tags, and patrolling of places used for congregating and loitering.

*(cf. 1250 - Visitors/Outsiders)*

*(cf. 3515.2 - Disruptions)*

*(cf. 5112.5 - Open/Closed Campus)*

3. Discourage vandalism and graffiti

These strategies may include plans to immediately cover graffiti as well as campus beautification projects and shall also include students and the community in these projects.

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

*(cf. 5131.5 - Vandalism, Theft and Graffiti)*

*(cf. 5137 - Positive School Climate)*

4. Control access to keys and other school inventory

*(cf. 3440 - Inventories)*

5. Detect and intervene with school crime

**CAMPUS SECURITY** (continued)

These strategies may include the creation of a school watch program, an anonymous crime reporting system, analysis of school crime incidents, and collaboration with local law enforcement agencies, including providing for law enforcement presence.

*(cf. 3515.3 - District Police/Security Department)*

*(cf. 5116.1 - Intradistrict Open Enrollment)*

*(cf. 5138 - Conflict Resolution/Peer Mediation)*

*(cf. [5145.9](#) - Hate-Motivated Behavior)*

All staff shall receive training in building and grounds security procedures.

*(cf. 4131 - Staff Development)*

*(cf. 4231 - Staff Development)*

*(cf. 4331 - Staff Development)*

**Keys**

All keys used in a school shall be the responsibility of the principal or designee. Keys shall be issued only to those employees who regularly need a key in order to carry out normal activities of their position.

The principal or designee shall create a key control system with a record of each key assigned and room(s) or building(s) which the key opens.

Keys shall be used only by authorized employees and shall never be loaned to students. The master key shall not be loaned.

Note: Pursuant to Penal Code 469, a person who knowingly possesses, duplicates, uses, or attempts to use or duplicate, a key without authorization may be guilty of a misdemeanor.
--

The person issued a key shall be responsible for its safekeeping. The duplication of school keys is prohibited. If a key is lost, the person responsible shall immediately report the loss to the principal or designee and shall be subjected to the following process:

- 1) for the first offense the employee will receive a written warning
- 2) for the second offense the employee will be subjected to a monetary fine.

## **Exhibit**

### **KEY CONTROL PROCEDURES**

E(1) 3515(a)

#### **INTRODUCTION**

The purpose of these key control procedures for the Saugus Union School District is to protect the welfare and safety of the district's students and employees and minimize financial losses from theft, vandalism or misuse of its facilities. The Saugus Union School District considers the safety and security of all students and staff to be a top priority and a very serious issue. These key control procedures are designed to control access to district buildings, thereby enhancing overall security as well as promoting accountability and prevent the loss of property. Losing keys, especially a master key to any school campus goes far beyond the cost of replacement, re-keying or risk of loss of property. The loss of a master key is a risk to student and staff safety, and could be a matter of life or death. It is for these reasons that these key control procedures have been initiated.

In conjunction with a key control procedure, an employee who has lost a key will be subjected to the following process:

- 1) for the first offense the employee will receive a written warning
- 2) for the second offense and any subsequent offense the employee will be subjected to a monetary fine not to exceed \$50.

The above process will not be implemented for any stolen keys if theft is verified by a police report and not attributed to employee negligence.

#### **ISSUANCE OF KEYS**

##### **1. Key Sign In/Out Sheet**

- a. Each school site shall assign two (2) employees to act as designated key issuers (Principal and designee) and issue keys to appropriate staff members.
- b. Keys for the new school year shall be assigned to Teachers no earlier than two weeks before the start of a new school year. The keys shall be signed out using the "Key Sign-In/Out" log. Keys shall be collected on the last day of a school year and signed in on the appropriate log.
- c. A Key Sign-In/Out log shall be issued to each school site for these purposes.
- d. A copy of the Key Sign-In/Out log shall be given to the District Security Supervisor at the end of each school year for review, reconciliation and filing.

##### **2. Assigning Sub Keys**

- a. Keys assigned to Substitutes (Teachers and Custodians) shall be issued by the designated key-issuer.

## Exhibit

### KEY CONTROL PROCEDURES (continued)

E(1) 3515(b)

- b. A key tag shall be placed in the key box in the vacant spot with the Subs contact information clearly documented on the tag.
- c. District Security Supervisor shall provide key tabs to all school sites.
- d. Sub Keys shall be returned to the designated key-issuer or other designee daily

#### 3. Site Master Keys

- a. Site/Grand Master keys shall be controlled at the District level.
- b. No Site Master or Grandmaster key shall exchange hands without a signature of the receiving employee in the District Key Log maintained by the District Security Supervisor.
- c. If an employee is reassigned to another work location or is on an extended leave of absence or terminates from the District, the Site Master or Grandmaster keys shall be turned into the District Security Supervisor and the District Key Log signed by the affected employee.
- d. Aside from the District Key Log, employees receiving Site or Grand Master keys shall also sign a *Key Control Acknowledgement* form which shall be kept in their Personnel file for the term of their employment

#### 4. Lost Keys

- a. Any lost or misplaced District keys shall be reported immediately to the Site Administrator, other Management personnel or designated key issuer.
- b. An investigation into the loss shall be initiated to include the circumstances surrounding the loss (when, where, how, etc.).
- c. Every effort shall be made on the behalf of the affected employee to find the lost or misplaced key(s).
- d. The employee who loses a key shall be subjected to The receipt of a written warning for the first offense and subjected to a monetary fine for the second offense.
- e. To get a replacement key, a “Key Request Form” must be completed by the affected employee’s Supervisor. The form is available on-line through the Safety & Risk Management website or can be requested by contacting the Director of Safety & Risk Management.

