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Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Michael L. Smith, Interim General Counsel

Board Meeting Date 5/8/2019

Subject Amendment, Board Policy – Business and Noninstructional Operations – BP 3400 Management of District Assets-Accounts

Action Requested and Recommendation Approval by the Board of Education of amendments to Board Policy – Business and Noninstructional Operations – BP 3400 Management of District Assets-Accounts

Background and Discussion Periodically modifications to board policies are recommended to align with changes in law or recommended best practices. The proposed modifications to the board policies reflect the District’s standards and are based on the California School Boards Association’s model policies.

The changes to the policy are shown on the attachment. The proposed deletions are indicated with **blue strikeouts**. The recommended additions are shown in **red**.

Fiscal Impact No direct funding implications

Attachments Board Policy BP 3400 Management of District Assets-Accounts

OAKLAND UNIFIED SCHOOL DISTRICT

Board Policy

Business and Noninstructional Operations

BP 3400

Management Of District Assets/Accounts

The Governing Board 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 ~~Deputy Superintendent of Business Services~~ designee shall establish and maintain an accurate, efficient financial management ~~systems~~ system that enhances the district's ability to meet ~~the district's~~ sits fiscal obligations, ~~produce useful information for~~ produces reliable financial reports, and ~~safeguard the district's resources~~ 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/Expending Authority and Purchases)

(cf. 3312 - Contracts)

(cf. 3314 - Payment for Goods and Services)

(cf. 3460 - Financial Reports and Accountability)

Capital Assets

The ~~Governing Board recognizes the importance of~~ Superintendent or designee shall develop a system to accurately ~~identifying~~ identify and ~~valuing~~ 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 ~~Deputy Superintendent of Business Services~~ 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.

(cf. 3440 - Inventories)

Internal Controls/Fraud Prevention and Investigation

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

The Superintendent or ~~Deputy Superintendent of Business Services~~ designee shall ~~be responsible for developing~~ develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the district. ~~Each member~~ 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 management team 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 ~~his/her~~their area of responsibility.

~~An~~ Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Superintendent or ~~Superintendent of Business. The~~designee. In addition, the Superintendent or ~~Deputy Superintendent of Business Services~~designee shall ~~have primary responsibility~~establish a method for ~~any necessary investigations, in coordination with legal counsel~~employees and ~~other internal~~outside persons to anonymously report any suspected instances of fraud, impropriety, or ~~external departments and agencies as appropriate~~irregularity.

(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.

The Superintendent or designee shall provide regular reports to the Board on the status of the district's internal control procedures and recommend any necessary revisions to related Board policies or administrative regulations.

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~~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 Leadership: Finance, 1996~~

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.femat.org>
Governmental Accounting Standards Board: <http://www.gasb.org>
~~CDE, School Fiscal Services:~~ <http://www.cde.ca.gov/fiscal>
~~State Controller's Office:~~ <http://www.sco.ca.gov>
~~Fiscal Crisis and Management Assistance Team:~~ <http://www.femat.org>
School Services of California: <http://www.sscal.com>
~~California Association of School Business Officials:~~ <http://www.casbo.org>

7/14/04; 5/8/19A

OAKLAND UNIFIED SCHOOL DISTRICT

Board Policy

Business and Noninstructional Operations

BP 3400

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Fiscal Crisis & Management Assistance Team: <http://www.fcmat.org>

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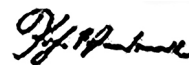
School Services of California: <http://www.sscal.com>

7/14/04; 5/8/19A



5/9/19

Aimee Eng
President, Board of Education



5/9/19

Kyla Johnson-Trammell
Secretary, Board of Education