

# **Santa Barbara Unified School District**

## **Administrative Regulation**

### **Business and Non-Instructional Operations**

**AR 3400**

#### **MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS**

##### **Accounts**

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

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

*(cf. 3110 - Transfer of Funds)*

##### **Fraud Prevention and Investigation**

Fraud, financial improprieties or irregularities include but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or unauthorized alteration of any document or account belonging to the district, including but not limited to attendance reporting, time cards, payroll records, audit documents and state reports
3. Forgery or unauthorized alteration of a check, bank draft or any other financial document
4. Misappropriation of funds, securities, supplies or other assets
5. Impropriety in the handling of money or reporting of financial transactions
6. Destroying, removing or inappropriately using of records, furniture, fixtures or equipment
7. Profiteering as a result of insider knowledge of district activities
8. Disclosing confidential and/or proprietary information to outside parties
9. Disclosing to other person securities activities or property negotiation engaged in or contemplated by the district
10. Accepting or seeking for professional gain or use anything of material value from contractors, vendors or persons providing services/materials to the district
11. Destruction, removal or inappropriate use of records, furniture, fixtures, equipment, properties, assets; and/or
12. Any similar or related irregularity to those specified above

##### **Confidentiality**

The Superintendent or designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. Any employee that suspects dishonest or fraudulent activity should immediately notify their immediate supervisor, when possible, and/or the Superintendent's Office, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected dishonest/fraudulent act.

All employees involved in the investigation shall be advised to keep information about the investigation confidential. No information concerning the status of an investigation will be given to anyone without a legitimate reason to know. Under no circumstances should any reference be made to the allegation, crime, fraud, forgery, misappropriation, or any other specific reference. The reporting individual should be advised of the following:

1. Do not contact the suspected individual in an effort to determine the facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the district's legal counsel.

All inquiries concerning the activity under investigation from the suspected individual, his/her attorney or representative, or any other inquirer should be directed the Superintendent or designee and/or the district's legal counsel.

In order to both avoid damaging the reputations of person suspected of misconduct but subsequently found innocent of any wrongdoing and to protect the district from potential civil liability, the result of any investigating shall not be disclosed or discussed with anyone other than those individuals who have a legitimate reason to know.

### **Investigative Responsibilities and Authorization**

The Superintendent or designee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress.

Where there exists reasonable cause, and to the extent permitted by law, the Superintendent or designee is authorized upon the initiation of an investigation, and after consulting with appropriate management personnel, to have free and unrestricted access to all district records and premises whether owned or rented.

If the 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 shall be made in consultation with legal counsel.

*(cf. 4112.6/4212.6/4312.6 - Personnel Files)*

*(cf. 4119.1/4219.1/4319.1 - Civil and Legal Rights)*

SANTA BARBARA UNIFIED SCHOOL DISTRICT  
Santa Barbara, California      June 17, 2008; August 10, 2010