MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

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

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

Capital Assets

The Superintendent or designee shall develop a system to accurately identify and value district assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. District assets with a useful life of more than one year and an initial acquisition cost of $5,000 or more shall be considered capital assets. The Superintendent or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets. The Superintendent or designee shall maintain an inventory of acquired items of equipment with a market value of $500 or more.

(Cf. 3440 - Inventories)

Internal Controls/Fraud Prevention

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

The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the district. These internal controls may include, but are not limited to, separating employee duties related to authorization, custody of assets, and recording or reporting of transactions; adopting an integrated financial system; and providing in-service training on the importance of fraud prevention.

All employees should be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or
irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the San Diego Unified Fraud Hotline at (800) 539-6621 or at www.tnwinc.com/reportline/university.

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

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

Legal Reference:

EDUCATION CODE
14500-14508  Financial and compliance audits
35035  Powers and duties of superintendent
35250  Duty to keep certain records and reports
41010-41023  Accounting regulations, budget controls and audits
42600-42603  Control of expenditures
42647  Drawing of warrants by district on county treasurer; form; reports, statements and other data

GOVERNMENT CODE
53995-53997  Obligation of contract

Management Resources:

CSBA PUBLICATIONS
Maximizing School Board Governance: Budget Planning and Adoption, 2006
Maximizing School Board Governance: Fiscal Accountability, 2006
School Finance CD-ROM, 2005

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

WEB SITES
CSBA: http://www.csba.org
California Association of School Business Officials: http://www.casbo.org
California Department of Education, School Finance: http://www.cde.ca.gov/fg
California State Controller’s Office: http://www.sco.ca.gov
Fiscal Crisis & Management Assistance Team: http://www.fcmat.org
Governmental Accounting Standards Board: http://www.gasb.org
School Services of California: http://www.sscal.com

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