

**CONCEPTS AND ROLES**

The Governing Board recognizes that prudent financial decisions are crucial to the district's ability to provide a high-quality education for students. It is therefore essential that the Board establish reliable budget development processes and adopt a responsible budget with spending priorities which reflect the district's vision and goals. When needed, the Board shall advocate and seek community, state or federal support for additional financing.

*(cf. 0100 - Philosophy)*  
*(cf. 0200 - Goals for the School District)*

The Board expects sound fiscal management from the administration. The Superintendent or designee shall prepare the detailed annual budget and present it to the Board for review and adoption. He/she shall administer the adopted budget in accordance with Board policies and accepted business procedures.

*(cf. 3100 - Budget)*  
*(cf. 3400 - Management of District Assets/Accounts)*

The Board shall monitor financial operations so as to ensure the district's fiscal integrity. The Superintendent or designee shall make all required financial reports, recommend auditor(s) to the Board, recommend financial plans for meeting program needs, and keep the Board fully informed about the district's fiscal and noninstructional operations.

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

The Board shall make every effort to ensure that the district provides healthy school environments and maintains 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. 3515 - Campus Security)*  
*(cf. 3530 - Risk Management/Insurance)*  
*(cf. 9000 - Role of the Board)*

*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*

**BUDGET**

The Governing Board accepts responsibility for adopting a sound budget that is compatible with the district's vision and goals. The Board shall establish and maintain a reserve that meets or exceeds the requirements of law.

*(cf. 3300 - Expenditures/Expending Authority)*

The Board encourages public input in the budget development process and shall hold public hearings in accordance with law.

The Superintendent or designee shall determine the manner in which the budget is developed and shall schedule the budget adoption process in accordance with the single budget adoption process.

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

*Legal Reference:*

EDUCATION CODE

1620-1630 County office of education budget approval

33127 Development of standards and criteria for local budgets and expenditures

33128 Standards and criteria

33129 Standards and criteria; use by local agencies

35035 Powers and duties of superintendent

35161 Powers and duties, generally, of governing boards

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

42103.3 Public budget information; CDE sampling and suggested improvements

42122-42129 Budget requirements

42132 Resolutions identifying estimated appropriations limit

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

GOVERNMENT CODE

7900-7914 Expenditure limitations

CODE OF REGULATIONS, TITLE 5

15440-15452 Criteria and standards for school district budgets

15467-15479 Criteria and standards for county office of education budgets

*Management Resources:*

CDE MANAGEMENT ADVISORIES

0203.92 Implementation of AB 1200, 92-03

**BUDGET**

The district budget shall be prepared annually from the best possible estimates that individual schools and district administrative staff can provide. Appropriate consolidation shall occur as the budget progresses through the various levels of review.

The district budget shall be developed in accordance with standards and criteria for fiscal accountability adopted by the State Board of Education. (Education Code 33129)

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

Before adopting the budget, the Governing Board shall hold a public hearing. The proposed budget shall be available for public inspection at least three working days before this hearing. (Education Code 42103, 42127)

An agenda for this hearing shall be posted at least 72 hours before the hearing and shall indicate the location where the budget may be inspected. (Education Code 42127)

Any district resident may appear at the public hearing and speak to the proposed budget or any item on the budget. The hearing may conclude when all residents who so desire have had the opportunity to be heard. (Education Code 42103) Sufficient time shall be allowed so that the budget can still be adopted by July 1.

*(cf. 9320 - Meetings and Notices)*

*(cf. 9323 - Meeting Conduct)*

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

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

If the County Superintendent disapproves the district's budget, the Board shall review and respond to his/her recommendations at a public meeting on or before September 8. (Education Code 42127)

**TRANSFER OF FUNDS**

Transfers may be made from the designated fund balance or the unappropriated fund balance to any expenditure classification or between expenditure classifications by the Governing Board on adoption of a resolution by a majority vote.

The resolution must be approved by the County Superintendent of Schools and filed with the county auditor. (Education Code 42600)

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

At the close of the school year, the Superintendent or designee may, with Board approval, identify and request the County Superintendent of Schools to make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s) or balance any budget expenditure classifications as necessary to permit the payment of obligations incurred by the district during that school year. (Education Code 42601)

**Temporary Transfers Between Classifications**

The Board may direct that monies held in any fund or account may be temporarily transferred from one or more of these accounts to another fund or account to be used for the payment of obligations of the district, with limitations as set by Education Code 42603. The transfer shall be accounted for as temporary borrowing and shall not be available for appropriation or be considered income to the borrowing fund or account. (Education Code 42603)

**Special Reserve Funds**

Upon resolution of the Board, a special reserve fund may be established for such purpose(s) as specified in the resolution. A copy of the resolution shall be filed with the County Superintendent of Schools, as well as the county auditor and treasurer. As necessary, the Board may amend the resolution to specify additional purposes or to withdraw any previously designated purpose. (Education Code 42841)

The Board may expend the money in the special reserve fund for capital outlay for the purpose specified in the resolution. In addition, unless encumbered for ongoing expenses, the Board may expend money in the fund for the general operating purposes of the district. Any money in a special reserve fund that is maintained for purposes other than capital outlay must be transferred into the district's general fund before it is expended. (Education Code 42842)

**TRANSFER OF FUNDS (continued)**

**Deferred Maintenance Funds**

Funds deposited in the district's deferred maintenance fund may be received from any source and shall only be expended for maintenance purposes as provided for in Education Code 17582. (Education Code 17582)

Upon resolution of the Board, excess local funds deposited in the deferred maintenance fund may be transferred to other expenditure classifications when state funds provided pursuant to Education Code 17584 and 17585 are insufficient to fully match the local funds. The resolution shall be approved by a two-thirds vote of the Board and filed with the County Superintendent of Schools and the county auditor. (Education Code 17583)

**State School Building Funds**

The Board shall transfer to the district state school building fund all funds which are required to be expended for the project for which the apportionment was made. (Education Code 16095)

*Legal Reference:*

EDUCATION CODE

78 Definition governing board

5200 Districts governed by boards of education

16095 Transfer of district funds to district state school building fund

17582 Deferred maintenance fund; establishment; purpose

17583 Deferred maintenance fund; transfer

17584 Budgeting certification deferred maintenance fund; apportionment

17585 Applications for deferred maintenance funding

41301 Section A state school fund allocation schedule

42125 Designated and unappropriated fund balances

42600 District budget limitation on expenditure

42601 Transfers between funds to permit payment of obligations at close of year

42603 Transfer of monies held in any fund or account to another fund; repayment

42840-42843 Special reserve fund

52616.4 Expenditures from adult education fund

**LOTTERY FUNDS**

Because amounts received from the California State Lottery fluctuate from year to year, the Governing Board shall not commit future lottery funds for any purpose until they have been received.

Because lottery funds were intended to supplement state funds, not substitute for these funds, the Board desires to use these funds for supplemental and nonrecurring expenditures which support educational programs and activities.

The Board shall establish funding priorities and approve all allocations within the parameters of law. Lottery funds shall not be used to acquire real estate, build school facilities, finance research, or serve any other noninstructional purpose, such as those related to school maintenance, business and administrative operations. Products designed for both instructional and noninstructional purposes may be purchased with lottery funds only when they will be used to benefit an educational program or activity.

