

CONCEPTS AND ROLES

The Board of Trustees recognizes that the business and other noninstructional operations of the district support the educational program by maximizing and prioritizing resources and providing a safe and healthy environment for students and staff. The Superintendent or designee shall ensure that the district's business and noninstructional operations are efficient and responsive to the needs of students, parents/guardians, staff, and the community.

(cf. 3511 - Energy and Water Management)
(cf. 3511.1 - Integrated Waste Management)
(cf. 3512 - Equipment)
(cf. 3517 - Facilities Inspection)
(cf. 3540 - Transportation)
(cf. 3550 - Food Service/Child Nutrition Program)
(cf. 5030 - Student Wellness)

The district shall maintain high standards of safety in the operation of facilities, equipment, and services. The Superintendent or designee shall establish a risk management program that promotes safety and protects district resources.

(cf. 3514 - Environmental Safety)
(cf. 3514.2 - Integrated Pest Management)
(cf. 3515 - Campus Security)
(cf. 3515.6 - Criminal Background Checks for Contractors)
(cf. 3516 - Emergencies and Disaster Preparedness Plan)
(cf. 3530 - Risk Management/Insurance)
(cf. 3543 - Transportation Safety and Emergencies)

In the development of a district budget, the Board and the Superintendent or designee shall establish a calendar that reflects the full budget cycle and a process that satisfies the requirements of law, including opportunities for public input. The Superintendent or designee shall provide fiscal data and prepare a proposed budget document within the budget priorities and parameters set by the Board. The Board shall adopt a budget that is aligned with the district's vision and goals and enables the district to meet its fiscal obligations.

(cf. 0000 - Vision)
(cf. 0100 - Philosophy)
(cf. 0200 - Goals for the School District)
(cf. 3100 - Budget)
(cf. 9000 - Role of the Board)

The Board expects sound fiscal management from the administration. The Superintendent or designee shall administer the adopted budget in accordance with Board policies and accepted business practices.

(cf. 3110 - Transfer of Funds)
(cf. 3300 - Expenditures and Purchases)
(cf. 3311 - Bids)
(cf. 3312 - Contracts)
(cf. 3400 - Management of District Assets/Accounts)

CONCEPTS AND ROLES (continued)

(cf. 3430 - Investing)

(cf. 3440 - Inventories)

The Board shall monitor financial operations so as to ensure the district's fiscal integrity and accountability to the community. The Superintendent or designee shall complete all required financial reports, facilitate the independent audit process, recommend financial plans for meeting program needs, and keep the Board informed about the district's fiscal and noninstructional operations.

(cf. 0500 - Accountability)

(cf. 3460 - Financial Reports and Accountability)

Legal Reference:

EDUCATION CODE

35035 Powers and duties of superintendent

35160 Authority of governing boards

35160.1 Broad authority of school district

35161 Powers and duties of governing boards

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Understanding California's Public School Finance System, 2006

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Understanding District Budgets, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

WEB SITES

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

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

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

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

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

BUDGET

The Board of Trustees recognizes its critical responsibility for adopting a sound budget each fiscal year which is aligned with the district's vision, goals, priorities, local control and accountability plan (LCAP), and other comprehensive plans. The district budget shall guide decisions and actions throughout the year and shall serve as a tool for monitoring the fiscal health of the district.

(cf. 0000 - Vision)

(cf. 0200 - Goals for the School District)

(cf. 0400 - Comprehensive Plans)

(cf. 0460 - Local Control and Accountability Plan)

(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

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 shall hold a public hearing on the proposed budget in accordance with Education Code 42103 and 42127.

(cf. 9320 - Meetings and Notices)

(cf. 9322 - Agenda/Meeting Materials)

(cf. 9323 - Meeting Conduct)

The Board shall adopt the district budget on or before July 1 of each year. (Education Code 42127)

At a public meeting scheduled on a date after the public hearing on the budget, the Board shall, following its adoption of the LCAP or an annual update to the LCAP, adopt the budget. The budget shall include the expenditures necessary to implement the LCAP or the annual update to the LCAP. (Education Code 42127, 52062)

BUDGET (continued)

The budget that is formally adopted by the Board shall adhere to the state's Standardized Account Code Structure as prescribed by the Superintendent of Public Instruction. (Education Code 42126, 42127)

The Superintendent or designee may supplement this format with additional information as necessary to effectively communicate the budget to the Board, staff, and public.

No later than five days after the Board adopts the district budget or by July 1, whichever occurs first, the Board shall file with the County Superintendent of Schools the adopted district budget and supporting data. The budget and supporting data shall be maintained and made available for public review. (Education Code 42127)

(cf. 1340 - Access to District Records)

If the County Superintendent disapproves or conditionally approves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before October 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 Advisory Committee

The Superintendent or designee may appoint a budget advisory committee composed of staff, Board representatives, and/or members of the community.

The committee shall submit recommendations during the budget development process and its duties shall be assigned each year based on district needs. All recommendations of the committee shall be advisory only and shall not be binding on the Board.

(cf. 1220 - Citizen Advisory Committees)

(cf. 2230 - Representative and Deliberative Groups)

(cf. 3350 - Travel Expenses)

(cf. 9130 - Board Committees)

(cf. 9140 - Board Representatives)

Budget Criteria and Standards

The Superintendent or designee shall develop a district budget in accordance with state criteria and standards specified in 5 CCR 15440-15450 as they relate to projections of average daily attendance (ADA), enrollment, ratio of ADA to enrollment, local control funding formula revenue, salaries and benefits, other revenues and expenditures, facilities maintenance, deficit spending, unrestricted general fund balance, and reserves. In addition, he/she shall provide the supplemental information specified in 5 CCR 15451 which addresses the methodology and budget assumptions used, 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, status of

BUDGET (continued)

collective bargaining agreements, the LCAP, and LCAP expenditures. (Education Code 33128, 33128.3, 33129, 42127.01; 5 CCR 15440-15451)

The district budget shall provide for increasing or improving services for unduplicated students at least in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated students in accordance with 5 CCR 15496. *Unduplicated students* are students who are eligible for free or reduced-price meals, English learners, and/or foster youth. (Education Code 42238.07; 5 CCR 15496)

(cf. 3553 - *Free and Reduced Price Meals*)
(cf. 6173.1 - *Education for Foster Youth*)
(cf. 6174 - *Education for English Learners*)

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, 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*)

Fund Balance

The district shall classify fund balances in compliance with Governmental Accounting Standards Board (GASB) Statement 54, as follows:

1. *Nonspendable fund balance* includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g., inventories and prepaids) or that are legally or contractually required to be maintained intact.
2. *Restricted fund balance* includes amounts constrained to specific purposes by their providers or by law.
3. *Committed fund balance* includes amounts constrained to specific purposes by the Board.

For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period (June 30), although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

BUDGET (continued)

4. *Assigned fund balance* includes amounts which are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed.

The Board delegates authority to assign funds to the assigned fund balance to the Superintendent and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. The Superintendent may further delegate the authority to assign funds at his/her discretion.

5. *Unassigned fund balance* includes amounts that are available for any purpose.

When multiple types of funds are available for an expenditure, the district shall first utilize funds from the restricted fund balance as appropriate, then from the committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances.

If the assigned and unassigned fund balance falls below the level set by the Board due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

Reserve Balance

The district budget shall include a minimum reserve balance for economic uncertainties that is consistent with the percentage or amount specified in 5 CCR 15450.

In any year that the district is notified by the Superintendent of Public Instruction that the amount of monies in the state Public School System Stabilization Account equals or exceeds three percent of the combined total of general fund revenues appropriated for school districts and allocated local proceeds of taxes, the district budget shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10 percent of these funds. (Education Code 41202, 42127.01)

Long-Term Financial Obligations

The district's current-year budget and multiyear 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.

BUDGET (continued)

(cf. 4141/4241 - Collective Bargaining Agreement)

(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)

When the Superintendent or designee presents a report to the Board on the estimated accrued but unfunded cost of workers' compensation claims, the Board shall disclose, as a separate agenda item at the same meeting, whether or not it will reserve in the budget sufficient amounts to fund the present value of accrued but unfunded workers' compensation 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)

Budget Amendments

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 occur as a result of the funding made available by that Budget Act. (Education Code 42127)

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 as necessary when 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
41202 Determination of minimum level of education funding
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
42238-42251 Apportionments to districts, especially:
42238.01-42238.07 Local control funding formula
42602 Use of unbudgeted funds
42610 Appropriation of excess funds and limitation thereon
45253 Annual budget of personnel commission
45254 First year budget of personnel commission
52060-52077 Local control and accountability plan

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
15494-15496 Local control funding formula, expenditures

Management Resources: (see next page)

BUDGET (continued)

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

New Requirements for Reporting Fund Balance in Governmental Funds, January 7, 2011

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 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2015

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

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>

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

BUDGET

Budget Advisory Committee

Membership of the district's budget advisory committee may include representatives of each of the following groups:

1. Board of Trustees members, provided that less than a majority of the Board serves on the committee

(cf. 9140 - Board Representatives)

2. District and school site administrators
3. Representatives of bargaining units
4. Certificated and/or classified staff
5. Parents/guardians
6. Representatives of the business community and/or other community members
7. Students

(cf. 1220 - Citizen Advisory Committees)

(cf. 2230 - Representative and Deliberative Groups)

(cf. 9130 - Board Committees)

The committee's duties may include, but not necessarily be limited to:

1. Making recommendations regarding budget priorities
2. Recommending cost reduction strategies, such as identifying services that may be reduced, made more efficient, or discontinued
3. Reviewing the clarity and effectiveness of budget documents and communications
4. Presenting progress reports on the committee's work and a final report of recommendations to the Superintendent or designee and to the Board

The specific duties of the committee shall be clearly defined and presented to each member in writing, along with any background information necessary for the successful completion of the committee's charges, the timelines for reporting the committee's progress, and timelines for completion of each task.

(cf. 3350 - Travel Expenses)

BUDGET (continued)

Public Hearing

The agenda for the public hearing on the district budget 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, 52062)

(cf. 0460 - Local Control and Accountability Plan)

(cf. 9320 - Meetings and Notices)

(cf. 9322 - Agenda/Meeting Materials)

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 as required by Education Code 42103.

Whenever the proposed district budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties adopted by the State Board of Education, the district shall provide, for each fiscal year included in the budget, the following information for public review and discussion at the public hearing: (Education Code 42127; 5 CCR 15450)

1. The minimum recommended reserve for economic uncertainties
2. The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve
3. A statement of reasons substantiating the need for the combined assigned and unassigned ending balances that are in excess of the minimum recommended reserve

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. 9323 - Meeting Conduct)

Budget Review Committee for Disapproved Budgets

If the district's budget is disapproved by the County Superintendent for any reason other than his/her disapproval of the district's local control and accountability plan (LCAP) or annual update to the LCAP, the budget shall be reviewed by a budget review committee, unless the Board and County Superintendent agree to waive the requirement and the California Department of Education accepts the waiver. (Education Code 42127)

BUDGET (continued)

This committee shall consist of either: (Education Code 42127.1, 42127.2)

1. Three persons selected by the Board from a list of candidates provided by the Superintendent of Public Instruction (SPI), who shall be selected within five working days after receiving the list of candidates
2. A regional review committee convened by the County Superintendent with the approval of the Board

If the budget review committee recommends disapproval of the district budget, the Board may submit a response to the SPI no later than five working days after receipt of the committee's report. The response may include any revisions to the adopted final budget and any other proposed actions to be taken as a result of the committee's recommendations. (Education Code 42127.3)

If the SPI disapproves the district budget after reviewing the committee's report and the district's response, the Board shall consult with the County Superintendent as he/she develops and adopts, by December 31, a fiscal plan and budget that will allow the district to meet its financial obligations. For the current fiscal year, the district shall operate in accordance with the budget adopted by the County Superintendent. (Education Code 42127.3)

Until the district receives approval of its budget, it shall continue to operate either on the basis of the prior year's budget or on the basis of the current year's unapproved budget as adopted and revised by the Board, whichever budget contains a lower total spending authority. (Education Code 42127.4)

TRANSFER OF FUNDS

The Board of Trustees recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

(cf. 0460 - Local Control and Accountability Plan)

(cf. 3100 - Budget)

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

(cf. 3460 - Financial Reports and Accountability)

The total amount budgeted by the district for each major classification of expenditures, as listed in the California Department of Education's budget forms, shall be the maximum amount which the district may expend for that classification for the school year. (Education Code 42600)

However, when it is in the best interest of the district, the Board may:

1. At any time, adopt a written resolution providing for transfers from the designated fund balance or the unappropriated fund balance to any expenditure classification or between classifications. The resolution shall be filed with the County Superintendent of Schools and the county auditor. (Education Code 42600)
2. Direct the temporary transfer of monies held in any district fund or account to another fund or account as necessary for the payment of obligations. Such borrowing shall occur only when the fund or account receiving the money will earn sufficient income during the current fiscal year to repay the amount transferred. No more than 75 percent of the maximum amount held in any fund or account during the current fiscal year may be transferred. Amounts transferred shall be repaid in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. (Education Code 42603)
3. At the close of a school year, request that the County Superintendent make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s), or balance any expenditure classifications of the district budget as necessary for the payment of obligations incurred during that school year. (Education Code 42601)
4. Specify amounts to be transferred by the county auditor and treasurer from the district's general fund to the special reserve fund during the fiscal year. If any special reserve funds are maintained for purposes other than capital outlay or if monies in the special reserve fund are not actually encumbered for ongoing expenses, the Board may transfer those monies into the general fund for the general operating purposes of the district. If any monies remain in the special reserve fund at the conclusion of a project, the Board may, by written request to the County Superintendent, auditor, and treasurer, transfer those monies to the district's general fund. (Education Code 42841-42843)

TRANSFER OF FUNDS (continued)

5. Transfer monies between other funds or accounts when authorized by law.

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

41301 Section A state school fund allocation schedule

42125 Designated and unappropriated fund balances

42238-42251 Apportionments to districts, especially:

42238.01-42238.07 Local control funding formula

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

Management Resources:

WEB SITES

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

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

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

SCHOOL RESOURCES

The Board believes in a well-planned, community-supported educational program for all pupils. In order to maximize pupil learning and to support and implement individual school Improvement plans, it is most important to provide adequate resources.

General Fund and Categorical resources available for use in schools may vary from year to year based on changes in local, state, and federal funding. The staffing needs of schools shall be determined annually. Funding to meet the staffing needs of schools will be increased or decreased as the fiscal conditions of the school district dictate.

Policy
adopted: May 11, 1978
revised: May 10, 1979
revised: October 23, 1980
revised: November 11, 1982
revised: October 27, 1983
revised: January 15, 1991
revised: August 11, 1992

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

SCHOOL RESOURCES

Allocations for the year will be adjusted in the fall to reflect actual enrollment on the fourth Friday of the school year and the discretionary allocation rate per pupil adopted by the Board of Trustees in conjunction with the adoption of the budget for the school year. In the event that a site has to form a class of new pupils after the fourth week, an adjustment will be made. Schools will be allocated basic staff as follows:

Certificated StaffElementary School¹

Principal 1 FTE

Elementary School 650 students

Principal 1 FTE¹

Middle School

Principal 1 FTE

Assistant Principal 1 FTE

Counselor 1 FTE

District Wide

Librarian 1 FTE

Nurse 1 FTE

Elementary schools with less than 400 pupils *may* be provided with either a full time or part-time Principal at the discretion of the Superintendent. Program needs will also be considered in these allocations.

Classified StaffElementary School²

School Secretary 1 FTE

Media Tech .5 FTE (4 hrs)

SCHOOL RESOURCES (continued)

School Clerk .5625 FTE (4.5 hrs)

Noon Duty 1:90 students

Custodian 1 FTE

Elementary School 650 students

School Secretary 1 FTE

Media Tech .625 FTE (5 hrs)

School Clerk .6875 FTE (5.5 hrs)

Noon Duty 1:90 students

Custodian 1 FTE

Middle School

School Secretary 1 FTE

Media Tech .625 FTE (5 hrs)

Clerical Support 1.25 FTE (10 hrs)

Noon Duty 1:90 students

Custodian 2 FTE

Middle School > 1,000 students

Media Tech .75 FTE (6 hrs)

Clerical Support 1.875 FTE (15 hrs)

Noon Duty 1:90 students

Custodian 3 FTE

SCHOOL RESOURCES (continued)

District Wide

Health Clerk .5 FTE

Custodian - (Ele) 7 FTE

Elementary schools with less than 400 pupils *may* be staffed at reduced levels at the discretion of the Superintendent. Program needs will be considered in these allocations.

Discretionary Appropriations

Preliminary allocations for discretionary appropriations will be made between January and February of each year. The preliminary allocation will be based on projected enrollment for the following school year. The allocation for the year will be adjusted in October to reflect actual enrollment on the fourth Friday of the school year. The discretionary allocation rate per pupil shall be adopted by the Board of Trustees in conjunction with the adoption of the budget for the ensuing school year.

Final determination of the use of any positive ending balance will be made at the discretion of the Superintendent.

Any expenditure exceeding the budgeted discretionary appropriations will be carried forward as a charge against the appropriation for the following year.

The discretionary appropriation budget shall be prepared by the school principal. Allocations shall be used to support and implement school improvement plans. Discretionary appropriations may be budgeted within the following accounts:

1150 Substitutes

4110 Books—General Purpose

4140 Books—State Approved

4310 Supplies—Classroom/Office Supplies

5830 Contracted Services

5220 Conference--Travel, Registration, etc

5600's Rentals, Leases, and Repairs

5700's Program/Interfund Charges (including Transportation)

SCHOOL RESOURCES (continued)

5839 Admission Fees

6200's Building Improvement

6400's Equipment

Regulation
approved: August 25, 1983
revised: July 24, 1986
revised: May 14, 1987
revised: June 25, 1987
revised: January 15, 1991
revised: August 11, 1992
revised: October 21, 1997
revised: March 11, 1998
revised: April 20, 1999
revised: June 5, 2001
revised: February 2, 2004
revised: December 6, 2006
revised: April 20, 2010
revised: August 28, 2012

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

INCOME

It shall be the responsibility of the Department of Business Services to supervise the daily operations of Revenue Accounting to ensure that income received is monitored and processed correctly.

Berryessa Union School District shall endeavor to secure all revenue that is due and shall continually seek new sources of revenue for its operation. When received, revenue shall be identified by its source as specified in the California School Accounting Manual.

Funding for special or restricted programs mandates that the money shall be spent for its specified purposes as stated in the California Education Codes.

It is prudent and good business practice to monitor revenue, to accurately estimate projected revenue, to adjust estimates when necessary, and to closely monitor and correctly account for receipts.

The district receives funds from local state, and federal agencies as well as from individuals and private agencies. These funds come to the district in a variety of forms: cash, checks, and appointment notices. Department of Business Services shall be responsible for identifying all revenue by its source according to the structure outlined in the California School Accounting Manual.

revised:

Business and Noninstructional Operations

BP 3220.1(a)

LOTTERY FUNDS

The Board of Trustees intends to use California State Lottery funds for supplemental and nonrecurring expenditures in support of educational programs and activities. In recognition of the yearly fluctuations of lottery funds received by the district, the Board shall not commit lottery funds for any purpose until they have been received.

(cf. 3000 - Concepts and Roles)

(cf. 3100 - Budget)

The Board shall establish funding priorities and approve all allocations in accordance with law.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

Lottery funds allocated by the state for the purchase of instructional materials shall be expended on instructional materials as defined in Education Code 60010. Lottery funds shall not be used for the acquisition of real property, construction of school facilities, financing of research, or any other noninstructional purpose. (Government Code 8880.4, 8880.5)

(cf. 3460 - Financial Reports and Accountability)

For the receipt and expenditure of lottery funds, the Superintendent or designee shall establish a separate account that shall be clearly identified as a lottery education account. (Government Code 8880.5)

The Board encourages staff and community members to participate in determining how lottery funds will be used. The Superintendent or designee may solicit input through district advisory groups, school site councils, and/or individual students, staff, parents/guardians, and community members.

(cf. 0420 - School Plans/Site Councils)

(cf. 1220 - Citizen Advisory Committees)

Legal Reference:

EDUCATION CODE

14600 Legislative findings and declarations: state control of lottery funds

14700-14701 Use of lottery funds

60010 Definitions

60119 Sufficiency of instructional materials

GOVERNMENT CODE

8880-8880.5 California State Lottery: general provisions

CODE OF REGULATIONS, TITLE 5

19834 Audits, Proposition 20 lottery funds

19835 Audits, state lottery funds

Management Resources: (see next page))

BP 3220.1(b)

LOTTERY FUNDS (continued)

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION CORRESPONDENCE

2001.05.10 Proposition 20 - Allocation of Lottery Funds for Instructional Materials

WEB SITES

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

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

FEDERAL GRANT FUNDS

The Board of Trustees recognizes the district's responsibility to maintain fiscal integrity and transparency in the use of all funds awarded through federal grants. The district shall comply with all requirements detailed in any grant agreement with an awarding agency and with the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards specified in 2 CFR 200.0-200.521 and any stricter state laws and district policy.

Any goods or services purchased with federal funds shall be reasonable in cost and necessary for the proper and efficient performance or administration of the program.

The Superintendent or designee shall ensure that the district's financial management systems and procedures provide for the following: (2 CFR 200.302)

1. Identification in district accounts of each federal award received and expended and the federal program under which it was received

(cf. 3100 - Budget)

2. Accurate, current, and complete disclosure of the financial and performance results of each federal award or program in accordance with the reporting requirements of 2 CFR 200.327 and 200.328

(cf. 3460 - Financial Reports and Accountability)

3. Records and supporting documentation that adequately identify the source and application of funds for federally funded activities, including information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest

(cf. 1340 - Access to District Records)

(cf. 3580 - District Records)

4. Effective controls and accountability for all funds, property, and other assets and assurance that all assets are used solely for authorized purposes
5. Comparison of actual expenditures with budgeted amounts for each federal award
6. Written procedures to implement provisions governing payments as specified in 2 CFR 200.305
7. Written procedures for determining the allowability of costs in accordance with 2 CFR 200.400-200.475 and the terms and conditions of the federal grant award

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

FEDERAL GRANT FUNDS (continued)

The Superintendent or designee shall develop and implement appropriate internal control processes to reasonably assure that transactions are properly executed, recorded, and accounted for so that the district can prepare reliable financial statements and federal reports, maintain accountability over assets, and demonstrate compliance with federal laws, regulations, and conditions of the federal award. (2 CFR 200.61, 200.62, 200.303)

Equipment purchased with federal funds shall be properly inventoried and adequately maintained to safeguard against loss, damage, or theft of the property.

