

Business and Noninstructional Operations

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

Capital Assets

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

Internal Controls/Fraud Prevention

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

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

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

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

The superintendent or designee shall provide regular reports to the Board on the status of the District's internal control procedures and recommend any necessary revisions to related Board

policies or administrative regulations.

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

42600-42603 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

Board of Trustees

Board Approved: February 7, 2019

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