The Superintendent or designee shall establish a separate account for the receipt and distribution of lottery funds. (Government Code 8880.5)

*Legal Reference:*

EDUCATION CODE

*14600 Legislative findings and declarations: state control of lottery funds*

*14700-14701 Use of lottery funds*

GOVERNMENT CODE

*8880-8880.5 California state lottery: general provisions, including intent and allocation to school districts*

**FEES AND CHARGES**

The Governing Board desires to furnish books, materials and instructional equipment as needed for the educational program. Because district needs must be met with limited available funds, the Board may charge fees when specifically authorized by law.

The district shall consider the student and parent/guardian's ability to pay when establishing fee schedules and granting exceptions.

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

*(cf. 3250 - Transportation Fees)*

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

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

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

*(cf. 5143 - Insurance)*

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

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

*Legal Reference: (see next page)*

## FEES AND CHARGES (continued)

### Legal Reference:

#### EDUCATION CODE

8760-8773 Outdoor science and conservation programs  
17551 Property fabricated by students  
19910 Malicious cutting, tearing, defacing, breaking or injuring  
19911 Willful detention of property  
32221 Insurance for athletic team member  
35330 Excursions and field trips  
35335 School camp programs  
38080-38085 Cafeteria establishment and use  
38119 Lease of personal property; caps and gowns  
38120 Use of school band equipment on excursions to foreign countries  
39807.5 Payment of transportation cost  
39837 Transportation of students to places of summer employment  
41902 Allowances by Superintendent of Public Instruction (re driver training)  
48904 Liability of parent or guardian  
48932 Authorization for activities by student organizations; fund-raising  
49063 Notification of rights  
49490-49493 School Breakfast and Lunch Program  
49500-49505 Meals  
49530-49536 Child Nutrition Act of 1974  
49550-49560 Meals for needy students  
51810-51815 Community service classes  
52500 Adult classes; admission of minors  
52500.1 Eligibility of high school students for enrollment  
52523 Adult education as supplement for high school curriculum

#### GOVERNMENT CODE

6253 Request for copy; fee

#### VEHICLE CODE

21113 Public grounds (parking)

#### CALIFORNIA CONSTITUTION

Article 9, Section 5 Common school system

#### CODE OF REGULATIONS, TITLE 5

350 Fees not permitted

15500 Food sales in elementary schools

15501 Food sales in high schools and junior high schools

15510 Mandatory meals for needy students

15550-15565 School lunch and breakfast programs

#### COURT DECISIONS

Driving School Assn of California v. San Mateo Union High School District (1993) 11 Cal. App. 4th 1513

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

CTA v. Glendale SD Board of Education (1980) 109 Cal. App. 3d 738, 746-748

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

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

## **FEES AND CHARGES**

The district shall not charge fees which are not specifically authorized by law. (5 CCR 350)

The following fees and charges are permissible if approved by the Governing Board:

1. Accident and medical insurance premiums (Education Code 32221)

*(cf. 5143 - Insurance)*

2. Expenses of students' participation in a field trip or excursion to another state, the District of Columbia or a foreign country (Education Code 35330)

*(cf. 6153 - School-Sponsored Trips)*

3. School outdoor science camp programs operated pursuant to Education Code 8760-8773 (Education Code 35335)

*(cf. 6142.5 - Environmental Education)*

4. Personal property of the district fabricated by students, at cost (Education Code 17551)

5. Home-to-school transportation (Education Code 38028)

*(cf. 3250 - Transportation Fees)*

6. Rental, purchase or lease of personal property such as caps and gowns used in graduation ceremonies (Education Code 38119)

*(cf. 5127 - Graduation Ceremonies and Activities)*

7. Actual costs of duplication for copies of public records, student records or other materials (Government Code 6253; Education Code 49063)

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

8. Food sold at school subject to restrictions specified in law (Education Code 38080-38085, 49490-49493, 49500-49505, 49530-49536, 49550-49560; Code of Regulations, Title 5, Section 15500-15501, 15510, 15550-15565)

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

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

*(cf. 3554 - Other Food Sales)*

**FEES AND CHARGES** (continued)

9. Fines or reimbursements for lost or damaged district property (Education Code 19910-19911, 48904)

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

## **SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES**

When district-owned books, equipment and supplies become unusable, obsolete, or no longer needed, the Superintendent or designee shall identify these items to the Governing Board, together with their estimated value and a recommendation that they be sold or disposed of by one of the methods prescribed in law and administrative regulations. With Board approval, the Superintendent or designee shall arrange for the sale or disposal of these items.

Instructional materials may be considered obsolete or unusable when they:

1. Contain information rendered inaccurate or incomplete by new discoveries or technologies
2. Have been replaced by more recent versions or editions of the same material and are of no foreseeable value in other instructional areas
3. Contain demeaning, stereotyping or patronizing references to either sex, members of racial, ethnic, religious, vocational or cultural groups, or persons with physical or mental disabilities
4. Have been inspected and discovered to be damaged beyond use or repair

The Superintendent or designee shall establish procedures to be used when selling equipment for which the federal government has a right to receive all or part of the proceeds. These procedures shall ensure a reasonable amount of competition so as to result in the highest possible revenue.

*(cf. 3440 - Inventories)*

*Legal Reference: (see next page)*

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

*Legal Reference:*

EDUCATION CODE

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

*17545-17555 Sale of personal property*

*42291.5 Temporary school bus designation*

*42303 School bus sale to another district*

*60500 Determination of obsolescence*

*60510-60511 Donation or sale*

*60520-60521 Disposition of sale proceeds*

*60530 Methods of destruction*

*62000.4 Instructional materials program, sunset date*

GOVERNMENT CODE

*25505 District property; disposition; proceeds*

UNITED STATES CODE, TITLE 40

*484 Surplus property*

CODE OF FEDERAL REGULATIONS, TITLE 34

*80.32 Equipment acquired under a grant or subgrant*

## **SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES**

The Governing Board may dispose of personal property belonging to the district by any of the following methods:

1. If the Board members attending a meeting unanimously agree that the property is worth no more than \$2,500, the Board may designate any district employee to sell the property without advertising. (Education Code 17546)
2. The Board may advertise for bids and either sell the property to the highest responsible bidder or reject all bids. (Education Code 17545)

Notice for bids shall be posted in at least three public places in the district for at least two weeks or published at least once a week for at least two weeks in a newspaper having a general circulation in the district and, if possible, published within the district. (Education Code 17545)

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

3. The Board may authorize the sale of the property by means of a public auction conducted by district employees, employees of other public agencies, or by contract with a private auction firm. Notice related to the auction shall be posted or published as described in item #2 above. (Education Code 17545)
4. Without advertising for bids, the Board may sell the property to agencies of federal, state or local government, to any other school district, or to any agency eligible under the federal surplus property law (40 USC 484(j)(3)). In such cases, the sale price shall equal the cost of the property plus estimated cost of purchasing, storing and handling. (Education Code 17540)
5. Without advertising for bids, the Board may sell or lease the property to agencies of federal, state or local government or to any other school district. In such cases, the price and terms of the sale or lease shall be fixed by the Board and approved by the County Superintendent of Schools. (Education Code 17542)
6. If the Board members attending a meeting unanimously find that the value of the property is insufficient to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the Board or may be disposed of by dumping. (Education Code 17546)

Money received from the sale of surplus property shall be either deposited in the district reserve or general fund or credited to the fund from which the original purchase was made. (Education Code 17547)

## **SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES**

(continued)

### **Instructional Materials**

Surplus or undistributed obsolete instructional materials that are usable for educational purposes may be donated to any governing board, county free library or other state institution; any United States public agency or institution; any nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing literacy. They also may be sold to any organization that agrees to use the materials for educational purposes. (Education Code 60510)

Any organization, agency or institution receiving obsolete instructional materials from the district shall certify to the Board that it agrees to use the materials for educational purposes and make no charge to any persons to whom the materials are given or lent. (Education Code 60511)

At least 60 days before disposing of these instructional materials, the Board shall notify the public of its intention to do so through a public service announcement on a local television station, in a local newspaper, or by another means the Board believes will most effectively reach the entities described above. The Board shall also permit representatives of these entities and members of the public to address the Board regarding the distribution of these materials.