(cf. 3270 - Sale and Disposal of Books, Equipment and Supplies)

(cf. 3440 - Inventories)

(cf. 3512 - Equipment)

All staff involved in the administration or implementation of programs and activities supported by federal funds shall receive information and training on the allowable use of federal funds, purchasing procedures, and reporting processes commensurate with their duties.

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

The district shall submit performance reports to the awarding agency in accordance with the schedule and indicators required for that federal grant by law and the awarding agency. As required, such reports may include a comparison of actual accomplishments to the objectives of the federal award, the relationship between financial data and performance accomplishments, the reasons that established goals were not met if applicable, cost information to demonstrate cost effective practices, analysis and explanation of any cost overruns or high unit costs, and other relevant information. The final performance report shall be submitted within 90 days after the ending date of the grant. (2 CFR 200.301, 200.328)

(cf. 0500 - Accountability)

(cf. 6190 - Evaluation of the Instructional Program)

Legal Reference: (see next page)

FEDERAL GRANT FUNDS (continued)

Legal Reference:

EDUCATION CODE

42122-42129 *Budget requirements*

CODE OF FEDERAL REGULATIONS, TITLE 2

180.220 *Amount of contract subject to suspension and debarment rules*

200.0-200.521 *Federal uniform grant guidance, especially:*

200.1-200.99 *Definitions*

200.100-200.113 *General provisions*

200.317-200.326 *Procurement standards*

200.327-200.329 *Monitoring and reporting*

200.333-200.337 *Record retention*

200.400-200.475 *Cost principles*

200.500-200.521 *Audit requirements*

CODE OF FEDERAL REGULATIONS, TITLE 34

76.730-76.731 *Records related to federal grant programs*

CODE OF FEDERAL REGULATIONS, TITLE 48

2.101 *Federal acquisition regulation; definitions*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California Department of Education Audit Guide

California School Accounting Manual

EDUCATION AUDIT APPEALS PANEL PUBLICATIONS

Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting

U.S. DEPARTMENT OF EDUCATION PUBLICATIONS

Questions and Answers Regarding 2 CFR Part 200, March 17, 2016

WEB SITES

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

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

Office of Management and Budget, Uniform Guidance: https://www.whitehouse.gov/omb/grants_docs

State Controller's Office: <http://www.sco.ca.gov>

System for Award Management (SAM): www.sam.gov/portal/SAM/##11

U.S. Department of Education: <http://www.ed.gov>

U.S. Government Accountability Office: <http://www.gao.gov>

adopted:
Business and Noninstructional Operations

San Jose, California
AR 3230(a)

FEDERAL GRANT FUNDS

Allowable Costs

Prior to obligating or spending any federal grant funds, the Superintendent or designee shall determine whether a proposed purchase is an allowable expenditure of federal funds in accordance with 2 CFR 200.400-200.475 and the terms and conditions of the federal grant award. He/she shall also determine whether the expense is a direct or indirect cost as defined in 2 CFR 200.413 and 200.414 and, if the purchase will benefit other programs not included in the grant award, the appropriate share to be allocated to the federal grant.

(cf. 3350 - Travel Expenses)

The Superintendent or designee shall review and approve all transactions involving federal grant funds and shall ensure the proper coding of expenditures consistent with the California School Accounting Manual.

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

Period of Performance

All obligations of federal funds shall occur on or between the beginning and ending dates of the grant project and shall be paid no later than 90 days after the end of the funding period, unless specifically authorized by the grant award to be carried over beyond the initial term of the grant. (2 CFR 200.77, 200.308, 200.309, 200.343)

Procurement

On or before July 1, 2017, or such later date as may be approved in the Uniform Guidance, the Superintendent or designee shall comply with the standards specified in 2 CFR 200.317-200.326 and Appendix II of Part 200 when procuring goods and services needed to carry out a federal grant as well as any more restrictive state laws and district policies concerning the procurement of goods and services.

As appropriate to encourage greater economy and efficiency, the Superintendent or designee shall avoid acquisition of unnecessary or duplicative items, give consideration to consolidating or breaking out procurements, analyze lease versus purchase alternatives, consider entering into an interagency agreement for procurement of common or shared goods and services, and/or use federal excess or surplus property. (2 CFR 200.318)

The procurement of goods or services with federal funds shall be conducted in a manner that provides full and open competition in accordance with state laws and district regulations and the following requirements:

1. Any purchase of supplies or services that does not exceed the "micro-purchase" threshold specified in 48 CFR 2.101 may be awarded without soliciting competitive

FEDERAL GRANT FUNDS (continued)

quotes, provided that the district considers the price to be reasonable and maintains written evidence of this reasonableness in the record of all micro-purchases. (2 CFR 200.67, 200.320)

2. For any purchase that exceeds the micro-purchase threshold but is less than the bid limit required by Public Contract Code 20111, the Superintendent or designee shall utilize "small-purchase" procedures that include obtaining price or rate quotes from an adequate number of qualified sources. (2 CFR 200.320)
3. Contracts for goods or services over the bid limits required by Public Contract Code 20111 shall be awarded pursuant to California law and AR 3311 - Bids, unless exempt from bidding under the law.

(cf. 3311 - Bids)

4. If a purchase is exempt from bidding and the district's solicitation is by a request for proposals, the award may be made by either a fixed-price or cost-reimbursement type contract awarded to the entity whose proposal is most advantageous to the program, with price and other factors considered. (2 CFR 200.320)

(cf. 3312 - Contracts)

5. Procurement by noncompetitive proposals (sole sourcing) may be used only when the item is available from a single source, the need or emergency will not permit a delay resulting from competitive solicitation, the awarding agency expressly authorizes sole sourcing in response to the district's request, and/or competition is determined inadequate after solicitation of a number of sources. (2 CFR 200.320)
6. Time and materials type contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. *Time and materials type contract* means a contract whose cost is the sum of the actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit. (200.328)

For any purchase of \$25,000 or more, the Superintendent or designee shall verify that any vendor which is used to procure goods or services is not excluded or disqualified by the federal government. (2 CFR 180.220, 200.213)

All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description shall avoid detailed product specifications to the extent possible, but may include a statement of the qualitative nature of the material, product, or service to be procured and,

FEDERAL GRANT FUNDS (continued)

when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or not economical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used to define the performance or other salient requirements of procurement, clearly stating the specific features of the named brand which must be met by offers. In addition, every solicitation shall identify all requirements which the offer must fulfill and any other factors to be used in evaluating bids or proposals. (2 CFR 200.319)

The Superintendent or designee shall maintain sufficient records to document the procurement, including, but not limited to, the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price. (2 CFR 200.318)

The Superintendent or designee shall ensure that all contracts for purchases using federal grant funds contain the applicable contract provisions described in Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. (2 CFR 200.326)

Capital Expenditures

The Superintendent or designee shall obtain prior written approval from the awarding agency before using federal funds to make capital expenditures, including the acquisition of land, facilities, equipment, and intellectual property and expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life. (2 CFR 200.12, 200.13, 200.20, 200.33, 200.48, 200.58, 200.89, 200.313, 200.439)

Conflict of Interest

No Board of Trustees member, district employee, or district representative shall participate in the selection, award, or administration of a contract supported by federal funds if he/she has a real or apparent conflict of interest, such as when he/she or a member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of them has a financial interest in or a tangible personal benefit from a firm considered for a contract. Such persons are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from contractors or subcontractors unless the gift is an unsolicited item of nominal value. (2 CFR 200.318)

Employees engaged in the selection, award, and administration of contracts shall also comply with BB 9270 - Conflict of Interest.

FEDERAL GRANT FUNDS (continued)

Cash Management

The Superintendent or designee shall ensure the district's compliance with 2 CFR 200.305 pertaining to payments and cash management, including compliance with applicable methods and procedures that minimize the time elapsing between the transfer of funds to the district and the district's disbursement of funds. (2 CFR 200.305)

When authorized by law, the district may receive advance payments of federal grant funds, limited to the minimum amounts needed and timed in accordance with the actual immediate cash requirements of the district for carrying out the purpose of the program or project. Except under specified conditions, the district shall maintain the advance payments in an interest-bearing account. The district shall remit interest earned on the advanced payment to the awarding agency on an annual basis, but may retain interest amounts specified in 2 CFR 200.305 for administrative expenses. (2 CFR 200.305)

When required by the awarding agency, the district shall instead submit a request for reimbursement of actual expenses incurred. The district may also request reimbursement as an alternative to receiving advance payments. (2 CFR 200.305)

The Superintendent or designee shall maintain source documentation supporting the expenditure of federal funds, such as invoices, time sheets, payroll stubs, or other appropriate documentation.

Personnel

All district employees who are paid in full or in part with federal funds, including employees whose salary is paid with state or local funds but is used to meet a required match or in-kind contribution to a federal program, shall document the amount of time they spend on grant activities. (2 CFR 200.430)

Records

Except as otherwise provided in 2 CFR 200.333, or where state law or district policy requires a longer retention period, financial records, supporting documents, statistical records, and all other district records related to a federal award shall be retained for a period of 5 years from the date of submission of the final expenditure report or, for a federal award that is renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report. (2 CFR 200.333)

FEDERAL GRANT FUNDS (continued)

Audits

Whenever the district expends \$750,000 or more in federal grant funds during a fiscal year, it shall arrange for either a single audit or a program-specific audit in accordance with 2 CFR 200.507 or 200.514. (2 CFR 200.501)

The Superintendent or designee shall ensure that the audit meets the requirements specified in 2 CFR 200.500-200.521.

Specified records pertaining to the audit of federal funds expended by the district shall be transmitted to the clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the audit period, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or a different period is specified in a program-specific audit guide. (2 CFR 200.512)

In the event that the audit identifies any deficiency, the Superintendent or designee shall promptly act to either correct the identified deficiency, produce recommended improvements, or demonstrate that the audit finding is invalid or does not warrant action. (2 CFR 200.26, 200.508, 200.511)

TRANSPORTATION FEES

Because the cost of providing student transportation exceeds funding provided by the state, the Board of Trustees finds it necessary to charge fees for home-to-school student transportation.

The Superintendent or designee shall annually submit proposed transportation fee schedules for Board approval. Fees shall be determined on the basis of operating costs in accordance with law.

No charge shall be made for any transportation of students whose individualized education program requires transportation or whose parents/guardians are determined indigent pursuant to administrative regulations.

(cf. 3540 - Transportation)

(cf. 3541.2 - Transportation for Students with Disabilities)

Legal Reference:

EDUCATION CODE

10913 Fees for uses of school buses for community recreation purposes

35330 Excursions or field trips

39800-39860 Transportation, especially:

39801.5 Transportation fees for adults

39807.5 Payment of transportation cost; amount of payment

39809.5 Excess fees; adjustments

39837 Fees for summer employment transportation

41850 Home-to-school and special education transportation

49557 Applications for free and reduced price meals

49558 Confidentiality of applications and records

56026 Individuals with exceptional needs

CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

CODE OF FEDERAL REGULATIONS, TITLE 7

245.8(a) Nondiscrimination practices for children eligible to receive free and reduced price meals and free milk

COURT DECISIONS

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

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

Management Resources:

CDE MANAGEMENT ADVISORIES

0619.92 Fees for Pupil Transportation (#92-05)

CDE PROGRAM ADVISORIES

0609.95 School transportation fee exemption for handicapped children and pupils whose parents or guardians are indigent (LO: 2-95)

FEES AND CHARGES

The Board of Trustees recognizes its responsibility to ensure that books, materials, equipment, supplies, and other resources necessary for students' participation in the district's educational program are made available to them at no cost.

No student shall be required to pay a fee, deposit, or other charge 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. (Education Code 49010, 49011; 5 CCR 350)

(cf. 3100 - Budget)

(cf. 6145 - Extracurricular and Cocurricular Activities)

As necessary, the Board may approve fees, deposits, and other charges which are specifically authorized by law. When approving such fees, deposits, or charges, establishing fee schedules, or determining whether waivers or exceptions should be granted, the Board shall consider relevant data, including the socioeconomic conditions of district students' families and their ability to pay.

(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)

The prohibition against student fees shall not restrict the district from soliciting for donations, participating in fundraising activities, or providing prizes or other recognition for participants in such activities and events. The Superintendent or designee shall emphasize that participation of students, parents/guardians, district employees, volunteers, or educational or civic organizations in such activities and events is voluntary. The district shall not offer or award to a student any course credit or privileges related to educational activities in exchange for voluntary donations or participation in fundraising activities by or on behalf of the student. It also shall not remove or threaten to remove from a student any course credit or privileges related to educational activities, or otherwise discriminate against the student, due to a lack of voluntary donations or participation in fundraising activities by or on behalf of the student.

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

(cf. 3290 - Gifts, Grants and Bequests)

The Superintendent or designee may provide information or professional development opportunities to administrators, teachers, and other personnel regarding permissible fees.

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

FEES AND CHARGES (continued)

Complaints

A complaint alleging district noncompliance with the prohibition against requiring student fees, deposits, or other charges shall be filed in accordance with the district's procedures in BP/AR 1312.3 - Uniform Complaint Procedures. (Education Code 49013)

(cf. 1312.3 - Uniform Complaint Procedures)

If, upon investigation, the district finds merit in the complaint, the Superintendent or designee shall recommend and the Board shall adopt an appropriate remedy to be provided to all affected students and parents/guardians in accordance with 5 CCR 4600.

Information related to the prohibition against requiring students to pay fees for participation in an educational activity shall be included in the district's annual notification of uniform complaint procedures to be provided to all students, parents/guardians, employees, and other interested parties pursuant to 5 CCR 4622. (Education Code 49013)

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

(cf. 5145.6 - Parental Notifications)

Legal Reference: (see next page)

FEES AND CHARGES (continued)

Legal Reference:

EDUCATION CODE

8239 *Preschool and wraparound child care services*
8250 *Child care and development services for children with disabilities*
8263 *Child care eligibility*
8422 *21st Century High School After School Safety and Enrichment for Teens programs*
8482.6 *After School Education and Safety programs*
8760-8774 *Outdoor science and conservation programs*
17453.1 *District sale or lease of Internet appliances or personal computers to students or parents*
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*
38080-38086.1 *Cafeteria establishment and use*
38120 *Use of school band equipment on excursions to foreign countries*
39801.5 *Transportation for adults*
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 foreign nationals*
56504 *School records; students with disabilities*
60410 *Students in classes for adults*

GOVERNMENT CODE

6253 *Request for copy; fee*

Legal Reference continued: (see next page)

FEES AND CHARGES (continued)

Legal Reference: (continued)

CALIFORNIA CONSTITUTION

Article 9, Section 5 Common school system

CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

4600-4687 Uniform complaint procedures

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 PUBLICATIONS

Pupil Fees: Damage to School Property, Fiscal Management Advisory 16-01, September 16, 2016

Pupil Fees: Parent Service Hours, Fiscal Management Advisory 15-01, January 20, 2015

Pupil Fees, Deposits, and Other Charges: Cap and Gown for High School Graduation Ceremony,

Addendum to Fiscal Management Advisory 12-02, October 4, 2013

Fees, Deposits and Other Charges, Fiscal Management Advisory 12-02, April 24, 2013

WEB SITES

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

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

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

The Board of Trustees recognizes its fiscal responsibility to maximize the use of district equipment, supplies, instructional materials, and other personal property while providing up-to-date resources that facilitate student learning and effective district operations. When the Board, upon recommendation of the Superintendent or designee, declares any district-owned personal property unusable, obsolete, or no longer needed, the Board shall determine the estimated value of the property and shall decide whether the property will be donated, sold, or otherwise disposed of as prescribed by law and administrative regulation.

(cf. 0440 - District Technology Plan)

(cf. 3512 - Equipment)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6163.1 - Library Media Centers)

The Board shall approve the price and terms of any sale or lease of personal property of the district.

If the Board members who are in attendance at a meeting unanimously agree that the property, whether one or more items, does not exceed \$2,500 in value, the property may be sold without advertising for bids. (Education Code 17546)

(cf. 9323.2 - Actions by the Board)

If the Board members who are in attendance at 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 in the local public dump. (Education Code 17546)

Instructional materials shall be considered obsolete or unusable by the district if they have been replaced by more recent editions or new materials selected by the Board, are not aligned with the district's academic standards or course of study, and have no foreseeable value in other instructional areas. Such materials may be sold or donated if they continue to serve educational purposes that would benefit others outside the district. Instructional materials are not appropriate for sale or donation if they meet any of the following criteria:

1. Contain information rendered inaccurate or incomplete by new research or technologies
2. Contain demeaning, stereotyping, or patronizing references to any group of persons protected against discrimination by law or Board policy
3. Are damaged beyond use or repair

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 1312.4 - Williams Uniform Complaint Procedures)

(cf. 6011 - Academic Standards)

(cf. 6143 - Courses of Study)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

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

The Superintendent or designee shall establish procedures to be used whenever the district sells equipment or supplies originally acquired under a federal grant or subgrant. Such procedures shall be designed to ensure the highest possible return. (2 CFR 200.313)

(cf. 3230 - Federal Grant Funds)

(cf. 3440 - Inventories)

Legal Reference:

EDUCATION CODE

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

17545-17555 Sale of personal property

35168 Inventory, including record of time and mode of disposal

60510-60530 Sale, donation, or disposal of instructional materials

GOVERNMENT CODE

25505 District property; disposition; proceeds

CODE OF REGULATIONS, TITLE 5

3944 Consolidated categorical programs, district title to equipment

3946 Disposal of equipment purchased with state and federal consolidated application funds

UNITED STATES CODE, TITLE 40

549 Surplus property

CODE OF FEDERAL REGULATIONS, TITLE 2

200.0-200.521 Federal uniform grant guidance

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual

Standards for Evaluating Instructional Materials for Social Content, 2013

WEB SITES

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

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

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

Instructional Materials

Surplus or undistributed obsolete instructional materials that are usable for educational purposes may be sold by the district. Alternatively, such materials may be donated to: (Education Code 60510)

1. Another district, county free library, or other state institution
2. A United States public agency or institution
3. A nonprofit charitable organization
4. Children or adults in California or foreign countries for the purpose of increasing the general literacy of the people

(cf. 0440 - District Technology Plan)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6163.1 - Library Media Centers)

Any organization, agency, or institution receiving obsolete instructional materials donated by the district shall certify to the Board of Trustees that it agrees to make no charge to any persons to whom it gives or lends these materials. (Education Code 60511)

At least 60 days before selling or donating surplus or undistributed obsolete instructional materials, the Superintendent or designee shall notify the public of the district's intention to do so through a public service announcement on a local television station, in a local newspaper, or by other means that will most effectively reach the entities described above. Representatives of those entities and members of the public also shall be notified of the opportunity 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. Mutilated as not to be salable as instructional materials and sold for scrap or for use in the manufacture of paper pulp or other substances at the highest obtainable price
2. Destroyed by any economical means, provided that the materials are not destroyed until at least 30 days after the district has given notice to all persons who have filed a request for such notice

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

(cf. 3510 - Green School Operations)

(cf. 3511.1 - Integrated Waste Management)

Equipment/Supplies Acquired with Federal Funds

When the district has a need to replace equipment originally purchased with funds from a federal grant or subgrant, it may, subject to the approval of the agency that awarded the grant, trade in the original equipment or sell the property and use the proceeds to offset the cost of the replacement property. (2 CFR 200.313)

(cf. 3230 - Federal Grant Funds)

When any original or replacement equipment or supplies acquired under a federal grant or subgrant are no longer needed for the original project or program or for other federally supported activities, the district may retain or sell such items or, if the item has a current fair market value of less than \$5,000, may otherwise dispose of the item in a manner approved by the Board. Whenever the district sells equipment or supplies that have a current fair market value of \$5,000 or more, it shall provide an amount to the federal agency equal to the agency's share of the current market value of the equipment or the proceeds from the sale of the equipment or supplies. (2 CFR 200.313, 200.314)

In the event that the district is provided equipment that is federally owned, the district shall request disposition instructions from the federal agency when it no longer needs the equipment. (2 CFR 200.313)

Other Personal Property

The district may sell other surplus or obsolete district-owned personal property through any of the following methods:

1. The Superintendent or designee may advertise for bids by posting a notice in at least three public places in the district for at least two weeks, or by publishing a notice at least once a week for at least two weeks in a newspaper having a general circulation in the district and, if possible, publishing within the district. The district shall sell the property to the highest responsible bidder or shall reject all bids. (Education Code 17545, 17548)

Property for which no qualified bid has been received may be sold, without further advertising, by the Superintendent or designee. (Education Code 17546)

(cf. 3311 - Bids)

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

2. The property may be sold by means of a public auction conducted by district employees, employees of other public agencies, or by contract with a private auction firm. (Education Code 17545)
3. The district may sell the property without advertising for bids under any of the following conditions:
 - a. The Board members in attendance at a meeting have unanimously determined that the property does not exceed \$2,500 in value. (Education Code 17546)

(cf. 9323.2 - Actions by the Board)

- b. The district sells the property to agencies of the federal, state, or local government, to any other school district, or to any agency eligible under the federal surplus property law and the sale price equals the cost of the property plus the estimated cost of purchasing, storing, and handling. (Education Code 17540; 40 USC 549)
 - c. The district sells or leases the property to agencies of the federal, state, or local government or to any other school district and the price and terms of the sale or lease are fixed by the Board and approved by the County Superintendent of Schools. (Education Code 17542)

Money received from the sale of surplus personal 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)

(cf. 3100 - Budget)

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

The Board of Trustees believes that district facilities and resources should be utilized in an economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all district facilities to ensure the efficient utilization of space for the effective delivery of instruction.

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

The Board shall appoint a district advisory committee prior to the sale or lease of any surplus real property to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. Rentals of surplus property not exceeding 30 days are exempted from this requirement. When the sale, lease, or rental of surplus property is for the purpose of teacher or other employee housing or for the offering of summer school by a private educational institution, the Board may elect not to appoint a district advisory committee. (Education Code 17387-17391)

(cf. 1220 - Citizen Advisory Committees)

If the local planning agency has adopted a general plan that affects or includes the area where the surplus property is located, the Board shall submit a report to the local planning agency describing the location of the surplus property and the purpose and extent of the proposed sale or lease. (Government Code 65402)

The Board shall determine whether the sale or lease of the surplus property is subject to review under the California Environmental Quality Act. (Public Resources Code 21000-21177; 14 CCR 15061-15062)

When selling or leasing district real property, the Board shall comply with the priorities and procedures specified in applicable law. (Education Code 17230, 17464, 17485-17499; Government Code 54222)

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

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

In addition, when selling real property purchased, constructed, or modernized with funds received within the past 10 years from a state school facilities funding program, the Board shall consider whether any of the proceeds from the sale will need to be returned to the State Allocation Board (SAB) pursuant to Education Code 17462.3.

