

Business and Noninstructional Operations

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

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

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

The Superintendent/designee shall provide ongoing internal accounting controls and a means for the accounting of income and expenditures as outlined in the adopted budget.

Capital Assets

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

(cf. 3440 - Inventories)

Internal Controls/Fraud Prevention

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

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

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent/designee. The Superintendent/designee shall then notify law enforcement agencies or other governmental entities, as appropriate. In addition, the Superintendent/designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

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

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

Audits

All accounts shall be audited annually as prescribed by the Education Code. The audit examination shall be conducted in accordance with the requirements of the State Controller. (Education Code 41020)

(cf. 3452 - Student Activity Funds)

By April 1 of each year, the Board shall provide for an audit of all District funds, any other funds which are administered pursuant to a joint powers agreement, and attendance procedures. To conduct the audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy.

The audit shall identify all expenditures by source of funds and shall contain the following:

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1. A statement that the audit was conducted pursuant to standards and procedures established in the audit guides developed by the State Controller.
2. A summary of audit exceptions and management recommendations.

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

The Superintendent/designee shall file the report of the audit with the County Superintendent of Schools, the Department of Education, and the State Controller no later than December 15. (Education Code 41020).

Legal References:

EDUCATION CODE

14500-14508 Financial and compliance audits

35035 Powers and duties of superintendent

35250 Duty to keep certain records and reports (accurate account of expenditures and receipts)

41010-41023 Accounting regulations, budget controls and audits

42600-42603 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

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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

WEB SITES

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

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

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

California State Controller’s Office: <http://sco.ca.gov>

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

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

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

Policy

Adopted: 11/13/90

Revised: 12/18/19

CHULA VISTA ELEMENTARY SCHOOL DISTRICT
Chula Vista, California