*(cf. 9323 - Meeting Conduct)*

Surplus or undistributed obsolete instructional materials which are unusable or which cannot be distributed as specified above may be disposed of by either of the following: (Education Code 60530)

1. By being mutilated so as not to be salable and sold for scrap at the highest obtainable price
2. By being destroyed by any economical means at least 30 days after the Board has given notice to all persons who have requested such notice

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

### **School Buses**

Upon receiving a state apportionment for the replacement of a school bus, the Board may sell the bus that is being replaced to another California school district if the following conditions are met: (Education Code 42303)

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

1. The other district is replacing a bus that is in service and has not been designated a temporary school bus pursuant to Education Code 42291.5.
2. The bus being replaced by the other district is older than the bus that is being sold by this district.
3. The bus being replaced by the other district is not sold to a third school district.
4. The other district, by Board resolution, holds the state and this district harmless for any liability that may result from the bus that this district is selling.
5. The proceeds from the sale of the bus shall be used by this district for home-to-school transportation purposes.
6. Before the sale is finalized, the bus being sold is in compliance with all relevant provisions of the Vehicle Code and 13 CCR.

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**Business and Noninstructional Operations**

Palermo, California  
BP 3280(a)

## **SALE, LEASE, RENTAL OF DISTRICT-OWNED REAL PROPERTY**

The Governing Board shall dispose of district property whenever it is apparent the district will have no further use for it. If property currently unused will be needed at some future time, the Board may lease it to a governmental or private agency or individual. (Education Code 17453, 17455-17484)

When required by law, the Board shall appoint a district advisory committee to advise the Board in the development of policies and procedures governing the use or disposition of schools or school building space which is not needed for school purposes. (Education Code 17388)

Before offering to sell or lease surplus real property to any other parties, the district may offer it to designated child care providers for child care and development purposes.

The sale, lease or rental of district property for child care purposes shall be especially encouraged for programs that are properly licensed, provide adequate insurance coverage, are financially self-supporting and maintain a safe environment through good management and supervision.

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

When surplus property is not sold or leased to child care providers, the Board shall offer to sell or lease it, with an option to buy, in accordance with the priorities set forth in Education Code 17464 and 17230 and in Government Code 54222.

Any lease or sale made by the Board will conform in all particulars to the provisions of law.

*Legal Reference: (see next page)*

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

*Legal Reference:*

EDUCATION CODE

*8469.5 Use of school facilities or grounds for school age child care*

*17022 Approval of new facilities*

*17219 Acquisition of property not utilized as school site; nonuse payments; exemptions*

*17230 Surplus property*

*17385 Conveyances to and from school districts*

*17387-17391 Advisory committees for use of excess school facilities*

*17406 Right of district to lease property under lease providing for construction of building*

*17453 Lease of surplus district property*

*17455-17484 Sale or lease of real property*

*17515-17526 Joint occupancy*

*17527-17535 Joint use of district facilities*

*38134 Groups which may use school facilities without charge; charges for use by other groups*

GOVERNMENT CODE

*54222 Offer to sell or lease property*

### **SALE, LEASE, RENTAL OF DISTRICT-OWNED REAL PROPERTY**

If required by law, the district advisory committee on use or disposition of surplus school buildings or space shall consist of seven to 11 members representative 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 of students
7. Persons with expertise in environmental impact, legal contracts, building codes, land use planning, local zoning, and other local land use restrictions

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 Governing Board its recommendations regarding uses of surplus space and real property

### **Sale, Lease or Rental for Child Care Purposes**

Any surplus real property sold or leased to designated child care providers for child care and development purposes shall comply with legally specified outdoor activity space requirements for child care facilities. The provisions of Education Code 17458 shall apply to any such sale or lease.

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

The use of district facilities or grounds for extended day care services shall be granted only in accordance with the provisions of Education Code 38134. (Education Code 8469.5)

*(cf. 1330 - Use of School Facilities)*

## **GIFTS, GRANTS AND BEQUESTS**

The Governing Board may accept any bequest or gift of money or property on behalf of the district. While greatly appreciating suitable donations, the Board discourages any gifts which may directly or indirectly impair its commitment to providing equal educational opportunities for all district students.

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

Before accepting a gift, the Board shall consider whether the gift:

1. Has a purpose consistent with the district's vision and philosophy
2. Begins a program which the Board would be unable to continue when the donated funds are exhausted
3. Entails undesirable or excessive costs
4. Implies endorsement of any business or product

*(cf. 1325 - Advertising and Promotion)*

The Board shall carefully evaluate any conditions or restrictions imposed by the donor in light of district philosophy and operations. If the Board feels the district will be unable to fully satisfy the donor's conditions, the gift shall not be accepted.

Gift books and instructional materials shall be accepted only if they meet regular district criteria.

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

All gifts, grants and bequests shall become district property. Donors will donate all gifts to the district rather than to a particular school. A gift may be used at a particular school.

*Legal Reference: (see next page)*

**GIFTS, GRANTS AND BEQUESTS (continued)**

*Legal Reference:*

EDUCATION CODE

*1834 Acquisition of materials and apparatus*

*35162 Power to sue, be sued, hold and convey property*

*41030 School district may invest surplus monies from bequest or gifts*

*41031 Special fund or account in county treasury*

*41032 Authority of school board to accept gift or bequest; investments; gift of land requirements*

*41035 Advisory committee*

*41036 Function of advisory committee*

*41037 Rules and regulations*

## **EXPENDITURES/EXPENDING AUTHORITY**

The Superintendent or designee may purchase supplies, materials, equipment and services up to the amounts specified in Public Contract Code 20111, beyond which a competitive bidding process is required.

*(cf. 3310 - Purchasing Procedures)*

*(cf. 3311 - Bids)*

*(cf. 3312 - Contracts)*

The Superintendent or designee may authorize an expenditure which exceeds the budget classification allowance against which the expenditure is the proper charge only if an amount sufficient to cover the purchase is available in the budget for transfer by the Governing Board.

*(cf. 3100 - Budget)*

*(cf. 3110 - Transfer of Funds)*

All transactions entered into by the Superintendent or designee on behalf of the Board shall be reviewed by the Board every 60 days. (Education Code 17605)

No district funds shall be expended for the purchase of alcoholic beverages. (Education Code 32435)

The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

### *Legal Reference:*

#### EDUCATION CODE

*17604 Delegation of powers to agents; liability of agents*

*17605 Delegation of authority to purchase supplies and equipment*

*32435 Prohibited use of public funds*

*35010 Control of district; prescription and enforcement of rules*

*35035 Powers and duties of superintendent*

*35272 Educational and athletic materials*

*38083 Purchase of perishable foodstuffs and seasonal commodities*

*41010 Accounting system*

*41014 Requirement of budgetary accounting*

#### PUBLIC CONTRACT CODE

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

## **PURCHASING PROCEDURES**

The Superintendent or designee shall maintain effective purchasing procedures in order to ensure that maximum value is received for money spent by the district and that records are kept in accordance with law.