Resolution of Intention to Sell or Lease

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 regularly scheduled 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. 9320 - Meetings and Notices)

(cf. 9323.2 - Actions by the Board)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and place of the meeting that will be held to consider bids 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 newspaper exists. (Education Code 17469)

In accordance with Education Code 17470, 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.

Acceptance/Rejection of Bids

At the public meeting specified in the resolution of intention to sell or lease property, the Board shall open, examine, and declare all sealed bids. Before accepting a written proposal, the Board shall call for oral bids in accordance with law. (Education Code 17472, 17473)

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. If no proposals are submitted or the submitted proposals do not conform to all the terms and conditions specified in the resolution of intention to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code 17476, 17477)

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

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 17475-17478)

(cf. 1431 - Waivers)

Use of Proceeds

The Superintendent or designee shall ensure that the proceeds from the sale or lease with an option to purchase of surplus district property are used for one-time expenditures and not for ongoing expenditures such as salaries and general operating expenses. (Education Code 17462)

Proceeds from a sale of surplus district property shall be used for capital outlay or maintenance costs that the Board determines will not recur within a five-year period. (Education Code 17462)

Proceeds from a lease of district property with an option to purchase may be deposited into a restricted fund for the routine repair of district facilities, as defined by the SAB, for up to a five-year period. (Education Code 17462)

If the Board and SAB determine that the district has no anticipated need for additional sites or building construction for the next 10 years and no major deferred maintenance requirements, the proceeds from the sale or lease with an option to purchase may be deposited in a special reserve fund for the future maintenance and renovation of school sites or in the district's general fund. Proceeds from the sale or lease with option to purchase of district property may also be deposited in a special reserve fund for capital outlay or maintenance costs of district property that the Board determines will not recur within a five-year period. (Education Code 17462)

(cf. 3100 - Budget)

(cf. 3460 - Financial Reports and Accountability)

Legal Reference: (see next page)

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

Legal Reference:

EDUCATION CODE

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, especially:*

17462.3 *State Allocation Board program to reclaim funds*

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

50001-50002 *Definitions*

54220-54232 *Surplus land, especially:*

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, December 2015

WEB SITES

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

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.dgs.ca.gov/opsc>

SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

District Advisory Committee

The district advisory committee on use or disposition of surplus school buildings or space shall consist of 7-11 members representative of each of the following: (Education Code 17389)

1. The district's ethnic, age group, and socioeconomic composition
2. The business community, such as store owners, managers, or supervisors
3. Landowners or renters, with preference to representatives of neighborhood associations
4. Teachers
5. Administrators
6. Parents/guardians of students
7. Persons with expertise in environmental impact, legal contracts, building codes, and land use planning, including, but not limited to, knowledge of the zoning and other land use restrictions of the cities and counties in which the surplus property is located

This committee shall: (Education Code 17390)

1. Review projected school enrollment and other data to determine the amount of surplus space and real property
2. Establish and circulate throughout the attendance area a priority list for use of surplus space and real property that will be acceptable to the community
3. Hold hearings, with community input, on acceptable uses of space and real property, including the sale or lease of surplus real property for child care development purposes
4. Make a final determination of limits of tolerance of use of space and real property
5. Send the Board of Trustees a report recommending uses of surplus space and real property

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

The district advisory committee shall comply with open meeting requirements of the Brown Act. (Government Code 54952)

(cf. 1220 - Citizen Advisory Committees)

(cf. 9130 - Board Committees)

Regulation
approved:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

GIFTS, GRANTS AND BEQUESTS

The Board of Trustees may accept any gift, grant, or bequest of money, property, or service to the district from any individual, private agency or organization, or other public agency that desires to support the district's educational program. While greatly appreciating suitable donations, the Board shall reject any gift which may directly or indirectly impair its authority to make decisions in the best interest of district students or its ability or commitment to provide equitable educational opportunities.

(cf. 0100 - Philosophy)
(cf. 0200 - Goals for the School District)
(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 1260 - Educational Foundation)

Before accepting any gift, grant, or bequest, the Board shall carefully consider any conditions or restrictions imposed by the donor to ensure their consistency with the district's vision, philosophy, and operations. If the Board believes the district will be unable to fully satisfy the donor's conditions, the gift shall not be accepted.

(cf. 0000 - Vision)

In addition, the Board shall ensure that acceptance of the gift, grant, or bequest does not:

1. Involve creation of a program which the Board would be unable to sustain when the donation is exhausted
2. Entail undesirable or excessive costs
3. Promote the use of violence, drugs, tobacco, or alcohol or the violation of any law or district policy

(cf. 5131.6 - Alcohol and Other Drugs)
(cf. 5131.62 - Tobacco)

4. Imply endorsement of any business or product or unduly commercialize or politicize the school environment

(cf. 1325 - Advertising and Promotion)

Any gift of books and instructional materials shall be accepted only if they meet regular district criteria for selection of instructional materials.

(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.

GIFTS, GRANTS AND BEQUESTS (continued)

When any gift of money received by the district is not immediately used, it shall be placed in the county treasury in accordance with law. (Education Code 41030-41031)

The Superintendent or designee shall annually provide a report to the Board indicating the gifts, grants, and/or bequests received on behalf of the district in the preceding fiscal year. The report shall include a statement of account and expenditure of all gifts of money and an inventory of all gifts of physical assets.

(cf. 3440 - Inventories)

(cf. 3460 - Financial Reports and Accountability)

Appreciation

The Board may show appreciation for any donation to the district in any manner it deems appropriate. Such appreciation may take the form of letters of recognition or Board resolutions; plaques, commendations, or awards; planting of commemorative trees or gardens; or naming or renaming of buildings, grounds, or facilities. Conferment of any such honor shall be in accordance with applicable Board policy.

(cf. 1150 - Commendations and Awards)

(cf. 7310 - Naming of Facility)

Corporate Sponsorship

The Board may enter into an agreement or arrangement with an outside entity for the sponsorship of an educational, athletic, or other program or activity. When appropriate, the agreement may allow the outside entity to advertise or promote its business, product, or service in district publications or on district property or web sites.

(cf. 1113 - District and School Web Sites)

(cf. 1700 - Relations Between Private Industry and the Schools)

(cf. 3312 - Contracts)

Every sponsorship agreement shall be in writing and shall be approved by the Board. The Board shall ensure that the district's relationship and arrangement with the sponsor are consistent with the district's mission, values, and goals. Any advertising or promotional message, image, or other depiction to be used by the sponsor shall meet the standards set for commercial advertising on district property and in district-sponsored publications. No message, image, or other depiction that promotes the use of obscene language, pornography, alcohol, tobacco, or prohibited drugs or that advocates unlawful discrimination, use of violence, or the violation of law or district policy shall be allowed.

GIFTS, GRANTS AND BEQUESTS (continued)

Each sponsorship agreement shall contain statements including, but not limited to:

1. The purpose of the relationship with the sponsor, details of the benefits to the district, and how the benefits will be distributed.
2. The duration of the agreement and the roles, expectations, rights, and responsibilities of the district and the sponsor, including whether and to what extent the sponsor is allowed to advertise or promote its products and/or services.
3. The authority of the Board to retain exclusive right over the use of the district's name, logo, and other proprietary information. The sponsor's use of such information shall require prior approval of the Board.
4. The authority of the Board to terminate the agreement without any penalty or sanction to the district if the sponsor's message, business, or product becomes inconsistent with district vision, mission, or goals or the sponsor engages in any prohibited activity.
5. The prohibition against the collection of students' personal information except as allowed by law.

(cf. 5022 - Student and Family Privacy Rights)

(cf. 5125 - Student Records)

Legal Reference:

EDUCATION CODE

1834 Acquisition of materials and apparatus

35160 Powers and duties

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

41038 Applicability of other provisions of chapter

Management Resources:

WEB SITES

California Consortium of Education Foundations: <http://www.cceflink.org>

Policy
adopted:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

EXPENDITURES AND PURCHASES

The Board of Trustees recognizes its fiduciary responsibility to oversee the prudent expenditure of district funds. In order to best serve district interests, the Superintendent or designee shall develop and maintain effective purchasing procedures that are consistent with sound financial controls and that ensure the district receives maximum value for items purchased. He/she shall ensure that records of expenditures and purchases are maintained in accordance with law.

(cf. 3000 - Concepts and Roles)

(cf. 3100 - Budget)

(cf. 3230 - Federal Grant Funds)

(cf. 3350 - Travel Expenses)

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

(cf. 3460 - Financial Reports and Accountability)

(cf. 9270 - Conflict of Interest)

Expending Authority

The Superintendent or designee may purchase supplies, materials, apparatus, equipment, and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required. The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

The Board shall review all transactions entered into by the Superintendent or designee on behalf of the Board every 60 days. (Education Code 17605)

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.

(cf. 3110 - Transfer of Funds)

District funds shall not be expended for the purchase of alcoholic beverages. (Education Code 32435)

Purchasing Procedures

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. When price, fitness, and quality are equal, recycled products shall be preferred when procuring materials for use in district schools and buildings.

(cf. 3314.2 - Revolving Funds)

EXPENDITURES AND PURCHASES (continued)

(cf. 3440 - Inventories)

(cf. 3511.1 - Integrated Waste Management)

All purchases shall be made by formal contract or purchase order or shall be accompanied by a receipt. In order to eliminate the processing of numerous small purchase orders, the Superintendent or designee may create a "blanket" or "open" purchase order system for the purchase of minor items as needed from a vendor. He/she shall ensure that the "open" purchase order system details a maximum purchase amount, the types of items that can be purchased under this order, the individuals authorized to approve purchases, and the expiration date of the "open" order.

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

32370-32376 Recycling paper

32435 Prohibited use of public funds, alcoholic beverages

35010 Control of district; prescription and enforcement of rules

35035 Powers and duties of superintendent

35160 Authority of governing boards

35250 Duty to keep certain records and reports

38083 Purchase of perishable foodstuffs and seasonal commodities

41010 Accounting system

41014 Requirement of budgetary accounting

GOVERNMENT CODE

4330-4334 California made materials

PUBLIC CONTRACT CODE

3410 U.S. produce and processed foods

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

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2006

WEB SITES

CSBA, Financial Services: <http://www.csba.org/fs>

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

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

PURCHASING-POLICY STATEMENTS

Purchasing - General

The Berryessa Union School District maintains a centralized purchasing program. A Purchase Order (PO) properly numbered, signed and authorized by the Purchasing Department is the only document by which the District obligates itself to a vendor.

The Purchasing and Contract Manager will review each purchase request for compliance with District policies and procedures and with Education Code guidelines and confirms that the proper account coding is in place.

The Purchasing Department is the only department authorized to sign and issue purchase orders. California Education Code requires that the Board of Trustees approve all District purchases.

Purchases made in the name of the District or a School site without an authorized Purchase Order may be considered a donation to the District or the personal obligation of the person making the purchase and not an obligation of the District.

Purchasing Procedures

Request for Purchase Orders (RPO's) are used to request the purchase of goods and services for the District. Purchase requisitions are initiated and submitted by each school site or department electronically online via the financial system. Each manager is assigned a username and password which allows them to approve RPO's online and release them to the Purchasing Department for processing.

Fiscal Services shall verify funding for all signed requisitions before submitting them to Purchasing for processing. A school or department may not order or purchase an item or service before submitting a requisition for approval. School and district officials shall appropriately discipline all employees who violate this rule.

Equipment (such as certain types of furniture, computers, laptops, tablets, LCD projectors, etc.) will be delivered to the District Warehouse for inventory and tagging. The District defines equipment as any item valued at \$500 or more including shipping and sales tax. Equipment barcode asset tags are white for items \$500 or more. Technology items under \$500 such as iPads, tablets, chrome books, and netbooks are also inventoried and tagged. These items will have a yellow barcode asset tag affixed for tracking ability.

School and department staff is responsible for receiving goods and services in a proper manner that are delivered directly to their site. The person receiving the goods shall verify that the items received match descriptions and quantities on the purchase order. If there is an error on the order the site staff shall immediately call the company and seek resolution for missing or damaged items on an order. All packing slips must be signed and dated as received, attached to a copy of the purchase order and forwarded to the Business Office before payment to the vendor can be made.

PURCHASING-POLICY STATEMENTS (continued)

Warehouse and Stores System

Purchasing is responsible for a variety of warehouse functions including the receiving and delivery of furniture, equipment, and supplies. Equipment (such as certain types of furniture, computers, laptops, tablets, chrome books, LCD projectors, etc.) will be delivered to the District Warehouse for inventory and tagging.

The District Warehouse Stores System stocks commonly required items such as custodial supplies, technology items like cables and cords, and District envelopes and other pre-printed items. Orders are processed by the Purchasing Department and deliveries made by warehouse staff.

Purchasing shall take an annual physical inventory of all supplies stocked in the Warehouse Stores System and reconcile the balance in June of each year as part of the year end close process in the Business Office.

Piggyback and Cooperative Purchasing Guidelines

Public Contract Code Section 20118 provides for school districts to utilize other public agency competitively bid contracts for the purchase of supplies, equipment and services when it is in the best interest of the district to do so.

Before the contract can be awarded, the Governing Board must find that utilizing the other agency's bid is in the district's best interests.

Regulation
approved: October 23, 1984
revised: May 25, 1993
revised: January 19, 1999
revised: June 22, 1999
revised: September 12, 2006

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

BIDS

The Board of Trustees is committed to promoting public accountability and ensuring prudent use of public funds. When leasing, purchasing, or contracting for equipment, materials, supplies, or services for the district, including when contracting for public projects involving district facilities, the Board shall explore lawful opportunities to obtain the greatest possible value for its expenditure of public funds. When required by law, or if the Board determines that it is in the best interest of the district, such contracts shall be made using competitive bidding.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 3000 - Concepts and Roles)

(cf. 3230 - Federal Grant Funds)

(cf. 3300 - Expenditures and Purchases)

(cf. 3311.1 - Uniform Public Construction Cost Accounting Procedures)

(cf. 3311.2 - Lease-Leaseback Contracts)

(cf. 3311.3 - Design-Build Contracts)

(cf. 3311.4 - Procurement of Technological Equipment)

No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading legal requirements for competitive bidding. (Public Contract Code 20116)

The Superintendent or designee shall establish comprehensive bidding procedures for the district in accordance with law. The procedures shall include a process for advertising bids, instructions and timelines for submitting and opening bids, and other relevant requirements.

For award of contracts which, by law or Board policy, require prequalification, the procedures shall identify a uniform system for rating bidders on the basis of a completed questionnaire and financial statements.

(cf. 9270 - Conflict of Interest)

When calling for bids, the Superintendent or designee shall ensure that the bid specifications clearly describe in appropriate detail the quality, delivery, and service required and include all information which the district knows, or has in its possession, that is relevant to the work to be performed or that may impact the cost of performing the work.

Except as authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Board requires, or else all bids shall be rejected. (Public Contract Code 20111)

When the Board has determined that it is in the best interest of the district, the district may piggyback onto the contract of another public agency or corporation to lease or purchase any personal property to the extent authorized by law. (Public Contract Code 20118)

Legal Reference: (see next page)

BIDS (continued)

Legal Reference:

EDUCATION CODE

17070.10-17079.30 *Leroy F. Greene School Facilities Act*

17250.10-17250.55 *Design-build contracts*

17406 *Lease-leaseback contracts*

17595 *Purchase of supplies through Department of General Services*

17602 *Purchase of surplus property from federal agencies*

38083 *Purchase of perishable foodstuffs and seasonable commodities*

38110-38120 *Apparatus and supplies*

39802 *Transportation services*

BUSINESS AND PROFESSIONS CODE

7056 *General engineering contractor*

7057 *General building contractor*

CODE OF CIVIL PROCEDURE

446 *Verification of pleadings*

GOVERNMENT CODE

4217.10-4217.18 *Energy conservation contracts*

4330-4334 *Preference for 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

1102 *Emergencies*

1103 *Definition, responsible bidder*

2000-2002 *Responsive bidders*

3000-3010 *Roofing projects*

3400 *Bids, specifications by brand or trade name not permitted*

3410 *United States produce and processed foods*

4113 *Prime contractor; subcontractor*

6610 *Bid visits*

12200 *Definitions, recycled goods, materials and supplies*

20101-20103.7 *Public construction projects, requirements for bidding*

20103.8 *Award of contracts*

20110-20118.4 *Local Agency Public Construction Act; school districts*

20189 *Bidder's security, earthquake relief*

22000-22045 *Alternative procedures for public projects (UPCCAA)*

22152 *Recycled product procurement*

Legal Reference continued: (see next page)

BIDS (continued)

Legal Reference: (continued)

COURT DECISIONS

Los Angeles Unified School District v. Great American Insurance Co., (2010) 49 Cal.4th 739

Great West Contractors Inc. v. Irvine Unified School District, (2010) 187 Cal.App.4th 1425

Marshall v. Pasadena Unified School District, (2004) 119 Cal.App.4th 1241

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

ATTORNEY GENERAL OPINIONS

89 *Ops.Cal.Atty.Gen.* 1 (2006)

Management Resources:

WEB SITES

CSBA: [http:// www.csba.org](http://www.csba.org)

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

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

California Department of General Services: <https://www.dgs.ca.gov>

BIDS

Advertised/Competitive Bids

The district shall advertise for any of the following: (Public Contract Code 20111)

1. A public project contract that involves an expenditure of \$15,000 or more, including a contract for construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition, or repair work involving a district owned, leased, or operated facility

(cf. 3311.1 - Uniform Public Construction Cost Accounting Procedures)

(cf. 3311.2 - Lease-Leaseback Contracts)

(cf. 3311.3 - Design-Build Contracts)

2. A contract that exceeds the amount specified in law, as annually adjusted by the Superintendent of Public Instruction, for any of the following:

- a. The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district

(cf. 3230 - Federal Grant Funds)

(cf. 3311.4 - Procurement of Technological Equipment)

- b. Services, not including construction services or special services and advice in accounting, financial, legal, or administrative matters
- c. Repairs that are not a public project, including maintenance

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. Maintenance does not include painting, repainting, or decorating other than touchup, or among other types of work, janitorial or custodial services and protection provided by security forces. (Public Contract Code 20115)

Instructions and Procedures for Advertised Bids

The Superintendent or designee shall call for bids by placing a notice at least once a week for two weeks in a local newspaper of general circulation published in the district, or if no such newspaper exists, then in some newspaper of general circulation that is circulated in the county. The Superintendent or designee also may post the notice on the district's web site or

BIDS (continued)

through an electronic portal. The notice shall state the work to be done or materials or supplies to be furnished and the time and place and web site where bids will be opened. (Public Contract Code 20112)

(cf. 1113 - District and School Web Sites)

The notice shall contain the time, date, and location of any mandatory prebid conference, site visit, or meeting and details regarding when and where project documents, including the final plan and specifications, are available. Any such mandatory visit or meeting shall occur not less than five calendar days after the publication of the initial notice. (Public Contract Code 6610)

Bid instructions and specifications shall include the following requirements and information:

1. All bidders shall certify in writing the minimum, if not exact, percentage of post-consumer materials in products, materials, goods, or supplies offered or sold. (Public Contract Code 22152)

(cf. 3510 - Green School Operations)

2. All bids for construction work shall be presented under sealed cover. The district may accept a bid that has been submitted electronically or on paper. (Public Contract Code 20111, 20112)

The bid shall be accompanied by a form of bidder's security, including either cash, a cashier's check payable to the district, a certified check made payable to the district, or a bidder's bond executed by an admitted surety insurer and made payable to the district. The security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event later than 60 days after the bid is awarded. (Public Contract Code 20111, 20112)

3. When a standardized proposal form is provided by the district, bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)
4. 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)
5. When two or more identical lowest or highest bids are received, the Board of Trustees may determine by lot which bid shall be accepted. (Public Contract Code 20117)
6. 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, the bid solicitation shall specify

BIDS (continued)

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 #6a below shall be used. (Public Contract Code 20103.8)

- a. The lowest bid shall be the lowest total of the bid prices 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 that, when taken in order from a specifically identified list of those items in the solicitation, and added to or subtracted from the base contract, are less than or equal to a funding amount publicly disclosed by the district before the first bid is opened.

The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the district before the ranking of all bidders from lowest to highest has been determined. (Public Contract Code 20103.8)

7. In determining the lowest bid, the district shall consider only responsive bids that conform to bid specifications and are submitted by responsible bidders who have demonstrated trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform the public works contract.
 - a. When a bid is determined to be nonresponsive, the Superintendent or designee shall notify the bidder and give him/her an opportunity to respond to the determination.
 - b. When the lowest bidder is determined to be nonresponsive, the Superintendent or designee shall notify the bidder of his/her right to present evidence of his/her responsibility at a hearing before the Board.
8. After being opened, all submitted bids become public records pursuant to Government Code 6252 and shall be made available for public review pursuant to law, Board policy, and administrative regulation.

(cf. 1340 - Access to District Records)

(cf. 3580 - District Records)

BIDS (continued)**Prequalification Procedure**

When required by law or the Board, 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. For this purpose, the Superintendent or designee shall furnish prospective bidders a standardized prequalification questionnaire and financial record which, when completed, shall indicate a bidder's statement of financial ability and experience in performing public works. The bidder's 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. (Code of Civil Procedure 446; Public Contract Code 20111.5, 20111.6)

When any public project involves an expenditure of \$1,000,000 or more and is funded or reimbursed wholly or partly by the School Facilities Program funds or other future state school bond, the district shall prequalify prospective bidders either quarterly or annually. The prequalification shall be valid for one year and the following requirements shall apply: (Public Contract Code 20111.6)

1. Prospective bidders, including, but not limited to, prime, general engineering, and general building contractors and electrical, mechanical, and plumbing subcontractors, as defined in Public Contract Code 4113 or Business and Professions Code 7056 or 7057, as applicable, shall submit a standardized questionnaire and financial statement 10 or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.
2. Prospective bidders shall be prequalified by the district five or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.

