

Business and Non-Instructional Operations

Management of District Assets/Accounts

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

Capital Assets

The Superintendent or designee shall develop a system to accurately identify and value District assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. District assets with a useful life of more than one year and an initial acquisition cost which meets or exceeds the amount recommended by GASB for the identification of capital assets shall be considered capital assets. The Superintendent or designee shall determine the estimated useful life of each capital asset and shall calculate and report the estimated loss of value or depreciation during each accounting period for all capital assets.

Internal Controls/Fraud Prevention

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

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

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

BP 3400(b)

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to the employee's immediate supervisor and/or the Superintendent or designee. In addition, the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

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

State Legal References:

EDUCATION CODE

- 12451.5 Audit by county superintendent
- 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
- 42600-42604 Control of expenditures
- 42647 Drawing of warrants by District on county treasurer; form; reports, statements and other data

ELECTIONS CODE

- 1090-1099 Prohibitions applicable to specified officers

GOVERNMENT CODE

- 53995-53997 Obligation of contract
- 84308 Campaign disclosure
- 87100-87500 Political Reform Act

Adopted: (7-88 10-93 2-06) 11-24

ORANGE UNIFIED SCHOOL DISTRICT
Orange, California