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs and trade-in values shall be considered when determining the most economical purchase price.

*(cf. 3314.2 - Revolving Funds)*  
*(cf. 3440 - Inventories)*

All purchases shall be made by formal contract or purchase orders, or shall be accompanied by a receipt.

*(cf. 3300 - Expenditures/Expending Authority)*  
*(cf. 3312 - Contracts)*

### *Legal Reference:*

#### EDUCATION CODE

*17604 Delegation of powers to agents; approval or ratification of contracts by governing board*

*17605 Delegation of authority to purchase supplies and equipment*

*35250 Duty to keep certain records and reports*

#### GOVERNMENT CODE

*4331 Preference to supplies manufactured or produced in state*

#### PUBLIC CONTRACT CODE

*3410 U.S. produce and processed foods*

*12168 Preference for recycled paper products*

*12210 Purchase of recycled products*

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**Business and Noninstructional Operations**

Palermo, California  
AR 3310

## **PURCHASING PROCEDURES**

### **Preferred Products**

Whenever recycled products of equal fitness and quality are available at no more than the cost of nonrecycled products, the district shall purchase recycled products. The district also may give preference to the suppliers of recycled products. (Public Contract Code 12168, 12210)

Price, fitness and quality being equal, the district shall give preference to supplies manufactured, grown or produced in California, and shall next prefer supplies partially manufactured, grown or produced in California. (Government Code 4331)

When purchasing food, the district shall give preference to produce grown in the United States and/or processed in the United States, including certified "local produce," insofar as this is economically feasible considering the total cost, quantity and quality of the food. (Public Contract Code 3410)

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## **BIDS**

The district shall purchase equipment, supplies and services using competitive bidding when required by law and in accordance with statutory requirements for bidding and bidding procedures. In addition, formal bids may be required whenever it appears to be in the best interest of the district.

To ensure that good value is received for funds expended, specifications shall be carefully designed and shall describe in detail the quality, delivery and service required.

To assist the district in determining whether bidders are responsible, the Governing Board may require prequalification procedures as allowed by law and specified in administrative regulation. A copy of any applicable administrative regulations shall be provided to bidders with all bid specifications.

*(cf. 9270 - Conflict of Interest)*

*Legal Reference: (see next page)*

**BIDS** (continued)

*Legal Reference:*

EDUCATION CODE

17595 *Purchases through Department of General Services*  
38083 *Purchase of perishable foodstuffs and seasonable commodities*  
38110 *Purchase of supplies through county superintendent*  
38111 *Purchases by district governing board*  
38112 *Purchases of necessary supplies*  
39801.5 *Transportation bids and contracts for services*

GOVERNMENT CODE

4330-4334 *Preference of California-made materials*  
6252 *Definitions for California Public Records Act*  
53060 *Special services and advice*

PUBLIC CONTRACT CODE

2000-2001 *Responsive bidders*  
3400 *Bids, specifications by brand or trade name not permitted*  
3410 *United States produce and processed foods*  
12161 *Definitions, recycled paper products*  
12168 *Preference for purchase of recycled paper products*  
12169 *Bidders to specify percentage of recycled paper product*  
12200 *Definitions, recycled goods, materials and supplies*  
12210 *Purchase of recycled products preferred*  
12213 *Specification by bidder of recycled content*  
20107 *Bidder's security*  
20111-20118.4 *School districts especially:*  
20111 *Contracts over \$50,000; contracts for construction; award to lowest responsible bidder*  
20189 *Bidder's security, earthquake relief*  
22002 *Definition of public project*  
22030-22045 *Alternative procedures for public projects (UPCCAA), especially:*  
22032 *Dollar amount limits for public projects*  
22050 *Alternative emergency procedures*

COURT DECISIONS

*Konica Business Machines v. Regents of the University of California*, (1988) 206 Cal.App.3d 449  
*City of Inglewood-Los Angeles County Civic Center Authority v. Superior Court*, (1972) 7 Cal.3d 861

adopted: August 22, 2000

Palermo, California

**BIDS**

**Advertised Bids**

The district shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. (Public Contract Code 20111)

"Public project" includes construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition and repair work involving a district owned, leased or operated facility. (Public Contract Code 22002)

Competitive bids shall be sought through advertisement for contracts exceeding the amount specified in law, and as annually adjusted by the Superintendent of Public Instruction, for any of the following: (Public Contract Code 20111) Government Code 53060)

1. The purchase, rent or lease of equipment, material or supplies
2. Services, not including construction services, professional services or advice, in financial, legal, or administrative services.
3. Repairs, including maintenance that is not a public project

"Maintenance work" means routine, recurring and usual work for preserving, protecting and keeping a district facility operating in a safe, efficient and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered or repaired. "Maintenance" includes, but is not limited to, carpentry, electrical, plumbing, glazing and other craft work designed to preserve the facility as well as repairs, cleaning and other operations on machinery and other permanently attached equipment. This definition does not include, among other types of work, janitorial or custodial services and protection provided by security forces, nor does it include painting, repainting or decorating other than touchup. (Public Contract Code 20115)

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

When letting a contract for the procurement and/or maintenance of electronic data processing systems and supporting software, the Board may contract with any one of the three lowest responsible bidders. (Public Contract Code 20118.1)

**BIDS** (continued)

The Board shall secure bids for any transportation service expenditure of more than \$10,000 when contemplating that such a contract may be made with a person or corporation other than a common carrier, municipally owned transit system or a parent/guardian of students who are to be transported. The Board may let this contract to other than the lowest bidder. (Education Code 39801.5)

No work, project, service or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-201186 for contracting after competitive bidding. (Public Contract Code 20116)

**Instructions and Procedures for Advertised Bids**

The Superintendent or designee shall call for bids by advertising in a local newspaper at least once a week for two weeks. The notice shall state the work to be done or materials or supplies to be furnished and the time and place where bids will be opened. (Public Contract Code 20112) The district may accept a bid that has been submitted electronically or on paper. (Public Contract Code 20112)

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

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

1. All bidders, including bidders for printing contracts, shall ~~specify~~ certify the minimum, if not exact, percentage of recycled product in the products offered, and both the postconsumer and secondary waste content. (Public Contract Code 12169, 12213)
2. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security: (Public Contract Code 20107, 20111)
  - a. Cash
  - b. A cashier's check made payable to the district
  - c. A certified check made payable to the district
  - d. A bidder's bond executed by an admitted surety insurer and made payable to the district

**BIDS** (continued)

- The security of unsuccessful bidders shall be returned in a reasonable period of time, in no event any later than 60 days after the bid is awarded. (Public Contract Code 20111)
3. Under no condition shall bids be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time. (Public Contract Code 20112)
  4. When two or more identical bids are received, the Board may determine by lot which bid shall be accepted. (Public Contract Code 20117)
  5. If the district requires that the bid include prices for items that may be added to or deducted from the scope of work in the contract, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of such a specification, only the method provided in item #a below 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.

6. Any subsequent change or alteration of a contract shall be governed by the provisions of Public Contract Code 20118.4.
- 6.7. After being opened, all submitted bids shall be made available for review by all interested parties (Government Code 6252) and shall be made available for review pursuant to law, Board policy, and administrative regulation.