If the project includes electrical, mechanical, or plumbing components that will be performed by electrical, mechanical, or plumbing contractors, the Superintendent or designee shall make available to all bidders a list of prequalified general contractors and electrical, mechanical, and plumbing subcontractors five or more business days, as determined by the district, before the date fixed for the public opening of sealed bids.

For all other contracts requiring competitive bidding, 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. Prospective bidders for such contracts shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids and shall be prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

BIDS (continued)

Award of Contract

The district shall award each contract to the lowest responsible bidder, except in the following circumstances:

1. When the contract is for the procurement and/or maintenance of electronic data processing systems and supporting software, in which case the Board may contract with any one of the three lowest responsible bidders (Public Contract Code 20118.1)
2. When the contract is for any transportation service which involves an expenditure of more than \$10,000 and which will be made with any person or corporation other than a common carrier, municipally owned transit system, or a parent/guardian of a student who is to be transported, in which case the Board may contract with other than the lowest bidder (Education Code 39802)
3. When the contract is one for which the Board has established goals and requirements relating to participation of disabled veteran or small business enterprises in accordance with Public Contract Code 2000-2002, in which case the Board may contract with the lowest responsible bidder who submits a responsive bid and complies or makes a good faith effort to comply with the goals and requirements (Public Contract Code 2000-2002)
4. When procuring a lease-leaseback contract, in which case the Board shall award the contract based on objective criteria for determining the best combination of price and qualifications in accordance with Education Code 17400 and 17406

(cf. 3311.2 - Lease-Leaseback Contracts)

5. When procuring a design-build contract for a public works project in excess of \$1,000,000 in accordance with Education Code 17250.20, in which case the Board may award the contract to either the low bid or the best value to the district, taking into consideration, at a minimum, price, technical design and construction expertise, and life-cycle costs (Education Code 17250.20, 17250.25)

(cf. 3311.3 - Design-Build Contracts)

Protests by Bidders

A bidder may protest a bid award if he/she believes that the award is not in compliance with law, Board policy, or the bid specification. A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the

BIDS (continued)

contract award and shall include all documents supporting or justifying the protest. A bidder's failure to file the protest documents in a timely manner 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 working days. The Superintendent or designee may also 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 notice to the bidder of the date and time for Board consideration of the protest at least three business days before the Board meeting. The Board's decision shall be final.

Limitation on Use of Sole Sourcing

In any contract for the construction, alteration, or repair of school facilities, the Superintendent or designee shall ensure that the bid specification: (Public Contract Code 3002, 3400)

1. Does not directly or indirectly limit bidding to any one specific concern
2. Does not call for a designated material, product, thing, or service by a specific brand or trade name, unless the specification is followed by the words "or equal," so that bidders may furnish any equal material, product, thing, or service

In any such case, the bid specification shall provide a time period, before and/or after the award of the contract, for the contractor to submit data substantiating the request for substituting the designated material, product, thing, or service. If no such time period is specified, the contractor may submit the data within 35 days after the award of the contract.

When the bid is for a roof project, a material, product, thing, or service is considered "equal" to that designated if it is equal in quality, durability, design, and appearance; will perform the intended function equally well; and conforms substantially to the detailed requirements in the bid specification.

However, the Superintendent or designee may designate a specific material, product, thing, or service by brand or trade name (sole sourcing) if the Board has made a finding, described in the invitation for bids or request for proposals (RFP), that a particular material, product, thing, or service is designated for any of the following purposes: (Public Contract Code 3400)

1. To conduct a field test or experiment to determine its suitability for future use

BIDS (continued)

2. To match others in use on a particular public improvement that has been completed or is in the course of completion
3. To obtain a necessary item that is only available from one source
4. To respond to the Board's declaration of an emergency, as long as the declaration has been approved by four-fifths of the Board when issuing the invitation for bid or RFP

(cf. 9323.2 - Actions by the Board)

Bids Not Required

Without advertising for bids and upon a determination that it is in the best interest of the district, the Board may authorize another public corporation or agency, by contract, lease, requisition, or purchase order, to lease data-processing equipment or to purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner that the other public corporation or agency is authorized to make the leases or purchases from a vendor ("piggyback"). Alternatively, if the public corporation or agency has an existing contract with a vendor for the lease or purchase of personal property, the district may authorize the lease or purchase of personal property directly from the vendor and make payments under the same terms that are available to the public corporation or agency under the contract. (Public Contract Code 20118)

(cf. 3300 - Expenditures and Purchases)

(cf. 3512 - Equipment)

Without advertising for bids, the Board may enter into an energy service contract and any related facility ground lease, when it determines that the terms of the contract and lease are in the best interest of the district and meet the cost effectiveness requirements specified in Government Code 4217.12. The Board's determination shall be made at a regularly scheduled public hearing of which notice is given to the public at least two weeks in advance and shall be based on cost and savings comparison findings specified in Government Code 4217.12. (Government Code 4217.12)

(cf. 3511 - Energy and Water Management)

(cf. 9320 - Meetings and Notices)

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)

BIDS (continued)

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)

(cf. 6161.11 - Supplementary Instructional Materials)

(cf. 6163.1 - Library Media Centers)

Perishable foodstuffs and seasonal commodities needed in the operations of cafeterias may be purchased through bid or on the open market. (Education Code 38083)

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

Bids shall not be required for day labor under circumstances specified in Public Contract Code 20114. Day labor shall include the use of maintenance personnel employed on a permanent or temporary basis. (Public Contract Code 20114)

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 may, by unanimous vote and with the approval of the County Superintendent of Schools, contract for labor and materials or supplies without advertising for or inviting bids or may authorize the use of day labor or force account for the emergency purpose. (Public Contract Code 1102, 20113)

(cf. 3517 - Facilities Inspection)

The district may purchase any surplus property from the federal government or any of its agencies in any quantity needed for the operation of its schools without taking estimates or advertising for bids. (Education Code 17602)

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

In awarding contracts for public works projects involving district facilities, the Board of Trustees desires to obtain the best value to the district and ensure the qualifications of contractors to complete the project in a satisfactory manner. The Board has, by resolution, adopted the procedures set forth in the Uniform Public Construction Cost Accounting Act pursuant to Public Contract Code 22030-22045, including the informal bidding procedures when allowed by law.

(cf. 3311 - Bids)

(cf. 7110 - Facilities Master Plan)

The Board delegates to the Superintendent or designee the responsibilities to award any contract eligible for informal bidding procedures and to develop plans, specifications, and working details for all public projects requiring formal bidding procedures.

No work, project, service, or purchase shall be split or separated into smaller work orders or projects for the purpose of evading legal requirements for competitive bidding. (Public Contract Code 22033)

Projects awarded through the UPCCAA shall be subject to the cost accounting procedures established by the California Uniform Construction Cost Accounting Commission. (Public Contract Code 22030)

Emergency Actions

When formal bids are required by law but an emergency necessitates immediate repair or replacements, the Board may, upon a four-fifths vote of the Board, proceed to replace or repair a facility without adopting plans, specifications, strain sheets, or working details or giving notice for bids to let contracts. The work may be done by day labor under the direction of the Board and/or contractor. The emergency action shall subsequently be reviewed by the Board in accordance with Public Contract Code 22050 and shall be terminated at the earliest possible date that conditions warrant, so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. (Public Contract Code 1102, 22035, 22050)

(cf. 9323.2 - Actions by the Board)

Legal Reference: (see next page)

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES
(continued)

Legal Reference:

PUBLIC CONTRACT CODE

1102 *Definition of emergency*

20110-20118.4 *Local Agency Public Construction Act; school districts*

22000-22020 *California Uniform Construction Cost Accounting Commission*

22030-22045 *Alternative procedures for public projects (UPCCAA), especially:*

22032 *Applicability of procedures based on amount of project*

22034 *Informal bidding procedure*

22035 *Emergency need for repairs or replacement*

22037-22038 *Formal bidding procedures for projects exceeding \$175,000*

22050 *Alternative emergency procedures*

Management Resources:

CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING COMMISSION PUBLICATIONS

Cost Accounting Policies and Procedures Manual

Frequently Asked Questions

WEB SITES

CSBA: [http:// www.csba.org](http://www.csba.org)

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

California Uniform Construction Cost Accounting Commission:

http://www.sco.ca.gov/ard_cuccac.html

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

Procedures for awarding contracts for public works projects shall be determined on the basis of the amount of the project, as follows:

1. Public projects of \$45,000 or less may be performed by district employees by force account, negotiated contract, or purchase order. (Public Contract Code 22032)
2. Contracts for public projects of \$175,000 or less may be awarded through the following informal procedures: (Public Contract Code 22032, 22034, 22038)
 - a. The Superintendent or designee shall maintain a list of qualified contractors, identified according to categories of work.
 - b. The Superintendent or designee shall prepare a notice inviting informal bids which describes the project in general terms, explains how to obtain more information about the project, and states the time and place for submission of bids. The notice shall be disseminated by mail, fax, or email to all contractors on the district's list for the category of work being bid, unless the product or service is proprietary, at least 10 calendar days before bids are due. In addition, the Superintendent or designee may mail, fax, or email a notice inviting informal bids to all construction trade journals identified pursuant to Public Contract Code 22036.
 - c. The district shall review the informal bids and award the contract, except that:
 - (1) If all bids received through the informal process are in excess of \$175,000, the contract may be awarded to the lowest responsible bidder, provided that the Board of Trustees adopts a resolution with a four-fifths vote to award the contract at \$187,500 or less and the Board determines the district's cost estimate is reasonable.
 - (2) If no bids are received through the informal bid procedure, the project may be performed by district employees by force account or negotiated contract.
3. Public projects of more than \$175,000 shall, except as otherwise provided by law, be subject to formal bidding procedures, as follows: (Public Contract Code 22032, 22037, 22038)
 - a. Notice inviting formal bids shall state the time and place for receiving and opening sealed bids and distinctly describe the project. The notice shall be disseminated in both of the following ways:

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES
(continued)

- (1) Through publication in a newspaper of general circulation in the district's jurisdiction or, if there is no such newspaper, then by posting the notice in at least three places designated by the district as places for posting its notices. Such notice shall be published at least 14 calendar days before the date that bids will be opened.
- (2) By mail and electronically, if available, by either fax or email, to all construction trade journals identified pursuant to Public Contract Code 22036. Such notice shall be sent at least 15 calendar days before the date that bids will be opened.

In addition to the notice required above, the district may give such other notice as it deems proper.

b. The district shall award the contract as follows:

- (1) The contract shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the district may accept the one it chooses.
- (2) At its discretion, the district may reject all bids presented and declare that the project can be more economically performed by district employees, provided that the district notifies an apparent low bidder, in writing, of the district's intention to reject the bid. Such notice shall be mailed at least two business days prior to the hearing at which the district intends to reject the bid.
- (3) If no bids are received through the formal bid procedure, the project may be performed by district employees by force account or negotiated contract.

(cf. 3311 - Bids)

Regulation
approved:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

LEASE-LEASEBACK CONTRACTS

The district may lease currently owned district property to any person, firm, or corporation for a minimum of \$1 per year, as long as the lease requires the person, firm, or corporation to construct a building or buildings on the property for the district's use during the lease and the property and building(s) will vest in the district at the expiration of the lease ("lease-leaseback"). (Education Code 17406)

(cf. 3280 - Sale or Lease of District-Owned Real Property)

(cf. 3312 - Contracts)

Any lease-leaseback contract shall be awarded through a competitive "best value" procurement process whereby a person, firm, or corporation is selected on the basis of objective criteria for evaluating the qualifications of proposers, with the resulting selection representing the best combination of price and qualifications. To make this determination, the district shall use the following procedures: (Education Code 17400, 17406)

1. Request for Sealed Proposals: The Superintendent or designee shall prepare a request for sealed proposals which shall include:
 - a. An estimate of the project's price
 - b. A clear, precise description of any preconstruction services that may be required and the facilities to be constructed
 - c. The key elements of the contract to be awarded
 - d. A description of the format that proposals shall follow and the elements they shall contain
 - e. The standards the district will use in evaluating proposals
 - f. The date on which proposals are due
 - g. The timetable the district will follow in reviewing and evaluating proposals
2. Notice: At least 10 days before the date for receipt of the proposals, the Superintendent or designee shall give notice of the request for sealed proposals using both of the following methods:
 - a. Providing notice at least once a week for two weeks in a local newspaper of general circulation pursuant to Public Contract Code 20112
 - b. Providing notice in a trade paper of general circulation published in the county where the project is located

LEASE-LEASEBACK CONTRACTS (continued)

The Superintendent or designee also may post the notice on the district's web site or through an electronic portal.

3. Prequalification: A proposer shall be prequalified in accordance with Public Contract Code 20111.6(b)-(m) in order to submit a proposal. Any electrical, mechanical, and plumbing subcontractors shall be subject to the same prequalification requirements.

(cf. 3311 - Bids)

4. Evaluation Criteria: The request for sealed proposals shall identify all criteria that the district will consider in evaluating the proposals and qualifications of the proposers, including relevant experience, safety record, price proposal, and other factors specified by the district. The price proposal shall include, at the district's discretion, either a lump-sum price for the contract to be awarded or the proposer's proposed fee to perform the services requested, including the proposer's proposed fee to perform preconstruction services or any other work related to the facilities to be constructed, as requested by the district.

The request for sealed proposals shall specify whether each criterion will be evaluated on a pass-fail basis or will be scored as part of the "best value" score, and whether proposers must achieve any minimum qualification score for award of the contract. For each scored criterion, the district shall identify the methodology and rating or weighting system that will be used by the district in evaluating the criterion, including the weight assigned to the criterion and any minimum acceptable score.

5. Evaluation of Proposals: All proposals received shall be reviewed to determine whether they meet the format requirements and the standards specified in the request for sealed proposals. The district shall evaluate the qualifications of the proposers based solely upon the criteria and evaluation methodology set forth in the request for sealed proposals, and shall assign a best value score to each proposal. Once the evaluation is complete, all responsive proposals shall be ranked from the highest best value to the lowest best value to the district.
6. Award of Contract: The award of the contract shall be made by the Board of Trustees to the responsive proposer whose proposal is determined, in writing by the Board, to be the best value to the district.

If the selected proposer refuses or fails to execute the tendered contract, the Board may award the contract to the proposer with the second highest best value score, if deemed in the best interest of the district. If that proposer then refuses or fails to execute the tendered contract, the Board may award the contract to the proposer with the third highest best value score.

LEASE-LEASEBACK CONTRACTS (continued)

Upon issuance of a contract award, the district shall publicly announce its award, identifying the entity to which the award is made, along with a statement regarding the basis of the award. The statement regarding the contract award and the contract file shall provide sufficient information to satisfy an external audit.

7. Rejection of Proposals: At its discretion, the Board may reject all proposals and request new proposals.

Prior to entering into a lease-leaseback agreement, the Superintendent or designee shall have on file the contractor's enforceable commitment that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades. (Education Code 17407.5)

Any lease-leaseback agreement shall be reviewed by the district's legal counsel to ensure that all required terms, including a lease term that provides for the district's occupancy of the building or improved property during the lease and an appropriate financing component, are included in the agreement.

(cf. 9124 - Attorney)

Legal Reference:

EDUCATION CODE

17400 Definitions

17406 Lease-leaseback contract

17407.5 Use of a skilled and trained workforce

PUBLIC CONTRACT CODE

20111.6 Prequalification procedures

20112 Notices

COURT DECISIONS

McGee v. Balfour Beatty Construction, LLC, et al. (4/12/16, No. B262850)

Davis v. Fresno Unified School District, (2015) 237 Cal.App.4th 261

Management Resources:

WEB SITES

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

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

DESIGN-BUILD CONTRACTS

The Board of Trustees may approve a contract with a single entity for both design and construction of any school facility in excess of \$1,000,000, awarding the contract to either the low bid or the best value as determined by evaluation of objective criteria. (Education Code 17250.20)

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

(cf. 7110 - Facilities Master Plan)

(cf. 7140 - Architectural and Engineering Services)

Design-build documents shall not include provisions for long-term project operations, but may include operations during a training or transition period. (Education Code 17250.25)

The procurement process for design-build projects shall be as follows: (Education Code 17250.25, 17250.35)

1. The district shall prepare a set of documents setting forth the scope and estimated price of the project. The documents may include, but are not limited to:
 - a. The size, type, and desired design character of the project
 - b. Performance specifications that cover the quality of materials, equipment, and workmanship
 - c. Preliminary plans or building layouts
 - d. Any other information deemed necessary to describe adequately the district's needs

The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

2. The district shall prepare and issue a request for qualifications in order to prequalify, or develop a short list of, the design-build entities whose proposals shall be evaluated for final selection. The request for qualifications shall include, but is not limited to, all of the following elements:
 - a. Identification of the basic scope and needs of the project or contract, the expected cost range, the methodology that will be used by the district to evaluate proposals, the procedure for final selection of the design-build entity, and any other information deemed necessary by the district to inform interested parties of the contracting opportunity

DESIGN-BUILD CONTRACTS (continued)

- b. Significant factors that the district reasonably expects to consider in evaluating qualifications, including technical design and construction expertise, acceptable safety record, and all other non-price-related factors
- c. A standard template request for statements of qualifications prepared by the district, which shall contain all of the information required pursuant to Education Code 17250.25

The district also may identify specific types of subcontractors that must be included in the statement of qualifications and proposal.

A design-build entity shall not be prequalified or short-listed unless the entity provides an enforceable commitment to the district that the entity and its subcontractors at every tier will use a skilled and trained workforce, as defined in Education Code 17250.25, to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades. The entity may demonstrate such commitment through a project labor agreement, by becoming a party to the district's project labor agreement, or through an agreement with the district to provide evidence of compliance on a monthly basis during the performance of the project or contract.

- 3. The district shall prepare a request for proposals (RFP) that invites prequalified or short-listed entities to submit competitive sealed proposals in a manner prescribed by the district. The RFP shall include the information identified in items #2a and 2b above and the relative importance or weight assigned to each of the factors. If the district uses a best value selection method for a project, the district may reserve the right to request proposal revisions and hold discussions and negotiations with responsive proposers, in which case the district shall so specify in the request for proposals and shall publish separately or incorporate into the request for proposals applicable procedures to be observed by the district to ensure that any discussions or negotiations are conducted in good faith.
- 4. For those projects utilizing low bid as the final selection method, the bidding process shall result in lump-sum bids by the prequalified or short-listed design-build entities, and the contract shall be awarded to the lowest responsible bidder.
- 5. For those projects utilizing best value as a selection method, the following procedures shall be used:
 - a. Competitive proposals shall be evaluated using only the criteria and selection procedures specifically identified in the request for proposals. Criteria shall be weighted as deemed appropriate by the district and shall, at a minimum, include price, unless a stipulated sum is specified; technical design and construction experience; and life-cycle costs over 15 or more years.

DESIGN-BUILD CONTRACTS (continued)

- b. Following any discussions or negotiations with responsive proposers and completion of the evaluation process, the responsive proposers shall be ranked on a determination of value provided, provided that no more than three proposers are required to be ranked.
- c. The contract shall be awarded to the responsible entity whose proposal is determined by the district to have offered the best value to the public.
- d. The district shall publicly announce the contract award, identifying the entity to which the award is made and the basis of the award. This statement and the contract file shall provide sufficient information to satisfy an external audit.

Legal Reference:

EDUCATION CODE

17250.10-17250.55 *Design-build contracts*

Management Resources:

WEB SITES

CSBA: [http:// www.csba.org](http://www.csba.org)

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

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

PROCUREMENT OF TECHNOLOGICAL EQUIPMENT

Rather than seek competitive bids, the district may use competitive negotiation when it makes a finding that a district procurement is for computers, software, telecommunications equipment, microwave equipment, or other related electronic equipment and apparatus. Competitive negotiation shall not be used to contract for any product that is available in substantial quantities to the general public. (Public Contract Code 20118.2)

(cf. 0440 - District Technology Plan)

(cf. 3230 - Federal Grant Funds)

(cf. 3311 - Bids)

(cf. 3312 - Contracts)

Whenever the competitive negotiation process is determined to be appropriate for such procurements, the district shall use the following procedures: (Public Contract Code 20118.2)

1. The Superintendent or designee shall prepare a request for proposals (RFP) that shall be submitted to an adequate number of qualified sources, as determined by the district, to permit reasonable competition consistent with the nature and requirement of the procurement.
2. Notice of the RFP shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.
3. The Superintendent or designee shall make every effort to generate the maximum feasible number of proposals from qualified sources, and shall make a finding to that effect before proceeding to negotiate if only a single response to the RFP is received.
4. The RFP shall identify all significant evaluation factors, including price, and their relative importance.
5. The Superintendent or designee shall provide reasonable procedures for the technical evaluation of the RFPs received, the identification of qualified sources, and the selection for the award of the contract.
6. The Board of Trustees shall award the contract to the qualified bidder whose proposal meets the evaluation standards and will be most advantageous to the district, considering price and all other factors.
7. If the Board does not award the contract to the bidder whose proposal contains the lowest price, then the Board shall make a finding setting forth the basis for the award to another bidder.
8. The Board, at its discretion, may reject all proposals and request new RFPs.

PROCUREMENT OF TECHNOLOGICAL EQUIPMENT (continued)

Provisions in any contract concerning utilization of small business enterprises that are in accordance with the RFP shall not be subject to negotiation with the successful proposer. (Public Contract Code 20118.2)

Legal Reference:

PUBLIC CONTRACT CODE

20118.2 Contracting by school districts; technological equipment

Regulation
approved:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

CSBA Sample

Board Policy

Business and Noninstructional Operations

BP 3312(a)

CONTRACTS

The Governing Board recognizes its responsibility to enter into contracts on behalf of the district for the acquisition of equipment, supplies, services, and other resources necessary for the achievement of district goals. In exercising this authority to enter into a contract, the Board shall ensure that the district's interest is protected and that the terms of the contract conform to applicable legal standards, including the bidding requirements in Public Contract Code 20111.

(cf. 2121 - Superintendent's Contract)

(cf. 3311 - Bids)

(cf. 3311.1 - Uniform Public Construction Cost Accounting Procedures)

(cf. 3311.2 - Lease-Leaseback Contracts)

(cf. 3311.3 - Design-Build Contracts)

(cf. 3311.4 - Procurement of Technological Equipment)

(cf. 4312.1 - Contracts)

(cf. 9124 - Attorney)

The Board may, by a majority vote, delegate to the Superintendent or designee the authority to enter into contracts on behalf of the district. To be valid or to constitute an enforceable obligation against the district, all such contracts must be approved and/or ratified by the Board.

