

OFFICE OF THE SOLANO COUNTY SUPERINTENDENT OF SCHOOLS

Series 3000 – BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Policy 3400

Management of Assets/Accounts

The Solano County Office of Education (SCOE) recognizes its fiduciary responsibility to effectively manage and safeguard SCOE's assets and resources in order to help achieve its goals for student learning. The County Superintendent or designee shall establish and maintain an accurate, efficient financial management system that enhances SCOE'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 SCOE's accounting system provides ongoing internal controls and meets generally accepted accounting standards.

Capital Assets

The Superintendent or designee shall develop a system to accurately identify and value SCOE's assets in order to help ensure financial accountability and to minimize the risk of loss or misuse. SCOE's assets with a useful life of more than one year and an initial acquisition cost of \$15,000 or more, for items purchased prior to July 1, 2016, and \$50,000 or more for items purchased on or after July 1, 2016, shall be considered capital assets, unless items are purchased with funds that require a lower threshold by the granting agency. 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

SCOE expects employees, consultants, vendors, contractors, County Board of Education members, and other parties maintaining a business relationship with SCOE to act with integrity and due diligence in dealings involving SCOE'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 SCOE. These internal controls may include, but are not limited to, segregating 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; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

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 his/her 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, SCOE's auditors, law enforcement agencies, or other governmental entities, as appropriate.

Accounts

SCOE's accounting system shall fully comply with the definitions, instructions, and procedures set forth in the California Department of Education School Accounting Manual.

The Superintendent or designee shall ensure that funds are encumbered in SCOE's 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 SCOE
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 information or activities
6. Disclosing confidential and/or proprietary information to outside parties
7. Disclosing investment activities engaged in or contemplated by SCOE
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to SCOE
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

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. 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.

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
- 42600-42604 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

Policy Cross-Reference:

- 3000 Concepts and Roles
- 3100 Budget
- 3110 Transfer of Funds
- 3300 Expenditures and Purchases
- 3312 Contracts
- 3314 Payment for Goods and Services
- 3430 Investing
- 3440 Inventories
- 3460 Financial Reports and Accountability
- 4112.6 Personnel Files
- 4119.1 Civil and Legal Rights
- 4119.23 Unauthorized Release of Confidential/Privileged Information