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

**BIDS** (continued)

**Alternative Bid Procedures for Technological Supplies and Equipment**

Upon a finding by the Board that a particular procurement qualifies for the alternative procedure, the district may acquire computers, software, telecommunications equipment, microwave equipment, and other related electronic equipment and apparatus through competitive negotiation (i.e., E-Rate). This procedure shall not apply to contracts for construction or for the procurement of any product that is available in substantial quantities to the general public. (Public Contract Code 20118.2)

The competitive negotiation shall include, but not be limited to, the following requirements: (Public Contract Code 20118.1)

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 district 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 district 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. An award shall be made to the qualified bidder whose proposal meets the evaluation standards and will be most advantageous to the district with price and all other factors considered.
7. If an award is not made to the bidder whose proposal contains the lowest price, then the district shall make a finding setting forth the basis for the award.
8. The district, at its discretion, may reject all proposals and request new RFPs.
9. 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.

**BIDS** (continued)

**Bids Not Required**

Upon a case-by-case determination that it is in the best interests of the district and to the extent permitted by law, the Board may authorize the purchase, lease or contract for equipment and supplies through a public corporation or agency without advertising for bids. (Public Contract Code 20118)

*(cf. 3310 - Purchasing Procedures)*

Supplementary textbooks, library books, periodicals, educational films, audiovisual materials, test materials, workbooks and instructional computer software packages may be purchased without taking estimates or advertising for bids. (Public Contract Code 20118.3)

Perishable commodities such as foodstuffs may be purchased through bid or on the open market, depending on district preference. (Education Code 38083)

In an emergency when repairs, alterations, work or improvement to any school facility is necessary for the continuance of existing school classes or to avoid danger to life or property, the Board, by unanimous vote and with the approval of the County Superintendent of Schools, may contract for labor and materials or supplies without advertising for or inviting bids. (Public Contract Code 20113)

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

Whenever the total number of hours on the job does not exceed 350 hours, day labor may be used to erect new buildings and for the following purposes: (Public Contract Code 20114)

1. School building repairs, alterations, additions
2. Painting, repainting or decorating of school buildings
3. Repair or building of apparatus or equipment
4. Improvements on school grounds
5. Maintenance work as defined above

**BIDS** (continued)

**Sole Sourcing**

Specifications for contracts for construction, alteration or repair of school facilities may not limit bidding to any one product or supplier. Specifications designating a particular brand name shall list at least two brands of comparable quality and follow the description with the words “or equal.” (Public Contract Code 3400)

Specifications for contracts may designate a product by brand or trade name (sole sourcing) when one or more of the following conditions apply: (Public Contract Code 3400)

1. The product is designated to match others in use on a particular public improvement that has been completed or is in the course of completion
2. 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
3. To obtain a necessary item that is only available from one source
4. Upon resolution of the Board, the Board makes a finding that the item sought is the subject of a field test to determine its suitability for future use

**Prequalification Procedure**

For any contract for which bids are legally required, the Board may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or designee shall supply a form which requires a complete statement of the bidder's financial ability and experience in performing public works. Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. The information shall be verified under oath in the manner in which civil law pleadings are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. (Public Contract Code 20111.5)

The Superintendent or designee shall establish a uniform system for rating bidders on the basis of completed questionnaires and financial statements in order to determine the size of contracts on which each bidder is qualified to bid. Bidders must be deemed prequalified by the district at least one day before the fixed bid-opening date. (Public Contract Code 20111.5)

**BIDS** (continued)

The Superintendent or designee shall furnish each qualified bidder with a standardized proposal form. Bids not presented on the standard form shall be disregarded. (Public Contract Code 20111.5)

**Protests by Bidders**

A bidder may protest a bid award if he/she believes that the award was inconsistent with Board policy, the bid's specifications or not in compliance with law.

A protest must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to timely file a protest shall constitute a waiver of his/her right to protest the award of the contract.

The Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 days. The Superintendent or designee also may convene a meeting with the bidder in order to attempt to resolve the problem.

The bidder may appeal the Superintendent or designee's decision to the Board. The Superintendent or designee shall provide reasonable notice to the bidder of the time for Board consideration of the contract award.

## **Business and Noninstructional Operations**

### **CONTRACTS**

The Superintendent or designee may enter into contracts on behalf of the district. To be valid or to constitute an enforceable obligation against the district, all contracts must be approved and/or ratified by the Board. (Education Code 17604)

*(cf. 3300 - Expenditures/Expending Authority)*

*(cf. 3314 - Payment for Goods and Services)*

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

All contracts between the district and outside agencies shall conform to standards required by law and shall be prepared under the direction of the Superintendent or designee.

*(cf. 2121- Superintendent's Contract)*

*(cf. 4312.1 - Contracts)*

*(cf. 9124 - Attorney)*

When required by law, contracts and subcontracts made by the district for construction shall contain a nondiscrimination clause prohibiting discrimination by contractors or subcontractors. The nondiscrimination clause shall contain a provision requiring contractors and subcontractors to give written notice of their obligations to labor organizations with which they have a collective bargaining or other agreement. (Government Code 12990)

The district shall not enter into a contract that prohibits a school employee from disparaging the goods or services of the contracting party. (Education Code 35182.5)

### **Contracts for Non-Nutritious Foods or Beverages**

Effective July 1, 2006, the district or a district school shall not enter into or renew a contract for the sale of foods that do not meet the nutritional standards specified in Education Code 49431 or 49431.2 unless the contract specifies that such sales will occur later than one-half hour after the end of the school day and/or off school premises. (Education Code 49431, 49431.2)

*(cf. 3554 - Other Food Sales)*

**CONTRACTS** (continued)

Before the district or a district school enters into or renews a contract that grants exclusive or nonexclusive advertising or sale of carbonated beverages, non-nutritious beverages, or non-nutritious food as defined in law, the Board shall ensure that the district has sufficient internal controls in place to protect the integrity of public funds and to ensure that funds raised as a result of the contract benefit public education. (Education Code 35182.5)

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

*(cf. 3311 - Bids)*

*Legal Reference:*

EDUCATION CODE

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

14505 *Provisions required in contracts for audits*

17595-17606 *Contracts*

35182.5 *Contract prohibitions*

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

49431-49431.5 *Nutritional standards*

CODE OF CIVIL PROCEDURE

685.010 *Rate of interest*

GOVERNMENT CODE

12990 *Nondiscrimination and compliance employment programs*

53260 *Contract provision re maximum cash settlement*

53262 *Ratification of contracts with administrative officers*

LABOR CODE

1775 *Penalties for violations*

1810-1813 *Working hours*

PUBLIC CONTRACT CODE

4100-4114 *Subletting and subcontracting fair practices*

7104 *Contracts for excavations; discovery of hazardous waste*

7106 *Noncollusion affidavit*

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

20104.50 *Construction Progress Payments*

22300 *Performance retentions*

UNITED STATES CODE, TITLE 20

681-1688 *Title IX, discrimination*

*Management Resources:*

SBA 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>

Regulation  
approved: August 22, 2000  
Revised: October 12, 2006

**PALERMO UNION SCHOOL DISTRICT**  
Palermo, California

**PAYMENT FOR GOODS AND SERVICES**

The Governing Board desires to have invoices paid on time in order that the district may take advantage of available discounts and avoid finance charges. The district shall not be responsible for unauthorized purchases.