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

Every contract entered into on behalf of the district shall be made available for public inspection, except when the law prohibits disclosure. No contract shall prohibit a district employee from disparaging the goods or services of any contracting party.

(cf. 1340 - Access to District Records)

Contracts for Non-nutritious Foods or Beverages

The district shall not enter into or renew a contract for the sale of foods or beverages that do not meet applicable nutritional standards specified in Education Code 49431-49431.7, 5 CCR 15500-15501 or 15575-15578, or 7 CFR 210.11 or 220.12, unless the contract specifies that such sale will occur off campus or outside the time restriction specified in the applicable law.

(cf. 3554 - Other Food Sales)

(cf. 3555 - Nutrition Program Compliance)

CONTRACTS (continued)

Before the district enters into or renews a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious foods 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. 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.

To ensure that funds raised by the contract benefit district schools and students:

1. The Superintendent or designee may invite 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.

(cf. 0000 - Vision)

(cf. 0100 - Philosophy)

(cf. 0200 - Goals for the School District)

CONTRACTS (continued)

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 fundraising activities.

(cf. 1230 - School-Connected Organizations)
(cf. 1321 - Solicitation of Funds from and by Students)

Any contract for the sale or advertisement of non-nutritious foods or carbonated or non-nutritious beverages 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 any contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious foods 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. 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 foods 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 foods and beverages discussed; and barriers to student participation in school breakfast and lunch programs. (Education Code 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)

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)

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.

(cf. 5145.6 - Parental Notifications)

5. Offers parents/guardians the opportunity to request in writing that their child not be exposed to the program that contains the advertising. A 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.

Contracts for Digital Storage and Maintenance of Student Records

The district may enter into or renew a contract with a third party for the purpose of providing services, including cloud-based services, for the digital storage, management, and retrieval of student records and/or to provide digital educational software that authorizes a third-party provider of digital educational software to access, store, and use student records. For these purposes, student records include any information maintained by the district that is directly related to a student and any information acquired directly from the student through the use of instructional software or applications assigned to the student by a teacher or other district employee, and do not include de-identified information. (Education Code 49073.1)

(cf. 5125 - Student Records)

CONTRACTS (continued)

Any such contract shall contain all of the following: (Education Code 49073.1)

1. A statement that student records continue to be the property of and under the control of the district
2. If applicable, a description of the means by which students may retain possession and control of their own student-generated content, as defined in Education Code 49073.1, including options by which a student may transfer student-generated content to a personal account
3. A prohibition against the third party using any information in the student record for any purpose other than those required or specifically permitted by the contract
4. A description of the procedures by which a parent/guardian or a student age 18 years or older may review personally identifiable information in the student's records and correct erroneous information
5. A description of the actions the third party will take, including the designation and training of responsible individuals, to ensure the security and confidentiality of student records
6. A description of the procedures for notifying the affected parent/guardian, or the affected student if age 18 years or older, in the event of an unauthorized disclosure of the student's records
7. A certification that a student's records shall not be retained or available to the third party upon completion of the terms of the contract and a description of how that certification will be enforced, except that these requirements shall not apply to student-generated content if the student chooses to establish or maintain an account with the third party for the purpose of storing that content
8. A description of how the district and the third party will jointly ensure compliance with the federal Family Educational Rights and Privacy Act, 20 USC 1232g
9. A prohibition against the third party using personally identifiable information in student records to engage in targeted advertising

CONTRACTS (continued)

Contracts for Personal Services

In order to achieve cost savings, the district may enter into or renew a contract for any personal service that is currently or customarily performed by classified employees, if the contract does not displace school district employees and meets other conditions specified in Education Code 45103.1. To enter into or renew such a contract, the Board shall ensure that the district meets the numerous conditions specified in Education Code 45103.1.

(cf. 4200 - Classified Personnel)

In addition, the district may enter into or renew any contract for personal service without meeting the conditions described above, if any of the following conditions exists: (Education Code 45103.1)

1. The contract is for new district functions and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.
2. The services contracted are not available within the district, cannot be performed satisfactorily by district employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the district.
3. The services are incidental to a contract for the purchase or lease of real or personal property, including, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
4. The district's policy, administrative, or legal goals and purposes cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary district hiring process.
5. The nature of the work is such that the criteria for emergency appointments, as defined in Education Code 45103.1, apply.
6. The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the district in the location where the services are to be performed.
7. The services are of such an urgent, temporary, or occasional nature that the delay that would result from using the district's regular or ordinary hiring process would frustrate their very purpose.

CONTRACTS (continued)

Legal Reference:

EDUCATION CODE

200-262.4 *Prohibition of discrimination on the basis of sex*

14505 *Provisions required in contracts for audits*

17250.10-17250.55 *Design-build contracts*

17595-17606 *Contracts*

35182.5 *Contract prohibitions*

45103.1 *Personal services contracts*

45103.5 *Contracts for management consulting service related to food service*

49073.1 *Contract requirements for digital storage, maintenance and retrieval of student records*

49431-49431.7 *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*

CODE OF REGULATIONS, TITLE 5

15500 *Food sales by student organizations*

15501 *Sales in high schools and junior high schools*

15575-15578 *Food and beverage requirements outside of the federal school meal programs*

UNITED STATES CODE, TITLE 20

1232g *Family Educational Rights and Privacy Act*

1681-1688 *Title IX, discrimination*

CODE OF FEDERAL REGULATIONS, TITLE 7

210.1-210.31 *National School Lunch Program*

220.1-220.21 *National School Breakfast Program*

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>

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

The Board of Trustees believes that field trips and other travel opportunities for students are a valuable tool in supporting classroom instruction and promoting students' awareness of places and events. In contracting with organizations to provide educational travel services, the Board desires to ensure a quality educational experience and the health, safety and welfare of each student traveler.

The Superintendent or designee shall contract only with educational travel organizations which adhere to state law and exhibit safe and reputable business practices.

(cf. 3312 - Contracts)

(cf. 3541.1 - Transportation for School-Related Trips)

(cf. 6153 - School-Sponsored Trips)

The Superintendent or designee shall establish procedures for selecting the highest quality vendor, taking into account student safety, quality of the program and fiscal integrity.

Legal Reference:

EDUCATION CODE

35160 Authority of boards

35160.1 Broad authority of school districts

BUSINESS AND PROFESSIONS CODE

17540 Travel promoters

17550-17550.9 Sellers of travel

17552-17556.5 Educational travel organizations

EDUCATIONAL TRAVEL PROGRAM CONTRACTS

Definitions

Educational travel organization or organization means a person, partnership, corporation, or other entity which offers educational travel programs for students residing in California. (Business and Professions Code 17552)

Student traveler or student means a person who is enrolled in elementary or secondary school, grades kindergarten through grade 12, at the time an educational travel program is arranged with an educational travel organization. (Business and Professions Code 17552)

Educational travel program means travel services that are arranged through or offered to an elementary or secondary school in the state, and where the services are represented to include an educational program as a component. (Business and Professions Code 17552)

Owner means a person or organization which owns or controls 10 percent or more of the equity of, or otherwise has claim to 10 percent or more of the net income of, the educational travel organization. (Business and Professions Code 17554)

Principal means an owner, an officer of a corporation, a general partner of a partnership, or a sole proprietor of a sole proprietorship. (Business and Professions Code 17554)

Contract Requirements

The Superintendent or designee shall ensure that each written contract with an educational travel organization includes all of the following: (Business and Professions Code 17554)

1. The travel organization's name, trade or business name, business address, business telephone number and a 24-hour emergency contact number
2. An itemized statement which shall include but not be limited to:
 - a. Services to be provided as part of the program
 - b. Agreed cost for the services
 - c. A statement as to whether or not the educational travel organization maintains insurance that supplies coverage in the event of injury to any student traveler, including the type and amount of coverage, the policy number and issuer, and the name and telephone number of the person or organization which is able to verify coverage
 - d. Any additional costs to students

EDUCATIONAL TRAVEL PROGRAM CONTRACTS (continued)

- e. The qualifications, if any, for experience and training that are required to be met by the educational travel organization's staff who shall accompany students on the educational travel program
- 3. A written description of the educational program being contracted for, including a copy of all materials to be provided to students
- 4. The number of times the educational travel program or a substantially similar educational travel program proposed by the contract has been conducted by the organization and the number of students who completed the program
- 5. The length of time the organization has either been arranging or conducting educational travel programs and, at the option of the organization, other travel services with substantially similar components
- 6. The name of each owner and principal of the organization
- 7. A statement as to whether any owner or principal of the organization has had entered against him or her any judgment, including a stipulated judgment, order, made a plea of nolo contendere or been convicted of any criminal violation in connection with the sale of any travel services for a period of 10 years predating the contract

District staff shall inform all vendors representing educational travel organizations that they may not arrange a travel program before the district has first entered into a written contract with the organization.

PAYMENT FOR GOODS AND SERVICES

The Board of Trustees recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard district resources. To facilitate warrant processing, the Superintendent or designee shall ensure that purchasing, receiving, and payment functions are kept separate. He/she shall also ensure that invoices are paid expeditiously so that the district may, to the extent possible, take advantage of available discounts and avoid finance charges.

(cf. 3300 - Expenditures and Purchases)

(cf. 3312 - Contracts)

(cf. 3314.2 - Revolving Funds)

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

(cf. 9320 - Meetings and Notices)

The Superintendent or designee shall sign all warrants and shall ensure that warrants have appropriate documentary support verifying that all goods and services to be paid for have been delivered or rendered in accordance with the purchase agreement.

The Board shall approve all warrants at a regularly scheduled Board meeting.

(cf. 9320 - Meetings and Notices)

The district shall not be responsible for unauthorized purchases.

Legal Reference: (see next page)

PAYMENT FOR GOODS AND SERVICES (continued)

Legal Reference:

EDUCATION CODE

17605 Delegation of authority for purchases

42630-42651 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

16.5 Digital signatures

5500-5506 Uniform Facsimile Signatures of Public Officials Act

8111.2 Definition of public entity

PUBLIC CONTRACT CODE

7107 Retention proceeds; withholding; disbursement

7210 Retention proceeds; limits and exceptions

9203 Payment for projects costing over \$5000

20104.50 Timely progress payments

CODE OF REGULATIONS, TITLE 2

22000-22005 Digital signatures

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Understanding California's Public School Finance System, 2006

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Understanding District Budgets, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

WEB SITES

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

California Secretary of State, digital signatures: <http://www.sos.ca.gov/digsig/digsig.htm>

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

PAYMENT FOR GOODS AND SERVICES

Payment for Construction Contracts

Payment on any contract for the creation, construction, alteration, repair, or improvement of any district property or facility or other public works project shall be made in accordance with the estimates, process, and/or schedule approved by the Board of Trustees.

As necessary, the Superintendent or designee may make progress payments as actual work is completed or materials are delivered. When a payment request is properly submitted by a contractor, any undisputed portion of the payment request shall be paid within 30 days. If the Superintendent or designee determines any payment request to be improper, he/she shall return the payment request to the contractor with a written statement of reasons why the request is not proper. (Public Contract Code 9203, 20104.50)

(cf. 3312 - Contracts)

The district may withhold up to five percent of the proceeds due to the contractor until completion and acceptance of the project. (Public Contract Code 7201)

The proceeds to be withheld by the district may exceed five percent when the Board has made a finding, prior to the bid and during a properly noticed and regularly scheduled public meeting, that the project is substantially complex and requires a higher retention amount than five percent. In such cases, the Board's finding shall include a description of the specific project and why it is a unique project that is not regularly, customarily, or routinely performed by the district or licensed contractors. The bid documents shall include details explaining the basis for the finding and the actual amount to be withheld. (Public Contract Code 7201)

(cf. 3311 - Bids)

(cf. 9320 - Meetings and Notices)

(cf. 9324 - Minutes and Recordings)

At any time after 50 percent of the work has been completed, the Board may release the withheld proceeds if it finds that satisfactory progress is being made. (Public Contract Code 9203)

Proceeds withheld by the district from payments to contractors for public works contracts 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 percent of the disputed amount. (Public Contract Code 7107)

REVOLVING FUNDS

The Board of Trustees has a fiduciary responsibility to effectively manage and safeguard the district's assets and resources. All revolving cash funds shall be subject to the internal control procedures established by the district to prevent and detect fraud, financial impropriety, or irregularity and shall be maintained in accordance with law and the California School Accounting Manual.

(cf. 3314 - Payment for Goods and Services)
(cf. 3400 - Management of District Assets/Accounts)
(cf. 3451 - Petty Cash Funds)
(cf. 3530 - Risk Management/Insurance)
(cf. 3551 - Food Service Operations/Cafeteria Fund)

The Superintendent or designee shall provide regular reports to the Board regarding the use of revolving funds and the results of any audits conducted on the funds.

(cf. 3460 - Financial Reports and Accountability)

Standard Revolving Cash Fund

Pursuant to Education Code 42800, the Board has adopted a resolution establishing a revolving cash fund for use by the chief accounting officer. The fund shall be used only for the purposes specified in the Board's resolution which may include, but are not limited to, payment for services or supplies for which there is an urgent deadline or to reduce the need for issuing numerous small warrants.

The chief accounting officer shall be covered by an individual bond or insurance in the amounts specified in law. He/she shall ensure that payments from the fund are for services or materials that are a legal charge against the district and that a receipt is obtained setting forth the date, payee, purpose of the expenditure, and amount expended. (Education Code 41021, 42801, 42801.5, 42804)

The Board may at any time reduce or discontinue the revolving cash fund. (Education Code 42805)

Revolving Fund

The District Revolving Fund shall be established with Board of Trustee authorization. The currently specified amount of \$25,000 is to be used for small or emergency disbursements and shall be reimbursed periodically for all documented expenditures. The Fund shall be used to pay for authorized obligations of the District when the issuance of a warrant would not be feasible. The Department of Business Services shall administer the funds which shall be restricted to the following circumstances:

1. Travel and conference advances
2. Miscellaneous purchases under \$50.00

REVOLVING FUNDS (continued)

- 3 Reimbursement of the Petty Cash Fund
4. Postage expenditures
5. Payment of error in compensation
6. Special purposes designated by the Board of Trustees

Alternative Revolving Cash Fund

Pursuant to Education Code 42810, the Board has adopted a resolution establishing a revolving cash fund for use by school principals and other administrative staff. The fund shall be used for services or materials related to classroom instruction or to correct an error in a classified employee's salary pursuant to Education Code 45167, as specified in the Board's resolution.

The revolving cash fund for supplies shall be subject to the bonding provisions of Education Code 42801.

The principal or administrative staff member in whose name the revolving cash fund is created shall be responsible for all fund expenditures, subject to Board regulation. (Education Code 42810)

Legal Reference:

EDUCATION CODE

*35160 Authority of governing boards
35250 Duty to keep certain records
38091 Cafeteria revolving accounts
41020 Audits of all district funds
41021 Requirement for employee's indemnity bond
41365-41367 Charter school revolving loan fund
42238 Revenue limits
42238.01-42238.07 Local control funding formula
42630-42652 Orders, requisitions, and warrants
42800-42806 Revolving cash fund
42810 Revolving cash funds; use; administrators
42820-42821 Prepayment revolving cash fund
45167 Error in salary*

Management Resources:

WEB SITES

*California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>
Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>*

Policy
adopted:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

EXPENSE ACCOUNTING FOR REVOLVING AND PETTY CASH FUND

Purpose and Scope

Special purpose funds such as the Revolving Fund and the Petty Cash Fund provide a means of disbursing money for specific items needed by the departments and schools. The student body fund is used by each school's student body population as a collecting agent for various school-related projects.

Revolving Fund

The Revolving Fund account shall be established for the amount authorized by the Board of Trustees and shall be maintained in an approved bank under the account of "Berryessa Union School District Revolving Fund."

The Fund shall be expended only for those services, materials, and uses listed in the Board policy. It shall be reimbursed whenever necessary, but not less than once a month. Reimbursement requests shall describe the specific services/materials needed and each request shall be accompanied by the appropriate backup.

The Fiscal Services Supervisor shall supervise and administer the Revolving Fund under the direction of the Business Services Director.

Petty Cash Fund

1. A Petty Cash Fund shall be established in the amount of \$500 to pay for small obligations, when issuing a check would be inappropriate. The Business Service Department will be responsible for disbursements from this fund and will receive backup to substantiate the nature of the outlay.

At any given time, the totals of cash on hand and backup will equal the amount of the established fund. Said fund shall be periodically reviewed by the Fiscal Services Director.

2. Established Petty Cash Fund is used to reimburse for Purchases \$50 or less.

CLAIMS AND ACTIONS AGAINST THE DISTRICT

The Board of Trustees desires to ensure that the district's operations are conducted in a manner that minimizes risk, protects district resources, and promotes the health and 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 law, Board policy, and administrative regulation as well as the district's Joint Powers Authority (JPA) agreement or insurance coverage.

(cf. 3530 - Risk Management/Insurance)

(cf. 5143 - Insurance)

Any claim 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.

Upon notice to the district of a claim, the Superintendent or designee shall take all necessary steps to protect the district's rights under any applicable contractual agreements, including the right to indemnification from its insurance or other coverage provider.

In accordance with Government Code 935.4, the Board delegates to the Superintendent the authority to allow, compromise, or settle claims of \$50,000 or less pursuant to any conditions of coverage in the district's JPA agreement or insurance.

This policy applies 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. 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)

Any changes to such information shall be filed within 10 days after the change has occurred. (Government Code 53051)

Legal Reference: (see 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*

6500-6536 *Joint exercise of powers*

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 Board of Trustees 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 presented not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)

Receipt 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 district office 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)

Upon receipt of a claim against the district pursuant to the Government Claims Act, the Superintendent or designee shall promptly provide written notice to the district's JPA or insurance carrier in accordance with the applicable conditions of coverage.

Review of Contents of the Claim

The Superintendent or designee shall review any claim received to ensure that the claim contains all of the following information as specified in Government Code 910 and 910.2:

1. The name and post office address of the claimant
2. The post office address to which the person presenting the claim desires notices to be sent
3. The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted
4. A general description of the indebtedness, obligation, injury, damage, or loss incurred insofar as it may be known at the time of presentation of the claim

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

5. The name(s) of the public employee(s) causing the injury, damage, or loss if known
6. The amount claimed if it totals less than \$10,000 as of the date of the presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds \$10,000, the dollar amount shall not be included in the claim and the claimant shall indicate whether the claim is a "limited civil case."
7. The signature of the claimant or the person acting on his/her behalf

Notice of Claim Insufficiency

If a claim is found insufficient or not to satisfy the form requirements under Government Code 910 and 910.2, the Board or its designee shall, within 20 days of receipt of the claim, personally deliver or mail to the claimant, at the address stated in the claim or application, a notice that states the particular defects or omission in the claim. (Government Code 910.8, 915.4)

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

Amendment to Claims

Within the time limits provided under the section entitled "Time Limitations" above or prior to final action by the Board, whichever is later, a claim may be amended if, as amended, it relates to the same transaction or occurrence which gave rise to the original claim. (Government Code 910.6)

Late Claims

For claims under item #1 in the section entitled "Time Limitations" above, any person who presents a claim later than six months after the accrual of the cause of action shall present, along with the claim, an application to present a late claim. Such claim and the application to present a late claim shall be presented not later than one year after the accrual of the cause of action. (Government Code 911.4)

If the claim is presented late and is not accompanied by an application to present a late claim, the Board or its designee may, within 45 days, give written notice that the claim was not presented timely and that it is being returned without further action. (Government Code 911.3)

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

The Board shall grant or deny the application to present 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 provided that such agreement is made before the expiration of the 45-day period. (Government Code 911.6)

The Board shall grant the application to present a late claim where one or more of the following conditions are applicable: (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 regarding the claim by the claimant's 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.
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 substantially the same form as set forth in Government Code 911.8. (Government Code 911.8)

If the Board does not take action on the application to present 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)

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 between the district and the claimant 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 commenced or been barred by legal limitations. (Government Code 912.4)

The Board may act on the claim in one of the following ways: (Government Code 912.4, 912.6)

CLAIMS AND ACTIONS AGAINST THE DISTRICT (continued)

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.
5. If the Board takes no action on the claim, the claim shall be deemed rejected.

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 Board or its 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)

TRAVEL EXPENSES

The Board of Trustees recognizes that district employees may incur expenses in the course of performing their assigned duties and responsibilities. To ensure the prudent use of public funds, the Superintendent or designee shall establish rules to keep such expenses to a minimum while affording employees a reasonable level of safety and convenience.

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

The Board shall authorize payment for actual and necessary travel expenses incurred by any employee performing authorized services for the district, whether within or outside district boundaries. (Education Code 44032)

The Superintendent or designee shall establish procedures for the approval of travel requests and the submission and verification of expense claims. He/she also shall establish reimbursement rates in accordance with law and Board policy.

An employee shall obtain approval from the Superintendent or designee prior to traveling. The Superintendent or designee may approve travel requests in accordance with the adopted budget and upon determining that the travel is authorized or assigned by the employee's supervisor, is necessary to attend a conference or other staff development opportunity that will enhance employee performance, and/or is otherwise necessary to the performance of the employee's duties. Travel expenses not previously budgeted may be approved on a case-by-case basis by the Superintendent or designee if he/she determines that the travel is essential and that resources may be obtained or redirected for this purpose.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

All out-of-state travel for which reimbursement will be claimed shall be approved in advance by the Board.

Reimbursable travel expenses may include, but are not limited to, costs of transportation, parking fees, bridge or road tolls, lodging when district business reasonably requires an overnight stay, registration fees for seminars and conferences, telephone and other communication expenses incurred on district business, and other necessary incidental expenses.

The district shall not reimburse personal travel expenses including, but not limited to, tips or gratuities, alcohol, entertainment, laundry, expenses of any family member who is accompanying the employee on district-related business, personal use of an automobile, and personal losses or traffic violation fees incurred while on district business.

TRAVEL EXPENSES (continued)

Except as otherwise provided, reimbursement of travel expenses shall be based on actual expenses as documented by receipts.

Authorized employees shall be reimbursed for the use of their own private vehicles in the performance of assigned duties, on either a mileage or monthly basis as determined by the Superintendent or designee. (Education Code 44033)

The mileage allowance provided by the district for employees' use of their private vehicles shall be equal to the rate established by the Internal Revenue Service.

Vehicles should be shared whenever possible to minimize travel costs. No employee shall be entitled to reimbursement for automobile travel when he/she is transported free of charge or by another employee who is entitled to the expense reimbursement.