### **KEY REQUESTS AND REPLACEMENT OF LOST OR DAMAGED KEYS**

All key requests shall be made to the District Security Supervisor (DSS) using the *SUSD Key Request Form*. Submitted key request forms shall be processed as quickly as possible, but may take a couple of weeks depending on the schedule of the approvers. Requestor shall be notified by the District Security Supervisor if there is a delay in processing.

## Exhibit

### KEY CONTROL PROCEDURES (continued)

E(1) 3515(c)

#### 1. Replacement of Damaged Keys

- a. Any key that is damaged or broken may be replaced without a Key Request form.
- b. The affected employee or his/her immediate supervisor shall notify the District Security Supervisor for a replacement key.
- c. The damaged or broken key must be exchanged for the new key in the presence of the District Security Supervisor.

#### 2. Non-essential Keys

- a. All non-essential keys (file cabinets, flagpoles, storage cabinets, etc.) shall be controlled at the School/Site level.
- b. Appropriate controls shall be enacted to enhance security and confidentiality.

#### 3. Authorization

- a. Final authorization for the issuance of any essential District key rests with the Assistant Superintendent of Business Services.

#### 4. Key Request form

- a. Completed forms shall be submitted to the District Security Supervisor who will log the request.
- b. Once approved by the DSS, the form will be forwarded to the Director of Safety and Risk Management for review and approval.
- c. From there the form should be sent to the Assistant Superintendent of Business Services for final review and approval.
- d. Requestor shall be notified by the Director of Safety and Risk Management should a Key Request be denied or if any additional information is needed to process the request.

#### 5. Key Control Acknowledgement Form

- a. A Key Control Acknowledgement form shall be completed whenever an essential district key is issued. Non-essential keys are considered a low-level security risk and do not need a form or signature.
- b. A signed form acknowledges that the employee understands his/her responsibilities as it relates to the issuance and use of district keys.

### LEGAL REFERENCES

**CA Penal Code 469.0** - Any person who knowingly makes, duplicates, causes to be duplicated, or uses, or attempts to make, duplicate, cause to be duplicated, or use, or has in his possession any key to a building or other area owned, operated, or controlled by the State of California, any state agency, board, or commission, a county, city, or any public school or community college district without authorization from the person in charge of such building or area or his designated representative and with knowledge of the lack of such authorization is guilty of a misdemeanor.

**SAUGUS UNION SCHOOL DISTRICT  
KEY CONTROL ACKNOWLEDGEMENT FORM**

Employee's Name: \_\_\_\_\_ Date: \_\_\_\_\_

Site/Work Location \_\_\_\_\_ Job Assignment: \_\_\_\_\_

Key is for: Permanent Assignment [ ] Temporary Assignment [ ] expiration date: \_\_\_\_\_

***Type(s) of Key(s) Issued:***

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

The undersigned agrees to the following:

- I will not duplicate the key(s) under penalty of California Penal Code Section 469, which states. "Any person who knowingly makes, duplicates, causes to be duplicated, or uses, or has in his possession any key to a building or other area owned or operated by a public school district without authorization from the person in charge of such building or area or their designated representative, and with knowledge of the lack of such authorization, is guilty of a misdemeanor."
- I will not loan the key(s) to anyone.
- I will return the key(s) when my need or employment terminates, or upon request of the District.
- I understand violations of any of the above may lead to disciplinary action by the District.
- I understand that if I lose the key(s) I will be subjected to receipt of a written warning for the first offense and subjected to a fine for the second offense.
- I understand that the key(s) may be used for District purposes only, and not for personal purposes.
- I will not cover the "Do Not Duplicate" markings nor will I attach any identifiers to the key(s).

**Employee's Signature :** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Supervisor's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Security Supervisor's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**SAUGUS UNION SCHOOL DISTRICT**  
KEY REQUEST FORM No. # \_\_\_\_\_

Requested by: \_\_\_\_\_ Site: \_\_\_\_\_

I hereby request that an additional key(s) be issued to \_\_\_\_\_ and  
for room(s) \_\_\_\_\_. The reason for the additional key(s) are needed is:

\_\_\_\_\_  
\_\_\_\_\_

*Site Administrators Approval*

**\*\* Please forward this request to Jim Sandefur in Maintenance & Operations \*\***

① **Jim Sandefur, Security Supervisor**

Approved  Disapproved

 \_\_\_\_\_

Notes: \_\_\_\_\_

② **Keith Karzin, Director of Risk Management**

Approved  Disapproved

 \_\_\_\_\_

Notes: \_\_\_\_\_

③ **Cynthia Shieh, Asst. Superintendent of Business**

Approved  Disapproved

 \_\_\_\_\_

Notes: \_\_\_\_\_

*FOR USE BY MAINTENANCE DEPT. ONLY*

Key(s) id #: \_\_\_\_\_

**Key Recipient's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_