

Policy 3400: Management Of District Assets/Accounts**Original Adopted Date:**

The Governing Board recognizes its fiduciary responsibility to effectively manage and safeguard the district's assets and resources in order to help achieve the district's goals for student learning. The Superintendent or designee shall establish and maintain an accurate, efficient financial management system that enhances the district's ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. The Superintendent or designee shall ensure that the district's accounting system provides ongoing internal controls and meets generally accepted accounting standards as specified by the California Department of Education and, as appropriate, the Governmental Accounting Standards Board (GASB). When required by law or as directed by the Board, and in accordance with Board Policy and Administrative Regulation 3460 - Financial Reports and Accountability, the Superintendent or designee shall submit to the Board reports of the district's financial status.

Capital Assets

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

Internal Controls/Fraud Prevention

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

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

The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the district, assist with effective and efficient operation of the district, produce reliable financial information, and ensure compliance with all applicable laws and regulations. These internal controls may include, but are not limited to, segregating and monitoring employee duties relating to authorization, custody of assets, and recording or reporting of transactions; providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; developing timely reconciliations of budgets, ledgers, and accounts; conducting background checks on business office employees; and requiring continuous in-service training for business office staff and board members on the importance of fraud prevention, financial management, budget, and governance.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to the employee's immediate supervisor and/or the

Superintendent or designee. In addition, the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

The Superintendent or designee shall have primary responsibility for any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, the district's auditors, the Fiscal Crisis and Management Assistance Team (FCMAT), law enforcement agencies, or other governmental entities, as appropriate.

The Superintendent or designee shall provide regular reports to the Board on the status of the district's internal control procedures and recommend any necessary revisions to related Board policies or administrative regulations.

Policy Reference Disclaimer:

These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State	Description
Ed. Code 1241.5	Audit by county superintendent
Ed. Code 14500-14508	Financial and compliance audits
Ed. Code 35035	Powers and duties of the superintendent; transfer authority
Ed. Code 35250	Duty to keep certain records and reports
Ed. Code 41010-41023	Accounting regulations; budget controls and audits
Ed. Code 42600-42603	Control of expenditures
Ed. Code 42647	Drawing of warrants by district on county treasurer; form; reports, statements, and other data
Elec. Code 1090-1099	Prohibitions applicable to specified officers
Gov. Code 53995-53997	Obligation of contract
Gov. Code 84308	Campaign Disclosure
Gov. Code 87100-87500	Political Reform Act
Management Resources	Description
Governmental Accounting Standards Board Pub.	Implementation Guide No. 2019-3, Leases, August 2019
Governmental Accounting Standards Board Pub.	Implementation Guide No. 2023-1, Implementation Guidance Update – 2023, June 2023
Governmental Accounting Standards Board Statement	Statement 96, Subscription-Based Information Technology Arrangements, May 2020
Governmental Accounting Standards Board Statement	Statement 87, Leases, June 2017
Governmental Accounting Standards Board Statement	Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999

Website	CSBA District and County Office of Education Legal Services
Website	Governmental Accounting Standards Board
Website	California Department of Education, Finance and Grants
Website	California State Controller
Website	CSBA
Website	Fiscal Crisis and Management Assistance Team
Website	California Association of School Business Officials
Website	School Services of California, Inc.

Cross References

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

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