*(cf. 3300 - Expenditures/Expending Authority)*

*(cf. 3312 - Contracts)*

*(cf. 3314.2 - Revolving Funds)*

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

The Superintendent or designee may pay invoices in excess of previously approved purchase order amounts without further Board approval when the excess amount represents sales tax, transportation charges or charges made for the detention of a shipment during loading or unloading.

*Legal Reference:*

EDUCATION CODE

*42630-42651 General provisions - orders, requisitions and warrants*

*42800-42806 Revolving cash fund*

*42810 Alternative revolving fund*

*42820 Prepayment funds*

CODE OF CIVIL PROCEDURE

*685.010 Rate of interest*

GOVERNMENT CODE

*5500 Definitions (facsimile signatures)*

*5501 Filing and certification of manual signature*

*5503 Unlawful use of facsimile signatures or seals*

PUBLIC CONTRACT CODE

*7107 Retention proceeds; withholding; disbursement*

*20104.50 Construction progress payments*

**PAYMENT FOR GOODS AND SERVICES**

**Payments Related to Construction**

The Superintendent or designee shall ensure that requests for progress payments related to construction contracts are processed and paid within 30 days. Any improper request shall be returned to the contractor within seven days, together with a written statement of why the request is not proper. (Public Contract Code 20104.50)

Retention proceeds withheld by the district from payments to contractors for construction shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between the district and the contractor, the district may withhold from the final payment an amount not to exceed 150% of the disputed amount. (Public Contract Code 7107)

**REVOLVING FUNDS**

**District Revolving Fund**

The Governing Board has established by resolution a revolving cash fund for use by the Superintendent or designee in paying for goods, services and other charges determined by the Board, including supplemental payments required to correct any payroll errors. (Education Code 42800-42806, 45167)

At the request of the Board, County Auditor or County Superintendent of Schools, the Superintendent or designee shall give an account of the fund. (Education Code 42804)

The funds shall be deposited in a bank doing business locally, whose deposits are insured by FDIC. The Superintendent or designee shall be responsible for all payments into the account as well as expenditures from the account subject to the restrictions established by the Board.

The Board shall review and revise fund usage as appropriate.

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

*Legal Reference:*

EDUCATION CODE

35160 Authority of governing boards

41020 Audits of all district funds

42238 Local taxation by school districts

42800-42806 Revolving cash fund

42810 Revolving cash funds; use; administrators

45167 Error in salary

**CLAIMS AND ACTIONS AGAINST THE DISTRICT**

Any and all claims for money or damages against the district must be presented to and acted upon in accordance with Governing Board policy and administrative regulation. Compliance with district procedures is a prerequisite to any court action, unless the claim is governed by statutes or regulations which expressly free the claimant from the obligation to comply with this policy and the claims procedures set forth in the Government Code.

This policy is intended to apply retroactively to any existing causes of action and/or claims for money and/or damages.

*Legal Reference:*

EDUCATION CODE

35200 *Liability for debts and contracts*

35202 *Claims against districts; applicability of Government Code*

GOVERNMENT CODE

800 *Cost in civil actions*

810-996.6 *Claims and actions against public entities*

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

COURT DECISIONS

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

**CLAIMS AND ACTIONS AGAINST THE DISTRICT**

**Time Limitations**

1. Claims for money or damages relating to a cause of action for death or for injury to person, personal property or growing crops shall be presented to the Governing Board no 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 paragraph #1 above shall be filed not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)
3. Claims for money or damages specifically excepted from Government Code 905 shall be filed not later than six months after the accrual of the cause of action. (Government Code 905, 911.2, 935)

**Late Claims**

Claims under paragraphs #1 and #3 above which are filed later than six months after the accrual of the cause of action must be accompanied by an application to file a late claim. Such claim and application to file a late claim must be filed not later than one year after the accrual of the cause of action.

If a claim under paragraphs #1 or #3 is filed late and is not accompanied by the application, the Board or Superintendent shall, within 45 days, give written notice that the claim was not filed timely and that it is being returned without further action. The notice shall be in the form set forth in Exhibit A.

The application to file a late claim shall state the reason for the delay. The Board shall grant or deny the application within 45 days after it is presented. By mutual agreement of the claimant and the Board, this 45-day period may be extended by written agreement made before the expiration of such period. If the Board does not take action on the application within 45 days, it shall be deemed to have been denied on the 45th day unless such time period has been extended, in which case it shall be denied on the last day of the period specified in the extension agreement.

If the application to present a late claim is denied, the claimant shall be given notice in the form set forth in Exhibit B. (Government Code 911.3, 911.4, 911.6, 911.8, 912.2, 935)

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

### **Delivery and Form of Claim**

A claim, any amendment thereto, or an application for leave to present a late claim shall be deemed presented when delivered to the office of the Superintendent or deposited in a post office, subpost office, substation, or mail chute or other like facility maintained by the U.S. Government in a sealed envelope properly addressed to the district office with postage paid. (Government Code 915, 915.2)

Claims may be submitted on the district claim form or as prescribed in Section 910 and 910.2 of the Government Code. (Government Code 910, 910.2, 910.4)

### **Notice of Claim Insufficiency**

The Superintendent shall review all claims for sufficiency of information. The Superintendent or designee may, within 20 days of receipt of claim, either personally deliver or mail to claimant a notice as set forth in Exhibit C stating deficiencies in the claim presented. If such notice is delivered or sent to claimant, the Board shall not act upon the claim until at least 15 days after such notice is sent. (Government Code 910.8, 915.4)

### **Amendments to Claim**

Claims may be amended within the above time limits or prior to final action by the Board, whichever is later, if the claim, as amended, relates to the same transaction or occurrence which gave rise to the original claim.

### **Action on Claim**

Within 45 days after the presentation or amendment of a claim, the Board (or Superintendent, if delegated this authority) shall take action on the claim. (Government Code 912.4) This time limit may be extended by written agreement before the expiration of the 45-day period or before legal action is commenced or barred by legal limitations. (Government Code 912.4) The Superintendent shall transmit to the claimant a notice of action taken. The notice shall be in the form set forth in Exhibit D. (Government Code 913)

If no action is taken within the prescribed time limits, the claim shall be deemed to have been rejected and the claimant notified in accordance with Government Code 913. (Government Code 945.6)

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

**Roster of Public Agencies**

The Superintendent shall annually verify that all information regarding the school district and the Board is filed accurately with the Roster of Public Agencies in the office of the Secretary of State and the County Clerk. The verified 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)

**S A M P L E**

**Exhibit A**

**NOTICE OF FAILURE TO FILE IN A TIMELY MANNER**

TO: [Claimant]  
[Address]

RE: Claim Filed [insert date]

The claim you presented to the Superintendent on \_\_\_\_\_ is being returned because it was not presented within six months after the event or occurrence as required by law. See Government Code 901, 911.2 and 935. Because the claim was not presented within the time allowed by law, no action was taken on the claim.

Your only recourse at this time is to apply without delay to the district for leave to present a late claim. See Sections 911.4 through 912.2 and Section 946.6 of the Government Code. Under some circumstances, leave to present a late claim will be granted. See Government Code 911.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

**S A M P L E**

**EXHIBIT B**

**WARNING**

IF YOU WISH TO FILE A COURT ACTION ON THIS MATTER, YOU MUST FIRST PETITION THE APPROPRIATE COURT FOR AN ORDER RELIEVING YOU FROM THE PROVISIONS OF GOVERNMENT CODE 945.4 (CLAIMS PRESENTATION REQUIREMENT). SEE GOVERNMENT CODE 945.6. SUCH PETITION MUST BE FILED WITH THE COURT WITHIN SIX MONTHS FROM THE DATE YOUR APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM WAS DENIED.