Meal costs shall be reimbursed based on documented actual expenses within the maximum amounts established by the Superintendent or designee and based on the time of day that travel for district business begins and ends.

Any expense that exceeds the maximum rate of reimbursement established by the district shall be reimbursed only with the approval of the Superintendent or designee.

All expense reimbursement claims shall be submitted on a district form, within 10 working days following return from travel when possible. The form shall be accompanied by receipts and any explanation necessary to document that the expenses meet district criteria for reimbursement.

The Superintendent or designee shall approve expense claims only upon verifying that all necessary documentation is provided and that all expenses are appropriate and related to district business. If an expense claim is disallowed due to lack of documentation or inappropriate expenses, the employee may be personally responsible for any improper costs incurred.

When approved by the Superintendent or designee, an employee may be issued a district credit card for use while on authorized district business. Receipts documenting the expenses incurred on a credit card shall be submitted promptly following return from travel. Under no circumstances shall personal expenses be charged on a district credit card, even if the employee intends to subsequently reimburse the district for the personal charges.

TRAVEL EXPENSES (continued)

When necessary, the Superintendent or designee may approve a cash advance, not to exceed the estimated out-of-pocket reimbursable expenses, to an employee authorized to travel on district business. Within 10 working days following return from travel, the employee shall submit a final accounting with all necessary supporting documentation. He/she shall refund to the district any amount of cash advance exceeding the actual approved reimbursable expenses.

Legal Reference:

EDUCATION CODE

42634 *Itemization of expenses*

44016 *Travel expense to employment interview*

44032 *Travel expenses*

44033 *Automobile allowance*

44802 *Student teacher's travel expense*

Management Resources:

INTERNAL REVENUE SERVICE PUBLICATIONS

Per Diem Rates (For Travel Within the Continental United States), Publication 1542

WEB SITES

Internal Revenue Service: <http://www.irs.gov>

U.S. General Services Administration, Per Diem Rates: <http://www.gsa.gov/perdiem>

TRAVEL EXPENSES

Employees incurring expenses while performing authorized services, including travel, for the District may submit a request for reimbursement. The employee must:

1. Have incurred travel expenses while performing services for the District,
2. Properly account for the expenses within 10 days after the end of the trip on which the expenses are paid or incurred.

Reimbursement will be subject to the availability of funds, and the school or department responsible for funding will have the discretion of denying the reimbursement.

If another entity is reimbursing a portion of the expenses, reimbursement from that entity should be requested first when allowed by the other entity. The reimbursement of the District's portion will not be taxable if documentation is provided showing:

1. The request to the other entity was made within 60 days of the end of the trip and;
2. The request to the District for its portion of the expenses is made within 10 days of the date the balance due from the District is known.

Lodging

Reasonable and necessary amounts are allowed for lodging. When two or more staff share the same room, the total claimed for reimbursement must not exceed the total paid for the room. A receipted, itemized statement furnished by the hotel or motel is required for all lodging expenses. Summary statements provided by credit card companies will not be accepted as justification for reimbursement.

Per Diem Meals

1. If travel time includes portions of a day individual meals will be reimbursed based on the following:

Breakfast	\$10.00 If at least 3 hours starting at 6:00am
Lunch	\$15.00 If at least 4 hours starting at 10:00am
Dinner	\$25.00 If at least 4 hours starting at 4:00pm

2. If a meal is included as a formal part of the program of a conference or meeting, the actual cost in excess of the conference fee will be reimbursed. If the cost of the meal is fully covered by the conference fee, no reimbursement may be claimed for that meal.

TRAVEL EXPENSES (continued)

Other travel expenses

1. Allowed
 - a. Necessary taxicab or airport limousine (receipt required). BART or bus fares (receipt required)
 - b. Long-term airport parking (receipt required)
 - c. Rental car charges (receipt required)
 - d. Toll bridge fees
 - e. Other justifiable expenses may be approved based on review of special circumstances (receipts required)
 - f. Reasonable tips and gratuity that are customarily provided
2. Not Allowed

Only expenses essential to the transaction of District business are reimbursable. Examples of expenses that are not reimbursable in most cases are: hotel gyms, mini-bars, movies, laundry, and vehicle fines.

Expenses Charged to Sponsored Gifts, Grants, Contracts or Restricted Funds

Reimbursement of expenses to be charged to sponsored gifts, Grants, Contracts or Restricted Funds made to the District for research, instruction, or other educational purposes must be in full compliance with the specific terms and instructions of the gift, grant contract or restricted funds as well as this policy.

Requesting Reimbursement

All requests for reimbursement of travel expenses must be made on district travel form. The employee must sign the travel form and have it pre-approved by their administrative supervisor. If their administrative supervisor is not authorized to sign on the funds from which the expenses are being paid, an individual who is authorized must also sign the travel form. In no case should an employee approve his or her own form. Personal Gift cards are not permitted as payments and later turned in as reimbursements.

TRAVEL EXPENSES (continued)

Transportation

The maximum reimbursement for transportation will be the lesser of the lowest advertised advanced economy class air fare, or car rental and fuel costs, or the IRS rate for mileage to and from authorized travel for conference or other district business. Under emergency or other unique circumstances, the district may reimburse transportation for employees for actual costs of transportation on district business.

Regulation
approved: February 10, 2009
revised: October 29, 2013
revised: April 21, 2015
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

AUTOMOBILE ALLOWANCE

An automobile expense reimbursement allowance may be claimed by employees of the district for the use of their personally owned automobiles in the performance of their regularly assigned duties.

Mileage Reimbursement

Employees of the Berryessa Union School District may claim mileage reimbursement for necessary travel using their personally owned automobiles in the performance of assigned duties.

1. The District shall have no responsibility to reimburse an employee for such automobile use unless the employee's immediate supervisor has given prior approval.
2. Claim for mileage reimbursement shall be filed with the Business Office within 30 days on forms provided by the District.
3. Claim shall reflect that travel originated at a place of employment and terminated at a place of employment.
4. Claim shall not include miscellaneous side trips between employee's residence and place of employment for duties performed on the way to or from work.

Legal Reference:

EDUCATION CODE

44032 Expenses

44033 Automobile Allowances

Policy
adopted: December 9, 1976
revised: August 14, 1980
revised: November 16, 1993
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

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.

(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)

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.

(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.

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

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)

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.

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

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

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Budget Planning and Adoption, 2006

Maximizing School Board Governance: Fiscal Accountability, 2006

School Finance CD-ROM, 2005

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://www.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>

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. 4119.23/4219.23/4319.23 - 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)

Regulation
approved:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

INVESTING

All or part of the special reserve fund of the district, or any surplus monies not required for the immediate necessities of the district, may be invested as allowed by law for public funds. (Education Code 41015; Government Code 16430, 53601-53609, 53635)

The Board of Trustees authorizes the district's chief fiscal officer to invest and reinvest such funds on behalf of the district. He/she shall make monthly reports of those transactions to the Board. The Board retains the right to revoke this authority at any time.

The Board recognizes that the district's chief fiscal officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. As such, he/she shall act with care, skill, prudence, and diligence under the prevailing circumstances, including but not limited to the general economic conditions and the anticipated needs of the district. The investment objectives shall be to first safeguard the principal of the funds, then to meet the district's liquidity needs and, third, to achieve a return on the funds. (Government Code 53600.3, 53600.5)

(cf. 9270 - Conflict of Interest)

In order to enhance investment return, the district's goal 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 committee established for the purpose of overseeing county investments. In addition, the Superintendent or designee shall keep the Board informed about county policies that guide the investment of these funds.

Quarterly Investment Reports

The chief fiscal officer of the district shall provide the Board, Superintendent, and internal auditor with quarterly reports of district investments in individual accounts that are \$25,000 or more.

(cf. 3460 - Financial Reports and Accountability)

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 money*
- 17581.5 Mandates contingent upon state funding*
- 27000.3 Fiduciary for deposits in county treasury*
- 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*

Management Resources:

CSBA PUBLICATIONS

- Maximizing School Board Governance: Fiscal Accountability, 2005*
- School Finance CD-ROM, 2005*

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION PUBLICATIONS

- Local Agency Investment Guidelines, 2002, rev. 2004*

WEB SITES

- California State Treasurer's Office, California Debt and Investment Advisory Commission:*
<http://www.treasurer.ca.gov/cdiac>

INVESTING

Quarterly Investment Reports

The district's chief fiscal officer shall prepare quarterly investment reports in accordance with Board policy within 30 days after receiving from the County Treasurer following the end of the quarter covered by the report. (Government Code 53646)

Whenever district investments have been placed in the state's local agency investment fund, the National Credit Union Share Insurance Fund-insured accounts in a credit union, or from FDIC-insured accounts in a bank or savings and loan association, in a county investment pool, or in any combination of these, the report may include the most recent statement(s) received from these institutions. (Government Code 53646)

INVENTORIES

In order to provide for the proper tracking and control of district property, the Superintendent or designee shall maintain an inventory of equipment in accordance with law for the following:

1. All equipment items currently valued in excess of \$500 (Education Code 35168)
2. All equipment items purchased with state and/or federal categorical funds that have a useful life of more than one year with an acquisition cost of \$500 or more per unit

(cf. 3290 - Gifts, Grants and Bequests)

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

(cf. 3512 - Equipment)

In addition, the Superintendent or designee may maintain a list of specific items which shall be inventoried for internal control purposes regardless of their initial cost or current value.

The inventory shall contain a record of the following information: (Education Code 35168; 5 CCR 3946)

1. Name and description of the property
2. Identification number
3. Original cost of the item of equipment or a reasonable estimate if the original cost is unknown
4. Date of acquisition
5. Location of use
6. The date and method of disposal

(cf. 3270 - Sale and Disposal of Books, Equipment and Supplies)

In addition to the information specified in items #1-6 above, the following information shall be recorded for equipment acquired with state and/or federal categorical funds unless otherwise specified in law: (5 CCR 3946; 2 CFR 200.313)

1. Source of the property (funding source)
2. Titleholder
3. Percentage of federal participation in the cost of the property
4. Use and condition of property

INVENTORIES (continued)

5. Sale price of the property upon disposition and method used to determine current fair market value

(cf. 3230 - Federal Grant Funds)

At the time of purchase, the Superintendent or designee shall affix a label to the equipment containing the identification number and the district name. Equipment items purchased with categorical program funds shall also be labeled with the name of the project in accordance with 5 CCR 3946.

Whenever an equipment item is moved to a new location or the equipment is used for a new purpose, the new location or purpose shall be recorded in the inventory.

A copy of the inventory shall be kept at the district office and at the appropriate school site.

(cf. 3580 - District Records)

The Superintendent or designee shall annually submit an inventory listing of federally owned property in its custody to the federal agency that granted the award. (2 CFR 200.312)

Physical Inventory

At least once every two years, a physical inventory of equipment shall be conducted and the results reconciled with the property records. (2 CFR 200.313)

The Superintendent or designee shall establish procedures for conducting the physical inventory which shall include, but not be limited to, designation of person(s) responsible for coordinating and conducting the inventory, preparation and distribution of count sheets, procedures for implementing the inventory, and procedures for conducting a recount to substantiate the validity of the inventory.

The Superintendent or designee shall investigate any differences between the quantities determined by the physical inspection and those in the accounting records.

Legal Reference: (see next page)

INVENTORIES (continued)

Legal Reference:

EDUCATION CODE

35168 *Inventory of equipment*

CODE OF REGULATIONS, TITLE 5

3946 *Control, safeguards, disposal of equipment purchased with consolidated application funds*

16022-16023 *Classification of records*

16035 *Historical inventory of equipment*

UNITED STATES CODE, TITLE 20

2301-2414 *Carl D. Perkins Career and Technical Education Act*

CODE OF FEDERAL REGULATIONS, TITLE 2

200.0-200.521 *Federal uniform grant guidance*

Management Resources:

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

California School Accounting Manual, 2008

WEB SITES

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

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

Office of Management and Budget: <https://www.whitehouse.gov/omb>

MONIES IN SCHOOL BUILDINGS

Monies collected by school district employees and by student organizations shall be handled with good and prudent business procedures, both to demonstrate the ability of school system employees to operate in that fashion, and to teach such procedures to the students.

All monies collected shall be receipted and accounted for and directed daily to the proper location of deposit.

In no case shall monies be left overnight in schools except in safes provided for safekeeping of valuables, and even then no more than a few dollars should be so kept.

Legal Reference:

EDUCATION CODE

10703 Deposit or Investment of Student Funds

10703.5 Additional Uses of Student Funds

10704 Supervision and Audit of Student Funds

10705 Trustee for Funds of Unorganized Student Body

10705 Cost of Transporting Money To and From Banks

PETTY CASH FUNDS

In order to facilitate minor purchases, the Superintendent or designee may establish a petty cash fund at each school. The petty cash fund shall be used for unforeseen, small school expenses, such as postage or individual purchases of supplies.

The amount of the petty cash fund shall not exceed \$500. The principal or designee shall be responsible for all expenditures from the fund and shall create a system for tracking fund expenditures. Each expenditure shall be supported by appropriate documentation.

Expenditures shall be reconciled and accounted for whenever the principal requests that the fund be replenished, at the end of the fiscal year, or at the request of the Superintendent or designee.

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

The principal or designee shall ensure that the petty cash fund is kept in a safe and secure location.

Funds will be regularly audited by business office personnel. Funds are also subject to audit by the District's independent auditor.

Legal Reference:

EDUCATION CODE

35160 Authority of governing boards

35250 Duty to keep certain records

41020 Requirement for annual audit

42800-42810 Revolving funds

Management Resources:

WEB SITES

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

STUDENT ACTIVITY FUNDS

The Board of Trustees recognizes that student organizations can provide students with an opportunity to conduct worthwhile cocurricular activities beyond those provided by the district and can also help students learn about effective financial practices. To that end, student organizations may raise and spend funds to support activities that promote the general welfare, morale, and educational experiences of the student body.

(cf. 3260 - Fees and Charges)

(cf. 5000 - Concepts and Roles)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 6145.5 - Student Organizations and Equal Access)

Fund-Raising Events

Fundraising projects should contribute to the educational experience and should not conflict with the school's educational program.

While the Board appreciates the funds donated by the community, it also believes that soliciting funds is not the main function of a school. Fundraisers carried out on whole or in part for the benefit of a school or the student body of a school shall be considered a request for a voluntary contribution. Such activities shall be conducted in a non-coercive manner that in no way embarrasses students, jeopardizes their safety, or disrupts the learning process in their classrooms. No students shall be barred from an activity because they did not participate in fundraising.

The Board delegates authority to approve all fundraising events to the Superintendent or designee. No solicitation of funds shall be permitted without prior written approval.

At the beginning of each school year, each principal or designee shall submit to the Superintendent or designee a list of the fund-raising events that each student organization proposes to hold that year. The Superintendent or designee shall review the proposed events and determine whether the events contribute to the educational experience and are not in conflict with or detract from the school's educational program. When reviewing proposed events, the Superintendent or designee shall consider the effects of the activities on student health and safety, evaluate the risk of liability to the district, and ensure that the proposed activities are in compliance with law, Board policy, and administrative regulation.

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

(cf. 3530 - Risk Management/Insurance)

(cf. 3554 - Other Food Sales)

(cf. 5030 - Student Wellness)

(cf. 5142 - Safety)

(cf. 5143 - Insurance)

STUDENT ACTIVITY FUNDS (continued)

Management of Funds

Student body funds shall be managed in accordance with law and sound business procedures designed to encourage the largest possible educational return to students without sacrificing the security of funds.

The Superintendent or designee shall develop internal control procedures to safeguard the organization's assets, promote the success of fund-raising ventures, provide reliable financial information, and reduce the risk of fraud and abuse. These procedures shall detail the oversight of activities and funds including, but not limited to, the appropriate role and provision of training for staff and students, parameters for events on campus, appropriate and prohibited uses of funds, and accounting and record-keeping processes, including procedures for handling questionable expenditures.

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

The principal or designee shall be responsible for the proper conduct of all student organization financial activities. The budget adopted by the student body organization should serve as the financial plan for the school year and shall be submitted to the Superintendent or designee at the beginning of each school year. The Superintendent or designee shall periodically review the organization's use of funds to ensure compliance with the district's internal control procedures.

Funds derived from the student body 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 Board shall provide an annual audit of student accounts by a certified public accountant or licensed public accountant. The cost of the audit shall be paid from district funds. (Education Code 41020)

(cf. 3460 - Financial Reports and Accountability)

Legal Reference: (see next page)

STUDENT ACTIVITY FUNDS (continued)

Legal Reference:

EDUCATION CODE

35182.5 *Non-nutritious foods and beverages, vending machines*

35564 *Funds, obligation of the student body*

41020 *Requirement for annual audit*

48930-48938 *Student body organization*

49431 *Sale of food and beverages, elementary school*

49431.5 *Sale of food and beverages, middle and high schools*

51520 *School premise, prohibited solicitations*

51521 *Fund-raising projects*

CODE OF REGULATIONS, TITLE 5

15500 *Food sales, elementary schools*

15501 *Food sales, middle and junior high schools*

COURT DECISIONS

Prince v. Jacoby, (2002) 303 F.3d 1074

Management Resources:

FISCAL CRISIS MANAGEMENT & ASSISTANCE TEAM PUBLICATIONS

Associated Student Body Accounting Manual & Desk Reference, 2005

WEB SITES

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

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

FINANCIAL REPORTS AND ACCOUNTABILITY

The Board of Trustees is committed to ensuring public accountability and the fiscal health of the district. The Board shall adopt sound fiscal policies, oversee the district's financial condition, and continually evaluate whether the district's budget and financial operations support the district's goals for student achievement.

(cf. 3100 - Budget)

(cf. 3110 - Transfer of Funds)

(cf. 3300 - Expenditures and Purchases)

(cf. 3430 - Investing)

(cf. 4143/4243 - Negotiations/Consultation)

(cf. 9000 - Role of the Board)

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 (CDE). He/she shall establish a system of ongoing internal controls to ensure the reliability of financial reporting.

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

When required by law or the Board, the Superintendent or designee shall submit to the Board reports of the district's financial status, including, but not limited to, any report specified in this Board policy or accompanying administrative regulation. When any such report must be approved by the Board prior to its submission to a local, state, and/or federal agency, the Superintendent or designee shall provide the report to the Board in sufficient time to enable the Board to carefully review the report and meet any applicable submission deadline.

The Board shall regularly communicate the district's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the district's financial stability.

(cf. 1340 - Access to District Records)

If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the district's fiscal health and may contract with an external individual or organization to advise the district on fiscal matters.

Unaudited Actual Receipts and Expenditures

On or before September 15, the Board shall approve and file with the County Superintendent a statement of the district's unaudited actual receipts and expenditures for the preceding fiscal year. The Superintendent or designee shall prepare this statement using the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42100)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)**Gann Appropriations Limit Resolution**

On or before September 15, the Board shall adopt a resolution identifying, pursuant to Government Code 7900-7914, the district's estimated appropriations limit for the current fiscal year and the actual appropriations limit for the preceding fiscal year. Documentation used to identify these limits shall be made available to the public on the day of the Board meeting. (Education Code 42132; Government Code 7910)

(cf. 9322 - Agenda/Meeting Materials)

Interim Reports/Certification of Ability to Meet Fiscal Obligations

The Superintendent or designee shall submit two interim fiscal reports to the Board, 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 be made available by the district for public review. (Education Code 42130)

Within 45 days after the close of the period reported, the Board shall approve the interim report and certify, on the basis of the interim report and any additional financial information known by the Board, whether the district will be able to meet its fiscal obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. The certification shall be classified as one of the following: (Education Code 42130, 42131)

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

The Superintendent or designee shall submit a copy of each interim report and certification to the County Superintendent using the state's SACS software, as prescribed by the SPI. (Education Code 42130, 42131)

If the district's certification is subsequently changed by the County Superintendent from a positive to a qualified or negative certification, or from a qualified to a negative certification, the Board may appeal the decision to the SPI within five days of receiving the notice of change. (Education Code 42131)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Whenever the district receives a qualified or negative certification from the Board or the County Superintendent, the Superintendent or designee shall cooperate in the implementation of any remedial actions taken or prescribed by the County Superintendent under the authority granted to him/her pursuant to Education Code 42131.

If the second interim report is accompanied by a qualified or negative certification, the Board shall, no later than June 1, provide to the County Superintendent, the State Controller, and the SPI a financial statement as of April 30 ("third interim report") that projects the district's fund and cash balances through June 30. (Education Code 42131)

At any time during the year when the County Superintendent conducts a comprehensive review of the district's financial and budgetary conditions after he/she has determined that the district's budget does not comply with state criteria and standards for fiscal stability, the Board shall review the County Superintendent's recommendations at a public Board meeting. Within 15 days of receiving the report, the district shall notify the County Superintendent and the SPI of its proposed actions on the recommendation. (Education Code 42637)

Audit Report

By April 1 of each year, the Board shall provide for an annual audit of the district's books and accounts. (Education Code 41020)

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 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)

No later than December 15, the report of the audit for the preceding fiscal year shall be filed with the County Superintendent, the CDE, and the State Controller. (Education Code 41020)

Prior to December 15 whenever possible, but in no case later than January 31, 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)

The Board shall have an opportunity at the meeting to ask questions of the auditor and request further information about the audit findings.

