

Santa Barbara Unified School District

Administrative Regulation

Business and Non-Instructional Operations

AR 3001

FISCAL ACCOUNTABILITY

1. Financial Information - The Deputy Superintendent-Business Services shall provide full and timely information to the Governing Board and the public regarding the following:
 - a. The current status of the district finances, including monthly statements that show the amount budgeted, actual expenditures, encumbrances, and unencumbered balances for each expenditure classification. The Board shall be promptly advised of any substantive change in the district's financial situation.
 - b. The fiscal impact of decisions under consideration by the Board, including multi-year financial projections for all significant proposals put to the Board.
2. Budget Development - The Deputy Superintendent-Business Services shall be responsible for establishing a formal budget development process to coordinate input from the Board, program directors, district and site administrators; and for ensuring that the adopted budget is aligned with the strategic planning objectives and priorities set by the Board.
3. Fiscal Operation - Responsibility for oversight of Fiscal Accountability rests with the Deputy Superintendent-Business Services. Under his or her supervision, the Director of Fiscal Services and Internal Auditor shall plan, organize and direct the work of the Fiscal Services Department in a manner that maintains fiscal accountability by assuring that:
 - a. Warrants are issued in accordance with procedures provided by the County Auditor-Controller and Board Policy.
 - b. Expenditures are consistent with budget authorization and have approval from the authorized program manager.
 - c. Records of all transactions are maintained and are sufficient to substantiate the appropriateness and authenticity of each financial transaction.
 - d. Separation of duties is maintained to ensure independence between the receipt and disbursement of funds, custodial account functions, and internal auditing functions.
 - e. Appropriate controls are maintained between the purchasing and accounts payable function, and between the personnel and payroll functions.
 - f. An Operations Manual containing financial and management procedures and policies is maintained and used.
 - g. Financial information is reported to the County Superintendent in a timely and thorough manner and in the format required by the County.
4. Budget Control - Prior to authorization of expenditure, all requisitions will be reviewed for verification of account codes and to ensure that sufficient funds are available. This review will be performed under the supervision of the Director of Fiscal Services and verified by the Disbursing Officer Internal Auditor.

5. Authorization of Budgetary Transfers - As mandated by Education Code 42600, all transfers from the Undistributed Reserve require a two-thirds majority vote of the Board (i.e., four of five members). Resolutions authorizing such transfers will be submitted to the Board for approval. Copies of such resolutions will be forwarded to the County Superintendent of Schools.
6. Disbursing Officer - The district's Internal Auditor shall serve as the district's Disbursing Officer according to the organizational chart attached.
 - a. The Disbursing Officer is responsible for issuing warrants for expenditures that have been approved by the Board, following procedures prescribed by the County Auditor-Controller.
 - b. The Disbursing Officer shall have independent access to legal counsel and independent authority to disapprove purchases where legal deficiencies exist.
 - c. The Disbursing Officer shall be included in the Comprehensive Crime Liability Coverage in the amount of \$250,000.
7. Warrant Control - Warrants are to be stored in a locked cabinet in the Data Processing Department. An accurate log is to be maintained of all warrants. Keys to the cabinet are to be held in possession of the Internal Auditor and the Director of Data Processing only.
8. Signature Plate Security and Control - The signature plate of the Deputy Superintendent will be under the sole control of the Financial Control Analyst. During his/her absence from the district for vacation or illness, control will be personally handed over to the Director of Fiscal Services. At no time will more than one employee have access to the check signing machine or the Superintendent's signature plate.
9. Record Retention and Accessibility to the Public - Permanent records are maintained on computer disk. One copy is maintained in the Business Office, and one is stored in a fireproof vault off-site. All processed Compact Discs are reviewed for completeness and readability before being accepted. Hard copy records are usually maintained for three years after being copied to Compact Disc. Hard copy records will be destroyed in accordance with guidelines presented in Records Retention Manual, 4th Edition 2001.

District records are available for public review during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, legal holidays accepted.
10. Garnishments – District's Payroll Department will receive all notices of garnishment or lien against employees and will implement the necessary payroll deductions in accordance with the specific instructions provided with each type of notice.
11. Stop Notices, Levies, Liens, Assignments - When a subcontractor is seeking a lien against a general contractor, preliminary notice of lien shall be filed by subcontractor with the district within 20 days after first furnishing material or labor. If the subcontractor files a Stop Notice before district's final 10 percent payment and has complied with the above preliminary notice, the district will notify contractor of such notice and hold payment until material release and waiver of lien is obtained.

When a formal levy is filed against a district vendor by the Internal Revenue Service or Court Order, the district will administer such levy by complying with the specific instructions contained therein. This will entail withholding payment from vendor, and remitting the amount required to

be withheld to the levying agency, with a copy of the transaction going to the vendor. If there is no time limit specified in the levy, a "Release of Levy" is required before the district can resume payments to the vendor.

12. Duplicate Warrant Issuance - Before a duplicate or replacement warrant is issued, disposition of the original warrant must be processed as follows:

If the original warrant is still available, it will be sent with a completed "Request for Cancellation of Warrant" to the district's Accounting Office. The form specifies the district, Fund, Payee, Warrant Number, Amount, Account Number, Reason for Cancellation, and Signature of the Director of Fiscal Services or Deputy Superintendent-Business Services.

Upon completion of the appropriate disposition of the original warrant, a replacement warrant can be prepared using the usual issuance process.

13. Lost and Forged Warrant Investigations - If the original warrant is lost, destroyed, or stolen, then the district will obtain from the vendor/payee a notarized "Affidavit to Obtain Duplicate of Lost or Destroyed Warrant". If the missing warrant has been cashed with a forged signature, then the Affidavit should be augmented with a statement in the vendor's handwriting stating, "Under penalty of perjury, the signature on the warrant is not my signature".

SANTA BARBARA UNIFIED SCHOOL DISTRICT

Santa Barbara, California July 10, 2002; June 17, 2008; August 10, 2010