YOU MAY SEEK THE ADVICE OF AN ATTORNEY OF YOUR CHOICE IN CONNECTION WITH THIS MATTER. IF YOU DESIRE TO CONSULT AN ATTORNEY, YOU SHOULD DO SO IMMEDIATELY.

**S A M P L E**

**EXHIBIT C**

**NOTICE OF INSUFFICIENCY**

Dear \_\_\_\_\_:

Please notice that the claim presented by you on     Date     fails to comply substantially with the requirements of Government Code Sections 910 and 910.2 (or with the requirements of Section 910.4, if a claim is presented on a general claim form provided by the State Board of Control.) Specifically, your claim is insufficient because of the following defects or omissions:

Therefore, the claim is being return to you without further action or consideration. If you wish to pursue this further, you should consult the California Government Code or legal counsel.

The Board will not take any action on the claim for a period of 15 days from the date of this notice.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Typed Title of Officer)

**S A M P L E**

**EXHIBIT D**

**NOTICE OF ACTION TAKEN ON CLAIM**

Dear \_\_\_\_\_

Notice is hereby given that the claim you presented to the District on \_\_\_\_\_ was (rejected, allowed, allowed in the amount of \$\_\_\_\_\_ and rejected to the balance, rejected by operation of law) on (date of action or rejection by operation of law).

**WARNING**

Subject to certain exceptions, you have only six months from the date this letter was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Title of Officer

**TRAVEL EXPENSES**

The Governing Board shall authorize payment for actual and necessary expenses, including travel, incurred by any employee performing authorized services for the district.

The Superintendent may approve employee requests to attend meetings in accordance with the adopted budget.

*(cf. 4131 - Staff Development)*

*(cf. 4131.5 - Professional Growth)*

*(cf. 4231 - Staff Development)*

*(cf. 4331 - Staff Development)*

Expenses shall be reimbursed within limits approved by the Board. The Superintendent or designee shall establish procedures for the submission and verification of expense claims. He/she may authorize an advance of funds to cover necessary expenses.

The Board may establish an allowance on either a mileage or monthly basis to reimburse authorized employees for the use of their own vehicles in the performance of assigned duties.

All out-of-state travel for which reimbursement will be claimed shall have Board approval. Travel expenses not previously budgeted also shall be approved on an individual basis by the Board.

Authorized employees may use district credit cards while attending to district business. Under no circumstances may personal expenses be charged on district credit cards.

*(cf. 9240 - Board Development)*

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

*Legal Reference:*

EDUCATION CODE

44016 *Travel expense*

44032 *Travel expense payment*

44033 *Automobile allowance*

44802 *Student teacher's travel expense*

**MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS**

In order to oversee the district's financial integrity, the Governing Board desires to have a clear picture of the district's current financial condition readily available at all times. Audits and quality control reviews shall be conducted in accordance with law.

The Superintendent or designee shall ensure that the district's accounting system provides ongoing internal controls and a means of ascertaining whether the district's income and expenditures are in keeping with the adopted budget.

*(cf. 3100 - Budget)  
(cf. 3300 - Expenditures/Expending Authority)  
(cf. 3460 - Financial Reports and Accountability)*

The Board recognizes the importance of accurately identifying and valuing district assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. District assets with a useful life of more than one year and an initial acquisition cost of \$10,000 or more shall be considered capital assets.

*(cf. 3440 - Inventories)*

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.

*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  
41344 Repayment of apportionment significant audit exceptions  
42600-42604 Control of expenditures  
42647 Drawing of warrants by district on county treasurer; form; reports, statements and other data  
GOVERNMENT CODE  
53995-53997 Obligation of contract*

*Management Resources:  
GOVERNMENTAL STANDARDS ACCOUNTING BOARD  
Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, June 1999  
CDE COMMUNICATIONS  
1208.00 Audit Resolution Process: Repayment Plans  
WEB SITES  
Governmental Accounting Standards Board: <http://www.gasb.org>  
CDE: <http://www.cde.ca.gov>  
Education Audit Appeals Panel: <http://www.eaap.ca.gov>  
State Controller's Office: <http://www.sco.ca.gov/>*

Revised: May 28, 2003

**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)*

**Audit**

By April 1 of each year, the Governing Board shall provide for an audit of all district accounts, any other funds which are administered pursuant to a joint powers agreement, and attendance procedures. To conduct this audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy. The Superintendent or designee shall establish a timetable for the completion and review of the audit within the deadlines established by law.

The audit shall be conducted in accordance with General Accounting Office standards for financial and compliance audits. (Education Code 14503)

*(cf. 3451 - Petty Cash Funds)*

*(cf. 3452 - Student Activity Funds)*

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

The audit shall identify all expenditures by source of funds and shall contain: (Education Code 41020)

1. A statement that the audit was conducted pursuant to standards and procedures established in the audit guides developed by the State Controller
2. A summary of audit exceptions and management improvement recommendations
3. A description of the specific actions that are planned or that have been taken to correct any problem identified by the auditor

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

**MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS (continued)**

By January 31 of each year, the Board shall review, at an open meeting, the annual district audit for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or any issue raised in a management letter. (Education Code 41020.3)

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

**Quality Control Reviews**

The independent auditor shall complete a quality control review every three years in accordance with General Accounting Office standards. (Education Code 14503)

**INVENTORIES**

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

1. All items currently valued in excess of \$500 (Education Code 35168)
2. All items purchased with federal funds that have a useful life of more than one year with an acquisition cost per unit of \$10,000 or more with the exception of items purchased with Carl D. Perkins funds, for which the \$500 threshold will be applied. (34 CFR 80.3)

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

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

*(cf. 3512 - Equipment)*

The Superintendent or designee shall maintain an inventory of all property. The following information must be recorded: (Education Code 35168)

1. Name and description of the property
2. Name of titleholder
3. Serial number or other identification number
4. Cost of the property (a reasonable estimate may be used if original cost is unknown)
5. Acquisition date
6. Location of use
7. Any ultimate disposition data including the date and method of disposal and sale price

The following information must also be recorded for items acquired with federal funds: (34 CFR 80.32)

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

At least once every two years, a physical inventory shall be conducted and the results reconciled with the property records. (34 CFR 80.32)

**INVENTORIES** (continued)

Each school shall maintain a copy of its inventory and provide a copy of this inventory to the district office. Copies of all district inventories shall be kept at the district office.

*Legal Reference:*

EDUCATION CODE

35168 *Inventory of equipment*

CODE OF REGULATIONS, TITLE 5

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

16023 *Class 1 - Permanent records*

16035 *Historical inventory of equipment*

UNITED STATES CODE, TITLE 20

2301-2471 *Carl D. Perkins Vocational Education Act*

CODE OF FEDERAL REGULATIONS, TITLE 34

80.1-80.52 *Uniform administration requirements for grants to state and local governments*

*Management Resources:*

OFFICE OF MANAGEMENT AND BUDGET

*Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, May 17, 1995*

**PETTY CASH FUNDS**

The purpose of a petty cash fund is to have cash available in the office of the principal or other administrative officer for express charges, postage due and other unforeseen small expenses which cannot conveniently be charged and handled in the usual manner.

