

Regulation 3400: Management Of District Assets/Accounts

Status: DRAFT

Original Adopted Date: 10/01/1993 | Last Revised Date: 05/11/2022 | Last Reviewed Date: 05/11/2022

Accounts

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

The district shall utilize CDE's standardized account code structure (SACS) software to develop financial reports. The district's accounting system shall comply with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB) and meet other state and federal reporting guidelines.

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

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
7. Disclosing investment activities engaged in or contemplated by the district
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. Overstating income, expenses, or misreporting time
12. Failing to report a conflict of interest
13. Any other dishonest or fraudulent act

District Investigation

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, and discussing or disclosing the result of any 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.

The district shall cooperate with the County Superintendent of Schools, Fiscal Crisis Management Assistance Team (FCMAT), law enforcement, or other governmental entities that conduct a fraud investigation, in accordance with law. (Education Code 1241.5)