Legal Reference: (see next page)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Legal Reference:

EDUCATION CODE

1240 Duties of county superintendent of schools
14500-14508 Financial and compliance audits
17150-17150.1 Public disclosure of non-voter-approved debt
17170-17199.5 California School Finance Authority
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
41326 Emergency apportionment
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
42120-42129 Budget requirements
42130-42134 Financial reports and certifications
42140-42142 Public disclosure of fiscal obligations
42637 County superintendent review of district's financial and budgetary conditions
42652 Revocation or suspension of warrant authority
48300-48316 Student attendance alternatives
52060-52077 Local control and accountability plan

GOVERNMENT CODE

3540.2 School district; qualified or negative certification; proposed agreement review and comment
7900-7914 Appropriations limit
16429.1 Local agency investment fund
53646 Reports of investment policy and compliance

CODE OF FEDERAL REGULATIONS, TITLE 2

200.0-200.521 Federal uniform grant guidance

CODE OF REGULATIONS, TITLE 5

15060 Standardized account code structure
15070 Submission of reports using standardized account code structure
15440-15451 Criteria and standards for school district budgets
15453-15464 Criteria and standards for school district interim reports
19810-19816.1 Audits

UNITED STATES CODE, TITLE 31

7501- 7507 Single audits of federal program funds

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance: Fiscal Accountability, 2006

CALIFORNIA DEPARTMENT OF EDUCATION COMMUNICATIONS

New Financial Reporting Requirements for Postemployment Benefits Other than Pensions, February 26, 2007

Audit Resolution Process: Repayment Plans, December 8, 2000

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM PUBLICATIONS

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

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

Management Resources: (continued)

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

Statement 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2015

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

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

STATE CONTROLLER PUBLICATIONS

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

U.S. GOVERNMENT ACCOUNTABILITY OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS

Government Auditing Standards, 2011

Financial Audit Manual, revised 2008

WEB SITES

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

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

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

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

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

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

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

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

State Controller's Office: <http://www.sco.ca.gov>

U.S. Government Accountability Office: <http://www.gao.gov>

U.S. Office of Management and Budget: <http://www.whitehouse.gov/omb>

FINANCIAL REPORTS AND ACCOUNTABILITY

Interim Reports

Each interim fiscal report developed pursuant to Education Code 42130 shall include an assessment of the district budget as revised to reflect current information regarding the adopted state budget, district property tax revenues, if any, and ending balances for the preceding fiscal year. (Education Code 42130, 42131)

The interim reports shall be based on State Board of Education (SBE) criteria and standards which address fund and cash balances, reserves, deficit spending, estimation of average daily attendance (ADA), projected enrollment, ratio of ADA to enrollment, projected local control funding formula (LCFF) revenue, salaries and benefits, other revenues and expenditures, and facilities maintenance. For purposes of assessing projections of LCFF revenue, the first interim report shall be compared to the adopted district budget, and the second interim report shall be compared to the projections in the first interim report. (Education Code 42130; 5 CCR 15453-15464)

(cf. 3100 - Budget)

(cf. 3220.1 - Lottery Funds)

(cf. 3300 - Expenditures and Purchases)

(cf. 3314 - Payment for Goods and Services)

The report shall also provide supplemental information regarding contingent liabilities, use of one-time revenues for ongoing expenditures, contingent revenues, contributions (i.e., projected contributions from unrestricted general fund resources to restricted general fund resources, projected transfers to or from the general fund to cover operating deficits in the general fund or any other fund, and capital project cost overruns that may impact the general fund budget), long-term commitments, unfunded liabilities, temporary interfund borrowings, the status of labor agreements, and the status of other funds. (Education Code 42130; 5 CCR 15453, 15464)

(cf. 3110 - Transfer of Funds)

Audit Report

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

The Superintendent or designee shall provide the necessary financial records and cooperate with the auditor selected by the Governing Board to ensure that the audit report contains all information required by law and the Governmental Accounting Standards Board (GASB).

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, state and federal grant funds, and any other funds under the control or jurisdiction of the district, as well as an audit of student attendance procedures. The audit shall also include a determination of

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

whether LCFF funds were expended in accordance with the district's local control and accountability plan or an approved annual update of the plan. (Education Code 41020)

(cf. 0460 - Local Control and Accountability Plan)

(cf. 3230 - Federal Grant Funds)

(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 report 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. District wide 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

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

- 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 (GASB), including, but not limited to, budgetary comparison schedules

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)

No later than December 15, the Chief Business Official 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)

If an audit finding results in the District being required to repay an apportionment or pay a penalty, the District may appeal the finding to the Education Audit Appeals Panel by making an informal, summary appeal within 30 days of receiving the final audit report or initiating a formal appeal within 60 days of receiving the report. (Education Code 41344, 41344.1)

If the district participates in the school district of choice program to accept interdistrict transfers, the Superintendent or designee shall notify the auditor, prior to the commencement of the audit, that the audit must include a review of the district's compliance with specified program requirements. (Education Code 48301)

(cf. 5117 - Interdistrict Attendance)

While a public accounting firm is performing the audit of the district, it shall not provide any nonauditing, management, or other consulting services for the district except as provided in Government Auditing Standards, Amendment #3, published by the U.S. Government Accountability Office. (Education Code 41020)

Fund Balance

In accordance with GASB Statement 54, external financial reports shall report fund balances in the general fund within the following classifications based on the relative strength of constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

2. Restricted fund balance, including amounts constrained to specific purposes by their providers or by law
3. Committed fund balance, including amounts constrained to specific purposes by the Board
4. Assigned fund balance, including amounts which the Board or its designee intends to use for a specific purpose
5. Unassigned fund balance, including amounts that are available for any purpose

Negative Balance Report

Whenever the district reports a negative unrestricted fund balance or a negative cash balance in its annual budget or annual audit report, it shall include in the budget a statement that identifies the reasons for the negative unrestricted fund balance or negative cash balance and the steps that have been taken to ensure that the negative balance will not occur at the end of the current fiscal year. (Education Code 42127.5)

Non-Voter-Approved Debt Report

Upon approval by the Board to proceed with the issuance of revenue bonds or any agreement for financing school construction pursuant to Education Code 17170-17199.5, the Superintendent or designee shall notify the County Superintendent of Schools 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. (Education Code 17150)

(cf. 7214 - General Obligation Bonds)

When the Board is considering the issuance of certificates of participation and other debt instruments that are secured by real property and do not require the approval of the voters of the district, the Superintendent or designee shall provide notice to the County Superintendent and county auditor no later than 30 days before the Board's approval to proceed with issuance. The Superintendent or designee shall provide the Board, the county auditor, the County Superintendent, and the public with information necessary to assess the anticipated effect of the debt issuance, including related repayment schedules, evidence of the district's ability to repay the obligation, and the issuance costs. (Education Code 17150.1)

Other Postemployment Benefits Report

In accordance with GASB Statement 75, the district's financial statements shall report the expense of nonpension other postemployment benefits (OPEBs) on an accrual basis over

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)

retirees' active working lifetime, as determined by a qualified actuary procured by the Superintendent or designee. To the extent that these OPEBs are not prefunded, the district shall report a liability on its financial statements.

(cf. 4154/4254/4354 - Health and Welfare Benefits)
(cf. 9250 - Remuneration, Reimbursement and Other Benefits)

The Superintendent or designee shall annually present the estimated accrued but unfunded cost of OPEBs and the actuarial report upon which those costs are based at a public meeting of the Board. (Education Code 42140)

The district's financial obligation for OPEBs shall be reevaluated every two years in accordance with GASB 75.

Workers' Compensation Claims Report

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 estimate of costs shall be based on an actuarial report completed at least every three years by a qualified actuary. (Education Code 42141)

PAYROLL ACCOUNTING

The Board of Trustees recognizes that Payroll Accounting is a major fiscal responsibility of Berryessa Union School District. To ensure fiscal control, the Board of Trustees shall establish regulations pertinent to all payroll operations and shall appoint the Department of Business Services to oversee the administration of Payroll Accounting.

Fiscal Services shall monitor the daily operations of Payroll Accounting including those additional duties necessary to process payroll for District employees. Such duties shall be performed on a regular basis in conjunction with the scheduled payroll periods or as needed by employees.

Fiscal Services shall coordinate with the County Office of Education on the retirement programs available to District employees and shall be responsible for directing employees to the appropriate sources for information.

Legal References:

EDUCATION CODE

1313 Retirement systems

45030 Salary schedule - substitute employees

45034 Proper certification required for pay

45038 Article 5 Salaries Number of Payments; Charter Schools

45039 Salaries Number of Payments; Charter Schools

45040 Salaries Number of Payments; Charter Schools

45048 Date of salary payments

45052 Payroll form of warrant

45060 Deduction and payment of dues

45127 Workweek, work day

45128 Overtime

45136 Benefits for probationary and permanent part-time classified employees

45137 Employees regularly working more than their assigned part-time hours

45166 Payroll orders; warrants

45167 correction of errors in calculations

California School Accounting Manual, 1981 Edition

PAYROLL ACCOUNTING

Additional Payroll Functions

PURPOSE AND SCOPE

Payroll is responsible for reviewing output reports generated by the County Office of Education in addition to other related payroll functions.

PAYROLL OUTPUT REPORTS

RECAP shall generate payroll output reports on District employees during each payroll cycle from information supplied by Payroll.

OTHER PAYROLL FUNCTIONS

In addition to its normal processing duties, Payroll shall perform several other functions related to the payroll cycle; e.g., completing unemployment reports, distributing W-2 forms, maintaining ledgers, and completing retirement forms.

Payroll Cycle

PURPOSE AND SCOPE

General payroll information regarding areas of responsibility, different payroll categories, and payroll period requirements are addressed in this administrative regulation.

COMPUTER PAYROLL SYSTEM

The District's payroll shall be by the county office of education. Fiscal Services shall be responsible for providing the required payroll information to the County of the Office of Education and for assisting as needed in the process.

To facilitate the operation, the District shall use both payroll/personnel manuals distributed by the county office of education as guidelines to follow in providing the appropriate information.

CERTIFICATED & CLASSIFIED EMPLOYEES

The District shall designate all employees as either certificated or classified. Certificated employees shall be required to have a credential to perform their jobs; e.g., teachers and principals. Classified employees shall not be required to have a credential, though some other form of specialization may be required.

PAYROLL ACCOUNTING (continued)

EMPLOYEE PAYROLL INFORMATION (REGULAR vs. NON-REGULAR)

Payroll Information

The Payroll Accounting section shall establish two payroll periods within a month for District employees: end-of-month payroll for regular employees and 10th-of-month payroll for non-regular employees. Payroll information shall be submitted to Payroll by the dates and times established by Business Services.

Attendance Cards for regular employees shall be verified and processed by the cost center manager and submitted to Payroll by the 5th of the month following end-of-month payroll.

Time Reports for non-regular employees shall be submitted to Payroll by all schools and departments. Each cost center manager shall verify and process time reports for his/her staff members.

Business Services shall distribute payroll warrants within the district twice each month. Non-regular employees shall receive their checks on the 10th of the month. Regular employees shall receive their checks at the end of the month.

Payroll Errors

A payroll error caused by the District resulting in insufficient payment to an employee shall be corrected and a supplemental check issued within five working days after the employee notifies Payroll.

A payroll error caused by an employee resulting in insufficient payment shall be corrected the next pay period. An error resulting in overpayment to an employee shall also be corrected the next pay period.

Personnel Payroll Functions

PURPOSE AND SCOPE

Processing new employees involves an exchange of information between Personnel and Payroll as certain responsibilities tend to overlap. This administrative regulation will address the payroll functions of the Personnel office.

EMPLOYEE INFORMATION

The Personnel office shall provide Payroll with all information on new and existing employees that affects payroll processing. This information will be provided through various input documents. Personnel will also be responsible for providing the Attendance Cards used by monthly/regular employees for distribution by Business Services.

PAYROLL ACCOUNTING (continued)

PART TIME EMPLOYEE BENEFITS

District employees who work less than full time, but at least half time, and who are not covered by bargaining unit contracts, shall be entitled to a prorated share of employee benefits. Employees covered by bargaining unit contracts shall be entitled to benefits as specified therein.

HEALTH & WELFARE BENEFITS

The District shall implement a "cafeteria style" health and welfare benefits program to allow employees to select benefits from a list of available options. The program shall be administered by Personnel.

The District shall pay a portion of the benefit cost based on a predetermined allocation. The employee shall not pay unless the total dollar amount of the benefits selected exceeds the District's contribution.

If so, the excess amount shall be considered a voluntary deduction to be withheld from the employee's paycheck each pay period.

Retirement

PURPOSE AND SCOPE

Payroll coordinates with the County Office of Education on retirement by submitting the correct forms and directing employees to the appropriate sources for additional information.

RETIREMENT PROCEDURE

California law mandates that all District personnel shall join a government sponsored retirement system if they work more than four hours per day.

In California, the two retirement plans in effect are the State Teachers Retirement System (STRS) for certificated employees and the Public Employees Retirement System (PERS) for classified employees.

The County Office of Education (COE) shall be responsible for monitoring the District's retirement system and Payroll shall coordinate with COE in submitting the appropriate forms.

PAYROLL ACCOUNTING (continued)

Contributions to the retirement fund shall be made by both the District and its employees. The District's portion shall be charged as an Employer Burden each pay cycle while a retirement deduction shall be taken out of each employee's paycheck. Using the funds withheld, payments shall be made to the appropriate plans via the County Office of Education.

Regulation
approved: July 12, 1984
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

GENERAL LEDGER ACCOUNTING

Berryessa Union School District shall implement General Ledger Accounting as recommended by the California School Accounting Manual for the budgeting, accounting, and reporting of District funds. A separate set of General Ledger accounts shall be set up for each of the District's funds.

The regulations governing use of General Ledger Accounting shall be in full harmony with the California Education Codes and the requirements of the California State Department of Education.

The Department of Business Services shall oversee the implementation of General Ledger Accounting including the year end closing of the books for the District.

Legal References:

EDUCATION CODE

41010 Article 2. Accounting Regulations, Budget Controls and Audits

California School Accounting Manual, 1981 Edition

GENERAL LEDGER ACCOUNTING

PURPOSE AND SCOPE

Reviewing the General Ledger provides a glimpse of the financial status of the District. It is important therefore that General Ledger Accounting be properly implemented and closely monitored throughout the fiscal year.

GENERAL LEDGER OVERVIEW

The Department of Business Services shall be responsible for implementing General Ledger Accounting per California mandates and according to the recommendations of the California School Accounting Manual. Fiscal Services shall supervise and monitor the daily operations of General Ledger Accounting.

CHART OF ACCOUNTS

The Chart of Accounts reflects the structure of the District's financial system. It provides a listing of all the elements necessary to create an individual account.

At the beginning of each fiscal year, Fiscal Services shall be responsible for printing and distributing a revised Chart of Accounts document to all program managers and to the Business Services staff.

COMPONENTS OF THE GENERAL LEDGER

The General Ledger is comprised of asset, liability, equity, and budgeting accounts. The balances of these accounts are reflected in the Trial Balance.

Fiscal Services shall be responsible for taking the Trial Balance on a regular monthly basis and at the end of the fiscal year.

POSTING TO THE GENERAL LEDGER

Fiscal Services shall supervise posting to the General Ledger.

Reconciliation of the General Ledger accounts for the District and for the County Office of Education shall be done at the end of each month and shall be supervised by the Fiscal Services Supervisor.

GENERAL LEDGER REPORTS

All reports relevant to General Ledger Accounting shall be run on a regular basis at the end of each month and at the end of the fiscal year. Fiscal Services shall supervise the production of said reports and shall ensure they are issued in a timely manner.

GENERAL LEDGER ACCOUNTING (continued)

YEAR END CLOSING

Fiscal Services shall be responsible for all accounting duties related to the year end closing of the books for the District. The beginning balances of the General Ledger accounts for the new fiscal year shall be implemented once the year end closing has been completed.

EXPENSE ACCOUNTING OPERATIONS

Berryessa Union School District shall report expenditures according to the object classification plan presented in the California School Accounting Manual. Objects of expenditure shall include all goods and/or services that may be purchased such as salaries, supplies, and equipment.

It shall be the responsibility of the Department of Business Services to establish good business practices and proper accounting procedures. Business Services shall develop a workable system that implements correct payment procedures, establishes efficient accounting controls, and adheres to federal and state mandates and county regulations.

Fiscal Services shall be responsible for closely monitoring the daily operations of the district to ensure the expenditures are those approved by the Governing Board. Fiscal Services shall keep records on all expenditures made during the fiscal year by the district and shall process these expenditures per proper accounting procedures.

Accounts Payable

The Department of Business Services shall be responsible for paying bills on time and for making every effort to take advantage of early payment discounts.

Berryessa Union School District shall seek bids from outside contractors as required by law.

Reimbursements

District employees shall be reimbursed for authorized expenses incurred necessary to the performance of their duties such as conference fees, supplies, and mileage. Mileage for approved district business shall be reimbursed at the rate per mile authorized by the Board of Trustees. *It is prohibited making any gift of public money to any individual (including volunteers, and employees), in any form, including gift cards.*

Warrant Processing

In accordance with practices in Santa Clara County, the district shall use the Santa Clara County Treasury warrants as its form of payment and shall process all commercial warrants through the Santa Clara County Office of Education.

Legal Reference: (see next page)

EXPENSE ACCOUNTING OPERATIONS (continued)

Legal Reference:

EDUCATION CODE:

35200.5

41000 et seq. -Part 24. School Finance. Chapter 1. State Financial Management and Control, Article 1. Moneys Received by School Districts

44032 - Expenses

California School Accounting Manual, 1998 edition

DISTRICT BOARD POLICIES:

4045

EXPENSE ACCOUNTING OPERATIONS

Accounts Payable

The Accounts Payable section of Fiscal Services shall be responsible for paying the bills of the district. Accounts Payable shall process invoices for the amounts due and owed to various vendors for goods received and services rendered during the fiscal year.

In paying vendors for goods and/or services provided to the district, the Accounts Payable Clerk shall match receiving information with invoices to insure proper payment and to follow good business practices. Via telephone and written correspondence, the Accounts Payable Clerk will maintain contact with vendors, cost center managers, and purchasing regarding problems with payment processing.

Accounts Payable shall be responsible for ensuring that the correct, documentation (Affidavit), is attached to incoming invoices as confirmation that a bid was held if the published Notice to Bid is not available.

The district shall be required to pay tax on all goods and services purchased during the fiscal year.

Reimbursements

The Business Services Division shall be authorized to reimburse district employees for authorized expenses incurred that are necessary to the performance of their duties.

Supplies and Materials: Employees may be reimbursed up to a maximum of three hundred (\$300.00) with no one item exceeding one hundred dollars (\$100.00) for a pre-approved purchase of supplies and/or materials necessary to the performance of their duties. Authorization for such items shall be from the employee's supervisor or an authorized district-level administrator and must be received in advance of the purchase. All reimbursement requests must be made within sixty (60) days of the date in which the expenses was incurred. After that date the District is under no obligation to reimburse the employee for an incurred expense. No reimbursement will be made for purchases paid for with a gift card. The District accepts no responsibility for reimbursement of items purchased without pre-authorization or submitted without proper documentation and/or original receipts, and if the shipping address is other than the District or school address.

Authorization of Superintendent Expenditures: The Superintendent may be reimbursed for expenditures of up to two hundred dollars (\$200.00) for the purchase of supplies and/or materials, workshop registration and attendance, conference registration and attendance or other purchases s/he deems necessary for the operation of the district with the pre-approval of an assistant superintendent. Expenses beyond two hundred dollars (\$200.00) must be authorized by the board president. In situations where time urgency or an emergency prevents having written pre-approval of the Board President that approval may be received by phone or e-mail. All reimbursement requests must be made within 60 days of the date in which the expenses was incurred. After that date the District is under no obligation to reimburse the employee for an incurred expense. The District accepts no responsibility for reimbursement of purchases or expenses without proper documentation and/or receipts.

EXPENSE ACCOUNTING OPERATIONS (continued)

Cash Advances

In certain limited situations, the Business Services Division may provide cash advances to employees. Cash advances may be made to cover the following:

travel expenses for authorized travel;

payroll warrants that are lost and have had a stop payment placed on them.

Employees are responsible for repaying or accounting for all cash advances no later than the end of the month following the month in which the expense was incurred. At the time of receiving an advance, if the employee does not have a copy of the Cash Advance Payroll Deduction form on file in the Business Office, he/she must fill out the form and submit it to the Business Office.

Warrant Processing

A warrant is a written order to pay drawn by the district against its funds in the County Treasury. All warrants must be authorized by the Board of Trustees and processed through the Santa Clara County Office of Education.

Warrants consist of two types: commercial warrants and payroll warrants. Commercial warrants shall be used by Business Services for a variety of purposes; e.g., accounts payable, reimbursements, utility bills, etc.

All commercial warrants generated by the district must be processed through the County Office of Education for audit, approval, and signature per California mandate. Payroll warrants shall be used for all district payroll.

Consultants

Consultants may be hired in accordance with Board policy. Non-district personnel hired under Contracted Services shall be paid through Fiscal Services rather than through payroll.

Regulation
approved: July 12, 1984
revised: December 14, 1993
revised: September 15, 1998
revised: September 21, 1999
revised: August 19, 2003
revised: October 20, 2009
revised: October 10, 2013
revised: November 6, 2013

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

EXPENSE ACCOUNTING FUNDS

Additional financial responsibilities associated with Expense Accounting shall include providing financial information to District personnel, monitoring finances for the schools and their student body organizations, and administering the monetary funds related to such.

Revolving Fund

The District Revolving Fund shall be established with Board of Trustee authorization. The currently specified amount of \$25,000 is to be used for small or emergency disbursements and shall be reimbursed periodically for all documented expenditures. The Fund shall be used to pay for authorized obligations of the District when the issuance of a warrant would not be feasible. The Department of Business Services shall administer the funds which shall be restricted to the following circumstances:

- Miscellaneous purchases
- Reimbursement of the Petty Cash Fund
- Postage expenditures
- Payment of error in compensation
- Special purposes designated by the Board of Trustees

Student Body Funds

Site managers shall be responsible for administering the student body funds within their school. Fiscal Services shall monitor the expenditure of these funds.

Each student organization shall use its student body fund as a collecting agent for the following sources of income:

- Receipts from student body membership
- Receipts from admissions, concessions, league agreements, tournament fees
- Receipts from dances, parties, talent shows and other promotional functions
- Receipts from commissions/rebates from student activity sales
- Interest earnings on investments and savings
- Gifts to the student body organization

EXPENSE ACCOUNTING FUNDS (continued)

The funds shall be deposited in a separate bank account approved by the Board of Trustees.

Proper accounting records of all deposits and withdrawals on the student body funds will be maintained and all records will be audited annually. A copy of the audit report shall be sent to the Board of Trustees.

Legal Reference:

EDUCATION CODE

40007-8 NO legal ref for this number

41000 et seq. Part 24. School Finance. Chapter 1. State Financial Management and Control, Article 1. Moneys Received by School Districts

California School Accounting Manual, 1981 edition

Policy
adopted: July 12, 1984
revised: August 11, 2015
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

EXPENSE ACCOUNTING FUNDS

PURPOSE AND SCOPE

Special purpose funds such as the Revolving Fund and the Petty Cash Fund provide a means of disbursing money for specific items needed by the departments and schools. The student body fund is used by each school's student body population as a collecting agent for various school-related projects.

REVOLVING FUND

The Revolving Fund account shall be established for the amount authorized by the Board of Trustees and shall be maintained in an approved bank under the account of "Berryessa Union School District Revolving Fund."

