

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

Accounts

The district's accounting system shall fully comply with the definitions, instructions and procedures set forth in the California Department of Education School Accounting Manual. (Education Code 41010)

The Superintendent or designee shall ensure that funds are encumbered in the district accounting records immediately after an expenditure is committed for subsequent payment.

(cf. 3110 - Transfer of Funds)

Fraud Prevention and Investigation

Fraud, financial improprieties or irregularities include but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the district
2. Forgery or unauthorized alteration of a check, bank draft or any other financial document
3. Misappropriation of funds, securities, supplies or other assets
4. Impropriety in the handling of money or reporting of financial transactions
5. Profiteering as a result of insider knowledge of district information or activities
6. Disclosing confidential and/or proprietary information to outside parties

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)

7. Disclosing investment activities engaged in or contemplated by the district

(cf. 3430 - Investing)

8. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the district
9. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment
10. Failing to provide financial records to authorized state or local entities
11. Any other dishonest or fraudulent act

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The Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent or designee shall issue a report to appropriate personnel and to the Governing Board. The final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

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

Acquisition and Reporting of Fixed Assets

Generally Accepted Auditing Standards, the California Education Code, and proper management of district property require that the value of the district's fixed assets be maintained, that certain property be inventoried, and that annual reports be prepared. In this regard, the following guidelines are established:

1. Items under \$500 are considered to be supply items and shall be charged to the appropriate object classification in the 4000 objects only.
2. All costs for site and building improvements (objects 6170 and 6200, respectively) are capital improvements by California School Accounting Manual definition. Therefore, all costs reported in these objects increase the value of the district's fixed assets. All expenditures reported in these objects shall be included in the annual fixed asset report.
3. All costs for furniture and equipment shall be charged as follows: Those items that range in cost from \$500 to \$4,999 shall be charged to object code 4400 and items that cost \$5,000 or more shall be charged to object code 6400.
4. The existing fixed asset report consists of items with a purchase cost of \$500 or greater. All additions to this fixed asset listing shall include only items costing \$500 or more. When the fixed asset report is prepared for each fiscal year, it shall include a separate listing of all items, including acquisition cost, being added to fixed assets from July 1 through June 30 of each fiscal year.
5. Assets which are sold, lost, or stolen will be deducted from the fixed asset listing using the original acquisition costs. Donated items shall be added to the asset listing

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- using actual or estimated acquisition cost of the amount if \$500 or greater. Used items donated to the district will be added to the fixed asset listing using a value established by Inventory Control when the value is \$500 or greater.
6. Modifications to existing equipment with an acquisition cost from \$500-\$4,999 shall be charged to object 4400. Modifications \$5,000 or greater shall be charged to 6400. The modification, if \$5,000 or greater, shall be recorded as an increase in fixed assets in the year in which it occurs and then shall be added to the value of the original item for future reporting.
 7. Fixed assets which are replaced shall be removed from the fixed asset records of the district using the original acquisition cost. These amounts shall be deducted from the total of fixed assets each year when the fixed asset report is prepared. A separate report listing each item and its original cost shall be prepared for all items removed from fixed assets between July 1 and June 30 of each fiscal year.
 8. It is anticipated that changes will be necessary for inventory adjustments in the prior year's fixed asset reports. These changes will be made and identified as an adjustment to the prior year listing before current year additions are made in the final report.
 9. The Director of Finance shall be responsible for obtaining the annual furniture and equipment fixed asset report from the Purchasing Department and preparing the fixed asset report for the annual audit. All information shall be updated annually on a fiscal year basis.