1. The amount of cash funds at any school site shall not exceed \$75.
2. The principal or administrative official in whose name the fund is created will be responsible for all expenditures made from it.
3. Each disbursement will be supported by a cash register tape, a sales slip or other evidence of the expenditure. Such evidence will be summarized monthly, or earlier if the fund needs replenishment.
4. The documents and the summary will be forwarded to the business office where a check will be issued to replenish the fund.
5. The amount on deposit plus receipts of disbursement must always equal the original amount of the fund.
6. Funds will be regularly audited by the business office.
7. Funds are subject to audit by the district's auditor.
8. Money left overnight in schools shall be kept in a locked, secured place.

*(cf. 3314.2 - Revolving Funds)*

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

*Legal Reference:*

EDUCATION CODE

*35160 Authority of governing boards*

*35250 Duty to keep certain records*

*41020 Requirement for annual audit*

*42800-42810 Revolving funds*

**STUDENT ACTIVITY FUNDS**

Student organizations may raise and spend money in order to promote the general welfare, morale and educational experiences of the students. Student funds shall finance worthwhile activities which go beyond those provided by the district. Minutes shall be kept of student organization meetings and shall properly reflect all financial activities.

*(cf. 1321 - Solicitation of Funds from and by Students)*  
*(cf. 3554 - Other Food Sales)*

Student funds shall be managed in accordance with sound business procedures designed to encourage the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or unnecessary routine.

With Governing Board approval, student funds shall be held or invested in one of the following ways:

1. Deposited or invested in a federally insured bank or savings and loan; or in a state or federally insured credit union. (Education Code 48933)
2. Invested in U.S. savings bonds or obligations. (Education Code 48933)
3. Loaned to other district student organizations or invested in district property improvements pursuant to Education Code 48936.

Student funds shall be disbursed according to procedures established by the student organization. All disbursements must be approved by a Board-designated official, the certificated employee who is the student organization advisor and a student organization representative. (Education Code 48933)

The principal or designee shall be responsible for the proper conduct of all student organization financial activities. The Superintendent or designee shall periodically review the organizations' general financial structures and accounting procedures.

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

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

*Legal Reference: (see next page)*

**STUDENT ACTIVITY FUNDS** (continued)

*Legal Reference:*

EDUCATION CODE

*41020 Requirement for annual audit*

*48930-48938 Student body organization*

**FINANCIAL REPORTS AND ACCOUNTABILITY**

The Governing Board is committed to ensuring accountability to the public for the fiscal health of the district. The Board shall adopt sound fiscal policies and oversee the district's financial condition. The Superintendent or designee shall regularly keep the Board informed about the district's finances and shall submit timely reports so that the Board can take appropriate action to ensure the district's financial stability. The Superintendent or designee may recommend amendments to the district's budgeted revenues and expenditures as may be necessary to maintain a balanced budget.

*(cf. 3020 - Fiscal Policy Team)*

*(cf. 3100 - Budget)*

*(cf. 3300 - Expenditures/Expending Authority)*

*(cf. 3430 - Investing)*

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

*Legal Reference:*

EDUCATION CODE

*17150 Public disclosure of non-voter-approved debt*

*33127 Standards and criteria for local budgets and expenditures*

*33128 Standards and criteria; inclusions*

*33129 Standards and criteria; use by local agencies*

*35035 Powers and duties of superintendent*

*41010 Accounting system*

*41020 Requirement for annual audit by county superintendent of schools*

*41450 Assistance and guidance to local offices of education*

*41455 Examination of financial problems of local districts*

*42100 Requirement to prepare and file annual statement*

*42127.6 School district operations monitoring; financial obligation nonpayment*

*42130-42134 Financial reports and certifications*

*42140-42142 Public disclosure of fiscal obligations*

*42647 Drawing of warrants by district on county treasurer; form of warrant; application and approval*

GOVERNMENT CODE

*3540.2 School district; qualified or negative certification; proposed agreement review and comment*

*16429.1 Local agency investment fund*

*53646 Reports of investment policy and compliance*

CODE OF REGULATIONS, TITLE 5

*15453-15463 Criteria and Standards for School District Interim Reports*

*15480-15490 Criteria and Standards for County Office of Education Reports*

## **FINANCIAL REPORTS AND ACCOUNTABILITY**

### **Interim Reports**

The Superintendent or designee shall submit two interim fiscal reports to the Governing 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 also be made available by the district for public review. (Education Code 35035, 42130)

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

Within 45 days after the close of the period reported, the Board shall assess these reports of the district's financial condition on the basis of criteria adopted by the State Board of Education and on current information regarding the adopted state budget, district property tax revenues if any, and ending balances for the preceding year. The Board shall approve the fiscal reports and send the County Superintendent of Schools these reports and its certification of the district's financial status based on current projections, in accordance with the following: (Education Code 42131)

1. A "positive certification" will indicate that the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
2. A "qualified certification" will indicate that the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
3. A "negative certification" will indicate that the district will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

Qualified or negative certifications shall also be sent to the Superintendent of Public Instruction and State Controller, together with a copy of the fiscal report and a completed transmittal form provided by the Superintendent of Public Instruction. (Education Code 42131)

If the Board files a qualified or negative certification for the second report of the fiscal year, or if its second report is classified as qualified or negative by the County Superintendent of Schools, the Superintendent or designee shall provide to the County Superintendent of Schools, the Controller, and the Superintendent of Public Instruction, no later than June 1, a financial statement that reports data for the period ending April 30 and projects the district's fund and cash balances as of June 30. (Education Code 42131)

## **FINANCIAL REPORTS AND ACCOUNTABILITY (continued)**

### **Annual Financial Report**

On a form prescribed by the Superintendent of Public Instruction, the Superintendent or designee shall prepare a statement of all receipts and expenditures of the district for the preceding fiscal year. On or before September 15, the Board shall approve this statement and file it with the County Superintendent of Schools. (Education Code 42100)

### **Appropriations Limit Report**

The Board shall adopt a resolution by September 30 of each year to identify the estimated appropriations limit for the district for the current fiscal year and the actual appropriations limit of the district during the preceding year. Documentation used to identify these limits shall be made available to the public on the day of the meeting. (Education Code 42132)

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

### **Non-Voter-Approved Debt Report**

Whenever the Board approves the issuance of certificates of participation or revenue bonds, 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 of Schools and the public with related repayment schedules and evidence of the district's ability to repay the obligation. Within 15 days, the County Superintendent and county auditor may comment publicly to the Board regarding the district's capability to repay the debt. (Education Code 17150)

### **Investment Reports**

Within 30 days of the end of each quarter, the Superintendent or designee shall provide the Board with quarterly reports of district investments that are more than \$25,000. This report shall include the following: (Government Code 53646)

1. The extent to which the portfolio complies and/or does not comply with the district's investment policy

*(cf. 3430 - Investing)*

2. A statement denoting the district's ability to meet its pool's expenditure requirements for the next six months, or an explanation of why sufficient money shall or may not be available

**FINANCIAL REPORTS AND ACCOUNTABILITY** (continued)

3. The most recent statement(s) received from 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
4. The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the district other than those specified in item #3 above
5. A description of any district funds, investments or programs that are under the management of contracted parties, including lending programs
6. The current market value, and the source of this information, for all securities held by the district and under management of any outside party that is not another local agency or the state's local agency investment fund

In the above report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices. (Government Code 53646)

approved: August 22, 2000

Palermo, California