The Fund shall be expended only for those services, materials, and uses listed in the Board policy. It shall be reimbursed whenever necessary, but not less than once a month. Reimbursement requests shall describe the specific services/materials needed and each request shall be accompanied by the appropriate backup.

The Fiscal Services Supervisor shall supervise and administer the Revolving Fund under the direction of the Business Services Director.

PETTY CASH FUND

A Petty Cash Fund shall be established in the amount of \$50.00 to pay for small obligations, when issuing a check would be inappropriate. The Account Clerk III will be responsible for disbursements from this fund and will receive backup to substantiate the nature of the outlay.

At any given time, the totals of cash on hand and backup will equal the amount of the established fund. Said fund shall be periodically reviewed by the Fiscal Services Supervisor.

STUDENT BODY FUNDS

Site managers shall be responsible for administering the student body funds within their school. Fiscal Services shall act as an overseer to insure that proper accounting controls and good business practices are followed.

Surplus cash generated from the various funds shall be invested in a bank money market fund. All investment proceeds resulting from the money market fund shall be returned to the appropriate schools on a pro rata basis.

All student body fund disbursements shall require approval of authorized personnel i.e., principal/designee, student body president, and Business Services Director/designee.

Policy
adopted: July 12, 1984
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

OTHER EXPENSE ACCOUNTING FUNCTIONS

Berryessa Union School District shall contract with a reputable insurance company for comprehensive insurance programs that protect the District and its employees. The insurance firm awarded the contract by the District shall provide insurance coverage for the following conditions:

- All real and personal property of the District
- Liability insurance to insure personal liability of all Board members and employees while acting within the scope of their office or job, and student body organizations for damages to persons or property.
- Insurance against District losses due to employee theft, dishonesty, injury or death.

The annual insurance coverage for the District shall be negotiated through the Broker of Record and the Joint Powers Authority (JPA). The annual insurance coverage shall be awarded to the agency which provides quality service at the lowest price.

Per Education Code requirements, the District shall select a reputable insurance company that provides accident insurance as a contract option to the student body population.

Legal References:

EDUCATION CODE

35208 –Liability insurance

44041-Payroll reduction

48909 Notification of superintendent by law enforcement of certain crimes by students

48933-34 Funds of student body organization

48936-37 Loaning and investment of funds

California School Accounting Manual, 1981 edition

OTHER EXPENSE ACCOUNTING FUNCTIONS

PURPOSE AND SCOPE

Other related Expense Accounting functions include the reconciliation of District and County financial records, the District's insurance obligations, and facility use accounting.

MONTHLY RECONCILIATION

California Education Code mandates that the Santa Clara County Office of Education must keep a set of financial records on all school districts.

In compliance with the law, Berryessa Union School District and the County Office of Education shall both maintain a separate set of records on all financial transactions for the District and a monthly reconciliation shall be done to balance both sets of records. Business Services shall be responsible for supervising the reconciliation of District and County financial records.

INSURANCE

The District shall ensure against potential losses by providing insurance for real and personal property and liability. The District shall apply to the insurance company to recover insured losses by submitting the appropriate insurance reports in a timely manner. Insurance reports shall be completed by the affected department/school and submitted to Business Services for processing.

FACILITY USE

The District shall open its school facilities to community groups for use after school hours per Board Policy. The Business Services Department shall charge these groups when District personnel are required to work over and above normal working hours. These services may include, but are not limited to, custodial help and Food Services help.

ATTENDANCE ACCOUNTING

The Board of Trustees of Berryessa Union School District recognizes that Attendance Accounting is a vital function of District accounting. Much of the District's revenue is generated by Average Daily Attendance (ADA) and apportioned by the State Department of Education.

District administrators shall do everything possible to ensure that students attend school on a regular basis.

Business Services shall be responsible for overseeing Attendance Accounting to ensure that state regulations are properly implemented.

Legal References:

EDUCATION CODE

37600 et seq. Chapter 5. Continuous School Programs Article 1. General Provisions

41376 Class size in computing apportionment

41378 Size of kindergarten classes in determining apportionment

44800 et seq. Chapter 4. Employment-Certificated Employees, Article 1. Rights and Duties

46000 et seq. Division 4. Instruction and Services, Part 26. Attendance for Computing

Apportionments. Chapter 1. General Provisions

46100 et seq. Chapter 2. Attendance-Maximum Credit-Minimum Day, Article 1. Generally

48200 et seq. Chapter 2. Compulsory Education Law, Article 1. Persons Included

48300 et seq. Article 7. Pupil Attendance Alternatives; School District of Choice/Residence

48600 et seq. Chapter 4. Attendance at Adjustment Schools, Article 1. Twenty-Four Hour Elementary Schools

California School Accounting Manual, 1981 Edition

Attendance and Enrollment Accounting and Reporting, Publication No. 5

Handbook For Attendance Accounting, April 1982

DEBT ISSUANCE AND MANAGEMENT

PURPOSE AND SCOPE

Attendance Accounting requires maintaining proper accounting controls and following the attendance and enrollment regulations established by the State Department of Education.

OVERVIEW

Fiscal Services shall supervise all accounting functions related to Average Daily Attendance. Fiscal Services shall regularly monitor attendance and enrollment data for the District and will submit said data to the Superintendent/designee as requested.

Fiscal Services shall supervise the filing of attendance and enrollment reports required by the State Department of Education to ensure they are submitted as scheduled.

ATTENDANCE

A new Student Attendance card shall be developed by the Attendance Accountant at the beginning of each school year. The adopted School Calendar shall serve as the legal reference.

The Attendance Accountant shall monitor unexcused absences recorded at each school since they are not recognized by the State Department of Education in determining apportionment.

Fiscal Services shall supervise filing the required state attendance reports (N4i4F1Idi) to ensure they are submitted as scheduled.

Attendance records on all students are legal documents and shall be kept permanently by the District. The Attendance Accounting section shall be responsible for supervising storage of 3,1 District attendance records.

SPECIAL EDUCATION

Business Services shall ensure that special education programs involving attendance, i.e., nonpublic school education and home tutoring, are properly monitored and records correctly maintained so that attendance may be accurately assessed.

ENROLLMENT

Enrollment limits for kindergarten through third grade shall be maintained per State Department of Education regulations. The Superintendent's designee shall closely monitor each school for compliance as stiff penalties may be assessed for infractions. Said information shall be provided to the Superintendent/designee on a regular basis.

Fiscal Services shall supervise filing the required state enrollment report (Form J-7) to ensure it is submitted as scheduled.

DEBT ISSUANCE AND MANAGEMENT (continued)

Annual In-Service

Fiscal Services shall sponsor an inservice training program at the beginning of each school year for all attendance personnel within the District. Said program shall be administered by the Attendance Accountant.

Regulation
approved: July 12, 1984
revised: September 21, 1999
revised:

BERRYESSA UNION SCHOOL DISTRICT
San Jose, California

DEBT ISSUANCE AND MANAGEMENT

This Debt Issuance and Management Policy (“**Debt Policy**”) has been approved by the District’s Governing Board in order to ensure compliance with Government Code Section 8855, as amended by Senate Bill 1029 effective January 1, 2017. References to codes, statutes and other legal provisions contained herein are provided solely for convenience, are subject to change and amendment, and shall not be deemed comprehensive or limiting. This Debt Policy may be amended by the Governing Board as it deems appropriate from time to time in the prudent management of the debt of the District.

Introduction

The Governing Board is committed to long-term capital and financial planning and recognizes that the issuance of debt is a key source for funding the improvement and maintenance of school facilities and managing cash flow. Any debt issued by the District shall be consistent with law and this policy.

The District shall not enter into indebtedness or liability that in any year exceeds the income and revenue provided for such year, unless two-thirds of the voters approve the obligation or one of the exceptions specified in law applies. (California Constitution, Article 16, Section 18)

When the Governing Board determines that it is in the best interest of the District, the Governing Board may issue debt or order an election to issue debt. The Superintendent or designee shall make recommendations to the Governing Board regarding appropriate financing methods for capital projects or other projects that are authorized purposes for debt issuance. When approved by the Governing Board and/or the voters as applicable, the Superintendent or designee shall administer and coordinate the District's debt issuance program and activities, including the timing of issuance, sizing of issuance, method of sale, structuring of the issue, and marketing strategies.

The Superintendent or designee shall retain a financial advisor, municipal advisor, investment advisor, and other financial services professionals as needed to assist with the structuring of the debt issuance and to provide general advice on the District's debt management program, financing options, investments, and compliance with legal requirements. Contracts for services provided by such advisors may be for a single transaction or for multiple transactions, consistent with the contracting requirements in Education Code 17596. In the event that the District issues debt through a negotiated sale, underwriters may be selected for multiple transactions if multiple issuances are planned for the same project. In addition, the District shall select a legal team on an as-needed basis to assist with debt issuances or special projects.

DEBT ISSUANCE AND MANAGEMENT (continued)

Goals

The District's debt issuance activities and procedures shall be aligned with the District's vision and goals for providing adequate facilities and programs that support student learning and well-being. When issuing debt, the District shall ensure that it:

1. Maintains accountability for the fiscal health of the District, including prudent management and transparency of the District's financing programs
2. Attains the best possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements
3. Takes all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues
4. Maintains effective communication with rating agencies and, as appropriate, credit enhancers such as bond insurers or other providers of credit or liquidity instruments in order to enhance the creditworthiness, liquidity, or marketability of the debt
5. Monitors the District's statutory debt limit in relation to assessed valuation within the District and the tax burden needed to meet long-term debt service requirements
6. When determining the timing of debt issuance, considers market conditions, cash flows associated with repayment, and the District's ability to expend the obtained funds in a timely, efficient, and economical manner consistent with federal tax laws
7. Determines the amortization (maturity) schedule which will fit best within the overall debt structure of the District at the time the new debt is issued
8. Considers the useful lives of assets funded by the debt issue, as well as repair and replacement costs of those assets to be incurred in the future
9. Preserves the availability of the District's general fund for operating purposes and other purposes that cannot be funded by the issuance of voter-approved debt
10. Meets the ongoing obligations and accountability requirements associated with the issuance and management of debt under state and federal tax and securities laws

DEBT ISSUANCE AND MANAGEMENT (continued)

Authorized Purposes for the Issuance of Debt

The District may issue debt for any of the following purposes:

1. To pay for the cost of capital improvements, including acquiring, constructing, reconstructing, rehabilitating, replacing, improving, extending, enlarging, and/or equipping district facilities
2. To refund existing debt
3. To provide for cash flow needs

Pursuant to Government Code 53854, general operating costs, including, but not limited to, items normally funded in the District's annual operating budget, shall not be financed from debt payable later than 15 months from the date of issuance. The District may deem it desirable to finance cash flow requirements under certain conditions so that available resources better match expenditures within a given fiscal year. To satisfy both state constitutional and statutory constraints, such cash flow borrowing shall be payable from taxes, income, revenue, cash receipts, and other moneys attributable to the fiscal year in which the debt is issued.

Authorized Types of Debt

The Superintendent or designee shall recommend to the Governing Board potential financing method(s) that result in the highest benefit to the District, with the cost of staff and consultants considered. Potential financing sources may include:

1. Short-Term Debt
 - a. Short-term debt, such as tax and revenue anticipation notes (TRANs), when necessary to allow the District to meet its cash flow requirements (Government Code 53850-53858)
 - b. Bond anticipation notes (BANs) to provide interim financing for capital bond projects that will ultimately be paid from general obligation bonds (Education Code 15150)
 - c. Grant anticipation notes (GANs) to provide interim financing pending the receipt of grants and/or loans from the state or federal government that have been appropriated and committed to the District (Government Code 53859-53859.08)

DEBT ISSUANCE AND MANAGEMENT (continued)

2. Long-Term Debt: Debt issues may be used to finance essential capital facilities, projects and certain equipment where it is appropriate to spread the cost of the projects over more than one budget year. In so doing, the District recognizes that future taxpayers who will benefit from the investment will pay a share of its cost. Projects which are not appropriate for spreading costs over future years will not be financed with long-term debt.
 - a. General obligation bonds for projects approved by voters (California Constitution, Article 13A, Section 1; Education Code 15100-15262, 15264-15276; Government Code 53506-53509.5)
 - b. Special tax bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code 53311-53368.3)
3. Lease financing, including certificates of participation (COPs) and lease revenue bonds
 - a. Lease financing to fund the highest priority capital equipment purchases when pay-as-you-go financing is not feasible (Education Code 17450-17453.1)
 - b. Lease financing to fund facilities projects when there is insufficient time to obtain voter approval or in instances where obtaining voter approval is either not feasible or unavailable (Education Code 17400-17429; 17456)
 - c. If and when proceeds of voter approved debt become available subsequently, the District may use such proceeds to pay off the financing where appropriate.
4. Special financing programs or structures offered by the federal or state government, such as Qualified Zone Academy Bonds or other tax credit obligations or obligations that provide subsidized interest payments, when the use of such programs or structures is determined to result in sufficiently lower financing costs compared to traditional tax-exempt bonds and/or COPs or revenue bonds
5. Temporary borrowing from other sources such as the County Treasurer

COPs, TRANs, revenue bonds, or any other non-voter approved debt instrument shall not be issued by the District in any fiscal year in which the District has a qualified or negative certification, unless the County Superintendent of Schools determines, pursuant to criteria established by the Superintendent of Public Instruction, that the District's repayment of that indebtedness is probable. (Education Code 42133)

Refinancing or restructuring of outstanding debt is addressed below under the heading "Refunding/Restructuring."

DEBT ISSUANCE AND MANAGEMENT (continued)

Relationship of Debt to District Facilities Program and Budget

Decisions regarding the issuance of debt for the purpose of financing capital improvement shall be aligned with current needs for acquisition, development, and/or improvement of District property and facilities as identified in the District's facilities master plan or other applicable facilities needs assessment or documentation, the projected costs of those needs, schedules for the projects, and the expected resources.

When considering a debt issuance, the Governing Board and the Superintendent or designee shall evaluate both the short-term and long-term implications of the debt issuance and additional operating costs associated with the new projects involved. Such evaluation may include, but is not limited to, the projected ratio of annual debt service to the tax burden on the District's taxpayers and the ratio of annual debt service secured by the general fund to general fund expenditures.

The issuance of debt to be repaid from the General Fund and other internal District resources (typically, the District's certificates of participation) must be carefully monitored to maintain a balance between debt and said resources.

The annual debt service limit for COPS and Lease Revenue Bonds attributable to the general fund is capped at 5% of general fund expenditures. The cap excludes instances where the District might use general fund reserves or other monies to refinance or pay down debt.

The District may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, letters of credit, and lines of credit with commercial banks, municipal bond insurance companies, or other financial entities when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing. Derivative products, including swaps, are not permitted to be used by the District.

Structure of Debt Issues

The District shall consider the overall impact of the current and future debt burden of the financing when determining the duration of the debt issue. Specifically, the overall debt burden of the district will not exceed 1.25% of the district's then current assessed value and the tax rate required to repay bond debt service coming due under a Proposition 39 authorization will not exceed \$30 per \$100,000 of assessed value for bonds approved under each respective bond measure.

The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, ensure cost effectiveness, provide flexibility, and, as practical, recapture or maximize its debt capacity for future use. Principal amortization will be structured to meet debt repayment, tax rate, and flexibility goals. Specifically, bond year

DEBT ISSUANCE AND MANAGEMENT (continued)

net annual debt service for each authorization under Proposition 39 will not exceed projected target maximum revenues for such authorization when such projected maximum revenues are calculated at \$30 per \$100,000 of assessed value in the current year and allowed to increase annually at 4%. The District is prohibited from issuing variable rate debt.

For new money debt issuances for capital improvements, the District shall size the debt issuance with the aim of funding capital projects as deemed appropriate by the Governing Board, as long as the issuance is consistent with the overall financing plan, does not exceed the amount authorized by voters, and, unless a waiver is sought and received from the state, will not cause the District to exceed the limitation on debt issuances specified in the California Constitution or Education Code 15102, 15106, 15268 or 15270, as applicable.

To the extent practicable, the District shall also consider credit issues, market factors, and tax law when sizing the District's bond issuance. The sizing of refunding bonds shall be determined by the amount of money that will be required to cover the principal of, any accrued interest on, and any redemption premium for the debt to be paid on the call date and to cover appropriate financing costs.

To the extent possible, the District will structure GO debt with a 30 year maturity term to reduce overall borrowing costs. All bonds issued by the District shall mature within 35 years of the issuance date. The District may consider a separate series of bonds to fund projects with an average useful life of less than 10 years.

The maximum repayment ratio, where total future debt service payments are divided by the principal of the bonds issued, shall be within four to one for each series of bonds and for each authorization.

The final maturity of equipment or real property lease obligations will be limited to the useful life of the assets to be financed but, with respect to a lease purchase of equipment, no longer than a period of 10 years. (Education Code 17452). All long-term lease obligations issued by the District shall mature within 35 years of the issuance date. The final maturity of obligations will also be limited to the average useful life of the assets financed or as otherwise required by tax law. The maximum repayment ratio, where total future debt service payments are divided by the principal of the obligations issued, shall be within four to one for each series of obligations.

Method of Sale

For the sale of any District-issued debt, the Superintendent or designee shall recommend the method of sale with the potential to achieve the lowest financing cost and/or to generate other benefits to the District. Potential methods of sale include:

1. A competitive bidding process through which the award is based on, among other factors, the lowest offered true interest cost

DEBT ISSUANCE AND MANAGEMENT (continued)

2. Negotiated sale, subject to approval by the District to ensure that interest costs are in accordance with comparable market interest rates
3. Private placement sale, when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale

Investment of Proceeds

The District shall actively manage the proceeds of debt issued for public purposes in a manner that is consistent with state law governing the investment of public funds and with the permitted securities covenants of related financing documents executed by the District. Where applicable, the District's official investment policy and legal documents for a particular debt issuance shall govern specific methods of investment of bond-related proceeds. Preservation of principal shall be the primary goal of any investment strategy, followed by the availability of funds and then by return on investment.

With regard to general obligation bonds, the District shall invest new money bond proceeds in the county treasury pool as required by law. (Education Code 15146)

The management of public funds shall enable the District to respond to changes in markets or changes in payment or construction schedules so as to ensure liquidity and minimize risk.

Refunding/Restructuring

The District may consider refunding or restructuring outstanding debt if it will be financially advantageous or beneficial for debt repayment and/or structuring flexibility. When doing so, the District shall consider the maximization of the District's expected net savings over the life of the debt issuance and, when using a general obligation bond to refund an existing bond, shall ensure that the final maturity of the refunding bond is no longer than the final maturity of the existing bond.

The minimum net present value savings as a percentage of the refunded aggregate principal amount to be considered for refunding shall be no less than 3% per maturity unless, at the discretion of the CFO, a lower percentage is more applicable, for situations including, but not limited to, maturities with only a few years until maturity or COPs being defeased or redeemed from proceeds of GO Bonds or other structuring considerations. In addition, the net present value savings must exceed any negative arbitrage associated with the refunding, subject to the CFO's discretion. Another consideration in deciding which debt to refinance and the timing of the refinancing shall be maximization of the District's expected net savings over the life of the bonds or COPs.

DEBT ISSUANCE AND MANAGEMENT (continued)

Internal Controls

The Superintendent or designee shall establish internal control procedures to ensure that the proceeds of any debt issuance are directed to the intended use. Such procedures shall assist the District in maintaining the effectiveness and efficiency of operations, properly expending funds, reliably reporting debt incurred by the District and the use of the proceeds, complying with all laws and regulations, preventing fraud, and avoiding conflict of interest.

The District shall be vigilant in ensuring that bond or other proceeds are only expended in accordance with the stated purposes at the time such debt was incurred as defined in the text of the voter-approved bond measure or other governing document. This includes maintaining records of draws on said proceeds which identify the purpose and payee of said draw (Government Code 53410)

The policy of the District is to comply with all federal tax and securities laws which may be applicable to its debt, which may include requirements relating to arbitrage, rebate and continuing disclosure. Reviews of such requirements in connection with prior and new debt issues may be conducted by general legal counsel or bond counsel. Any district personnel involved in conducting such reviews may receive periodic training regarding their responsibilities as needed.

In addition, the Superintendent or designee shall ensure that the District completes, as applicable, all performance and financial audits that may be required for any debt issued by the District, including disclosure requirements applicable to a particular transaction.

Records/Reports

At least 30 days prior to the sale of any debt issue, the Superintendent or designee shall submit a report of the proposed issuance to the California Debt and Investment Advisory Commission (CDIAC). Such report shall include a self-certification that the District has adopted a policy concerning the use of debt that complies with law and that the contemplated debt issuance is consistent with that policy. (Government Code 8855)

On or before January 31 of each year, the Superintendent or designee shall submit a report to the CDIAC regarding the debt authorized, the debt outstanding, and the use of proceeds of the issued debt for the period from July 1 to June 30. (Government Code 8855)

The Superintendent or designee shall provide initial and any annual or ongoing disclosures required by 17 CFR 240.10b-5 and 240.15c2-12 to the Municipal Securities Rulemaking Board, investors, and other persons or entities entitled to disclosure, and shall ensure that the District's disclosure filings are updated as needed.

DEBT ISSUANCE AND MANAGEMENT (continued)

The Superintendent or designee shall maintain transaction records of decisions made in connection with each debt issuance, including the selection of members of the financing team, the structuring of the financing, selection of credit enhancement products and providers, and selection of investment products. Each transaction file shall include the official transcript for the financing, interest rates and cost of issuance on the day when the debt was sold ("final number runs"), and a post-pricing summary of the debt issue. In addition, documentation evidencing the expenditure of proceeds, the use of debt-financed property by public and private entities, all sources of payment or security for the debt, and investment of proceeds shall be kept for as long as the debt is outstanding, plus the period ending three years after the financial payment date of the debt or the final payment date of any obligations or series of bonds issued to refund directly or indirectly all of any portion of the debt, whichever is later.

The Superintendent or designee shall from time to time report to the Governing Board regarding debts issued by the District, which reports may include a review of this policy, information on actual and projected tax rates, an analysis of bonding capacity, ratings on the District's bonds, market update and refunding opportunities, new development for California bond financings, and the District's compliance with post-issuance requirements.

Review and Update

This policy will be reviewed by the Superintendent or designee on at least an annual basis and in connection with each bond issuance. Amendments will be proposed to the Board as necessary. No new issue will close that is in violation of this policy or while the district is in violation of this policy.